Freddie Mac Releases Updated Single-Family Social Bond Framework

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New Mission-Centered MBS and Retooled Disclosures to Support Underserved Borrowers

MCLEAN, Va., Jan. 23, 2024 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced its updated Single-Family Social MBS and Corporate Debt Bonds Framework, which includes updates to its mortgage-backed securities (MBS) disclosures. The updates are designed to further support underserved borrowers' access to credit and affordable housing as part of the company's mission and goals.

"Freddie Mac puts its affordable housing finance mission at the center of its work, and the new social bond framework reflects that emphasis," said Freddie Mac Vice President Barbara Pak, Head of Single-Family Securitization. "The framework is an evolution of our effort to provide MBS investors with actionable information and mission-driven investment opportunities. By helping investors meet their socially responsible investing goals, we're better positioned to make home possible for underserved borrowers across the country."

As part of the framework updates, Freddie Mac and Fannie Mae (the Enterprises) will rename their existing Social Index as the "Mission Index" in February 2024 and update the formulation of the index in May 2024 and February 2024, respectively. The renamed and reformulated Mission Index will begin to apply to pools issued by Freddie Mac beginning in June 2024 and for Fannie Mae beginning in March 2024.

The updated framework sets forth the criteria for Freddie Mac mortgage collateral that is eligible to be pooled, issued and labeled as "Social MBS" beginning with June 2024 issuances. The label will be applied to an MBS when its underlying pool exceeds a certain score in the Mission Index.

Freddie Mac obtained a second party opinion from ratings and data firm Sustainalytics that the framework is credible and impactful and aligns with the four core components of the International Capital Market Association's Social Bond Principles 2023.

Freddie Mac also plans to provide Social MBS impact reporting annually beginning in 2025, which will help market participants understand the effects of the loans underlying their Social MBS investment.

The updated framework is being rolled out in alignment with Fannie Mae and in cooperation with FHFA.

More information on the Freddie Mac Single-Family Social MBS and Corporate Debt Bonds Framework and Mission Index is available on Freddie Mac's website, and via the following resources:

- Freddie Mac and Fannie Mae "Mission in Focus" Commentary
- Freddie Mac Single-Family Social Bonds
- Sustainalytics Second Party Opinion
- UMBS and MBS Offering Circular

Freddie Mac's mission is to make home possible for families across the nation. We promote liquidity, stability, affordability and equity in the housing market throughout all economic cycles. Since 1970, we have helped tens of millions of families buy, rent or keep their home. Learn More: Website | Consumers | LinkedIn | Facebook | Instagram | YouTube

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