



Freddie Mac to Initiate New Single Security-Related Investor Disclosures

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Another key milestone in future \$3.5 trillion TBA market, increasing liquidity and building a better housing finance system

MCLEAN, VA--(Marketwired - Aug 3, 2017) - [Freddie Mac](#) (OTCQB: FMCC) announced today that it will implement new or revised disclosures for single-family fixed-rate and adjustable-rate mortgage-backed securities (MBS). The disclosures are being implemented in connection with the Single Security Initiative, which is designed to increase liquidity and fungibility in the \$3.5 trillion to-be-announced (TBA) MBS market. The disclosures are a key step toward the launch of the uniform mortgage-backed security (UMBS), which is expected to occur in the second quarter of 2019.

Beginning on Aug. 28, 2017, Freddie Mac will release updated disclosures providing standardized loan-level and pool-level data for all of its mortgage participation certificates (PCs).

"Aligning disclosures is one of the many steps we are taking as we prepare for the introduction of the UMBS," said Mark D. Hanson, Freddie Mac's senior vice president of securitization. "This is a successful joint effort among several parties that will enhance the U.S. mortgage industry by modernizing the TBA market for both Freddie Mac and Fannie Mae."

Securities dealers, investors and data vendors should review the new disclosures to understand whether they need to make changes to their systems, software and/or processes. Freddie Mac's [Disclosure Guide.pdf](#) provides details as well as technical specifications that include definitions, enumerations, data types, formats and maximum attribute lengths for all disclosure files.

The [Single Security](#) Initiative is a joint Freddie Mac and Fannie Mae project under which a new common security -- the UMBS -- will be issued and guaranteed by one of the government-sponsored enterprises (GSEs), either Freddie Mac or Fannie Mae. Along with their joint venture, Common Securitization Solutions, LLC (CSS), Freddie Mac and Fannie Mae are working under the direction of the Federal Housing Finance Agency (FHFA) to prepare for the introduction of the UMBS. CSS operates the Common Securitization Platform (CSP), which will handle certain functions related to the issuance, administration and disclosures of UMBS on behalf of the GSEs.

On Nov. 21, 2016, Freddie Mac transferred certain issuance and bond administration functions for its Gold and Giant PCs to the CSP as part of Release 1 of the CSP. The transition of securities with billions of dollars of unpaid principal balance to the platform -- with no disruption of operations -- demonstrated that the platform is performing as expected.

The GSEs and CSS continue to move forward with the development and testing of Release 2 of the CSP, which will bring Fannie Mae's single-family fixed-rate and adjustable-rate securities to the platform, and begin the issuance of UMBS. CSP will perform bond administration and issuance of single-class and multiclass resecuritizations for both Freddie Mac and Fannie Mae. The GSEs will be able to issue resecuritizations backed by UMBS into new commingled resecuritizations that combine UMBS issued by Freddie Mac and Fannie Mae into one new commingled security issued by one of the GSEs.

News Facts:

- The Single Security Initiative will result in both GSEs issuing the new UMBS. Single-class resecuritizations of UMBS, whether commingled or not, will be called Supers. (Supers are the UMBS counterpart to Freddie Mac's Giant PCs and Fannie Mae's Megas.)
- There are approximately \$1.4 trillion in Freddie Mac 45-day PCs, of which an estimated \$1.1 trillion will be eligible for exchange by PC holders for 55-day UMBS once the new security is officially launched.
- UMBS and Supers have the potential to transform the separate multi-trillion dollar TBA markets for Freddie Mac and Fannie Mae MBS into a single TBA market of \$3.5 trillion, second in size only to the global market for U.S. Treasuries.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and [Freddie Mac's blog](#).

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in our reports filed with the SEC.