



Freddie Mac Surpasses \$200 Billion in Multifamily K-Deal and SB-Deal Securitizations

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Latest Milestone Signals Credit Risk Transfer Model's Growing Success

MCLEAN, VA--(Marketwired - Jun 6, 2017) - Today, [Freddie Mac](#) (OTCQB: FMCC) Multifamily announced it has securitized more than \$200 billion through its industry-leading K- and SB-Deal programs, reaching a significant new milestone. The K and SB Certificates enable Freddie Mac to support multifamily housing by transferring the first-loss credit risk on the vast majority of loans it purchases to private investors, greatly reducing the company's -- and the American taxpayer's -- exposure to credit risk.

Since the K-Deal was first introduced, the pace of issuances has increased from two deals per year in 2009 to an average of four deals per month in 2016. Although it took nearly four years for Freddie Mac Multifamily to surpass the \$50 billion milestone in 2013, the program reached \$100 billion two years later, in April 2015. Program growth topped \$150 billion in May 2016, one year later, and \$200 billion this year.

"The significant growth and evolution in our K-Deals have led to fundamental changes in multifamily housing finance," said David Brickman, Freddie Mac Multifamily executive vice president. "Today, investor demand is stronger than ever, our credit losses are virtually zero, and we continue to roll out new and innovative ways to transfer credit risk. In short, the K-Deal has allowed us to expand the amount of private capital flowing to multifamily apartment properties nationwide, keep rents affordable and minimize taxpayer exposure to risk."

To date, Freddie Mac Multifamily has issued more than 200 K- and SB-Deals. K-Deals transfer credit risk on five-, seven-, and 10-year term conventional multifamily loans; floating-rate loans; single borrower loans; legacy portfolio loans; and seniors, student, military and targeted affordable housing loans. Launched in 2015, SB-Deals are backed by small balance loans of up to \$6 million, and finance properties with as few as five units.

Freddie Mac Multifamily continually introduces new risk-transfer securitization innovations to adapt to changing borrower and investor demands. Earlier this year, for example, Freddie Mac introduced its KT-Deals, which transfer the credit risk on loans awaiting sale into other K-Series securitizations.

Freddie Mac currently securitizes about 90 percent of the multifamily mortgages it purchases through the K- and SB-Deal programs. Moreover, these programs have inspired a new generation of credit risk transfer structures that have transformed how mortgage markets are funded.

Over 250 investors participated in the K-Deal program last year, with an average of 26 different investors on each deal. Through May 2017, 115 investors have participated in the SB-Deal program. Since the introduction of the K-Deal in 2009, there have been approximately 590 unique investors in K- and SB-Deals. The company has realized less than one basis point of credit losses on its K-Deals and SB-Deals since they were launched.

About Freddie Mac

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 [FreddieMac.com/blog](#).

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