



## Freddie Mac Prices \$451 Million K-Deal, K-W02, Supporting Affordable Multifamily Housing for Low- and Moderate-Income Working Families

March 27, 2017

MCLEAN, VA--(Marketwired - Mar 27, 2017) - [Freddie Mac](#) (OTCQB: FMCC) today announced the pricing of a new offering of guaranteed Structured Pass-Through Certificates (K Certificates) backed by loans on multifamily properties affordable to working households earning low- to moderate-incomes. The company expects to issue approximately \$451 million in K Certificates (K-W02), which are expected to settle on or about March 30, 2017. K-W02 is the second K-Certificate issued under the K-W Series Freddie Mac launched last year.

The majority of the mortgages backing K-W02 are on workforce properties, which have rents below the area average market rent and are affordable to individuals earning 80 percent or less of their area median income, excluding high cost housing markets. K-W02 Certificates are guaranteed by Freddie Mac.

"We're proud to announce our second K-Deal exclusively focused on workforce rental housing. This transaction affirms there is a competitive and responsible way for private investors to support the development and preservation of critically needed affordable workforce rental housing. Freddie Mac's focus on this vital segment of the market underscores our commitment to the long-term sustainability of affordable rental housing nationwide," said Robert Koontz, vice president of Multifamily Capital Markets.

### K-W02 Pricing

| Class | Principal/<br>Notional Amount (mm) | Weighted Average Life (Years) | Spread (bps) | Coupon  | Yield   | Dollar Price |
|-------|------------------------------------|-------------------------------|--------------|---------|---------|--------------|
| A-1   | \$186,764,000                      | 6.36                          | S + 48       | 2.8960% | 2.6205% | \$101.4955   |
| A-2   | \$265,000,000                      | 9.43                          | S + 66       | 3.3600% | 2.9875% | \$102.9891   |
| X1    | \$451,764,000                      | 7.83                          | T + 175      | 0.4474% | 4.0119% | \$2.1629     |
| X3    | \$50,196,401                       | 9.54                          | T + 440      | 2.9363% | 6.7675% | \$20.1630    |

### Details

- Lead Manager and Sole Bookrunner: J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith, Incorporated
- Co-Managers: Credit Suisse Securities (USA) LLC, Goldman, Sachs and Co., Jefferies LLC, and Stern Brothers & Co.

### Related Links

- The K-W02 Offering Circular Supplement: <http://www.freddiemac.com/mbs/data/kw02oc.pdf>
- Freddie Mac Multifamily [Investor Presentation pdf](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages
- Freddie Mac [workforce housing pdf](#) loan initiative details

The K-W02 Certificates are backed by corresponding classes issued by the FREMF 2017-KW02 Mortgage Trust (K-W02 Trust) and guaranteed by Freddie Mac. The K-W02 Trust will also issue certificates consisting of the Class X2-A, X2-B, B, C and R Certificates, which will not be guaranteed by Freddie Mac and will not back any class of K-W02 Certificates.

Freddie Mac Multifamily is a leading issuer of agency-guaranteed structured multifamily securities. K-Deals are part of the company's business strategy to transfer a portion of the risk of losses away from taxpayers and to private investors who purchase the unguaranteed subordinate bonds. K Certificates typically feature a wide range of investor options with stable cash flows and structured credit enhancement.

This announcement is not an offer to sell any securities of Freddie Mac or any other issuer. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission (SEC) on February 16, 2017; all other reports Freddie Mac filed with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act) since December 31, 2016, excluding any information "furnished" to the SEC on Form 8-K; and all documents that Freddie Mac files with the SEC pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act, excluding any information furnished to the SEC on Form 8-K.

Freddie Mac's press releases sometimes contain forward-looking statements. A description of factors that could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements can be found in the company's Annual Report on Form 10-K for the year ended December 31, 2016, and its reports on Form 10-Q and Form 8-K, filed with the SEC and available on the Investor Relations page of the company's Web site at [www.FreddieMac.com/investors](http://www.FreddieMac.com/investors) and the SEC's Web site at [www.sec.gov](http://www.sec.gov).

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](https://www.FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](https://www.FreddieMac.com/blog).

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The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac does not undertake an obligation, and disclaims any duty, to update any of the information in those documents. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in our reports filed with the SEC.