



Freddie Mac Prices First Offering of KT Certificates Issued by Multifamily Aggregation Risk Transfer Trust

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MCLEAN, VA--(Marketwired - Feb 2, 2017) - [Freddie Mac](#) (OTCQB: FMCC) recently announced its first offering of multifamily aggregation risk transfer certificates, Series 2017-KT01 (KT Certificates), which will be backed exclusively by multifamily mortgage loans that are awaiting sale into K-Series securitizations. This first offering of \$1 billion in KT Certificates is expected to settle on or about February 16, 2017.

KT Certificates are designed to transfer to certain investors a portion of the credit risk associated with eligible multifamily mortgage loans prior to sale into [K-Series](#) securitizations.

On the settlement date, Freddie Mac will sell to the FMPRE 2017-KT01 Multifamily Aggregation Risk Transfer Trust (KT Trust) approximately \$1 billion in eligible mortgage loans. During a 32-month revolving period Freddie Mac will purchase mortgage loans from the KT Trust for sale into K-Series securitizations and replace them with additional eligible mortgage loans.

The KT Trust will issue Class A, B, C and D Certificates. Freddie Mac will guarantee timely payment of interest, reimbursement of realized losses and ultimate repayment of principal on the Class A Certificates but will not guarantee the Class B, C or D Certificates. Freddie Mac expects to purchase the Class D Certificates and a portion of the Class A Certificates.

"We are continuously developing better ways to enhance the scope of our lending and securitization platforms in order to meet market demand, shield taxpayers from credit risk, and ensure Freddie Mac's commitment to providing market liquidity. This transaction, the first of its kind by Freddie Mac, underscores this commitment," said Robert Koontz, Freddie Mac vice president, multifamily capital markets.

KT01 Certificates Pricing

Class	Principal / Notional Amount (mm)	Assumed Weighted Average Life (Years)	Discounted Margin	Coupon	Yield	Dollar Price
A	\$900.000	3.02	32	1 mo LIBOR + 32	1.1025%	\$100.00
B	\$50.000	3.03	Not Offered			
C	\$30.000	3.03	Not Offered			
D	\$20.000	3.03	Not Offered			

Details

- Lead Manager and Bookrunners: Barclays Capital Inc. and Wells Fargo Securities, LLC
- Co-Managers for Class A Certificates: Academy Securities Inc. and J.P. Morgan Securities LLC

Related Links

- KT01 Offering Circular Supplement <http://www.freddiemac.com/mbs/data/kt01oc.pdf>
- Freddie Mac Multifamily [Investor Presentation pdf](#) [pdf]
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

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 (if any), which incorporate Freddie Mac's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission (SEC) on February 18, 2016; 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, 2015, 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, 2015, 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 and the SEC's Web site at www.sec.gov.

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Nearly 90 percent of the rental homes we fund are affordable to families with low to moderate incomes.

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).

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.