Freddie Mac Announces Pricing of $233 Million Multifamily Small Balance Loan Securitization

September 20, 2017

MCLEAN, VA--(Marketwired - Sep 20, 2017) - Freddie Mac (OTCQB: FMCC) announces the pricing of the SB38 offering, a multifamily mortgage-backed securitization backed by small balance loans underwritten by Freddie Mac and issued by a third-party trust. The company expects to guarantee approximately $233 million in Multifamily SB Certificates (SB38 Certificates), which are anticipated to settle on or about September 28, 2017. Freddie Mac Small Balance Loans generally range from $1 million to $6 million and are backed by properties with five or more units. This is the thirteenth SB Certificate transaction in 2017.

SB38 Pricing

Class	Principal / Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A-5F	$9.208	4.07	S + 35	2.3500%	2.1912%	$100.4977
A-5H	$65.023	4.11	S + 53	2.5300%	2.3738%	$100.4849
A-7F	$16.700	5.40	S + 50	2.5600%	2.4416%	$100.4852
A-7H	$13.655	5.47	S + 70	2.7600%	2.6467%	$100.4608
A-10F	$72.563	7.21	S + 77	2.9200%	2.8309%	$100.4812
A-10H	$55.962	7.32	S + 92	3.0700%	2.9869%	$100.4499
X1	$259.012	5.02	Non-Offered			

Details

- Sole lead manager and bookrunner: Wells Fargo Securities, LLC
- Co-managers: FTN Financial Capital Markets, J.P. Morgan Securities LLC, Multi-Bank Securities, Inc. and Stifel, Nicolaus & Company, Incorporated
- 105 mortgages originated by Hunt Mortgage Partners, LLC
- SB38 Certificates Offering Circular pdf
- Small Balance Securitization Investor Presentation pdf

Freddie Mac is guaranteeing six senior principal and interest classes and an interest only class of securities issued by the FRESB 2017-SB38 Mortgage Trust and is also acting as mortgage loan seller and master servicer to the trust. In addition to the seven classes of securities guaranteed by Freddie Mac, the trust will issue certificates consisting of Class B and R Certificates, which will not be guaranteed by Freddie Mac and will be sold to private investors.

The Small Balance Loan (SBL) origination initiative was first announced in October 2014, and expands the company's continuing effort to better serve less populated markets and provide additional liquidity to smaller apartment properties. Freddie Mac has a specialty network of Seller/Servicers and SBL lenders with extensive experience in this market who source loans across the country.

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 http://www.FreddieMac.com/investors and the SEC's Web site at 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, Twitter @FreddieMac and Freddie Mac's blog FreddieMac.com/blog.

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