Freddie Mac Prices First Offering of Tax-Exempt ML Certificates

June 14, 2017

New Security Expands Support for Multifamily Affordable Housing Projects

MCLEAN, VA--(Marketwired - Jun 14, 2017) - Freddie Mac (OTCQB: FMCC) today expanded its support for affordable housing with a new series of credit risk transfer securities backed by Tax-Exempt Loans (TELs) made by state or local housing agencies and secured by affordable rental housing.

The company recently priced approximately $310.5 million in floating-rate ML Certificates that are supported by pools of fixed-rate TELs and taxable loans secured by completed, occupied and stabilized affordable housing properties. The inaugural issuance includes approximately $292 million in ML Certificates (Series ML-01) backed by TELs on 25 properties and approximately $18.5 million in ML Certificates (Series ML-02) backed by taxable subordinate loans on three of the same properties. Both Series of ML Certificates are expected to settle on or about June 29, 2017.

"We are very proud to announce our first securitization backed by Tax-Exempt Loans," said Robert Koontz, Vice President of Multifamily Capital Markets. "Eight years after our first modern K-Deal, Freddie Mac Multifamily continues to expand our securitization series and offload risk to private investors. Most importantly, we are bringing increased liquidity to the affordable housing market, a key focus that is at the heart of our mission."

ML Certificates are designed to create more liquidity for affordable multifamily housing while simultaneously protecting taxpayers from mortgage risk. The proceeds will be used to finance multifamily affordable housing projects.

"Our Tax-Exempt Loan products help keep rental housing affordable for lower-income families and ensure cost-effective financing for tax-exempt multifamily properties," said David Leopold, Vice President for Affordable Housing Production and Investments at Freddie Mac Multifamily. "At a time when affordable housing levels are at a crisis point, this new security will bring additional investment to our Tax-Exempt Loan products, which will allow us to finance even more affordable housing for families across this nation."

ML-01 Certificates Pricing

Class	Principal / Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A	$292.003	11.52	50	1 mo LIBOR +50	1.66462%	$100.0000
X	$324.449	12.03	Not Offered			

ML-02 Certificates Pricing

Class	Principal / Notional Amount (mm)	Weighted Average Life (Years)	Spread (bps)	Coupon	Yield	Dollar Price
A	$18.512	6.82	45	1 mo LIBOR +45	1.61428%	$100.0000
X	$20.570	7.47	Not Offered			

Details

- Lead Manager and Bookrunners: Citigroup Global Markets Inc. and Wells Fargo Securities, LLC.
- Co-Managers: Barclays Capital Inc., Jefferies LLC, and Stern Brothers & Co.

Related Links

- ML01 Offering Circular Supplement http://www.freddiemac.com/mbs/data/17ml01oc.pdf pdf
- ML02 Offering Circular Supplement http://www.freddiemac.com/mbs/data/17ml02oc.pdf pdf
- Freddie Mac Multifamily Investor Presentation pdf [pdf]
- Multifamily Securities Investor Access database of post-securitization data from Investor Reporting Packages

The ML-01 Certificates include one senior principal and interest class, which is rated as AAAsf and Aaa(sf) by Fitch Ratings, Inc. and Moody's Investors Service, Inc., respectively. The ML-01 Certificates are issued by FRETE 2017-ML01 Trust (ML-01 Trust) and the Class A and Class X Certificates are guaranteed by Freddie Mac. The ML-01 Trust will also issue Class B Certificates, which will not be guaranteed by Freddie Mac.

The ML-02 Certificates include one senior principal and interest class, which is rated as AAAsf and Aaa(sf) by Fitch Ratings, Inc. and Moody's Investors Service, Inc., respectively. The ML-02 Certificates are issued by FRETE 2017-ML02 Trust (ML-02 Trust) and the Class A and Class X Certificates are guaranteed by Freddie Mac. The ML-02 Trust will also issue Class B, Class R and Class RS Certificates, which will not be guaranteed by Freddie Mac.

Freddie Mac Multifamily is a leading issuer of agency-guaranteed structured multifamily securities. ML-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. ML 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 and the SEC's Web site at 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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