



Freddie Mac Implements Common Securitization Platform for Single-Family Mortgage-Backed Securities

December 8, 2016

Successful Test Paves Way for \$3.5 Trillion Market of Fungible Agency MBS

MCLEAN, VA--(Marketwired - Dec 8, 2016) - [Freddie Mac](#) (OTCQB: FMCC) announced today that it has implemented the Common Securitization Platform (CSP) for certain single-family fixed-rate mortgage-backed securities (MBS). This development, commonly called Release 1, paves the way for Release 2, which will enable a combined Freddie Mac and Fannie Mae \$3.5 trillion market of to-be-announced (TBA) MBS.

The successful implementation of the CSP's core infrastructure and operations is a critical milestone on the path to the implementation of the Single Security Initiative. Freddie Mac and Fannie Mae have been working together -- along with their joint venture, Common Securitization Solutions, LLC (CSS) -- under the direction of the Federal Housing Finance Agency (FHFA), to create a common fungible security that will be issued and guaranteed by either of the government-sponsored enterprises (GSEs).

"We're excited to use CSS operations and the CSP to support our securities issuance," said David Lowman, executive vice president of Freddie Mac's Single-Family Business. "This is a milestone marking several years of intensive work across Freddie Mac, Fannie Mae, CSS and FHFA to take this project from concept to reality. I'm very appreciative of the collaboration and drive exhibited by everyone working on this project. This is one of the ways we're working together to build a better Freddie Mac and a better housing finance system for families, customers and taxpayers."

David M. Applegate, CEO of Common Securitization Solutions, LLC, said, "We are very pleased to be partnering with Freddie Mac, Fannie Mae and FHFA as the CSP progresses. Today's announcement by Freddie Mac that it has successfully completed its first bond issuance and bond administration on the platform is an important step forward in bringing additional liquidity and fungibility to the TBA market."

Release 1, which launched on Nov. 21, enables Freddie Mac to transfer certain securities operations for its Gold participation certificates (PCs) and Giant PCs to CSS and the CSP. This will enable both GSEs to implement the Single Security Initiative by issuing the new Uniform Mortgage-Backed Securities (UMBS) and commingled resecuritizations through CSS and the CSP.

Freddie Mac also announces the broad availability of Dealer Direct(SM), its online securitization portal. Through this portal, authorized dealers can efficiently form Freddie Mac Giant securities and access the Freddie Mac REMIC Structure Validation Tool. In the future, Freddie Mac plans to introduce Dealer Direct functionality that will permit the exchange of legacy PCs for the new UMBS Single Security or, if applicable, another new 25th pay date security. Additional information is available [here](#).

News Facts:

- The Single Security Initiative will result in both GSEs issuing the new UMBS. Commingled resecuritizations of UMBS, which can combine UMBS issued by Freddie Mac and/or Fannie Mae, will be called Supers. (Supers are the UMBS counterpart to Freddie Mac's Giant PCs.)
- There are approximately \$1.4 trillion in Freddie Mac 45-day PCs, of which an estimated \$1.1 trillion are expected to be exchangeable by PC holders for 55-day UMBS once the new security is officially launched.
- UMBS and Supers have the potential to transform the separate multi-trillion dollar TBA markets for Freddie Mac and Fannie Mae MBS into a single TBA market of \$3.5 trillion, second in size only to the global market for U.S. Treasuries.

Additional information about the Single Security Initiative and the CSP is available [here](#).

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for approximately one in four home borrowers and is the largest source of financing for multifamily housing. Additional information is available at [FreddieMac.com](#), Twitter [@FreddieMac](#) and [Freddie Mac's blog](#).

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