



Freddie Mac Completes First Credit Risk Transaction With 15-Year Mortgages

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Agency Credit Insurance Structure(R) Policy With a \$201 Million Limit

MCLEAN, VA--(Marketwired - May 25, 2016) - [Freddie Mac](#) (OTCQB: FMCC) continues to enhance its credit risk transfer initiatives by recently obtaining its first [Agency Credit Insurance Structure](#) (ACIS[®]) policy that transfers risk on a reference pool of 15-year residential mortgages not linked to Structured Agency Credit Risk ([STACR](#)) debt note bonds.

This new transaction provides credit loss protection up to a combined maximum limit of approximately \$201 million of losses on single-family loans and a portion of credit risk on an \$11.1 billion reference pool of single-family loans purchased in the third and fourth quarters of 2015. Previous ACIS policies were tied to a STACR reference pool of 30-year mortgages.

"We are very excited about the strong market reception to this ACIS transaction that represents an expansion of coverage to another mortgage product as well as our credit risk transfer capabilities," said Kevin Palmer, senior vice president of Single-Family credit risk transfer for Freddie Mac. "By adding 15-year mortgages, we further expand our ability to reduce taxpayer risk."

Through ACIS, Freddie Mac obtains [insurance policies](#) that transfer a portion of the credit risk associated with mortgage reference pools to insurance and reinsurance companies around the globe. Freddie Mac has placed approximately \$4.5 billion in insurance coverage through seventeen ACIS transactions since the program's inception in 2013.

Freddie Mac has led the market in introducing new risk-sharing initiatives with STACR, Whole Loan Securities(SM) (WLS(SM)) and ACIS, and was the first agency to market these types of credit risk transfer transactions. The company has since grown its investor base to approximately 200 unique investors, including reinsurers.

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 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 [FreddieMac.com/blog](#).

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