Freddie Mac Announces Record ACIS Transactions

July 1, 2016

Reaches $5 Billion ACIS Issuance Milestone

MCLEAN, VA--(Marketwired - Jun 30, 2016) - Freddie Mac (OTCQB: FMCC) announced today that it has obtained three new insurance policies under its successful Agency Credit Insurance Structure (ACIS®) program, representing the largest aggregate transaction to date. Together, they provide up to a combined maximum limit of approximately $788 million of losses on single-family loans and transfer much of the remaining credit risk associated with three of the Structured Agency Credit Risk (STACR®) debt issuances this year, STACR 2016-DNA2, STACR 2016-HQA2, and STACR 2016-DNA3. These transactions are transferring a significant portion of mortgage credit risk on approximately $75 billion of unpaid principal balance (UPB) on single-family mortgages.

Through ACIS, Freddie Mac obtains insurance policies that transfer to insurance and reinsurance companies around the globe, a portion of the credit risk associated with its STACR debt note reference pools. Freddie Mac has placed over $5 billion in insurance coverage through 20 ACIS transactions since the program's inception in 2013.

"We are pleased to have reached another significant issuance milestone in our single-family credit risk transfer program," said Kevin Palmer, senior vice president of single-family credit risk transfer for Freddie Mac. "Our evolving and maturing ACIS program continues to attract a growing amount of capital from domestic and foreign insurers and reinsurers, as evidenced by the record number of counterparties who helped to make today's announcement possible. We continue to work to strengthen our credit risk transfer programs to shift additional mortgage credit risk away from taxpayers and provide new opportunities for investors."

Aon Benfield CEO Eric Andersen added, "We have a strong and long-standing relationship with Freddie Mac, and are excited to have helped them to reach this important milestone in credit risk transfer. After a period of educating insurers and reinsurers on U.S. mortgage credit risk, we have found they have become comfortable and very receptive to this new line of business. We are pleased to have the opportunity to continue to work alongside Freddie Mac to create sustainable re-insurance capacity in this sector, and consequently an ever more stable U.S. housing market environment."

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 insurers and reinsurers. Since 2013, the company has transferred a substantial portion of credit risk on more than $525 billion of UPB on single-family mortgages. Additional information about the company's single-family risk sharing offerings is at http://www.freddiemac.com/creditriskofferings/.

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.