



Freddie Mac Prices \$1.2 Billion Multifamily K-Deal Backed by Properties Controlled by Lone Star

March 11, 2016

MCLEAN, VA--(Marketwired - Mar 10, 2016) - [Freddie Mac](#) (OTCQB: FMCC) recently priced a new offering of Structured Pass-Through Certificates ([K Certificates](#)), which are multifamily mortgage-backed securities. The company expects to issue approximately \$1.2 billion in K Certificates (K-LH2 Certificates), which are backed by 26 properties indirectly controlled by Lone Star Real Estate Fund IV (U.S.), L.P. The K-LH2 Certificates are expected to settle on or about March 23, 2016.

K-LH2 Pricing

| Class | Principal/ Notional Amount (mm) | Weighted Average Life (Years) | Discounted Margin | Coupon | Yield | Dollar Price |
|-------|---------------------------------|-------------------------------|-------------------|-----------------|---------|--------------|
| A | \$1,241.838 | 6.49 | 70 | 1 mo LIBOR + 70 | 1.1025% | \$100.00 |
| X | \$1,379.820 | 6.49 | Non-Offered | | | |

Details

- Co-Lead Managers and Joint Bookrunners: Goldman, Sachs & Co. and Wells Fargo Securities, LLC
- Co-Managers: Barclays Capital, Inc., CastleOak Securities, L.P. and Merrill Lynch, Pierce, Fenner & Smith Incorporated

Related Links

- The K-LH2 Preliminary Offering Circular Supplement: <http://www.freddie.mac.com/mbs/data/klh2oc.pdf>
- Freddie Mac Multifamily [Investor Presentation pdf](#)
- [Multifamily Securities Investor Access](#) database of post-securitization data from Investor Reporting Packages

The K-LH2 Certificates will not be rated, and include one senior principal and interest class and one interest only class. The K-LH2 Certificates are backed by corresponding classes issued by the FREMF 2016-KLH2 Mortgage Trust (K-LH2 Trust) and are guaranteed by Freddie Mac. The K-LH2 Trust will also issue certificates consisting of the Class B, C and R Certificates, which will be subordinate to the classes backing the K-LH2 Certificates. The K-LH2 Trust Class B, C and R Certificates will not be guaranteed by Freddie Mac.

Freddie Mac Multifamily is a leading issuer of agency-guaranteed structured multifamily securities. K-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. K 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, 2015, filed with the Securities and Exchange Commission (SEC) on February 18, 2016; 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, 2015, 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, 2015, 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 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.

The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac does not undertake an obligation, and disclaims any duty, to update any of the information in those documents. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties

that could cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in our reports filed with the SEC.