



Freddie Mac Sells \$1.1 Billion of Seriously Delinquent Loans

December 8, 2015

MCLEAN, VA--(Marketwired - Dec 8, 2015) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 5,311 deeply delinquent non-performing loans (NPLs) serviced by Wells Fargo Bank, N.A. from its mortgage investment portfolio on December 4, 2015. The transaction is expected to settle in February 2016, and servicing will be transferred post-settlement. The sale is part of Freddie Mac's Standard Pool Offerings (SPO(SM)).

These loans have been delinquent for approximately three years, on average. Given the deep delinquency status of the loans, the borrowers have likely been evaluated previously for or are already in various stages of loss mitigation, including modification or other alternatives to foreclosure, or are in foreclosure. Mortgages that were previously modified and subsequently became delinquent comprise approximately 32% of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value ratio of approximately 91 percent, based on BPO (Broker Price Opinion).

The loans were offered as five separate pools of mortgage loans, and investors had the flexibility to bid on one or multiple pools, or bid on the aggregate of the pools. The pools, winning bidders and cover bid prices (second highest bids) are summarized below:

Description	Pool #1	Pool #2	Pool #3	Pool #4	Pool #5
Unpaid Principal Balance	\$330.5 million	\$211.3 million	\$184.1 million	\$214.2 million	\$116.0 million
Loan Count	1,777	954	942	993	645
CLTV Range	Less than or equal to 90	Greater than 90 and less than or equal to 110	Above 110	All	All
BPO CLTV	72	99	134	91	105
Average Months Delinquent	32	33	32	40	29
Average Loan Balance (\$000)	186.0	221.5	195.5	215.7	179.9
Geographical Distribution	National	National	National	National	National
Winning Bidder	Pretium Mortgage Credit Partners I Loan Acquisition, LP	Pretium Mortgage Credit Partners I Loan Acquisition, LP	Rushmore Loan Management Services, LLC	21 st Mortgage Corporation	Pretium Mortgage Credit Partners I Loan Acquisition, LP
Cover Bid Price (second-highest bid price)	High \$80s	High \$60s	Low \$50s	Low \$60s	Low \$60s

Freddie Mac, through its advisors, began marketing the transaction on November 9, 2015, to potential bidders, including minority and women-owned businesses (MWOBs), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

Freddie Mac's regulator and conservator, the Federal Housing Finance Agency (FHFA), announced enhanced requirements for NPL sales, which include:

- Servicer must be approved by and in good standing with Freddie Mac, Fannie Mae, Ginnie Mae, or FHA.
- All servicers must agree to service in accordance with applicable law.
- Servicers must prioritize loan modifications over short sales or deeds in lieu of foreclosure, and foreclosure must be the last option; and for loans that transition to REO (Real Estate Owned), servicers must encourage sales to owner occupants and non-profits.
- Servicers must comply with the requirements of the U.S. Department of the Treasury's Making Home Affordable programs, including the Home Affordable Modification Program (HAMP), and evaluate eligible borrowers for such programs.
- Servicers must evaluate all borrowers who are determined ineligible for HAMP (other than those with an imminent foreclosure sale date or vacant property) for a proprietary modification.
- Servicers must honor completed modifications, and those in trial or applications in process at the time of sale, and continue to close in-process modifications unless they are able to offer terms more favorable to borrowers.

- Subsequent servicers must agree to assume the responsibilities of the initial servicer.

Advisors to Freddie Mac on the transaction were Wells Fargo Securities, JPMorgan Securities and First Financial Network, a woman-owned business.

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 one of the largest sources of financing for multifamily housing. Additional information is available at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog at FreddieMac.com/blog.

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