



Freddie Mac Further Reduces Seriously Delinquent Loans From Its Investment Portfolio

August 1, 2015

Company Completes \$591 Million Sale of Non-Performing Loans

MCLEAN, VA--(Marketwired - Jul 31, 2015) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 3,577 deeply delinquent non-performing loans (NPLs) from its mortgage investment portfolio on July 28th, 2015 with an aggregate unpaid principal balance (UPB) of \$591 million. The transaction is expected to settle in September, 2015 and 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 28% of the aggregate pool balance.

The loans were offered as three separate pools of mortgage loans, and investors had the flexibility to bid on one or more pools, or bid on the aggregate of all three pools. All of Pool #3 is comprised of loans with loan-to-values less than 50% of the property value, based on BPO (Broker Price Opinion). The three pools, winning bidders and cover bid prices (second highest bids) are summarized below:

Description	Pool #1	Pool #2	Pool #3
Unpaid Principal Balance	\$444.7 million	\$76.8 million	\$69.3 million
Loan Count	2,533	347	677
Average Loan Size (\$000)	\$175.5	\$221.4	\$102.4
BPO weighted CLTV	86.2	84.7	34.5
Geographical Distribution	National Pool	100% New York	National Pool
Winning Bidder	Pretium Mortgage Credit Partners I Loan Acquisition, LP	Nomura Corporate Funding Americas, LLC	MTGLQ Investors, LP
Cover Bid Price (second highest bid price)	Low \$80s	Mid \$60s	Low \$110s

Freddie Mac, through its advisors, began marketing the transaction on July 8, 2015 to potential bidders, including minority and women owned businesses (MWOBs), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

On March 2, Freddie Mac's regulator and conservator, the Federal Housing Finance Agency (FHFA), announced enhanced requirements for NPL sales. Requirements on winning bidders' servicers 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 Citigroup Global Markets Inc., Credit Suisse Securities and The Williams Capital Group, L.P., an MWOB.

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](https://twitter.com/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.