



Freddie Mac Executes Sale of First Extended Timeline Offering of Seriously Delinquent Loans From Its Investment Portfolio

June 11, 2015

MCLEAN, VA--(Marketwired - Jun 10, 2015) - Freddie Mac (OTCQB: FMCC) announced today it sold via auction 157 deeply delinquent non-performing loans (NPLs) from its mortgage investment portfolio on June 3, 2015. All the properties backing these loans are located in Miami-Dade County, Florida. The loans have an aggregate unpaid principal balance (UPB) of \$31 million. The transaction is expected to settle in late July 2015.

Key attributes of Freddie Mac's Extended Timeline Pool Offering (EXPO(SM)) in comparison to the company's Standard Pool Offering (SPO(SM)) include smaller pool sizes and a longer marketing period. This is intended to provide smaller investors extra time to secure funds to participate in Freddie Mac NPL auctions. All eligible bidders, including minority and women owned businesses (MWOBs), non-profits, neighborhood advocacy funds and small and large private investors were invited to bid, subject to meeting Freddie Mac's bidder qualification requirements.

These loans have been delinquent for almost four 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 22% of the aggregate pool balance.

The loans were offered as a single pool of mortgage loans. Corona Asset Management XII, LLC was the winning bidder. The cover bid price (the second highest bid) was in the high 80's percent of UPB. Weighted average BPO LTV, average loan size and note rate are 80%, \$199,079 and 5.60%, respectively.

Freddie Mac, through its advisors, began marketing the transaction on April 21, 2015 to potential bidders, including MWOBs, non-profits, neighborhood advocacy funds and private investors active in the NPL market.

The transaction is subject to the Federal Housing Finance Agency (FHFA) NPL sale requirements and guidelines announced on March 2nd. 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 Wells Fargo Securities, LLC 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 approximately 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.