



Freddie Mac Announces First STACR Offering of 2015 and Program Enhancements to Further Reduce Credit Risk

January 21, 2015

MCLEAN, VA--(Marketwired - Jan 20, 2015) - [Freddie Mac](#) (OTCQB: FMCC) today announced its first Structured Agency Credit Risk ([STACR®](#)) debt notes offering for 2015 of \$775 million, pending market conditions. This new offering includes program enhancements such as transferring a portion of the first loss STACR credit risk tranche to the private capital markets. The enhancements reduce credit risk, as well as promote program liquidity and provide diverse investment options for investors.

STACR Program 2015 Enhancements:

- Issuing 100 basis points of first loss.
- Rating the M-3 bonds for the first time. Only Class M-1 and M-2 bonds were rated in previous transactions.
- Planning for six to eight STACR issuances this year, depending on market conditions.
- Achieving a milestone, with settlement of STACR 2015-DN1, of reducing a portion of credit risk on one million Single-Family loans since the program's inception.

"Freddie Mac is shifting its credit risk business strategy from a buy and hold company to a buy and sell company so it is natural that we would further reduce our credit risk exposure by selling the first loss piece," said Mike Reynolds, Freddie Mac vice president of Credit Risk Transfer. "We have heard from numerous investors who have an appetite for more risk and higher yields like those found in the first loss piece."

J.P. Morgan and Citigroup will serve as co-lead managers and joint bookrunners for STACR Series 2015-DN1, which has a reference pool of recently-originated Single-Family mortgages with an unpaid principal balance of more than \$27.6 billion.

Freddie Mac holds the senior loss risk in the reference pool, and a portion of the risk in the Class M-1, M-2, M-3 and the first loss Class B tranche.

A [STACR investor presentation pdf](#) is available at [FreddieMac.com](#), as well as information about our [Credit Risk Offerings](#).

This announcement is not an offer to sell any Freddie Mac securities. 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, 2013, filed with the Securities and Exchange Commission (SEC) on February 27, 2014; 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, 2013, 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, 2013, 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 one of the largest sources 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.