



Freddie Mac Prices First STACR Actual Loss Offering With High LTV Collateral

September 24, 2015

MCLEAN, VA--(Marketwired - Sep 24, 2015) - [Freddie Mac](#) (OTCQB: FMCC) today priced its first Structured Agency Credit Risk ([STACR](#)[®]) debt notes transaction selling its first actual loss offering of loans with original loan-to-value (LTV) ratios ranging from 80 to 95 percent. This offering signifies the award-winning program's full transition to actual loss, and is the company's sixth STACR offering this year and 15th since the program began in 2013. In addition, Moody's recently upgraded two previous STACR transactions.

"Our HQA offering is the first STACR offering after the summer break, and was well received by investors," said Mike Reynolds, Freddie Mac vice president of Credit Risk Transfer. "The STACR market continues to build momentum and attract new capital."

The STACR 2015-HQA1 offering of \$872 million is the company's third transaction where losses will be allocated based on the actual losses realized on the related reference obligations instead of allocating losses using a fixed severity approach.

Pricing for STACR Series 2015-HQA1:

- M-1 class was one-month LIBOR plus a spread of 125 basis points.
- M-2 class was one month LIBOR plus a spread of 265 basis points.
- M-3 class was one month LIBOR plus a spread of 470 basis points.
- B class was one month LIBOR plus a spread of 880 basis points.

Referring to the four bond class with three of them rated actual loss structure, Reynolds added, "This is the standard for the STACR market. The STACR program has raised over \$11 billion of private capital and about half of the float outstanding has an Investment Grade or better current rating."

With STACR 2015-HQA1, Freddie Mac is issuing 100 basis points of first loss. Freddie Mac holds the senior loss risk in the capital structure and a portion of the risk in the Class M-1, M-2 and M-3, and the first loss Class B tranche.

Bank of America Merrill Lynch and Nomura are serving as co-lead managers and joint bookrunners. Deutsche Bank and BNP Paribas are co-managers, and Williams Capital is a selling group member.

STACR 2015-HQA1 has a reference pool of Single-Family mortgages with an unpaid principal balance of more than \$19 billion. The reference pool consists of a subset of 30-year fixed-rate Single-Family mortgages acquired by Freddie Mac between August 1, 2014, and November 30, 2014, with LTVs from 80 to 95 percent.

Moody's Upgrades Two Previous STACR Transactions

Moody's Investors Service recently [upgraded the ratings](#) of 10 tranches from two previous STACR transactions backed by conforming balance RMBS loans, STACR Debt Notes, Series 2014-DN1 and Series 2013 DN2. Moody's stated, "The actions are a result of the recent performance of the underlying pools and reflect Moody's updated default projections on the pools and credit enhancement build-up. Today's rating upgrades on the bonds reflect low serious delinquencies and credit events in the reference pools since issuance."

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, 2014, filed with the Securities and Exchange Commission (SEC) on February 19, 2015; 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, 2014, 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, 2014, 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](https://twitter.com/FreddieMac) and Freddie Mac's blog FreddieMac.com/blog.

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