



## Freddie Mac Reduces Credit Risk With Two New Actual Loss ACIS Insurance Policies With a Combined \$223 Million Limit

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MCLEAN, VA--(Marketwired - Jul 9, 2015) - [Freddie Mac](#) (OTCQB: FMCC) announced today another innovation to its suite of credit risk transfer offerings -- its first two [Agency Credit Insurance Structure](#) (ACIS<sup>®</sup>) transactions that provide coverage based on both first loss and actual losses realized on a reference pool of residential mortgages. Through these ACIS transactions, Freddie Mac obtained [insurance policies](#) that move much of the remaining credit risk associated with two Structured Agency Credit Risk ([STACR<sup>®</sup>](#)) debt notes executed earlier this year to a panel of insurers and reinsurers. These two policies cover up to a combined maximum limit of approximately \$223 million of losses that Freddie Mac incurs when homeowners default.

"The reinsurance market's response was very good for ACIS coverage expanding to both first loss and actual losses," said Kevin Palmer, vice president of Freddie Mac Single-Family strategic credit costing and structuring. "We continue to improve our innovative products while supporting the nation's housing markets. We've increased private market participation and have further expanded our panel of both foreign and domestic investors. Combined with our previous ACIS transactions, we have now acquired more than \$1.7 billion in additional insurance coverage since 2013."

Freddie Mac has led the market in introducing new risk-sharing initiatives with 14 STACR offerings, including first loss and actual loss risk transactions, and now nine ACIS transactions since mid-2013. Through STACR and ACIS, Freddie Mac has laid off a substantial portion of credit risk on more than \$313 billion of UPB in single-family mortgages. Freddie Mac was the first agency to market credit risk transfer transactions with STACR and ACIS and has since grown its investor base to more than 160 unique investors, including many of the largest money managers in the U.S.

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](#).

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