



Freddie Mac Prices \$1 Billion STACR Offering With Actual Losses to Further Reduce Credit Risk

April 23, 2015

MCLEAN, VA--(Marketwired - Apr 22, 2015) - [Freddie Mac](#) (OTCQB: FMCC) today priced its third Structured Agency Credit Risk ([STACR®](#)) debt notes offering for 2015, which was upsized from \$720 million to \$1.01 billion due to market demand. This STACR Series 2015-DNA1 offering is the company's first 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. This transaction also marks the first time the first-loss Class B tranche will be issued as book-entry notes.

Pricing for STACR Series 2015-DNA1:

- M-1 class was one-month LIBOR plus a spread of 90 basis points.
- M-2 class was one month LIBOR plus a spread of 185 basis points.
- M-3 class was one month LIBOR plus a spread of 330 basis points.
- B class was one month LIBOR plus a spread of 920 basis points.

"We see actual loss-based risk transfer as more sustainable over the long run than calculated loss risk transfer deals, and we are very happy with the initial positive demand from investors," said Mike Reynolds, Freddie Mac vice president of Credit Risk Transfer. "We look forward to integrating actual loss into future transactions."

Credit Suisse is acting as the structuring lead manager, with Citigroup as a co-lead manager and joint bookrunner for STACR Series 2015-DNA1, which has a reference pool of seasoned Single-Family mortgages originated in the fourth quarter of 2012 with an unpaid principal balance of more than \$31.9 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. The offering is scheduled to settle on or around April 28, 2015. Fitch and Moody's are rating the M-1, M-2, M-3 and MACR classes.

The company has issued \$7.8 billion in STACR bonds to date, representing reference pools of \$249.6 billion, through 11 issuances, not including the current STACR Series 2015 DNA1. Since Sept. 2014, STACR bonds have been listed on the Global Exchange Market of the Irish Stock Exchange.

A [STACR investor presentation.pdf](#) and additional information about the company's [Credit Risk Offerings](#) is available at [FreddieMac.com](#).

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 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](#) 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.