Freddie Mac
We make home possible℠

News Release

FOR IMMEDIATE RELEASE
October 9, 2015
MEDIA CONTACT: Tom Fitzgerald
703-903-2476

FREDDIE MAC SELLS $305 MILLION OF SERIOUSLY DELINQUENT LOANS

MCLEAN, VA-- Freddie Mac (OTCQB: FMCC) today announced it sold via auction 1,611 deeply delinquent non-performing loans (NPLs) serviced by JP Morgan Chase Bank, N.A. from its mortgage investment portfolio on October 7, 2015. The transaction is expected to settle in December, 2015, and servicing will be transferred post-settlement. The sale is part of Freddie Mac's Standard Pool Offerings (SPO℠).

These loans have been delinquent for approximately two 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 40% of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value of approximately 91, based on BPO (Broker Price Opinion).

The loans were offered as two separate pools of mortgage loans, and investors had the flexibility to bid on one or both pools, or bid on the aggregate of both pools. Pool #1 was comprised of loans with CLTV less than and equal to 110. Pool #2 is comprised of loans with CLTV greater than 110. The pools, winning bidders and cover bid prices (second highest bids) are summarized below:

Description	Pool #1	Pool #2
Unpaid Principal Balance	$209.4 million	$95.2 million
Loan Count	1,180	431
CLTV Range	Less than or equal to 110	Above 110
BPO CLTV	79	136
Average Months Delinquent	24	26
Average Loan Balance ($000)	$177.5	$220.9
Geographical Distribution	National	National
Winning Bidder	Pretium Mortgage Credit Partners I	Bayview Acquisitions, LLC
Cover Bid Price (second highest bid price)	Low $80s	Low$50s

Freddie Mac, through its advisors, began marketing the transaction on September 15th, 2015 to potential bidders, including minority and women owned businesses (MWOBs), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

Freddie Mac's regulator and conservator, the Federal Housing Finance Agency (FHFA), announced enhanced requirements for NPL sales, which 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 J.P. Morgan, Bank of America Merrill Lynch and First Financial Network, a woman-owned business.

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.