



## **Freddie Mac Evaluating the Potential Impact of LIBOR Cessation on an Expanded Set of Legacy CMO Bonds**

**January 14, 2020**

Freddie Mac announced today that it is evaluating the potential impact of a LIBOR cessation on an additional cohort of its legacy LIBOR-based collateralized mortgage obligation (CMO) bonds, specifically those issued between March 2014 and July 2017 for which LIBOR is calculated using the “ICE Method.” During this evaluation period Freddie Mac does not anticipate including the affected legacy bonds in its new REMIC issuance. In addition, Fannie Mae has announced that, during this evaluation period, Fannie Mae will not include any such Freddie Mac issued legacy bonds in its new REMIC issuance. See <https://www.fanniemae.com/portal/funding-the-market/mbs/news/2020/fannie-mae-reremic-freddie-libor-cmo-011420.html>.

On November 26, 2019, Freddie Mac and Fannie Mae also announced that the companies would not resecuritize legacy LIBOR-based CMO bonds for which LIBOR is calculated using the “LIBO Method.” See <http://www.freddie.mac.com/mbs/docs/f364news.pdf> and <https://www.fanniemae.com/portal/funding-the-market/mbs/news/2019/libor-legacy-cmos-review-112519.html>.

Freddie Mac is not restricting the resecuritization of any other cohort of legacy CMOs at this time; however, the company is continuing to evaluate the potential impact of a LIBOR cessation on its other legacy LIBOR-based CMO bonds. The company is currently coordinating with its conservator and expects to provide updated information when appropriate regarding the treatment of the legacy LIBOR-based bonds for which LIBOR is calculated using the “ICE Method” and the legacy LIBOR-based bonds subject to the moratorium announced on November 26, 2019, including the contribution of such bonds to future REMICs.

Investors with questions about this announcement may email Freddie Mac Investor Relations at [Investor\\_Inquiry@freddiemac.com](mailto:Investor_Inquiry@freddiemac.com).