



Freddie Mac Sells \$1 Billion of Seriously Delinquent Loans

October 5, 2016

MCLEAN, VA--(Marketwired - Oct 5, 2016) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 5,364 deeply delinquent non-performing loans (NPLs) from its mortgage-related investments portfolio. The loans are currently serviced by either Wells Fargo Bank, N.A. or Ditech Financial, LLC. The transaction is expected to settle in December 2016, and servicing will be transferred post-settlement. The sale is part of Freddie Mac's Standard Pool Offerings (SPO®). Freddie Mac, through its advisors, began marketing the transaction on September 8, 2016, to potential bidders, including minority and women-owned businesses (MWOBs), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

The loans were offered as four separate pools of geographically diverse mortgage loans. Investors had the flexibility to bid on each pool individually and/or a combination of pools. All four pools were sold at a weighted average price in the mid-70s as a percent of the total unpaid principal balance.

The loans have been delinquent for over 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 47.5 percent of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value ratio of approximately 86 percent, based on Broker Price Opinion (BPO).

The pools and winning bidders are summarized below:

Description	Pool #1	Pool #2	Pool #3	Pool #4
Unpaid Principal Balance	\$292.7 million	\$220.0 million	\$227.2 million	\$222.8 million
Loan Count	1813	1283	1113	1155
CLTV Range	Less than 90	Less than 90	Greater than or equal to 90 and less than 110	Greater than or equal 110
BPO CLTV	71	70	99	136
Average Months Delinquent	29	21	28	29
Average Loan Balance (\$000)	161.5	171.5	204.2	192.9
Geographical Distribution	National	National	National	National
Winning Bidder	Pretium Mortgage Credit Partners I Loan Acquisition, LP	Pretium Mortgage Credit Partners I Loan Acquisition, LP	Upland Mortgage Acquisition Company II, LLC	Rushmore Loan Management Services LLC
Cover Bid Price (second-highest bid price)	Mid-\$80s	Mid-\$80s	Around \$70	Mid-\$40s

Advisors to Freddie Mac on the transaction were Wells Fargo Securities, LLC and First Financial Network, Inc., a woman-owned business.

Through the first half of 2016, Freddie Mac sold \$5.3 billion in NPLs as part of its strategy to reduce the less liquid assets in its mortgage-related investments portfolio. [Requirements](#) guiding the servicing of these transactions are focused on improving borrower outcomes and stabilizing communities. In April 2016, Freddie Mac's regulator, the Federal Housing Finance Agency, announced [enhanced requirements pdf](#) for NPL sales. Additional information about the company's NPL sales is at <http://www.freddiemac.com/npl/>.

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 the largest source of financing for multifamily housing. Additional information is available at FreddieMac.com, Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog at 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.