



## **Freddie Mac Evaluating the Potential Impact of LIBOR Cessation on Legacy CMO Bonds that used the “LIBO Method”**

**November 26, 2019**

Freddie Mac is in the process of evaluating the potential impact of a LIBOR cessation on a discrete cohort of our legacy floating rate and inverse floating rate CMO bonds, specifically those for which LIBOR is calculated using the “LIBO Method.” The CUSIPs for the affected Freddie Mac bonds are listed in the [attachment](#). None were issued after 2011. The outstanding UPB for the affected regular interest classes is less than \$30MM and the outstanding UPB for the affected notional and MACR classes is approximately \$29MM. During this evaluation period Freddie Mac does not anticipate including the affected legacy bonds in our new REMIC issuance. In addition, during this evaluation period, we will not reREMIC any Fannie Mae issued bonds for which they are conducting a similar review (<https://www.fanniemae.com/portal/funding-the-market/mbs/news/2019/libor-legacy-cmos-review-112519.html>). We are not restricting the resecuritization of any other cohort of legacy CMOs at this time. We are currently coordinating with our conservator and we expect to provide updated information in the near future regarding the treatment of these legacy LIBOR bonds, including the contribution of those bonds to future REMICs.

If you have any questions, please contact Investor Inquiry at [Investor\\_Inquiry@freddiemac.com](mailto:Investor_Inquiry@freddiemac.com).