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April 13, 2023

Freddie Mac Provides Additional Details on Replacement Indices for Single-Family LIBOR-Indexed Collateralized Mortgage Obligations

Freddie Mac is providing additional information related to the replacement index for LIBOR-indexed Collateralized Mortgage Obligations (CMOs), which will be the 30-day Average SOFR rate published by the Federal Bank of New York, plus an applicable tenor spread adjustment.

For Single-Family CMOs, there are five LIBOR index codes included in the monthly disclosure files. With this transition, the disclosed LIBOR index codes will not change, but the descriptions will be updated after June 30, 2023, to reflect the applicable replacement indices. Any previously issued LIBOR-Indexed CMO with an adjustment date after June 30, 2023, will use the spread adjusted 30-day Average SOFR rate published on that adjustment date. For each index code, the description will represent the replacement index beginning on the dates listed in Appendix A.

Index Codes	Existing Description	Updated Description
BBA1, LIBOR1, LIBOR1_D, BBA1_D, BBA1_EDC	1 Month ICE Benchmark Admin. LIBOR Rate	30-Day Average SOFR + 1-Month Spread Adjustment

Impacted CMO monthly disclosure files:

1) 55-Day Floater Indices (DRYYMM)
2) REMIC Floater Indices (IDYYMM)
3) REMIC Non-Delay Indices (IRYYMM)
4) 75-Day REMIC Delay Index (ISYYMM)
5) GNMA REMIC Non-Delay Indices (MRYYMM16)
6) GNMA REMIC 55-Day Non-Delay Indices (MRYYMM25)

Please note that the Floater Reset files (DCYYMM, RDYYMM) do not include an index description field, but the interest rates will be calculated using the replacement rate once the associated determination date occurs after June 30, 2023.

To learn more about the LIBOR transition, please visit the Freddie Mac Reference Rates Transition webpage, which includes a LIBOR Playbook, LIBOR FAQs and other relevant details. A CUSIP-level list of securities impacted by this transition (as of March 2023) has been posted to the Reference Rates Transition page. Additionally, for details on the replacement indices for Single-Family ARM PC and Giant securities, please refer to the January 25, 2023, MBS announcement.

For questions, please contact Freddie Mac Investor Inquiry at investor_inquiry@freddiemac.com.

Appendix A:

The first date when replacement index descriptions will be disclosed:

Index Code	File Publication Date
BBA1	7/13/2023
LIBOR1	7/13/2023
LIBOR1_D	8/1/2023
BBA1_D	8/1/2023
BBA1_EDC	8/11/2023

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