



# SB-Deal Performance

December 2016



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- Freddie Mac's SB-Deal program through December 2016
  - » 25 SB-Deal transactions
  - » \$5.652 Billion in combined issuance
  - » 2,236 loans (original loan count)
- 46 loans have paid-off through December 2016
- 1 loan is delinquent (120+ days)
- Delinquent loan is only loan in special servicing (representing ~6 bps of outstanding principal)
- 2.68% (57 loans) of the outstanding loan population (by outstanding principal) are on the Servicers' Watchlist\*

\* The respective servicers maintain a watchlist for each securitization. Loans are added to and removed from the watchlist in accordance with criteria established by the CREFC.

# SB-Deal Performance



- Servicer Watchlist totals \$141M (57 loans or 2.68% of outstanding loan balance)
  - » \$30M (11 loans) categorized as High Risk
- High Risk Loans
  - » 2 (\$3M) considered under heightened surveillance due to deteriorating market conditions
  - » 9 (\$27M) closely monitored due to extensive interior and exterior renovations in progress
- Moderate & Low Risk Loans
  - » Majority experiencing cash flow fluctuations from short-term unit renovations and/or curing general life safety repairs

	# of Loans	UPB	% of Total UPB
Credit	37	\$96,574,316	68%
Informational	20	\$44,945,764	32%
Low	30	\$72,470,642	51%
Moderate	16	\$38,496,729	27%
High	11	\$30,552,709	22%

Risk	DCR	Occupancy	Property Condition
High	<=0.90	<=75%	Major/Severe Property Condition
Moderate	>0.90 to <=1.10	>75% to <=85%	Deteriorating Property Condition
Low	>=1.10	>85%	Minor Deferred Maintenance, Casualty Loss and/or Repairs in Progress

## Summary of Driving Factors

By Watchlist Criteria			
	# of Loans	UPB	% of Total UPB
<b>Financial Performance</b>			
Expense Outlier	3	\$5,408,145	3.82%
Hazard Loss	3	\$7,965,991	5.63%
Market	4	\$8,421,319	5.95%
Occupancy Decrease	1	\$1,500,000	1.06%
Renovations	20	\$61,735,647	43.62%
Re-zoning	1	\$3,374,526	2.38%
<b>Collateral Condition</b>			
Property Condition	1	\$869,338	0.61%
General Life Safety	18	\$40,539,502	28.65%
Imminent Life Safety	3	\$6,527,851	4.61%
<b>Other</b>			
SEC Investigation	1	\$2,096,000	1.48%
7A Administrator	1	\$1,008,000	0.71%
Failure to Submit Financials	1	\$2,073,761	1.47%
<b>Total</b>	<b>57</b>	<b>\$141,520,080</b>	

**Renovations** influence financial performance (owners seeking to improve collateral condition, attract creditworthy tenants, and increase cash flows to strengthen market presence). During the renovation period prior to stabilization, NOI and occupancy levels are subject to fluctuation and often trigger Watchlist. A typical renovation remains on the Watchlist anywhere from 6-9 months after completion to reach stabilization levels.

**Collateral Condition** has three categories: imminent life safety (requires immediate action), general life safety (could involve trip hazards, smoke detector batteries, or fire extinguisher tags) and property condition (overall collateral quality). General life safety is considered the less severe of the three categories and is the most prevalent. Loans are typically removed from the Watchlist within 1-3 months. Imminent life safety may take significantly longer to cure.



# SB Deal Issuance



## ■ Flow Deals

SB-Deal	Settlement Date	Seller/Originator	Original Balance (Millions)	Current Balance (Millions)	Factor	Senior Subordination Level			Original Loan Count	Active Loan Count	Cum Deal Loss	% DQ= 60+/F/R EO	Cum Appraisal Reduction	% Specially Serviced	% on Watchlist
						Original	Current	Change							
SB-1	8/18/2015	Greystone	\$120.36	\$114.12	0.9482	10.00%	10.00%	0.00%	44	43	\$ -	-	\$ -	-	6.26%
SB-2	8/28/2015	Arbor	\$121.62	\$119.02	0.9786	10.00%	10.00%	0.00%	42	41	\$ -	-	\$ -	-	15.14%
SB-4	10/14/2015	Greystone	\$191.86	\$187.92	0.9795	10.00%	10.00%	0.00%	71	70	\$ -	-	\$ -	-	5.37%
SB-5	10/22/2015	Centerline	\$144.44	\$138.20	0.9568	10.00%	10.00%	0.00%	66	64	\$ -	-	\$ -	-	12.24%
SB-6	10/30/2015	Arbor	\$202.33	\$191.61	0.9470	10.00%	10.00%	0.00%	73	70	\$ -	-	\$ -	-	0.00%
SB-7	11/18/2015	Sabal	\$100.16	\$98.52	0.9836	10.00%	10.00%	0.00%	40	40	\$ -	-	\$ -	-	10.30%
SB-9	12/22/2015	Arbor and Greystone	\$445.24	\$440.11	0.9885	10.00%	10.00%	0.00%	155	154	\$ -	-	\$ -	-	5.20%
SB-10	12/30/2015	CBRE	\$148.17	\$145.91	0.9847	10.00%	10.00%	0.00%	60	59	\$ -	-	\$ -	-	3.89%
SB-11	1/29/2016	ReadyCap	\$109.96	\$104.38	0.9492	10.00%	10.00%	0.00%	55	53	\$ -	-	\$ -	-	8.88%
SB-12	2/19/2016	Centerline	\$167.02	\$165.15	0.9888	10.00%	10.00%	0.00%	67	66	\$ -	-	\$ -	-	0.00%
SB-13	3/4/2016	Arbor and Greystone	\$400.89	\$397.55	0.9917	10.00%	10.00%	0.00%	160	159	\$ -	-	\$ -	-	5.20%
SB-14	3/30/2016	CBRE and Sabal	\$309.78	\$304.54	0.9831	10.00%	10.00%	0.00%	115	114	\$ -	-	\$ -	-	0.85%
SB-15	4/29/2016	Arbor and Greystone	\$301.63	\$300.97	0.9978	10.00%	10.00%	0.00%	117	117	\$ -	-	\$ -	-	0.55%
SB-16	5/27/2016	CBRE, CPC, Greystone, RED	\$349.50	\$348.60	0.9974	10.00%	10.00%	0.00%	154	154	\$ -	-	\$ -	-	0.43%
SB-17	6/27/2016	Arbor and Hunt	\$386.37	\$385.68	0.9982	10.00%	10.00%	0.00%	165	165	\$ -	0.79%	\$ 1,953,701.75	0.79%	0.26%
SB-18	7/26/2016	ReadyCap	\$118.04	\$117.80	0.9980	10.00%	10.00%	0.00%	58	58	\$ -	-	\$ -	-	0.00%
SB-20	8/18/2016	CBRE and Greystone	\$293.08	\$292.76	0.9989	10.00%	10.00%	0.00%	118	118	\$ -	-	\$ -	-	0.00%
SB-21	9/24/2016	CapitalOne	\$93.95	\$93.92	0.9997	10.00%	10.00%	0.00%	37	37	\$ -	-	\$ -	-	0.00%
SB-22	10/25/2016	Sabal	\$254.86	\$254.60	0.9990	10.00%	10.00%	0.00%	94	94	\$ -	-	\$ -	-	2.86%
SB-23	10/28/2016	Arbor and Pinnacle	\$341.75	\$341.59	0.9995	10.00%	10.00%	0.00%	123	123	\$ -	-	\$ -	-	0.00%
SB-24	11/17/2016	CBRE and Greystone	\$258.82	\$258.76	0.9998	10.00%	10.00%	0.00%	107	107	\$ -	-	\$ -	-	1.16%
SB-25	12/22/2016	CBRE, Greystone, Hunt, CPC	\$232.73	\$232.73	1.0000	10.00%	10.00%	0.00%	106	106	\$ -	-	\$ -	-	0.00%
			\$5,092.56	\$5,034.44					2,027	2,012					

## ■ Seasoned Deals

SB-Deal	Settlement Date	Seller/Originator	Original Balance (Millions)	Current Balance (Millions)	Factor	Senior Subordination Level			Original Loan Count	Active Loan Count	Cum Deal Loss	% DQ= 60+/F/R EO	Cum Appraisal Reduction	% Specially Serviced	% on Watchlist
						Original	Current	Change							
SB-3	9/23/2015	Banc of California	\$192.75	\$131.11	0.6802	10.00%	10.00%	0.00%	74	52	\$ -	-	\$ -	-	4.98%
SB-8	11/24/2015	First Foundation	\$102.03	\$88.37	0.8661	10.00%	10.00%	0.00%	51	46	\$ -	-	\$ -	-	6.05%
SB-19	7/28/2016	First Foundation	\$264.53	\$249.78	0.9442	10.00%	10.00%	0.00%	84	80	\$ -	-	\$ -	-	0.00%
			\$559.31	\$469.26					209	178					

# SB Portfolio Snapshot as of 12/31/2016



Delinquency Status			
Status	Count	UPB (in \$M)	% of Portfolio by UPB
Current	2,189	\$5,500,628,507.17	99.9%
30 Days			
60 Days			
90+ Days	1	\$3,071,577.0	0.06%
Foreclosure			
<b>TOTAL</b>	<b>2,190</b>	<b>\$5,503,700,084.2</b>	<b>100.0%</b>

DSCR			
DSCR Range	Most Recent Actual DSCR	UW DSCR	% of Portfolio by UPB
< 1.0	10	0	0%
1.00-1.09	6	0	0.3%
1.10-1.19	14	9	1.3%
1.20-1.24	15	391	17.6%
1.25-1.5	87	840	43.5%
>1.50	455	363	36.8%
<b>TOTAL</b>	<b>587</b>	<b>1,603</b>	<b>100.0%</b>

LTV			Amortization Type - % of Loan Count
LTV Range	Count	% of Portfolio by UPB	
<=70%	1044	47.2%	AM
>70%<=80%	1,145	52.7%	26.1%
>80%<=90%	1	0.1%	IO
>90%<=100%	0	0.0%	1.1%
>100%	0	0.0%	PIO
<b>TOTAL</b>	<b>2,190</b>	<b>100.0%</b>	<b>72.8%</b>

Top 5 States			
No.	States	Count	% of Portfolio by UPB
1	California	592	27.0%
2	New York	311	14.2%
3	Texas	230	10.5%
4	Illinois	130	5.9%
5	Florida	111	5.1%
	<b>% of Portfolio</b>		<b>62.7%</b>

Top 5 Metropolitan Areas			
No.	MSAs	Count	% of Portfolio by UPB
1	Los Angeles, CA	382	17.4%
2	New York, NY	241	11.0%
3	Chicago, IL	116	5.3%
4	Dallas, TX	65	5.3%
5	Houston, TX	56	3.0%
	<b>% of Portfolio</b>		<b>42.0%</b>

Top 5 Primary Servicers			
No.	No.	Count	% of Portfolio by UPB
1	Arbor	513	23.4%
2	Greystone	480	21.9%
3	CBRE	289	13.2%
4	Hunt	278	12.7%
5	First Foundation	182	8.3%
	<b>% of Portfolio</b>		<b>79.5%</b>

## Top 10 Loans by UPB

Top 10 S-Deal Loans										
No.	Loan #	Property	MSA	UPB (in \$M)	% of Portfolio	Deal	Latest DSCR	Latest LTV	Status	Seller/Originator
1	504199218	901 Ocean Avenue	LOS ANGELES-LONG BEA	\$17.7	0.3%	SB-19	1.49	62%	Current	First Foundation Bank
2	504198750	Hawthorn Regency Apartments	LOS ANGELES-LONG BEA	\$16.1	0.3%	SB-19	1.18	63%	Current	First Foundation Bank
3	708641938	11925 Kling Street	LOS ANGELES-LONG BEA	\$14.1	0.3%	SB-3	1.92	75%	Current	Banc of California
4	708575242	652 Brooklyn Avenue	NEW YORK, NY	\$12.8	0.2%	SB-9	2.03	78%	Current	Greystone Servicing Corporation, Inc.
5	504198343	5000 Belle Terrace	BAKERSFIELD, CA	\$11.1	0.2%	SB-19	1.44	69%	Current	First Foundation Bank
6	708642586	13490 Foothill Boulevard	LOS ANGELES-LONG BEA	\$10.7	0.2%	SB-3	1.49	75%	Current	Banc of California
7	504199463	The 1810	LOS ANGELES-LONG BEA	\$10.5	0.2%	SB-19	1.44	51%	Current	First Foundation Bank
8	708640044	Quail Meadows Apartments	HOUSTON, TX	\$9.3	0.2%	SB-7	2.01	72%	Current	Sabal TL1, LLC
9	708575293	709 Dekalb Avenue	NEW YORK, NY	\$9.2	0.2%	SB-9	2.13	80%	Current	Greystone Servicing Corporation, Inc.
10	708254012	1575 Oak Apartments	EVANSTON	\$8.4	0.2%	SB-12	1.27	70%	Current	Centerline Mortgage Partners Inc.

\*\* Note: % of Portfolio statistics are based on current month-end outstanding UPB balance.

# Loan Performance



## Flow Business

- Active Book: 2,012 Loans, \$5.03B UPB
- Delinquency Rate: 0.061% of Outstanding Balance
- Watchlist: 2.57% (51 loans, \$129.63M)
- Average DSCR: 1.98x
- Average Occupancy: 97%

Flow			
DSCR (Most Recent CREFC Reported)			
Range	#	\$	% Reported (\$)
< 1.00	10	26,944,157	2.04%
1.00 - 1.09	6	16,602,581	1.23%
1.10 - 1.19	12	35,604,075	2.45%
1.20 - 1.24	9	25,261,056	1.84%
1.25 - 1.50	61	159,227,831	12.47%
> 1.50	391	1,036,909,367	79.96%
<b>Total</b>	<b>489</b>	<b>1,300,549,067</b>	<b>100.00%</b>
Occupancy (Most Recent CREFC Reported)			
Rate	#	\$	% Reported (\$)
<=84	11	26,167,626	2.25%
85-89	29	68,508,566	5.93%
90-96	126	345,920,417	25.77%
97-99	77	254,745,973	15.75%
100	246	605,206,485	50.31%
<b>Total</b>	<b>489</b>	<b>1,300,549,067</b>	<b>100.00%</b>

## Seasoned Business

- Active Book: 178 Loans, \$469M UPB
- Delinquency Rate: 0%
- Watchlist: 2.53% (6 Loans, \$11.89M)
- Average DSCR: 1.73x
- Average Occupancy: 97%

Seasoned			
DSCR (Most Recent CREFC Reported)			
Range	#	\$	% Reported (\$)
< 1.00	0	0	0.00%
1.00 - 1.09	0	0	0.00%
1.10-1.19	2	1,963,281	2.04%
1.20-1.24	6	17,577,079	6.12%
1.25-1.50	26	60,888,161	26.53%
>1.50	64	139,047,827	65.31%
<b>Total</b>	<b>98</b>	<b>219,476,348</b>	<b>100.00%</b>
Occupancy (Most Recent CREFC Reported)			
Rate	#	\$	% Reported (\$)
<=84	2	4,748,597	2.04%
85-89	6	14,006,895	6.12%
90-96	17	43,693,202	17.35%
97-99	3	20,413,896	3.06%
100	70	136,613,758	71.43%
<b>Total</b>	<b>98</b>	<b>219,476,348</b>	<b>100.00%</b>

# Ten Largest Loans on the Watchlist



Deal	Loan ID	Property Name	State	MSA	UPB	Property Condition	Financial Performance	WL Reason	Credit / Informational
SB9	708577377	8-16 Wait Street	MA	Boston, MA	7,356,818.08	2 (10/13/16)	98% (10/13/16); 1.24x (YE15) 100%; 1.21x (UW) 100%	General Life Safety	Informational
SB1	708499406	67 Sea Street	MA	Hyannis, MA	5,821,071.09	2 (4/27/16)	0.74x (3Q16) 97%; 1.11x (2Q16) 97%; 1.18x (YE15) 92.41%	Renovations	Credit
SB13	708255590	The Avalon	CA	Los Angeles, CA	5,000,000.00	3 (10/11/16)	1.15x (3Q16) 85%; ( 1.17x (2Q16) 83%; 1.21x (UW) 94%	Renovations	Credit
SB7	708641334	New Ventura Apartments	AZ	Scottsdale, AZ	4,871,115.39	3 (5/24/16)	1.59x (3Q16) 96%; 1.54x (2Q16) 96%; 1.09x (YE15) 90%	Renovations	Credit
SB5	708225454	Mountain View Apartments	UT	Riverdale, UT	4,439,598.38	3 (1/7/16)	(0.31)x (3Q16) 91%; (.03)x (2Q16) 70%; 1.43x (YE15) 76%	Renovations	Credit
SB2	708237533	Soco at Alpine	TX	Austin, TX	3,964,958.53	3 (6/9/16)	1.07x (3Q16) 63%; 0.73x (2Q16) 97%; 1.98 (YE15) 100%	Renovations	Credit
SB22	708654991	Villa Pacifica	AZ	Tucson, AZ	3,923,000.00	N/A	68.75% (10/16); 1.27x (UW) 88%	Renovations	Credit
SB13	708602517	132 Smith Street	SC	Charleston, SC	3,820,000.00	N/A	85% (12/12/16); 35% (11/1/16); 1.25x (UW) 100%	Market	Credit
SB9	708577156	865 Sonoma Avenue	CA	Santa Rosa, CA	3,768,000.00	3 (10/19/16)	1.07x (3Q16) 57%; 1.81x (YE15) 97%; 1.21x (UW) 97%	Renovations	Credit
SB2	708238440	Hondo Apartments	TX	Dallas, TX	3,474,823.75	3 (4/19/16)	0.73x (3Q16) 94%; 0.67x (2Q16) 93%; 0.82x (YE15) 67%	Renovations	Credit

# Specially Serviced Loan



Category	Date Added to WL	Effective SS Transfer Date	Workout Strategy	Deal	FRE Loan #	Loan ID	Property Name	Location	# Units	Most Recent Financial	Actual Balance	Total Exposure	ARA (Appraisal Reduction Amount)	Details
Monetary Default	20160721	20160721	Foreclosure	SB17	708268935	44	Park Place Apartments	Elk City, OK	78 (originally 86 prior to fire)	1.91 (UW); 34% (9/21/16)	3,071,576.54	3,273,352.51	1,953,701.75	Default Judgment awarded on 12/21/16. Counsel is preparing the Order of Sale, Foreclosure will take place 45 days thereafter. Receiver received initial \$75,000 from the insurance company due to the fire onsite. Liability coverage was forced placed effective 12/23/16. Bids pending to tear down Building H.

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