LIBOR Transition Playbook
Freddie Mac Multifamily
Floating-Rate Loans & Securities and Credit Risk Transfer

June 2022
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Please be aware that the federal Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”) became law on March 15, 2022. The LIBOR Act requires the Board of Governors of the Federal Reserve System (“Board”) to publish regulations identifying a Board-selected benchmark replacement based on the Secured Overnight Financing Rate (“SOFR”). The timing and content of the regulations published by the Board may have a significant impact on steps that the GSEs may take in connection with the transition from LIBOR-indexed products to SOFR-indexed products. The information provided by the GSEs in this document may not reflect potential impacts of the LIBOR Act or the forthcoming
implementing regulations of the Board.
6. **Freddie Mac Multifamily Floating-Rate Loans and Securities**

6.1 **Introduction**

Floating-rate and Hybrid loans are a key component of all Multifamily lines of business: Conventional, Seniors Housing, Targeted Affordable Housing (“TAH”) and Small Balance Loans (“SBL”). Freddie Mac recognizes the importance of offering financing solutions with diverse loan structures and intends to preserve all existing floating-rate products throughout the transition to SOFR.

Product information is available on Freddie Mac’s [website](#).

6.2 **Planned product modifications**

Transitioning to SOFR is a complex undertaking, so our objective is to mitigate the complexity by avoiding non-essential product modifications. The summary below includes critical product modifications that support our shared mission to adopt SOFR.

❖ **Conventional, Seniors Housing, and TAH**

For our Conventional, Seniors Housing, and TAH business lines, SOFR-indexed loans are initially indexed to a compound average of SOFR. The compound average rate is 30-day Average SOFR (published by the NY Fed), which will then be applied to the upcoming interest accrual period (“SOFR Index”). If the appropriate regulatory authority (for this purpose, “appropriate regulatory authority” generally refers to the Board, the NY Fed or applicable official committee (e.g., the ARRC)) endorses or recommends that the use of one-month Term SOFR is appropriate for this type of product and if Term SOFR is operationally, administratively, and technically feasible as determined by, and at the discretion of, the GSEs, the SOFR Index will subsequently transition to one-month Term SOFR so long as the transition does not cause an adverse tax effect with respect to the loan or any trust or securitization to which the loan is assigned.

In determining administrative feasibility of Term SOFR, the GSEs will take into account, among other things, technical and operational issues as well as any regulatory requirements, directives or pronouncements affecting their actions. It is possible that Term SOFR will be determined not to be administratively feasible even if it becomes technically or operationally available in the future. Furthermore, the ARRC has published benchmark replacement recommendations under which compounded, rather than Term, SOFR is recommended for most securitization transactions.

The NY Fed publishes 30-, 90- and 180-day SOFR averages on their website, along with index values for use in calculating the SOFR average of alternative day counts.

Freddie Mac will use the NY Fed’s published rates on its website for index determination.

Similar to its LIBOR-indexed loan products, Freddie Mac’s SOFR-indexed loans continue to feature calendar-month interest accrual periods. LIBOR is determined on the business day preceding the beginning of the interest accrual period and 30-day Average SOFR is determined after 3:00 p.m. ET on the business day preceding the beginning of the interest accrual period.

Note that even though the SOFR index is determined based on a 30-day “lookback,” the rate is applied “in advance” of the applicable interest accrual period. For example, for a January accrual period, the
SOFR index will be determined based on the daily SOFR rates from the 30 days preceding the last business day of December.

That index will be applied to calculate interest throughout January, which will then be payable on February 1.

Freddie Mac generally requires all floating-rate loan borrowers to obtain third-party interest rate caps. For existing and new SOFR-based, floating-rate loans, these caps will be indexed to SOFR. For existing LIBOR-based floating-rate loans, these caps will be indexed to LIBOR and will transition to a SOFR-based index only in accordance with their governing documents and the loan documents. To address the possibility that LIBOR-indexed caps will not be available at any point after December 31, 2021, we asked primary servicers in mid-2021 to encourage borrowers to replace existing LIBOR-indexed caps before that date with LIBOR-indexed caps that expire on or after LIBOR cessation in June 2023. Doing so would ensure that the affected loans and caps are indexed to the same rate prior to LIBOR cessation. If LIBOR-indexed caps are not available for borrowers with maturing LIBOR-indexed caps, those borrowers may purchase SOFR-indexed replacement caps.

As of January 15, 2021, SOFR-based, floating-rate loan borrowers were no longer permitted to purchase initial LIBOR-based cap agreements. Instead, only SOFR-based cap agreements are permitted.

❖ SBL Hybrid floating-rate loans

Unlike other Multifamily lines of business, Small Balance Loans offer delegated quoting. SOFR-related modifications to the SBL Hybrid loans origination are minor, however, any changes deemed necessary have been tailored to the delegated quote process. Details on the SOFR-indexed SBL Hybrid loan structure have been included below:

SOFR-indexed SBL Hybrids will be indexed to 30-day Average SOFR during the floating-rate period. Freddie Mac will use the NY Fed’s published rates on its website for index determination.

It is important to note that the rate reset frequency will remain unchanged and will continue to reset every six months during the floating-rate period. Similarly, interest rate protection will remain unchanged and will continue to have an embedded structure.

If any aspect of the SOFR-indexed SBL Hybrid loan structure is not mentioned in this playbook, no change is currently planned relative to the existing loan structure for SBL Hybrids with a floating-rate period indexed to LIBOR.

6.3 Selling and delivering MF SOFR floating-rate loans

❖ What’s changing?

Loan Documents have been revised to reflect the SOFR index.

❖ What’s not changing?

The Delivery process will remain unchanged. SOFR will impact the index language in the legal documents and the Purchase team will review to ensure the appropriate index is referenced as agreed to in the Commitment.
6.4 MF floating-rate securities indexed to SOFR

As part of Freddie Mac’s broader LIBOR transition efforts, floating-rate K-Deals now include at least one bond class with a coupon indexed to SOFR. The SOFR-indexed bonds are collateralized by loans indexed to either LIBOR or SOFR.

❖ KF SOFR bonds with LIBOR-indexed collateral (“LIBOR-SOFR Bonds”)

Freddie Mac Multifamily priced its first floating-rate K-Deal (KF73) with bonds indexed to SOFR and collateralized by LIBOR-based loans in December 2019. The intent was to provide support to the SOFR bond market ahead of a SOFR loan offering, create liquidity, and provide proof of concept, thus easing the ultimate transition to SOFR. KF73 provided such proof of concept.

The classes of securities issued are similar to prior LIBOR floating-rate K-Deals with a couple of changes. First, Class A certificates are split into two pro-rata classes of securities:

- LIBOR-indexed Class AL
- SOFR-indexed Class AS

Second, Class X Interest calculation has also been updated. Class X (formerly split into Class XI and Class XP) certificate holders receive interest-only payments indexed to LIBOR. Solely for the purpose of determining the interest amount payable to the Class X certificate holders, Class AS is calculated as a LIBOR-indexed bond (not a SOFR-indexed bond).

The Class X Certificates:
1.) Receive interest-only payments indexed to LIBOR and notional to Classes AL, AS, B, and C
2.) are entitled to Static Prepayment Premiums

Class AL is paid pro rata with Class AS. The Class AL and AS Principal Balances are sized based on investor demand.

*Figure 6-1: LIBOR-SOFR bond structure*¹

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¹ For illustrative purposes only. Class sizes do not reflect actual bond offering.
❖ **Basis risk guarantee**

Should SOFR exceed LIBOR, an additional Freddie Mac guarantee covers any basis mismatch between the SOFR-indexed bonds and the LIBOR-indexed loans:

- Freddie Mac is providing a Basis Risk Guarantee that is in addition to the standard K- Deal Credit Guarantee
- The Credit Guarantee continues to cover credit losses while the Basis Risk Guarantee covers any cash flow shortfalls to the LIBOR-SOFR bonds due to the mismatch between amounts collected on the LIBOR-indexed loans and amounts due on the SOFR-indexed bonds
- Figure 6-2 illustrates what happens in the event SOFR is greater than LIBOR. LIBOR is assumed to be 2.00%, and SOFR is assumed to be 2.05%. In this example, there is not enough interest on the LIBOR loans to pay the SOFR bond coupon creating an interest shortfall. The 2.00% LIBOR loan interest is passed through to certificate holders, and Freddie Mac provides a Basis Risk Guarantee Cap Payment to cover the shortfall of 0.05%

*Figure 6-2: Payment Example 1: SOFR is greater than LIBOR*

- Interest income received by the Trust from the underlying LIBOR-indexed loans (assumed to be 2.00% for illustrative purposes)
• Interest due to Class AS certificate holders calculated using monthly SOFR (assumed to be 2.05% for illustrative purposes)
• Freddie Mac provides a Guarantee Cap Payment to the Trust to cover the interest shortfall caused by the mismatch between LIBOR loan inflows and SOFR bond outflows due to Class AS certificate holders (0.05%)

Figure 6-3 illustrates the case where LIBOR is greater than SOFR creating an interest excess. LIBOR is assumed to be 2.05%, and SOFR is assumed to be 2.00%. 2.00% of the 2.05% LIBOR loan interest is passed through to certificate holders, and Freddie Mac receives the 0.05% interest excess in the form of a Basis Risk Guarantee Fee.

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**Figure 6-3: Payment Example 2: LIBOR is greater than SOFR**

- Interest income received by the Trust from the underlying LIBOR-indexed loans (assumed to be 2.05% for illustrative purposes)
- Interest due to Class AS certificate holders calculated using monthly SOFR (assumed to be 2.00% for illustrative purposes)
- Freddie Mac receives a Basis Risk Guarantee Fee equal to the interest surplus caused by the mismatch between LIBOR loan inflows and SOFR bond outflows due to Class AS certificate holders (0.05%)

The LIBOR-indexed loans and LIBOR-indexed bonds are expected to convert to the 30-day Average
SOFR (published by the NY Fed).

❖ LIBOR-SOFR bond index

The NY Fed publishes 30-, 90- and 180-day SOFR averages on their website along with index values for use in calculating the SOFR average of alternative day counts. Interest due to LIBOR-SOFR Bond classes will be calculated “in advance” of interest being due.

K-F73 through K-F76

Freddie Mac calculates the SOFR rate based on a calendar month compound average using the NY Fed’s published index. Said differently, Freddie Mac built a SOFR calculator based on the calculation methodology published by the NY Fed/ARRC on November 4, 2019. Freddie Mac discloses the calculated rates on its website (See “Vendor Readiness” section below for instructions).

K-F77 through K-F94

The applicable SOFR rate is 30-day Average SOFR, which is published by the NY Fed at approximately 2:30 p.m. ET.

❖ LIBOR-SOFR bond index determination

K-F73 through K-F76

The LIBOR-SOFR bond has a SOFR Determination Date on the first business day of the Loan Interest Accrual Period. LIBOR-indexed bonds and LIBOR-indexed loans have a LIBOR Determination Date on the last business day of the month prior to the Loan Interest Accrual Period.

As always, bond payments are made on the 25th day of the calendar month (or the succeeding business day) in which the Loan Payment Date occurs. Figure 6-4 illustrates the loan interest accrual and the bond interest accrual timelines.

Figure 6-4: LIBOR-SOFR loan and bond interest accrual timelines (K-F73 through K-F76)

Example Bond Timeline: October Payment

The current LIBOR-indexed bonds have a LIBOR Determination Date the business day prior to the Loan Interest Accrual Period. Since SOFR is published one business day after its effective date, SOFR-indexed bonds have a SOFR Determination Date on the first business day of the Loan Interest Accrual Period.

As with LIBOR-indexed bonds, the SOFR index applicable to the LIBOR-SOFR bonds in K-F73 through K-F94 cannot be less than zero.

K-F77 through K-F94
Similar to LIBOR, the SOFR Determination Date is the business day prior to the Loan Interest Accrual Period.

As always, bond payments are made on the 25th day of the calendar month (or the succeeding business day) in which the Loan Payment Date occurs. Figure 6-5 illustrates the loan interest accrual and the bond interest accrual timelines.

**Figure 6-5: LIBOR-SOFR loan and bond interest accrual timelines (K-F77 through K-F94)**

The current LIBOR-indexed bonds have a LIBOR Determination Date the business day prior to the Loan Interest Accrual Period. The SOFR-indexed bonds have a SOFR Determination Date that is also the business day prior to the Loan Interest Accrual Period.

In Figure 6-6, the following assumptions are made for illustrative purposes:

- 30-Day Average SOFR is -1.00%, -0.75% and -0.50%, respectively
- Class AS Margin is 0.25%, 0.50% and 0.75%, respectively

Since the LIBOR-SOFR Bond in K-F77 through K-F94 cannot have a pass-through rate less than zero, the Class AS Pass-Through Rates in Scenarios 1 and 2 are floored at 0.00%. LIBOR-SOFR bonds in K-F77 through K-F94 will in no event have a pass-through rate less than zero.

**Figure 6-6: Class AS LIBOR pass-through rate floor (K-F77 through K-F94)**

KF SOFR bonds with SOFR-indexed collateral (“SOFR-SOFR Bonds”)

Freddie Mac Multifamily began offering SOFR-based loans on September 1, 2020 and stopped purchasing LIBOR-based loans after December 31, 2020. K-F95 was the first floating-rate K-Deal with bonds indexed to SOFR and collateralized by SOFR-based loans.

The current bond structure of the securities issued is similar to existing LIBOR floating-rate K-Deals with the principal variance being that the SOFR-SOFR Bonds (Classes AS, BS, CS, and XS) and their SOFR loan collateral is indexed to the 30-day Average SOFR rate.
Freddie Mac Multifamily may or may not offer LIBOR bonds (Classes AL, BL, CL, and XL) collateralized by LIBOR-based loans in the same KF transaction in which SOFR-SOFR bonds are offered. If LIBOR bonds are offered, underlying mortgage loans are group directed such that:

- LIBOR bonds are collateralized exclusively by LIBOR-based loans
- SOFR-SOFR bonds are collateralized exclusively by SOFR-based loans

Figure 6-7 demonstrates the following characteristics of SOFR-SOFR bond classes:

- The Class XL Certificates 1) receive interest-only payments indexed to LIBOR and notional to Classes AL, BL, and CL, and 2) are entitled to Static Prepayment Premiums
- The Class XS Certificates 1) receive interest-only payments indexed to SOFR and notional to Classes AS, BS, and CS, and 2) are entitled to Static Prepayment Premiums
- MF may not offer Class BL or BS Classes. If Class BL and BS are not offered, Classes AL and AS may extend to the 7.5% credit enhancement level

**Figure 6-7: SOFR-SOFR bond structure**

![SOFR-SOFR bond structure](image)

- **SOFR-SOFR bond index**
  Interest due to SOFR-SOFR bond classes will be calculated “in advance” of interest being due. The applicable SOFR rate is 30-day Average SOFR, which is published by the NY Fed at approximately 2:30 p.m. ET.

- **SOFR-SOFR bond index determination**
  Similar to LIBOR bonds, the SOFR Determination Date is the business day prior to the loan interest accrual period.

  As always, bond payments are made on the 25th day of the calendar month (or the succeeding business day) in which the Loan Payment Date occurs. Figure 6-8 illustrates the loan interest accrual

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2 For illustrative purposes only. Class sizes to not reflect actual bond offerings.
and the bond interest accrual timelines.

**Figure 6-8: SOFR-SOFR loan and bond interest accrual timeline**

Example Timeline: October Payment

Current LIBOR-indexed bonds have a LIBOR Determination Date the business day prior to the Loan Interest Accrual Period. SOFR-SOFR bonds have a SOFR Determination Date that is also the business day prior to the Loan Interest Accrual Period.

Similar to LIBOR bonds, the SOFR index applicable to SOFR-SOFR bonds cannot be less than zero. The following assumptions are made in figure 6-9 for illustrative purposes:

- Interest income received by the Trust from underlying SOFR based loans is 2.00%
- Interest due to SOFR-SOFR (class AS, BS, CS, or XS) bondholders calculated is 2.00%

**Figure 6-9: SOFR pass-through rate floor (K-F95+)**

- **Vendor readiness**

The NY Fed publishes 30-day Average SOFR on its website on or about 2:30 p.m. ET. Freddie Mac discloses the calculated rate on its website via the monthly SOFR rate disclosure. The instructions to retrieve the calculated rate from Freddie Mac’s website are below.

1. Access Freddie Mac’s datafiles via its website
2. In the top right corner, click “Login” to get started. An account must be created prior to accessing the calculated rate
3. After logging in, click the blue dot in the top right corner. From the drop-down menu, select "Data Files and Reports"
4. Using the menu on the left side of the page, select “Reset” from the options below "Multi-Class”
5. Select “Report” at the top of the page (in blue) and then select "Off-Platform Deal Indices"
6. Click "Year" and select "2022"
7. Click “Month” and select the appropriate month
8. Select the desired file name and save it as a text file
9. For example, for January 2020 the title of the data can be found on the far right of the file
10. Copy all of the text in the string. Paste the text string into an Excel as "Text." This will allow the contents to be sorted into appropriate columns, which will make the file functional

❖ PC securities

On account of its pass-through nature, SOFR-indexed Multi PCs will only be issued if the underlying loan for a PC is SOFR-indexed. Freddie Mac cannot issue a SOFR-indexed Multi PC with an underlying loan indexed to LIBOR. Since a Multi PC is a pass-through, the SOFR index on a PC will be the same as the SOFR index on the underlying loan; index determination will be in sync with the index determination on the underlying loan. SOFR-indexed Multi PCs will have the same accrual period and method as the underlying SOFR-indexed loan with a 55-day delay convention.

Freddie Mac has only issued floating-rate Multi PCs indexed to LIBOR in the past. The transition of such LIBOR-indexed Multi PCs will be addressed to be consistent with other legacy MF LIBOR loan and bond approaches.

6.5 Servicing MF SOFR floating-rate loans

This section focuses on floating-rate loans that have been tied to a SOFR index since origination and will not require conversion upon LIBOR cessation.

❖ What is changing? What is not changing?

Reporting and remitting

Generally, servicing of a SOFR-indexed floating-rate loan is not expected to be materially different from the servicing of a LIBOR-indexed loan. In particular, Freddie Mac does not anticipate there will be any impact to the following:

- Floating-rate calculation
- Servicer reporting and remittance deadlines
- Systems and processes used to report to Freddie Mac
- Data reported to Freddie Mac
- Interest day basis and accrual periods
- Custodial accounts tied to underlying loans

A SOFR-indexed loan does present some fundamental differences compared to a LIBOR-indexed loan, including in the following areas:

- Published source of the index value
- Index value availability timing
- Index determination methodology

Master servicing

The servicing impact for SOFR loans is becoming operationally prepared to calculate a SOFR-based interest rate. This occurs at the primary servicing level. Master servicers will need to become familiar with SOFR index calculation protocols and ensure that their primary servicers are equally capable of processing rate changes under the new SOFR index environment.

Transfer of servicing
Similar to any servicing transfer, it is the responsibility of the transferor to ensure the transferee, as the receiving servicer, is aware and able to support SOFR loans without interruption. Particular attention should be taken to confirm transferees know the published source of indices, timing of availability, and calculations.

❖ **What actions may servicers take to be ready?**

Readiness for SOFR requires an assessment of internal processes and systems prior to implementation. There are a number of industry resources that provide guidance on actions and best practices for the implementation of SOFR, including the following:

- CRE Finance Council (“CREFC”) produces updates and guidance associated with SOFR
- The ARRC published “Practical Implementation Checklist for SOFR Adoption” in September 2019

Additionally, the following considerations apply to servicers:

- Servicers should anticipate that more than one SOFR index may be offered (e.g., 30-day, 90-day, calendar month, etc.)
- Servicers should understand how the applicable index is determined and calculated and know the officially published sources for the index
- Servicers will need to determine if their systems are operationally able to process the monthly recalculation of the SOFR index
- Servicers will need to determine if this recalculation can be done automatically or manually to correctly have the entire accrual period calculated using the new floating-rate

### 6.6 Discontinuation of originating and selling MF LIBOR floating-rate loans

❖ **Timeline leading up to the cessation of purchasing LIBOR floating-rate loans**

Below are the milestones that have passed relating to our transition of our new products from LIBOR to SOFR.

- **September 1, 2020:** Freddie Mac ceased issuing quotes for LIBOR-indexed loans; all new floating-rate quotes are for SOFR-indexed loans. For SBL, Optigo® lenders can no longer issue applications for SBL hybrid loans with a floating-rate period indexed to LIBOR; all new hybrid loan applications issued are SOFR-based
- **November 9, 2020:** The last day for submission of underwriting package for LIBOR-indexed floating-rate and hybrid loans to Freddie Mac
- **December 11, 2020:** Last day for submission of final delivery package for LIBOR-indexed floating-rate and hybrid loans to Freddie Mac
- **December 31, 2020:** Last day for Freddie Mac to purchase LIBOR-indexed floating-rate and hybrid loans, regardless of the loan application or the date of the note

❖ **What’s not changing?**

The Delivery process will remain unchanged. The Purchase team will review to ensure the appropriate index is referenced as agreed to in the Commitment. As loans are designated for securitization, the Loan Sales team will package the applicable mortgage and servicing files and forward them to the Trustees and Master Servicers.

### 6.7 Legacy MF LIBOR floating-rate loans transition
The LIBOR Act requires the Board to publish regulations identifying a Board-selected benchmark replacement based on SOFR. The GSEs will continue to monitor developments from the Board and will work with their conservator and regulator to define the timing and strategy for transitioning legacy MF LIBOR-indexed floating rate loans. The GSEs expect to release an announcement on their transition strategy for legacy MF LIBOR floating-rate loans and give additional relevant details no later than six months prior to the LIBOR cessation event.
8. **Freddie Mac Multifamily Credit Risk Transfer Transactions**

8.1 **Introduction**

The purpose of this chapter is to provide market participants guidance on new SOFR-indexed MF CRT issuances, which are known as Multifamily Structured Credit Risk Notes (“Multifamily SCR Notes” or “MSCR Notes”).

Freddie Mac completed its first SOFR-indexed MF CRT issuance, MSCR 2021-MN1, in January 2021. Prior to its first SOFR issuance, Freddie Mac issued three Multifamily SCR Notes, all of which were fixed-rate notes, between 2016 and 2017, so there are no Legacy MF CRT LIBOR securities to transition to an alternative rate.

8.2 **Legacy CRT transition**

Legacy transition considerations are not applicable to Freddie Mac MF CRTs due to their fixed rate nature. Freddie Mac Multifamily does not plan to issue any LIBOR-based CRT deals in the future.

8.3 **Alignment with SF CRT**

The GSEs, with the support of FHFA, intend to align to the SF CRT offering and minimize potential disruptions to the CRT market. In addition, Freddie Mac’s STACR program and MSCR programs will be aligned to the following:

- Selection of the index as the replacement of LIBOR for new issuance CRT deals
- Alternative index and methodology
- Fallback triggers and waterfall

Freddie Mac’s Multifamily SCR Notes program is looking to attract large investors from STACR. Thus, alignment with SF CRT is essential to ensure broad market acceptance.
## 9. Summary of Prior Changes

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<td><strong>August 2020</strong></td>
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<tr>
<td>6. Freddie Mac Multifamily Floating-Rate Loans and Securities</td>
<td>▪ Updated SOFR-indexed loan offering details, including loan structure, interest rate protection, and origination and underwriting process changes</td>
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<tr>
<td><strong>September 2020</strong></td>
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| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | ▪ Updated Interest rate protection section with details on availability and interest rate caps. Also updated Small Balance Loan Hybrid Floating-Rate loans section  
▪ Deleted details regarding overlap period in the Conventional, Seniors Housing, TAH section. Updated link for “Refinance Test”  
▪ Updated to indicate that as of Sep. 1, 2020, Freddie Mac ceased issuing quotes for LIBOR-indexed loans  
▪ Made grammatical and tense changes to the section 6 |
| **October 2020** | | |
| 6. Freddie Mac MF Credit Risk Transfer Transactions | ▪ Removed “In the event that Freddie Mac believes it is necessary to issue new SCR Notes again prior to market readiness and interest in MF CRT Floating-Rate securities based on an ARR, Freddie Mac expects the SCR Notes will be a LIBOR Floating-Rate CRT issuance and will be structured in alignment with the STACR program.” |
| **November 2020** | | |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | ▪ Updated language to include SOFR-indexed bonds  
▪ Added details on K-F-73, K-F76, K-F77, K-F94, SOFR-SOFR bonds  
▪ Updated verbiage and added explanation of remaining key dates |
| **March 2021** | | |
| 6. Freddie Mac Multifamily Floating-Rate Loans & Securities | ▪ Updated language to address termination of LIBOR Cap option; removed requirements for purchasing a LIBOR-based Cap  
▪ Modified tenses to reflect what has been done and what is still to be done  
▪ Updated language to indicate that the SOFR-SOFR bond structure that started in K-F95 is the current structure in use  
▪ Removed various subsections that contained outdated information  
▪ Removed pipeline management, communications, and borrower outreach best practices from section 6 |
| 8. Freddie Mac MF CRT Transactions | ▪ Updated content to reflect completion of Freddie Mac’s first SOFR-indexed MF CRT issuance  
▪ Removed “Timeline and milestones” section  
▪ Updated Legacy CRT transition section to reflect the plan to not issue any LIBOR based CRT deals in the future |
| **October 2021** | | |
| 6. Freddie Mac Multifamily Floating-Rate Loans and Securities | - 6.2 Planned product modifications: Added language about the use of Term SOFR and the determination of its administrative feasibility; added a statement about the availability of LIBOR-indexed interest rate caps  
- Figure 6-1: Moved clarification from figure to footnotes  
- 6.4 MF Floating-Rate securities indexed to SOFR: Removed an outdated statement about the conversion of LIBOR-indexed loans and bonds  
- Figure 6-7: Moved clarification from figure to footnotes |