Freddie Mac’s Replacement Index Selections for Legacy LIBOR Contracts

December 22, 2022

Freddie Mac will transition its legacy U.S. dollar (USD) LIBOR-indexed contracts to an index based on the Secured Overnight Financing Rate (SOFR) for loans and securities for which Freddie Mac is responsible for selecting the replacement index. The transition will occur after June 30, 2023, the last date on which ICE Benchmark Administration Limited will publish a representative rate for all remaining tenors of USD LIBOR.

Freddie Mac’s replacement rate selections follow the recommendations published by the Federal Reserve Board. The transition will include Freddie Mac’s legacy LIBOR-indexed single-family adjustable-rate mortgages (ARMs), derivatives, multifamily floating rate loans, multifamily floating rate mortgage-backed securities, collateralized mortgage obligations and credit risk transfer securities. Freddie Mac plans to transition as follows:

Product Type*	Federal Reserve Board (FRB) Category	Current LIBOR Index	Spread-adjusted SOFR Replacement Index
Single-Family Adjustable-Rate Mortgages (ARM)	Consumer Loans	1M LIBOR	Refinitiv USD IBOR Consumer Cash Fallback 1-Month (Term)
		6M LIBOR	Refinitiv USD IBOR Consumer Cash Fallback 6-Month (Term)
		12M LIBOR	Refinitiv USD IBOR Consumer Cash Fallback 12-Month (Term)
Collateralized Mortgage Obligations (CMO)	FHFA-Regulated-Entity Contract	1M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 1-Month (Spread-adjusted 30-day Avg)**
SF Structured Agency Credit Risk (STACR)	FHFA-Regulated-Entity Contract	1M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 1-Month (Spread-adjusted 30-day Avg)**
Multifamily Floating Rate Mortgage-Backed Securities (MBS)	FHFA-Regulated-Entity Contract	1M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 1-Month (Spread-adjusted 30-day Avg)**
		6M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 6-Month (Spread-adjusted 30-day Avg)**
		12M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 12-Month (Spread-adjusted 30-day Avg)**
Multifamily Floating Rate Mortgage Loans	FHFA-Regulated-Entity Contract	1M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 1-Month (Spread-adjusted 30-day Avg)**
		6M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 6-Month (Spread-adjusted 30-day Avg)**
		12M LIBOR	USD IBOR FHFA-Regulated-Entity Contract Cash Fallback 12-Month (Spread-adjusted 30-day Avg)**

* Product Type relates to categories specified in the FRB’s final regulation for the LIBOR Act and is not intended to cover all of the GSEs’ products. Product questions may be directed to a Freddie Mac representative.

** Details for spread-adjusted SOFR replacement indices for FHFA-Regulated Entity Contracts have not yet been finalized and will be announced when available.