



Credit Risk  
Transfer

# Freddie Mac CRT Quarterly Webinar

April 2021

# Adapting to the Virtual World

## Launching New Digital Content

The Freddie Mac [Single-Family CRTcast](#) is a new series focusing on topics related to CRT issuance, market liquidity, collateral trends and data transparency.

## Attending Virtual Conferences

The CRT team presented at the [IMN Asian Structured Credit Summit](#) to give an overview of the market and Freddie Mac's robust mortgage risk management framework and investment opportunities.

## Hosting Virtual Events

Registration is now open for [Investor Day 2021](#). The two-day virtual event takes place on June 8 and June 10.

# Freddie Mac Presenters



**MIKE REYNOLDS**

Vice President  
Single-Family Credit Risk Transfer  
Freddie Mac



**Charlotte Gladwin**

Director  
Single-Family Credit Risk Transfer  
Freddie Mac

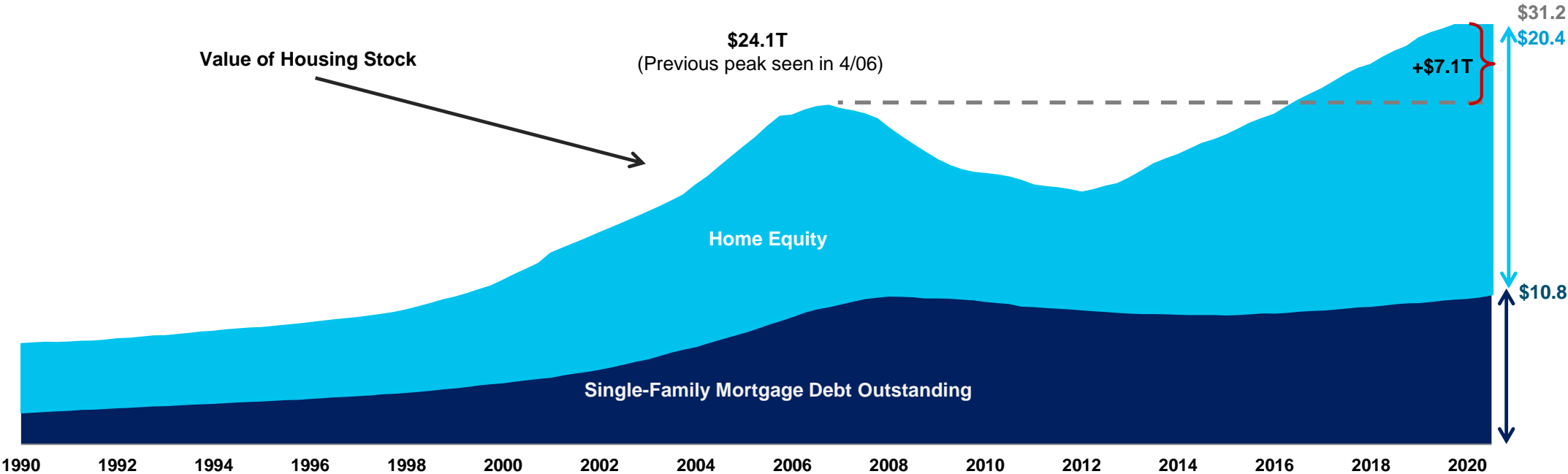
# Introducing Our Interim CEO



# Strong U.S. Housing Market

U.S. home equity has significantly recovered, reflecting a sound valuation of the market compared to the last housing bubble

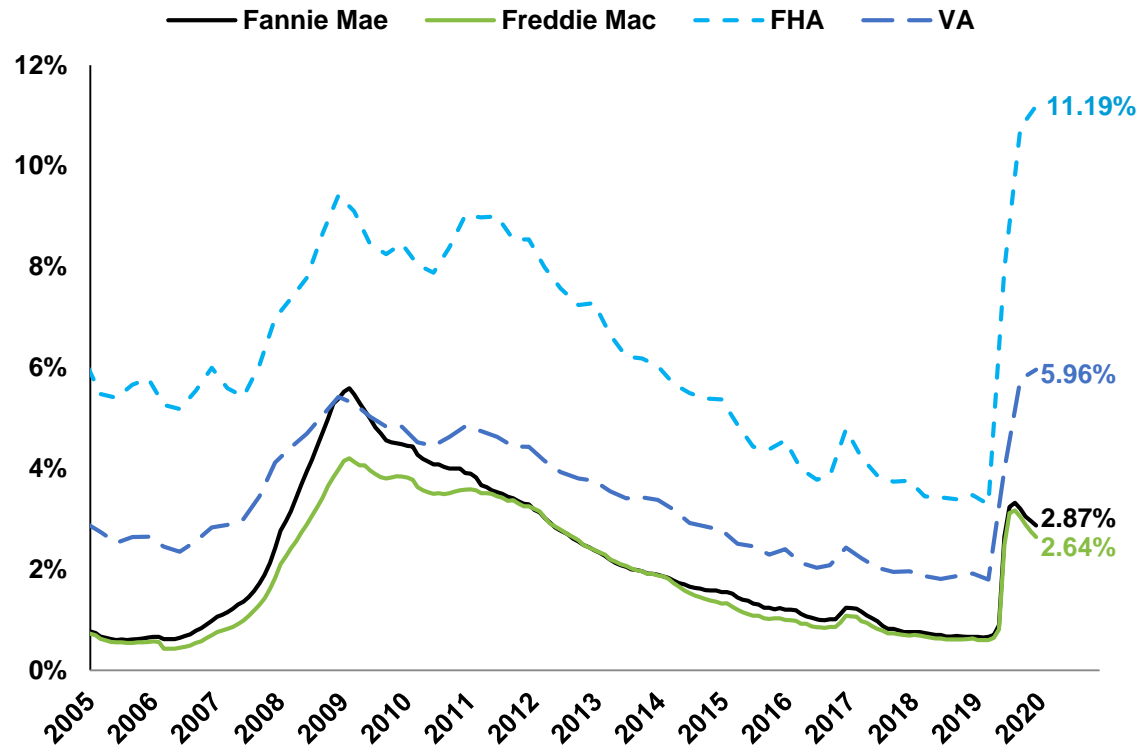
Total Value of U.S. Real Estate Held by Households<sup>1</sup>  
(\$ Trillions)



Source: Federal Reserve Board's Flow of Funds Accounts of the United States. Data as of September 2020.  
(1) Value of U.S. housing stock includes homes with and without underlying mortgages. U.S. home equity is the difference between the value of the U.S. housing stock and the amount of U.S. single-family mortgage debt outstanding.

# Delinquency Trends

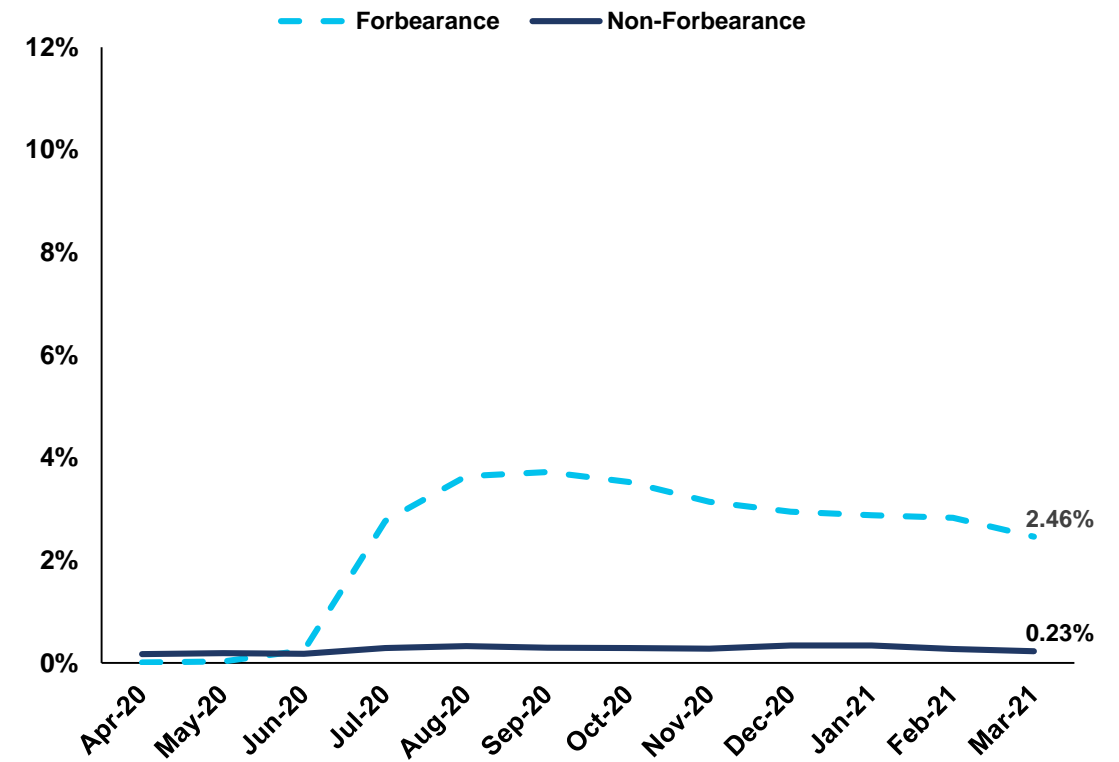
**Freddie Mac Maintains Low Serious Delinquency Through COVID-19 Impact**



Source: "Housing Finance at a Glance: A Monthly Chartbook," Housing Finance Policy Center, January 2021; Fannie Mae, Freddie Mac, MBA Delinquency Survey and Urban Institute.

Note: Serious delinquency is defined as 90 days or more past due or in the foreclosure process.

**Freddie Mac CRT Portfolio Serious Delinquency Forbearance vs. Non-Forbearance**



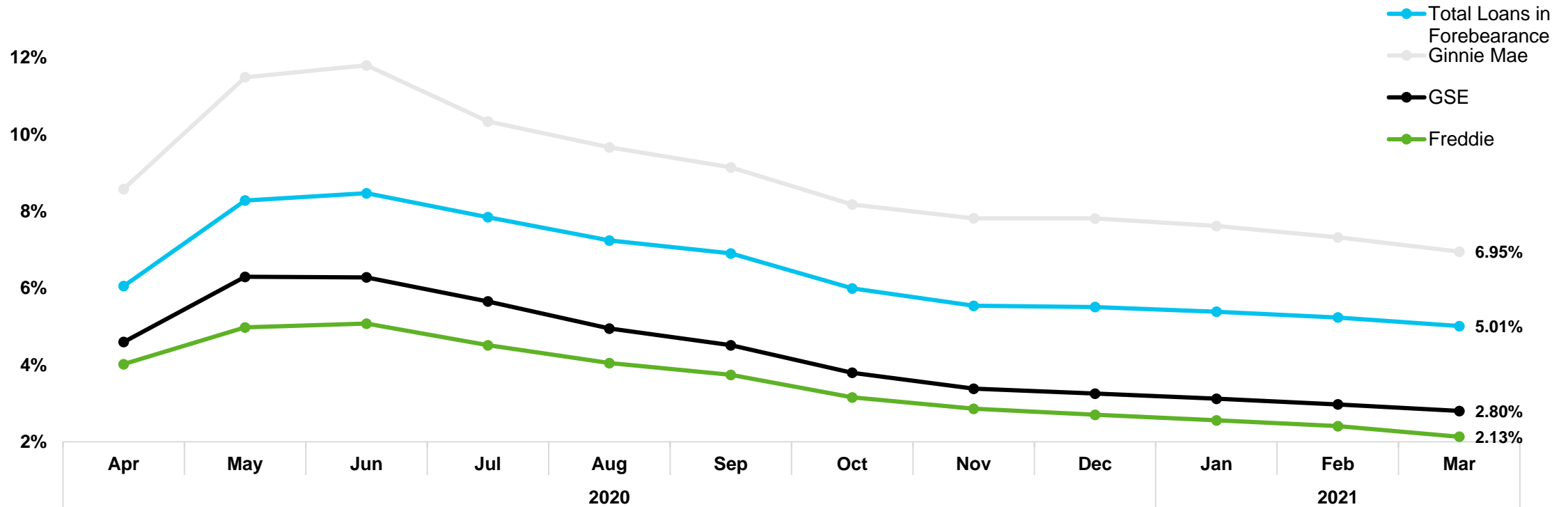
Source: Freddie Mac Clarity Data Intelligence, as of March 2021

Note: Serious delinquency is defined as 90 days or more past due or in the foreclosure process.

# Forbearance Rate Trends

Lower Freddie Mac Forbearance Rate Is Reflective of Less Risky Portfolio Profile

## Share of Mortgage Loans in Forbearance



Source: MBA/Freddie Mac

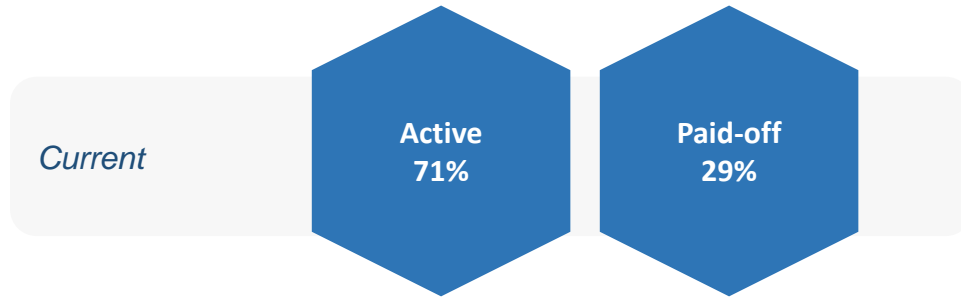
Note: The share is based on the total portfolio loan count

# Forbearance Exit Transition *as of March 2021 Reporting Period*

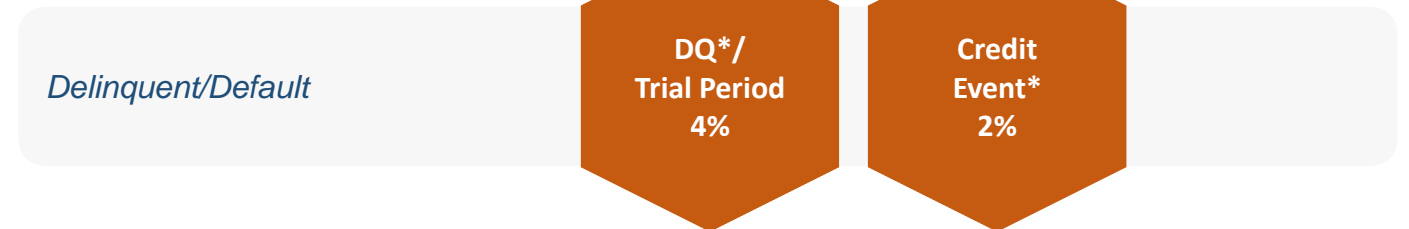
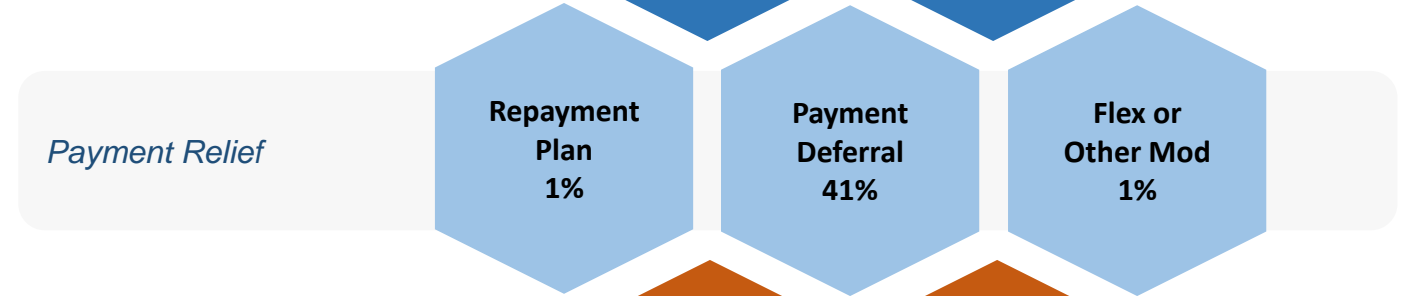
63% of loans have exited COVID-19 related forbearance in CRT Transactions\*

Borrowers were always current | 9%

Borrowers had missed payments\* | 91%



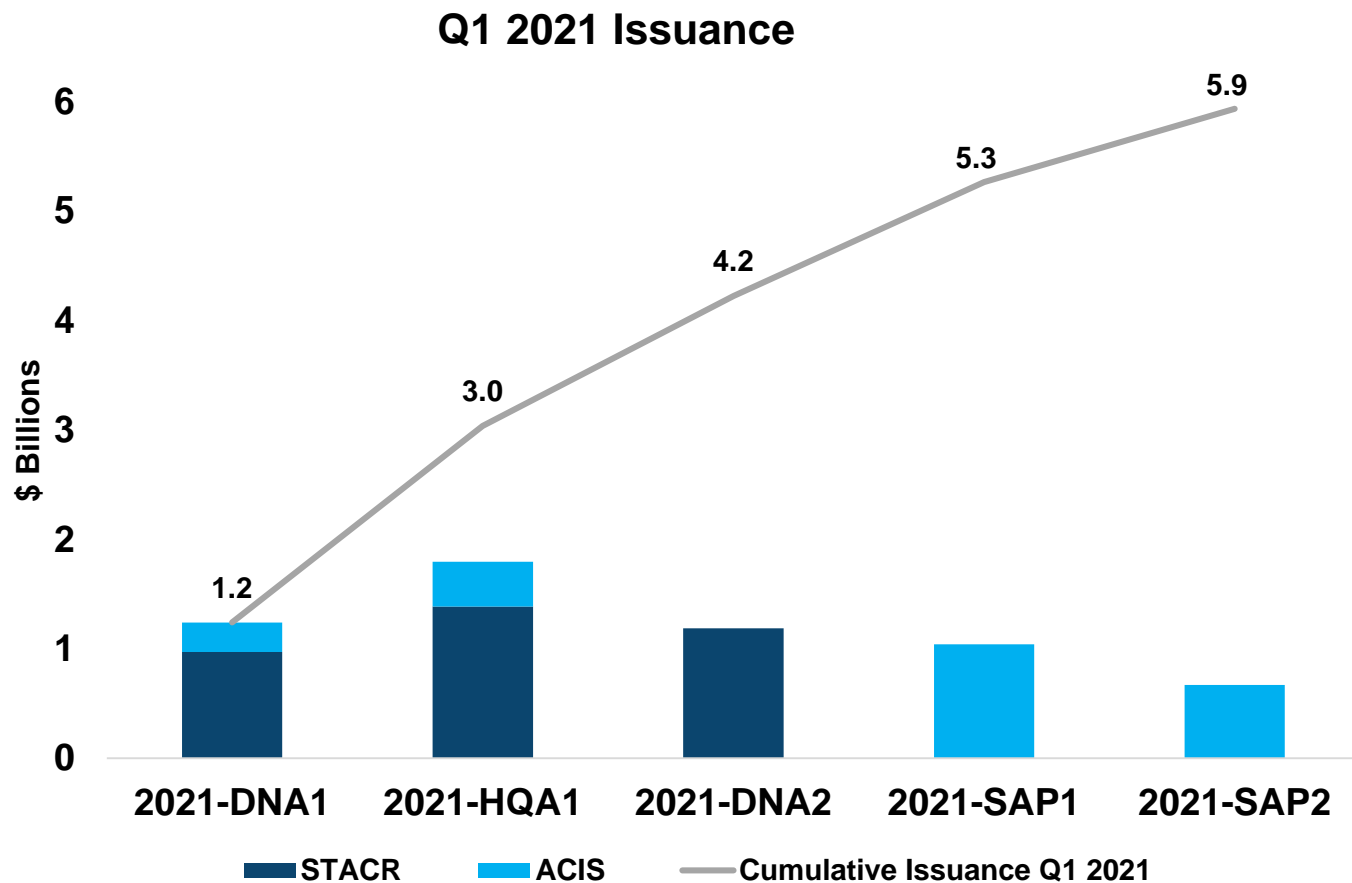
To see current statuses for loans in forbearance, please go to [Delinquency Matrix](#) or [Disaster Matrix](#) in Clarity.



- \* Population evaluated is any loans in CRT transactions that entered forbearance between the May 2020 and March 2021 Reporting Periods, which correspond to the March 2020 and December 2020 servicer reporting.
- \* Delinquency is based on April 2020 to March 2021 Reporting Periods, which correspond to the March 2020 to February 2021 servicer reporting.
- \* Credit Events includes liquidations for Actual Loss transactions and D180 Credit Event for Fixed Severity transactions.
- \* Forbearance exits are defined as, for the most recent Payment Date, loans for which no active forbearance was reported, or a Payment deferral was granted and was current regardless of the forbearance status.



# Q1 2021 Highlights



Source: Freddie Mac, as of March 2021. Note: Amounts may not add up due to rounding.

## \$5.9 Billion Issuance Volume

Record Quarter for Freddie Mac Single-Family CRT

### STACR 2021-HQA1

Largest transaction in STACR program history

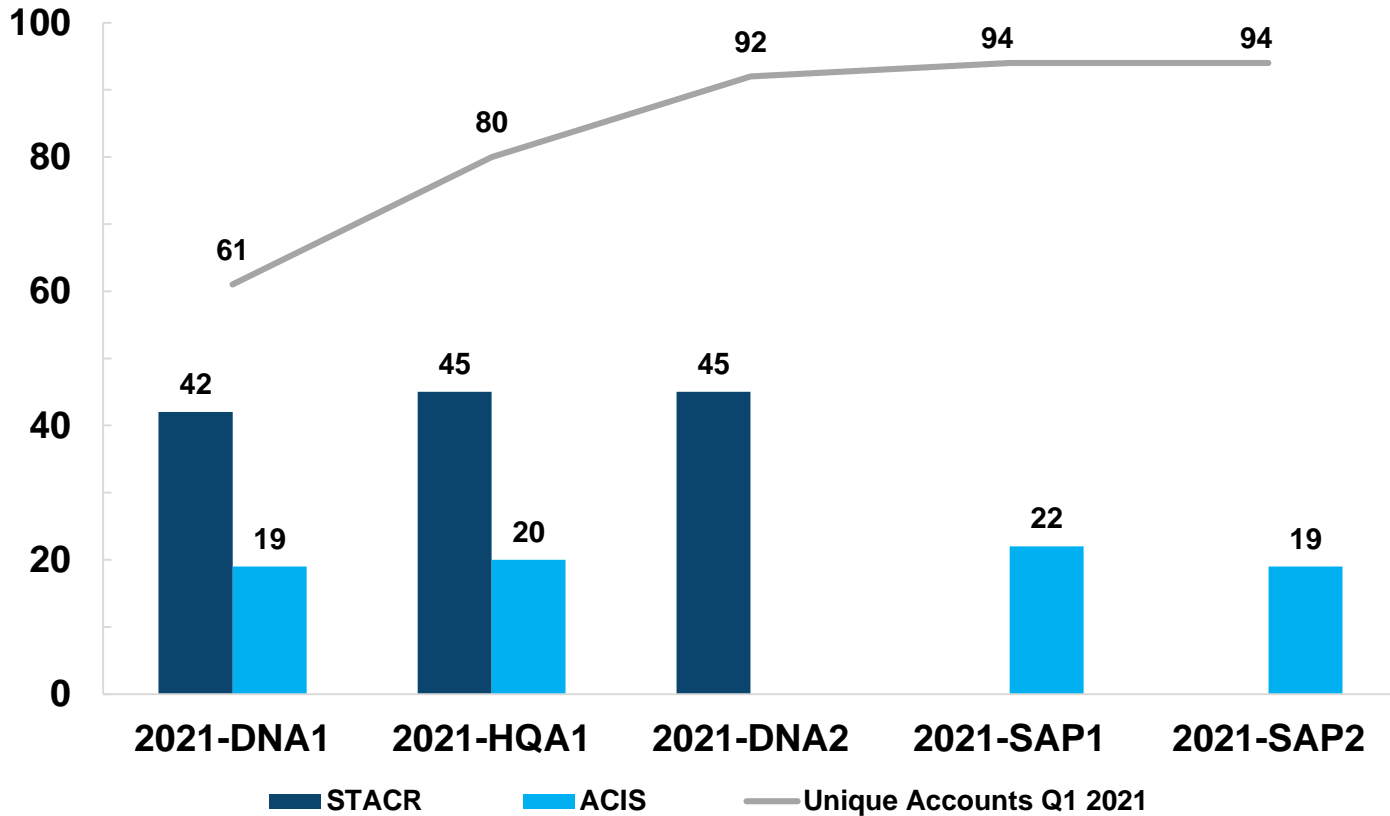
### ACIS 2021-SAP1

Largest transaction in ACIS program history

Top 5 Issuance Quarters in Program History	
Q1 2021	\$5.9B
Q3 2020	\$5.4B
Q1 2020	\$4.5B
Q4 2020	\$4.2B
Q4 2015	\$3.4B

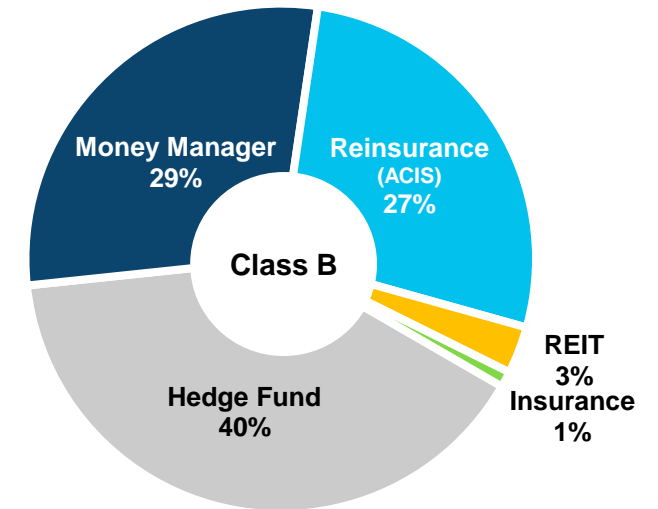
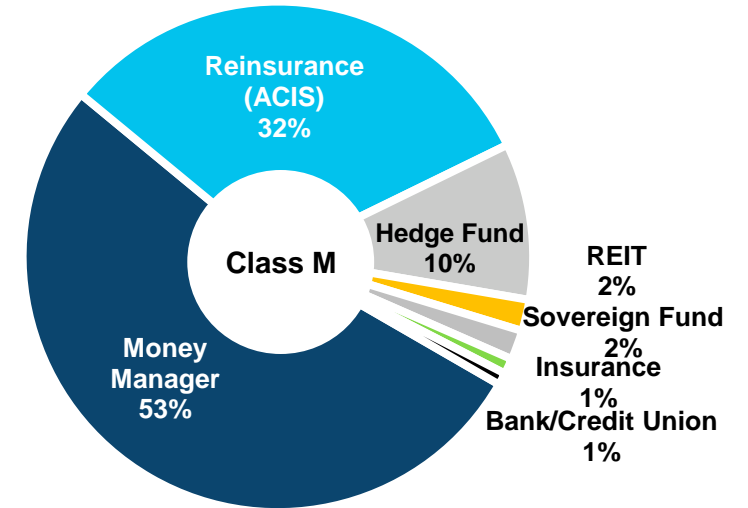
# Diverse Participation

Q1 2021 Participation



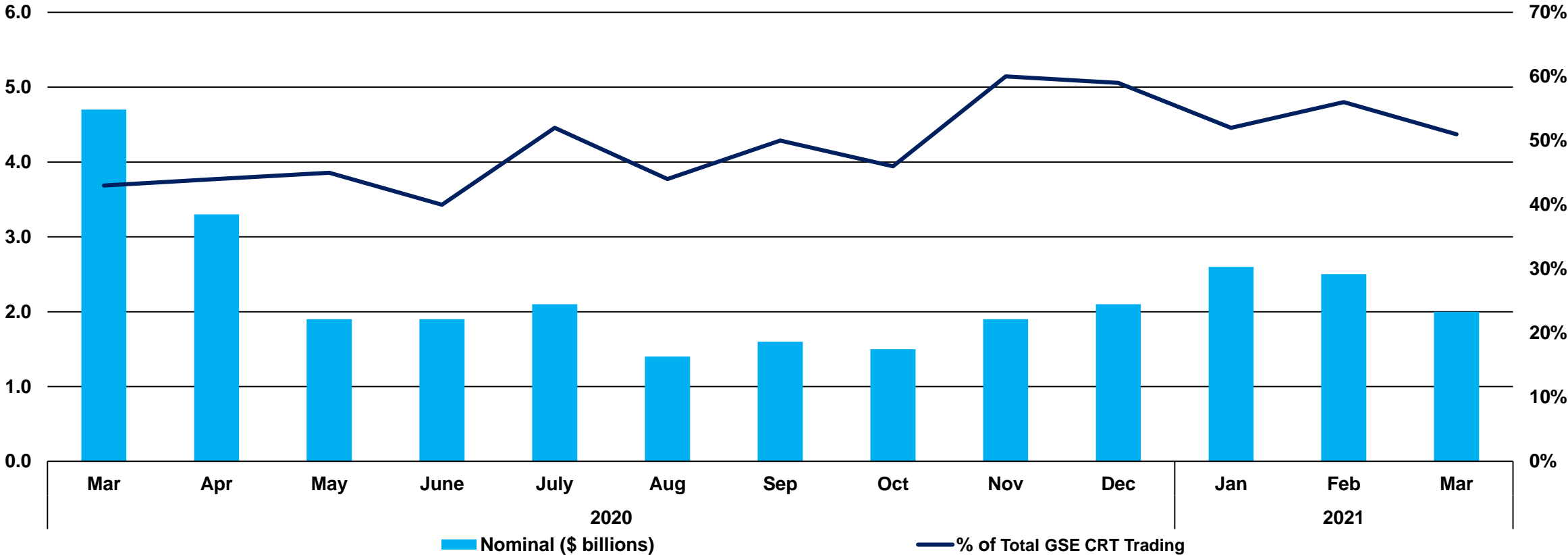
Source: Freddie Mac, all data as of March 2021. Note: Amounts may not add up due to rounding.

Participant Profile Since 2019



# STACR Secondary Trading

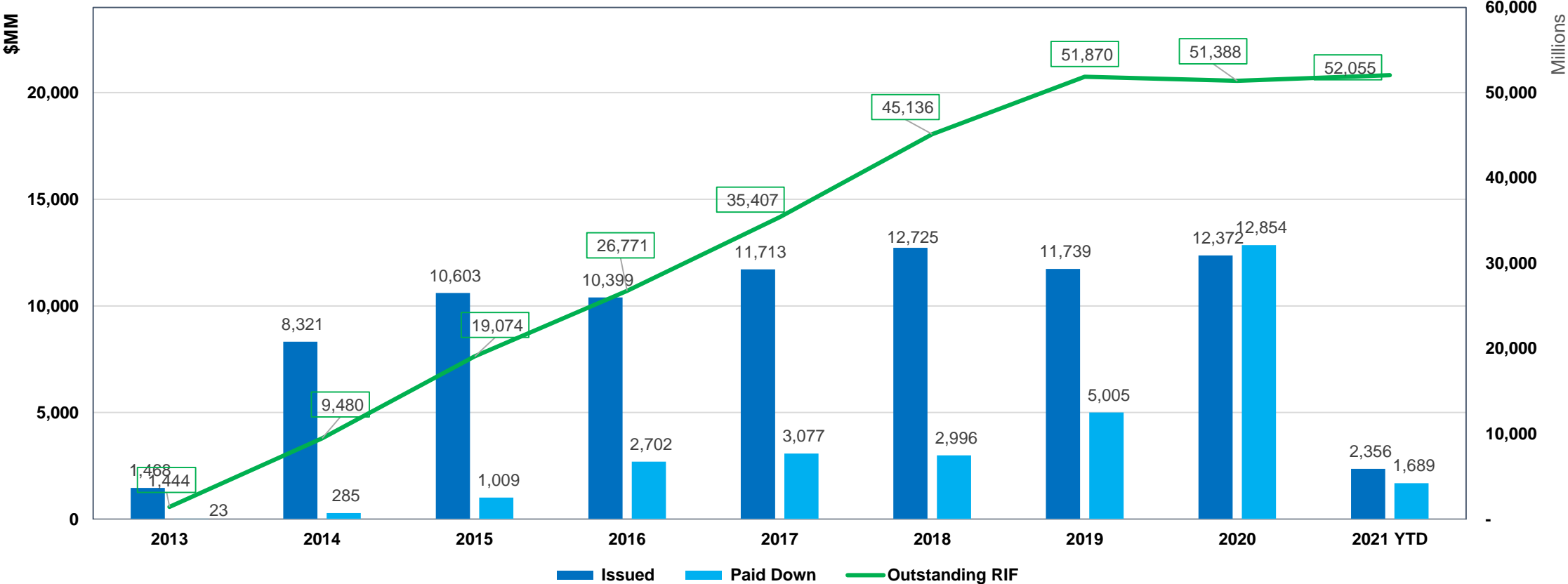
Monthly Trading Volume Over Trailing 12 Months<sup>(1)</sup>



(1) Trading volumes reflect the sum of all buy and sell trades  
 (2) As of March 2021

# CRT Market

CRT Yearly Issuance & Runoff  
(Includes STACR & CAS only)



Source: Freddie Mac, as of March 2021

# CRT Performance

93

Actual Loss CRT Transactions Issued

0.5

Average bps of Loss Per Transaction

19

Transactions with No Losses

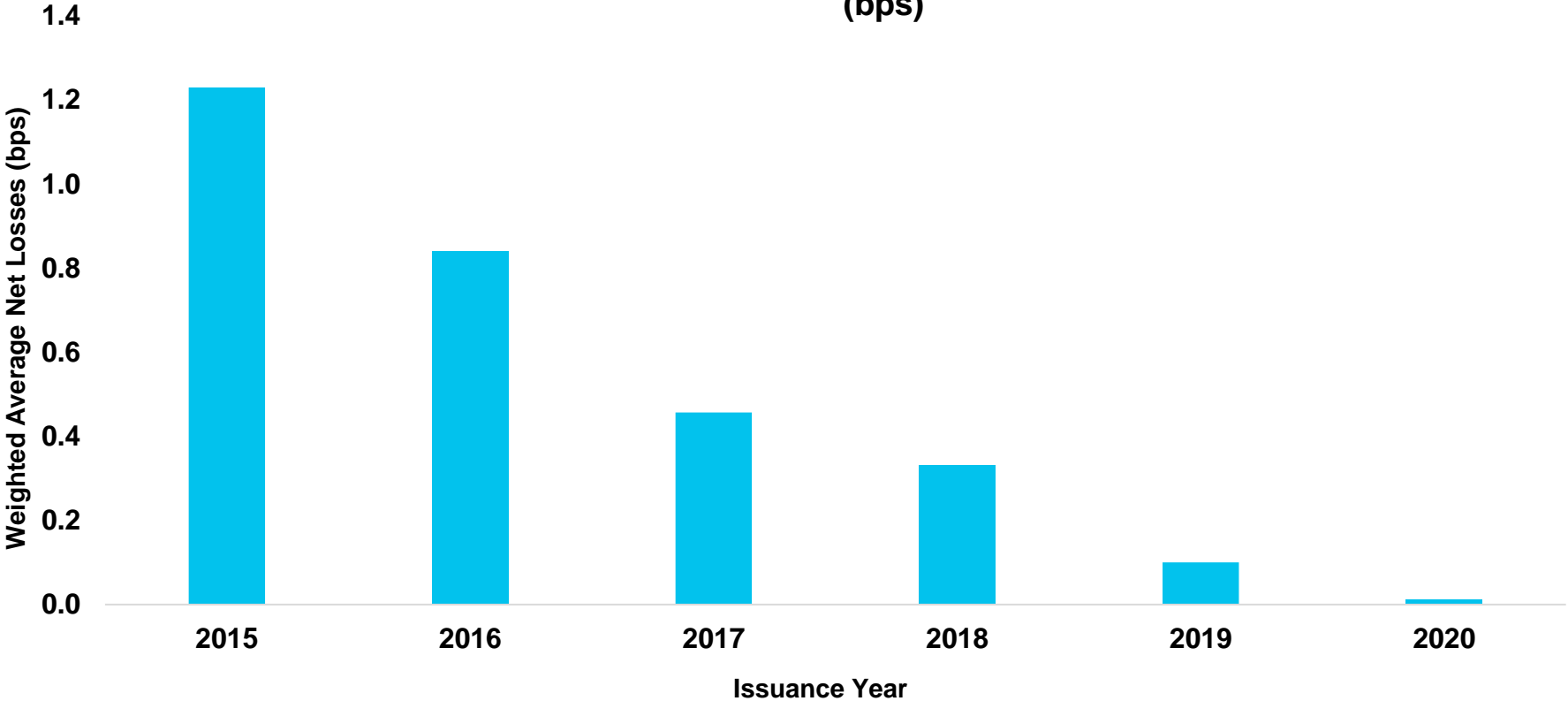
62

Transactions with <1bp of Loss

0

Transactions with >1.6bps of Loss

Weighted Average Cumulative Net Losses Per Transaction by Issuance Year (bps)



Source: Freddie Mac monthly remittance data for DNA and HQA Actual Loss transactions, as of March 2021.



# **Temporary Q1 Changes**

- **Starting with 2021-HQA1 Final Legal Maturity is reduced to 12.5 years down from 30 years**
- **10-year term Early Redemption Date option call feature removed**
  - **10% or less pool factor Early Redemption Date option call feature continues to be in place**
- **Supplemental Subordinate Reduction Amount reduced to 5.50% down from 6.15%**

# Data Transparency

## Freddie Mac Single-Family Loan-Level Dataset



- Publicly disclosed loan-level data
- Historical data covers approximately 32.4 million fixed-rate mortgages
- Smaller dataset available to accommodate various user requirements
- Provides investors data to model transaction projections and performance

## New Enhancements Coming In April



- Additional quarter of loan origination and performance data
- New Non-Standard Data Set
  - Adjustable-rate mortgages (ARMs), initial interest, balloon mortgages
  - Other non-Home Possible affordable mortgages (including lender branded affordable loan products)
  - Mortgages for which the documentation is not verified or not waived
  - Mortgages delivered to Freddie Mac with credit enhancements other than primary mortgage insurance
- Interest Only Indicator
- Affordable Program Indicator



# **Clarity Data Intelligence Portal**



Freddie Mac CRT Quarterly Webinar | Q1 2021

# Questions

# **Registration Open**

**Investor Day 2021  
June 8 | June 10**

**What Do You Want To Hear About In The  
Next Quarterly Webinar?**

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