

Looking Ahead: CRT in 2024

January 2024



**Credit Risk
Transfer**

Today's Speakers



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Agenda

- 1. STACR® / ACIS® 2023 Program Activity**
- 2. STACR 2023 Overview**
 - Investor Participation
 - Buyback Program
 - Disclosure- EU Risk Retention
- 3. ACIS 2023 Overview**
 - Investor Participation
 - ACIS Spreads
 - 5yr Early Call Option
- 4. CRT Performance**
- 5. Freddie Mac Single-Family Pipeline**
- 6. STACR/ACIS Engagement Opportunities and Issuance 2024**

STACR Program Activity 2023



- **\$2.8 Billion** new issue volume
- **\$85.7 Billion** single-family mortgages with credit protection
- **99** total unique investors
- **10** new investors
- **17** recaptured investors
- **\$3.6 Billion** tendered
- First **A-1** Class issued (2023-HQA3)

- **STACR Issuance and Tender Offers:**
 - 2 DNA
 - 3 HQA
 - 4 STACR Tender Offers

ACIS Program Activity 2023



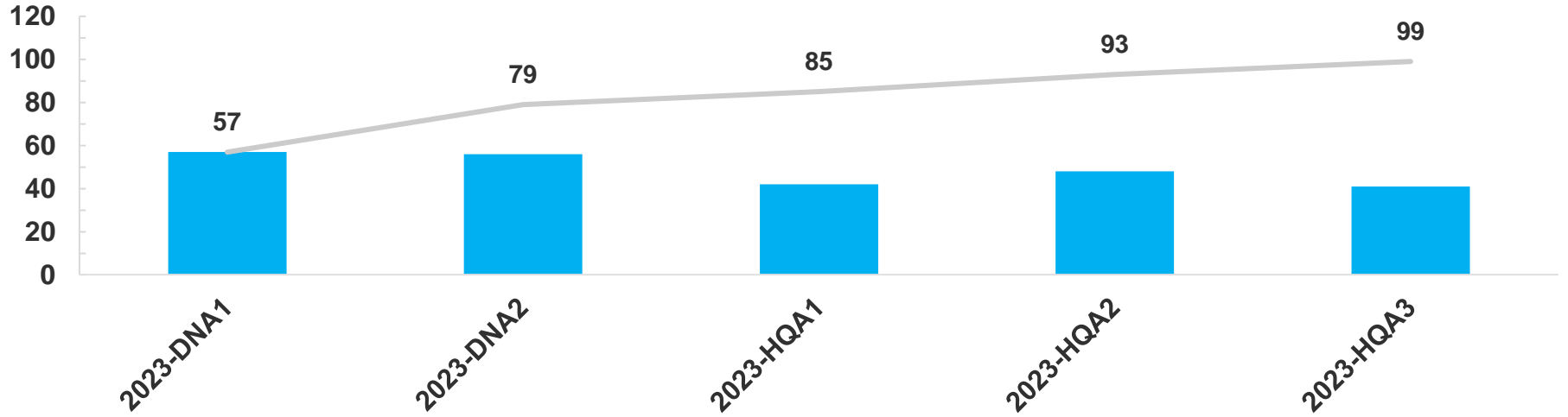
- **A-1 Layer** and **20 Yr. Term** - introduced 2 new features that were well supported
- **\$28 Billion** single-family mortgages with credit protection
- **\$1.0 Billion** new transaction volume
- **29** unique participants
- **19** participants on SPL2 and SPL3 (Largest M-1 panel)
- **4** ACIS transactions
- **3** new counterparties

- **ACIS Issuance:**
 - 3 SPL
 - 1 SPH

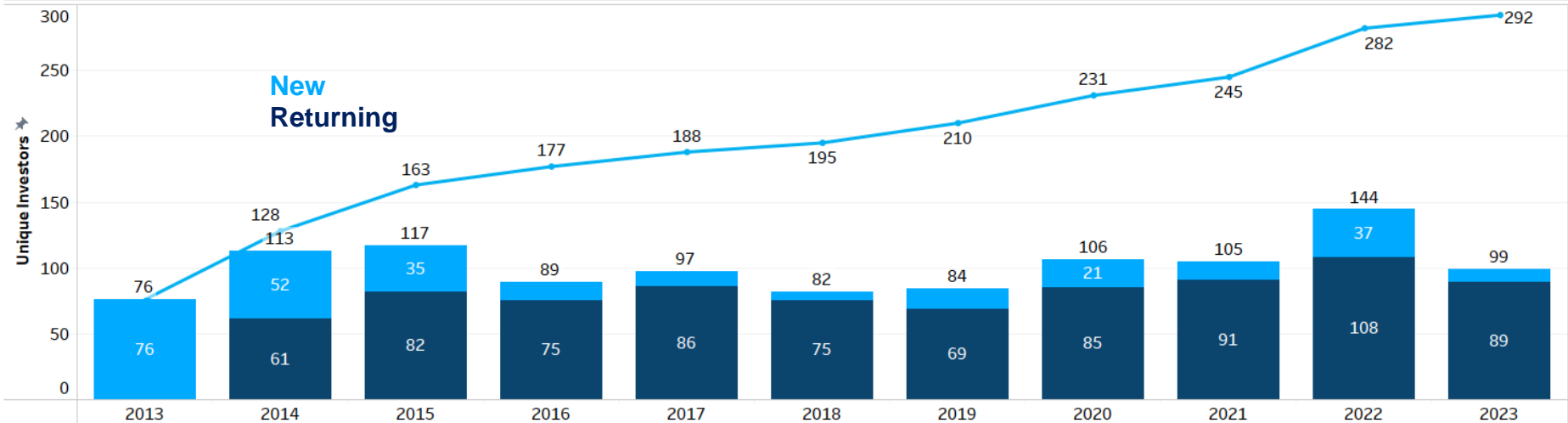
STACR Investor Participation



2023 Deal Participation



Unique Investor Count

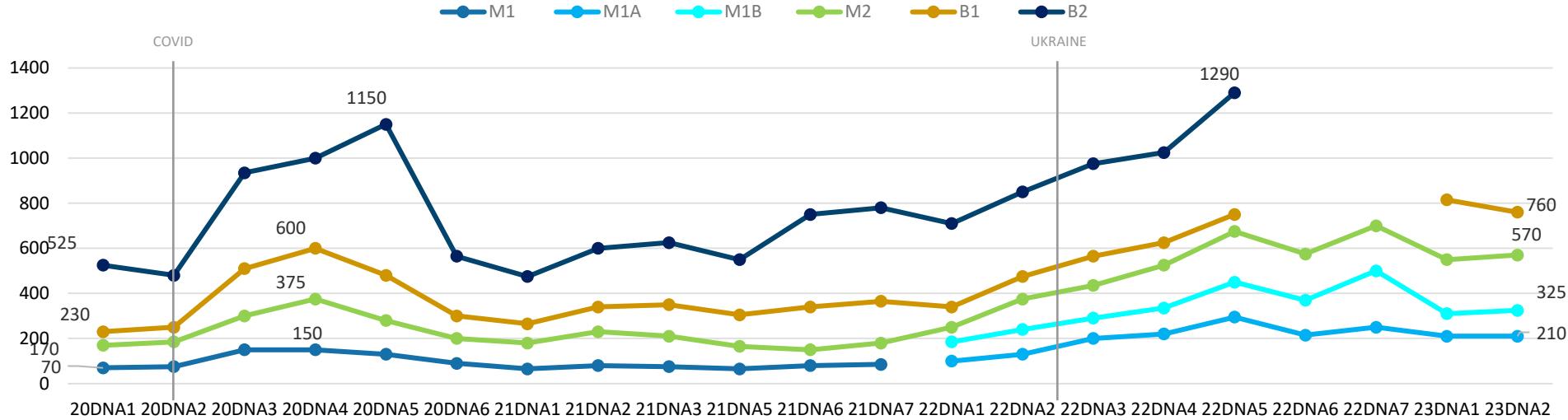


Source: Freddie Mac, all data as of December 2023.

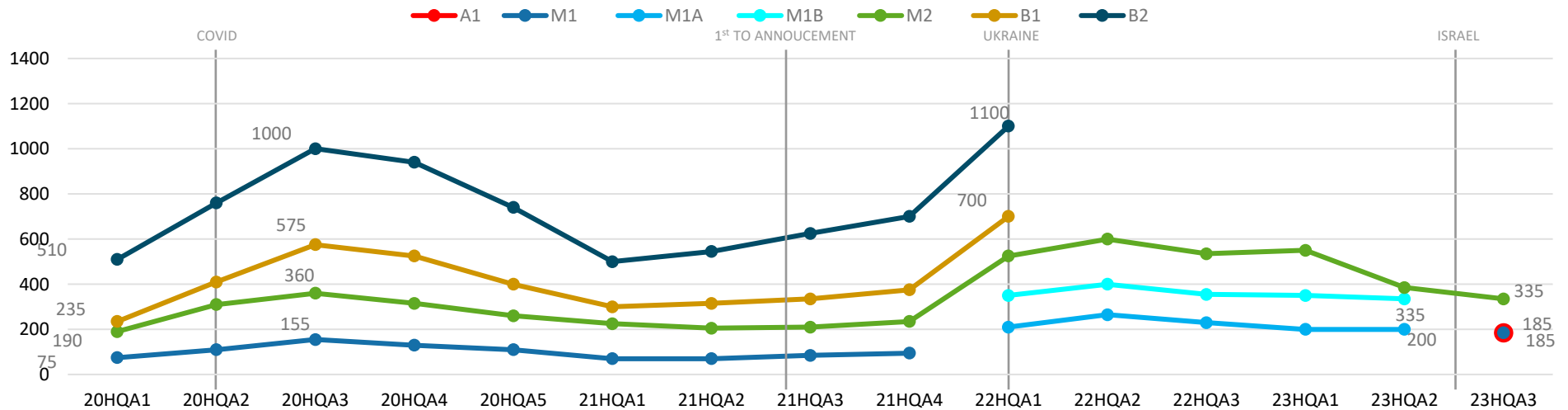
STACR Spreads



Low LTV Issuance Spreads



High LTV Issuance Spreads

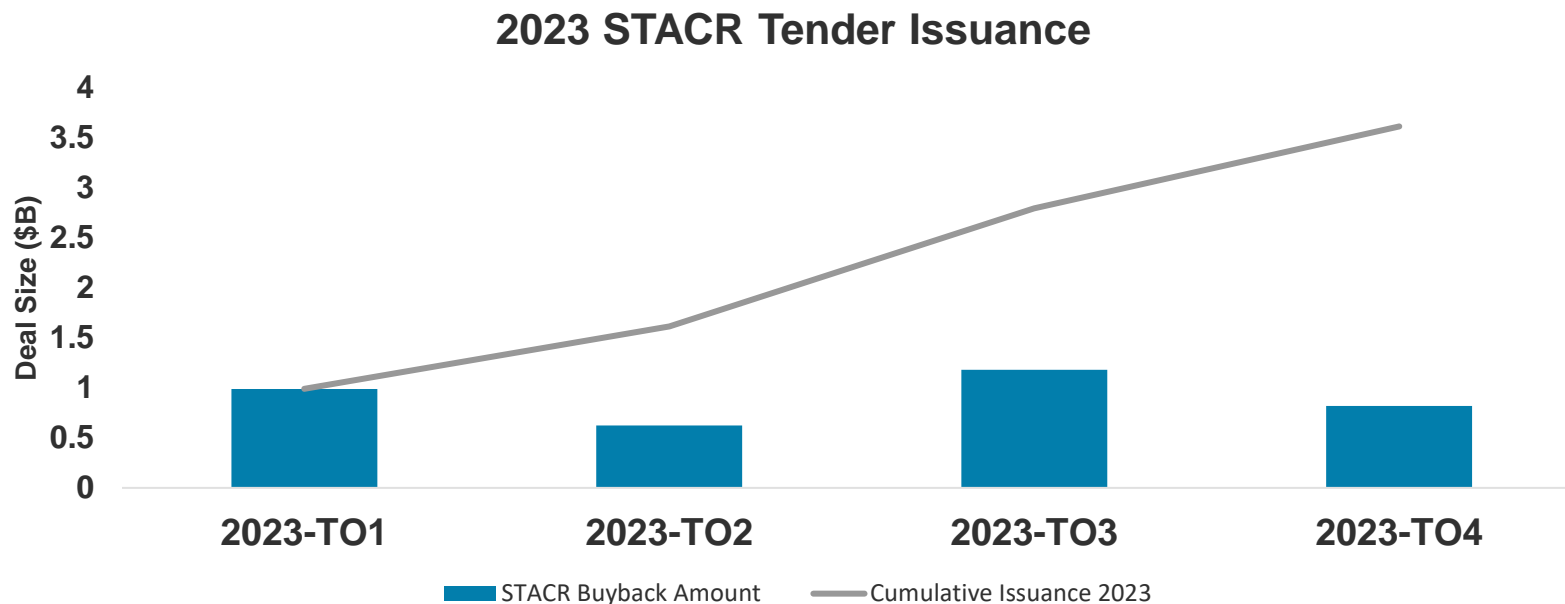


Source: Freddie Mac, as of November 2023.

STACR Buyback Program



- **STACR Buyback Program Update**
 - 2023: four tenders, ~\$3.6 Billion repurchased/retired
 - Program-to-date: nine tenders, ~\$10.5 Billion repurchased/retired
- **Upcoming tender offers**
 - Expect 3-4 tender offers in 2024



Source: Freddie Mac, all data as of December 2023.

EU Due Diligence Requirements



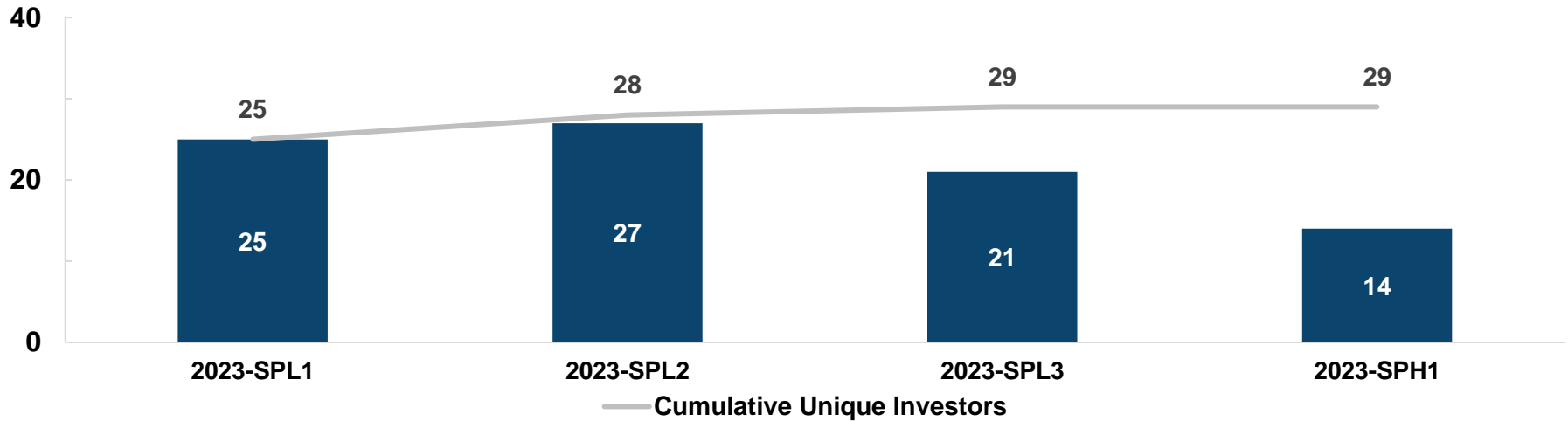
In response to the October 2022 clarification made by the EU Commission, CRT has made the following available:

- Updated CRT EU Resources website. UK institutional investors should refer to the EU Resources website.
- Disclosures in the form of the ESMA templates that can be downloaded via Clarity
 - Loan level disclosures in the form of Annex II are available since February 2023 for all existing and new STACR transactions.
 - Security level disclosures in the form of Annex XII are available since July 2023 for all existing and new STACR transactions.
 - Related glossary and mapping between existing disclosures and templates.
- Redacted transaction documents.
- Frequently Asked Questions to address common investor inquiries.

ACIS Investor Participation

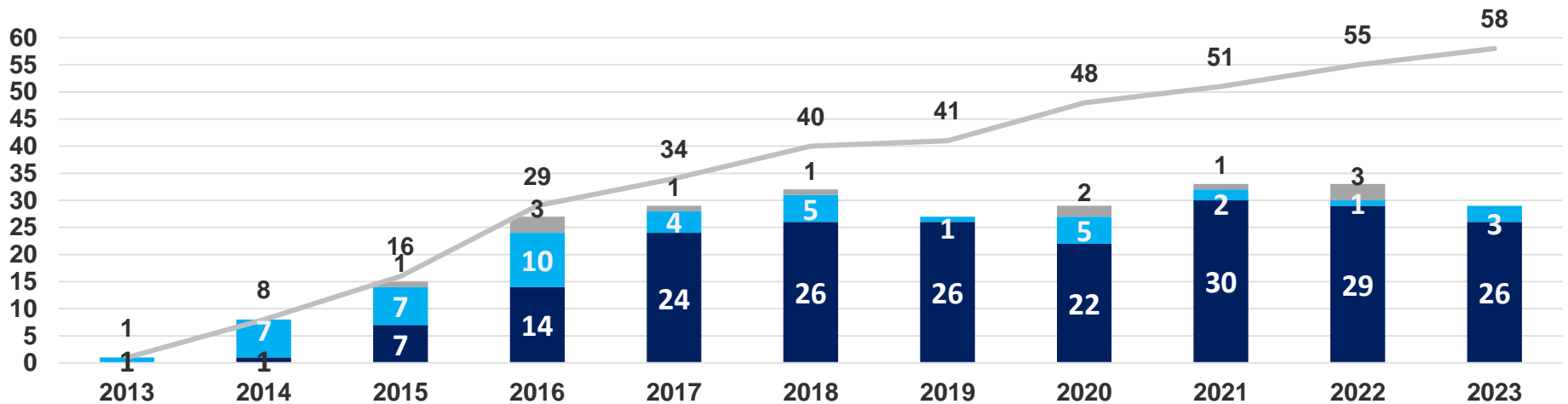


2023 Deal Participation



Unique Reinsurer Count Since Inception

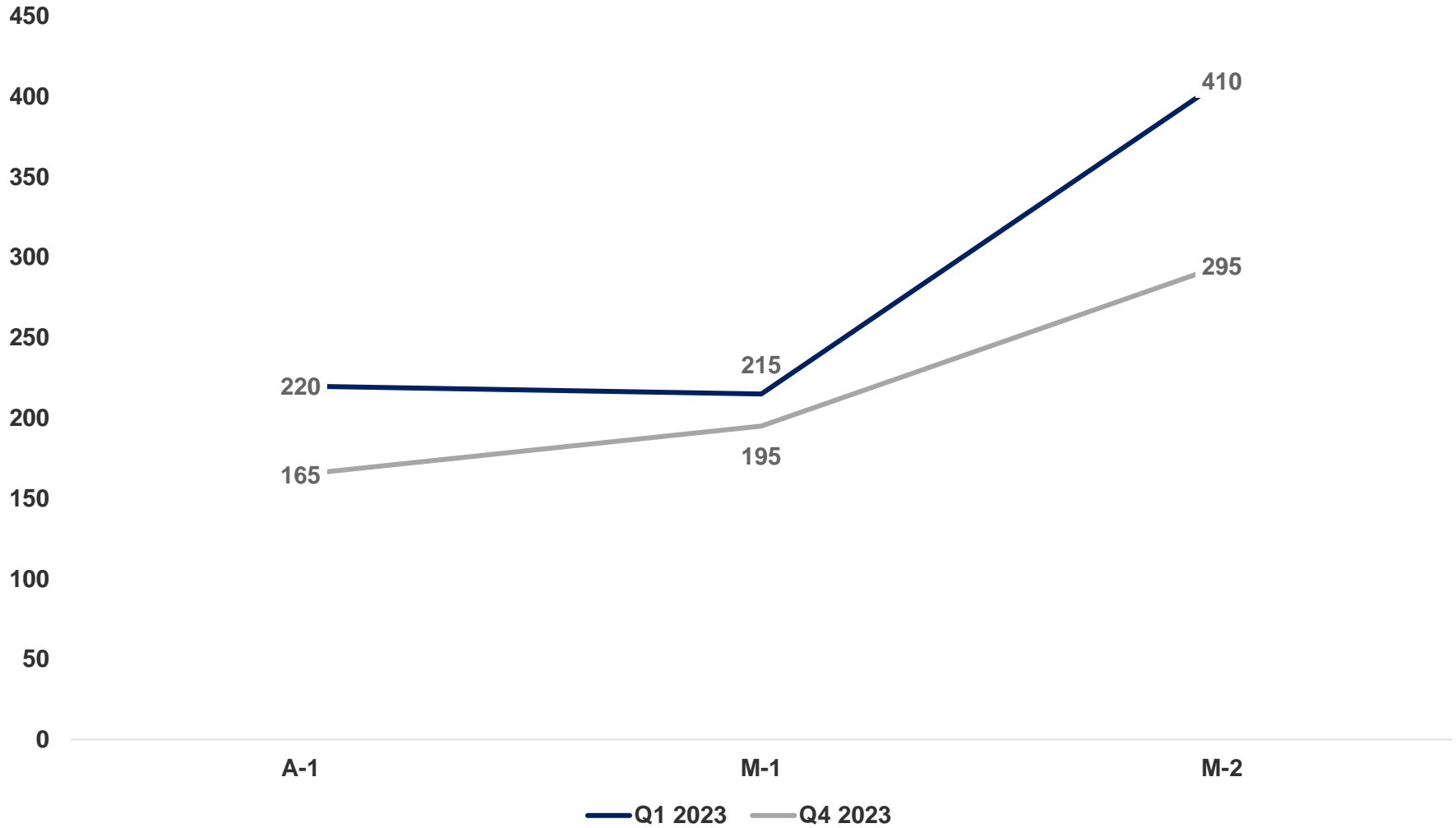
■ Returning ■ New ■ Balance Sheet — Cumulative



Source: Freddie Mac, all data as of December 2023.



Price Shift through 2023



ACIS 5yr Early Call Option



- 20 ACIS deals have been called program-to-date
- 8 ACIS deals have been called in 2023 for a total of \$1.5B in RIF

5yr Early Call Option: RIF 2023

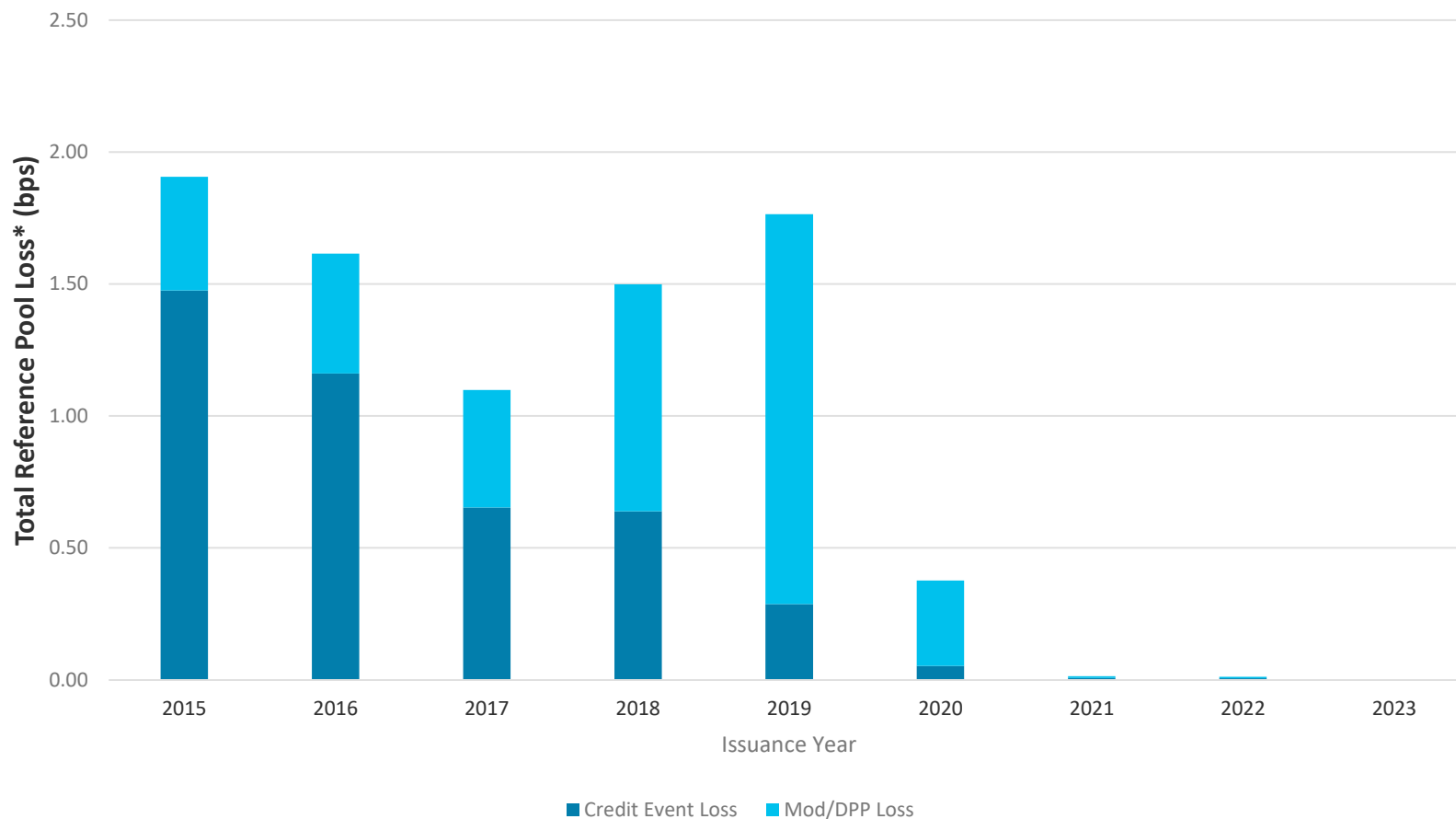


Source: Freddie Mac, all data as of December 2023.

CRT Performance: On-the-Run Actual Loss Transactions



Weighted Average Total Reference Pool Loss* by Issuance Year (bps)



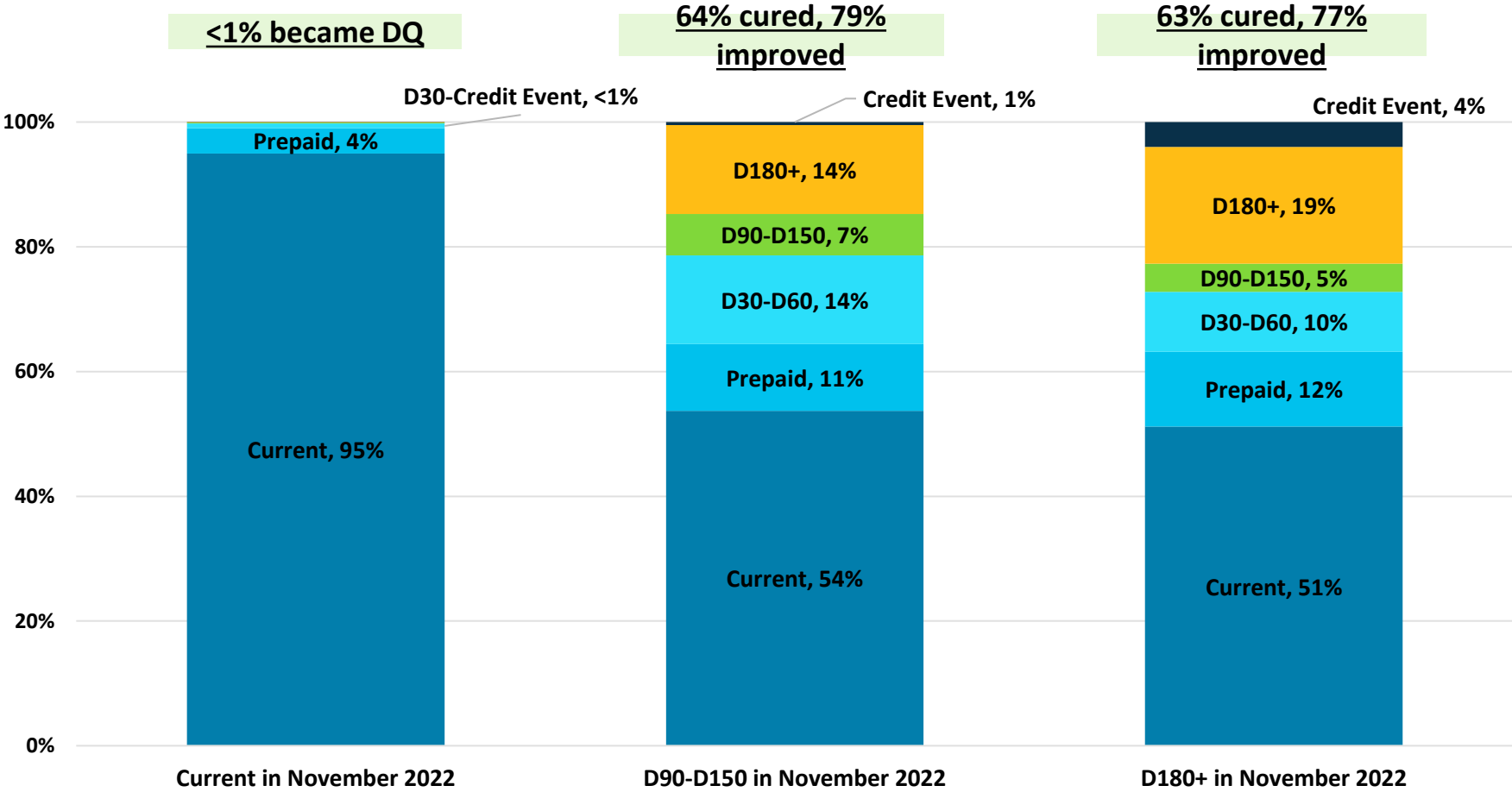
Source: Freddie Mac monthly remittance data for STACR and ACIS 30 year low and high LTV transactions as of October 2023. Retired transactions included in transaction and reference pool loss counts.

*Losses include credit and modification events based on CRT deal definitions regardless of whether losses result in a write-down on the structure.

Delinquency Transition



12 Month Performance Transition



Source: Freddie Mac monthly loan level data for STACR and ACIS, 30 year low and high LTV actual loss transactions as of December 2023.

Freddie Mac Single-Family Pipeline



- ~\$200 Billion eligible for CRT
- Estimated CRT Issuance Volume of \$4-\$6 Billion (STACR and ACIS Combined)

Freddie Mac 2023 Production¹



LTV | 61-80

CRT Coverage	Month	Count	OUPB	Rate	OLTV	FICO	DTI
Eligible	December	30K	\$10B	7.3970	76	758	39
Eligible	November	32K	\$11B	7.2140	76	759	39
Eligible	October	31K	\$10B	7.0146	76	757	39
Eligible	September	39K	\$13B	6.8181	76	757	39
Eligible	August	34K	\$11B	6.6795	76	758	38
Eligible	July	32K	\$11B	6.5415	76	758	38
Eligible	June	39K	\$13B	6.4182	76	757	38
Eligible	May	35K	\$12B	6.4193	76	758	38
Eligible	April	22K	\$7B	6.3633	76	751	39
Eligible	March	21K	\$7B	6.2218	76	752	39
Eligible	February	20K	\$6B	6.3935	76	752	38
Eligible	January	26K	\$8B	6.4427	76	751	39

LTV | 81-97

CRT Coverage	Month	Count	OUPB	Rate	OLTV	FICO	DTI
Eligible	December	27K	\$9B	7.3938	92	749	41
Eligible	November	30K	\$10B	7.1953	93	749	41
Eligible	October	29K	\$10B	7.0276	93	747	41
Eligible	September	37K	\$12B	6.8322	93	748	40
Eligible	August	34K	\$11B	6.7047	93	749	40
Eligible	July	34K	\$12B	6.5670	93	749	40
Eligible	June	41K	\$14B	6.4254	93	751	39
Eligible	May	36K	\$12B	6.4221	93	749	40
Eligible	April	28K	\$10B	6.2797	92	750	40
Eligible	March	26K	\$9B	6.1527	93	750	39
Eligible	February	23K	\$8B	6.2593	92	748	40
Eligible	January	28K	\$10B	6.3890	92	749	40

¹Production in these tables includes all loans with terms 241-360 months and original LTV between 61-97 that were securitized into MBS during the specified period.

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STACR Engagement Opportunities and Issuance 2024



- **Freddie Mac CRT Events**
 - CRT Webinars
- **Industry Conferences**
 - SF Vegas (February)
 - IMN NYC Conference (May)
 - ABS East Miami (October)
- **In-Person Meetings and Roadshows**
- **2024 Expected STACR Issuance***

Q1	Q2	Q3	Q4
1-2 New Issue	1-2 New Issue	1-2 New Issue	1-2 New Issue
3-4 Tender Offers			

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ACIS Engagement Opportunities and Issuance 2024



- **Freddie Mac CRT Events**
 - CRT Webinars
- **Industry Conferences**
 - GC GSE CRT Reinsurance Market (Jan)
 - GC London Credit Conference (Jan)
 - SCI Conference (Feb)
 - IMN Credit Risk Transfer NYC (May)
 - Aon Mortgage Analytics Day (Oct)
- **In-Person Meetings and Roadshows**
- **2024 Expected ACIS Transactions***

Q1	Q2	Q3	Q4
1-2 New Deals	1 New Deal	1-2 New Deals	1 New Deal
12 Early Call Options			

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