

Inside CRT 2025: Program Updates & Economic Outlook

January 2025





Our Agenda

- 1. U.S. Economic, Housing and Mortgage Market Outlook**
- 2. CRT Program Updates**

Today's Speakers



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U.S. Economic, Housing and Mortgage Market Outlook

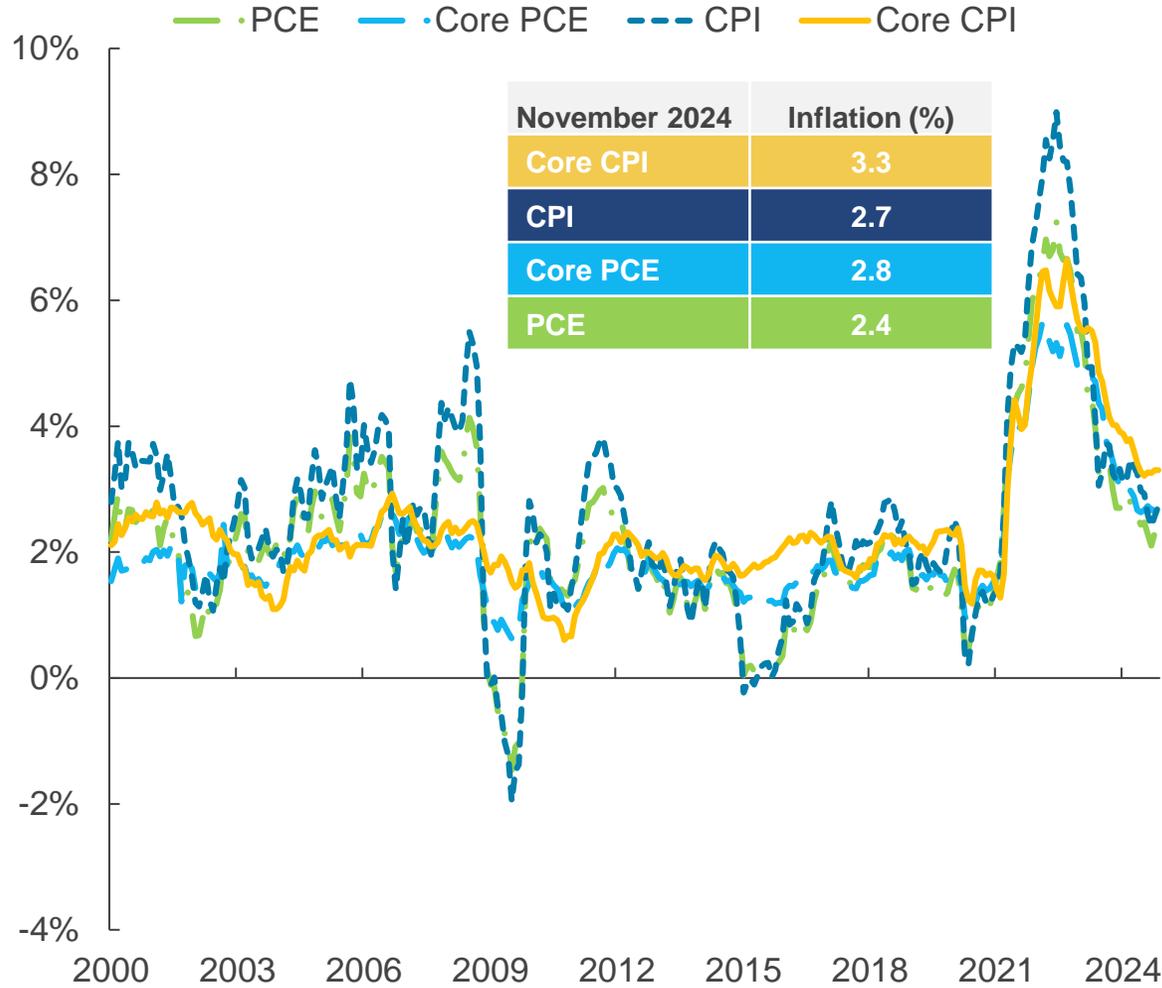
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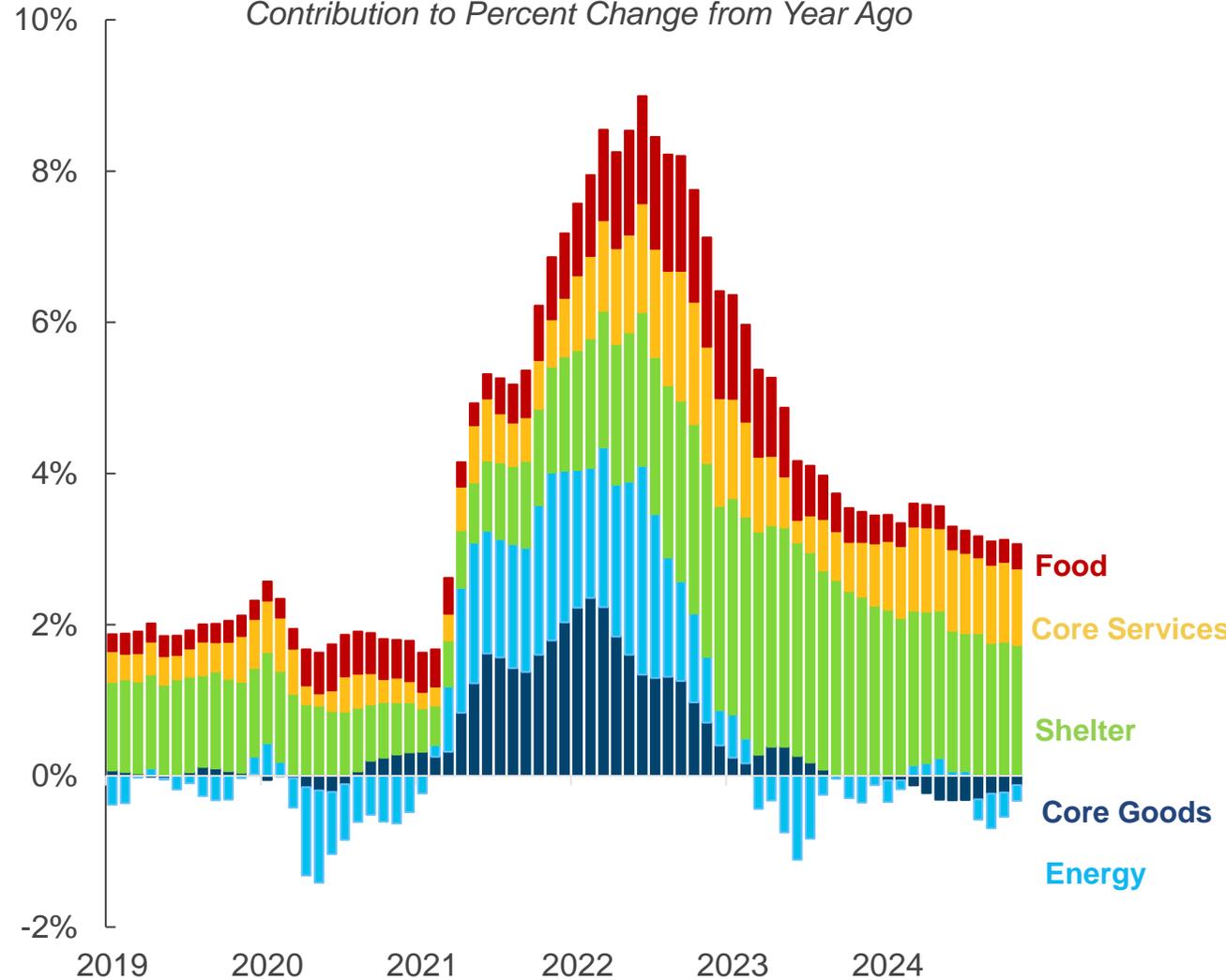
Inflation in the U.S. Still Remains Above Federal Reserve's Target



Inflation Measures
Percent Change from Year Ago



Contribution to Headline CPI Inflation
Contribution to Percent Change from Year Ago



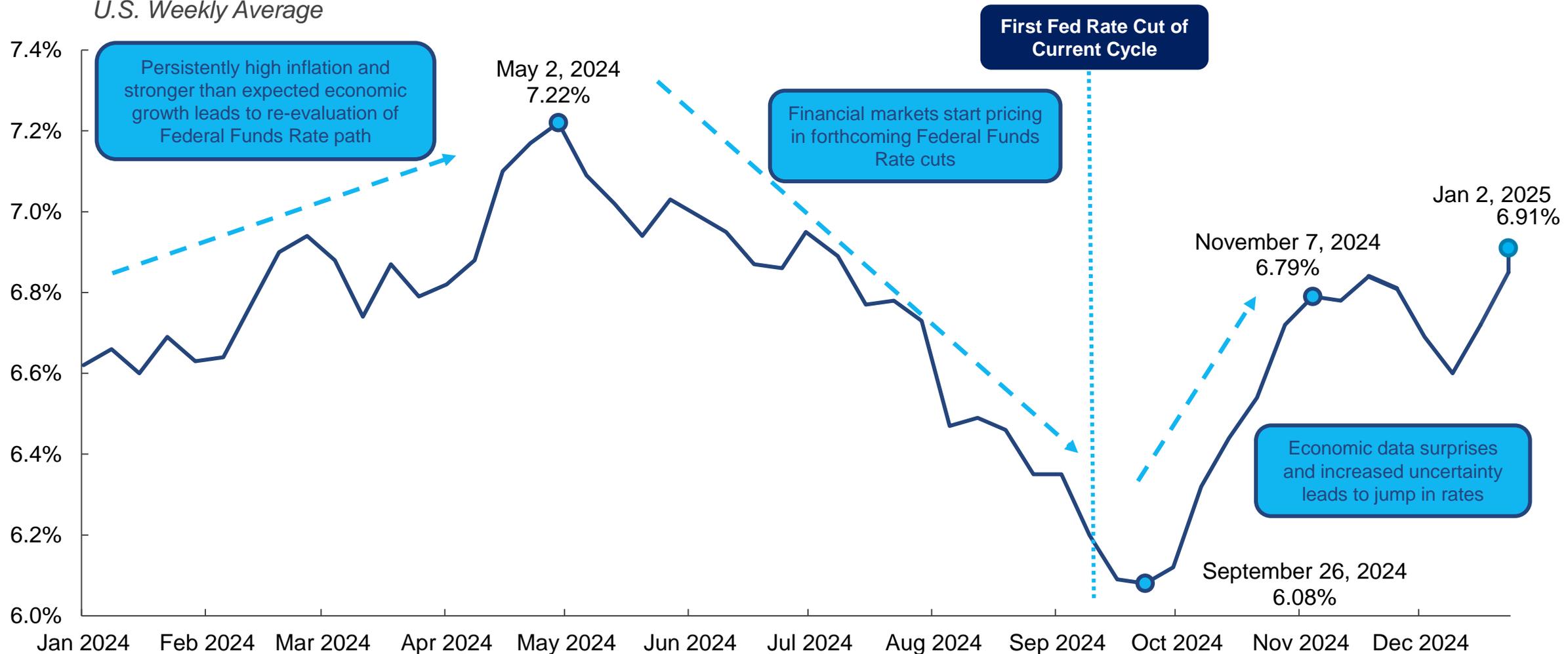
Source: U.S. Bureau of Labor Statistics (BLS), U.S. Bureau of Economic Analysis (BEA)
Note: Data through November 2024

Mortgage Rates Roller Coaster Ride in 2024



30-Year Fixed Rate Mortgage Rate

U.S. Weekly Average



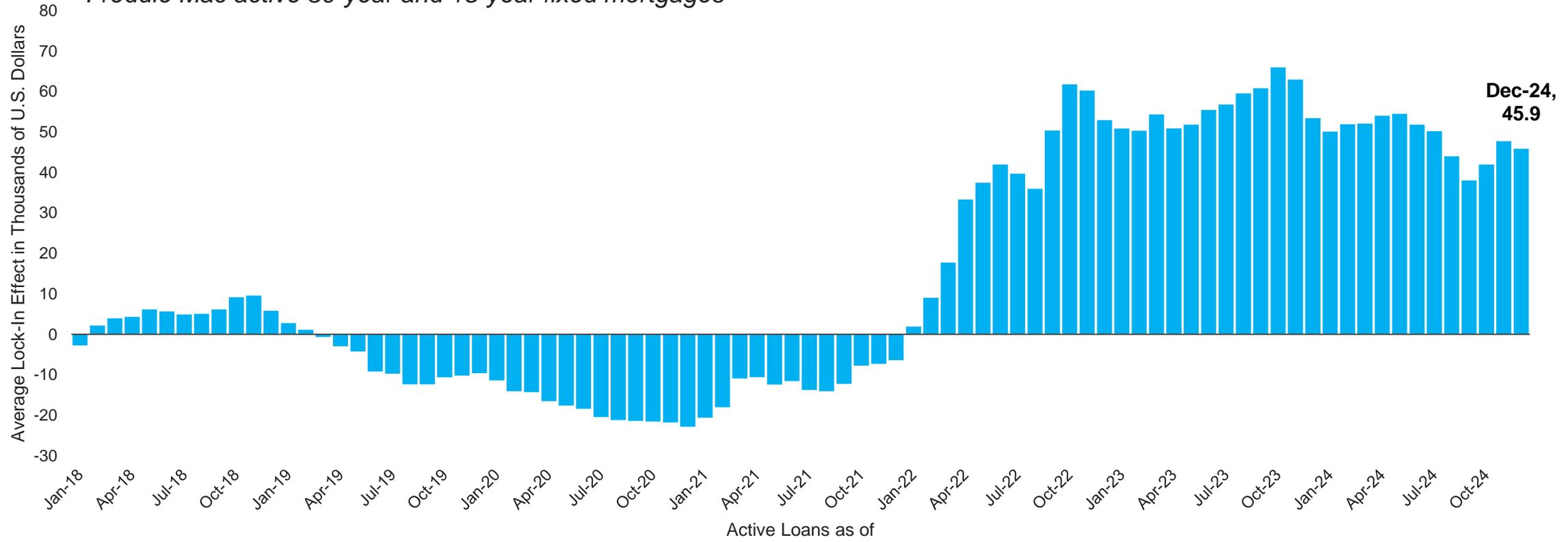
Source: Freddie Mac Primary Mortgage Market Survey
Note: Data through Jan 2, 2025

Average Mortgage Rate Lock-In Effect



Average Mortgage Rate Lock-In Effect

Freddie Mac active 30-year and 15-year fixed mortgages



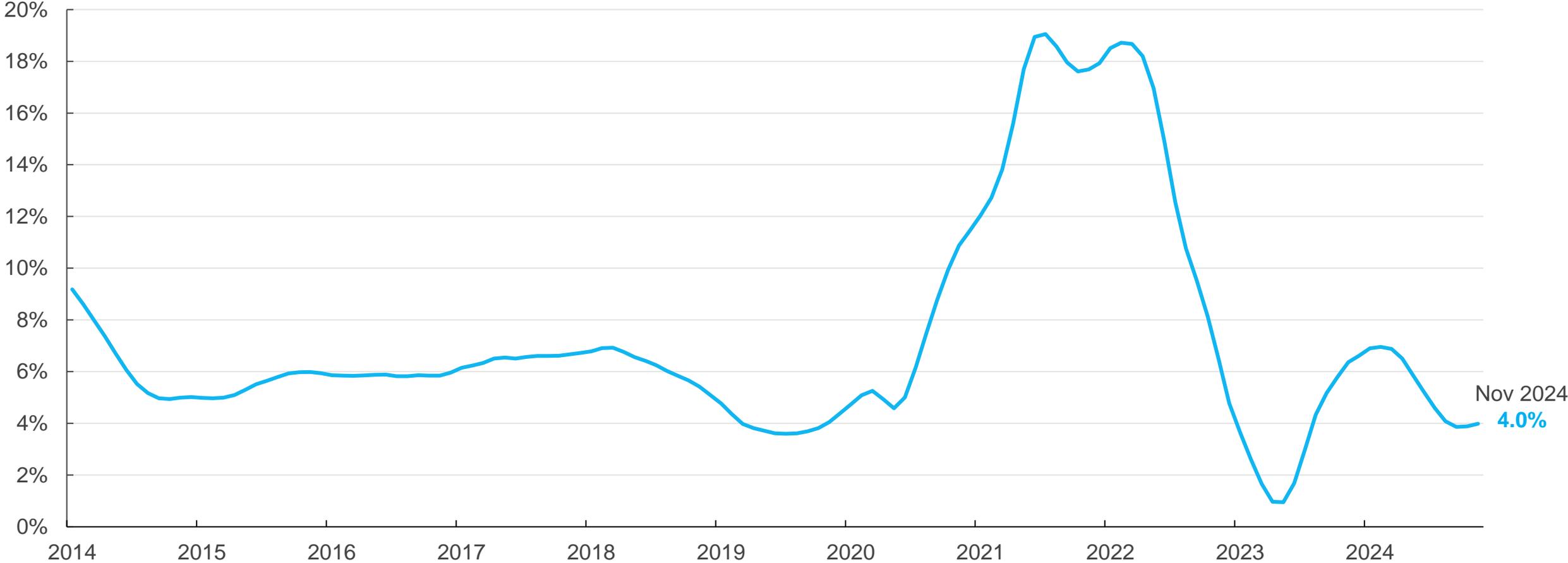
Lock-in computed by the formula $V = B - \sum_{i=1}^n \frac{P}{(1+r)^i} - \frac{F}{(1+r)^n}$ where B is the current outstanding mortgage balance, P is the monthly principal and interest payment, r is the current prevailing 30-year/15-year mortgage rate in the PMMS, n is the remaining months left on the mortgage and F is any partial payment due after n periods due to curtailment. Last data point December 2024.

U.S. Home Price Growth is Rising Although at a Slower Pace; Home Price Growth Expected to Slow in 2025



Freddie Mac House Price Index for the United States

Percent Change from Year Ago

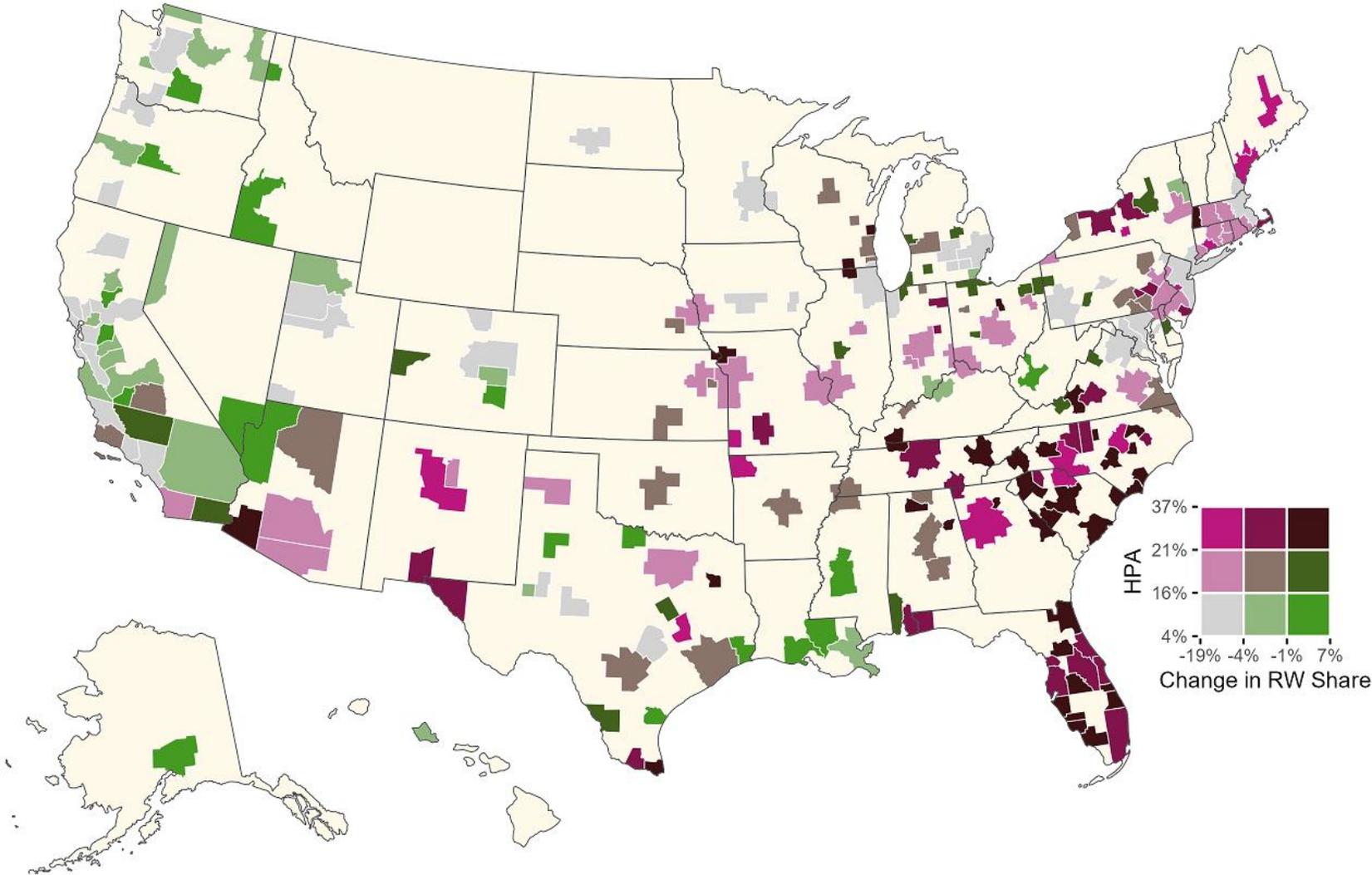
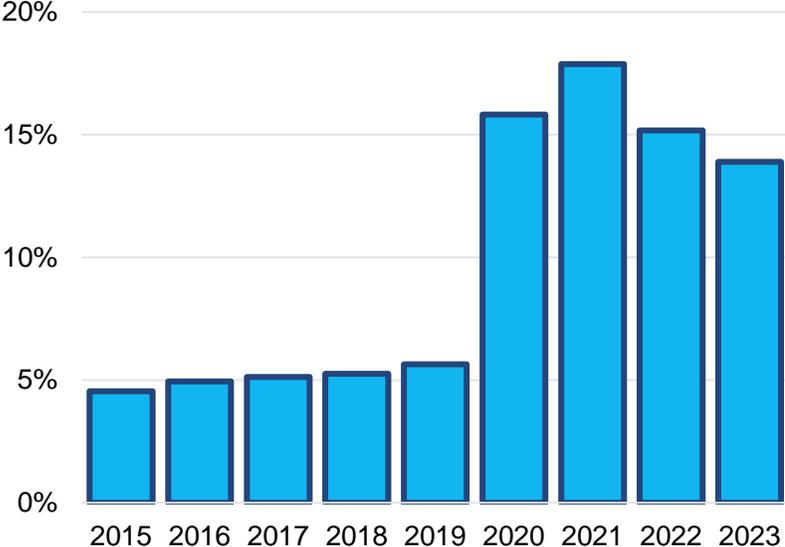


Source: Freddie Mac
Note: Data through November 2024; For latest data, visit <https://www.freddiemac.com/research/indices/house-price-index>

Change in Share of Remote Work and House Price Appreciation- 2021-2023

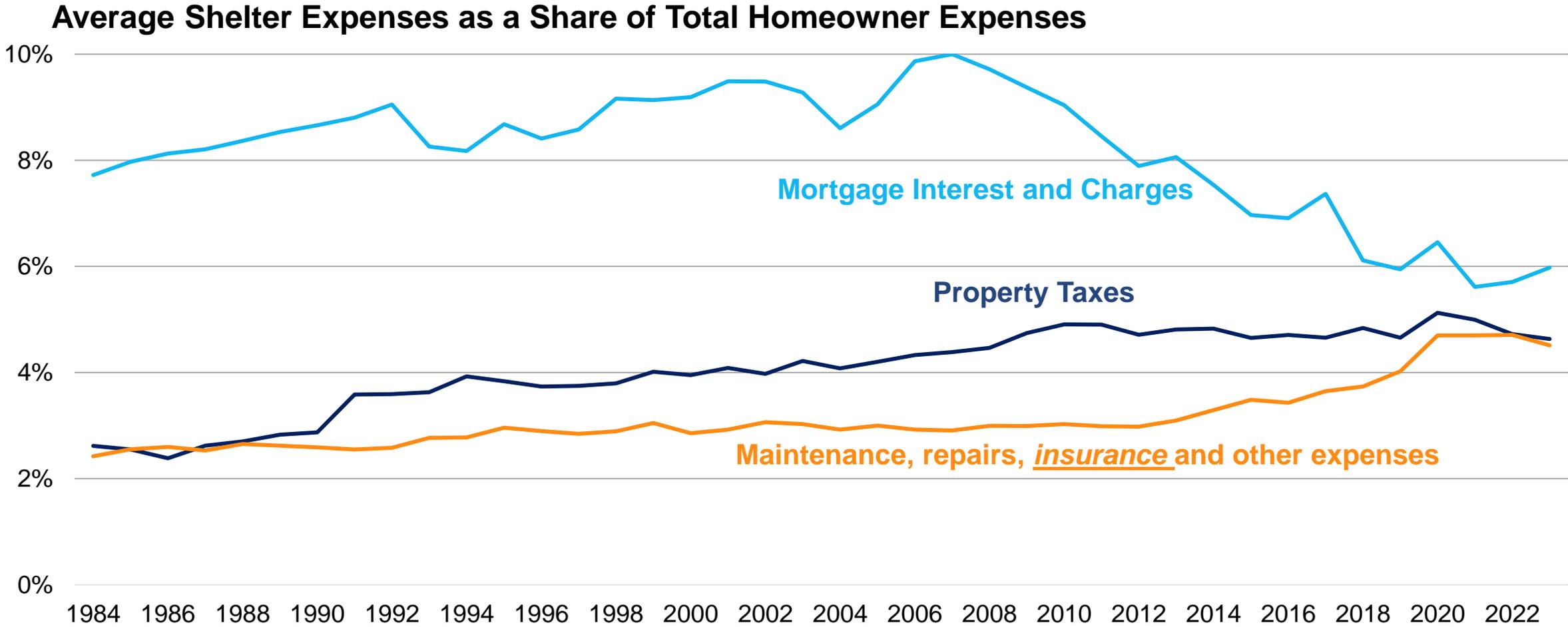


Share of Remote Work



Source: Author's calculations using ACS data, Freddie Mac House Price Index. Map compares the change in Remote Work Share 2021-2023 to House Price growth over the same time period.

As Principal and Interest Payments have Fallen as a share of Total Spend, Insurance, Property Taxes on the Rise

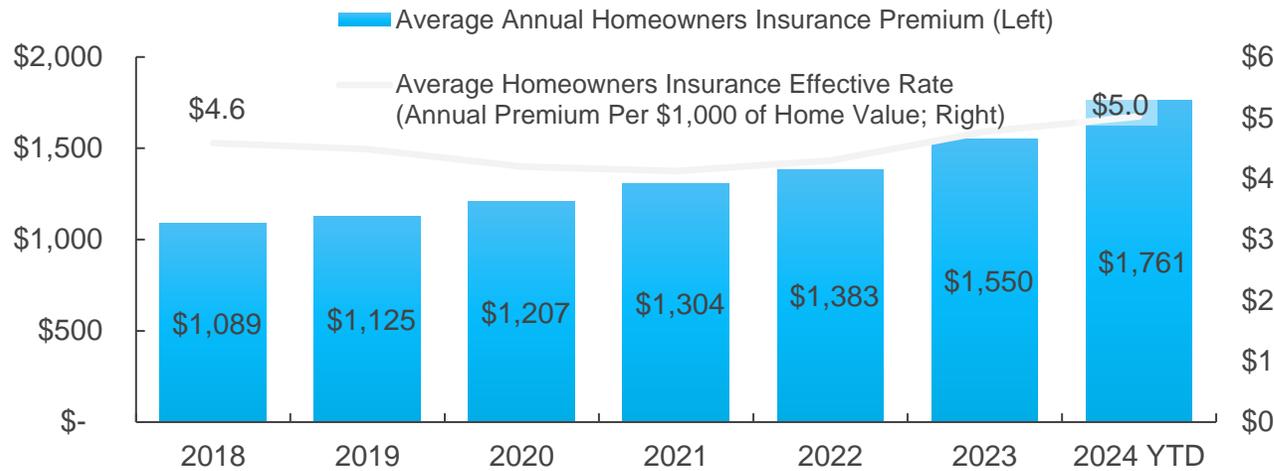


Source: U.S. Bureau of Labor Statistics (BLS), Consumer Expenditure Survey 1984-2023

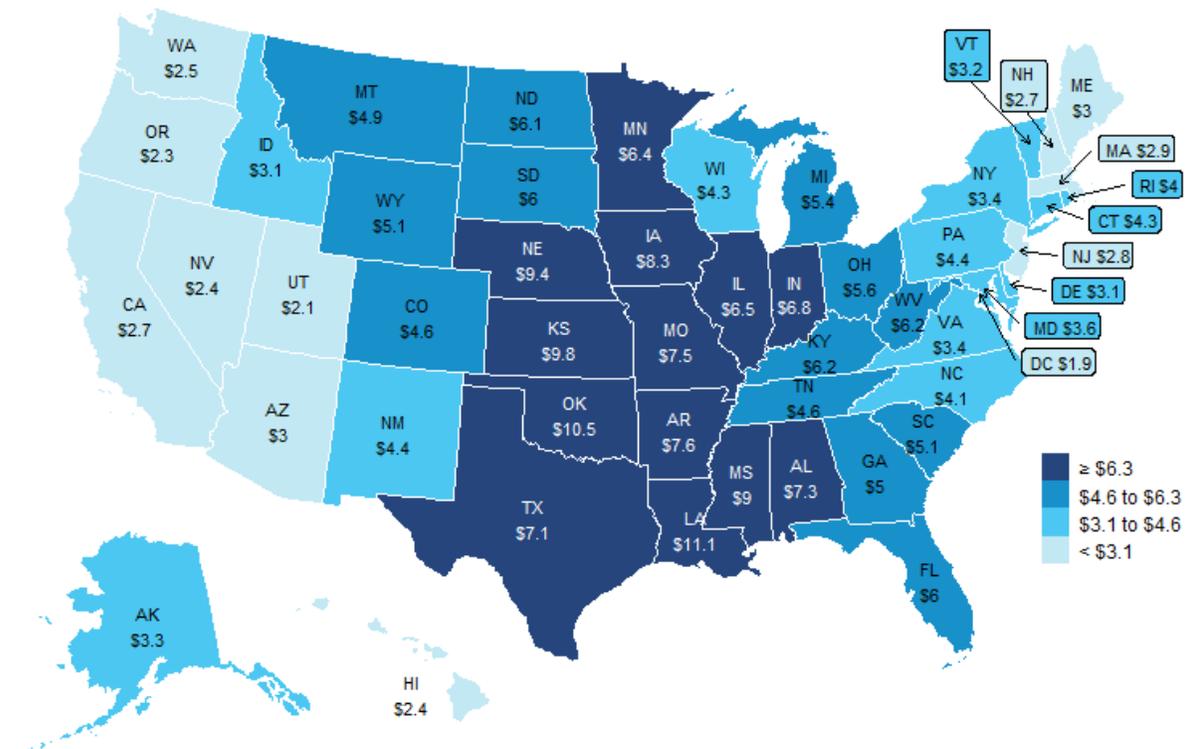
Homeowners Insurance Cost Has Increased for the Average Borrower with Variation Across Different States



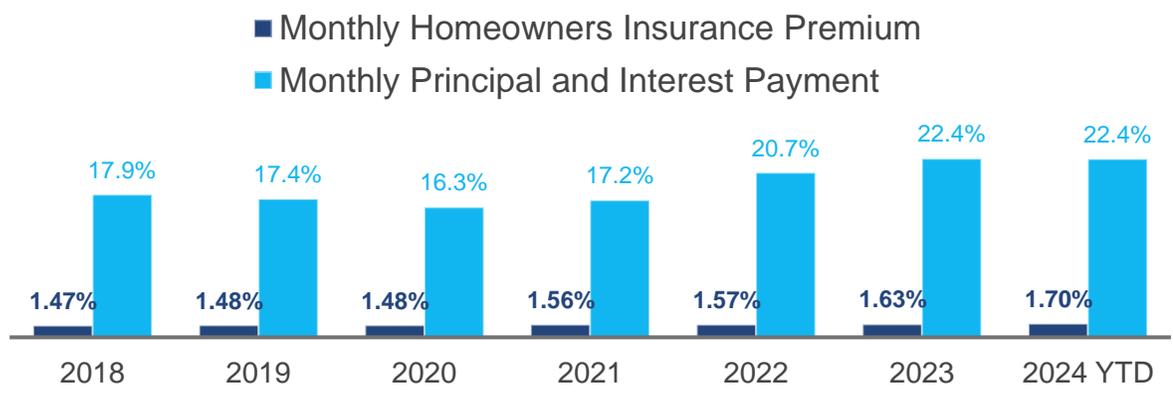
Homeowners Insurance Premium & Effective Rate



2024 YTD* Homeowners Insurance Effective Rate by State Average Annual Premium Per \$1,000 Home Value



Average Housing Cost (% of Monthly Income)



Source: Authors' calculation using Uniform Closing Database (UCD).

Note: Single-family owner-occupied property with a fully amortizing 30-year fixed-rate mortgage funded by Freddie Mac. *2024 YTD as of August 2024.



CRT Program Updates

STACR® (Structured Agency Credit Risk) Program Activity 2024



- **\$3.8 Billion** new issue volume
- **\$131.4 Billion** Single-Family mortgages with credit protection
- **76** total unique investors
- **12** new investors
- **18** recaptured investors
- **\$3.9 Billion** tendered
- **A-1 Fixed Payment Schedule** introduced (2024-HQA2)

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

ACIS® (Agency Credit Insurance Structure®) Program Activity 2024



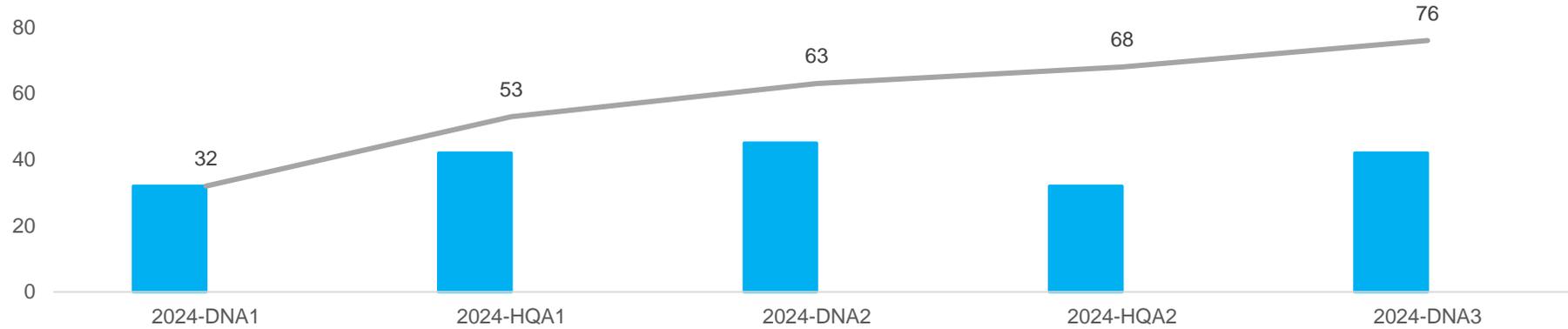
- **A-1 Layer** and **20 Yr. Term** - well supported and competitively priced
- **\$47 Billion** Single-Family mortgages with credit protection
- **\$1.6 Billion** new transaction volume
- **36** unique participants
- **21** participants on SPL2 and SPH2 (Largest A-1 panel)
- **20** participants on SPH1 and SPH3 (Largest M-1 panel)
- **5** ACIS transactions
- **5** new counterparties

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

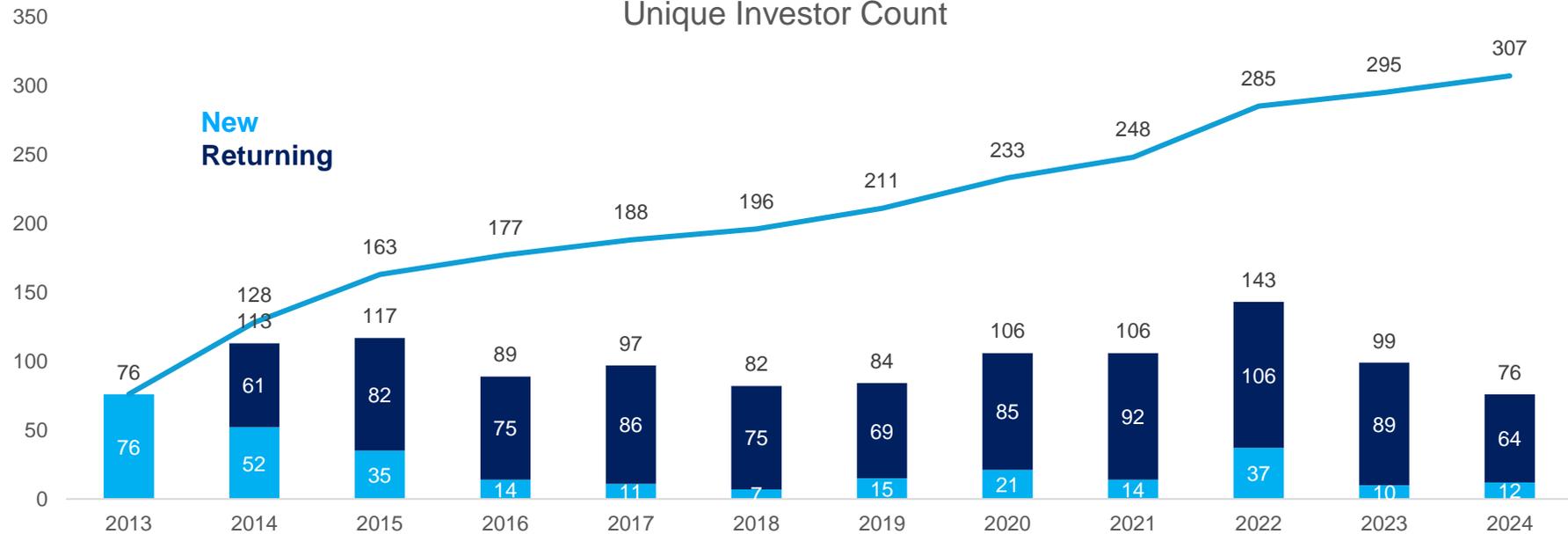
STACR Investor Participation



2024 Deal Participation

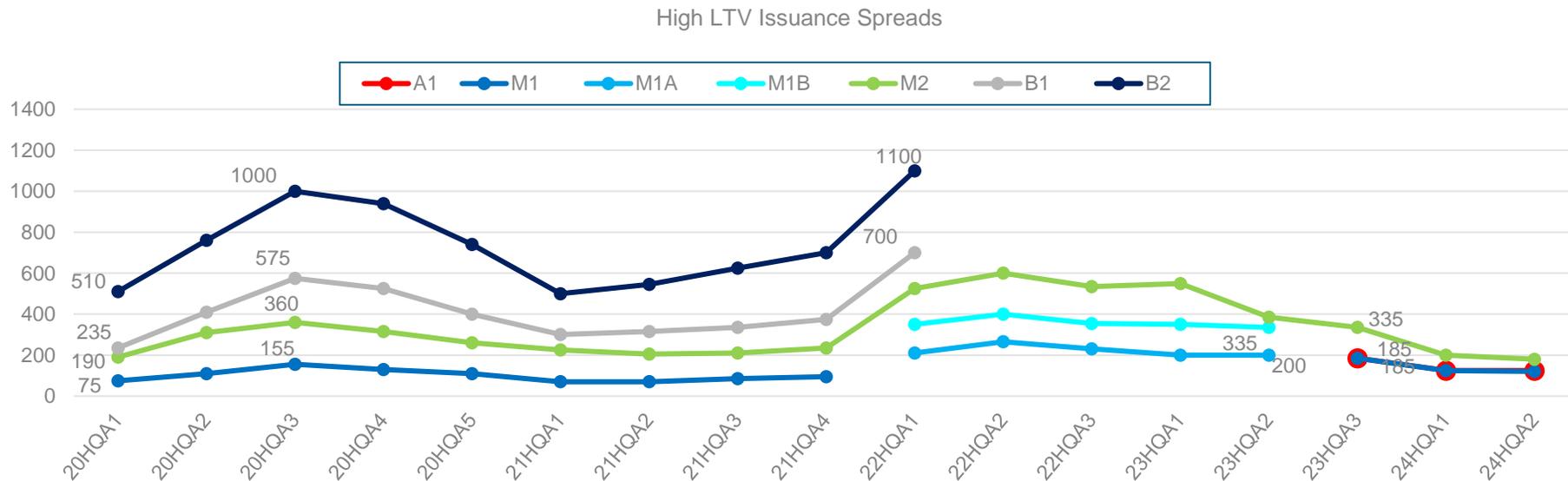
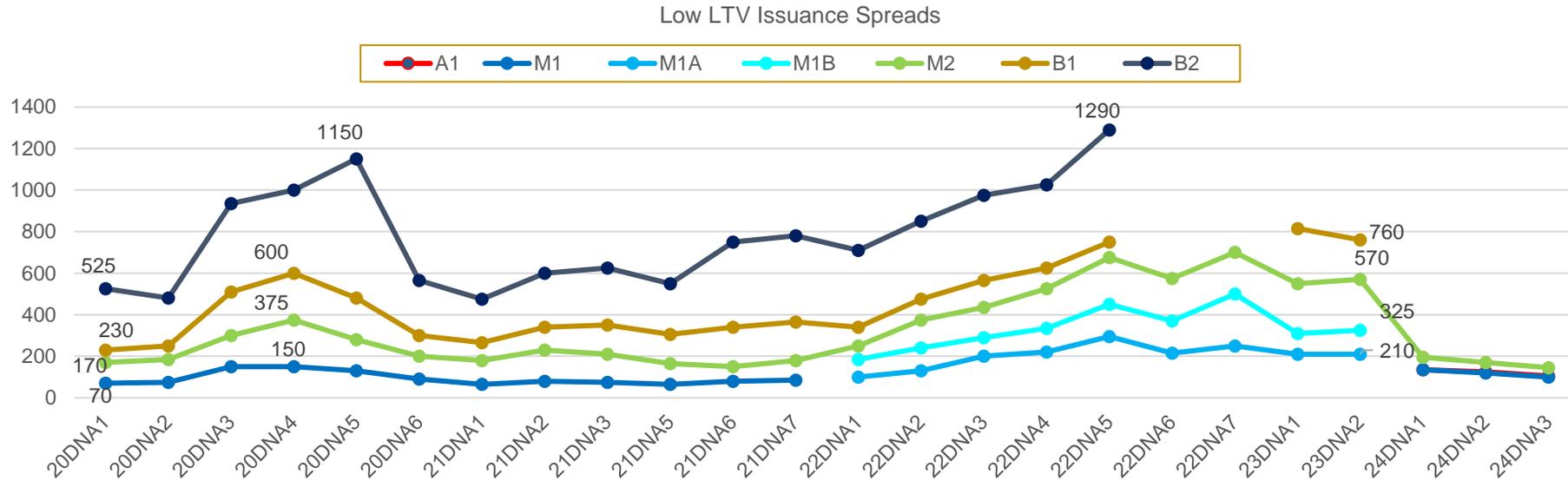


Unique Investor Count



Source: Freddie Mac, all data as of December 2024.

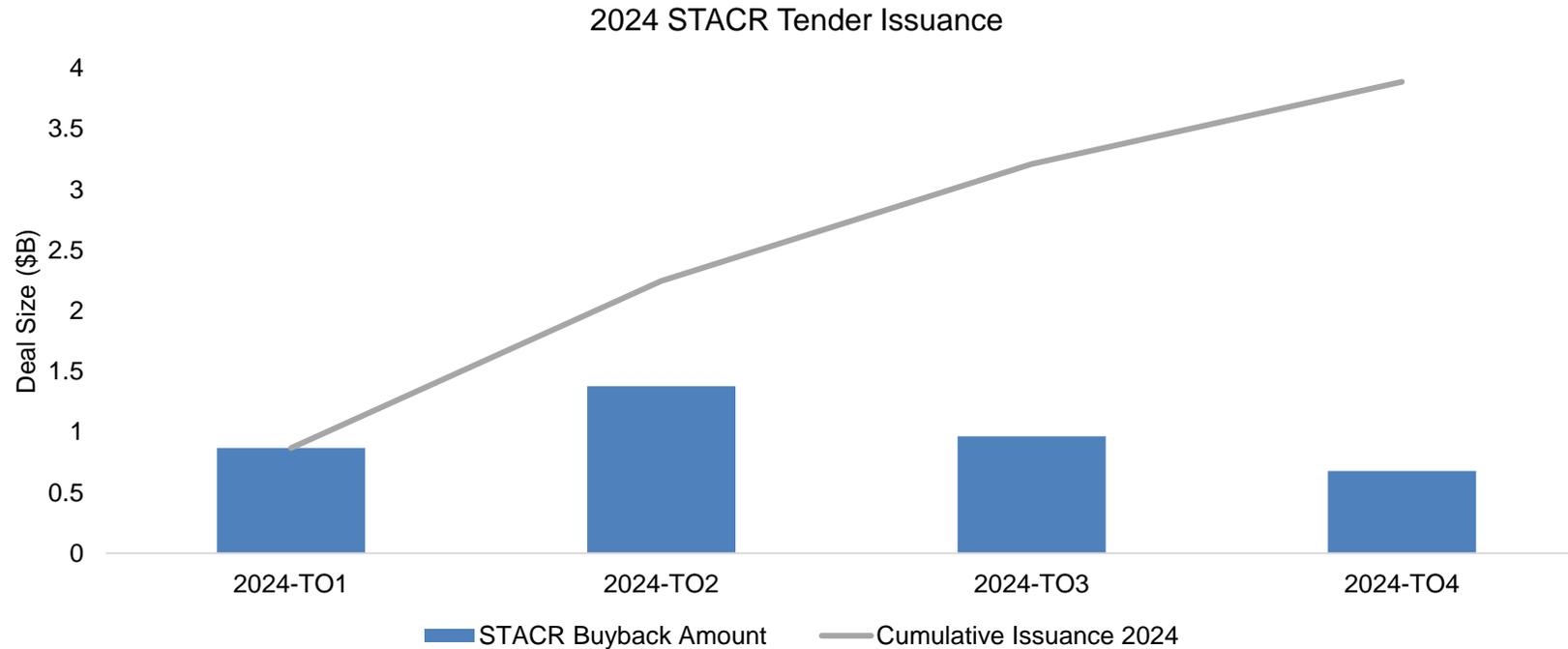
STACR Spreads





STACR Buyback Program

- **STACR Buyback Program Update**
 - 2024: four tenders, ~\$3.9 Billion repurchased/retired
 - Program-to-date: thirteen tenders, ~\$14.4 Billion repurchased/retired
- **Upcoming tender offers**
 - Expect 2-3 tender offers in 2025



EU/UK Risk Retention and Due Diligence Requirements



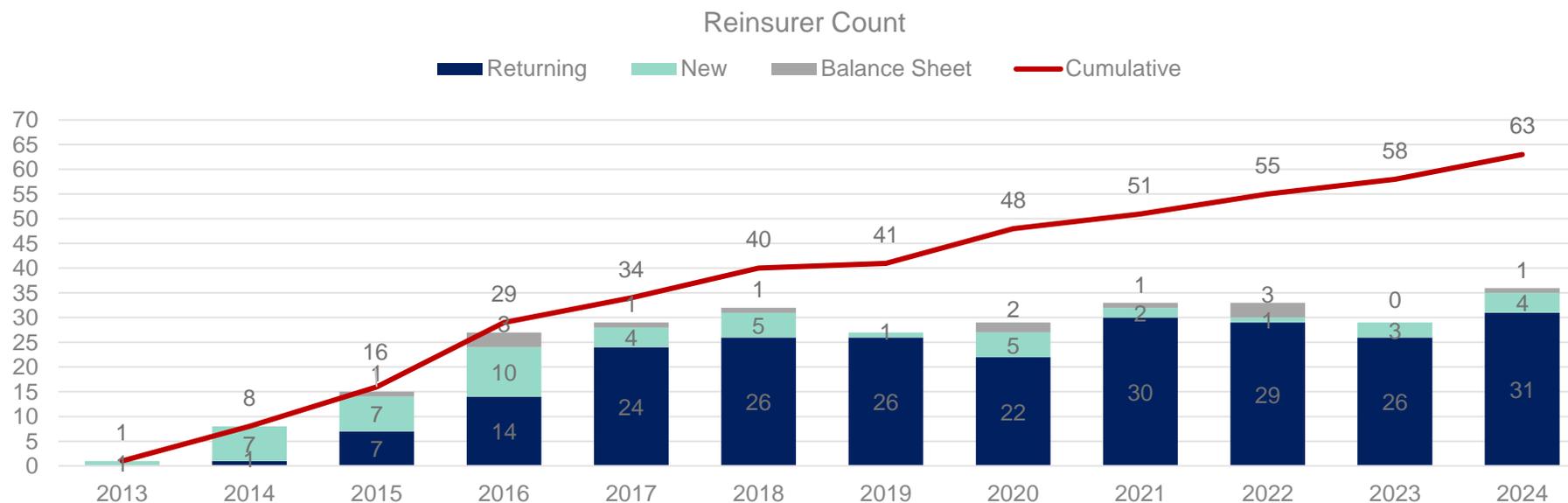
In response to the new UK Securitisation Regulation effective on November 1, 2024, we have updated our EU and UK Resources webpage:

- Overall, the requirements are largely unchanged from previous regulations
- FAQ is available to address common investor inquiries

What is available?

- File templates remain unchanged and can be downloaded via Clarity for all future and existing STACR transactions
 - Annex II loan level template is available since February 2023
 - Annex XII deal level template is available since July 2023
 - Related glossary and mapping between existing disclosures and templates are provided
- Redacted legal documents for DNA and HQA transactions

ACIS Investor Participation

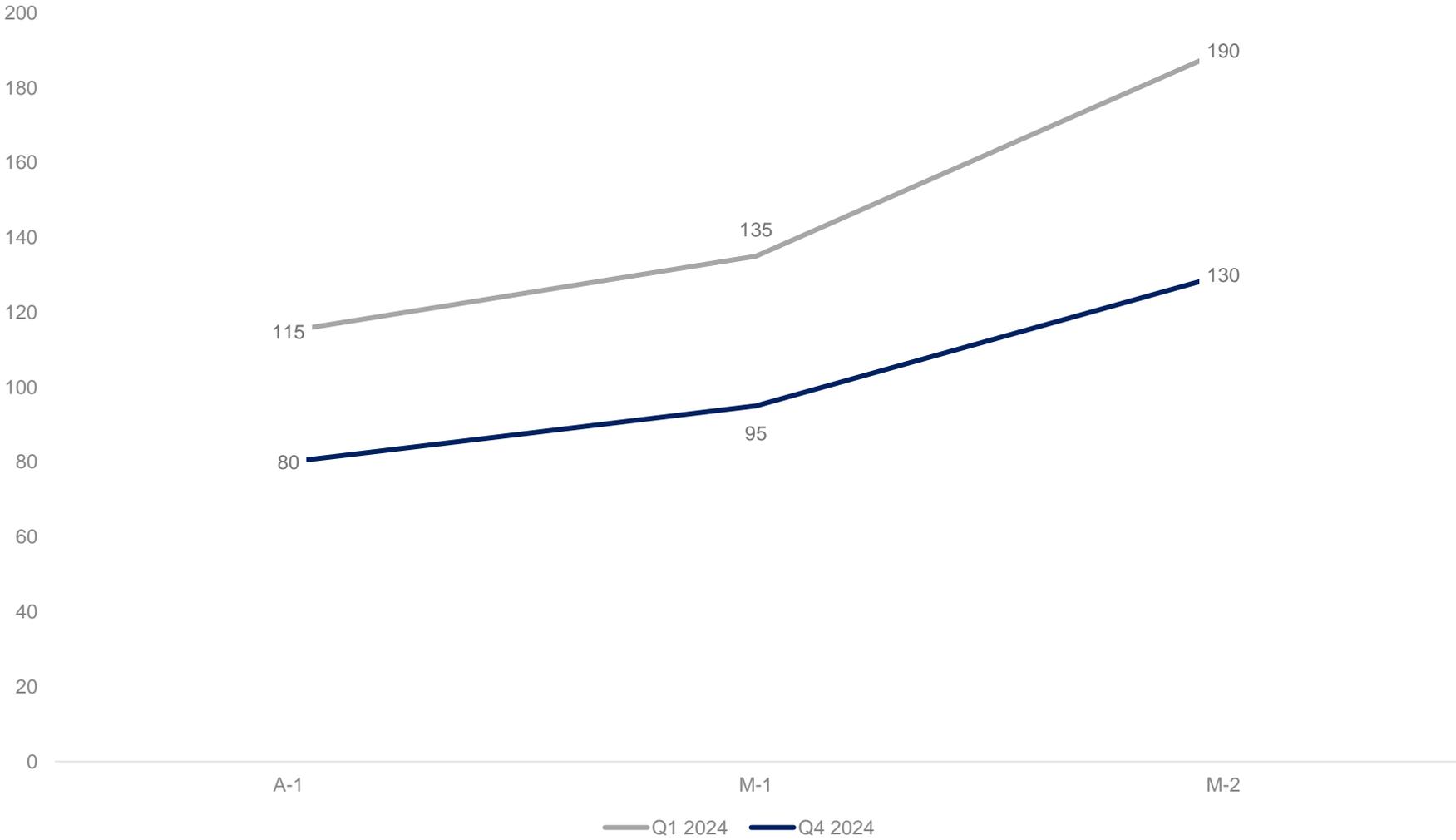


Source: Freddie Mac, all data as of December 2024.

ACIS Spreads



Price Shift through 2024



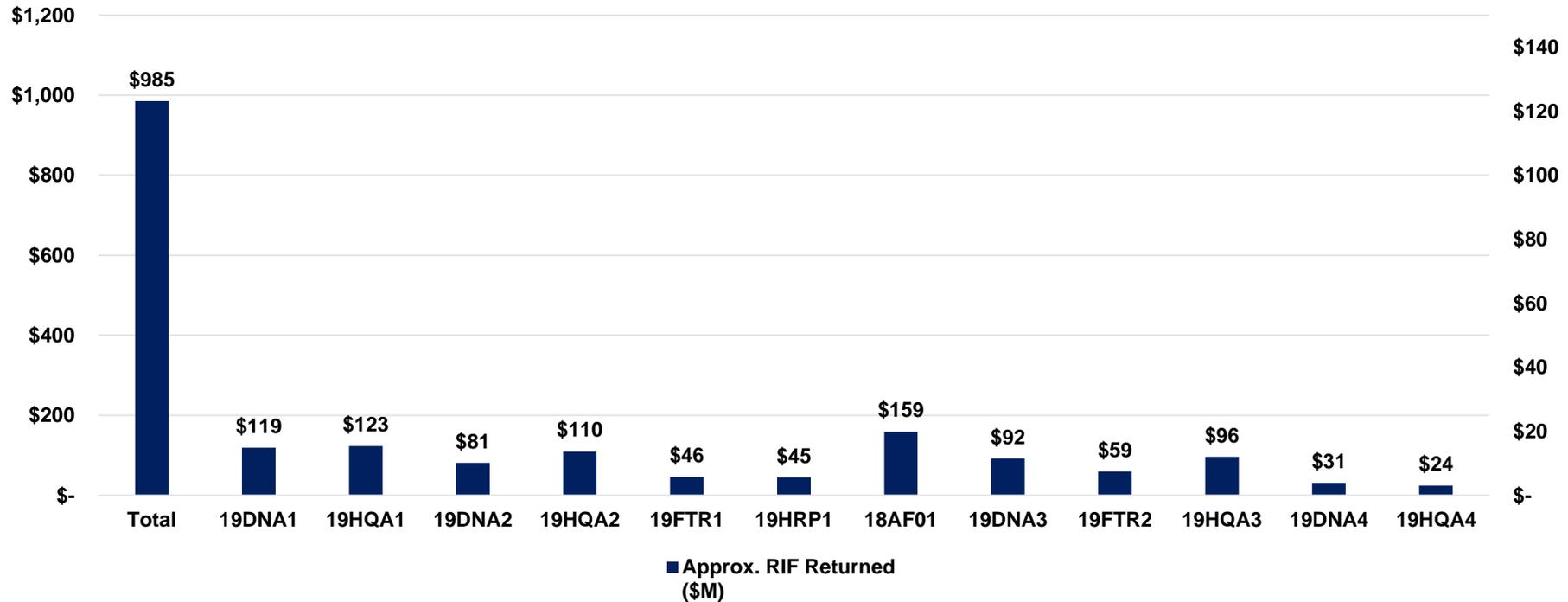
Source: Freddie Mac, all data as of December 2024.

ACIS 5yr Early Call Option



- 32 ACIS deals have been called program-to-date
- 12 ACIS deals have been called in 2024 for a total of \$1.0 Billion in RIF

5yr Early Call Option: RIF and Savings 2024



Freddie Mac Single-Family Pipeline



~\$256 Billion Eligible for CRT* with Estimated Issuance of \$4-\$6 Billion (STACR/ACIS Combined)

OLTV 61-80	Loan Count	CUPB(M)	Rate	OLTV	FICO	DTI	Purchase	RateTerm	Cashout	DTI>45	FICO<680
Dec	30,069	\$11,062	6.5134	75	761	38	73.3%	15.3%	11.4%	26.3%	5.4%
Nov	45,074	\$15,890	6.3253	75	760	38	68.8%	20.6%	10.6%	24.6%	5.9%
Oct	39,977	\$15,261	6.4436	75	762	38	74.5%	16.5%	8.9%	23.9%	5.0%
Sep	35,966	\$12,837	6.7278	76	760	38	82.5%	8.3%	9.2%	25.4%	6.2%
Aug	41,267	\$14,378	6.9507	76	759	38	86.5%	4.9%	8.6%	27.0%	6.7%
Jul	30,635	\$10,599	7.0609	76	759	38	87.5%	4.5%	8.0%	27.5%	6.2%
Jun	30,909	\$10,247	7.0330	76	759	39	86.9%	4.0%	9.2%	28.8%	6.0%
May	33,063	\$10,650	6.8624	76	758	38	85.6%	5.2%	9.2%	27.4%	6.6%
Apr	30,915	\$9,718	6.8079	76	758	38	85.2%	5.4%	9.4%	27.9%	6.5%
Mar	28,817	\$9,004	6.7369	76	757	38	84.4%	6.6%	9.0%	26.8%	6.6%
Feb	21,260	\$6,128	6.8560	76	756	39	84.4%	6.3%	9.4%	27.8%	6.8%
Jan	22,438	\$5,954	7.2191	76	754	39	87.4%	4.7%	7.9%	30.2%	7.2%
Total	390,390	\$131,727	6.7489	76	759	38	81.2%	9.5%	9.3%	26.6%	6.1%

OLTV 81-97	Loan Count	CUPB(M)	Rate	OLTV	FICO	DTI	Purchase	RateTerm	Cashout	DTI>45	FICO<680
Dec	26,963	\$9,937	6.5376	92	753	40	92.1%	7.9%	0.0%	30.5%	5.0%
Nov	41,992	\$14,708	6.3475	93	751	40	89.9%	10.1%	0.0%	28.4%	5.8%
Oct	34,889	\$13,018	6.4702	92	752	40	92.5%	7.5%	0.0%	28.5%	5.6%
Sep	33,460	\$11,949	6.7897	93	749	40	96.8%	3.2%	0.0%	30.0%	6.7%
Aug	36,881	\$13,034	6.9691	93	748	40	98.3%	1.7%	0.0%	30.5%	7.1%
Jul	27,326	\$9,462	7.0729	93	747	40	98.3%	1.7%	0.0%	31.2%	7.0%
Jun	29,720	\$10,127	7.0571	93	749	41	98.5%	1.5%	0.0%	31.7%	6.3%
May	32,275	\$10,913	6.8783	93	749	40	98.1%	1.9%	0.0%	29.7%	6.3%
Apr	28,901	\$9,657	6.8267	92	750	40	98.0%	2.0%	0.0%	28.7%	5.7%
Mar	29,021	\$9,622	6.7442	93	750	40	97.4%	2.6%	0.0%	28.4%	5.7%
Feb	20,530	\$6,296	6.8586	93	747	40	97.4%	2.6%	0.0%	31.2%	6.3%
Jan	20,663	\$5,864	7.2191	93	745	41	98.6%	1.4%	0.0%	32.9%	6.4%
Total	362,621	\$124,586	6.7769	93	749	40	95.9%	4.1%	0.0%	29.9%	6.2%

* Data as of December 2024 for fixed rate, terms 241-360 months and original LTV between 61-97 that were securitized into MBS in 2024. Please see our [website](#) for full details.

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Los Angeles Fire Impact to CRT Transactions

- Freddie Mac funding is subject to conventional loan limits
- Property insurance is required (Guide 4703.2)
- Currently no new issue loan removal provision in our transactions for fires

	Palisades/Altadena			FEMA Individual Assistance		
Series Year	Loan Count	CUPB (\$, Million)	% of Ref Pool	Loan Count	CUPB (\$, Million)	% of Ref Pool
2015-2017	65	23	0.02%	14,015	3,855	3.8%
2018-2019	40	17	0.01%	13,810	4,158	2.9%
2020-2022	375	224	0.02%	85,889	40,171	3.3%
2023	22	16	0.02%	3,853	2,215	2.2%
2024	13	9	0.01%	5,668	3,410	2.0%
2025	5	5	0.01%	976	634	2.0%
Total	520	295	0.02%	123,452	54,442	3.1%

The data provided above is for information only and is not intended to provide comprehensive information concerning the impact of the Los Angeles fires to CRT transactions. The information is not indicative of the performance of the mortgage loans affected by the fires and related CRT transactions. Freddie Mac is providing this information at its discretion and does not constitute or establish any future rights or responsibilities regarding reporting or updates. Please refer to the relevant deal documents for all terms and conditions.

STACR Engagement Opportunities and Issuance 2025



- **Freddie Mac CRT Events**
 - CRT Webcasts
- **Industry Conferences**
 - SF Vegas (February)
 - Invisso U.S. Risk Transfer (May)
 - ABS East Miami (October)
- **In-Person Meetings and Roadshows**
- **2025 Expected STACR Issuance***

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

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ACIS Engagement Opportunities and Issuance 2025



- **Freddie Mac CRT Events**
 - CRT Webcasts
- **Industry Conferences**
 - GC GSE CRT Reinsurance Market (Feb)
 - BDA Roadshow (TBD)
 - Invisso U.S. Risk Transfer (May)
 - European Roadshow (May/Sep)
 - Aon Mortgage Analytics Day (Sep/Oct)
- **In-Person Meetings and Roadshows**
- **2025 Expected ACIS Transactions***

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

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Questions?

Thank You!



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