



May 12, 2022

## **Freddie Mac Ceases Resecuritization of LIBOR-Indexed CMOs and PCs**

In 2020, Freddie Mac and Fannie Mae (the Enterprises) [announced](#) the cessation of any new LIBOR-indexed Collateralized Mortgage Obligations (CMOs) issuances and began offering new SOFR-indexed CMOs in preparation for the future cessation of LIBOR. To support liquidity in legacy LIBOR products, the Enterprises permitted investors to continue resecuritizing LIBOR-indexed CMOs and PCs (i.e., re-REMICs and Giants) so long as the total unpaid principal balance of the LIBOR-indexed CMOs and PCs outstanding did not increase. Such transaction volume has been minimal and has steadily decreased since 2020.

Today, with the goal of a complete cessation of all new issuances of securities indexed to LIBOR, Freddie Mac, in alignment with Fannie Mae and in consultation with the Federal Housing Finance Agency (FHFA), is announcing that, effective June 30, 2022, it will stop resecuritizing existing LIBOR-indexed CMOs (both single-family and multifamily) and PCs. Any requested and approved final resecuritizations of existing LIBOR-indexed CMOs and PCs must settle on or before June 30, 2022. The resecuritization of LIBOR-Indexed CMOs and PCs into appropriately structured new-issue SOFR indexed bonds will continue to be permitted.

The Fannie Mae announcement can be found [here](#).

For questions, please contact the Freddie Mac Investor Inquiry line at 800-336-3672 or [investor\\_inquiry@freddiemac.com](mailto:investor_inquiry@freddiemac.com).

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