



## Freddie Mac Sells \$130 Million of Seriously Delinquent Loans

June 2, 2016

MCLEAN, VA--(Marketwired - Jun 2, 2016) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 487 deeply delinquent non-performing loans (NPLs) serviced by JP Morgan Chase Bank, N.A. from its mortgage investment portfolio on May 31, 2016. The transaction is expected to settle in August 2016 and servicing will be transferred post-settlement. Freddie Mac, through its advisors, began marketing the transaction on May 11, 2016, to potential bidders, including minority and women-owned businesses (MWOBs), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

The loans have been delinquent for approximately three and half years, on average. Given the deep delinquency status of the loans, the borrowers have likely been evaluated previously for or are already in various stages of loss mitigation, including modification or other alternatives to foreclosure, or are in foreclosure. Mortgages that were previously modified and subsequently became delinquent comprise approximately 27 percent of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value ratio of approximately 91 percent, based on BPO (Broker Price Opinion).

The pool, winning bidder and cover bid price (second highest bid) are summarized below:

Description	Pool #1
Unpaid Principal Balance	\$130.2 million
Loan Count	487
CLTV Range	All
BPO CLTV	90.7
Average Months Delinquent	40.5
Average Loan Balance (\$000)	267.4
Geographical Distribution	National
Winning Bidder	MTGLQ Investors, LP
Cover Bid Price (second-highest bid price)	Low \$70s

Advisors to Freddie Mac on the transaction were J.P. Morgan Securities LLC, Credit Suisse Securities (USA) LLC and First Financial Network Inc., a woman-owned business.

Through the first quarter of 2016, Freddie Mac has sold \$4.3 billion in NPLs as part of its strategy to reduce the less liquid assets in its mortgage investment portfolio. [Requirements](#) guiding the servicing of these transactions are focused on improving borrower outcomes and stabilizing communities. In April 2016, Freddie Mac's regulator, the Federal Housing Finance Agency, announced [enhanced requirements pdf](#) for NPL sales. Additional information about the company's NPL sales is at <http://www.freddie.mac.com/npl/>.

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for one in four home borrowers and is the largest source of financing for multifamily housing. Additional information is available at [FreddieMac.com](http://FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](http://FreddieMac.com/blog).

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