



Freddie Mac Sells \$1.1 Billion of Seriously Delinquent Loans

September 16, 2015

MCLEAN, VA--(Marketwired - Sep 16, 2015) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 5,208 deeply delinquent non-performing loans (NPLs) serviced by Ocwen Loan Servicing, LLC from its mortgage investment portfolio on September 11, 2015. The transaction is expected to settle in October, 2015, and servicing will be transferred post-settlement. The sale is part of Freddie Mac's Standard Pool Offerings (SPO(SM)).

These loans have been delinquent for approximately three and a 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 33% of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value of approximately 91.1, based on BPO (Broker Price Opinion).

The loans were offered as five separate pools of mortgage loans, and investors had the flexibility to bid on one or more pools, or bid on the aggregate of all five pools. Pools #1 and #2 are comprised of loans with CLTV between 50 and 110, and all other attributes are generally comparable except for pool size. Pools #3 and #4 are comprised of loans with CLTV greater than 110, and all other attributes are generally comparable except for pool size. The five pools, winning bidders and cover bid prices (second highest bids) are summarized below:

Description	Pool #1	Pool #2	Pool #3	Pool #4	Pool #5
Unpaid Principal Balance	\$486.4 million	\$158.1 million	\$288.4 million	\$127.9 million	\$47.8 million
Loan Count	2,201	700	1,253	566	488
CLTV Range	50 to 110	50 to 110	Above 110	Above 110	Less than 50
BPO CLTV	84.0	83.8	138.2	137.5	32.5
Average Months Delinquent	40	39	47	46	35
Average Loan Balance (\$000)	\$221	\$225.8	\$230.2	\$225.9	\$98.0
Geographical Distribution	National	National	National	National	National
Winning Bidder	LSF9 Mortgage Holdings, LLC	Pretium Mortgage Credit Partners I	LSF9 Mortgage Holdings, LLC	OSAT Sponsor II, LLC	LSF9 Mortgage Holdings, LLC
Cover Bid Price (second highest bid price)	Low \$60s	High \$70s	Low \$50s	Low \$50s	Mid \$100s

Freddie Mac, through its advisors, began marketing the transaction on August 13th, 2015 to potential bidders, including minority and women owned businesses (MWOBS), non-profits, neighborhood advocacy funds and private investors active in the NPL market.

Freddie Mac's regulator and conservator, the Federal Housing Finance Agency (FHFA), announced enhanced requirements for NPL sales, which include:

- Servicer must be approved by and in good standing with Freddie Mac, Fannie Mae, Ginnie Mae, or FHA.
- All servicers must agree to service in accordance with applicable law.
- Servicers must prioritize loan modifications over short sales or deeds in lieu of foreclosure, and foreclosure must be the last option; and for loans that transition to REO (Real Estate Owned), servicers must encourage sales to owner occupants and non-profits.
- Servicers must comply with the requirements of the U.S. Department of the Treasury's Making Home Affordable programs, including the Home Affordable Modification Program (HAMP), and evaluate eligible borrowers for such programs.
- Servicers must evaluate all borrowers who are determined ineligible for HAMP (other than those with an imminent foreclosure sale date or vacant property) for a proprietary modification.

- Servicers must honor completed modifications, and those in trial or applications in process at the time of sale, and continue to close in-process modifications unless they are able to offer terms more favorable to borrowers.
- Subsequent servicers must agree to assume the responsibilities of the initial servicer.

Advisors to Freddie Mac on the transaction were Credit Suisse, Wells Fargo Securities and First Financial Network, a woman-owned business.

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 one of the largest sources of financing for multifamily housing. Additional information is available at Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac does not undertake an obligation, and disclaims any duty, to update any of the information in those documents. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in our reports filed with the SEC.