



Freddie Mac Sells \$706 Million of Seriously Delinquent Loans

June 21, 2016

MCLEAN, VA--(Marketwired - Jun 21, 2016) - Freddie Mac (OTCQB: FMCC) today announced it sold via auction 2,879 deeply delinquent non-performing loans (NPLs) serviced by Bayview Loan Servicing, LLC from its mortgage-related investments portfolio. The transaction is expected to settle in August 2016, and servicing will be transferred post-settlement. The sale is part of Freddie Mac's Standard Pool Offerings (SPO[®]). Freddie Mac, through its advisors, began marketing the transaction on May 25, 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 were offered as five separate pools of mortgage loans, three of them geographically diverse SPO pool offerings. The two remaining pools were New York- and New Jersey-only pools, respectively. Investors had the flexibility to bid on one or multiple pools, or bid on the aggregate of the SPO pools. All five pools were sold at a weighted average price in the mid-60s as a percent of the total unpaid principal balance.

The loans have been delinquent for almost five 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 29 percent of the aggregate pool balance. The aggregate pool is geographically diverse and has a loan-to-value ratio of approximately 92 percent, based on BPO (Broker Price Opinion).

The pools and winning bidders are summarized below:

| Description | Pool #1 | Pool #2 | Pool #3 | Pool #4 | Pool #5 |
|------------------------------|-----------------------------|---|-----------------------------|---|-----------------------------|
| Unpaid Principal Balance | \$138.1 million | \$189.7 million | \$165.4 million | \$90.0 million | \$123.1 million |
| Loan Count | 555 | 629 | 798 | 364 | 533 |
| CLTV Range | All | All | Less than 90 | Greater than or equal to 90 and less than 110 | Greater than or equal 110 |
| BPO CLTV | 109 | 87 | 69 | 99 | 137 |
| Average Months Delinquent | 67 | 65 | 50 | 53 | 49 |
| Average Loan Balance (\$000) | 248.8 | 301.6 | 207.3 | 247.4 | 230.9 |
| Geographical Distribution | NJ | NY | National | National | National |
| Winning Bidder | LSF9 Mortgage Holdings, LLC | Upland Mortgage Acquisition Company II, LLC | LSF9 Mortgage Holdings, LLC | LSF9 Mortgage Holdings, LLC | LSF9 Mortgage Holdings, LLC |

Advisors to Freddie Mac on the transaction were Bank of America Merrill Lynch and The Williams Capital Group, L.P., a minority-owned business.

Through the first quarter of 2016, Freddie Mac sold \$4.3 billion in NPLs as part of its strategy to reduce the less liquid assets in its mortgage-related investments 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.freddiemac.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, [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog at 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.