



*****Freddie Mac Fixed Rate K-Series Structural Enhancements*****

The Multifamily Division of Freddie Mac is making a programmatic change to the certificate structure on its fixed rate, multiborrower K-series multifamily mortgage-backed securities. Going forward, these K-series issuances will typically include two new classes of structured pass-through certificates (SPCs): Class A-M and Class XAM.

Certificate Structure Example

- The certificate structure example below is hypothetical and for illustrative purposes only. Additionally, the example assumes a pool size of \$1.3 billion.

Class	Total Initial Principal Balance or Notional Amount	Approximate % of Total Initial Principal Balance	Approximate Initial Credit Support	Pass-Through Rate Description	Initial Pass-Through Rate	Assumed Weighted Average Life (Years) ⁽¹⁾	Assumed Principal Window ⁽¹⁾	Assumed Final Distribution Date ⁽¹⁾
<u>Guaranteed Certificates:</u>								
A-1	[\$182,000,000]	[14.000]%	[19.000]% ⁽²⁾	[Fixed]	%	[6.5]	[1-107]	[July 2025]
A-2	[\$871,000,000]	[67.000]%	[19.000]% ⁽²⁾	[Fixed]	%	[9.7]	[107-117]	[May 2026]
A-M	[\$65,000,000]	[5.000]%	14.000%	[Fixed]	%	[9.8]	[117-117]	[May 2026]
X1	[\$1,053,000,000]	N/A	N/A	Variable IO	%	[9.1]	N/A	[May 2026]
XAM	[\$65,000,000]	N/A	N/A	Variable IO	%	[9.8]	N/A	[May 2026]
X3	[\$182,000,000]	N/A	N/A	Variable IO	%	[9.9]	N/A	[June 2026]
<u>Non-Guaranteed Certificates:</u>								
X2-A	[\$1,053,000,000]	N/A	N/A	Fixed IO	0.1000%	[9.1]	N/A	[May 2026]
X2-B	[\$247,000,000]	N/A	N/A	Fixed IO	0.1000%	[9.9]	N/A	[June 2026]
B	[\$52,000,000]	4.000%	10.000%	[WAC]	%	[9.8]	[117-118]	[June 2026]
C	[\$32,500,000]	2.500%	7.500%	[WAC]	%	[9.9]	[118-118]	[June 2026]
D	[\$97,500,000]	7.500%	0.000%	N/A	0.0000%	[9.9]	[118-118]	[June 2026]

Notes

- (1) Assumes the following: (i) there are no voluntary or involuntary prepayments with respect to the underlying mortgage loans, (ii) there are no delinquencies, modifications or losses with respect to the underlying mortgage loans, (iii) there are no modifications, extensions, waivers or amendments affecting the monthly debt service or balloon payments by borrowers on the underlying mortgage loans, and (iv) the certificates are not redeemed prior to their Assumed Final Distribution Date pursuant to the clean-up call.
- (2) The approximate initial credit support is the approximate initial credit support for the aggregate initial principal balance of the class A-1 and A-2 certificates.

Description of the New Classes

- Class A-M will be a principal & interest pass-through certificate guaranteed by Freddie Mac. On a programmatic basis, the Class A-M is expected to have a 14% approximate initial credit support level, and is expected to be rated. Since assigned ratings do not take into account the “Freddie Mac Guarantee”, the Class A-M is not expected to receive a ‘AAA/Aaa’ (sf) rating from the rating agencies.
- The Class XAM will be a notional interest-only pass-through certificate with a coupon guaranteed by Freddie Mac while such class is outstanding. The Class XAM is expected to be rated and its notional amount will correspond to the Class A-M principal balance.

Priority of Distributions

- The following chart illustrates generally the distribution priorities and the subordination features applicable to the certificates:



* Interest-only
 ** Principal-only



- On each distribution date, the certificate administrator will apply the Available Distribution Amount for that date to make the following distributions in the following order of priority, in each case to the extent of the remaining portion of the Available Distribution Amount:

Order of Distribution	Recipient	Type and Amount of Distribution
1 st	A-1, A-2, X1, X2-A, XAM and X2-B	Interest up to the total interest distributable on those classes (including accrued and unpaid interest from prior Interest Accrual Periods), <i>pro rata</i> based on the respective entitlements of those classes to interest at their respective pass-through rates
2 nd	A-1 and A-2	Principal up to the total principal distributable on the class A-1 and A-2 certificates, in that order, until the outstanding principal balance of each such class has been reduced to zero*
3 th	A-1 and A-2	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for those classes, <i>pro rata</i> , based on the loss reimbursement amounts for those classes
4 nd	A-M	Interest up to the total interest distributable on that class (including accrued and unpaid interest from prior Interest Accrual Periods)
5 th	A-M	Principal up to the total principal distributable on that class until the outstanding principal balance of such class has been reduced to zero
6 th	A-M	In the case of a default under the Freddie Mac Guarantee, reimbursement up to the loss reimbursement amounts, if any, for that class based on the loss reimbursement amounts for that class
7 th	Guarantor	Any Guarantor Reimbursement Amounts relating to the class A-1, A-2, A-M, X1 and XAM certificates, other than Guarantor Timing Reimbursement Amounts relating to the class A-1, A-2 and A-M certificates
8 th	Guarantor	Any Guarantor Timing Reimbursement Amounts relating to the class A-1, A-2 and A-M certificates (<i>provided</i> that on any distribution date, the amount distributable pursuant to this priority 8 th may not exceed the excess of (x) the remaining Available Distribution Amount over (y) the total interest distributable on the class B and C certificates on such distribution date pursuant to priorities 9 th and 12 th below (any such excess on any such distribution date, the " <u>Maximum Guarantor Timing Reimbursement</u> ")
9 th	B	Interest up to the total interest distributable on that class (including accrued and unpaid interest from prior Interest Accrual Periods)



10 th	B	Principal up to the total principal distributable on that class, until the outstanding principal balance of such class has been reduced to zero (<i>provided</i> that on any distribution date on which the amount distributable pursuant to priority 8 th above was limited by the Maximum Guarantor Timing Reimbursement, the amount distributable pursuant to this priority 10 th may not exceed the excess of (x) the remaining Available Distribution Amount over (y) the total interest distributable on the class C certificates on such distribution date pursuant to priority 12 th below)
11 th	B	Reimbursement up to the loss reimbursement amount for that class (<i>provided</i> that on any distribution date on which the amount distributable pursuant to priority 8 th above was limited by the Maximum Guarantor Timing Reimbursement, the amount distributable pursuant to this priority 11 th may not exceed the excess of (x) the remaining Available Distribution Amount over (y) the total interest distributable on the class C certificates on such distribution date pursuant to priority 12 th below)
12 th	C	Interest up to the total interest distributable on that class (including accrued and unpaid interest from prior Interest Accrual Periods)
13 th	C	Principal up to the total principal distributable on that class, until the outstanding principal balance of such class has been reduced to zero
14 th	C	Reimbursement up to the loss reimbursement amount for that class
15 th	X3	Interest up to the total interest distributable on that class (including accrued and unpaid interest from prior Interest Accrual Periods)
16 th	Guarantor	Any Guarantor Reimbursement Amounts relating to the class X3 certificates
17 th	Guarantor	Any Guarantor Reimbursement Interest Amounts relating to the class A-1, A-2, A-3, X1, XAM and X3 certificates
18 th	D	Principal up to the total principal distributable on that class, until the outstanding principal balance of such class has been reduced to zero
19 th	D	Reimbursement up to the loss reimbursement amount for that class
20 th	R	Any remaining portion of the funds in the Lower-Tier REMIC or Upper-Tier REMIC

* Because of losses on the underlying mortgage loans and/or default-related or other unanticipated issuing entity expenses, the total principal balance of the class A-M, B, C and D certificates could be reduced to zero at a time when both of the class A-1 and A-2 certificates remain outstanding. Under those circumstances, any principal distributions on the class A-1 and A-2 certificates will be made on a *pro rata* basis in accordance with the relative sizes of the respective then outstanding principal balances of those classes.



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