

# 100% Guaranteed Rated K-Deal<sup>®</sup> Program

Freddie Mac offers best-in-class Multifamily securities and innovative credit risk transfer products, featuring transparency and consistency. We have expanded our capabilities by strategically adding a fully guaranteed rated K-Deal<sup>®</sup> transaction to our suite of offerings while continuing to remain committed to providing regular K-Deal issuance with subordination.

Total 2023 Securitization Volume  
**\$53.1 Billion**

K-Deal Securitization Volume  
**\$33.3 Billion** in 2023

**42 K-Deals** issued in 2023

Freddie Mac has not realized **any credit losses** on our K-Deal guaranteed classes

**99.63%** of the K-Deal loans are current (by outstanding principal balance as of 2023 year-end)

## 100% Guaranteed Rated K-Deal Similarities

Senior and IO classes are backed by Freddie Mac Guarantees

A-1, A-2 and X1 classes will be rated by NRSROs

A-1 and A-2 class bond profile remains consistent

Credit and underwriting standards are the same as K-Deals with subordination

## 100% Guaranteed Rated K-Deal Differences

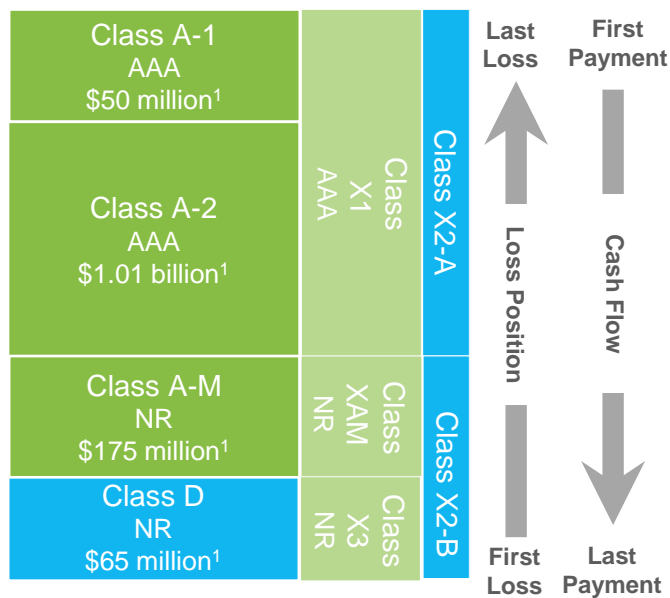
No WI-K Certificates or subordination

No X3 class

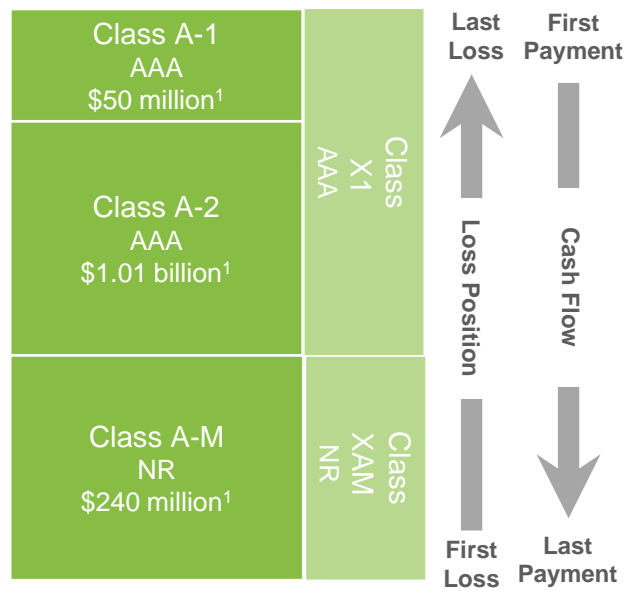
Credit risk transfer will likely be accomplished through [MCIP](#) and/or [MSCR](#) executions

Freddie Mac may retain the X1 and XAM class

### K-Deal Fixed-Rate with Subordination



### 100% Guaranteed Rated Fixed-Rate K-Deal



	Hypothetical K-Deal with Subordination						Hypothetical 100% Guaranteed Rated K-Deal				
Offered Classes	A-1	A-2	A-M	X1	XAM	X3	A-1	A-2	A-M	X1	XAM
Bond Class Size <sup>2,3</sup>	~\$75M	~\$930M	~\$175M	~\$1B	~\$175M	~\$65M	~\$75M	~\$930M	~\$240M	~\$1B	~\$240M
WAL <sup>2</sup>	7.0	9.7	9.8	9.6	9.8	9.8	7.0	9.7	9.8	9.6	9.8
Expected Ratings	AAA	AAA	Not Rated	AAA	Not Rated	Not Rated	AAA	AAA	Not Rated	AAA	Not Rated

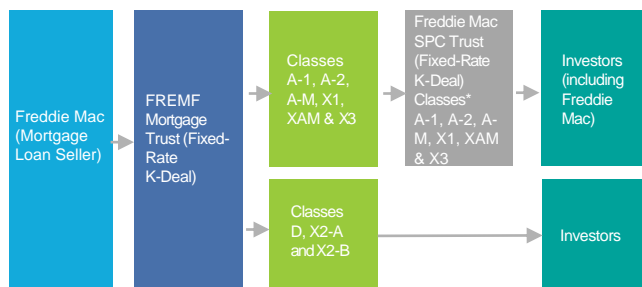
<sup>1</sup> For illustrative purposes only, class sizes do not reflect actual bond offering

<sup>2</sup> Bond class size and WAL for K-Deals with subordination are estimated based on a 10-year fixed \$1.3 billion pool size with standard defeasance

<sup>3</sup> Bond class size for the interest-only bonds is notional to the senior bond class. X1 is notional to the A-1 and A-2 classes, XAM is notional to the A-M class and X3 is notional to class D

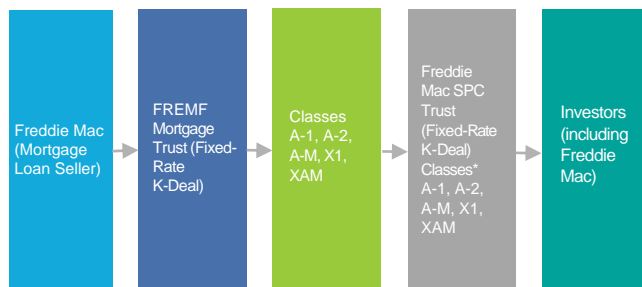
## Structural Diagram of Sample Rated Fixed-Rate K-Deal with Subordination

K-Deals offer both guaranteed and unguaranteed certificates along with structural credit enhancement



## Structural Diagram of Sample 100% Guaranteed Rated Fixed-Rate K-Deal

The structure typically includes Freddie Mac guaranteed senior bonds and two Freddie Mac guaranteed interest-only bonds



\* Freddie Mac began and plans to continue securitizing a substantial portion of the A-2 and A-M classes through our WI-K Deal program. Please reference the [WI K-Deal](#) presentation for more detail.

## Historical Losses and Loss Severity

**\$1.05 billion** in properties disposed (144 properties by count)

**\$304.79 million** total credit loss

**29%** loss severity including REO, FCL and selling expenses

Based on historical performance from 1994 through 2023, which includes nearly 55,000 loans with a total origination unpaid principal balance (UPB) of nearly \$790 billion that were purchased by Freddie Mac. Of this reported population, approximately 0.13% has defaulted by UPB through 2023.

### Certificate yields under various constant default rate (CDR) scenarios with 40% loss severity\*

	K-Deal with Subordination			100% Guaranteed Rated K-Deal		
	Class A-1	Class A-2	Class A-M	Class A-1	Class A-2	Class A-M
<b>0 CDR (0.00% Cumulative Net Loss)</b>						
Yield	4.52%	4.77%	5.13%	4.52%	4.77%	5.13%
WAL (Years)	6.94	9.76	9.90	6.94	9.76	9.90
<b>1 CDR (3.00% Cumulative Net Loss)</b>						
Yield	4.50%	4.77%	5.13%	4.50%	4.77%	5.13%
WAL (Years)	4.80	9.68	9.91	4.80	9.68	9.20
<b>2 CDR (5.70% Cumulative Net Loss)</b>						
Yield	4.48%	4.77%	5.13%	4.48%	4.77%	5.13%
WAL (Years)	3.82	9.54	9.88	3.82	9.54	8.52
<b>5 CDR (13.00% Cumulative Net Loss)</b>						
Yield	4.45%	4.75%	5.12%	4.45%	4.75%	5.12%
WAL (Years)	2.80	9.05	8.04	2.80	9.05	6.65
<b>10 CDR (22.00% Cumulative Net Loss)</b>						
Yield	4.44%	4.70%	5.10%	4.44%	4.70%	5.10%
WAL (Years)	2.42	8.18	5.18	2.42	8.18	4.44

\* Illustrative based on a hypothetical portfolio of loans, please refer to the applicable deal offering documents. Table calculated using Modeling Assumptions as described in the Offering Documents with the following exceptions: (i) defaults start immediately, (ii) 24 months recovery lag and no defaults 24 months prior to the applicable maturity date for all mortgage loans, (iii) loss severity of 40% and (iv) assume a par dollar price for the A-1 and A-M classes, and approximately \$103 for the A-2 class.

For additional information, please contact: [MF\\_CM\\_InvestorRelations@freddiemac.com](mailto:MF_CM_InvestorRelations@freddiemac.com) or visit our website at [mf.freddiemac.com](http://mf.freddiemac.com)

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