



Multifamily Credit Insurance Pool[®] (MCIPSM) Program Overview

Investor Presentation

as of March 31, 2025



Multifamily Credit Insurance Pool® (MCIPSM) Program

MCIP policies offer (re)insurers an innovative way to add U.S. multifamily market exposure while benefiting from our industry-leading underwriting and credit risk management standards

- Freddie Mac introduced MCIP to its credit risk transfer (CRT) program in December 2018. The policies are structured similarly to other CRT vehicles but provide unique Multifamily exposure
- MCIP policies are subject to credit risk of an identified pool of multifamily mortgage loans (reference obligations):
 - i. backing Freddie Mac Multifamily fully guaranteed certificates;
 - ii. for which Freddie Mac provides credit enhancement for the related multifamily bonds issued by state and local housing agencies; or
 - iii. from Freddie Mac retained portfolio originated under the same underwriting standards as our conventional business
- Insurance payments are based on actual principal payments on the reference pool including losses if they occur
- Certain reference obligations are only partially included in the reference pool, based on a corresponding fixed percentage (Reference Obligation Percentage), representing *pari passu* portions of their respective whole loans
- As of March 2025, Freddie Mac Multifamily has settled 10¹ MCIP transactions totaling approximately \$61.6 billion of reference obligations

¹ Freddie Mac has also settled one MCIP-MZ transaction totaling approximately \$16 billion of reference obligations

Why MCIP?

- **Diversification:** A large and diversified reference pool provides more stable and predictable performance and reduces idiosyncratic risk
- **Strong Underwriting:** Reference obligations are underwritten to the same Freddie Mac Multifamily underwriting standards as mortgage loans securitized in K-Deals® and other comparable securitizations
- **Standardized Servicing Guidelines:** Uniform across Freddie Mac Multifamily's entire portfolio
- **Alignment of Interest:** Freddie Mac retains a minimum of 5% interest in each tranche to further align interest with investors through the life of the offering

Eligibility Requirements

- Participants must be counterparty approved
- (Re)insurers must also be highly rated and well capitalized

MCIP CRT Historical Issuance

Category	MCIP 2025-R10	MCIP 2024-R9	MCIP 2024-R8	MCIP 2023-R7	MCIP 2023-R6	MCIP 2022-R5	MCIP 2022-R4	MCIP 2020-R3	MCIP 2019-R2	MCIP 2018-R1
Number of Loans	411	372	400	350	357	231	257	136	88	55
Pool Cut-off Date Balance	\$11.6B	\$9.1B	\$8.2B	\$8.2B	\$7.6B	\$5.5B	\$6.0B	\$2.6B	\$1.9B	\$915M
Average Loan Balance	\$28.2	\$24.5M	\$20M	\$24M	\$21M	\$24M	\$23M	\$19M	\$21M	\$17M
Top 10 Assets as % of Pool	16.7%	24.5%	20.1%	17.5%	17.2%	22.4%	21.1%	22.5%	37.9%	68.7%
Weighted Average (WA) Cut-off Date LTV	61.8%	58.6%	59.0%	59.0%	56.1%	59.7%	65.8%	70.8%	67.1%	61.4%
WA Underwritten DSCR	1.42x	1.39x	1.35x	1.35x	1.36x	1.54x	1.49x	1.47x	1.45x	1.63x
Conventional / Targeted Affordable Percentage	80% / 20%	75% / 25%	66% / 34%	71% / 29%	73% / 27%	76% / 24%	73% / 27%	85% / 15%	53% / 47%	20% / 80%
Collateral Type	PC, K- & Portfolio Loans	PC, K- & Portfolio Loans	PC & Portfolio Loans	PC, K- & Portfolio Loans	PC, K- & Portfolio Loans	PC	PC	PC	PC	PC & BCE
Top 3 States	TX – 19% CA – 13% FL – 7%	FL – 12% TX – 11% VA – 10%	CA – 14% FL – 12% TX – 10%	TX – 22% CA – 13% FL – 12%	TX – 14% NY – 12% FL – 12%	CA – 16% TX – 14% OH – 6%	TX – 13% NJ – 10% CA – 10%	MD – 20% TX – 11% CA – 9%	CA – 21% NV – 10% MA – 9%	NY – 67% MN – 10% CA – 6%
Attachment / Detachment	1.00% / 5.50%	1.00% / 5.50%	1.00% / 5.50%	1.00% / 5.50%	1.00% / 5.00%	1.00% / 6.75%	0.75% / 6.75%	1.00% / 6.50%	0.75% / 5.25%	0.00% / 5.00%
Number of Offered Tranches	3	3	3	3	2	2	3	3	1	1
Companion Deal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No

MCIP Reference Obligations

MCIP policies transfer the credit risk on a pool of loans primarily backing fully guaranteed Freddie Mac Multifamily Participation Certificates (Multi PCs®), other fully guaranteed Multifamily certificates and credit enhancement on affordable multifamily-backed bonds issued by state and local housing finance agencies

Securitized Guaranteed Products

Multi PCs®

Direct pass-through securitizations and are fully guaranteed by Freddie Mac

The goal is to execute resolutions in Freddie Mac's or the Trust's best interest economically, operationally and from a reputational perspective

Fully Guaranteed Multifamily Certificates

Securitizations of pooled loans offering geographic and sponsorship diversification

Bond Credit Enhancements & Portfolio Loans

Bond Credit Enhancement

The Bond Credit Enhancement (BCE) program enables borrowers to obtain financing for affordable multifamily properties funded by the sale of fixed-rate or variable-rate tax-exempt housing bonds

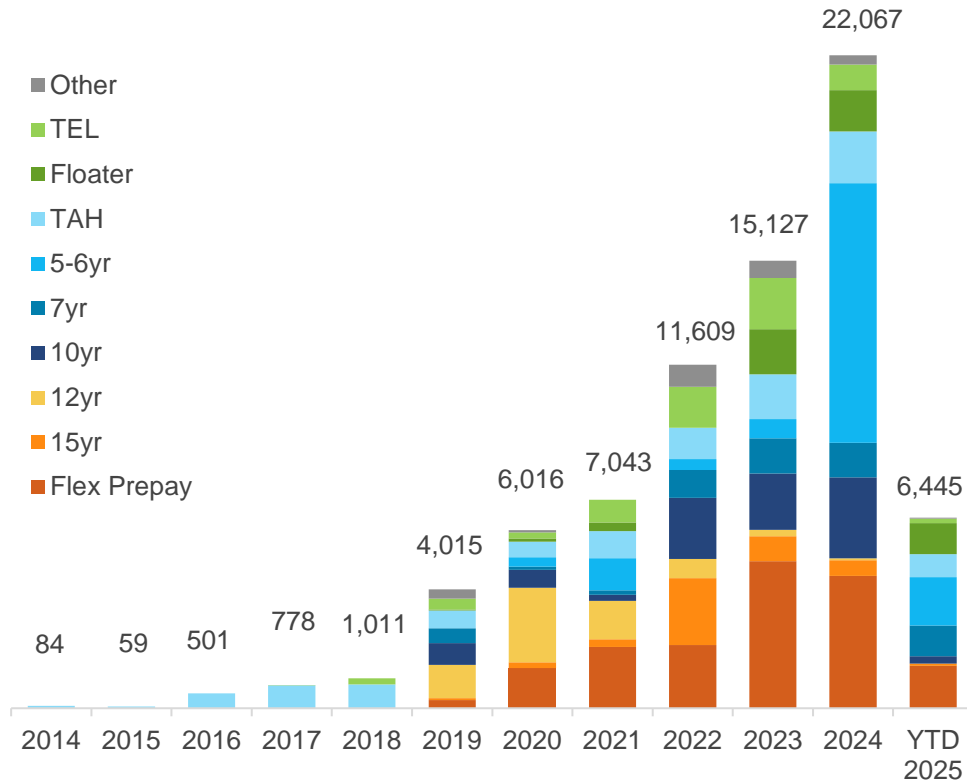
Eligible transactions include bond refunding, substitution, or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236, tax abatements and 4% Low-Income Housing Tax Credits

Portfolio Loans

Unsecuritized loans underwritten to the standards consistent with Freddie Mac Multifamily line of business

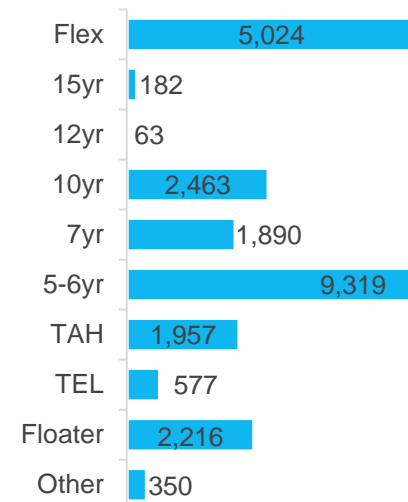
Growth of Our Multi PC Securitizations Created the Need for MCIP

Historical Multi PC Execution Volume
(\$ Millions)

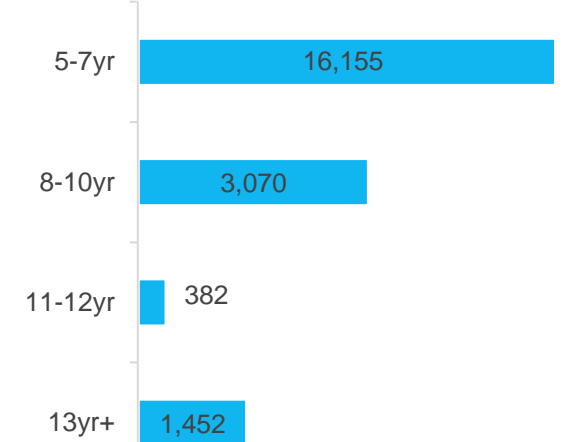


* Issuance Volume and Collateral UPB for Multi PCs issued from 04/01/2024 to 03/31/2025

Issuance Volume by
Loan Product (\$ Millions)*



Collateral UPB by
Loan Terms (\$ Millions)*



Multi PCs are frequently utilized with the following loan programs:

- 12-year / 15-year term
- Flexible prepay
- Declining prepayment premium
- Tax-exempt loans
- Long-Term Financing (LTF)
- Targeted Affordable Housing (TAH; immediate funding and forwards)
- Low leverage low spread

Underwriting and Credit

Our credit policy and consistent underwriting practices are among the main drivers of the strong performance of Freddie Mac Multifamily offerings

Credit Philosophy

Freddie Mac makes all credit, structuring and pricing decisions working with our lenders during all aspects of the origination process. We are focused on:

- Sustainable cash flow
- Market knowledge & fundamentals
- Equity
- Definable exit strategy
- Sponsorship
- Investment quality real estate collateral

General Guidelines*

- Properties generally need to demonstrate stabilized occupancy rates of 90%+
- For Conventional fixed-rate loans, loan-to-value (LTV) ratios must not exceed 80% and minimum debt service coverage ratio (DSCR) of 1.25x applies. A minimum 1.20x DSCR is permitted on select 10yr+ fixed-rate transactions with a maximum LTV of 70% (repeat Freddie Mac sponsors)
- For Conventional floating-rate loans, LTV ratios must not exceed 80% and minimum DSCR of 1.00x on the max capped interest rate
- For TAH Loans with new LIHTC, a maximum of 90% LTV and minimum DSCR of 1.15x typically applies. For other TAH taxable loans, generally a maximum LTV of 80% and minimum DSCR 1.25x applies (1.20x for project-based Section 8)
- For Small Balance Loans (SBL), LTV ratios must not exceed 80% and a minimum DSCR of 1.25x (for Top SBL Markets, greater than equal to 1.20x)
- Adjustments are made to LTV and DSCR for factors such as shorter loan terms, select product types and asset-specific credit factors
- Same underwriting standards are applied to loans intended for Multi PCs, BCEs and K-Deals

* Exceptions may be permitted on an individual basis, all loans require Freddie Mac credit review and approval

Sample MCIP Structure (Companion Deal with MSCR)

Reference Pool: Comprises primarily loans

- Backing Freddie Mac Multi PCs & other fully guaranteed certificates
- Underlying Bond Credit Enhancement products
- From Freddie Mac retained portfolio

Issuance Type:

- (Re)insurer participation via cell or direct policy
- MSCR notes issued via trust structure

Key Structural Features:

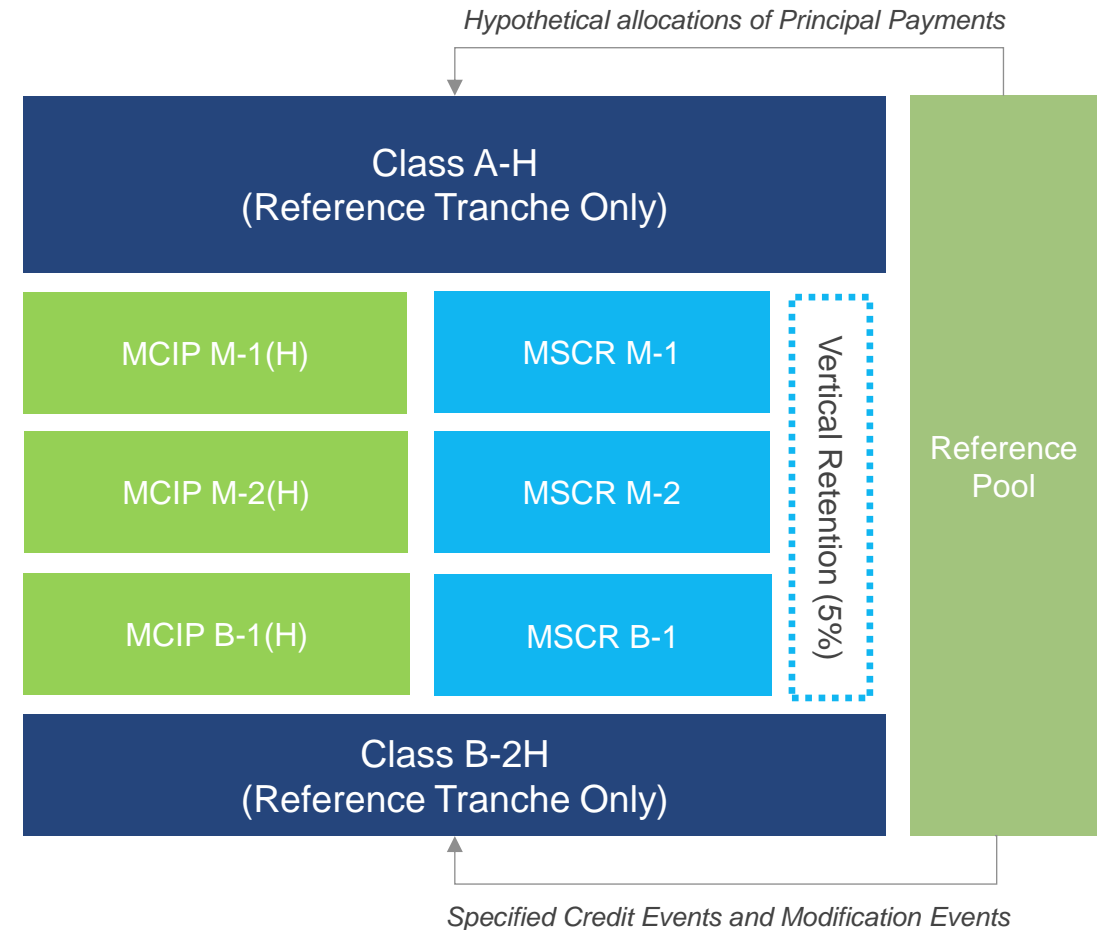
- Actual Loss: Performance based on actual delinquency and principal payment experience on the reference pool
- First-Loss Retention: Freddie Mac retains a first-loss position
- Freddie Mac retains at least a 5% vertical slice of offered tranches to align our interest with (re)insurers

Monthly Premium: Fixed rate (MCIP)

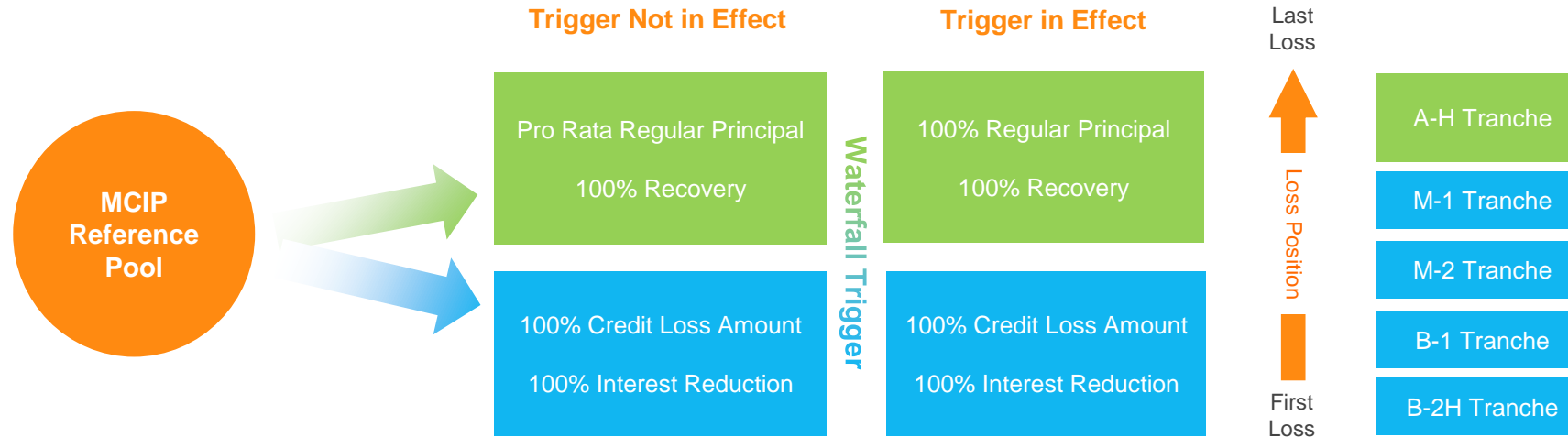
Contract Terms: Generally up to 15 years

For more information on MSCR trust structure, see [MSCR Notes investor presentation](#)

Multifamily Credit Insurance Pool (MCIP) © Freddie Mac Multifamily



Sample Deal Subordination and Waterfall Trigger



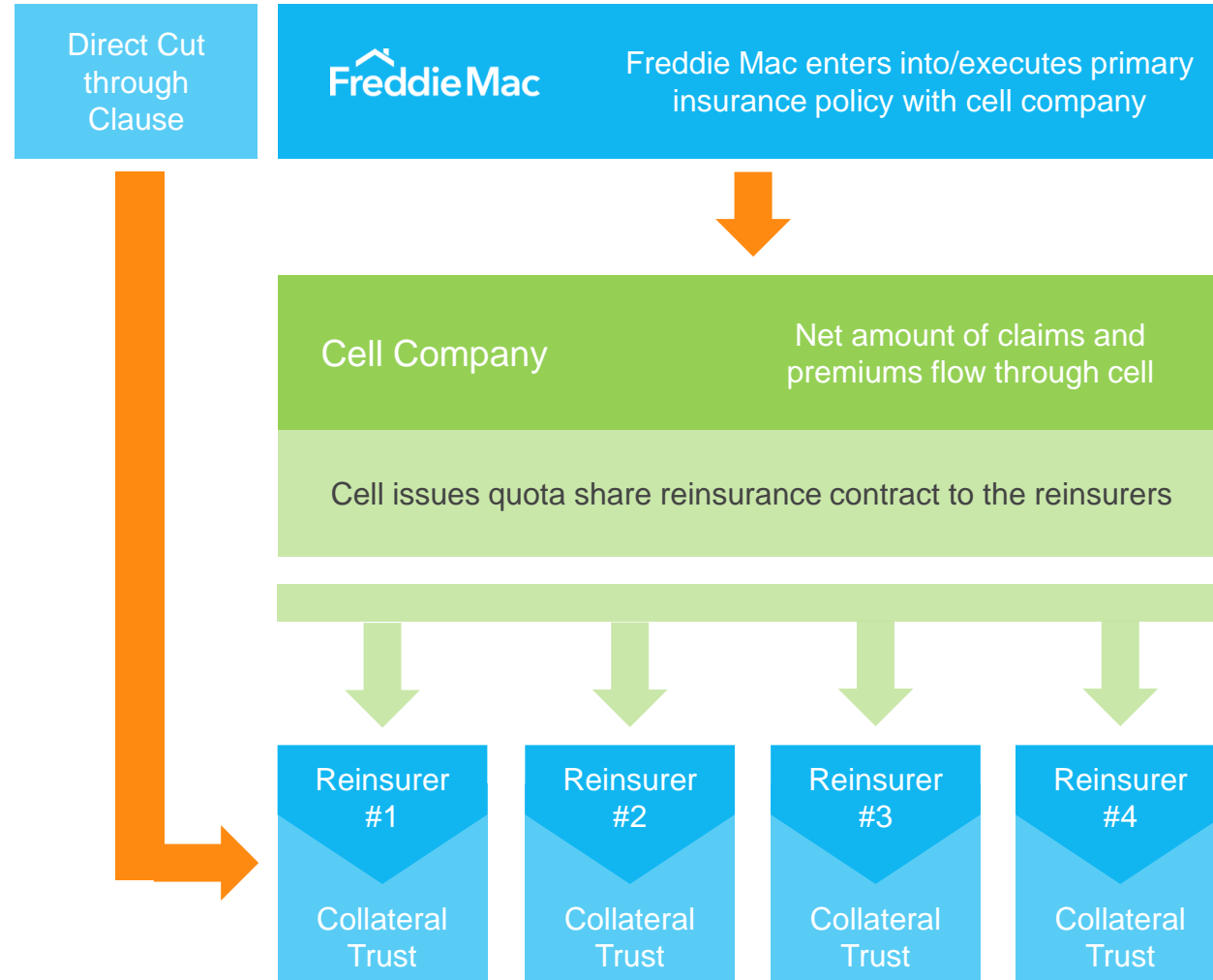
Waterfall Triggers (in effect when either test fails)

Minimum Credit Enhancement Test: A test that will be satisfied if the Subordinate Percentage is greater than or equal to minimum credit enhancement level

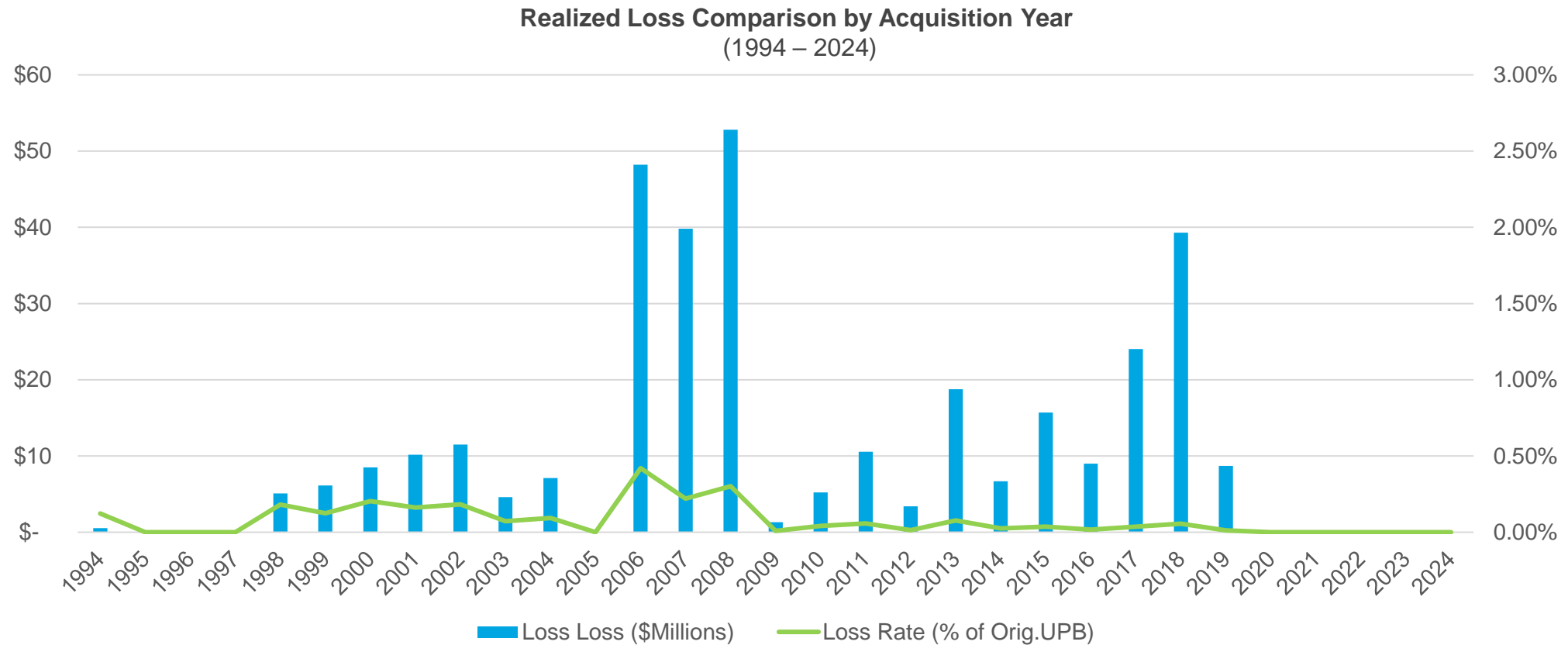
Delinquency Test: With respect to any Payment Date, means a test that will be satisfied if: (a) the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding two Payment Dates, divided by three or, in the case of any Payment Date prior to the third Payment Date after the Closing Date, the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding Payment Dates, divided by the number of Payment Dates since the Closing Date, is less than (b) 40% of the amount by which (i) the product of (x) the Subordinate Percentage and (y) the aggregate UPB of the Reference Obligations as of the preceding Payment Date; exceeds (ii) the Principal Loss Amount for the current Payment Date

(Re)insurer Participation

Approved counterparty (re)insurers participate in MCIP transactions through a quota share reinsurance contract that is issued by a cell company. Freddie Mac executes a primary insurance policy with the cell company.



Historical Freddie Mac Multifamily Loan Performance¹



¹ The MLPD provides historical information on a subset of the Freddie Mac multifamily loan portfolio. The MLPD comprises information regarding certain multifamily whole loan, K-Deal and SB-Deal loans. It excludes loans that are credit revolvers, sold book (pre-1994) loans, and negotiated transactions/structured deals and K001 and K002. Data as of 12/31/2023

Additional Resources

Stay Up to Date with Our Investor Resources

Securitization Overview - https://mf.freddiemac.com/docs/mf_securitization_investor-presentation.pdf

Multi PCs Investor Presentation - https://mf.freddiemac.com/docs/pc_investor_presentation.pdf

K-Deal® 100% Guaranteed Handout - <https://mf.freddiemac.com/docs/k-deal-100-guaranteed-rated-handout.pdf>

Long-Term Financing Handout - https://mf.freddiemac.com/docs/long_term_financing_handout.pdf

CRT Loan Workout Handout - https://mf.freddiemac.com/docs/CRT_loan_workouts_handout.pdf

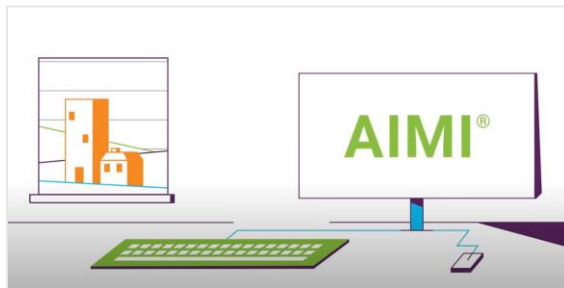
Multi PCs Performance Data - https://mf.freddiemac.com/docs/multi_pc_performance.pdf

MSCRSM Performance Presentation - https://mf.freddiemac.com/docs/mscr_performance.pdf

Multifamily Securities Investor Access (MSIA) - <https://fm-msia.com/>

Multifamily Research

[2025 Multifamily Outlook](#)



The Freddie Mac Multifamily Apartment Investment Market Index® (AIMI®) can help you determine how the relative value of investing in multifamily properties in select major metros, and nationally, has changed over time.

Learn more at <https://mf.freddiemac.com/aimi/>

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For additional information, please contact: MF_CM_InvestorRelations@freddiemac.com or visit our website at mf.freddiemac.com

Appendix A: Allocation of Loss in MCIP Structures

Disposition Loss


Loss =

- (+) UPB as of the date of default
- (+) All regular interest since the date of default
- (+) Prior principal forgiveness modifications, if any
- (+) Taxes and insurance, legal costs, maintenance and preservation costs
- (+) All servicing fees
- (+) All loss mitigation costs, fees and expenses
- (+) All bankruptcy or forbearance related costs, expenses and fees
- (+) All operating costs related to rehabilitation, maintenance and operation
- (+) All disposition costs and expenses
- (+) Any other payments due but unpaid by the borrower, guarantor or other obligor
- (-) Cash proceeds received under any foreclosure, power-of-sale or other sale of the underlying property
- (-) All rental income
- (-) Any cash amounts or escrows or reserves

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1. Class M-1 Tranche Write Down
 2. Class M-2 Tranche Write Down
 3. Class B-1 Tranche Write Down
 4. Class B-2 Tranche Write Down

Modification Loss

Modification Event	Investor Impact	Borrower Impact
Term Extension	No Impact	Term is extended to reduce monthly payments
Interest Rate Reduction	Loss of premium with potential claim of loss	Reduces monthly payment
Forbearance ¹	Loss of premium with potential claim of loss	Loan payments are deferred and to be repaid
Special Servicing	Loss of premium with potential claim of loss	Borrower under third-party Special Servicer Surveillance

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1. Class M-1 Tranche Write Down
 2. Class M-1 Interest Amt
 3. Class M-2 Tranche Write Down
 4. Class M-2 Interest Amt
 5. Class B-1 Tranche Write Down
 6. Class B-1 Interest Amt
 7. Class B-2 Tranche Write Down
 8. Class B-2 Interest Amt

Loss =

- (+) Monthly Shortfall from Accrual Rate change

¹ In the case of disaster-relief forbearance approved by Freddie Mac, forbore principal of a loan may cause the class notional amount for insured tranches to be paid down at a slower speed during the forbearance period and its effect will be offset during the repayment period

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