

Small Balance Loan Program Overview (SB-Deals®)

Investor Presentation
as of June 30, 2021

Small Balance Loan Program | Key Facts

We have securitized 12,245 loans for over \$32.42 billion through our SB-Deal® certificates

Investor Highlights

- FRESB deals are not rated and are generally issued by a third-party trust
- Freddie Mac purchases and aggregates individual loans from lenders and securitizes pools of approximately \$400 million or more
- Entire flow, from quote through post-securitization monitoring, leverages K-Deal® processes
- Consistent with other existing non-K-Deal securitizations (such as M-Deals® and Q-DealsSM), SB-Deals® have a separate “SBXX” designation on the FRESB shelf

Focused Expertise and Results

- Over 90 professionals in Production, Underwriting, Capital Markets and Asset Management & Operations are solely focused on SBL
- We have a specialty network of 12 [Optigo® SBL lenders](#) with extensive experience in the SBL market who source small balance loans across the country
- As of June 2021, we’ve funded 12,704 loans, benefiting 478,297 units and totaling \$33.7 billion in volume
- In 1H 2021, we settled six SB securitizations for approximately \$2.5 billion of collateral across 926 loans

SBL Program | Mechanics and Features

Freddie Mac Multifamily generally refers to SBL as loans between \$1 million and \$7.5 million, though in the commercial real estate world “small loans” can often refer to loans <\$15 million. Certain regulatory agencies refer to small loans as having 5-50 units.

- We offer 5-, 7- and 10-yr fixed-rate balloon products as well as 20-year hybrid balloon mortgages with 5-, 7- and 10-yr initial fixed-rate periods followed by floating-rate SOFR with six-month reset periods
- Partial-term interest only (IO) and full-term IO may be available
- Originated and serviced through Optigo SBL lenders
- Efficient due diligence process with focused underwriting and commitment execution
- Competitive, transparent pricing
- Streamlined non-negotiable loan documents
- Available in all markets
- Cash-out proceeds may be allowed
- Credit and underwriting standards consistent with Freddie Mac Multifamily Conventional line of business
- Freddie Mac is the Master Servicer post-securitization

Sourcing Our SBL Business

The dedicated SBL
Production team sources its
loans from a select group
**of 12 experienced
multifamily lenders**

- The small size of the SBL network promotes quality originations and a high level of service to lenders and borrowers
- Lenders must meet our standards for both origination and servicing loans, which include meeting minimum financial requirements and obtaining satisfactory annual audits

Optigo SBL Lenders

Arbor Agency Lending LLC

Basis Investment Group, LLC

Berkadia Commercial Mortgage LLC

Capital One N.A.

CBRE Capital Markets Inc.

CPC Mortgage Company LLC

Greystone Servicing Company

Lument Capital

Pinnacle Financial Partners

Ready Capital

Sabal Capital Partners LLC

Walker & Dunlop LLC

SBL Terms | Prepayment Provisions

Prepayment varies by term but offers both step-down or yield maintenance provisions for all products

Option	Hybrid ARMs ¹			Fixed-Rate		
	5+15 Year	7+13 Year	10+10 Year	5 Year	7 Year	10 Year
1	54321, 1%	5544321, 1%	5544332211, 1%	54321	5544321	5544332211
2 ²	321(3), 1%	3(2)2(2)1(3), 1%	3(3)2(3)1(4), 1%	321(3)	3(2)2(2)1(3)	3(3)2(3)1(4)
3 ³	(YM or 1%), 1%	(YM or 1%), 1%	(YM or 1%), 1%	YM or 1%	YM or 1%	YM or 1%
4	310(3), 0%	N/A	N/A	310(3)	N/A	N/A

¹ Hybrid ARM consists of initial fixed-rate period followed by floating-rate period. The hybrid floating-rate coupon is based on SOFR + 325 margin. Every six months, the floating rate may increase or decrease by up to 1%, with a maximum lifetime cap equal to the initial fixed rate +5% and a lifetime floor equal to the initial fixed rate

² Prepay description: e.g., "321(3), 1%" refers to 3% for year 1, 2% for year 2, 1% for the next three years, then 1% during the remaining floating-rate period

³ Higher of yield maintenance (YM) or 1% during fixed-rate period; 1% during floating-rate period

All prepayment options are open for prepayment without premium for three months prior to maturity. Hybrid ARMs can be prepaid without payment of a prepayment premium if prepaid during the floating-rate period using the proceeds of a Freddie Mac loan that is the subject of a binding purchase commitment by Freddie Mac or as the result of the sale of the property to an unrelated third party in an arms'-length transaction. Pricing varies by prepay type.

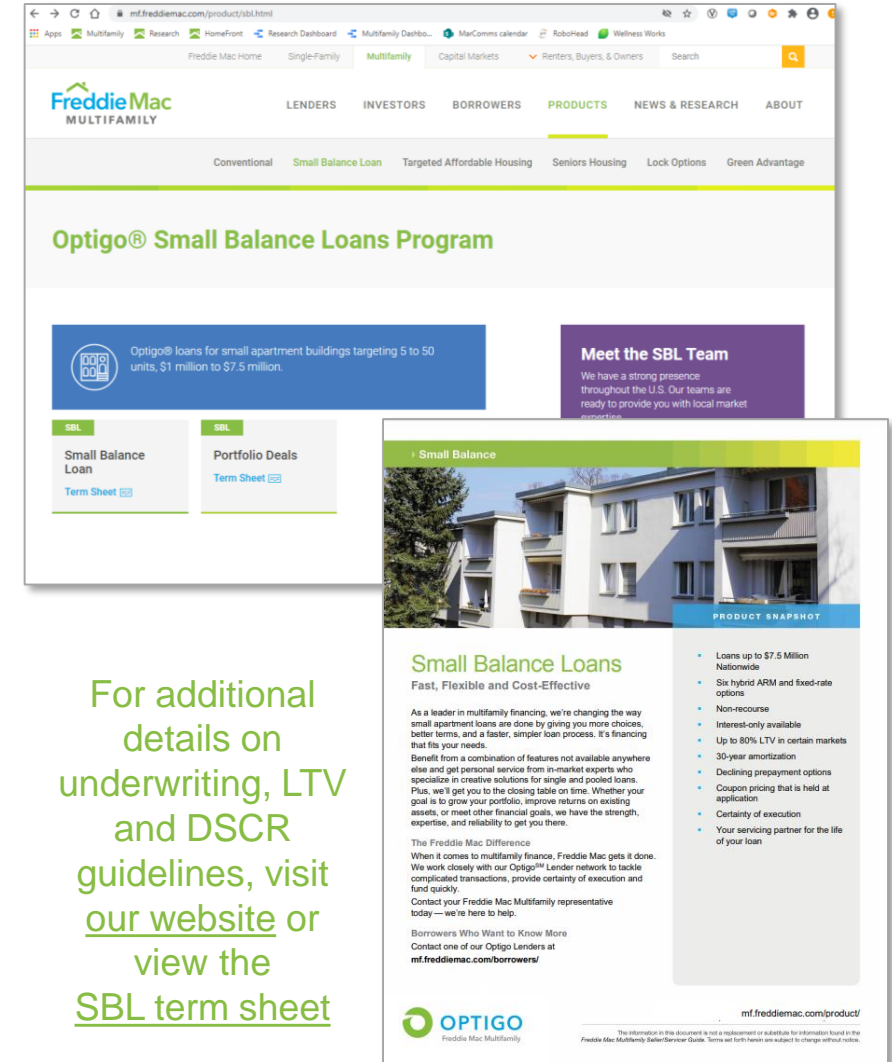
SBL Mortgage Guidelines

Property Type

- Conventional multifamily housing with five or more residential units
- Section 8 vouchers and tax abatements
- Properties may include commercial income
- Not allowed: Seniors Housing, Student Housing (greater than 25% concentration), military housing (greater than 25% concentration) and properties with Low-Income Housing Tax Credit (LIHTC) Land Use Restriction Agreements (LURAs) (except those in the last two years of the initial compliance period or in the extended use period)

Loan Terms

- 20-year Hybrid ARM structures of 5-, 7-, or 10-year initial fixed-rate period followed by floating-rate SOFR with six-month reset periods
- 5-, 7- and 10-year fixed balloon loan terms
- Maximum amortization of 30 years for both hybrid and balloon products
- Partial-term IO; full-term IO may be available
- Credit parameters consistent with Freddie Mac Multifamily Conventional
- Floating rate based on 30-day Average SOFR + margin, subject to the periodic cap, floor and lifetime ceiling
- Prepayment fee varies by term but offers both step-down or yield maintenance provisions for all products



The screenshot shows the Freddie Mac Multifamily website. The main heading is "Optigo® Small Balance Loans Program". Below this, there is a section titled "Small Balance Loans" with a "Term Sheet" link. To the right, there is a "Meet the SBL Team" section. Below the main heading, there is a "Product Snapshot" table with the following details:

Small Balance Loans	
Fast, Flexible and Cost-Effective	<ul style="list-style-type: none"> Loans up to \$7.5 Million Nationwide Six hybrid ARM and fixed-rate options Non-recourse Interest-only available Up to 80% LTV in certain markets 30-year amortization Declining prepayment options Coupon pricing that is held at application Certainty of execution Your servicing partner for the life of your loan

Below the table, there is a section titled "Small Balance Loans" with a "Term Sheet" link. The page also includes a "Freddie Mac Multifamily" logo and a "MacComm calendar" link.

For additional
details on
underwriting, LTV
and DSCR
guidelines, visit
[our website](#) or
view the
[SBL term sheet](#)

SBL Market Credit Alignment

	DSCR/LTV Baseline	
	Minimum Amortizing DSCR	Maximum LTV
Top SBL Markets	1.20x	80%
Standard SBL Markets	1.25x	80%
Small SBL Markets	1.30x	70% for Refinances 75% for Acquisition
Very Small SBL Markets	1.40x	

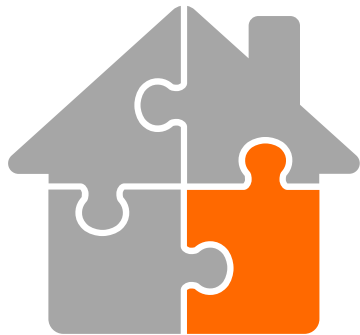
	Full-Term IO Adjustments*	
	Full-Term IO or IO during Fixed-Rate Period of Hybrid ARM	
	Add to the Baseline	Maximum LTV
Top and Standard SBL Markets	0.15x	65%
Small and Very Small SBL Markets	0.10x	60%

(*) Maximum available Partial IO Period for Small and Very Small SBL Markets is limited to: Alternative measures explored to secure applications when LTV/DSCR adjustments are necessary based on competition in market:

- Zero (0) years on 5-year term
- One (1) year for a 7-year term
- Two (2) years for a 10-year term/20-year hybrid
- Maintain static principal payments
- Shorter amortization
- Reduce IO period during fixed-rate term
- Use of some base recourse

SB-Deals Performance

Freddie Mac is an active and consistent issuer of top-quality multifamily securities, featuring transparency and consistency on collateral and deal information



- As of June 2021, the SB-Deal program has grown to include:
 - **87** SB-Deal transactions
 - **\$32.42 billion** in combined issuance
 - **12,245 loans** (original loan count)
 - **98.7%** of the SBL Loans are current
- **151 loans** are assigned to Special Servicing (representing ~124 bps of outstanding principal)
- There have been **\$11,846,331** in total losses (representing approximately 4 bps of total issuance)
- **2,686** loans have paid off through June 2021
- **19.2%** (1,852 loans) of the outstanding loan population (by outstanding principal) is on the servicers' watchlist¹
- Deals SB-3, SB-8 and SB-19 are seasoned loan executions. Since SB-19, these kind of seasoned deals are no longer issued through the SB securitization path²

1. The respective primary servicers maintain a watchlist for each securitization. Loans are added to and removed from the master servicer's watchlist in accordance with criteria established by CREFC. View the [SB-Deal Performance Data](#) presentation for additional details.

2. These loans were originated by lenders that are not part of the Optigo network and the loans are not on Freddie Mac paper

Loan Performance Resources at Your Fingertips

Performance data for our SB-Deals is updated monthly at <https://mf.freddiemac.com/investors/data.html>

Performance through June 2021

COMBINED ISSUANCE	DEALS	LOANS	PAID OFF LOANS
\$32.42 B	87	12,245 original loan count	2,686
DELINQUENCY STATUS	AGGREGATE LOSSES	LOANS IN SPECIAL SERVICING	UNPAID BALANCE ON WATCHLIST*
1.30%	\$11.8 M	151	19.2%


 [View the SB-Deal Performance Presentation](#) PDF

 [View the SBL Prepayment Report](#) PDF

*The respective master servicers maintain a watchlist for each securitization. Loans are added to and removed from the watchlist in accordance with criteria established by CREFC.

Small Balance Loan Program (SB-Deals) © Freddie Mac Multifamily

Loan-level performance
can be accessed in our
[Multifamily Securities
Investor Access](#) tool

 **Multifamily Securities Investor Access** [LOG IN](#)

Multifamily Securities Investor Access (MSIA) is an online tool that provides investors and analysts with information related to Freddie Mac Multifamily K-Deals, ML-Deals, Q-Deals, SB-Deals, and PC mortgage-backed securities and their underlying collateral. It also provides information about SCR Notes. The available data includes the standard Investor Reporting Package provided monthly by the master servicer and trustee for a given security issuance. For a single deal or a portfolio, this tool provides a combination of standard and custom reporting capabilities.

[MSIA Reference Manual](#) PDF

[MSIA Quick Start Tips](#) PDF

Historical information about our Whole Loan Portfolio is
available in the [Multifamily Loan Performance Database](#)

Multifamily Loan Performance Database

This database provides historical information on a subset of the Freddie Mac Multifamily whole loan portfolio since 1994. It also includes information on original loan terms; identifiers for prepaid loans, defaulted loans and delinquencies; property information; and dates of real estate owned (REO) sales.

If you want to use the data for commercial redistribution, please follow the instructions in the Licensing Agreement for Using the Multifamily Loan Performance Database below.

[Overview and Data Dictionary](#) PDF

[Loan Performance Dataset](#) ZIP

[Dataset Loss Summary](#) PDF

[Licensing Agreement for Using the Multifamily Loan Performance Database](#) PDF

Stay up to Date with Our Investor Resources

SB-Deal Program Handout - <https://mf.freddiemac.com/docs/sb-program-handout.pdf>

SB-Deal X1 Handout - https://mf.freddiemac.com/docs/sbl_x1_overview_handout.pdf

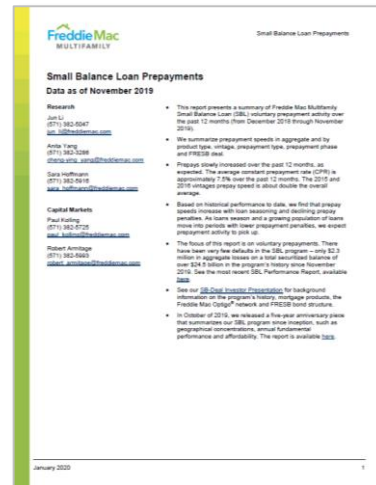
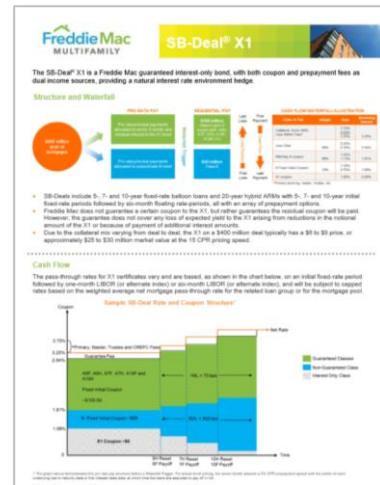
SB-Deal SOFR Bonds Overview - https://mf.freddiemac.com/docs/SB-Deal_SOFR_Bonds_Overview.pdf

SB-Deal Performance Data - https://mf.freddiemac.com/docs/sbl_deal_performance_report.pdf

Small Balance Loan Prepayment Report - https://mf.freddiemac.com/docs/SBL_prepay_report_Nov_2020.pdf

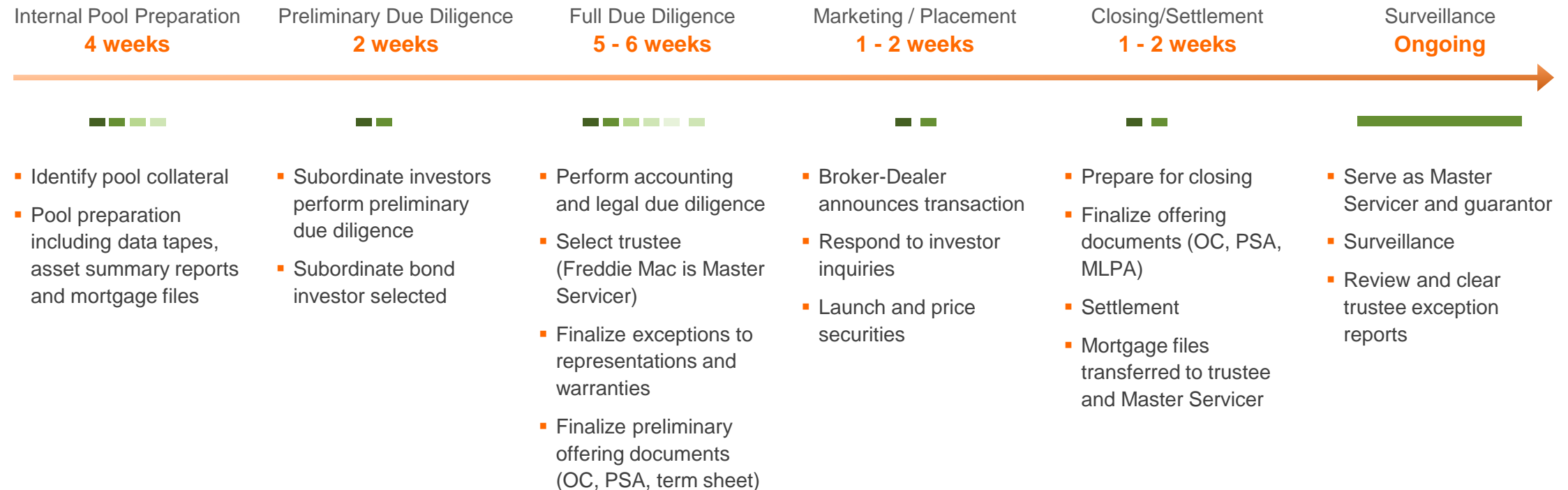
Multifamily Issuance Calendar - https://mf.freddiemac.com/docs/mf_issuance_calendar.pdf

Forbearance Resources for Investors - <https://mf.freddiemac.com/COVID-19/#investor-resource>



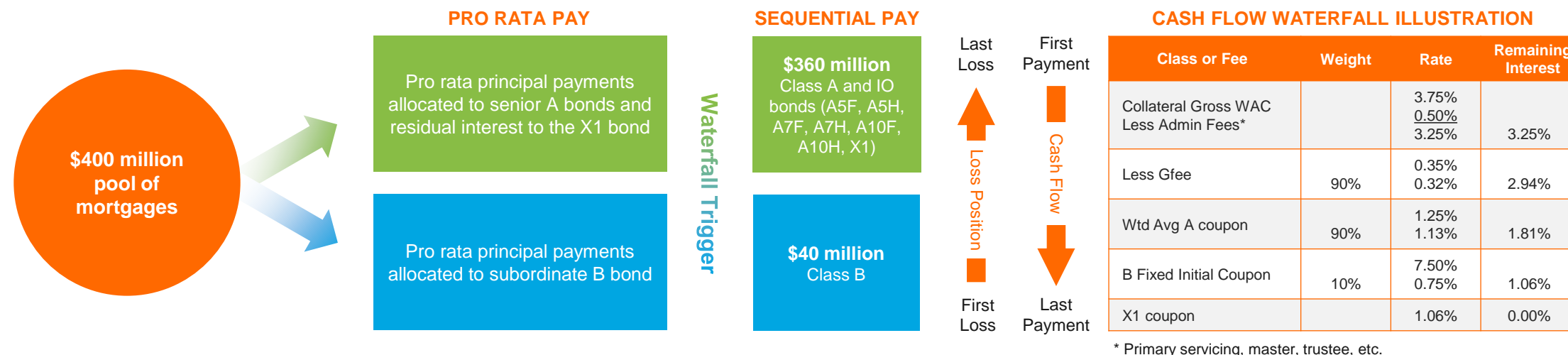
For additional information, please contact: MF_CM_InvestorRelations@freddiemac.com or visit our website at mf.freddiemac.com

Typical SB-Deal Issuance Timeline



Structure and Waterfall Overview

The SB-Deal structure mirrors the typical floating-rate K-Deal pro rata structure¹ with senior Freddie Mac guaranteed A bonds, a single Freddie Mac guaranteed interest-only bond ([the X1](#)) and a single subordinate bond



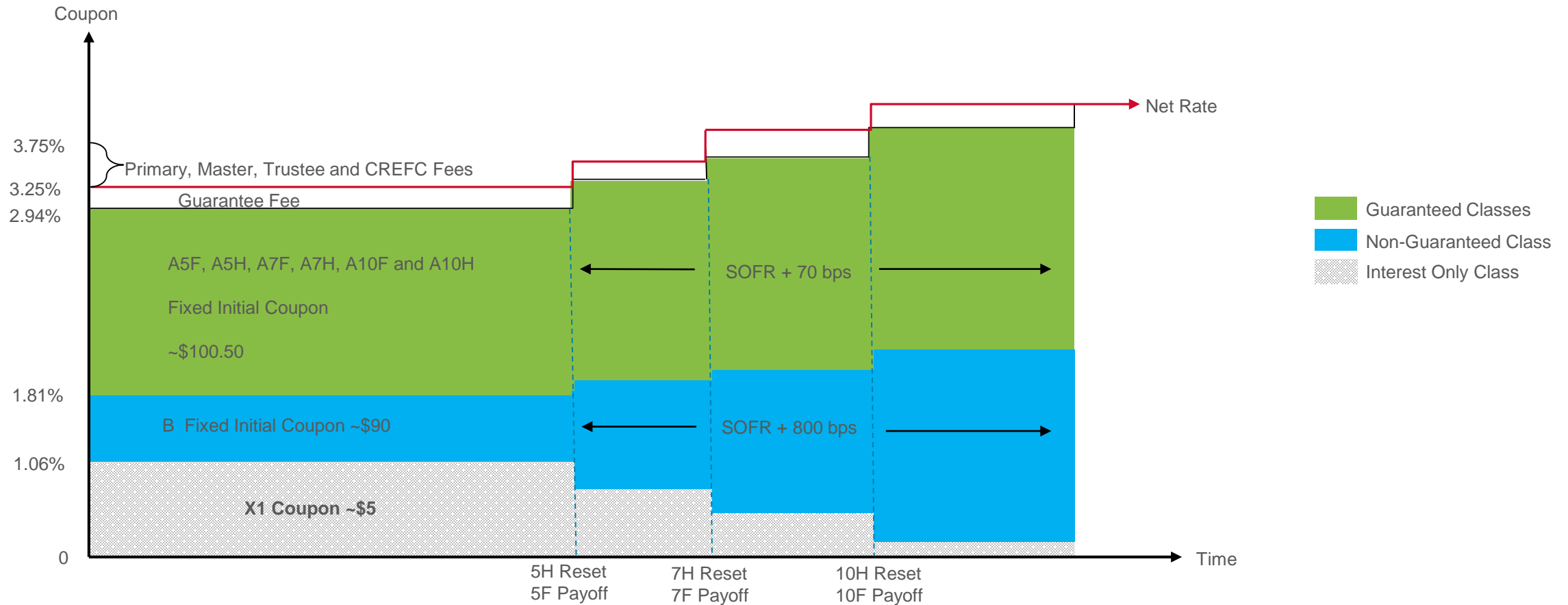
The securitization will switch from pro rata to sequential pay if a Waterfall Trigger Event occurs. The trigger events are:

- The UPB of the collateral (excluding specially serviced loans) is less than or equal to 15% of the initial pool balance
- The aggregate 60-day delinquency is greater than 5% of the collateral. In the event the 60-day delinquency subsequently falls below 5%, the transaction will revert to pro rata pay
- Credit support to Class A is less than 7.5%. Once credit support increases to 10%, the transaction will revert to pro rata pay

Each securitization will have a clean-up call (Optional Termination) when the collateral balance reaches 5% of the original pool balance, as outlined below

- The holders of a majority interest of the Controlling Class (excluding Freddie Mac), the special servicer, and any third-party master servicer, in that order, will each in turn have the option to purchase all of the SBL Loans and all other property remaining in the Trust on any distribution date on which the total stated principal balance of the mortgage pool is less than 5% of the initial mortgage pool balance

Sample SB-Deal Rate and Coupon Structure



Note: The graph above demonstrates the pro rata pay structure before a Waterfall Trigger. For actual bond pricing, the senior bonds assume a 5% CPR prepayment speed until the earlier of each underlying loan's maturity date or first interest reset date, at which time the loans are assumed to pay off in full. Pass-through rates (Coupon) for the fixed A classes pay a fixed coupon. Hybrid classes have a fixed coupon during the initial fixed period and then switch to SOFR + 70 bps. The pass-through rate for the X1 is based on residual cash flow after paying the As, B and Guarantee Fee. The B, after a period of receiving a fixed-rate from each group, switches to SOFR plus a margin. All are classes subject to capped rates per offering documents. FRESB deals prior to SB-83 will have LIBOR-linked collateral and bonds until Freddie Mac converts to SOFR.

Sample SB-Deal B-Piece Coupon Structure

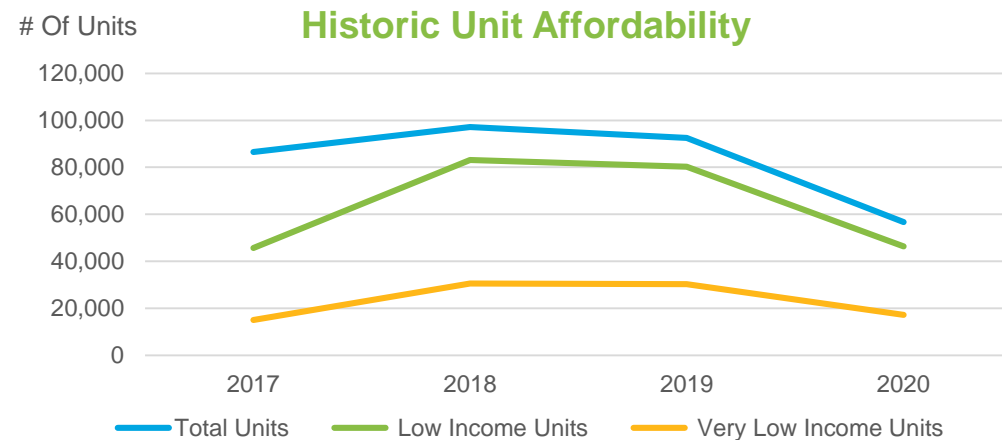
- Freddie Mac sets the initial fixed-rate coupon for each class' fixed-rate period
- The B-piece component rates from each hybrid group will reset based upon the coupon reset date of the last loan in that particular group, at which time the B-piece component rate for that particular group will switch to SOFR + 800 bps.
- After each component rate reset, the entire B coupon will continue to be the weighted average of each component. After the 10H component resets, the remaining hybrid classes will all contribute SOFR + 800 bps
- The B-piece coupon is subject to an available funds cap

Loan Type	UPB \$ millions	Balloon Term, months	Fixed Terms, months	Remaining Fixed Period	Month 1 (Initial Fixed coupon)	Month 60	Month 84	Month 120
5F	\$50	60	n/a	57	7.50%	n/a	n/a	n/a
7F	\$50	84	n/a	81	7.50%	7.50%	n/a	n/a
10F	\$150	120	n/a	117	7.50%	7.50%	7.50%	n/a
5H	\$150	240	60	57	7.50%	8.20%	8.20%	8.20%
7H	\$50	240	84	81	7.50%	7.50%	8.20%	8.20%
10H	\$50	240	120	117	7.50%	7.50%	7.50%	8.20%
B-piece	\$50				7.50%	7.73%	7.85%	8.20%

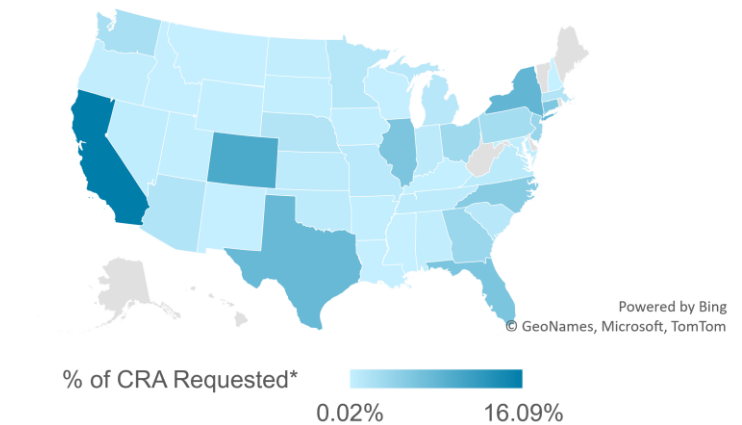
Note: The example shows sample seasoning during Freddie Mac's aggregation period. This coupon structure is only for SB-65 and forward. Prior SB-Deals provided for a different B-piece coupon structure. The coupon structure for SB-83 and forward is with SOFR. Prior SB-Deals used LIBOR. Assumes SOFR of 0.20%

SB-Deal Program | Community Reinvestment Act (CRA)

Since 2017, we have allocated \$2.49 billion of SB-Deal investments to investors seeking to meet their CRA needs¹



% of Total CRA Credit Allocated



- \$2.49 billion of loan balance have been issued to 150 SB-Deal investors, with \$727 million issued to 85 investors in 2020
- 255,568 low-income units ($\leq 80\%$ of AMI) and 93,176 very low-income units ($\leq 50\%$ of AMI) have been securitized in SB-Deals since mid-2017
- An average of 28 loans for \$55 million in loan balance per deal have been sought
- Our nationwide lending footprint provides investors the opportunity to meet their CRA needs with investments in properties across all 50 states.
- SB-Deal investors have sought credit in 43 states and 464 counties

SB-87 | Transaction Highlights

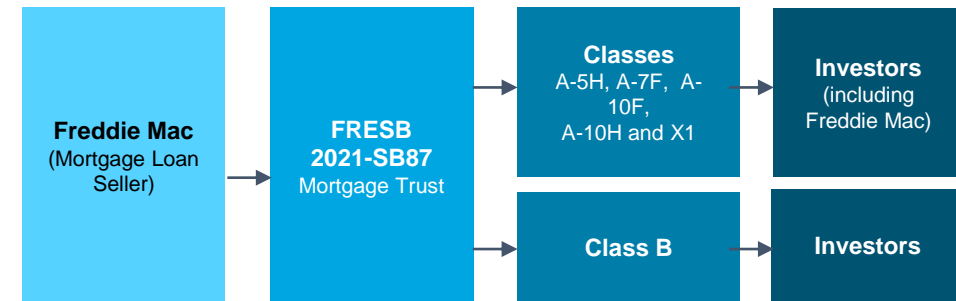
Overview of Deal Structure (Pricing Date: June 9, 2021)¹

Class	Initial Principal or Notional Amount	Pricing Spread	Assumed Weighted Average Life
Offered SB-87 Certificates:			
A-5H	\$75,720,862	S+2	4.04
A-7F	\$62,476,585	S+7	5.45
A-10F	\$143,515,073	S+20	7.23
A-10H	\$104,037,341	S+33	7.38
X1	\$385,749,861	T+2,550	6.35
Total Guaranteed	\$385,749,861		

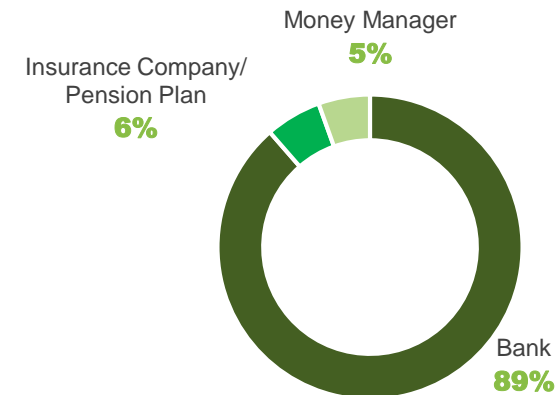
Deal Characteristics²

Collateral Type	Multifamily Small Balance Loans
Initial Underlying Pool Balance	\$428,610,957
Mortgage Loans	155
Rating Agencies	Not Rated
WA Initial Fixed Mortgage Interest Rate	3.443%
WA DSCR	1.43x
WA LTV	66.4%
WA Original Maturity	167 Months
Waterfall Structure	Pro Rata ³
Top 5 State Concentrations	CA (27.8%), TX (17.8%), IL (10.1%), NY (5.0%), WA (4.2%)

Structural Diagram



Breakdown of Investors (Classes A-5H, A-7F, A-10F, A-10H)⁴



¹ Assumes a 5% CPR prepayment speed until the earlier of each underlying loan's maturity date or first interest reset date, at which time the loan is assumed to pay in full. ² As of the Cut-off Date. ³ Waterfall structure will change from pro rata to sequential upon the earlier of (i) the aggregate Stated Principal Balance of the underlying loans as of the related determination date is less than or equal to 15% of the initial Principal Balance of the pool (ii) aggregate loans that are at least 60 days delinquent is greater than 3% of pool balance UPB or (iii) the Class B percentage is less than 7.5% as of the related distribution date. ⁴ As of the Closing Date

This product overview may contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve a number of assumptions, judgments and estimates, and various factors could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements. These assumptions, judgments, estimates and factors are discussed in the company's most recent Annual Report on Form 10-K, and its reports on Form 10-Q and Form 8-K, which are available on the Investor Relations page of the company's Web site at <http://www.freddiemac.com/investors> and the SEC's website at www.sec.gov. The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this presentation.

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