

Multifamily Securitization Small Balance Loan Program (SB Deals)

As of September 30, 2018



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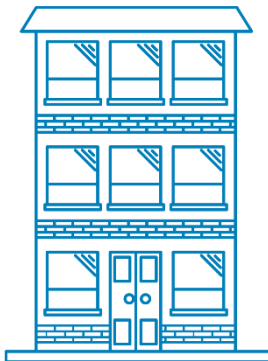
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Freddie Mac Multifamily SB Deals Business Introduction

SB Deal Key Facts

Freddie Mac has approved a specialty network of 11 Seller/Servicers and SBL lenders with extensive experience in the SBL market who source small balance loans across the country



Freddie Mac Multifamily formally announced the addition of the Small Balance Loan (SBL) line of business to its lending platform in October 2014 (see article [here](#))



Freddie Mac purchases and aggregates individual loans from Sellers and securitizes pools with approximately \$550 million



Consistent with other existing non K Deal securitizations (such as M and Q Deals), SB Deals have a separate “SBXX” designation on the “FRESB” shelf



Bulk seasoned pool purchase path is also available



Over 70 professionals in Production, Underwriting, Capital Markets and Asset Management & Operations are solely focused on SBL in various offices



Entire flow, from quote through post-securitization monitoring, leverages K Deal processes



FRESB deals are not rated and are generally issued by a third-party trust



Through September 30, 2018, Freddie Mac has securitized over \$15.9 billion on 6,218 loans for the SBL line of business since its inception

- Through Q3 2018, Freddie Mac has settled 9 SB securitizations for approximately \$4.74 billion of collateral across 1,797 loans



Freddie Mac Multifamily Small Balance Loan

Overview

Property Characteristics and Key Benefits

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 6-month floating-rate LIBOR reset periods

Partial interest only (IO) and full-term IO may be available

Originated and serviced through SBL Seller/Serviceicers

Streamlined due diligence process with expedited underwriting and commitment execution

Competitive, transparent pricing – mortgage note rate grid published weekly

Streamlined non-negotiable loan documents

Available in all markets

Cash-out proceeds might be allowed

Credit and underwriting standards consistent with Freddie Mac Multifamily Conventional line of business

Freddie Mac is the Master Servicer post-securitization

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%, 1%	(YM or 1%) + 1%, 1%	(YM or 1%) + 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

¹Hybrid ARM consists of initial fixed-rate period followed by floating-rate period. The hybrid floating-rate coupon is based on 6 month LIBOR + 325 margin. Every 6-months, the floating rate may increase or decrease by up to 1 percent, with a maximum lifetime cap equal to the initial fixed rate +5 percent and a lifetime floor equal to the initial fixed rate

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

³Higher of yield maintenance (YM or 1 percent) + 1 percent during fixed-rate period; 1 percent during floating-rate period
All prepayment options are open for prepayment without penalty 3 months prior to maturity. Pricing varies by prepay type.

Sourcing Our SBL Business

The dedicated SBL production group sources its loans from a select group of 11 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



SBL Mortgage Guidelines

The following are the general guidelines for our SBL product¹:

Property Type

- Conventional multifamily housing with five or more residential units
 - Section 8 vouchers, tax abatements and cooperatives in the boroughs of New York and Long Island counties allowed
 - Properties may include up to 4 percent commercial income
 - Not allowed: Seniors Housing, Student Housing (greater than 50 percent concentration), military housing (greater than 50 percent concentration) and properties with Land Use Restriction Agreement (LURA) (exception for expiring Low-Income Housing Tax Credits (LIHTC))
-

Loan Terms

- 20-year Hybrid ARM structures of 5-, 7-, or 10-year initial fixed-rate period followed by 6-month floating periods
 - 5-, 7- and 10-year fixed balloon loan terms
 - Maximum amortization of 30 years for both hybrid and balloon products
 - May contain initial interest-only periods of 1-3 years; full-term interest-only may be available
 - Credit parameters consistent with Freddie Mac Multifamily Conventional
 - Floating rate based on 6-month LIBOR + 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
 - Early rate-lock available
 - See [here](#) for loan term details
-

¹ Subject to certain exceptions

SBL Mortgage Guidelines (continued)

Underwriting

- Effective gross income is calculated based on trailing 3-months actual rent collections or the annualized current rent roll minus a minimum 5 percent vacancy rate subject to submarket data and actual rent collections
- Expenses are generally calculated based on trailing 12 months plus an inflation factor
- Real estate taxes and insurance are based on year one proforma with consideration for tax reassessments and year one loan term insurance premiums
- Property values are based on third-party appraisals and internal value confirmation
- Replacement reserves range from \$200 - \$300 per unit based on the property condition rating. Escrows required for “Below Average” properties only.
- Tax escrows required for LTV over 6 percent and insurance escrows are not required
- Streamlined third-party reports (e.g., combined Property Condition and Environmental Report)

LTV and DSCR

- Maximum LTV of 80 percent, minimum amortizing DSCR of 1.25x; for Top SBL Markets 1.20x (See [here](#) for details).
- For full-term interest-only, maximum LTV of 65 percent, minimum amortizing DSCR of 1.35x (Top and Standard Markets).
- All loans require a maturity test. The LTV at maturity must be less than 70 percent.

Borrowers

- Individuals who are U.S. citizens
- Limited partnerships
- Limited liability companies
- Single asset entities (SAE)
- Multiple asset entities (MAE)
- Special purpose entities (SPE)
- Tenancy in common (TIC)
- Trusts (with warm body guarantor)

Additional Proceeds

- Supplemental loans from Freddie Mac are not available
- Subordinate debt allowed 1 year after securitization
- Must be provided by the Seller/Servicer and the combined debt cannot exceed 1.25x DSCR and 80 percent LTV

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 Cash-out Refi 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:

- 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

Alternative measures explored to secure applications when LTV/DSCR adjustments are necessary based on competition in market:

- Maintain static principal payments
- Shorter amortization
- Reduce interest-only period during fixed-rate term
- Use of some base recourse



Freddie Mac Multifamily SB Deals Performance

SBL Historical Performance

For historical context, the Freddie Mac Multifamily Research Group performed an in-depth study of small loans in the context of the CMBS space. The following summarizes the findings of their research paper, located [here](#).



From 1995 through 2017, approximately one-quarter of the properties backing roughly 60,000 non-GSE securitized multifamily loans had fewer than 50 units



While average loss severity was higher for small property loans, 33 percent to 26 percent for the larger size cohort, both exhibited similar severity profiles during varying economic conditions



Historical losses noted above are informative but do not take into account any “Agency effect” or reflection of the Agencies’ delinquency rate being significantly lower than CMBS



Historical credit performance is similar between small and large properties

- The average conditional delinquency rate, which shows the likelihood of a loan ever having a credit event, was 1.5 percent and 1.6 percent for small and large properties, respectively
- Both property types had a similar credit performance time profile, with higher losses during recessionary years
- Delinquency rates were higher for small loans in major markets but about the same in non-major markets

SBL Historical Performance (continued)



SBLs typically have a fixed percentage step-down structure versus yield maintenance and defeasance, which are more common in the GSE and CMBS space

- A common SBL product is the Hybrid ARM, with an initial fixed-rate period followed by a longer floating period with multiple rate reset points
- This floating period is also often pre-payable at par (Freddie Mac has a flat 1 percent fee, however)



These step-down and hybrid features generally cause prepays to increase during the loan term and at a faster rate than conventional CMBS and fixed-rate Agency loans

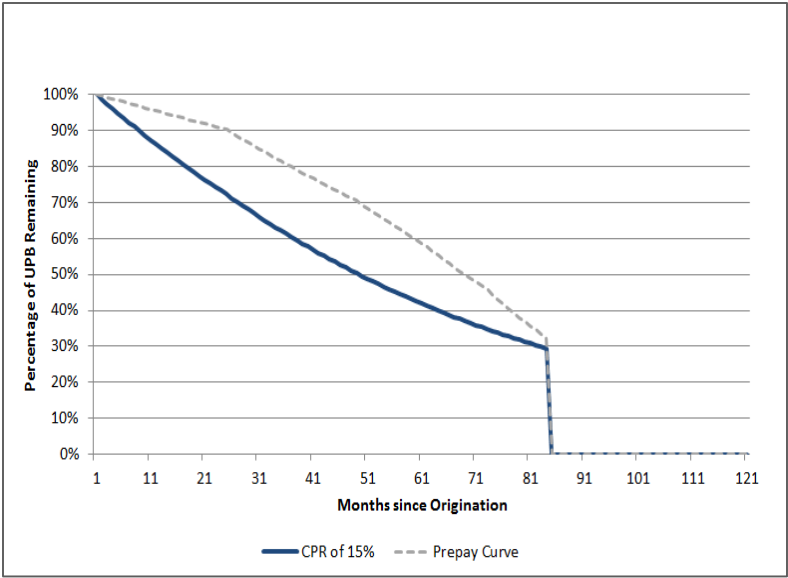


Our research found that an annual prepayment rate of 15 percent Constant Prepayment Rate (CPR) approximates the historical prepay speeds

The table below illustrates the observed historical prepayment speeds (CPR) for each prepayment premium, while the chart on the right compares the flat 15 percent CPR to the derived prepay curve.*

Remaining Years	7	6	5	4	3	2	1
Prepay Premium	5%	5%	4%	4%	3%	2%	1%
Prepay Curve	5%	5%	10%	10%	15%	20%	30%

CPR of 15% Compared with the Prepay Curve for a 7-Year Term



* Sources: Trepp, Freddie Mac
 SMALL BALANCE LOAN PROGRAM (SB DEALS) © Freddie Mac

SB Deals Performance

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



Freddie Mac's SB Deal program from inception through September 2018

- 53 SB Deal transactions
- \$15.88 billion in combined issuance
- 6,218 loans (original loan count)



7 delinquent loans in special servicing (represents ~13 bps of outstanding principal)



Freddie Mac publishes an SB Deal Performance report, located [here](#)



460 loans have paid off through September 2018



7.14 percent (459 loans) of the outstanding loan population (by outstanding principal) is on the Servicers' Watchlist*

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

SB Deals Performance (continued)

Flow Deals

SB Deal	Settlement Date	Seller/Originator	Original Balance \$ millions	Current Balance \$ millions	Factor	Senior Subordination Level			Original Loan Count	Prior Month Loan Count	Active Loan Count	Cum Deal Loss	% DC=60+/F/REO	Cum Appraisal Reduction	% Specially Serviced	% on Watchlist
						Original	Current	Change								
SB-1	8/18/2015	Greystone	\$ 120.36	\$ 94.49	0.7851	10.00%	10.00%	0.00%	44	37	36	-	-	\$ -	-	22.14%
SB-2	8/28/2015	Arbor	\$ 121.62	\$ 73.92	0.6078	10.00%	10.28%	0.28%	42	26	26	-	-	\$ -	-	14.16%
SB-4	10/14/2015	Greystone	\$ 191.86	\$ 151.55	0.7899	10.00%	10.00%	0.00%	71	59	59	-	-	\$ -	-	2.91%
SB-5	10/22/2015	Centerline	\$ 144.44	\$ 103.78	0.7185	10.00%	10.99%	0.99%	66	52	49	-	3.36%	\$ -	3.36%	10.07%
SB-6	10/30/2015	Arbor	\$ 202.33	\$ 160.42	0.7929	10.00%	10.00%	0.00%	73	56	56	-	-	\$ -	-	4.96%
SB-7	11/18/2015	Sabal	\$ 100.16	\$ 61.15	0.6105	10.00%	10.00%	0.00%	40	27	27	-	-	\$ -	-	6.13%
SB-9	12/22/2015	Arbor and Greystone	\$ 445.24	\$ 370.72	0.8326	10.00%	10.00%	0.00%	155	132	132	-	-	\$ -	-	3.01%
SB-10	12/30/2015	CBRE	\$ 148.17	\$ 128.23	0.8654	10.00%	10.00%	0.00%	60	55	54	-	-	\$ -	-	7.67%
SB-11	1/29/2016	ReadyCap	\$ 109.96	\$ 77.75	0.7071	10.00%	10.00%	0.00%	55	42	40	-	-	\$ -	-	6.43%
SB-12	2/19/2016	Centerline	\$ 167.02	\$ 154.66	0.9260	10.00%	10.00%	0.00%	67	61	61	-	-	\$ -	-	2.31%
SB-13	3/4/2016	Arbor and Greystone	\$ 400.89	\$ 340.52	0.8494	10.00%	10.00%	0.00%	160	141	140	-	-	\$ -	-	9.44%
SB-14	3/30/2016	CBRE and Sabal	\$ 309.78	\$ 269.18	0.8690	10.00%	10.00%	0.00%	115	102	101	-	-	\$ -	-	6.18%
SB-15	4/29/2016	Arbor and Greystone	\$ 301.63	\$ 258.66	0.8575	10.00%	10.00%	0.00%	117	103	100	-	-	\$ -	-	7.55%
SB-16	5/27/2016	CBRE, CPC, Greystone, RED	\$ 349.50	\$ 316.06	0.9043	10.00%	10.00%	0.00%	154	143	142	-	-	\$ -	-	10.15%
SB-17	6/27/2016	Arbor and Hunt	\$ 386.37	\$ 299.54	0.7753	10.00%	9.49%	-0.51%	165	135	133	\$2,101,983	-	\$ -	-	9.50%
SB-18	7/26/2016	ReadyCap	\$ 118.04	\$ 101.97	0.8638	10.00%	10.00%	0.00%	58	55	52	-	-	\$ -	-	8.00%
SB-20	8/18/2016	CBRE and Greystone	\$ 293.08	\$ 271.77	0.9273	10.00%	10.00%	0.00%	118	111	110	-	-	\$ -	-	12.52%
SB-21	9/24/2016	CapitalOne	\$ 93.95	\$ 83.68	0.8907	10.00%	10.00%	0.00%	37	33	33	-	-	\$ -	-	1.73%
SB-22	10/25/2016	Sabal	\$ 254.86	\$ 227.72	0.8935	10.00%	10.00%	0.00%	94	86	85	-	-	\$ -	-	5.99%
SB-23	10/28/2016	Arbor and Pinnacle	\$ 341.75	\$ 264.07	0.7727	10.00%	10.00%	0.00%	123	101	100	-	-	\$ -	-	4.35%
SB-24	11/17/2016	CBRE and Greystone	\$ 258.82	\$ 249.79	0.9651	10.00%	10.00%	0.00%	107	104	103	-	-	\$ -	1.83%	15.44%
SB-25	12/22/2016	CBRE, Greystone, Hunt, CPC	\$ 232.73	\$ 208.66	0.8966	10.00%	10.00%	0.00%	106	98	97	-	-	\$ -	-	13.26%
SB-26	1/30/2017	Sabal	\$ 220.57	\$ 206.89	0.9380	10.00%	10.00%	0.00%	84	82	80	-	-	\$ -	0.86%	5.17%
SB-27	2/27/2017	Arbor	\$ 246.33	\$ 229.75	0.9327	10.00%	10.00%	0.00%	93	88	88	-	-	\$ -	-	0.84%
SB-28	3/27/2017	CBRE, Greystone, RED	\$ 322.96	\$ 297.20	0.9203	10.00%	10.00%	0.00%	151	142	141	-	-	\$ -	-	11.92%
SB-29	4/19/2017	Hunt	\$ 217.19	\$ 210.46	0.9690	10.00%	10.00%	0.00%	100	97	97	-	-	\$ -	-	8.88%

* From the September 2018 SB Deal Performance report published by Freddie Mac, located [here](#)

SB Deals Performance (continued)

Flow Deals (continued)

SB Deal	Settlement Date	Seller/Originator	Original Balance \$ millions	Current Balance \$ millions	Factor	Senior Subordination Level			Original Loan Count	Prior Month Loan Count	Active Loan Count	Cum Deal Loss	% DQ= 60+/F/REO	Cum Appraisal Reduction	% Specially Serviced	% on Watchlist
						Original	Current	Change								
SB-30	5/15/2017	CBRE, Sabal, Greystone, RED	\$ 306.94	\$ 286.73	0.9342	10.00%	10.00%	0.00%	132	122	122	-	-	\$ -	0.92%	13.55%
SB-31	5/30/2017	CapitalOne, Pinnacle, CPC	\$ 263.90	\$ 257.69	0.9765	10.00%	10.00%	0.00%	98	96	96	-	-	\$ -	-	5.02%
SB-32	6/19/2017	CBRE and Greystone	\$ 322.21	\$ 316.20	0.9814	10.00%	10.00%	0.00%	144	141	141	-	-	\$ -	-	12.21%
SB-33	6/27/2017	ReadyCap	\$ 219.85	\$ 207.06	0.9418	10.00%	10.00%	0.00%	108	103	103	-	1.42%	\$ -	1.42%	16.29%
SB-34	7/26/2017	Arbor	\$ 327.37	\$ 311.31	0.9509	10.00%	10.00%	0.00%	125	121	120	-	-	\$ -	-	6.62%
SB-35	7/28/2017	CBRE, Sabal, Greystone	\$ 316.97	\$ 306.94	0.9684	10.00%	10.00%	0.00%	114	109	109	-	-	\$ -	-	4.93%
SB-36	8/23/2017	CBRE, CapitalOne, Greystone, RED	\$ 350.38	\$ 346.00	0.9875	10.00%	10.00%	0.00%	131	130	130	-	-	\$ -	0.88%	10.80%
SB-37	9/19/2017	CBRE, Greystone, CPC	\$ 316.64	\$ 309.66	0.9780	10.00%	10.00%	0.00%	137	134	134	-	-	\$ -	-	20.36%
SB-38	9/28/2017	Hunt	\$ 259.01	\$ 255.35	0.9859	10.00%	10.00%	0.00%	105	103	103	-	-	\$ -	-	15.92%
SB-39	10/18/2017	Arbor	\$ 263.81	\$ 255.16	0.9672	10.00%	10.00%	0.00%	95	93	92	-	-	\$ -	-	2.68%
SB-40	10/25/2017	CBRE, CPC, Greystone, RED	\$ 293.15	\$ 285.17	0.9728	10.00%	10.00%	0.00%	119	116	115	-	-	\$ -	-	12.35%
SB-41	11/17/2017	CBRE, Greystone, Pinnacle, Sabal	\$ 311.39	\$ 300.31	0.9644	10.00%	10.00%	0.00%	110	106	106	-	-	\$ -	-	9.88%
SB-42	11/28/2017	CBRE, Greystone, Pinnacle, RED, CPC	\$ 287.06	\$ 282.12	0.9828	10.00%	10.00%	0.00%	119	117	117	-	-	\$ -	-	11.42%
SB-43	12/20/2017	CBRE, Greystone, Sabal	\$ 325.37	\$ 322.40	0.9909	10.00%	10.00%	0.00%	111	111	110	-	-	\$ -	-	3.27%
SB-44	12/22/2017	CapitalOne, CBRE, Greystone, Pinnacle, RED, CPC	\$ 320.28	\$ 300.85	0.9393	10.00%	10.00%	0.00%	109	102	102	-	-	\$ -	0.66%	16.21%
SB-45	1/29/2018	Arbor and ReadyCap	\$ 402.24	\$ 400.48	0.9956	10.00%	10.00%	0.00%	155	155	155	-	-	\$ -	-	0.83%
SB-46	2/27/2018	CBRE, Greystone, Pinnacle, RED, CPC Basis, CBRE, Greystone, Pinnacle, RED, Sabal, CPC	\$ 494.15	\$ 491.80	0.9953	10.00%	10.00%	0.00%	169	169	169	-	-	\$ -	-	2.11%
SB-47	3/27/2018	CBRE, Greystone, Hunt, PennyMac, Pinnacle, RED, CPC	\$ 552.60	\$ 551.18	0.9974	10.00%	10.00%	0.00%	209	209	209	-	-	\$ -	-	4.71%
SB-48	4/24/2018	Arbor and Sabal	\$ 559.36	\$ 555.83	0.9937	10.00%	10.00%	0.00%	236	235	235	-	-	\$ -	-	8.31%
SB-49	5/22/2018	Arbor and Sabal	\$ 568.26	\$ 567.25	0.9982	10.00%	10.00%	0.00%	208	208	208	-	-	\$ -	-	2.52%
SB-50	6/26/2018	Arbor, Basis, CapitalOne, CBRE, Greystone, Hunt, Pinnacle, RED, CPC Basis, CBRE, Greystone, Hunt, Pinnacle, RED	\$ 505.18	\$ 500.30	0.9903	10.00%	10.00%	0.00%	180	179	179	-	-	\$ -	-	4.02%
SB-51	7/24/2018	ReadyCap and Sabal	\$ 507.84	\$ 507.26	0.9989	10.00%	10.00%	0.00%	197	197	197	-	-	\$ -	-	3.37%
SB-52	8/28/2018	Basis, CPC, CBRE, Greystone, Hunt, Pinnacle, RED	\$ 561.58	\$ 561.14	0.9992	10.00%	10.00%	0.00%	217	217	217	-	-	\$ -	-	0.00%
SB-53	9/28/2018		\$ 589.29	\$ 589.29	1.0000	10.00%	10.00%	0.00%	226		226	-	-	\$ -	-	0.00%
			\$ 15,324.42	\$ 14,280.10					6,009	5,441	5,637					

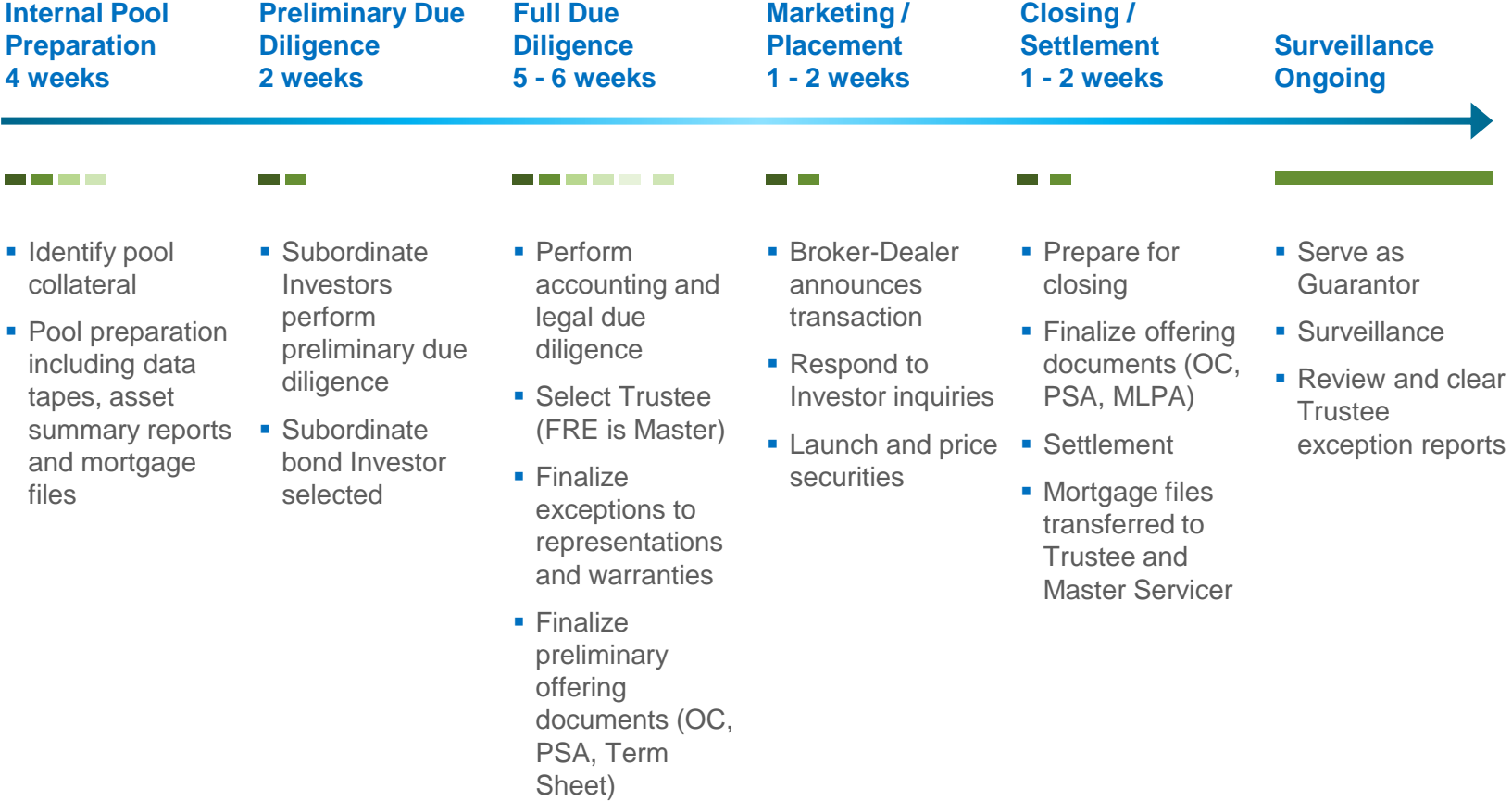
* From the September 2018 SB Deal Performance report published by Freddie Mac, located [here](#)



Freddie Mac Multifamily SB Deals Securitization and Structure

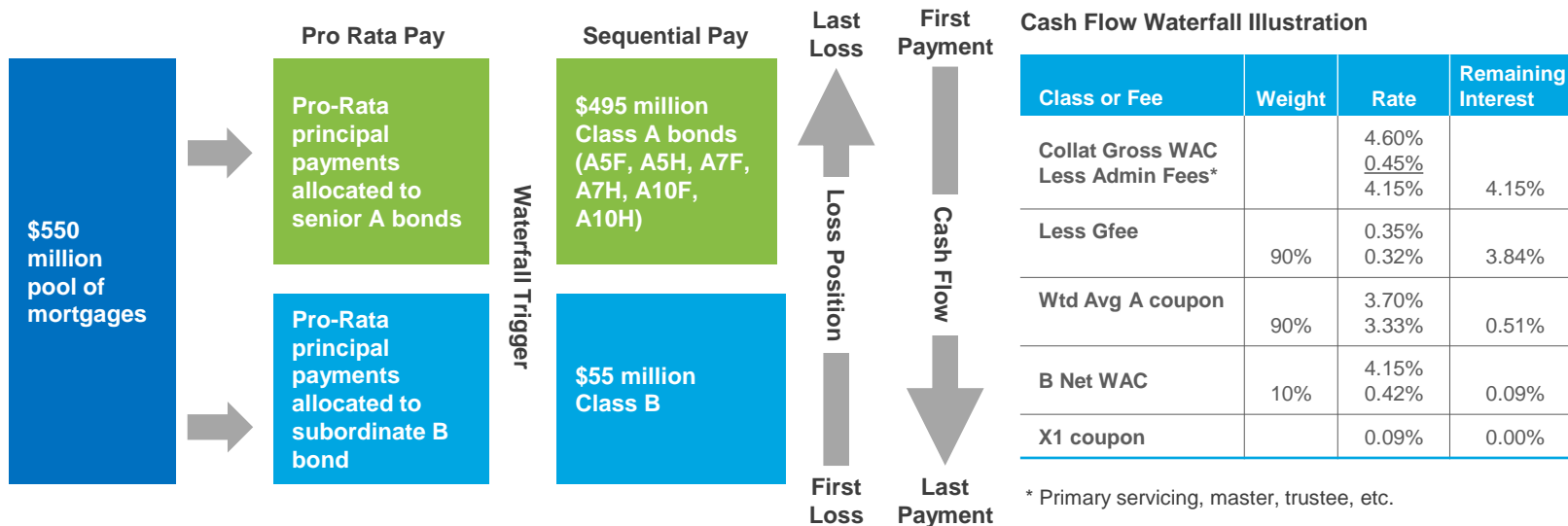
Overview

Typical SB Deal Issuance Timeline



Structure and Waterfall Overview

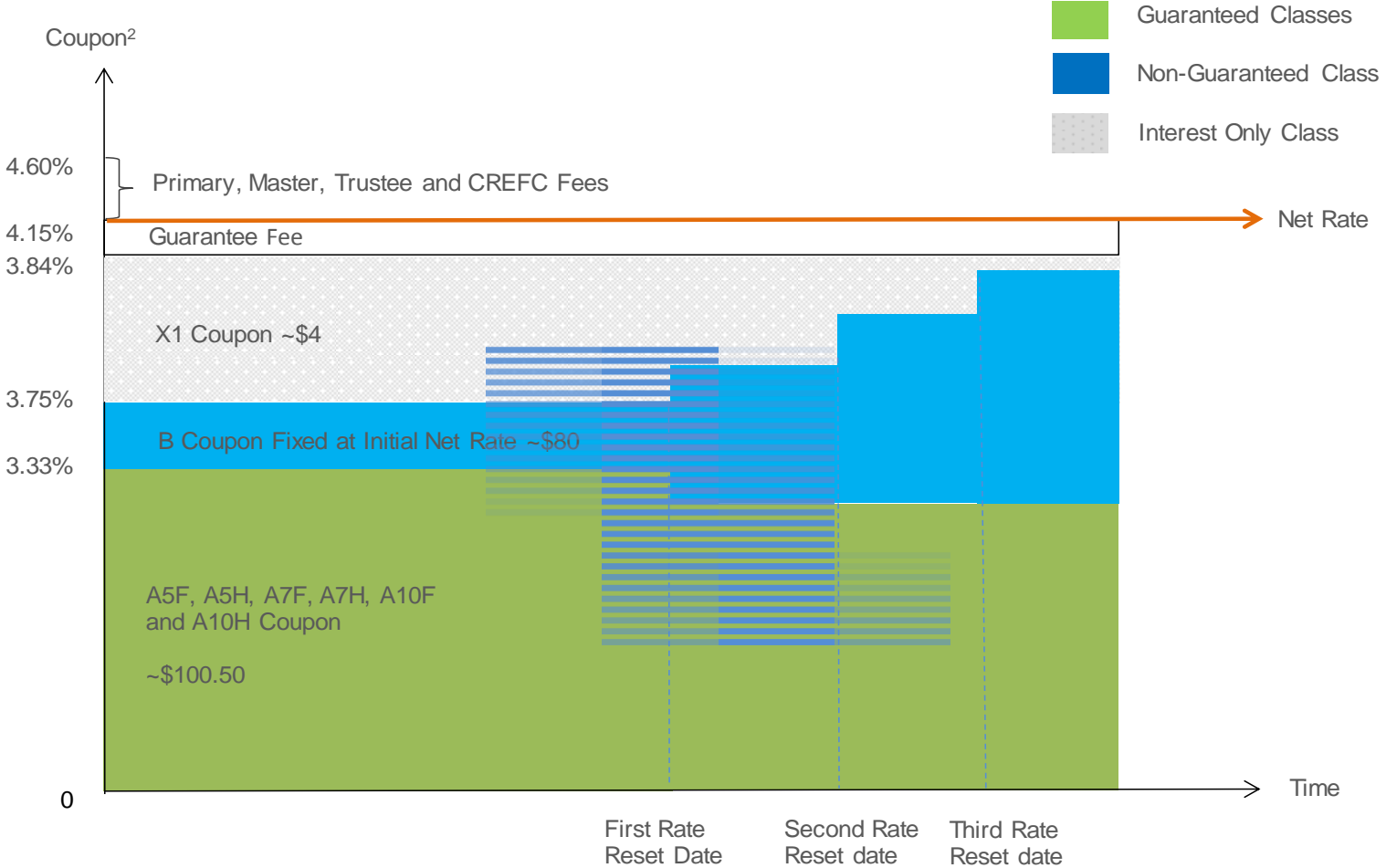
The SB Deal structure mirrors the typical floating-rate K Deal pro-rata structure¹ with senior Freddie Mac guaranteed A bonds, a single Freddie Mac guaranteed interest-only bond (the X1) and a single subordinate bond



- 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 percent of the initial pool balance
 - » The aggregate 60-day delinquency is greater than 3 percent of the collateral. In the event the 60-day delinquency subsequently goes below 3 percent, the transaction will revert to pro-rata pay
 - » Credit support to Class A is less than 7.5 percent. Once credit support increases to 10 percent, the transaction will revert back to pro-rata pay
- Each securitization will have a clean-up call (Optional Termination) when the collateral balance reaches 5 percent 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 percent of the initial mortgage pool balance

¹ Principal is distributed pro rata, unless a Waterfall Trigger Event has occurred and is continuing
 SMALL BALANCE LOAN PROGRAM (SB DEALS) © Freddie Mac

Sample SB Deal Rate and Coupon Structure¹



¹ The graph above demonstrates the pro-rata Pay structure before a Waterfall Trigger. The senior bonds assume a 5 percent 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 in full

² 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 1-month LIBOR + 70 bps. The pass-through rate for the X1 is based on residual cash flow after paying the A's, B and G fee. The B, after a period of receiving the fixed-rate net collateral rate, switches to 6-month LIBOR (see the mechanics on slide 22). All are classes subject to capped rates per offering documents

Sample SB Deal B-Piece Coupon Structure

- First Coupon Reset Date is defined as the UPB Weighted Average Reset Date of the collateral. The maturity date on fixed-rate loans will be used as the reset date (see the example on the right)
- The Second Coupon Reset date will be 60 months after the First Coupon Reset date and the B-piece coupon will reset to 6-month LIBOR + 950 bps
- The Third Coupon Reset date will be 60 months after the Second Coupon Reset date and the B-piece coupon will increase to 6-month LIBOR + 1150 bps

Period	Timing	Coupon
Fixed Period	Prior to First Coupon WAC	WAC
First Coupon Reset	See Calculation	6-mo L+750
Second Coupon Reset	60 months after First Coupon Reset	6-mo L+950
Third Coupon Reset	60 months after Second Coupon Reset	6-mo L+1150

- The B-piece coupon will reset based upon the weighted average reset date of the pool (see the example on the right) at which time the B-piece coupon will switch to 6-month LIBOR + 750 bps

Loan Type	UPB \$ millions	Balloon Term, months	Fixed Terms, months	Months for First Reset Calc.
Hybrid ARM 5-15	50	n/a	60	55
Hybrid ARM 7-13	10	n/a	84	81
Hybrid ARM 10-10	10	n/a	120	116
5-yr fixed balloon	10	60	n/a	57
7-yr fixed balloon	10	84	n/a	81
10-yr fixed balloon	10	120	n/a	115
	100			73

- The B-piece coupon is subject to an available funds cap

Note: In this example, the first reset date will be in month 73. The example shows expected seasoning during Freddie Mac's aggregation period.

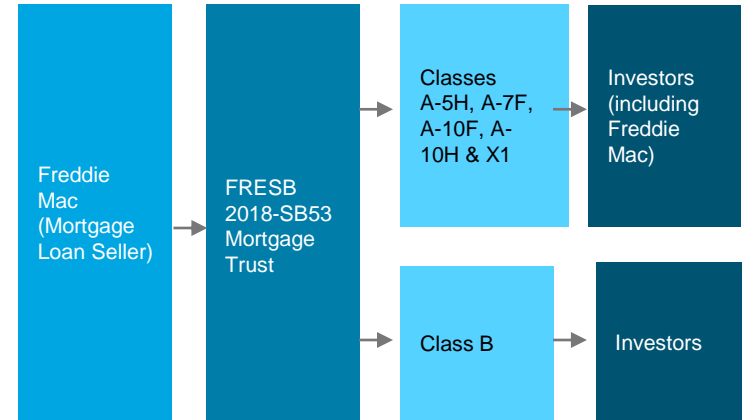
SB-53

Transaction Highlights

Overview of Deal Structure (Pricing Date: September 12, 2018)³

Class	Initial Principal or Notional Amount	Pricing Spread	Assumed Weighted Average Life
Offered FRESB 2018-SB50 Certs:			
A-5H	\$202,904,409	S+28	4.10
A-7F	\$85,040,223	S+43	5.43
A-10F	\$150,618,065	S+65	7.19
A-10H	\$91,793,858	S+75	7.09
X1	\$589,285,060	N/A	5.71
Total Guaranteed	\$530,356,555		

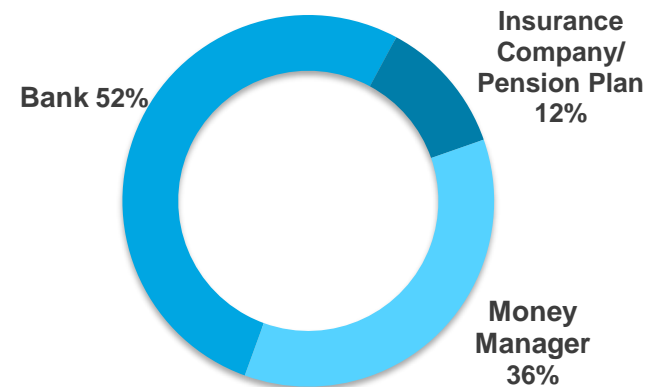
Structural Diagram



Deal Characteristics¹

Collateral Type	Multifamily Small Balance Loans
Initial Underlying Pool Balance	\$589,285,061
Mortgage Loans	226
Rating Agencies	Not Rated
WA Initial Fixed Mortgage Interest Rate	4.272%
WA DSCR	1.30x
WA LTV	65.9%
WA Original Maturity	181 Months
Waterfall Structure	Pro Rata ⁴
Top 5 State Concentrations	NY (34.0%), CA (9.5%), FL (7.0%), IL (6.6%), TX (5.3%)

Breakdown of Investors (Classes A-5H, A-7F, A-10F, A-10H)²



¹ As of the Cut-off Date

² As of the Closing Date

³ Assumes a 5 percent 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

⁴ 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 percent of the initial Principal Balance of the pool (ii) aggregate loans that are at least 60 days delinquent is greater than 3 percent of pool balance UPB or (iii) the Class B percentage is less than 7.5 percent as of the related distribution date



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