

ML-Deal® Mortgage and Municipal CUSIP Registration

Freddie Mac is committed to its mission to support affordability and liquidity of our tax-exempt loans, which primarily get securitized through our ML-Deal® program. ML-Deals now offer a new CUSIP registration and exchange capability, beginning with ML-27, that allows us to meet both mortgage and municipal investors' needs. Under this capability, ML-Deals will include two sets of Structured Pass-Through Certificates (SPCs), one registered under Freddie Mac's corporate issuer 144A CUSIP identifier (corporate CUSIP) and one registered under the municipal issuer 144A CUSIP identifier (municipal CUSIP).

Key Features

- One senior A SPC will be registered under a corporate CUSIP identifier and one senior A SPC will be registered under a municipal CUSIP identifier. Investors will have the ability to select their preferred initial CUSIP at or before pricing
- Post settlement, investors can exchange their certificates between the corporate and municipal CUSIPs through an approved broker-dealer
- Regardless of which CUSIP is held, the underlying loan structure and characteristics are identical

Benefits

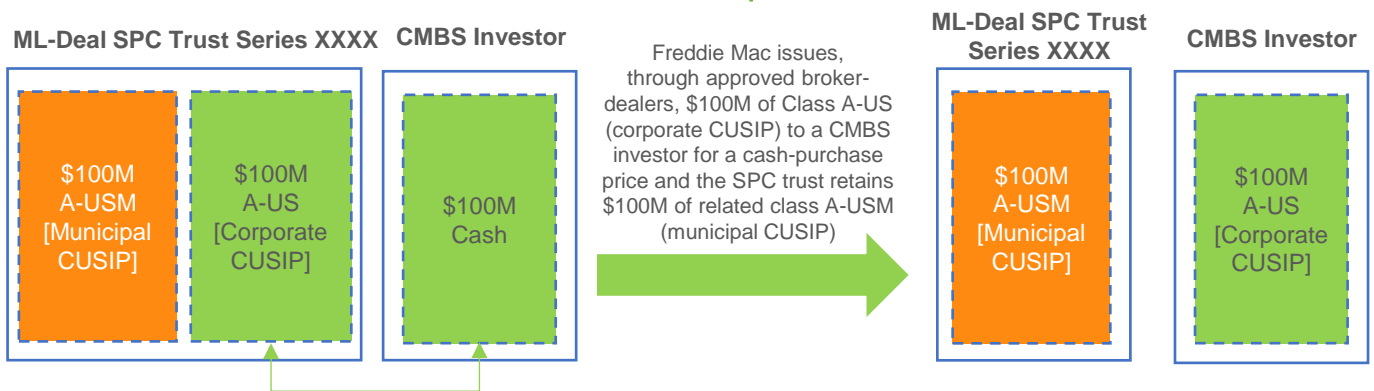
- Increased liquidity and transparency across both mortgage and municipal markets
- Allow data providers to increase visibility for the ML-Deals
- Allow investors to hold their preferred CUSIP identifier and to exchange back and forth for best execution

Sample ML New CUSIP Registration and Exchange Process

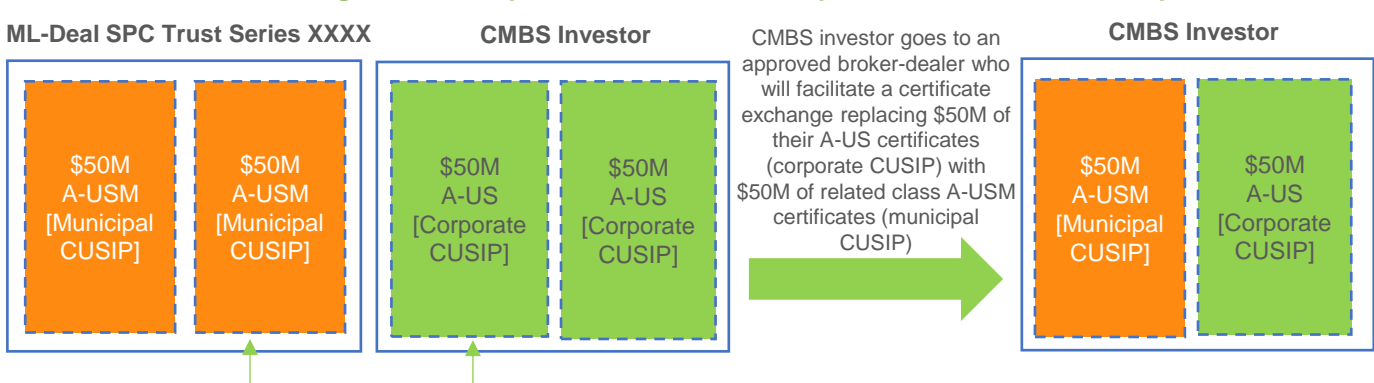
An example of a hypothetical issuance and subsequent exchange process is detailed below. The ML SPC trust will create two classes of identical securities, one under a corporate CUSIP (A-US) and another under a municipal CUSIP (A-USM).

For each dollar of principal issued, either the corporate certificate (in this case the Class A-US) or its related SPC (in this case the Class A-USM) can be outstanding with third-party investors at once. To facilitate SPC exchanges, each of A-US and A-USM will be issued in the original principal balance of A-US and A-USM, but the portions of A-US and A-USM not held by investors will be held by Freddie Mac, as administrator of the Multifamily Pass-Through Trust (the SPC Trust).

CMBS Investor Purchases \$100M Corporate Class A-US at Settlement



CMBS Investor Exchanges \$50M Corporate Class A-US for Equivalent Amount of Municipal Class A-USM



Frequently Asked Questions

1. What changes does this new CUSIP feature bring to ML-Deals?

This feature will not affect the structure of ML-Deals. The two CUSIP capability will help streamline our product to both mortgage and municipal investors by maintaining the corporate CUSIP for CMBS investors and adding the municipal CUSIP capability for municipal investors.

2. Are ML Certificates municipal securities?

No, although the underlying loans are obligations of various state and local entities, the state and local governmental entities are not directly obligated on the SPCs and do not issue the SPCs. Accordingly, the SPCs are not municipal securities as defined in Section (a)(29) of the Securities Exchange Act of 1934 and Freddie Mac is not a municipal issuer.

3. What deals will have this new CUSIP registration and exchange feature?

This capability will begin with ML-27 and is expected to be an available feature for all future ML-Deals. Historical ML-Deals will not have this feature.

4. Are two CUSIPs being assigned to the same security?

No, an investor will own a security with one CUSIP. The exchange feature allows an investor to exchange a corporate CUSIP for a municipal CUSIP and vice versa.

5. Do investors have to utilize the exchange feature between corporate and municipal CUSIP?

If investors do not wish to use the exchange feature, they can hold the corporate CUSIP like they have historically done.

6. What is the exchange process between CUSIPs?

Investors can go to an approved Freddie Mac broker-dealer to facilitate a certificate exchange. The exchange should generally take two business days.

7. Will there be an exchange fee?

Freddie Mac intends to allow investors to freely exchange their certificates between the corporate and municipal CUSIP with no fee. However, Freddie Mac in its sole discretion may re-evaluate in the future.

8. How will secondary trades be reported across the two CUSIPs?

All reporting will be through FINRA. The certificates will be TRACE-eligible securities.

Additional Resources

ML-Deal Investor Presentation – https://mf.freddiemac.com/docs/ML_Investor_Presentation.pdf

ML-Deal Program Handout – <https://mf.freddiemac.com/docs/ml-deal-program-handout.pdf>

ML-Deal Performance Report – https://mf.freddiemac.com/docs/ml_deal_performance_presentation.pdf

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

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

This product overview is not an offer to sell or a solicitation of an offer to buy any Freddie Mac securities. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's Annual Report on Form 10-K and certain other reports filed with the Securities and Exchange Commission. This document contains information related to, or referenced in the offering documentation for, certain Freddie Mac mortgage securities. This information is provided for your general information only and is current only as of its date. The examples set forth above are for illustrative purposes only. Opinions contained in this document are those of Freddie Mac currently and are subject to change without notice. The information does not constitute a sufficient basis for deciding with respect to the purchase and sale of any security and is directed only at, and is intended for distribution to and use by, qualified persons or entities in jurisdictions where such distribution and use is permitted and would not be contrary to law or regulation. All information regarding or relating to Freddie Mac securities is qualified in its entirety by the relevant offering circular and any related supplements. You should review the relevant offering circular and any related supplements before deciding with respect to the purchase or sale of any security. In addition, before purchasing any security, please consult your legal and financial advisors for information about and analysis of the security, its risks, and its suitability as an investment in your particular circumstances. Please visit mf.freddiemac.com for more information. The multifamily investors section of the company's website at mf.freddiemac.com/investors will also be updated, from time to time, with any information on material developments or other events that may be important to investors, and we encourage investors to access this website on a regular basis for such updated information.