



# Multi PC<sup>®</sup> Program Overview

Investor Presentation

as of March 31, 2023



## Multifamily Participation Certificates (Multi PCs®)



Pass-through certificates fully guaranteed by Freddie Mac



Allow investors to target specific needs



Offer an attractive alternative to our K and SB securities, and to Fannie Mae's DUS® offerings

### Key Features

- Single tier pass-through structure
- Multifamily Participation Certificates (Multi PCs®) are taxable with the exception of TEL-backed Multi PCs which are tax-exempt
- Increasing proportion of Freddie Mac Multifamily security offerings
- Issuance calendar published in advance with expected issuances every week
- Expanded affordable units, rent restrictions, Green Advantage® and other applicable social impact info disclosed in Schedule A, if applicable
- Private Placement / Multi PC Swap options available

### Multi PC Pros

- Speed to market
- T+3 corporate settlement with Freddie Mac as the counterparty
- Yield maintenance or declining prepayment premium for underlying loan prepayment
- Potential source for Community Reinvestment Act (CRA) credit
- REMIC (with MACR) / GCF Repo® eligible
- Fully guaranteed

## Our Multi PC Origins

- Multi PCs are direct pass-through securitizations and are fully guaranteed by Freddie Mac
- In the early 1980s, we began issuing 45-day and 75-day Multi PCs. In July 2014, we introduced the 55-day issuance structure. At present, all our Multi PC offerings are 55-day issuances
- We offer many different types of Multi PCs:
  - Regular (“WA” or “WN” series)
  - Tax-Exempt (“WE” series)
  - REMIC Election (“WR” series)
  - Floating-rate (“WV” series)
  - PC Swap (loan for PC, cashless)
  - Subordinate Lien (“WS” series)
- Multi PCs are frequently utilized with the following loan programs:
  - 12-year / 15-year term
  - Flexible prepay
  - Declining prepayment premium
  - Sub 7-year
  - Targeted Affordable Housing (long term and forwards)
  - Low leverage low spread (Low L/S)

## General Underwriting and Credit

- Properties generally need to demonstrate stabilized occupancy rates of 90%+
- For fixed-rate Conventional Loans, the debt service coverage ratio (DSCR) must be at least 1.25x\* for the first mortgage and 1.15x for the first mortgage and any subordinate mortgages combined
- For floating-rate Conventional Loans, the DSCR must be at least 1.0x on the max capped interest rate for the first mortgage and 1.15x for the first mortgage and any subordinate mortgages combined
- For Conventional Loans, loan-to-value ratios (LTV) must not exceed 80% for the first mortgage and 85% for the first and any subordinate mortgages combined
- For Targeted Affordable Housing (TAH) Loans, a maximum LTV of 90% and minimum DSCR of 1.15x applies
- 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 and K-Deals®



**Our due diligence and Servicing Standard are key components to the program’s ongoing success**

\* Specially approved loans subject to minimum DSCR of 1.20x  
Multifamily Participation Certificates © Freddie Mac Multifamily

## Similarities to Fannie Mae's DUS bonds and complementary to K Certificates, both of which enjoy wide market acceptance

		Multi PCs	K Certificates	Fannie Mae DUS
Collateral	Issuance Size	Flexible	Approximately \$1 Billion	Flexible
	Pool Composition	Mostly Single Mortgage	Mostly Pool	Mostly Single Mortgage
	Underwriting	Freddie Mac	Freddie Mac	Mortgage Lenders
Structure	Tranches	Single	Multiple	Single
	Interest-Only Strip	No	Yes	No
	Subordination	No	Yes	No
	REMIC	No	Yes	No
Issuance	Timing	Simultaneous with or after Loan Purchase	After Loan Purchase	At Loan Origination
	Marketing	Mostly Auction	Syndication	Mostly Auction
	Settlement	Corporate Settlement, Usually T+3	Usually 5-10 business days	TBA varies, up to 2 months
	Method of Payment	Federal Reserve	DTC	Federal Reserve
Servicing	Servicing	Freddie Mac	Third-party Master Servicer <sup>1</sup>	Fannie Mae
	Guarantee	Fully Guaranteed	Senior Certificates Only	Fully Guaranteed
	Servicer Risk-Share	No	No	Yes

<sup>1</sup>In some cases Freddie Mac is the master servicer on certain K-Deal securitizations

## Our Multi PC program continues to evolve to meet investor needs

Total Multi PC Issuance since 2014  
**\$35.58 billion / 1,647 Multi PCs**

TEL-backed Multi PCs since 2017  
**\$3.4 billion / 167 Issuances**

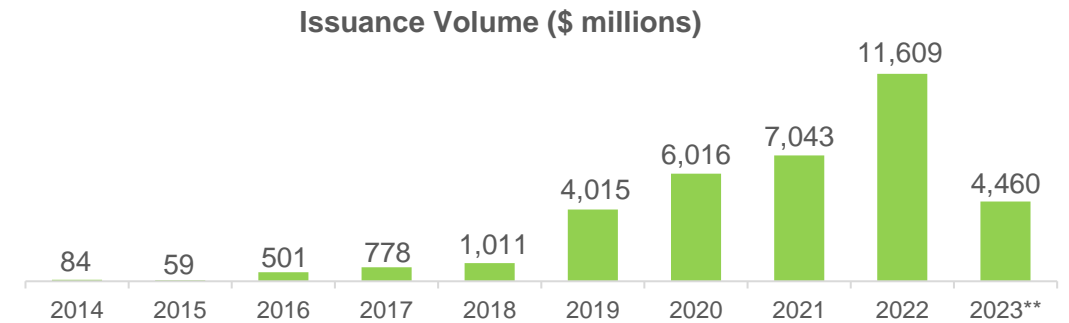
2022 Issuance Volume  
**\$11.61 billion / 481 Multi PCs**

PCs under Social Bond Designation\*  
**\$3.81 billion / 330 Multi PCs**

Private Placement Multi PC Swap  
transactions since April 2019  
**\$621 million / 132 Multi PCs**

PC REMIC with optional MACR  
Feature since December 2019  
**\$2.53 billion**

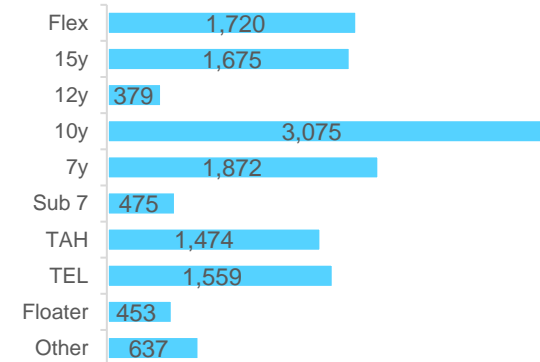
### Multi PC volume continues to grow



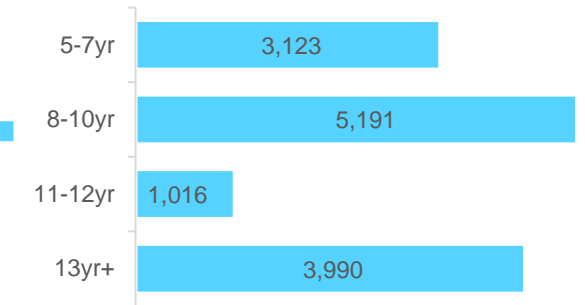
### Multi PC Prefix Convention

Program	Fixed with IO/PIO Taxable	Fixed, no IO Taxable	Fixed, Tax-exempt	Fixed with REMIC Tax Election	Subordinate	Variable Taxable
Descriptor	WN----	WA----	WE----	WR----	WS----	WV----
# of Deals	914	486	167	47	8	25
\$ of Deals	\$26.59 B	\$4.22 B	\$3.40 B	\$0.45 B	\$0.43 B	\$0.87 B

### Issuance Volume by Loan Product (\$ millions)\*\*\*



### Collateral UPB by Loan Terms (\$ millions)\*\*\*



## Tax-Exempt Loans (TEL Multi PCs)

**A large benefit of purchasing a TEL Multi PC is that the tax-exempt benefit is expected to be passed on to the investor**

### Collateral Highlights

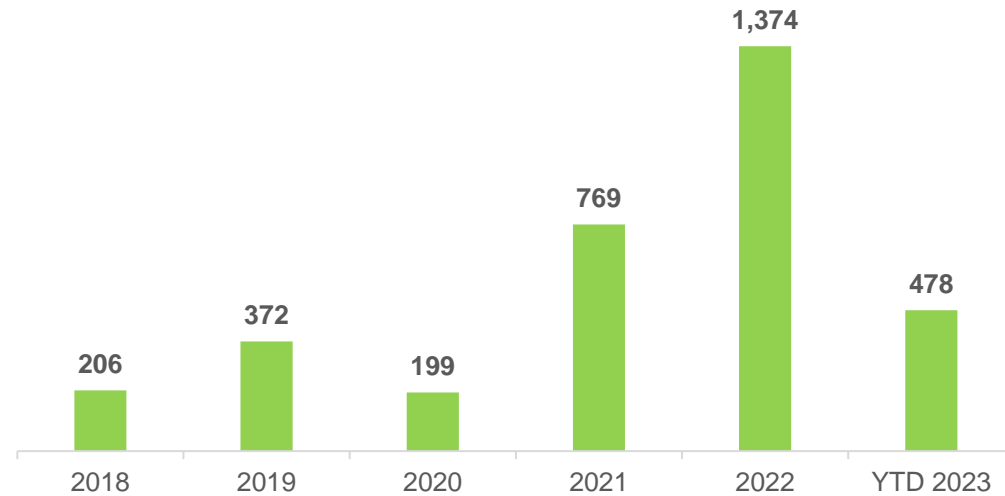
- Financing for the acquisition or refinance of stabilized affordable multifamily properties with 4% Low-Income Housing Tax Credits (LIHTC) with at least 7 years remaining in the tax credit benefit stream
- Garden, mid-rise or high-rise multifamily properties with 90% occupancy for 90 days
- Terms up to 30 years with a minimum 10 years' prepayment protection
- Sourced from lenders with substantial experience and established performance records

### Benefits

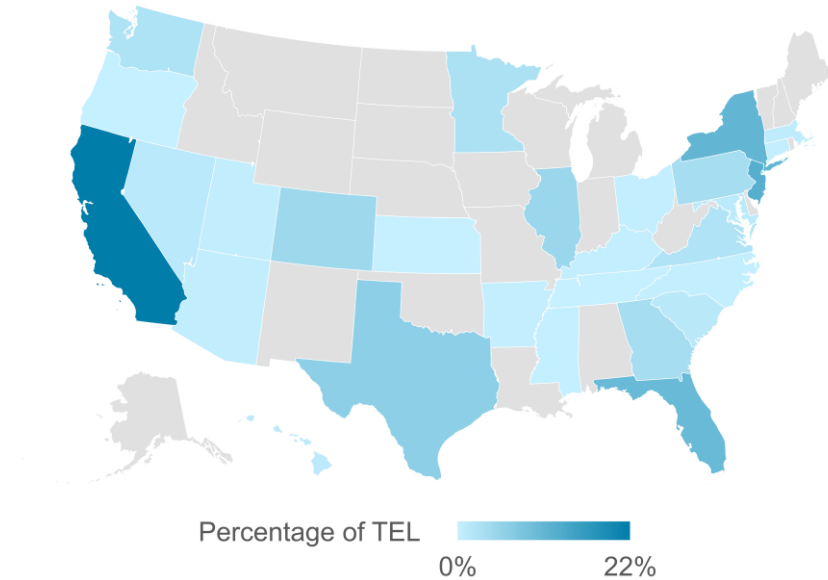
- Securities will have both the Mortgage and Muni Key on Bloomberg
- Call protected through a mixture of defeasance and yield maintenance provisions
- Great alternative to tax-exempt bond credit enhancements
- Rich source for Community Reinvestment Act (CRA) targeted investments
- Federal tax-exemption and state tax-exemption where applicable
- Social Bond designation eligible

## TEL Multi PCs Issuance Volume

TEL Volume (\$ millions)



% of Total CRA Credit Allocated for TEL



- We have securitized 167 loans totaling \$3.40 billion through the TEL Multi PCs execution path
- As of Q1 2023, we have securitized 26 TELs totaling \$478 million

- Our nationwide lending footprint provides investors the opportunity to meet their CRA needs with investments in properties across all 50 states
- TEL Multi PC investors have sought credit in 29 states
- TELs are inherently highly affordable, which could be a strong potential source for CRA credit

## Social Bonds Investments

**Social Bonds provide investors with opportunities to support affordable housing and additional social impact causes**

### Program Highlights

- Social Bonds was introduced in 2020 and dedicated to either (1) providing liquidity to financial institutions with a distinct mission of addressing affordable housing challenges or (2) to provide financing to certain underserved groups considered to be among the most vulnerable
- As of March 2023, we have designated 283 Multi PCs as Social Bonds totaling \$3.29 billion and are represented on Bloomberg with a social indicator

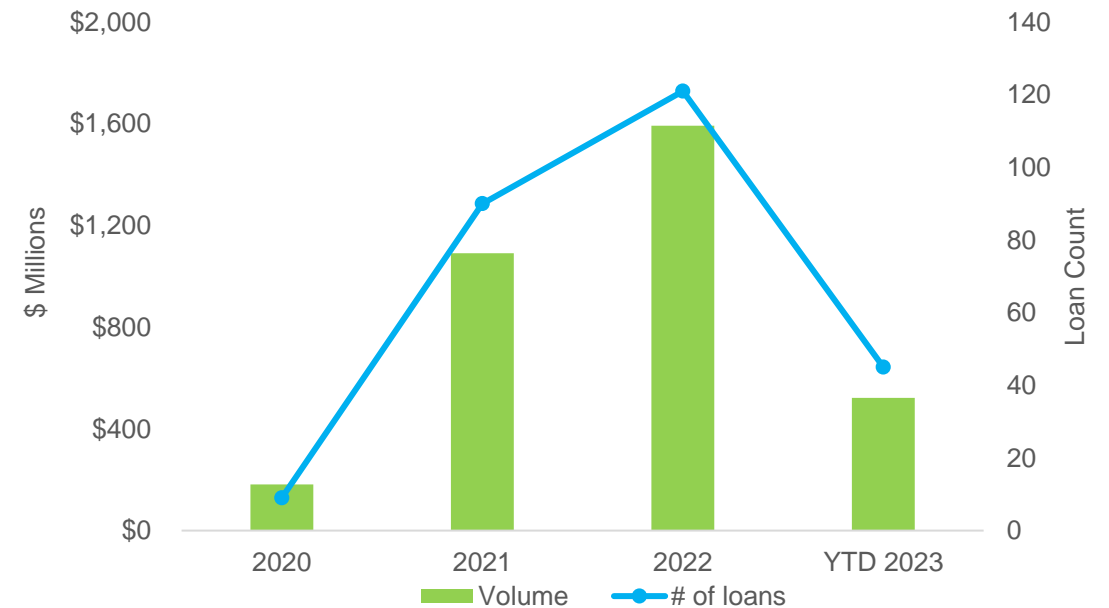
### Targeted Populations

Since 2020 Multi PCs financed loans supporting:

- Aging populations
- Transitional housing
- Individuals with disabilities
- Veterans
- Rental Assistance Demonstration (RAD) program
- 9% LIHTC

Find more [Impact Bonds resources here](#)

**Multi PCs Social Bonds Issuance Volume**

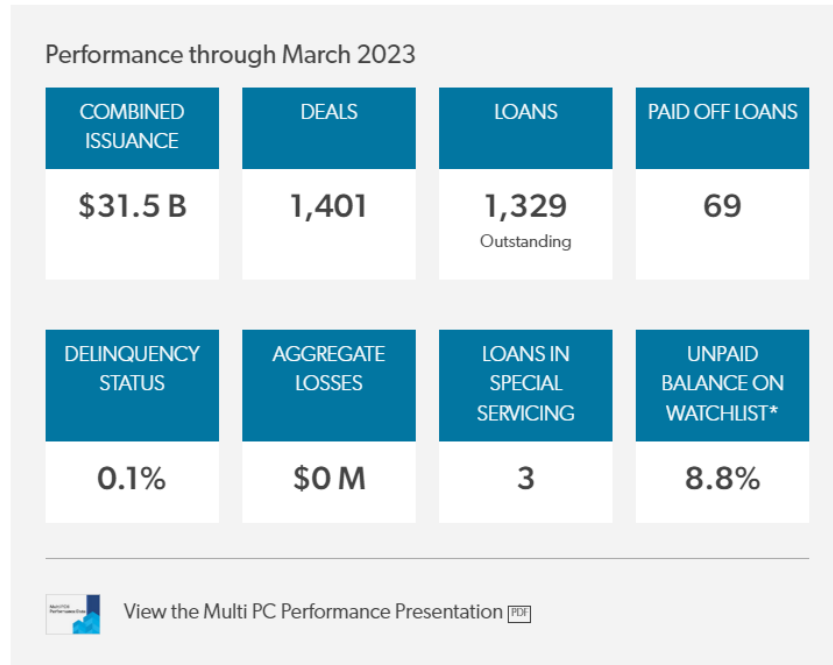




## Loan Performance resources at your fingertips

Performance data for our Multi PCs is updated monthly at <https://mf.freddiemac.com/investors/data.html>

### Multi PC® Performance



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

**Multi PC Deals**

Access information related to Multifamily PC mortgage-backed securities and their underlying collateral.

[View Multi PC Deals](#)

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 PDF](#)

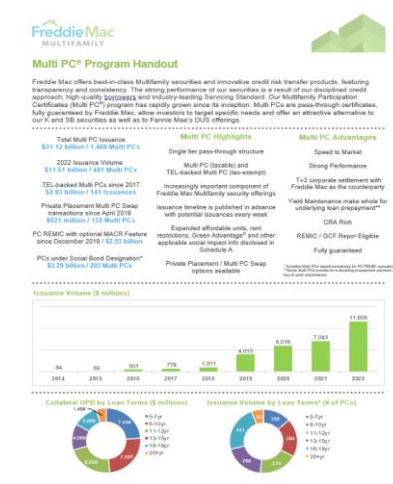
[Dataset Loss Summary PDF](#)

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

\* Freddie Mac maintains a watchlist for the Multi PCs. Loans are added to and removed from the watchlist in accordance with criteria established by CREFC.  
Notes: The number of outstanding Multi PCs excludes 116 Multi PC Swap transactions and 33 Multi PCs issued in October 2021.

# Stay up to date with our investor resources

- Multi PCs Issuance Calendar - [https://mf.freddiemac.com/docs/pc\\_certificates\\_issuance\\_calendar.pdf](https://mf.freddiemac.com/docs/pc_certificates_issuance_calendar.pdf)
- Multi PCs Overview Handout - <https://mf.freddiemac.com/docs/multi-pc-overview.pdf>
- Multi PCs Performance Data - [https://mf.freddiemac.com/docs/multi\\_pc\\_performance.pdf](https://mf.freddiemac.com/docs/multi_pc_performance.pdf)
- 2021 Impact Bonds Report - [https://mf.freddiemac.com/docs/2021\\_impact\\_bonds\\_report.pdf](https://mf.freddiemac.com/docs/2021_impact_bonds_report.pdf)
- Multifamily Research to monitor market trends - <https://mf.freddiemac.com/research/>
- Forbearance Resources for Investors - <https://mf.freddiemac.com/COVID-19/>



**Freddie Mac MULTIFAMILY**  
**Multifamily Participation Certificates**  
**May 2022 Announcement Calendar**

Product Name	Product Type	Structure	Deal Size (\$ million)	Deal Size (Units)	Deal Type	Deal Status	Deal Date	Deal Time	Deal Location	Deal Description
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC
Atlanta Fed	TEU-Backed Multi PC	TEU-Backed	\$1,100,000	1,100	TEU-Backed	Final	05/02/22	10:00 AM	Atlanta, GA	TEU-Backed Multi PC



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

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