

Multi PCsSM Program Overview

Investor Presentation

as of September 30, 2020

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 as well to Fannie Mae's DUS offerings

Key Features

- Single tier pass-through structure
- Multifamily Participation Certificates (Multi PCsSM) are taxable & TEL-backed Multi PCs are tax-exempt
- Increasingly important component of Freddie Mac Multifamily security offerings
- Issuance calendar published in advance with potential issuances every week
- Low-income units, rent restrictions, Green Advantage[®] and other applicable social impact info disclosed in Schedule A
- Private Placement / Multi PC Swap options available

Multi PC Advantages

- Speed to Market
- Strong Performance
- T+3 corporate settlement with Freddie Mac as the counterparty
- Yield maintenance or declining prepayment premium for underlying loan prepayment
- Potential source for CRA (Community Reinvestment Act) 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 of 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)
 - Floating-rate (“WV” series)
 - PC Swap (loan for PC, cashless)
- Multi PCs are frequently utilized with the following loan programs:
 - 12-year term
 - Flexible prepay
 - Declining prepayment premium
 - Targeted Affordable Housing (long-term and forwards)
 - Low leverage low spread

Underwriting and Credit

- Properties generally need to demonstrate stabilized occupancy rates of 90%+
- For 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 Conventional Loans, Loan-to-Value (LTV) ratios 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

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	Mostly Over \$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	Fannie Mae
	Guarantee	Fully Guaranteed	Senior Certificates Only	Fully Guaranteed
	Servicer Risk-Share	No	No	Yes

Our Multi PC program continues to evolve to meet investor needs

Total Multi PC Issuance since 2014
\$10.7 billion / 545 Multi PCs

TEL-backed Multi PCs since 2017
\$734 million / 42 Issuances

2020 Issuance Volume
\$3.8 billion / 213 Multi PCs

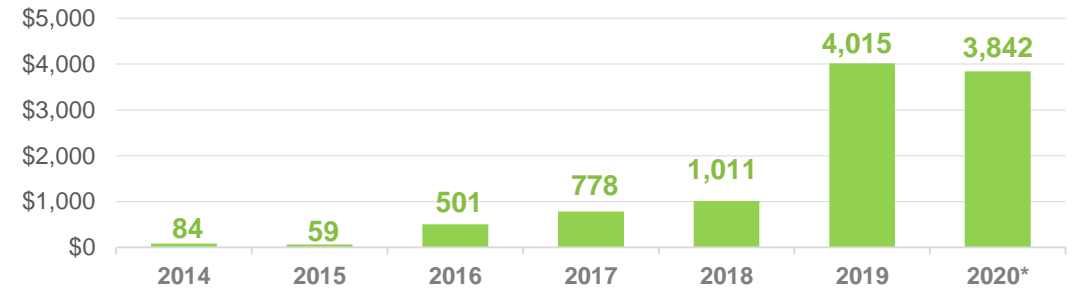
First PCs under Social Bond
Designation in September 2020
\$112 million / 5 Multi PCs

Private Placement Multi PC Swap
transactions since April 2019
\$141 million / 77 Multi PCs

PC REMIC with MACR
Feature in December 2019
\$125 million

Business volume continues to grow

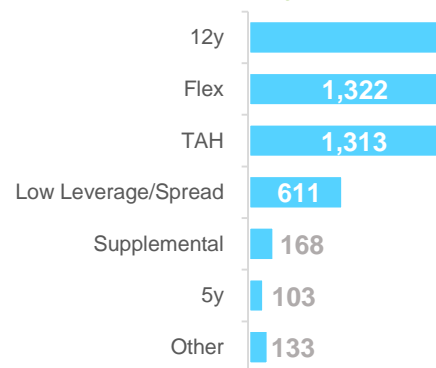
Execution Volume (\$ millions) as of Q3 2020



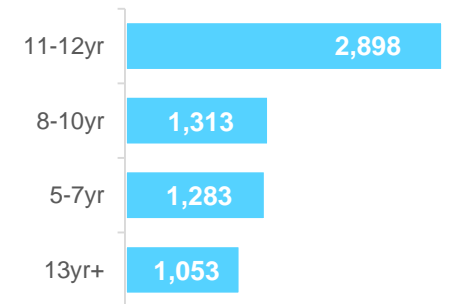
Multi PC Prefix Convention

Program	Fixed with IO/PIO Taxable	Fixed, no IO Taxable	Tax-exempt	Variable Taxable
Descriptor	WN----	WA----	WE----	WV----
# of Deals	264	232	42	3
\$ of Deals	\$7,386 M	\$2,068 M	\$734 M	\$97 M

Issuance Volume by Loan Product (\$ millions) July 2019 – September 2020**



Collateral UPB by Loan Terms (\$ millions) July 2019 – September 2020**



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

Performance through September 2020			
COMBINED ISSUANCE	DEALS	LOANS	PAID OFF LOANS
\$9.8 B	442	435 Outstanding	7
DELINQUENCY STATUS	AGGREGATE LOSSES	LOANS IN SPECIAL SERVICING	UNPAID BALANCE ON WATCH LIST*
0.2%	\$0	0	8.2%

*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.

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

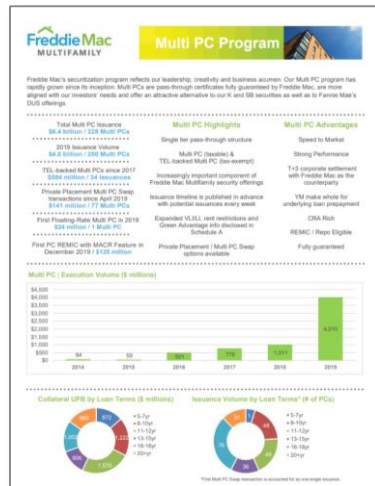
[Loan Performance Dataset](#) PDF

[Dataset Loss Summary](#) PDF

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

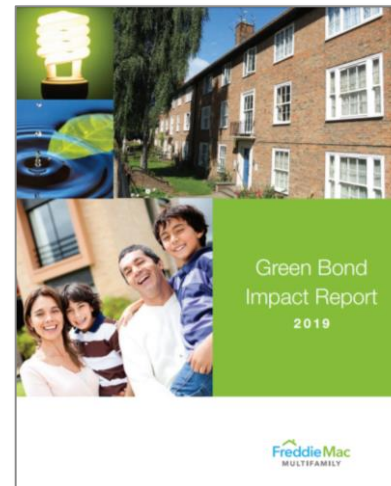
Stay up to date with our investor resources

- Multi PCs Issuance Calendar - 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
- Green Bond Impact Report - https://mf.freddiemac.com/docs/2019_green_bond_impact_report.pdf
- Multifamily Research to monitor market trends - <https://mf.freddiemac.com/research/>
- Forbearance Resources for Investors - <https://mf.freddiemac.com/COVID-19/>
- August Multifamily Forbearance Report - https://mf.freddiemac.com/docs/august_forbearance_report_2020.pdf



Freddie Mac Multifamily Participation Certificates
October 2020 Announcement Calendar

Product	Structure	Issuance Date	Loan Type	Loan Size	Loan Term	Rate	Spread	Yield	Rating	Guarantee
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac
10/20/20	Freddie Mac Multi PC	10/20/20	Fixed	100	100	1	1%	1%	AAA	Freddie Mac



Freddie Mac Multifamily Securitization Forbearance Report
Data as of August 25, 2020

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Report Highlights:

- Major servicers on Freddie Mac securitized loans have reported 1.23 billion loans totaling \$7.1 billion. The average LTV of the outstanding securitized origin principal balance (OPB) and 5% of the total Freddie Mac securitized loan population.
- In August, there was a net decrease of 25 loans in forbearance (not including four loans that have completed pay-off), the first monthly decline since implementation of the forbearance program in March.
- As of June 29, Freddie Mac updated the forbearance relief program to include three supplemental options that may be described by servicers to seek a more qualified borrower. Servicers in forbearance are still facing significant hardships from the pandemic. Learn more [here](#).
- The majority of loans, 79% by loan count and 73% by LPI, whose forbearance period ended in August or earlier, are currently making payments of some kind at their forbearance payments.
- A higher percentage of the forbearance loans are Small Balance Loans (SBL) at 8% by loan count, but 30% by LPI. Small Balance properties have fewer units, each tenant experiencing less loss a larger impact on small property performance.
- Of the total \$7.5 billion of forbearance loans, 10.1% are student housing and 1.1% are seniors housing facilities.
- Prior to the COVID-19 crisis, the multifamily market was on solid ground, which has contributed to the relatively strong credit quality of these forbearance loans. Based on a combination of previous and updated credit metrics, 75.7% of the forbearance loans have a credit service coverage ratio (CSCR) above 1.25x. Additionally, 88.0% of forbearance loans have a risk-to-market loan-to-value (LTV) ratio of less than or equal to 80%.
- The vast majority of forbearance loans would need to sustain an effective gross income (EGI) ratio in excess of 120% in order to fall into a 10% DSCR.
- Forbearance requests are distributed across the country in 40 states and the District of Columbia. The top states are New York, Texas, California, Florida and Maryland.
- About 12% of all the forbearance loans have maturity dates before 2024. The remaining 88% of the forbearance loans do not mature until 2024 or later.

August 2020

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

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