Freddie Mac MULTIFAMILY

Multi PC®
Program Overview

Investor Presentation

as of December 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, if applicable, disclosed in both Schedule A and one page Summary Term Sheet
- 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. At present, all our Multi PC offerings are structured as 55-day delay schedule to align with UMBS payment convention. The 55-day delay represents the period between the time interest begins to accrue and the time the investor receives a payment.
- 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
  - Tax-exempt loans
  - Targeted Affordable Housing (immediate funding 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

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
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[1]	Fannie Mae
	Guarantee	Fully Guaranteed	Senior Certificates Only	Fully Guaranteed
	Servicer Risk-Share	No	No	Yes

[1]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
$46.24 billion / 2,057 Multi PCs

TEL-backed Multi PCs since 2017
$4.65 billion / 221 Issuances

2023 Issuance Volume
$15.13 billion / 588 Multi PCs

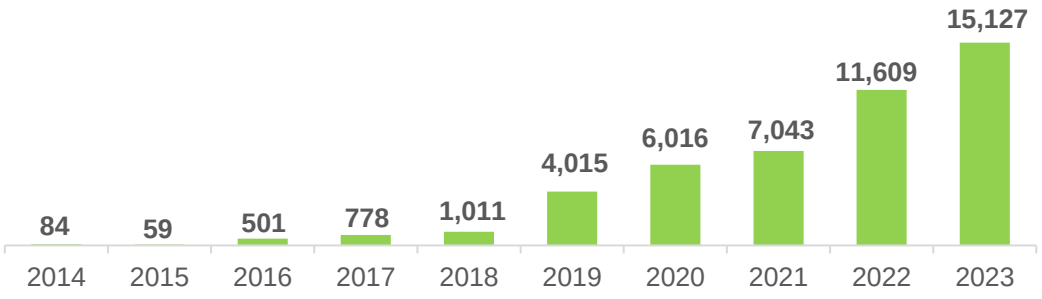
PCs under Social Bond Designation*
$5.38 billion / 435 Multi PCs

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

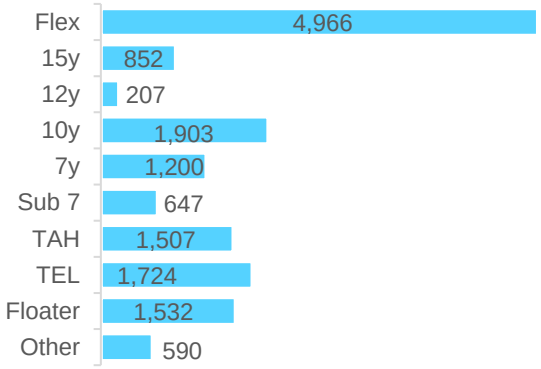
Issuance Volume ($ millions)



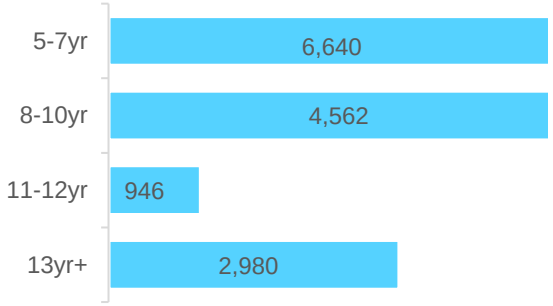
Multi PC Prefix Convention

Program	Fixed with IO/PIO Taxable	Fixed, no IO Taxable	Fixed, Tax-exempt	Variable Taxable	Fixed with REMIC Tax Election	Subordinate
Descriptor	WN----	WA----	WE----	WV----	WR----	WS----
# of Deals	1189	533	221	51	49	14
$ of Deals	$34.38 B	$4.64 B	$4.65 B	$1.95 B	$0.50 B	$0.12 B

Issuance Volume by Loan Product ($ millions)**



Collateral UPB by Loan Terms ($ millions)**



* Includes Multi PCs issued exclusively for PC REMIC executions
** Issuance Volume and Collateral UPB ranges from 1/1/2023 to 12/31/2023

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

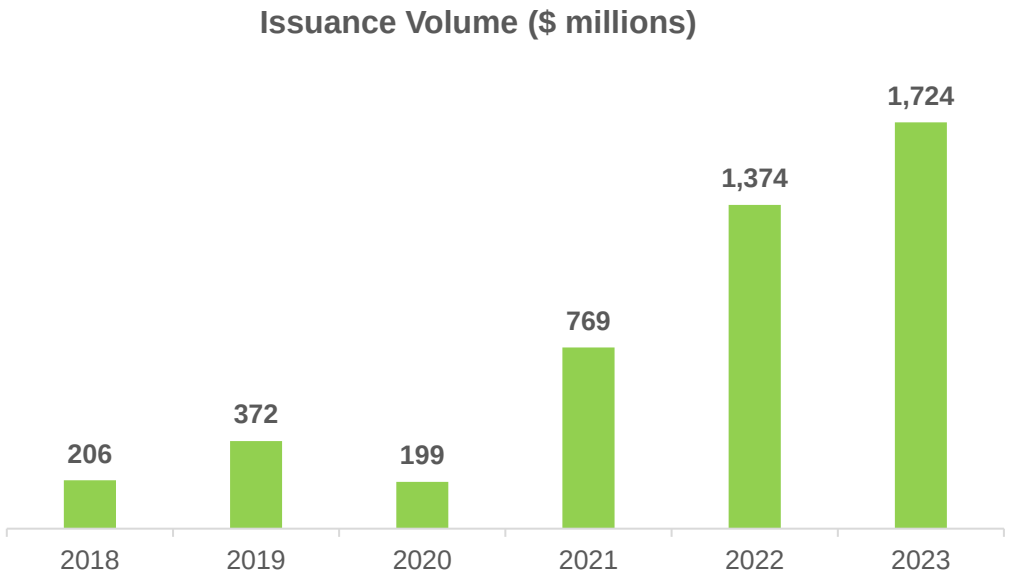
Collateral Highlights

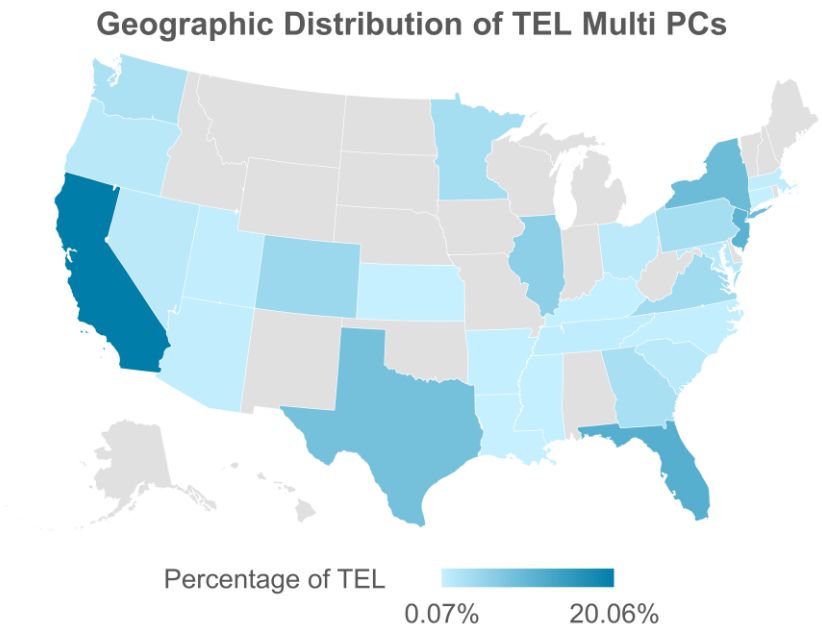
- Financing for the acquisition or refinance of stabilized affordable multifamily properties with 4% Low-Income Housing Tax Credits (LIHTC) with at least 7 years remaining in in the tax credit benefit stream
- Garden, mid-rise or high-rise multifamily properties with 90% occupancy for 90 days
- Terms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

Benefits

- Call protected through a mixture of defeasance and yield maintenance provisions
- Great alternative to tax-exempt municipal bond
- Rich source for Community Reinvestment Act (CRA) targeted investments
- Federal tax-exemption and state tax-exemption where applicable
- Some TEL PCs are eligible for Social Bond designation

TEL Multi PCs Issuance Volume





- We have securitized $4.65 billion through the TEL Multi PC execution path
- In 2023, we issued 80 TEL Multi PCs totaling $1.72 billion
- In addition to federal income tax exemption, most TEL PCs may also provide state income tax exemption

- Our nationwide lending footprint provides investors the opportunity to invest in tax-exempt loans for properties across all 50 states
- We have securitized 221 tax-exempt loans across 31 states
- TEL Multi PCs are 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

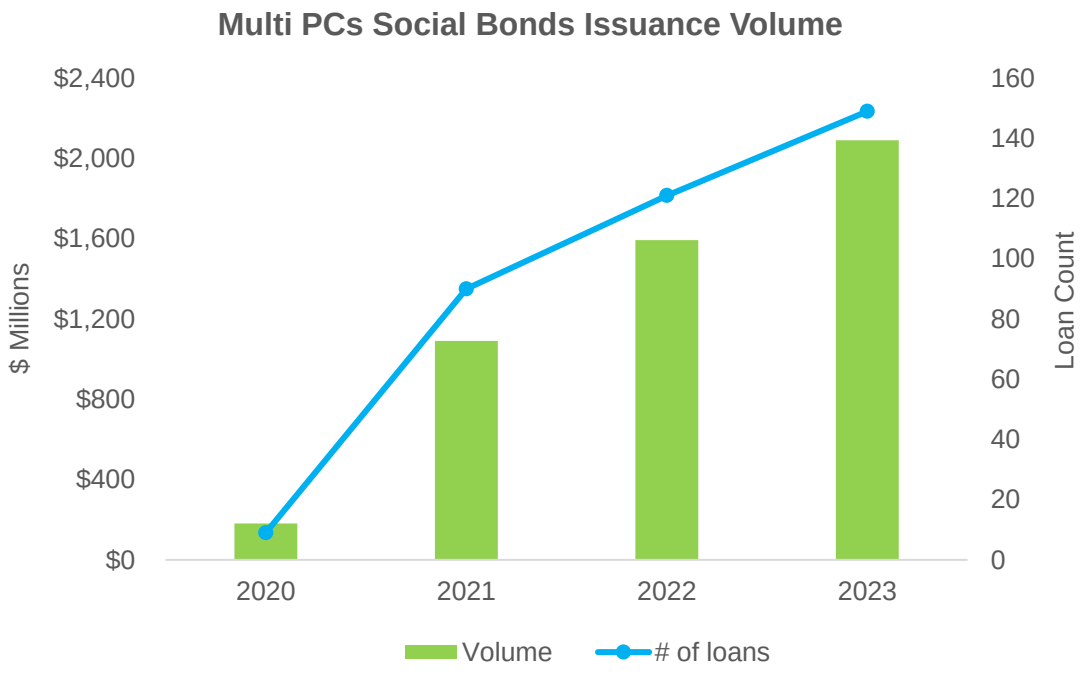
- Social Bonds was introduced in 2020 and dedicated to either (1) providing liquidity to financial institutions with a distinct mission of addressing affordable housing challenges or (2) to provide financing to certain underserved groups considered to be among the most vulnerable
- As of December 31, 2023, we have designated 385 Multi PCs as Social Bonds totaling $4.96 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



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

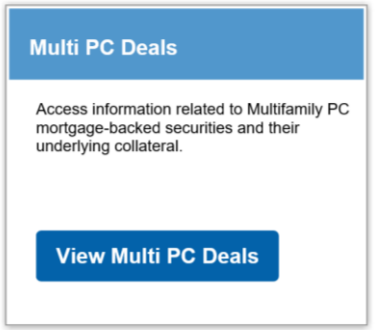
Performance through December 2023

COMBINED ISSUANCE	DEALS	LOANS	PAID-OFF LOANS
$42.90 B	1,839	1,759 Outstanding	77

DELINQUENCY STATUS	AGGREGATE LOSSES	LOANS IN SPECIAL SERVICING	UNPAID BALANCE ON WATCHLIST*
0.1%	$0 M	14	9.8%

View the Multi PC Performance Presentation PDF

Loan level performance can be accessed in our Multifamily Securities Investor Access tool



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

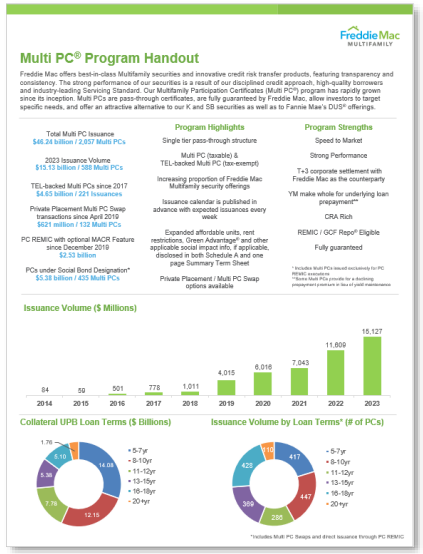
Dataset Loss Summary PDF

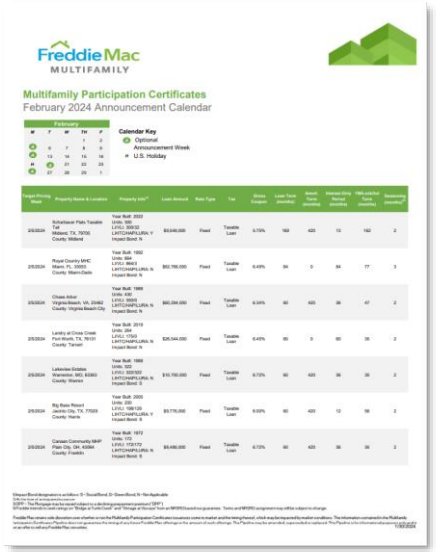
Licensing Agreement for Using the Multifamily Loan Performance Database PDF

*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: Due to changes in process, the population for December 2023 is as of all PCs settled as of October 2023. The number of outstanding Multi PCs excludes 133 Multi PC Swap transactions and 45 Multi PCs issued in November 2023.

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
2022 Impact Bonds Report - https://mf.freddiemac.com/docs/2022_impact_bonds_report.pdf
Multifamily Research to monitor market trends - https://mf.freddiemac.com/research/





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

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