



Seasoned Loan Securitization

Our Seasoned Loan Securitization provides liquidity to small financial institutions (the “Sponsor”) so they can recycle capital and support affordable housing with new lending. Through our Q series, we transform loans into Freddie Mac guaranteed securities which can either be sold or retained by the Sponsor.

Sponsor

Small financial institutions, community banks with \$10 billion or less in assets, and other well capitalized financial institutions on a case-by-case basis

We Help You

- Manage your balance sheet
- Monetize your portfolio
- Increase liquidity
- Optimize reserve requirements
- Maintain relationships

Deal Size

Optimal loan pool size of at least \$200 million in aggregate UPB

Deal Collateral

Small balance multifamily loans (generally 5-50 units) and multifamily mortgage loans secured by properties with 9% Low-Income Housing Tax Credits. Loans can be fixed, floating, or hybrid.

Our Guarantee

Freddie Mac guarantees the timely payment of interest and ultimate payment of principal on the guaranteed senior certificates.

Benefits

- Customizable structure
- Converting seasoned loans into Q Series Certificates
- Freddie Mac guarantees payment of interest and principal on senior securities
- Access to efficient capital markets funding

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Flexibility

We offer several customizable structures

The Sponsor transfers loans from the balance sheet in exchange for certificates via the following structures:

1.

Senior and Subordinate (A/B) Structure

Senior, guaranteed certificates (Class A) with subordinate certificates (Class B) ranging from 10% to 15%.

The Class B can be retained by the Sponsor or sold to a third-party investor (B-piece buyer).

2.

100% Guarantee with Reimbursement Structure

Single class of guaranteed certificates. Sponsor retains a first-loss position with a reimbursement obligation.

A reimbursement agreement between Sponsor and Freddie Mac in which Sponsor agrees to reimburse Freddie Mac for any losses up to a certain percentage of the pool's UPB. This may be secured via a letter of credit, cash, or pledged securities (rated and marked to market).

3.

A/B Structure with Nominal First-loss Piece and FM Reinsurance

Servicing

Freddie Mac (or a Freddie Mac-approved third party) will act as the Master Servicer. With FM approval, the Sponsor may retain subservicing of the loans.

Reps and Warranties

The Sponsor must provide loan level representations and warranties to the securitization trust.

Collateral Due Diligence

Freddie Mac will be entitled to conduct a full underwriting and due diligence review of all the loans, including interior and exterior physical inspections, borrower and guarantor credit, property financials and rent rolls, environmental, compliance, valuation, and collateral files and servicing files. Freddie Mac will determine which loans will be securitized based on its review.

Seasoning

All collateral (loans) must have 12 months or more of seasoning by closing/settlement.

For more information, please contact:

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