



# Q-Deal<sup>SM</sup> Program Overview

Investor Presentation

as of June 30, 2023



## Q-Deal<sup>SM</sup> Program Overview

The Q-Deal program is highly mission driven with very affordable multifamily properties and provides liquidity to small financial institutions, sponsors and originators of affordable taxable collateral. The Q-Deal securitization offers flexible collateral and structural characteristics that make the program and each transaction unique.

### Key Features

- All loan collateral is re-underwritten by Freddie Mac
- Credit and underwriting standards for Q series securitized loans are in line with Freddie Mac Multifamily Conventional line of business
- Freddie Mac guarantees the timely payment of interest and ultimate payment of principal on guaranteed certificates, the same guarantee as our conventional products
- Generally targeting loan pool size of \$150 million or greater in aggregate unpaid principal balance (UPB)
- Flexible, REMIC structure offered
- Social Impact Bond eligibility

### Collateral Highlights

- Taxable multifamily mortgage loans including but not limited to small balance loans (SBL), loans secured by properties with 9% Low-Income Housing Tax Credits (LIHTC) or Land Use Restrictive Agreements (LURAs) and rehab loans for affordable properties
- Third-party originations by experienced lenders
- Various loan terms
- Call protection on collateral
- Fixed and floating rate
- Non-recourse loans
- Potential source for Community Reinvestment Act (CRA) credit

# Credit and Underwriting

**Loans are re-underwritten by Freddie Mac prior to securitization**

## Q-Deal Mortgage General Guidelines

### Eligible Property Types

- Multifamily loans secured by Conventional, Targeted Affordable Housing (TAH), SBL (minimum 5 units), Seniors Housing and Manufactured Housing Communities (MHC) properties

### Loan Terms

- 7-, 10-, 15- and 30-year loan terms with 30-years of amortization
- 3- and 5-year terms eligible subject to Maturity Risk Analysis
- May contain full and partial-term interest-only loans

### LTV & DSCR

- Conventional/SBL/Seniors Housing/MHC – maximum loan-to-value (LTV) of 80%, minimum amortized debt service coverage ratio (DSCR) of 1.20x
- TAH – maximum LTV of 95%, minimum amortized DSCR of 1.05x
- Rehab Loans<sup>1</sup>

### Interest Rate Type

- Fixed
- Floating or hybrid – loans must be indexed to 30-day Average SOFR or conversion will be required prior to securitization

### Credit Support

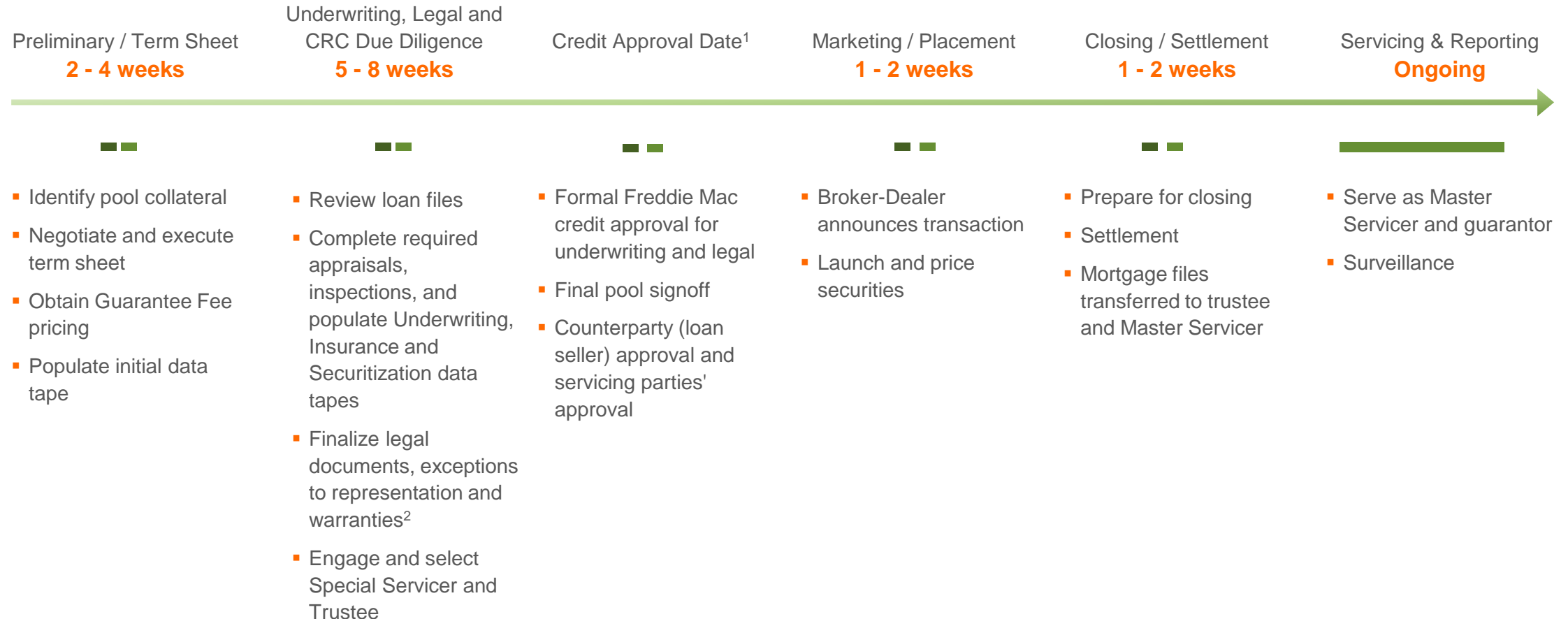
- Minimum of 10% credit support via subordinate unguaranteed certificates or reimbursement agreement collateralized by cash, pledged securities or letter of credit

### Borrowers

- Single purpose entity or single asset entity is typically required for loans greater than or equal to \$5 million
- A carve-out guarantor is generally required

<sup>1</sup> Freddie Mac has the ability to include Rehab or Lease-up transactions in the Q-Deal execution. Please reach out to [MF\\_CM\\_InvestorRelations@freddiemac.com](mailto:MF_CM_InvestorRelations@freddiemac.com) for more details.

## Typical Q-Deal Issuance Timeline



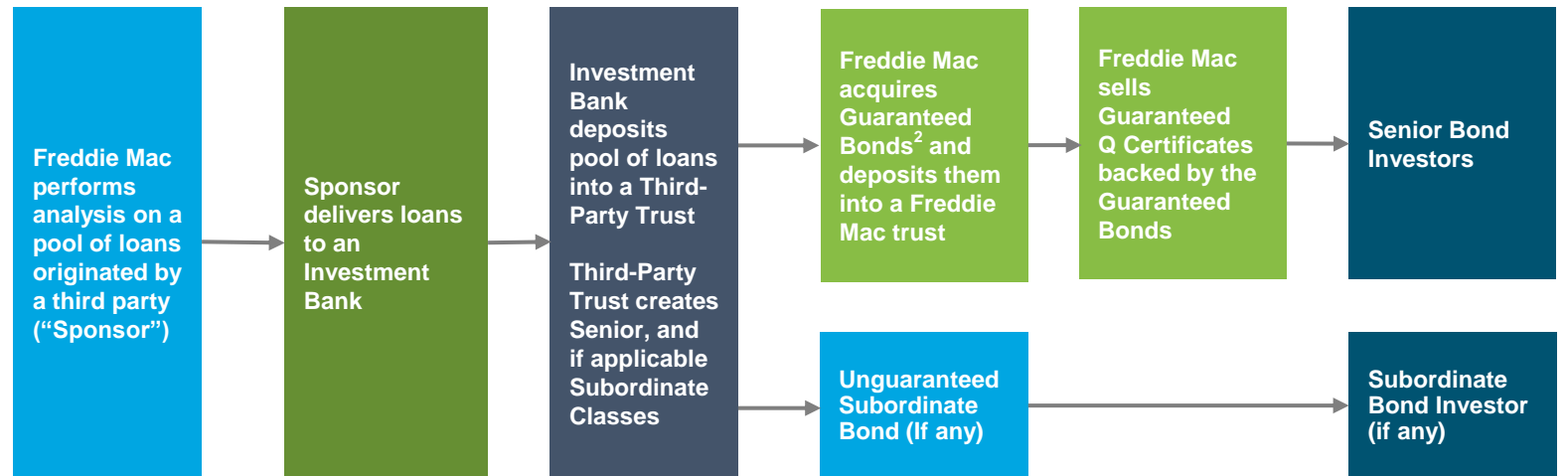
<sup>1</sup> The specific date for the credit approval can be found in the term sheet

<sup>2</sup> The sponsor must provide loan-level representations and warranties to the securitization trust

# Q-Deal Transaction Structure<sup>1</sup>

## Freddie Mac securitizes loans via the Q-Deal program through the following steps

- A lender sells their loans, after approval by Freddie Mac, to a third-party depositor who places them into a third-party trust
- Private label securities backed by the loans are issued by the third-party trust
- Freddie Mac purchases and guarantees certain bonds (Guaranteed Bonds<sup>2</sup>) issued by the third-party trust and securitizes these bonds via a Freddie Mac trust
- The resulting Freddie Mac guaranteed structured pass-through certificates (Q Certificates<sup>SM</sup>) are publicly offered via placement agents
- Any subordinate bond issued by the third-party trust is either sold to the Sponsor (or an affiliate of Sponsor) or privately offered to third-party investors



**RELEVANT PARTIES/ENTITIES**

**Underlying Mortgage Loan Seller**  
Third Party Sponsor

**Underlying Master Servicer**  
Freddie Mac or Freddie Mac approved third party

**Underlying Sub Servicer**  
Sponsor or Freddie Mac approved third party

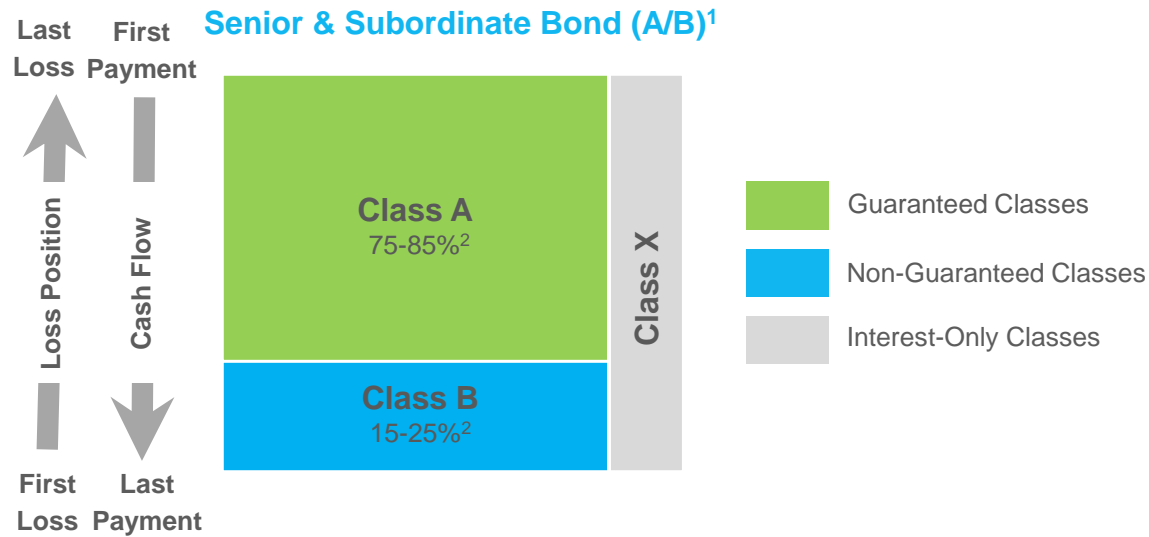
**Underlying Special Servicer**  
Freddie Mac approved third-party servicer for any non-performing loans

<sup>1</sup> Sample structure represents a senior and subordinate transaction, alternative structures may be issued. Please refer to Offering Circular for specifics related to each deal.

<sup>2</sup> Guaranteed Bonds include senior amortizing as well as interest only bonds

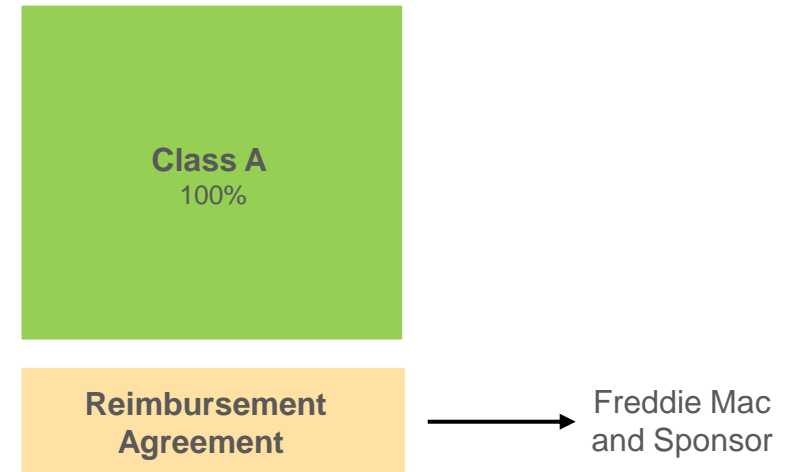
# Sample Q-Deal Structures

The sponsors transfer loans from the balance sheet in exchange for certificates through our flexible structures



- The subordinate certificate(s) can be retained by the sponsor or sold to third parties
- Sponsor may elect to create unguaranteed mezzanine classes above first-loss tranche
- The class X is an interest-only class and offered if there is excess interest available

## 100% Guaranteed with Reimbursement Obligations<sup>1</sup>



- Single class of guaranteed certificates. Sponsor retains a first-loss position with a reimbursement obligation.
- A reimbursement agreement between sponsor and Freddie Mac for any losses up to a certain percentage of the pool's UPB
- Acceptable pledged collateral for the reimbursement agreement are securities, letter of credit or cash (rated and marked-to-market)

<sup>1</sup> These structures represent typical fixed deal structures; alternative structures may be issued. Please refer to Offering Circular for specifics related to each deal

<sup>2</sup> For illustrative purposes only, class size do not reflect actual bond offering

## Q-Deal Program Issuance and Performance

The strong performance of our securities is a result of our disciplined credit approach, high-quality borrowers and industry-leading Servicing Standard

Total Q-Deal Issuance since 2014  
\$7.8 billion / 22 deals

Original loan count  
2,367 loans

2022 Issuance Volume  
\$1.4 billion / 5 deals

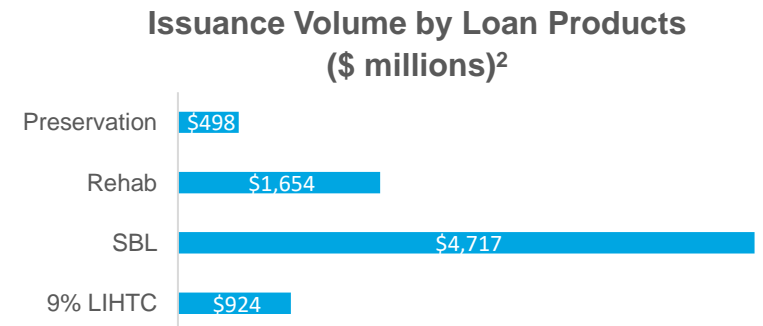
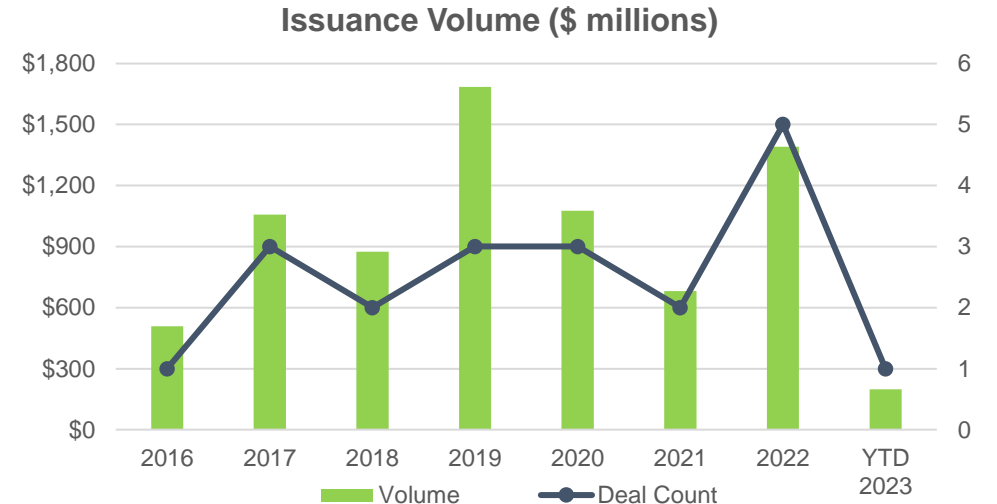
Social Bond Designation  
\$687.7 million / 3 deals

### Performance remains strong. As of June 30, 2023:

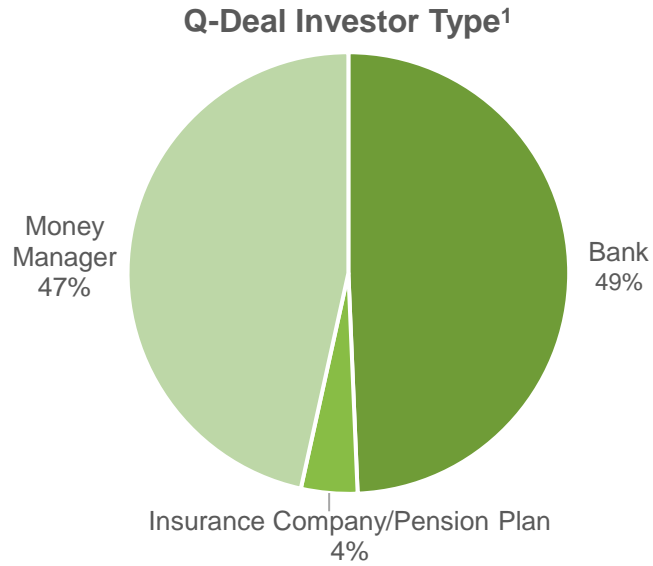
- 99.79% of the Q-Deal loans are current
- 4 loans are assigned to special servicing (representing <1 bp of outstanding principal balance)
- There have been no realized losses
- 23.01% of the outstanding loan population (by outstanding principal balance) is on the servicers' watchlist<sup>1</sup>

<sup>1</sup> 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

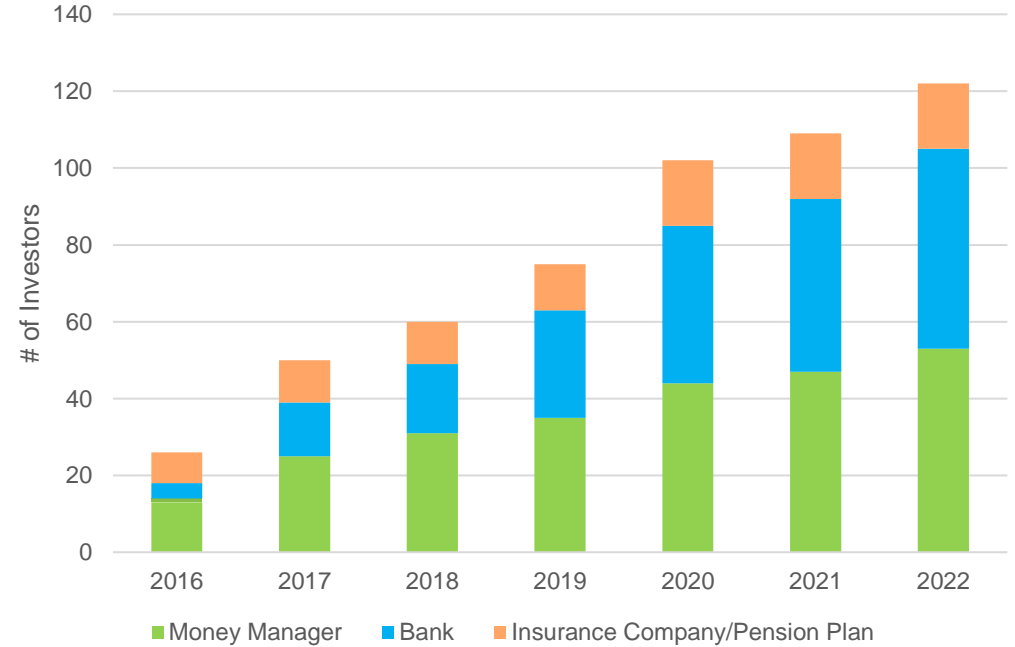
<sup>2</sup> Data reflects all deals issued since program inception in 2014



# Historical Investor Participation



**Investor Participation<sup>2</sup>**



Since the Q-Deal program’s inception in 2014, the investor base has continued to grow:

- 128 investors historically with 23 participating in 2022
- Average of 11 different accounts per transaction historically, with seven per transaction in 2022
- Investor participation mainly comprised of money managers and banks

<sup>1</sup> Data reflects senior bond allocations for all deals issued since the inception of the program. Data as of 12/31/2022

<sup>2</sup> Data reflects the total number of unique senior bond investor participation. Data as of 12/31/2022



## Q-022 | Transaction Highlights

### Overview of Deal Structure (Pricing Date: May 24, 2023)

Class	Initial Principal or Notional Amount	Pricing Spread	Assumed Weighted Average Life
<b>Offered Q022 Certificates:</b>			
A	\$148,924,000	S+77	3.76
XI	\$198,565,536	Non-Offered	3.79
<b>Total Guaranteed</b>	<b>\$148,924,000</b>		

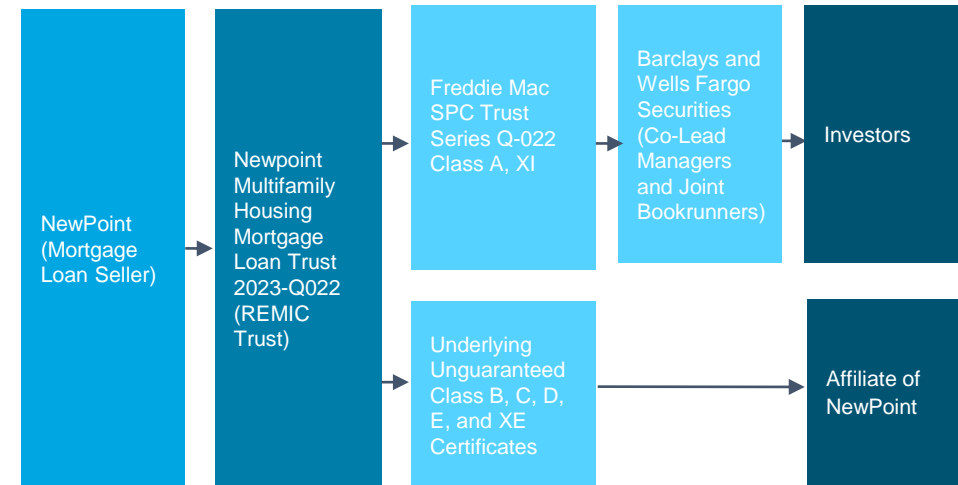
### Deal Characteristics<sup>1</sup>

<b>Collateral Type</b>	Multifamily Rehab Loans
<b>Initial Underlying Pool Balance</b>	\$198,565,537
<b>Mortgage Loans</b>	8
<b>Rating Agencies</b>	Not Rated
<b>WA Initial Fixed Mortgage Interest Rate</b>	2.97%
<b>WA DSCR</b>	1.14x
<b>WA LTV</b>	56.0%
<b>WA Original Maturity</b>	28 Months
<b>Waterfall Structure</b>	Pro Rata
<b>Top 5 State Concentrations</b>	TX (45.5%), NV (31.7%), NJ (22.8%)

<sup>1</sup> As of the Cut-off Date

<sup>2</sup> As of the Closing Date

### Structural Diagram



### Breakdown of Investors (A and XI Classes)<sup>2</sup>



## Historical Q-Deal Transactions

Deal Name	Sponsor	# of loans	Pool Size (\$ Millions)	Bond Duration	Rate Type	Deal Structure	Collateral Type
<a href="#">Q-001</a>	Impact C.I.L. LLC	124	\$215	>15 year	Fixed	Senior/Sub	9% LIHTC
<a href="#">Q-002</a>	Impact C.I.L. LLC	60	\$107	>15 year	Fixed	Senior/Sub	9% LIHTC
<a href="#">Q-003</a>	Opus Bank	321	\$509	5 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-004</a>	Luther Burbank Savings	372	\$626	3 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-005</a>	California Community Reinvestment Corporation	86	\$151	>12 year	Fixed	Senior/Sub	9% LIHTC
<a href="#">Q-006</a>	Dime Community Bank	112	\$280	10 year	Fixed	100% Gteed	Small Balance Loans
<a href="#">Q-007</a>	First Foundation Bank	216	\$622	5 & 7 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-008</a>	First Republic Bank	159	\$252	3 year	Floating	100% Gteed	Small Balance Loans
<a href="#">Q-009</a>	MF1 REIT LLC	22	\$563	2 year	Floating	Senior/Sub	Rehab Loan
<a href="#">Q-010</a>	Banc of California	168	\$573	5 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-011</a>	First Foundation Bank	189	\$549	5 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-012</a>	Citibank N.A.	114	\$333	Various	Fixed	100% Gteed	Small Balance Loans
<a href="#">Q-013</a>	First Foundation Bank	172	\$553	5 & 7 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-014</a>	California Community Reinvestment Corporation	76	\$190	>15 year	Fixed	100% Gteed	9% LIHTC
<a href="#">Q-015</a>	Merchants Bank of Indiana	15	\$262	2.5 year	Floating	Senior/Sub	9% LIHTC
<a href="#">Q-016</a>	First Foundation Bank	93	\$419	5 & 7 year	Hybrid ARMs	100% Gteed	Small Balance Loans
<a href="#">Q-017</a>	Merchants Bank of Indiana	14	\$214	7 year	Floating	100% Gteed	Preservation
<a href="#">Q-018</a>	ACRE Credit Partners REIT LLC	11	\$424	2.5 year	Floating	Senior/Sub	Rehab Loans
<a href="#">Q-019</a>	Merchants Bank of Indiana	16	\$284	7 year	Floating	Senior/Sub	Preservation
<a href="#">Q-020</a>	Harbor Group International	8	\$153	3 year	Floating	Senior/Sub	Rehab Loans
<a href="#">Q-021</a>	Arbor Realty SR Inc	11	\$316	3 year	Floating	Senior/Sub	Rehab Loans
<a href="#">Q-022</a>	NewPoint JV LLC	8	\$198	3 year	Floating	Senior/Sub	Rehab Loans

## Loan Performance Resources

Performance data for our Q-Deals is updated monthly at <https://mf.freddiemac.com/investors/data.html>

### Q-Deal<sup>SM</sup> Performance

Performance through June 2023

COMBINED ISSUANCE	DEALS	LOANS	PAID OFF LOANS
\$7.80 B	22	2,367 original loan count	1,388
DELINQUENCY STATUS	AGGREGATE LOSSES	LOANS IN SPECIAL SERVICING	UNPAID BALANCE ON WATCHLIST*
0.21%	\$0M	4	23.01%



[View the Q-Deal Performance Presentation PDF](#)

\*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

 Multifamily Securities Investor Access
LOG IN 

Multifamily Securities Investor Access (MSIA) is an online tool that provides investors and analysts with information related to Freddie Mac Multifamily K-Deals, ML-Deals, Q-Deals, SB-Deals, and PC mortgage-backed securities and their underlying collateral. It also provides information about SCR Notes. The available data includes the standard Investor Reporting Package provided monthly by the master servicer and trustee for a given security issuance. For a single deal or a portfolio, this tool provides a combination of standard and custom reporting capabilities.

[MSIA Reference Manual PDF](#)  
[MSIA Quick Start Tips PDF](#)

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

Multifamily Issuance Calendar – [https://mf.freddiemac.com/docs/mf\\_issuance\\_calendar.pdf](https://mf.freddiemac.com/docs/mf_issuance_calendar.pdf)

Q-Deal Program Handout – <https://mf.freddiemac.com/docs/q-deal-handout.pdf>

Q-Deal Performance Data – [https://mf.freddiemac.com/docs/q\\_deal\\_performance.pdf](https://mf.freddiemac.com/docs/q_deal_performance.pdf)

Third-Party Loan Securitization Term Sheet – [https://mf.freddiemac.com/docs/product/third\\_party\\_loan\\_securitization.pdf](https://mf.freddiemac.com/docs/product/third_party_loan_securitization.pdf)

Security Lookup Tool – <https://mf.freddiemac.com/investors/sd-remic-lookup>

Multifamily Securities Pricing – <https://mf.freddiemac.com/investors/multifamily-securities-pricing>

**Freddie Mac MULTIFAMILY**

### Q-Deal Program Handout

Freddie Mac offers best-in-class Multifamily securities and innovative credit risk transfer products, featuring transparency and consistency. The strong performance of our securities is a result of our disciplined credit approach, high-quality borrowers and industry-leading Servicing Standards. The addition of the first-party loan securitization (Q-Deal) to Freddie Mac's lending platform was formally announced in 2014. The inaugural Q-Deal was issued in November of 2014.

**Securitization Highlights**

- Year issuance as of December 31 2022: **\$7.8 Billion**
- Minimum loan pool size of at least **\$150 million** in aggregate UPB
- REMIC structure
- Freddie Mac Guarantee
- Sales Tax Impact Bonds Offerings: Freddie structure
- Master Serviced by Freddie Mac

**Collateral Highlights**

- Third party originators by experienced lenders
- Quality sponsorship
- All loan collateral re-underwritten by Freddie Mac
- General DSCR/LTV (DLR & Hurdle): 1.05x/85% (LH/TG)
- Freddie loan terms
- Call protection

**Securitization Program Strengths**

- Strong Credit
- Diversification
- Transparency
- Freddie Mac Guarantee
- Collateral Types
- Yieldable Loans (DLR or 9% LH/TG)
- Refund Loans

Freddie Mac Multifamily Q-Deal provides liquidity to small financial institutions (SFI) (loan to own or asset), investors and originators of affordable housing collateral. Q-series securitized loans are underwritten to the same high Freddie Mac standards.

Q-Deal unique master participation has continued to grow since the program's inception, investor participation mainly comprises Money Managers and Banks.

**Execution Volume & Deal Count**

**Investor Participation**

128 investors historically, with 23 participating in 2022

Average of 11 different accounts per transaction historically, average per transaction in 2022

**Freddie Mac MULTIFAMILY**

### Multifamily Certificates

#### Q2 2023 Announcement Calendar

Calendar Key: ● Optional Announcement Week, ● U.S. Holiday

Deal Name	Announcement Week	Freddie Mac Program	Collateral Type	Collateral Loan Term	Projected Issuance Size (\$ million)	Placement Size (\$ million)	
K-157	June 20, 2023	Conventional	Fixed	10-year	1,221	800	
K-F157	June 12, 2023	Conventional	Floating	10-year	862	N/A	
MG26-SNE	May 22, 2023	Credit Risk Transfer	Various	Various	780	N/A	
W-K157	May 22, 2023	When Issued	Fixed	10-year	800	N/A	
Q-022	May 22, 2023	Q-2 S.A.M. Classes	Third-Party	Floating	3-year	263	N/A
SB-105	May 15, 2023	Small Balance	Various	Various	275	N/A	
K-J45	May 8, 2023	Supplemental	Fixed	Various	348	N/A	
ML-15	May 8, 2023	Tax-Exempt	Fixed	Various	424	N/A	
K-F156	May 8, 2023	Conventional	Floating	10-year	936	N/A	
K-F151	May 1, 2023	Conventional	Fixed	7-year	907	N/A	
K-F155	May 1, 2023	Conventional	Floating	7-year	931	N/A	
K-156*	April 24, 2023	Conventional	Fixed	10-year	1,044	N/A	
K-155	April 17, 2023	Conventional	Floating	10-year	1,160	800**	
K-F154	April 10, 2023	Conventional	Floating	10-year	942**	N/A	
K-F153	April 3, 2023	Conventional	Floating	10-year	743**	N/A	

\* 100% guaranteed investment  
 \*\* guaranteed volume as of offering  
 Freddie Mac loans will function as either a net or the Certificate Issuance come to market and the listing thereof, which may be impacted by market conditions. The actual amount of the offering may vary from the amount of the offering. The Calendar may be amended, suspended or rescinded. This Calendar is for informational purposes only and is not an offer to sell any Freddie Mac security.  
 For more information on Freddie Mac Multifamily securities, visit [mf.freddiemac.com](https://mf.freddiemac.com) or email [mf\\_cm\\_investorrelations@freddiemac.com](mailto:mf_cm_investorrelations@freddiemac.com)

### Third-Party Loan Securitization

Our Third-Party 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
- Maximize your portfolio
- Increase liquidity
- Optimize interest requirements
- Maintain relationships

**Deal Size:** Optimal loan pool size of at least \$200 million in aggregate UPB

**Deal Collateral:** Freddie multifamily mortgage loans including but not limited to:
 

- Small Balance Loans
- Loans secured by properties with 9% Low-Income Housing Tax Credits or Loan Loss Mitigation Agreements (LLM)
- Refund loans for properties with renters that qualify at 80% or 90% AAR

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

**Benefits:**

- Customizable structure
- Consolidating third-party loans into 1-3 series certificates
- Freddie Mac guarantees payment of interest and principal on senior securities
- Access to efficient capital markets funding

August 2022

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)

This product overview may contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve several assumptions, judgments and estimates, and various factors could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements. These assumptions, judgments, estimates and factors are discussed in the company's most recent Annual Report on Form 10-K, and its reports on Form 10-Q and Form 8-K, which are available on the Investor Relations page of the company's website at <http://www.freddiemac.com/investors> and the SEC's website at [www.sec.gov](http://www.sec.gov). The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this presentation.

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