Structured Credit Risk Notes ("SCR Notes") Overview

As of December 31, 2017

Freddie Mac MULTIFAMILY

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SCR Notes Program Introduction

SCR Notes Program Introduction

- Freddie Mac Multifamily formally announced the addition of the Structured Credit Risk Notes (**“SCR Notes”**) offering to its credit risk transfer platform in May, 2016 (see article here)
- The SCR Notes are unsecured general obligations of Freddie Mac and are subject to the performance of an identified pool (the **“Reference Pool”**) of multifamily mortgage loans (the **“Reference Obligations”**) (i) backing Freddie Mac multifamily participation certificates (the **“PCs”**) secured by structures with five or more units designed principally for residential use (each, a **“PC Reference Obligation”**) or (ii) originated in connection with Freddie Mac’s multifamily targeted affordable housing tax-exempt bond credit enhancement program (the **“Affordable Housing Bond Credit Enhancement Program”**), in which Freddie Mac guarantees the borrowers’ payments on the Reference Obligations (each, a **“BCE Reference Obligation”**) corresponding to the debt service payments on the related bonds (the **“Underlying Bonds”**).
- The principal payments are determined by the delinquency and principal payment experience on the Reference Pool
- Certain Reference Obligations are only partially included in the Reference Pool, based on a corresponding fixed percentage (the **“Reference Obligation Percentage”**), representing pari passu portions of their respective whole loans.
- Freddie Mac believes the strength and credit quality of our multifamily lending programs are well demonstrated through our historical delinquency rates
- The reference pools are mostly associated with certain target affordable housing programs, the majority being low income housing tax credit subsidy
- As of December 2017, Freddie Mac Multifamily has settled three SCR Notes transactions totaling approximately $2.9 billion of reference obligations
- As of December 2017, none of the original 162 reference obligations are delinquent. Five have been paid-off through December 2017

Freddie Mac Multifamily Performance

Multifamily Performance

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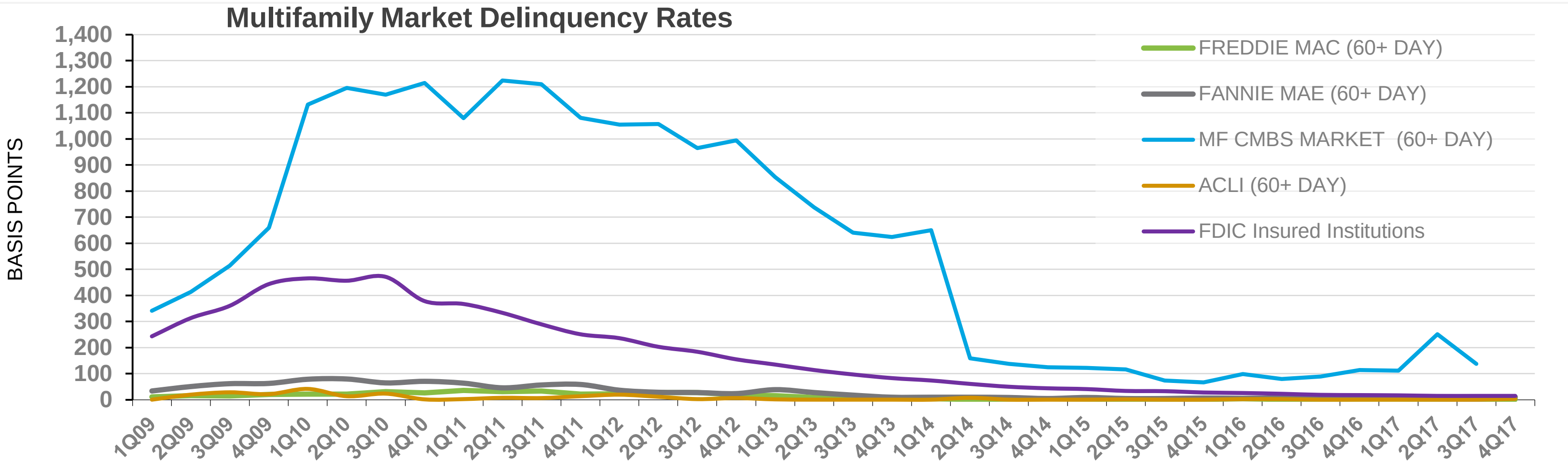
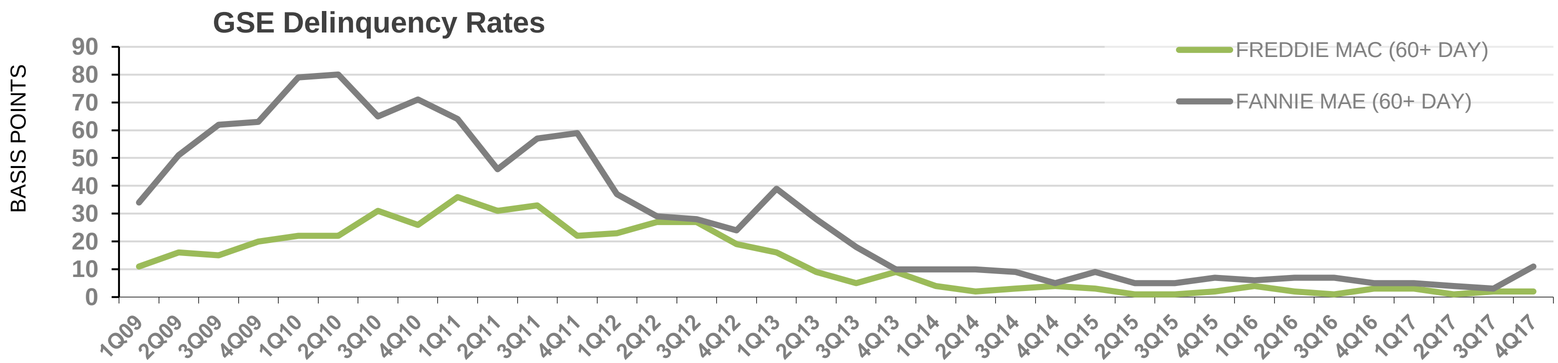
Multifamily Delinquency Rates

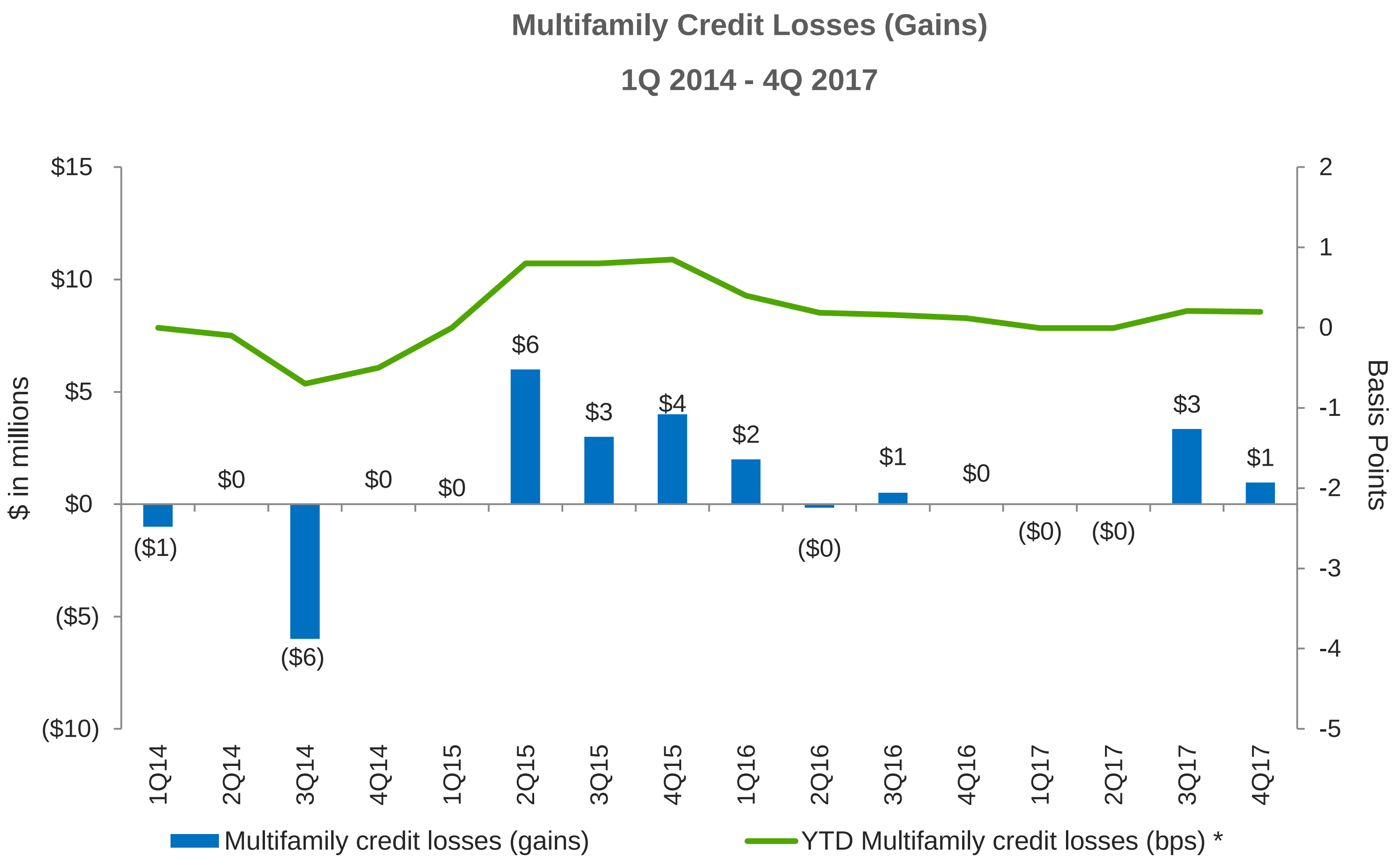
Our disciplined credit practices are one of the main drivers of the continued strong performance of our offerings





Notes: Freddie Mac does not report modified or forbearance loans in delinquency rates if the borrower is less than two monthly payments past due. Fannie Mae reports forbearance loans in their delinquency rates. Sources: Freddie Mac, Fannie Mae, TREPP (CMBS multifamily 60+ delinquency rate, excluding REOs), American Council of Life Insurers (ACLI) Quarterly Investment Bulletin and FDIC Quarterly Banking Profile

Multifamily Performance



Source: Freddie Mac

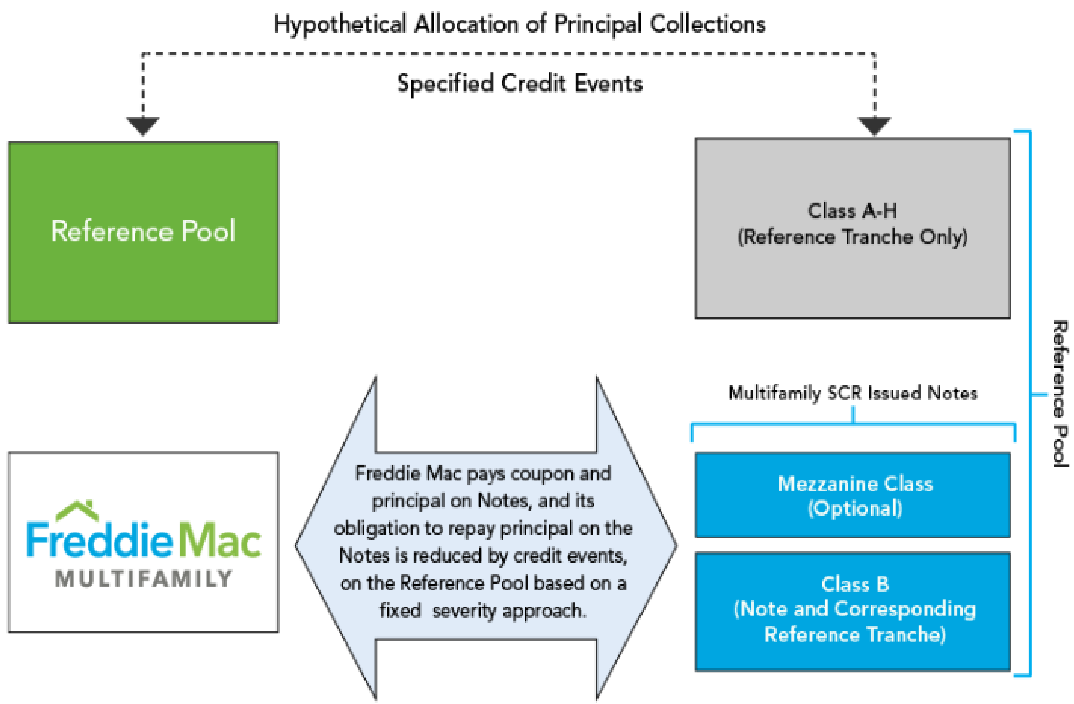
** Calculated as annualized credit losses divided by the average total MF mortgage portfolio (MF mortgage loan and guarantee portfolio)*

Note: Credit losses include REO operations expense, LIA losses , plus charge-offs on foreclosed properties and troubled debt restructuring. Does not include provision/benefit for credit losses.

SCR Notes Deal Structure

Structure Overview

- SCR Notes are unsecured general obligations of Freddie Mac, which are also subject to the credit risk of an identified pool of multifamily mortgage loans (the “Reference Obligations”): (i) backing Freddie Mac multifamily PCs (a.k.a. “**Multi PCs**”); or (ii) for which Freddie Mac provides credit enhancement for the related multifamily bonds issued by state and local housing finance agencies
- SCR Notes transactions provide credit protection to Freddie Mac with respect to the Reference Obligations by reducing the outstanding Class Principal Balance due on the Notes in an amount based on the **fixed severity losses** on the Reference Obligations



Deal Waterfall: Allocation of Principal Payment and Loss Amount

Allocation of Principal Payment*

Class A-H Note and Class A-H Reference Tranche
-95% of Principal payment

Class B Note and Class B Reference Tranche
-5% of Principal payment

Allocation of Loss on Dispositions

First – Class B Note and Class B Reference Tranche
-Write-down

Second – Class A-H Note and Class A-H Reference Tranche
-Write-down

Allocation of Modification Loss Amounts

First – Class B Note and Class B Reference Tranche
-Interest Amount

Second – Class B Note and Class B Reference Tranche
-Write-down

Third – Class A-H Note and Class A-H Reference Tranche
-Interest Amount

Fourth – Class A-H Note and Class A-H Reference Tranche
-Write-down

Principal Reduction Amount will be allocated pro rata between Class A-H and Class B reference tranches provided that **Waterfall Trigger Event has not occurred. Allocation will become sequential if a Waterfall Trigger Event has occurred and is continuing. (See details in Offering documents)*

Deal Characteristics

- The reference pools are mostly associated with certain target affordable housing programs
- The Notes are fixed-rate bonds issued at par and have a 15-year final maturity with a **Bermudan call option** exercisable from the 10th year
- Freddie Mac will retain the senior reference tranche
- The B-Piece (or first-loss bond) which is not guaranteed by Freddie Mac, was sold to investors in the initial three transactions; additional mezzanine bonds may be issued in future transactions
- Although the Notes are unsecured general obligations of Freddie Mac, the payment characteristics have been designed so that the Notes are paid principal similarly to senior/subordinate private label commercial mortgage-backed securities ("CMBS") structure
- Freddie Mac will make monthly payments of principal and accrued interest to the Noteholders
  - Actual cash flows from the Reference Obligations will not be paid or otherwise made available to the Noteholders
- Fixed severity loss in a credit event will be based on UPB of the related mortgage loan, with the applicable severity percentage ranging from 30% to 35%.
- A **Waterfall Trigger Event** will occur if (a) the weighted-average actual debt service coverage ratio of all of the Reference Obligations is less than or equal to 1.05x, (b) unpaid principal balance of the Reference Pool is less than or equal to 10.0% of the Cut-off Date Balance or (c) the Class Principal Balance of the Notes is less than 4.5% of the aggregate Class Notional Amount of the Class A-H and Class B Reference Tranches; provided that with respect to clause (c), such Waterfall Trigger Event will continue until such time as the Class Principal Balance of the Notes is equal to or greater than 5.0% of the aggregate Class Notional Amount of the Class A-H and Class B Reference Tranches.
- An independent Operating Advisor will be engaged by Freddie Mac to perform certain analytical and other services
- None of the classes issued are rated

Appendix

1. 2017 MDN3 Highlights
2. TAH BCE and Loan Products
3. Underwriting Guidelines
4. Research on Tax Credit/LIHTC Properties Performance

Appendix 1: 2017-MDN3 Highlights

Category	Data Point
Number of Loans / properties in the Reference Pool:	48/51
Pool cut-off date balance:	$994,405,308
Average loan balance:	$20,716,777
10 largest assets as a percentage of pool:	60.7%
Weighted average cut-off date balance LTV:	66.4%
Weighted average maturity date balance LTV:	42.7%
Weighted average underwritten DCR:	1.50x
Weighted average current mortgage rate*:	4.358%

**Reflects the current index rate plus margin for variable rate loans*

Ten Largest Reference Obligations or Combinations of Reference Obligations

Reference Obligation Name	Number of Reference Obligations	Property Sub-Type	Location	Reference Obligation Rate Type	Cut-off Date Principal Balance	% of Initial Cut-off Date Principal Balance	Underwritten DSCR	Cut-off Date LTV Ratio	Gross Rate
Mima Apts.	1	HighRise	New York, NY	Variable	$103,500,320	10.4%	1.95x	53.2%	2.986%
Parkchester Condominiums	1	HighRise	Bronx, NY	Fixed	101,812,204	10.2	1.37x	59.2%	4.670%
Avalon Clinton North	1	HighRise	New York, NY	Variable	68,397,624	6.9	2.52x	58.6%	2.445%
Savoy Park Apartments	1	HighRise	New York, NY	Fixed	59,732,500	6.0	1.20x	74.7%	3.740%
Avalon Clinton South	1	HighRise	New York, NY	Variable	56,532,730	5.7	2.52x	59.1%	2.445%
Leggett Avenue Portfolio	1	MidRise	Various, NY	Fixed	54,341,360	5.5	1.16x	72.9%	5.580%
Buena Vista Apartments - A Piece	1	HighRise	Yonkers, NY	Fixed	50,187,100	5.0	1.20x	52.4%	6.000%
Fox Hill Apartments	1	MidRise	Staten Island, NY	Fixed	43,415,166	4.4	1.16x	83.5%	5.410%
Ncc Manor	1	Senior Apts	Newark, NJ	Fixed	33,666,796	3.4	1.17x	66.6%	5.380%
Channel Square Apartments	1	HighRise	Washington, DC	Fixed	32,500,000	3.3	1.25x	85.1%	4.020%
Total/Wtd. Average	**10**				**$604,085,799**	**60.7%**	**1.62x**	**63.8%**	**4.080%**

Appendix 2: Bond Credit Enhancement with 4% LIHTC Product

	Converted Bond Forwards	Immediate Funding	Preservation Rehabilitation
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise, or high-rise multifamily properties with 4% LIHTC	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC that maintain 90% occupancy for 90 days	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place
Terms	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years Rehabilitation/stabilization period (at a maximum of 24 months) will be included in loan term
Product Description	Bond credit enhancement for new construction or substantial rehabilitation of affordable multifamily properties with 4% LIHTC	Bond credit enhancement for the acquisition or refinance of stabilized affordable multifamily properties with 4% LIHTC with at least 7 years remaining in the LIHTC compliance period	Bond credit enhancement provided for the moderate rehabilitation of affordable multifamily properties with new 4% LIHTC and tenants in place
Type of Funding	Bond credit enhancement available during construction phase (funded forward); letter of credit collateral required during construction phase; bond credit enhancement during permanent phase following successful conversion Forward commitment to provide bond credit enhancement upon successful conversion from construction phase to permanent phase	Bond credit enhancement for fixed- or variable-rate tax-exempt bonds	Bond credit enhancement for acquisition/rehabilitation based on projected post-rehab net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest only available during the rehabilitation/stabilization period

Appendix 2: 9% LIHTC Cash Loan Product

	Converted Loan Forwards	Immediate Funding	Preservation Rehabilitation
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise or high-rise multifamily properties with 9% Low-Income Housing Tax Credit (LIHTC)	Garden, mid-rise, or high-rise multifamily properties with 9% LIHTC with 90% occupancy for 90 days	Garden, mid-rise or high-rise multifamily properties with 9% LIHTC that are undergoing moderate rehabilitation with tenants in place
Terms	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period;15 years with HUD Risk Sharing Maximum term: 35 years	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years Rehabilitation and stabilization period (at a maximum of 24 months) will be included in the loan term
Construction Loan Terms	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period	N/A	N/A
Product Description	Forward commitment for new construction or substantial rehabilitation of affordable multifamily properties with 9% LIHTC	Financing for the acquisition or refinance of stabilized affordable multifamily properties with 9% LIHTC with at least 7 years remaining in the LIHTC compliance period	Financing for the moderate rehabilitation of affordable multifamily properties with new 9% LIHTC and tenants in place
Type of Funding	Funded or unfunded construction financing commitment; permanent financing at conversion	Permanent financing	Financing for acquisition/ rehabilitation (for a maximum of 24 months) based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to collateralize gap between supportable debt on current NOI and loan amount (collateral held until stabilization); interest only during the rehabilitation/ stabilization period

Appendix 3: Target Affordable Housing Products Underwriting Guidelines

Property Types:

- Generally garden, mid-rise or high-rise multifamily properties

Original Loan Terms:

- Maximus term of 35 year term and amortization period
- Minimum term based on the lesser of (a) the remaining LIHTC compliance period and (b) 15 years

Maximum LTV:

- Variable rate (with rate cap hedge): 80& of adjusted value or 85% of market value
- Fixed rate: 85% of adjusted value or 90% of market value

Minimum DCR*:

- Variable rate (with rate cap hedge): 1.20x
- Fixed rate: 1.15x

Borrowers:

- Single Asset Entity Borrowers

Supplemental Financing:

- Permitted upon approval and underwriting**
- Any such financing would also need the consent of the corresponding State FHA who issued the bonds

Prepayment Provisions:

- Fee maintenance up to 15 years

Other Origination & Underwriting Provisions

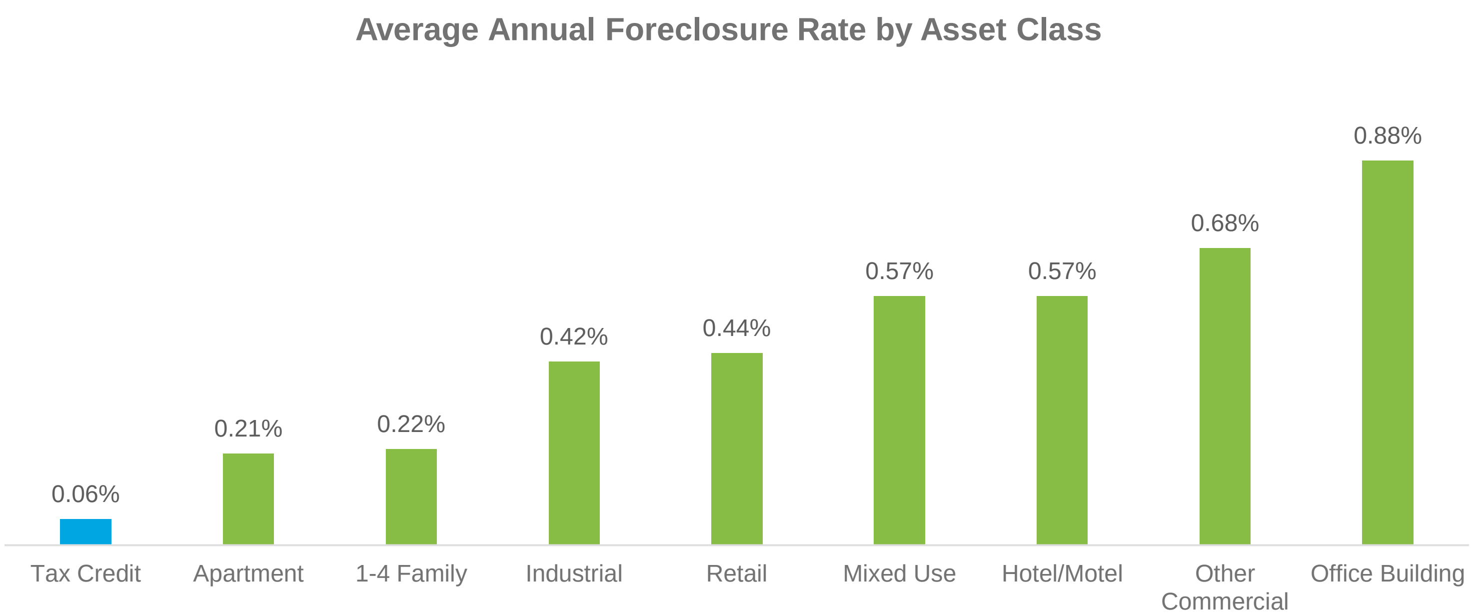
- Tax and insurance escrows are required
- Appraisal, Environmental and Engineering reports required at origination

**Adjustments may be made depending on the property, product, and/or market*

***Certain loans designated as B piece, C piece, IRP, tax tail, etc. may have been underwritten to different criteria from the above*

Appendix 4: Tax Credit Bonds Performance

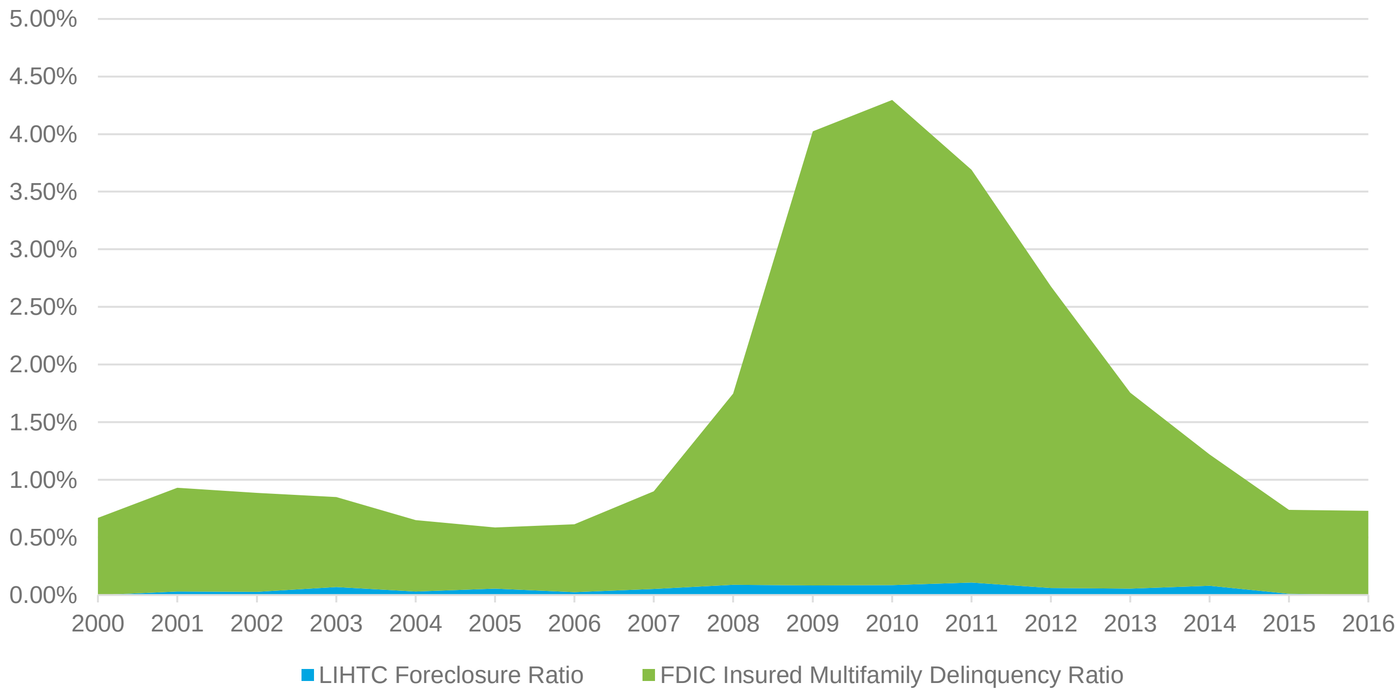
- Third party research demonstrates the strong performance of tax credit bonds
  - » The following chart shows that tax credit foreclosures are the lowest among all asset classes



Source: Ernst & Young: Understanding the Dynamics VI: Housing Tax Credit Investment Performance; Data compares the housing credit foreclosure rate to the American Council of Life Insures (ACLI) foreclosure rates for other asset classes through 2011.

Appendix 4: LITHC Properties Performance

- Within the multifamily space, low-income housing tax credit properties exhibited a lower foreclosure rate than conventional multifamily properties



Source: CohnReznick: Housing Tax Credit Investments: High Performance and Increased Need (2017).

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