

EXHIBIT H



Page location:
[/news/archives/corporate/2008/20080214_capture.html](#)

Print this page

For Immediate Release
February 14, 2008
CONTACT: corprel@freddiemac.com
or (703) 903-3933

FREDDIE MAC CHANGES MORTGAGE INSURER ELIGIBILITY RULES TO CAP PREMIUM CEDES ON CAPTIVE REINSURANCE

25% Cap on Gross Risk/Premium Cedes To Support MI Capital, Claims Paying Capacity

McLean, VA – Freddie Mac (NYSE: FRE) today announced it is temporarily changing its [Private Mortgage Insurer Eligibility Requirements \(PDF 160K\)](#) in order to increase the claims-paying and capital retention capacities of its mortgage insurance counterparties during the current market correction.

Effective on or after June 1, 2008, Freddie Mac-approved private mortgage insurers may not cede new risk if the gross risk or gross premium ceded to captive reinsurers is greater than 25 percent. Beyond limiting the allowable cede to 25 percent, the temporary policy does not limit the mortgage industry's use of captive reinsurance.

Triggered by the ongoing decline in home prices and poor performance of subprime, Alt A and other higher-risk mortgages, Freddie Mac says the temporary change is intended to allow mortgage insurers to retain more insurance premiums to pay current claims and re-build their capital base.

Today's announcement applies to all Freddie Mac-approved private mortgage insurers. In addition, Freddie Mac is now requiring all eligible private mortgage insurers to provide additional information about their business activities to better monitor the state of the industry.

Private mortgage insurance enables Freddie Mac to buy loans when a borrower makes a downpayment of less than 20 percent of the purchase price. In a captive reinsurance structure, the mortgage insurer cedes a portion of its premium income to a special trust set up to cover an agreed upon share of losses from a pool of mortgages.

Freddie Mac also announced it is suspending its Type II Insurer requirements otherwise automatically applicable to mortgage insurers that are downgraded below AA- or Aa3 by the rating agencies provided the mortgage insurer commits to submitting a complete remediation plan for our review and approval within 90 days of the downgrade. Freddie Mac also reserves the right to impose additional restrictions in its sole discretion.

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage-related securities and debt instruments in the capital markets. Over the years, Freddie Mac has made home possible more than 50 million times, ensuring financing for one in six homebuyers and more than four million renters.

> > >

© 2008 Freddie Mac