PNC Announces Settlement Agreement With Freddie Mac

- Covers repurchase demands for loans sold between 2000 and 2008 -

PITTSBURGH, Dec. 6, 2013 /PRNewswire/ -- The PNC Financial Services Group, Inc. (NYSE: PNC) announced today that its affiliate, PNC Bank, National Association, has reached an agreement in principle with the Federal Home Loan Mortgage Corporation (Freddie Mac) to resolve substantially all indemnification and repurchase obligations related to loans sold to Freddie Mac between 2000 and 2008.

Under terms of the agreement, PNC Bank will pay Freddie Mac a total of $89 million (less credits of $8 million) to resolve certain existing and future repurchase obligations related to approximately 900,000 loans originated and sold to Freddie Mac primarily between 2000 and 2008, and to compensate Freddie Mac for certain past losses and potential future losses relating to denials, rescissions and cancellations of mortgage insurance.

The Freddie Mac agreement follows the previously announced agreement in principle that PNC reached with the Federal National Mortgage Association (Fannie Mae) to resolve repurchase demands with respect to loans sold between 2000 and 2008.

The completion of these settlement agreements will resolve substantially all of PNC Bank's outstanding and potential indemnification and repurchase obligations related to loans sold to Freddie Mac and Fannie Mae from 2000 through 2008, subject to certain exceptions which PNC does not believe are material. The agreements remain subject to final documentation and approvals by Freddie Mac's and Fannie Mae's regulator. The amount of the settlements with Freddie Mac and Fannie Mae had been fully accrued by PNC Bank as of September 30, 2013.

The PNC Financial Services Group, Inc. (www.pnc.com) is one of the nation's largest diversified financial services organizations providing retail and business banking; residential mortgage banking; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management.

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