

# Federal Home Loan Mortgage Corporation

## MULTICLASS MORTGAGE PARTICIPATION CERTIFICATE AGREEMENT

AGREEMENT dated as of January 1, 1997 among the Federal Home Loan Mortgage Corporation ("Freddie Mac") and Holders of Multiclass PCs, MACR Certificates and such other securities as may be issued from time to time pursuant to this Agreement.

Whereas:

(a) Freddie Mac is a corporation duly organized and existing under and by virtue of the Act and has full corporate power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein;

(b) Pursuant to Section 305 of the Act, Freddie Mac from time to time (i) purchases Mortgages, all of which are identified in the records maintained by Freddie Mac, (ii) creates PCs and (iii) guarantees the payment of interest and principal for the benefit of the holders of PCs, all as provided in Freddie Mac's various PC Agreements and Giant PC Agreements; and

(c) Freddie Mac may from time to time (i) retain, or reacquire and hold, specified PCs, (ii) form one or more REMIC Pools that include REMIC Pool Securities consisting of or backed by such PCs, (iii) create Regular Interests and Residual Interests in such REMIC Pools, (iv) sell and transfer such Regular Interests and Residual Interests to Holders by the sale of Multiclass PCs, (v) form one or more MACR Pools and create and issue MACR Certificates in respect thereof and (vi) guarantee the payment of interest on and principal of such Multiclass PCs and MACR Certificates for the benefit of Holders, all as and to the extent herein more fully provided.

**NOW, THEREFORE,** in consideration of the premises and mutual covenants herein contained, it is hereby agreed that the following terms and conditions of this Agreement (including, as to each REMIC Pool and each MACR Pool, the related Terms Supplement) shall govern the creation by Freddie Mac of Regular Interests and Residual Interests in REMIC Pools, the transfer, sale and assignment of such Regular Interests and Residual Interests represented by Multiclass PCs, the creation, transfer, sale and assignment of MACR Certificates and the rights and obligations of Freddie Mac and Holders with respect to the Multiclass PCs and MACR Certificates.

### ARTICLE I

#### Definitions

Whenever used in this Agreement, the following words and phrases shall have the following meanings, unless the context otherwise requires:

*Accrual Class:* A Class on which interest accrues and is added to its principal amount upon the terms and to the extent provided in the related Terms Supplement.

*Accrual Period:* Unless otherwise provided in the applicable Terms Supplement, the Accrual Period relating to any Payment Date will be (i) for Fixed Rate and Delay Classes in a Series backed by Gold PCs and/or Gold Giant PCs, the calendar month preceding the month of the Payment Date; (ii) for Fixed Rate and Delay Classes in a Series backed by PCs other than Gold PCs and/or Gold Giant PCs, the period from the 15th of the second month preceding the month of the Payment Date to the 15th of the month preceding the month of the Payment Date; or (iii) for Floating Rate and Inverse Floating Rate Classes that are not Delay Classes, the period from the 15th of the month preceding the month of the Payment Date to the 15th of the month of the Payment Date.

*Act:* Title III of the Emergency Home Finance Act of 1970, as amended and in effect from time to time.

*Agreement:* This Multiclass Mortgage Participation Certificate Agreement (including, with respect to each REMIC Pool and each MACR Pool, the related Terms Supplement), as it may be amended or supplemented from time to time.

*Book-Entry Form:* The form of a security which (i) is issued by means of an entry on the books and records of a Federal Reserve Bank, which entry in the case of a Multiclass PC or MACR Certificate includes, but is not limited to, the name of the Holder, the original principal amount (or original notional principal amount) and the Class of the Multiclass PC or MACR Certificate owned by such Holder, the CUSIP Number and the Final Payment Date applicable to such Class and (ii) is evidenced only by such entry and is not evidenced by a certificated security.

*Book-Entry Rules:* The provisions from time to time in effect, presently contained in Title 24, Part 81, Subpart H of the Code of Federal Regulations, setting forth the terms and conditions under which Freddie Mac may issue securities in Book-Entry Form and authorizing a Federal Reserve Bank to act as Freddie Mac's agent in connection with securities issued and maintained in Book-Entry Form.

*Business Day:* A day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent) or, as to Multiclass PCs or MACR Certificates issued in certificated form, the Registrar is authorized or obligated by law or executive order to remain closed, (iii) as to any Holder of a Multiclass PC or MACR Certificate issued in Book-Entry Form, a day on which the Federal Reserve Bank at which such Holder's account is maintained is authorized or obligated by law or executive order to remain closed, (iv) a day on which the offices of the federal government located in the District of Columbia generally are closed for business or (v) a day on which the offices of Freddie Mac are closed.

*CPCs:* Freddie Mac's Callable Pass-Through Certificates issued under the Giant PC Agreement or, if so provided in the applicable Terms Supplement, under this Agreement.

*Call Class:* A Class of CPCs whose Holder has the right to direct Freddie Mac to redeem the related Callable Class or Classes, as provided in the related Terms Supplement.

*Callable Class:* A Class of CPCs, Multiclass PCs or MACR Certificates, as the context requires, that is redeemable, directly or indirectly, at the direction of the Holder of the related Call Class, as provided in the related Terms Supplement.

*Class:* A Class of Multiclass PCs, a MACR Class and/or any other class of securities issued hereunder, as the context requires; or, if the context so requires, a Call Class or Callable Class issued under the Giant PC Agreement.

*Class of Multiclass PCs:* All of the Multiclass PCs that together represent one of the Regular Interests in a particular REMIC Pool or all of the Multiclass PCs that together represent the Residual Interest in such REMIC Pool. All Multiclass PCs issued in respect of a REMIC Pool that have the same designation and the same CUSIP Number shall constitute a single Class. As to each REMIC Pool, the designations, Original Principal Amounts, Class Coupons (if any) and other specific characteristics of each Class of Multiclass PCs shall be as provided in the related Terms Supplement.

*Class Coupon:* The annual rate (which may be zero, may be fixed or may vary) at which interest accrues on a Class, as provided in the applicable Terms Supplement. Interest at the applicable Class Coupon shall be computed on the basis of a 360-day year, each month being assumed to have 30 days.

*Class Factor:* A truncated seven-digit decimal published or otherwise made available on or about the first (or if so provided in the related Terms Supplement, the seventh or other) business day of each month by Freddie Mac (i) as to each Class having a stated principal amount, which, when multiplied by the original principal amount of a Multiclass PC or MACR Certificate of such Class (assuming such Class was issued on the applicable Startup Day), will equal its remaining principal amount, after giving effect to any payment of (and/or addition to) principal to be made on the Payment Date occurring in the following month or, in the case of a Series backed by Gold PCs and/or Gold Giant PCs, the current month; and (ii) as to each Interest Only Class having a notional principal amount, which, when multiplied by the original notional principal amount of a Multiclass PC or MACR Certificate of such Class, will equal its remaining notional principal

amount after the Payment Date occurring in the following month or, in the case of a Series backed by Gold PCs and/or Gold Giant PCs, the current month.

*Code:* The Internal Revenue Code of 1986, as amended and in effect from time to time.

*COFI:* The weighted average cost of funds for member savings institutions of the Eleventh Federal Home Loan Bank District.

*COFI Class:* A Class bearing interest at a rate determined by reference to COFI.

*CUSIP Number:* A unique nine-character designation assigned by the CUSIP Service Bureau to each Class.

*Delay Class:* A Floating Rate or Inverse Floating Rate Class for which there is a delay between the end of its Accrual Period and the related Payment Date.

*Deposit Period:* With respect to each Payment Date, the period beginning immediately following the preceding Deposit Period (or, in the case of the Deposit Period that is applicable to the first Payment Date, beginning on the first day of the month in which such first Payment Date occurs) and ending at the close of business on such Payment Date.

*Depository:* The Depository Trust Company, or any successor depository selected or approved by Freddie Mac.

*Federal Reserve Bank:* The Federal Reserve Bank of New York and/or such other Federal Reserve Banks as may maintain Multiclass PCs or MACR Certificates in Book-Entry Form.

*Final Payment Date:* As to each Class, the Payment Date, determined by Freddie Mac and provided in the related Terms Supplement, on or before which the final payment due on such Class will be made.

*Fixed Rate Class:* A Class with a Class Coupon that is fixed throughout the life of the Class.

*Floating Rate Adjustment Date:* Unless otherwise provided in the related Terms Supplement, as to any Accrual Period (after the first), the second business day before such Accrual Period begins, or, in the case of a COFI Class that is also a Delay Class, the second business day of such Accrual Period.

*Floating Rate Class:* A Class with a Class Coupon that is reset periodically based on an index and that varies directly with changes in such index.

*Funding Note:* A debt obligation representing all or a portion of the "regular interest" in a REMIC, which obligation is secured by PCs and provides for Freddie Mac to receive payments on such PCs in such amounts as are necessary to amortize the principal amount of, and pay accrued interest on, such debt obligation.

*Giant PC:* A Freddie Mac Giant Participation Certificate created and sold pursuant to a Giant PC Agreement, representing a beneficial ownership interest in a discrete pool consisting of PCs. Giant PCs include: "Gold Giant PCs," which represent beneficial ownership interests in discrete pools consisting of specified Gold PCs and/or Gold Giant PCs; "Original Giant PCs," which represent beneficial ownership interest in discrete pools consisting of specified Original PCs and/or Original Giant PCs; and "ARM Giant PCs," which represent beneficial ownership interests in discrete pools consisting of specified ARM PCs and, in some cases, other ARM Giant PCs.

*Giant PC Agreement:* Freddie Mac's Giant Participation Certificates and Other Structured Pass-Through Participation Certificates Agreement, or like agreement governing Giant PCs and/or CPCs, as in effect from time to time, including any applicable supplement thereto.

*Giant PC Agreement Default:* With respect to any Giant PC Agreement, an "Event of Default" as defined therein.

*Holder:* In the case of a Class maintained in Book-Entry Form, a Federal Reserve Bank "participant" whose name appears on the books and records of a Federal Reserve Bank as the participant for whose account Multiclass PCs or MACR Certificates of such Class have been deposited; in the case of a Class (other than a

Retail Class) maintained in certificated form, any person or entity whose name appears on the books and records of the Registrar as the record holder of such Class; or, in the case of a Retail Class maintained in certificated form, the entity acting as nominee for the Depository in holding such Class, unless otherwise specified in the related Terms Supplement. Freddie Mac or its agent shall be the Holder of (i) any Lower-Tier Classes that constitute Mortgage Securities for an Upper-Tier REMIC Pool and (ii) any interests in Regular Classes that constitute a MACR Pool, unless otherwise provided in the related Terms Supplement.

*Index Adjustment Date:* As to any Accrual Period for a Treasury Index Class (after the first), the fourth business day before such Accrual Period begins, unless otherwise provided in the related Terms Supplement.

*Interest Only Class:* A Class that (i) does not have a principal amount (other than a notional principal amount) and is entitled to payments of interest only or (ii) has only a nominal principal amount and a disproportionately high Class Coupon.

*Inverse Floating Rate Class:* A Class with a Class Coupon that is reset periodically based on an index and that varies inversely with changes in such index.

*LIBOR:* The arithmetic mean of the London interbank offered quotations for Eurodollar deposits with a maturity of one month, three months, one year or some other maturity, as specified in the related Terms Supplement.

*LIBOR Class:* A Class bearing interest at a rate determined by reference to the applicable LIBOR.

*Lower-Tier Classes:* In the case of a Double-Tier Series, the Classes issued in respect of the related Lower-Tier REMIC Pool.

*MACR Certificate:* A Modifiable and Combinable REMIC Certificate which is sold pursuant to this Agreement and which represents a proportionate beneficial ownership interest in the related Multiclass PCs.

*MACR Class:* All of the MACR Certificates that together represent like proportionate beneficial ownership interests in, and are entitled to receive like proportionate amounts of the cash flow from, the same related Class or Classes of Multiclass PCs. All MACR Certificates issued in respect of a Series that have the same designation and the same CUSIP Number shall constitute a single Class. As to each MACR Pool, the designations, Original Principal Amounts, Class Coupons (if any) and other specific characteristics of each MACR Class shall be as provided in the related Terms Supplement. In the case of MACR Certificates of a MACR Class that are denominated by a notional principal amount, unless the context otherwise requires, references in Article VI, Article VII and Section 8.05 to (i) principal amount shall be regarded as references to such notional principal amount and (ii) specified percentages of outstanding principal amount shall be deemed to refer to such percentages of notional principal amount.

*MACR Pool:* With respect to any Series that includes MACR Certificates, a discrete pool formed by Freddie Mac consisting of such interests in the related Regular Classes as may be held of record by Freddie Mac, from time to time, as a result of exchanges pursuant to Section 2.06 of this Agreement.

*Mortgage:* A fixed or adjustable rate, first lien, residential mortgage or participation therein acquired by Freddie Mac.

*Mortgage Securities:* The Lower-Tier Classes that represent Regular Interests in a Lower-Tier REMIC Pool and that constitute REMIC Pool Securities of the related Upper-Tier REMIC Pool.

*Multiclass PC:* A Multiclass Mortgage Participation Certificate sold pursuant to this Agreement, which is all or part of either a Regular Class or a Residual Class and which represents all or part of either a Regular Interest or a Residual Interest in a particular REMIC Pool.

*Original Principal Amount:* As to each Class, the aggregate of the original principal amounts (or original notional principal amounts) of the Multiclass PCs or MACR Certificates of such Class, as provided in the related Terms Supplement.

*Partial Accrual Class:* A Class on which a portion of its accrued interest is paid as interest and the remainder of such accrued interest is added to its principal amount upon the terms and to the extent provided in the related Terms Supplement.

*Payment Date:* As to any REMIC Pool or MACR Pool, the 15th day (or if such 15th day is not a Business Day, the next succeeding Business Day) of each month commencing in the month specified in the related Terms Supplement.

*PC:* A Freddie Mac Mortgage Participation Certificate (Guaranteed) created and sold pursuant to a PC Agreement, representing an undivided interest in a discrete pool consisting of Mortgages, or a Giant PC. PCs that are not Giant PCs include: "Gold PCs," which represent interests in fixed-rate Mortgages and as to which the period of time between the first day of the month in which such PCs are issued and the initial Payment Date in respect of such PCs is approximately 45 days; "Original PCs," which represent interests in fixed-rate Mortgages and as to which the period of time between the first day of the month in which such PCs are issued and the initial Payment Date in respect of such PCs is approximately 75 days; and "ARM PCs," which represent interests in adjustable rate Mortgages and for which the period from the first day of their month of issuance to their initial Payment Date is approximately 75 days.

*PC Agreement:* Any of Freddie Mac's Mortgage Participation Certificate Agreements as in effect from time to time, including any applicable supplement thereto.

*PC Agreement Default:* With respect to any PC Agreement, an "Event of Default" as defined therein.

*Prime Rate:* The prime lending rate of major banks as published in *The Wall Street Journal*.

*Prime Rate Class:* A Class bearing interest at a rate determined by reference to the Prime Rate.

*Principal Only Class:* A Class with a Class Coupon of zero.

*Registrar:* Texas Commerce Bank National Association, or any successor registrar appointed by Freddie Mac.

*Regular Class:* A Class of Multiclass PCs, the terms of which have been fixed by Freddie Mac on or prior to the Startup Day, which unconditionally entitles its Holders to receive a principal amount equal to the Original Principal Amount, if any, thereof (plus, in the case of an Accrual Class or Partial Accrual Class, any amount added to the Original Principal Amount in respect of accrued and unpaid interest) and interest at the applicable Class Coupon, and which represents a Regular Interest in a REMIC Pool. In the case of Multiclass PCs of a Regular Class that are denominated by a notional principal amount, unless the context otherwise requires, references in Article VI, Article VII and Section 8.05 to (i) principal amount shall be regarded as references to such notional principal amount and (ii) specified percentages of outstanding principal amount shall be deemed to refer to such percentages of notional principal amount.

*Regular Interest:* A "regular interest" in a REMIC Pool, as defined in the Code, that is represented by a Regular Class.

*REMIC:* A real estate mortgage investment conduit within the meaning of Section 860D(a) of the Code.

*REMIC Pool:* A discrete pool formed by Freddie Mac consisting of REMIC Pool Securities and, if so provided in the related Terms Supplement, cash or other eligible assets.

*REMIC Pool Securities:* Any one of the following types of securities that are included in the assets of a REMIC Pool: (i) PCs; (ii) securities representing the "regular interests" in a REMIC, including, in the case of an Upper-Tier REMIC Pool, one or more Mortgage Securities; (iii) Funding Notes; (iv) CPCs; or (v) any other type of securities eligible for inclusion in a REMIC whose payments are derived from PCs.

*REMIC Pool Security Principal Amount:* As to each REMIC Pool and Payment Date, unless otherwise specified in the related Terms Supplement, the amount of the principal payments required to be made on the related REMIC Pool Securities during the applicable Deposit Period.

*Residual Class:* A Class of Multiclass PCs representing the Residual Interest in a REMIC Pool. A Multiclass PC of a Residual Class may be denominated by a principal amount, by the percentage of the Residual Interest that it represents in the related REMIC Pool or by a notional principal amount. In the case of Multiclass PCs of a Residual Class that are denominated by percentage interest or notional principal amount, unless the context otherwise requires, references in Article VI, Article VII and Section 8.05 to (i) principal amount shall be regarded as references to such percentage interest or notional principal amount, (ii) specified percentages of outstanding principal amount shall be deemed to refer to such percentages of the Residual Interest or notional principal amount, and (iii) payments of principal and interest shall be regarded as references to payments of the amounts payable, however designated, on such Multiclass PCs.

*Residual Interest:* The interest in a REMIC Pool, designated as such in the related Terms Supplement, that is not a Regular Interest and is represented by the Residual Class.

*Retail Class:* A Class that is designed to be issued and maintained by the Depository in small denominations and that may receive payments of principal in units or other increments in accordance with priorities and limitations as specified in the related Terms Supplement.

*Series:* A series of Multiclass PCs, or of Multiclass PCs and MACR Certificates, issued pursuant to this Agreement and having the numerical or other designation specified in the related Terms Supplement. In the case of certain Series (each, a "Single-Tier Series"), the Multiclass PCs will represent beneficial ownership interests in a single REMIC Pool. In the case of other Series (each, a "Double-Tier Series"), the Multiclass PCs will represent beneficial ownership interests in one of two REMIC Pools (the "Lower-Tier REMIC Pool" and the "Upper-Tier REMIC Pool").

*Startup Day:* With respect to a REMIC Pool, the first day on which Multiclass PCs are issued or, as permitted by applicable law, such other date as Freddie Mac may specify in the related Terms Supplement.

*Terms Supplement:* An instrument which, as to each REMIC Pool (or related Upper-Tier and Lower-Tier REMIC Pools) and any related MACR Pool, supplements the other provisions of this Agreement and identifies and establishes the particular REMIC Pool (or Pools), the particular Multiclass PCs issued in respect thereof and, if applicable, the particular MACR Certificates issued in respect of such MACR Pool. A Terms Supplement may, as to any particular REMIC Pool (or related Upper-Tier and Lower-Tier REMIC Pools) and any related MACR Pool, modify, amend or supplement the other provisions of this Agreement in any respect whatsoever and may refer to or incorporate by reference provisions of the offering documents prepared by Freddie Mac for the related Series. The Terms Supplement for each Series shall be binding and effective upon formation of the related REMIC Pool or Pools and issuance of the related Classes, whether or not such Terms Supplement is executed, delivered or published by Freddie Mac.

*Treasury Index:* Either (i) the auction average (investment) yield on three-month or six-month U.S. Treasury bills or (ii) the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one, three, five, seven, ten or thirty years or to some other constant maturity, in each case as specified in the related Terms Supplement.

*Treasury Index Class:* A Class bearing interest at a rate determined by reference to the applicable Treasury Index.

*Upper-Tier Classes:* In the case of a Double-Tier Series, the Classes issued in respect of the related Upper-Tier REMIC Pool.

## ARTICLE II

### Conveyance of Interests in REMIC Pools and MACR Pools; MACR Certificates

**Section 2.01. Sale of Multiclass PCs and MACR Certificates.** Sale of a Multiclass PC or MACR Certificate by Freddie Mac pursuant to this Agreement shall be deemed to occur upon the date of settlement and payment for such Multiclass PC or MACR Certificate. Sale of a Multiclass PC shall constitute a sale, assignment, transfer and conveyance by Freddie Mac to the Holder of a beneficial ownership interest in the related REMIC Pool, to the extent of the Regular Interest or Residual Interest represented by such Multiclass

PC. Sale of a MACR Certificate shall constitute a sale, assignment, transfer and conveyance by Freddie Mac to the Holder of a beneficial ownership interest in the related Multiclass PCs, to the extent of the interest therein represented by such MACR Certificate. Freddie Mac shall be bound by all of the terms and conditions of this Agreement at such time as a Multiclass PC or MACR Certificate is sold by Freddie Mac to a Holder. Upon settlement of and payment for a Multiclass PC or MACR Certificate, a Holder shall, by virtue thereof, acknowledge, accept and agree to be bound by all of the terms and conditions of this Agreement.

**Section 2.02. Identity of the REMIC Pool Securities.** A REMIC Pool will consist entirely of REMIC Pool Securities retained, reacquired or purchased by Freddie Mac and, if so provided in the related Terms Supplement, cash or other eligible assets. The specific REMIC Pool Securities included in each REMIC Pool shall be identified in the related Terms Supplement or an attachment thereto.

**Section 2.03. Registration of REMIC Pool Securities.** All PCs and all other REMIC Pool Securities that may be maintained in Book-Entry Form shall be so maintained. Freddie Mac or its agent shall be the record holder of all REMIC Pool Securities.

**Section 2.04. Multiclass PCs or MACR Certificates Held or Acquired by Freddie Mac.** Multiclass PCs or MACR Certificates of any particular Class held or acquired by Freddie Mac from time to time shall have an equal and proportionate benefit to Multiclass PCs or MACR Certificates of the same Class held by other Holders, without preference, priority or distinction.

**Section 2.05. REMIC Election.** Freddie Mac hereby declares its intent that each REMIC Pool formed under this Agreement shall constitute, and the affairs of each such REMIC Pool shall be conducted so as to qualify as, a REMIC. The provisions of the Agreement shall be construed so as to carry out this intention of Freddie Mac. In furtherance of such intention, Freddie Mac is authorized to and covenants that it shall (a) prepare and file, or cause to be prepared and filed, REMIC federal tax returns, using the calendar year as the taxable year, for each such REMIC Pool when and as required by the Code, electing on the first REMIC return to have the REMIC Pool treated as a REMIC; (b) conduct the affairs of each REMIC Pool so as to maintain the status thereof as a REMIC under the Code; (c) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the REMIC status of any REMIC Pool; and (d) hold harmless and indemnify the Holders of the Residual Class against any liability on account of any federal tax (including interest and penalties), or any state or local tax (including interest and penalties) incurred by virtue of Freddie Mac's administration of the REMIC Pool in Virginia, imposed on the related REMIC Pool, to the extent that any such tax shall be paid or payable by such Holders or shall be payable out of the assets of the REMIC Pool otherwise payable to the Holders.

**Section 2.06. MACR Certificates.**

(a) *General.* Certain Series shall provide for the issuance of one or more Classes of MACR Certificates. Each MACR Class shall represent beneficial ownership of a constant percentage of the interest payments and/or a constant percentage of the principal payments with respect to each related Regular Class. In any such Series, the Holders of one or more specified Regular Classes of Multiclass PCs shall be entitled, upon notice and payment of an exchange fee, to exchange all or a portion of such Classes for proportionate interests in one or more related MACR Classes, as provided in the related Terms Supplement. Similarly, the Holders of MACR Classes shall be entitled to exchange all or a portion of such MACR Classes for proportionate interests in the related Classes of Multiclass PCs and, if so provided, in other related MACR Classes. The investors in a MACR Class shall be treated as beneficial owners of proportionate interests in the related Multiclass PCs, to the extent provided in this Agreement and the related Terms Supplement.

In each Series that includes MACR Certificates, Freddie Mac initially shall issue the Classes of Multiclass PCs created in respect of the related REMIC Pool (or Upper-Tier REMIC Pool). Certain of those Classes may be exchanged, in whole or in part, for MACR Classes at any time on or after their date of issuance, unless otherwise provided in the related Terms Supplement. Unless otherwise provided in the related Terms Supplement, the aggregate outstanding principal amount of all the Classes of Multiclass PCs and MACR Classes of a Series (exclusive of any notional principal amount) shall at all times equal the aggregate outstanding principal amount of the underlying REMIC Pool Securities.

(b) *Exchanges.* Exchanges of related Classes within a Series shall be permitted so long as the following constraints are met:

- (i) such Classes must be exchanged in the applicable “exchange proportions,” if any, provided in the related Terms Supplement, which are based at all times on the original principal amounts (or original notional principal amounts, if applicable) of such Classes.
- (ii) the aggregate principal amount (rounded to whole dollars) of the securities received in the exchange, immediately after the exchange, must equal that of the securities surrendered for exchange immediately before the exchange (for this purpose, the principal amount of any Interest Only Class always equals \$0).
- (iii) the aggregate “Annual Interest Amount” (rounded to whole dollars) of the securities received in the exchange must equal that of the securities surrendered for exchange (the “Annual Interest Amount” for any security equals its outstanding principal amount or notional principal amount times its Class Coupon or, in the case of a Floating Rate Class, Inverse Floating Rate Class or any other Class whose Class Coupon may vary from period to period, its original Class Coupon).

(c) *Procedures.* A Holder proposing to effectuate an exchange must notify Freddie Mac’s Structured Finance Department through a dealer who is a member of Freddie Mac’s “REMIC Dealer Group.” Such notice must be given in writing or by telefax not later than two Business Days before the proposed exchange date (which date, subject to Freddie Mac’s approval, can be any Business Day other than the first or last Business Day of the month). The notice must include the outstanding principal (or notional principal) amount of both the securities to be exchanged and the securities to be received, and the proposed exchange date. Promptly after the receipt of a Holder’s notice, Freddie Mac shall provide the dealer instructions for delivering the securities and the exchange fee to Freddie Mac by wire transfer. A Holder’s notice becomes irrevocable on the second Business Day before the proposed exchange date.

A fee shall be payable to Freddie Mac in connection with each exchange as provided in the related Terms Supplement. Any exchanges shall be subject to the rules, regulations and procedures applicable to Freddie Mac’s book-entry securities, in the case of MACR Classes issued and maintained in Book-Entry Form. Any amounts due on a Multiclass PC or a MACR Certificate received in an exchange transaction shall become payable beginning on the Payment Date in the month following the month of the exchange. Such payment shall be made to the Holder of record as of the applicable record date.

(d) *Tax Administration Matters.* With respect to a Series including MACR Certificates, this Agreement and the related Terms Supplement shall be construed in a manner consistent with the status of the arrangement pursuant to which the MACR Classes are created, sold and administered as a grantor trust for federal income tax purposes.

Freddie Mac and/or its designated agent shall furnish, at such times as required by applicable law, to each Holder of a MACR Class such information as Freddie Mac deems necessary or desirable to enable Holders and beneficial owners of MACR Classes to prepare their United States federal income tax returns, if applicable.

**Section 2.07. Other Securities Issued Hereunder.** Freddie Mac may from time to time create and issue securities hereunder other than Multiclass PCs and MACR Certificates, including CPCs. Such securities shall be governed by the applicable Terms Supplement and, to the extent that the terms of this Agreement are not inconsistent with Freddie Mac’s intent in creating and issuing such securities, by the terms of this Agreement.

### ARTICLE III

#### Administration of the REMIC Pools and MACR Pools

**Section 3.01. Freddie Mac to Act as Principal Administrator.** Freddie Mac shall hold and administer, or supervise the administration of, each REMIC Pool and each MACR Pool for the benefit of applicable Holders and shall have full power and authority to do or cause to be done any and all things in connection therewith that it deems necessary or desirable, including, but not limited to, the right to substitute REMIC Pool Securities for the REMIC Pool Securities originally placed into each REMIC Pool on the Startup Day, provided that any such substitution is effected in accordance with applicable laws or regulations in effect at the



time of such substitution and Freddie Mac receives an opinion of counsel to the effect that such substitution shall not cause such REMIC Pool to fail to be classified as a REMIC for federal income tax purposes. Freddie Mac shall act as the representative of applicable Holders in the control, management and administration of the REMIC Pool Securities in each REMIC Pool and of any Multiclass PCs held in each MACR Pool.

**Section 3.02. Administrative Responsibilities.** Freddie Mac shall hold and administer, or supervise the administration of, the REMIC Pools and MACR Pools in a manner consistent with and to the extent required by standards of prudence and in substantially the same manner as it holds and administers REMIC Pool Securities of the same or similar type held for its own account. In performing its responsibilities hereunder, Freddie Mac may employ agents or independent contractors. Except as provided in Articles VI and VII of this Agreement, Freddie Mac shall not be subject to the control of Holders in any manner whatsoever in the discharge of its responsibilities pursuant to this Agreement. Except with regard to its guarantee obligation pursuant to Section 4.06 or pursuant to its indemnities under Sections 2.05 and 8.01, Freddie Mac shall have no liability to any Holder other than for any direct damage resulting from Freddie Mac's failure to exercise that degree of ordinary care which it exercises in the conduct and management of its own affairs. Freddie Mac shall have no liability of any nature for consequential damages.

## ARTICLE IV

### Payments; Freddie Mac Guarantee; Optional Redemption

**Section 4.01. Payments of Principal and Interest.** Payments on Multiclass PCs shall be made from the principal and interest payments made on the REMIC Pool Securities and any cash or other eligible assets in the related REMIC Pool, from any payment made by Freddie Mac pursuant to Section 4.06, and, if so provided in the related Terms Supplement, from any reinvestment by Freddie Mac of such principal and interest payments, during the applicable Deposit Period. On each Payment Date, Freddie Mac shall make such payments on (and in the case of any Accrual Class or Partial Accrual Class, such additions to the principal amount of) the Multiclass PCs issued in respect of any REMIC Pool as shall be provided in the related Terms Supplement. Subject to any allocation procedures that may apply in the case of a Retail Class, the Holders of Multiclass PCs of any Class entitled to receive payments on any Payment Date, shall receive such payments on a pro rata basis among the Multiclass PCs of such Class.

Unless otherwise provided in the related Terms Supplement, principal payments on Multiclass PCs shall be made on each Payment Date in an aggregate amount equal to the sum of (i) the amount of interest, if any, accrued on any Accrual Classes or Partial Accrual Classes in respect of the related Accrual Period and not then payable as interest; and (ii) an amount equal to the REMIC Pool Security Principal Amount for such Payment Date. All payments of principal on the Multiclass PCs issued in respect of a particular REMIC Pool shall be made as provided in the related Terms Supplement. All payments made on any Multiclass PC on any Payment Date shall be applied first to any interest payable thereon on such Payment Date, then to any accrued interest that has been added to the principal thereof and then to the original principal thereof, unless otherwise specified in the related Terms Supplement.

Principal and interest payments shall be made on MACR Classes from principal and interest payments made on the related Class or Classes of Multiclass PCs. On any Payment Date when payments of principal are to be allocated from Multiclass PCs to MACR Certificates, such payments shall be allocated from the applicable Class or Classes of Multiclass PCs to the related MACR Class or, if there are two or more related MACR Classes entitled to principal payments, to such Classes, pro rata.

Any payments or accruals of interest made on a Payment Date on the Multiclass PCs issued in respect of a particular REMIC Pool and any related MACR Classes shall be at the Class Coupons provided in or otherwise described in the related Terms Supplement and in respect of the related Accrual Period. Unless otherwise provided in the related Terms Supplement, the amount of interest accrued on a Multiclass PC or MACR Certificate of each Class during an Accrual Period and to be paid thereon (or, to the extent applicable in the case of an Accrual Class or Partial Accrual Class, added to the principal amount thereof) on the related Payment Date shall be 1/12th of the applicable Class Coupon multiplied by the principal amount (or notional principal amount) of such Multiclass PC or MACR Certificate as determined from the applicable Class

Factor published or otherwise determined for the month preceding the month of such Payment Date (in the case of a Series backed by Gold PCs and/or Gold Giant PCs) or for the second month preceding the month of such Payment Date (in the case of a Series backed by PCs other than Gold PCs and/or Gold Giant PCs).

#### **Section 4.02. Determination of Interest Rate Indices.**

(a) *General.* Unless otherwise provided in the related Terms Supplement, each Floating Rate and Inverse Floating Rate Class shall bear interest during each Accrual Period at a rate determined by reference to one of the following indices: (i) LIBOR, (ii) COFI, (iii) a Treasury Index or (iv) the Prime Rate. Absent manifest error, Freddie Mac's determination of the applicable interest rate index levels and its calculation of the Class Coupons of the Floating Rate and Inverse Floating Rate Classes shall be final and binding.

(b) *Determination of LIBOR.* Freddie Mac shall calculate the Class Coupons of LIBOR Classes for each Accrual Period (after the first) on the related Floating Rate Adjustment Date. On each Floating Rate Adjustment Date, Freddie Mac shall determine the applicable LIBOR on the basis of the offered quotations of the Reference Banks (as defined below), as such quotations are provided to Freddie Mac as of 11:00 a.m. (London time) on such Floating Rate Adjustment Date. For this purpose, "business day" means a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C.; "Reference Banks" means four leading banks engaged in transactions in Eurodollar deposits in the international Eurocurrency market (i) with an established place of business in London, (ii) whose quotations appear on the Reuters Screen LIBO Page on the Floating Rate Adjustment Date in question and (iii) which have been designated as such by Freddie Mac and are able and willing to provide such quotations to Freddie Mac on each Floating Rate Adjustment Date; and "Reuters Screen LIBO Page" means the display designated as page "LIBO" on the Reuters Monitor Money Rates Service (or such other page as may replace page "LIBO" on that service for the purpose of displaying London interbank offered quotations of major banks). If any Reference Bank designated by Freddie Mac should be removed from the Reuters Screen LIBO Page or in any other way fails to meet the qualifications of a Reference Bank, Freddie Mac may, in its sole discretion, designate an alternative Reference Bank.

On each Floating Rate Adjustment Date, Freddie Mac shall determine LIBOR for the next Accrual Period as follows:

(i) If on any Floating Rate Adjustment Date two or more of the Reference Banks provide offered quotations of the applicable maturity, LIBOR for the next Accrual Period shall be the arithmetic mean of such offered quotations (rounding such arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%).

(ii) If on any Floating Rate Adjustment Date only one or none of the Reference Banks provides such offered quotations, LIBOR for the next Accrual Period shall be whichever is the higher of (x) LIBOR as determined on the previous Floating Rate Adjustment Date or (y) the Reserve Interest Rate. The "Reserve Interest Rate" shall be the rate per annum which Freddie Mac determines to be either (A) the arithmetic mean (rounding such arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%) of the Eurodollar lending rates of the applicable maturity that the New York City banks selected by Freddie Mac are quoting, on the relevant Floating Rate Adjustment Date, to the principal London offices of leading banks in the London interbank market or (B) in the event that Freddie Mac can determine no such arithmetic mean, the lowest Eurodollar lending rate of the applicable maturity that the New York City banks selected by Freddie Mac are quoting on such Floating Rate Adjustment Date to leading European banks.

(iii) If on any Floating Rate Adjustment Date Freddie Mac is required but is unable to determine the Reserve Interest Rate in the manner provided in paragraph (ii) above, LIBOR for the next Accrual Period shall be LIBOR as determined on the previous Floating Rate Adjustment Date, or, in the case of the first Floating Rate Adjustment Date, the level of LIBOR used to calculate the initial Class Coupon of the particular LIBOR Class.

(c) *Determination of COFI.* On each Floating Rate Adjustment Date, Freddie Mac shall calculate the Class Coupons of COFI Classes for the related Accrual Period by reference to COFI as published most

recently by the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco") prior to such Floating Rate Adjustment Date.

The failure by the FHLB of San Francisco to publish COFI for a period of 65 calendar days shall constitute an "Alternative Rate Event." Upon the occurrence of an Alternative Rate Event, Freddie Mac shall calculate the Class Coupons of the COFI Classes for the subsequent Accrual Periods by using, in place of COFI, (i) the replacement index, if any, published or designated by the FHLB of San Francisco or (ii) if no replacement index is so published or designated, an alternative index selected by Freddie Mac that has performed, or that Freddie Mac expects to perform, in a manner substantially similar to COFI. At the time an alternative index is first selected by Freddie Mac, Freddie Mac shall determine the average number of basis points, if any, by which the alternative index differed from COFI for such period as Freddie Mac, in its sole discretion, reasonably determines to reflect fairly the long-term difference between COFI and the alternative index, and shall adjust the alternative index by such average. Freddie Mac shall select an alternative index only for which it receives an opinion of counsel that the election of such index will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the occurrence of an Alternative Rate Event, the FHLB of San Francisco resumes publication of COFI, the Class Coupons of the COFI Classes for each subsequent Accrual Period shall be calculated by reference to COFI.

(d) *Determination of the Treasury Index.* Freddie Mac shall calculate the Class Coupons of Treasury Index Classes for each Accrual Period (after the first) on the related Index Adjustment Date. On each Index Adjustment Date, Freddie Mac will determine the applicable Treasury Index, as (i) published by the Federal Reserve Board in the most recent edition of Federal Reserve Statistical Release No. H.15(519) that is available to Freddie Mac or (ii) made available by the U.S. Department of the Treasury in the most recent edition of its Public Debt News that is available to Freddie Mac. Freddie Mac shall consider a new value for the Treasury Index to have been made available on the date following the date it is released. In the event the applicable Treasury Index is no longer published in the Public Debt News or Federal Reserve Statistical Release No. H.15(519), or either publication is no longer published, Freddie Mac shall designate a new source for obtaining the applicable Treasury Index.

In the event that the applicable Treasury Index becomes unavailable, Freddie Mac shall designate an alternative index based upon comparable information and methodology. At the time an alternative index is designated by Freddie Mac, Freddie Mac shall determine the average number of basis points, if any, by which the alternative index differed from the applicable Treasury Index for such period as Freddie Mac, in its sole discretion, reasonably determines to reflect fairly the long-term difference between the applicable Treasury Index and the alternative index, and shall adjust the alternative index by such average. Freddie Mac shall select an alternative index only for which it receives an opinion of counsel that the selection of such alternative index will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the applicable Treasury Index becomes unavailable, it again becomes available, the Class Coupons for the related Treasury Index Classes for each subsequent Accrual Period shall be calculated by reference to the applicable Treasury Index.

(e) *Determination of the Prime Rate.* On each Floating Rate Adjustment Date, Freddie Mac shall calculate the Class Coupons of Prime Rate Classes for the next Accrual Period by reference to the rate published as the "Prime Rate" in the "Money Rates" section or other comparable section of *The Wall Street Journal* on such Floating Rate Adjustment Date. In the event *The Wall Street Journal* publishes a prime rate range, the average of that range, as determined by Freddie Mac, shall be the Prime Rate. In the event *The Wall Street Journal* no longer publishes a "Prime Rate" entry, Freddie Mac shall designate a new methodology for determining the Prime Rate based on comparable data. Freddie Mac shall select an alternative methodology only for which it receives an opinion of counsel that the selection of such methodology will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the Prime Rate becomes unavailable in *The Wall Street Journal*, it again becomes available, the Class Coupons for the Prime Rate Classes for each subsequent Accrual Period shall be calculated by reference to the Prime Rate published in *The Wall Street Journal*.

#### **Section 4.03. Payment Procedures; Record Date.**

(a) Payments of principal and interest due to Holders of Classes in Book-Entry Form shall be made by crediting the Holders' accounts at the Federal Reserve Banks on the applicable Payment Dates. In the event of a principal or interest payment error, Freddie Mac, in its sole discretion, may effect corrections by the adjustment of payments to be made on future Payment Dates or in such other manner as it deems appropriate. Unless otherwise provided in the related Terms Supplement, payments due to a Holder of a Class in certificated form shall be made by check mailed on or before the applicable Payment Date to the address of such Holder as it appears on the register maintained by the Registrar or, if provided in the related Terms Supplement, by wire transfer to such Holder, in either case not later than the applicable Payment Date; provided, however, that (i) the final payment of principal on a Residual Class in certificated form shall be made only upon presentation of the Holder's certificate at the office of the Registrar for notation of such payment and (ii) the final payment on any Class in certificated form shall be made only upon presentation and surrender of the Holder's certificate at the office of the Registrar. Payments of principal and interest on a Retail Class in certificated form shall be paid by the Registrar to the Depository in immediately available funds. The Depository shall be responsible for crediting the amount of such payments to the accounts of the applicable Depository participants entitled thereto, in accordance with the Depository's normal procedures.

(b) Any payment made on a Class on any Payment Date shall be made to the Holders of record of such Class (i) at the close of business on the last business day of the preceding month, in the case of a Series backed by Gold PCs and/or Gold Giant PCs, or (ii) at the close of business on the 14th day of the preceding month, in the case of a Series backed by Original PCs and/or Original Giant PCs. Any payment made on a Mortgage Security on a Payment Date shall be made to the Holder of record of such Mortgage Security on such Payment Date. For this purpose, "business day" means (x) in the case of Classes issued in Book-Entry Form, any day that is a business day for the Federal Reserve Bank at which the Holder's account is maintained and (y) in the case of Classes issued in certificated form, any day that is a business day for the Registrar.

**Section 4.04. Class Factors.** Freddie Mac shall publish or cause to be published (or otherwise make available) a Class Factor for each outstanding Class of Multiclass PCs or MACR Class having a stated principal amount, and for each outstanding Interest Only Class having a notional principal amount, on or about the first or, if so provided in the related Terms Supplement, the seventh or other business day of each month.

**Section 4.05. Fees Retained by Freddie Mac.** As a fee for its administration of any REMIC Pool, Freddie Mac shall be entitled to retain from payments made on the REMIC Pool Securities in such REMIC Pool the amount, if any, provided for in the related Terms Supplement. Freddie Mac shall pay all expenses incurred by it in connection with its administration of a REMIC Pool and the performance of its duties hereunder.

**Section 4.06. Freddie Mac Guarantee.** Freddie Mac hereby guarantees to each Holder of a Multiclass PC or a MACR Certificate (i) the timely payment of interest at the applicable Class Coupon or as otherwise described in the applicable Terms Supplement and (ii) the payment of the principal amount of the Holder's Multiclass PC or MACR Certificate as provided in the applicable Terms Supplement.

**Section 4.07. Optional Redemption.** Unless otherwise provided in the applicable Terms Supplement, Freddie Mac may at its option redeem the outstanding Classes of Multiclass PCs of each Series (or, in the case of a Double-Tier Series, the outstanding Lower-Tier Classes) in whole, but not in part, upon not less than 30 or more than 60 days' notice, on any Payment Date when the aggregate outstanding principal amount of such Classes, after giving effect to principal payments to be made on such Payment Date, would be less than 1% of the aggregate original principal amount of such Classes. Any optional redemption shall be at a redemption price equal to 100% of the unpaid principal amount of the Classes redeemed, plus accrued and unpaid interest for the Accrual Period relating to the applicable Payment Date. In order to effect an optional redemption, Freddie Mac shall adopt a plan of complete liquidation meeting the requirements of a "qualified liquidation" under Section 860F(a)(4) of the Code. Pursuant to the plan, Freddie Mac shall liquidate all of the REMIC Pool Securities and any other assets in the REMIC Pool (or, in the case of a Double-Tier Series, in the Lower-Tier REMIC Pool) at fair market value as determined by Freddie Mac, and apply the net

proceeds of such liquidation (together with funds contributed by Freddie Mac if the net proceeds are insufficient) to pay the redemption price. Upon any redemption of Lower-Tier Classes in a Double-Tier Series, the redemption price of the Mortgage Securities shall be applied as principal and interest on the outstanding Upper-Tier Classes, resulting in the retirement of those classes. Following any redemption, any remaining proceeds from the liquidation of the REMIC Pool Securities in the REMIC Pool (or, in the case of a Double-Tier Series, in the Lower-Tier REMIC Pool), net of liquidation expenses, shall be distributed pro rata to the Holders of the related Residual Class upon surrender of their certificates to the Registrar. Upon any redemption, any outstanding MACR Classes shall be retired from the proceeds of redemption of their related Regular Classes of Multiclass PCs. All decisions as to the making of an optional redemption, including the timing of any optional redemption, shall be at Freddie Mac's sole discretion. Freddie Mac shall be under no obligation to any Holder to make an optional redemption, even if a redemption would be in such Holder's interest.

**Section 4.08. Freddie Mac Subrogation.** Freddie Mac shall be subrogated to all the rights, interests, remedies, powers and privileges of the Holders in respect of any guarantee payments made by Freddie Mac, to the extent of such payments.

**Section 4.09. Residual Proceeds.** With respect to each REMIC Pool, the Holders of the Residual Class shall be entitled to receive, on a pro rata basis and upon presentation and surrender of their certificates to the Registrar, the proceeds of the remaining REMIC Pool Securities, if any, after all required principal and interest payments on the Classes have been made. Freddie Mac hereby guarantees to such Holders the payment of such proceeds, if any, upon such surrender.

**Section 4.10. Termination Upon Final Payment.** Except as to Sections 2.05, 2.06(d) and 8.01, the obligations and responsibilities of Freddie Mac under this Agreement to a Holder in respect of any Multiclass PC or MACR Certificate shall terminate upon the payment to the Holder of all amounts of principal and interest due the Holder in respect of such Multiclass PC or MACR Certificate and all other amounts, if any, due the Holder hereunder.

**Section 4.11. CPC-Backed Series.** In a Series in which the REMIC Pool Securities are a Callable Class of CPCs, Freddie Mac shall not exercise its right to redeem the Classes of Multiclass PCs (or, in a Double-Tier Series, the Lower-Tier Classes) if such Callable Class is to be redeemed. In such a Series, Freddie Mac shall adopt a plan of complete liquidation for the REMIC Pool (or, in a Double-Tier Series, the Lower-Tier REMIC Pool) on the date on which notice by the Holder of the related Call Class of CPCs of exercise of its right to direct the redemption of the REMIC Pool Securities becomes irrevocable. The plan shall meet the requirements of a "qualified liquidation" under Section 860F(a)(4) of the Code. The plan shall provide for the actions required to be taken to effectuate such liquidation pursuant to this Agreement and/or the Giant PC Agreement, as applicable.

## ARTICLE V

### Form of Classes; Minimum Principal Amounts; Minimum Original Notional Principal Amounts; Transfers; Certificated Classes

**Section 5.01. Form.** Multiclass PCs and MACR Certificates may be issued in Book-Entry Form or certificated form, as specified in the related Terms Supplement. In the case of Multiclass PCs and MACR Certificates issued in certificated form, Freddie Mac reserves the right (i) to convert such securities to Book-Entry Form and (ii) upon such conversion, to require each Holder thereof, upon notice, to surrender such Holder's Multiclass PC or MACR Certificate and have it reissued and evidenced only by a Multiclass PC or MACR Certificate in Book-Entry Form, pursuant to procedures prescribed and implemented by Freddie Mac (which may include the withholding of payments otherwise due the Holder, without any liability for interest thereon, until such surrender is made). Multiclass PCs and MACR Certificates in Book-Entry Form shall at all times remain on deposit with a Federal Reserve Bank in accordance with the provisions of the Book-Entry Rules. In the case of a Class issued in Book-Entry Form or through the book-entry facilities of the Depository, Freddie Mac may, upon request of the Holders of the entire outstanding principal amount (or notional principal amount) of such Class, convert such Class to certificated form. Multiclass PCs and MACR

Certificates in certificated form shall be evidenced by certificates in such form as Freddie Mac shall prescribe, registered in the names of the Holders thereof.

**Section 5.02. Minimum Original Principal Amounts; Minimum Original Notional Principal Amounts and Transfers.** Unless otherwise provided in the related Terms Supplement, Regular Classes (other than Retail Classes) and MACR Classes shall be issued and must be maintained and transferred in Book-Entry Form in minimum original principal amounts (or minimum original notional principal amounts) of \$1 and additional increments of \$1; provided, however, that Mortgage Securities shall be initially issued and held by Freddie Mac in non-certificated form on the books and records of Freddie Mac. At any time Freddie Mac holds any Mortgage Securities in non-certificated form, upon the written request of the Holders of at least 50% of the then outstanding principal amount of the related Upper-Tier Classes, Freddie Mac shall issue certificates in definitive form representing such Mortgage Securities. Upon receipt by Freddie Mac of a written request by the Holder of an interest in a Lower-Tier Regular Class held in non-certificated form to have such interest represented in certificated form, Freddie Mac shall issue a certificate in definitive form representing such interest. A security in Book-Entry Form shall not be transferred if, as a result of the transfer, the transferor or the transferee would have on deposit in its account Multiclass PCs or MACR Certificates of the same Class having a principal amount (or notional principal amount) of less than \$1. Transfers of Regular Classes and MACR Classes in Book-Entry Form shall also be subject to any applicable Federal Reserve Bank minimum wire transfer requirements. The Federal Reserve Banks shall maintain a book-entry recordkeeping system for all transactions in Multiclass PCs and MACR Classes in Book-Entry Form. The issuance and recordation of, and transfers of interests (including security interests) in, securities in Book-Entry Form shall be governed by the Book-Entry Rules and such procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Banks. A Federal Reserve Bank will act only upon the instructions of the Holder in recording transfers of a security in Book-Entry Form. A Multiclass PC or MACR Certificate in certificated form may be transferred as provided in Section 5.03. A charge may be made for any transfer or exchange of any Multiclass PC or MACR Certificate. A charge will be made for any tax or other governmental charge imposed in connection with a transfer or exchange of a Multiclass PC or MACR Certificate. If a Series includes one or more Retail Classes, each such Class shall be represented by one or more certificates registered in the name of the nominee of the Depository, unless otherwise provided in the related Terms Supplement. Unless otherwise provided in the related Terms Supplement, Residual Classes shall not be issued in Book-Entry Form but shall be issued only in fully registered, certificated form in minimum original principal amounts (or minimum original notional principal amounts) of \$1,000 and additional increments of \$1 or, in the case of a Residual Class without an Original Principal Amount, in minimum percentages of the Residual Interest of 1%.

⇒ **Section 5.03. Certificated Classes.**

(a) Freddie Mac shall maintain at its expense an office or agency where Multiclass PCs and MACR Certificates in certificated form may be surrendered for registration of transfer or exchange, the initial such office or agency being that of the Registrar, unless otherwise provided in the related Terms Supplement. Upon surrender for registration of transfer of any security in certificated form at any office or agency of Freddie Mac maintained for such purpose, Freddie Mac shall execute and deliver, in the name of the designated transferee or transferees, one or more new Multiclass PCs or MACR Certificates evidencing a like principal amount (or, if applicable, a like percentage of the Residual Interest). At the option of a Holder of a certificated Multiclass PC or MACR Certificate, such Holder's security may be exchanged for other securities of the same Class of authorized denominations, upon surrender at such office or agency of the Multiclass PC or MACR Certificate to be exchanged. Whenever any Multiclass PC or MACR Certificate is so surrendered for exchange, Freddie Mac shall execute and deliver the Multiclass PCs or MACR Certificates which the Holder making the exchange is entitled to receive. Every security so presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to Freddie Mac duly executed by, the Holder thereof or its attorney-in-fact duly authorized in writing. Notwithstanding any other provision of this Agreement, Residual Classes shall be sold and maintained only in certificated form, and Freddie Mac may impose, in the related Terms Supplement, on the face or reverse of any security or elsewhere, such limitations on and conditions to the transfer or exchange of Multiclass PCs or MACR Certificates as it deems appropriate in order to conform to applicable law or for any other reason.

Class who has been a bona fide Holder for at least six months may, on behalf of such Holder and all others similarly situated, petition any such court for appointment of a successor to Freddie Mac. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor to Freddie Mac. Upon the appointment of any successor pursuant to this Section 6.02, Freddie Mac shall submit to its successor a complete written report and accounting as to the applicable REMIC Pool or MACR Pool and shall take all other steps necessary or desirable to transfer its interest in and administration of this Agreement with respect to such REMIC Pool or MACR Pool to the successor. Subject to the Act, such successor may take such actions with respect to such REMIC Pool or MACR Pool as may be reasonable and appropriate in the circumstances. Prior to any such designation of a successor, the Holders of Multiclass PCs or MACR Certificates representing not less than 50 percent of the then outstanding principal amount of any affected Class may waive any past default or Event of Default. Appointment of a successor will not relieve Freddie Mac of its guarantee obligation as set forth in this Agreement.

**Section 6.03. Limitation on Suits by Holders.** Except as provided in Section 6.02, no Holder shall have any right to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon, under or with respect to this Agreement, the Multiclass PCs, the MACR Certificates or the related REMIC Pool Securities, or for the appointment of a receiver or trustee, or for any other remedy whatsoever, unless such Holder previously shall have given to Freddie Mac written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of Multiclass PCs or MACR Certificates representing not less than 50 percent of the then outstanding principal amount of any affected Class shall have made written request upon Freddie Mac to institute such action or proceeding in its own name and shall have offered to Freddie Mac such reasonable indemnity as it may request against the costs, expenses and liabilities to be incurred therein or thereby, and Freddie Mac for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding, and no direction inconsistent with such written request shall have been given to Freddie Mac during such 60-day period by the Holders of Multiclass PCs or MACR Certificates representing not less than 50 percent of the then outstanding principal amount of any affected Class. It is understood and intended, and expressly covenanted by each Holder of a Multiclass PC or MACR Certificate in any affected REMIC Pool or MACR Pool with every other Holder in such REMIC Pool or MACR Pool and with Freddie Mac, that no one or more Holders shall have any right in any manner whatsoever by virtue of or by availing themselves of any provision of this Agreement to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain preference or priority over any other Holder except as expressly provided herein or to enforce any right under this Agreement, except in the manner herein provided and for the ratable and common benefit of all Holders in any affected Class. For the protection and enforcement of the provisions of this Section 6.03, each and every Holder and Freddie Mac shall be entitled to such relief as can be given either at law or in equity. Notwithstanding the foregoing or any other provision of this Agreement, the right of any Holder to receive a payment of principal or interest as herein provided, on or after the due date of such payment, or to institute suit for enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

## ARTICLE VII

### Rights of Holders of Multiclass PCs and MACR Certificates With Respect to PCs

**Section 7.01. Defaults Under PC Agreement or Giant PC Agreement.** In the event that there shall be a PC Agreement Default or Giant PC Agreement Default under the PC Agreement or Giant PC Agreement, as applicable, governing any PC directly or indirectly backing a REMIC Pool (including a Lower-Tier REMIC Pool), the Holders of the Multiclass PCs issued in respect of such REMIC Pool (including, for this purpose, the related Upper-Tier REMIC Pool) and any related MACR Certificates shall have the right to take such actions with respect thereto as the PC Agreement or Giant PC Agreement, as applicable, affords Freddie Mac or its agent as the record holder of the affected PC. For this purpose, each Holder of a Multiclass PC or MACR Certificate issued in respect of a Series shall be deemed to be the holder of a percentage of such affected PC equal to the percentage obtained by dividing the then outstanding principal amount of such Holder's Multiclass PC or MACR Certificate (which shall be zero in the case of an Interest Only Class without a principal amount) by the then aggregate outstanding principal amount of all Multiclass PCs and

MACR Certificates of the same Series. Freddie Mac hereby irrevocably authorizes the Holders to exercise all such rights in respect of a PC Agreement default or Giant PC Agreement Default to the extent set forth in this Section.

**Section 7.02. Amendments of PC Agreement or Giant PC Agreement.** In the event that Freddie Mac desires to amend any PC Agreement or Giant PC Agreement governing any PC directly or indirectly backing any REMIC Pool (including a Lower-Tier REMIC Pool), Freddie Mac may give any such consent thereto as may need to be given by the record holder of such PC; provided, however, that if any such amendment would adversely affect in any material respect the interest of any Holder of a Multiclass PC (including, for this purpose, a related Upper-Tier Class) or MACR Certificate, Freddie Mac may consent to such amendment only with the written consent of the Holders of Multiclass PCs and MACR Certificates so affected representing not less than 50 percent of the then outstanding principal amount of each affected Class.

## ARTICLE VIII

### Miscellaneous Provisions

**Section 8.01. Tax Matters.** Freddie Mac and/or its designated agent shall furnish, at such times as required by applicable law, to each Holder of a Multiclass PC such information as Freddie Mac deems necessary or desirable to enable Holders and beneficial owners of Multiclass PCs to prepare their United States federal income tax returns, if applicable. If Freddie Mac is one of the Holders of a Residual Class issued in respect of any REMIC Pool, or if permitted by applicable law, Freddie Mac will file the annual federal income tax return for such REMIC Pool and will act as the tax matters partner thereof. In any other case, the beneficial owner of the Multiclass PC having the largest principal amount or evidencing the largest percentage of the Residual Interest in the related REMIC Pool is hereby designated as the partner responsible for filing such tax return and as the tax matters partner of such REMIC Pool. Such beneficial owner, however, by the acceptance of its Multiclass PC, agrees to designate Freddie Mac as its agent and attorney-in-fact in the performance of all the duties required of, or permitted to be taken by, the partner responsible for filing such tax return and the tax matters partner for such REMIC Pool and, if requested by Freddie Mac, to execute a power of attorney to this effect. Freddie Mac also agrees to prepare such tax return and, if permitted by applicable law, to sign and file such tax return on behalf of the REMIC Pool. Freddie Mac agrees to indemnify and hold harmless such beneficial owner against any and all liabilities imposed upon such beneficial owner as tax matters partner, including, without limitation, any liabilities caused by Freddie Mac's failure to perform any duty on behalf of such beneficial owner as the partner responsible for filing such returns and as tax matters partner under the Code or any liabilities associated with any action taken by Freddie Mac in its discretion with respect to such REMIC Pool in the name of and on behalf of such beneficial owner as the tax matters partner thereof.

A beneficial or record interest in a Residual Class may not be sold or transferred to a "disqualified organization" (as defined below). Any attempted or purported transfer of an interest in a Residual Class shall be absolutely null and void and shall vest no rights in the proposed transferee unless (a) such transferee provides to Freddie Mac (i) an affidavit (in a form acceptable to Freddie Mac) that such transferee is not a disqualified organization and is not purchasing such interest on behalf of a disqualified organization and (ii) if requested by Freddie Mac, an opinion of counsel (in a form acceptable to Freddie Mac) that the proposed transfer will not cause such interest to be held by or on behalf of a disqualified organization, or (b) Freddie Mac gives its written consent to such transfer (which consent may apply to a specific transfer or, in Freddie Mac's discretion, may apply generally to classes of transfers or transferees). Should such a transfer occur, however, Freddie Mac shall provide to the Internal Revenue Service and the person(s) liable for the tax imposed on such transfer under Section 860E(e) of the Code a computation showing the present value of the total anticipated excess inclusions with respect to the Residual Class interest for periods after such transfer for purposes of computing the amount of tax due. For these purposes, the term "disqualified organization" means (a) the United States, any state or political subdivision thereof, any foreign government, any international organization, any agency or instrumentality of any of the foregoing, (b) any organization (other than a cooperative described in Section 521 of the Code) that is exempt from taxation under Chapter 1 of Subtitle A of the Code (unless such organization is subject to tax on excess inclusions) and (c) any organization that is



described in Section 1381(a)(2)(C) of the Code. Notwithstanding clause (a) of the preceding sentence, neither Freddie Mac nor any entity treated as other than an instrumentality of the United States or of any state or political subdivision thereof for purposes of Section 168(h)(2)(D) of the Code is treated as a disqualified organization. In addition, the transferee shall be required to designate Freddie Mac as its fiduciary to act as the tax matters person for the related REMIC Pool. Ownership of an interest in a Residual Class may not be transferred to any person that is not (a) a citizen or resident of the United States, (b) a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, (c) an estate that is subject to United States federal income tax regardless of the source of its income or (d) a trust if a court within the United States is able to exercise primary supervision of the administration of the trust and one or more United States fiduciaries have the authority to control all substantial decisions of the trust (each, a "U.S. person") without Freddie Mac's written consent. In addition, ownership of an interest in a Residual Class validly held by a non-U.S. person may not be transferred to any person without Freddie Mac's written consent. Any attempted or purported transfer in violation of either of the two preceding sentences shall be absolutely null and void and shall vest no rights in the proposed transferee. The affidavit referred to in the second sentence of this paragraph shall include a statement that the transferee is a U.S. person, unless Freddie Mac consents in writing to such transfer to a person that is not a U.S. person. On behalf of each REMIC Pool, Freddie Mac shall make available information necessary for the application of Section 860E(e) of the Code or any similar Code provision that may be in effect in the future.

**Section 8.02. Limitations of Liability of Freddie Mac and Others.** Neither Freddie Mac nor any of its directors, officers, employees or agents shall be under any liability to Holders for any action taken by them or for their refraining from the taking of any such action in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect Freddie Mac or any such person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. Freddie Mac and any director, officer, employee or agent of Freddie Mac may rely in good faith on any document or other communication of any kind properly submitted by any person (in writing or electronically) with respect to any matter arising hereunder. Freddie Mac shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to administer the REMIC Pools and MACR Pools in accordance with this Agreement and which in its opinion may involve it in any expense of liability; provided, however, that Freddie Mac may in its discretion undertake any such action which it may deem necessary or desirable with respect to this Agreement, the Multiclass PCs, the MACR Certificates, the REMIC Pool Securities and other assets in any REMIC Pool or the rights and duties of the parties hereto and the interests of the Holders hereunder. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses of Freddie Mac.

**Section 8.03. Limitation of Rights of Holders.** The death or incapacity of any person having an interest, beneficial or otherwise, in a Multiclass PC or MACR Certificate shall not operate to terminate this Agreement or any REMIC Pool or MACR Pool, nor entitle the legal representatives or heirs of such person or any Holder for such person to claim an accounting, take any action or bring any proceeding in any court for a partition or winding up of any REMIC Pool or MACR Pool, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

**Section 8.04. Control by Holders.** Except as otherwise provided in Articles VI and VII, no Holder shall have any right to vote or in any manner otherwise control the administration, operation and management of any REMIC Pool, MACR Pool or the REMIC Pool Securities, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Multiclass PCs or MACR Certificates, be construed so as to constitute the Holders from time to time as partners or members of an association; nor shall a Holder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

**Section 8.05. Amendment.**

(a) This Agreement (including any related Terms Supplement) may be amended from time to time by Freddie Mac, without the consent of any Holder or Holders (i) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any

other provisions with respect to matters or questions arising under this Agreement, which shall not be inconsistent with the other provisions of this Agreement, provided that any such amendment shall not adversely affect in any material respect the interests of any Holder; (ii) to permit Freddie Mac to take any necessary or helpful action to maintain the qualification of any REMIC Pool as a REMIC under the Code or to avoid the imposition of any state or federal tax on the REMIC Pool; or (iii) to permit Freddie Mac to take any necessary or helpful action to maintain the qualification of any MACR Pool as a grantor trust under the Code or to avoid the imposition of any state or federal tax on the MACR Pool.

(b) Except as provided in Section 8.05(c) of this Agreement, with respect to any REMIC Pool or MACR Pool formed pursuant to the terms hereof, any provision of this Agreement may be amended by Freddie Mac with the written consent of the Holders representing not less than 50 percent of the then outstanding principal amount of each Class affected by such amendment.

(c) Notwithstanding any other provision herein, without the consent of a Holder this Agreement may not be amended to impair or affect the right of such Holder to receive payment of principal and interest (including any payment under any guarantee in respect thereof) as herein provided, on or after the respective due date of such payment, or to institute suit for the enforcement of any such payment on or after such date.

(d) Solely for purposes of this Section, if the principal amount of a Residual Class has been reduced to zero prior to the principal amounts of all the other Classes of the related Series having been reduced to zero, each Multiclass PC of such Residual Class shall be deemed to have an aggregate outstanding principal amount of \$1,000.00.

**Section 8.06. Persons Deemed Owners.** Freddie Mac, the Registrar and the Federal Reserve Banks, or any agent of Freddie Mac, the Registrar or the Federal Reserve Banks, may deem and treat the Holder as the absolute owner of a Multiclass PC or MACR Certificate for the purpose of receiving payment of principal or interest and for all other purposes, and neither Freddie Mac, the Registrar or the Federal Reserve Banks, nor any agent of Freddie Mac, the Registrar or the Federal Reserve Banks, shall be affected by any notice to the contrary. All such payments so made to any such Holder or upon such Holder's order shall be valid, and, to the extent of the sum or sums paid, effectual to satisfy and discharge the duty for monies payable by Freddie Mac upon the Holder's Multiclass PC or MACR Certificate. A Holder is not necessarily the beneficial owner of a Multiclass PC or MACR Certificate. The rights of a beneficial owner of a Multiclass PC or MACR Certificate with respect to Freddie Mac, the Registrar and the Federal Reserve Banks may be exercised only through the Holder. Freddie Mac, the Registrar and the Federal Reserve Banks will have no direct obligation to a beneficial owner that is not also the Holder of a Multiclass PC or MACR Certificate.

**Section 8.07. Governing Law.** This Agreement and the Holders' and Freddie Mac's rights and obligations with respect to Multiclass PCs and MACR Certificates shall be construed in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Act or any provision of this Agreement or the transactions governed thereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States.

**Section 8.08. Payments Due on Non-Business Days.** If the date fixed for any payment on any Multiclass PC or MACR Certificate shall be a day which is not a Business Day, then such payment need not be made on such date, but may be made on the next succeeding day which is a Business Day, with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue for the period after such date.

**Section 8.09. Successors.** This Agreement shall be binding upon and shall inure to the benefit of any successor to Freddie Mac, including any successor by operation of law.

**Section 8.10. Headings.** The Article and Section headings are for convenience only and shall not affect the construction of this Agreement.

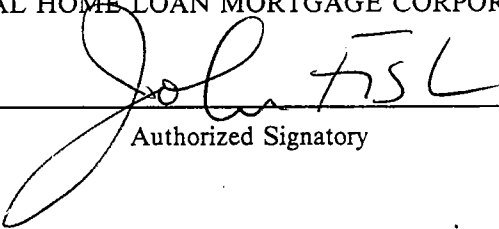
**Section 8.11. Notice and Demand.** Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given or served to or upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail addressed to such Holder as

such Holder's name and address may appear in the records of Freddie Mac, the Registrar or a Federal Reserve Bank or, in the case of a Holder of a security in Book-Entry Form, by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon a Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given or served to or upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, 8200 Jones Branch Drive, McLean, Virginia 22102, Attention: Senior Vice President-General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

RECEIPT AND ACCEPTANCE OF A MULTICLASS PC, MACR CERTIFICATE OR ANY OTHER SECURITY ISSUED HEREUNDER BY OR ON BEHALF OF A HOLDER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH MULTICLASS PC, MACR CERTIFICATE OR OTHER SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT (INCLUDING THE RELATED TERMS SUPPLEMENT), AND THE AGREEMENT OF FREDDIE MAC, SUCH HOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS AMONG FREDDIE MAC AND SUCH HOLDER AND SUCH OTHERS.

FEDERAL HOME LOAN MORTGAGE CORPORATION

  
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Authorized Signatory