**Offering Circular Supplement**
**(To Offering Circular**
**Dated March 22, 2013)**

# Freddie Mac
# Mortgage Participation Certificates

The Offering Circular is being amended, effective immediately, as follows:

The following discussion is added after the bullet point addressing "**High LTV Mortgage**" in **"Description of the Mortgages—Special Mortgage Characteristics."**

- From time to time, we repurchase Mortgages from their related PCs. We repurchase most Mortgages from their related PCs because they were 120 or more days delinquent. We hold these repurchased Mortgages in our mortgage-related investments portfolio. We thereafter may modify the Mortgages to assist at risk borrowers, to stabilize mortgage markets and to mitigate our losses. Mortgages of this type are referred to as "**Modified Mortgages**." Modified Mortgages may include Mortgages that we have modified pursuant to our (i) discontinued "classic" program or (ii) current non-HAMP Standard Modification program. Under our discontinued "classic" program, modifications to the Mortgages included capitalization of interest and non-interest arrearages that the borrower could not pay and may have included extensions of the term of the Mortgage and reductions in interest rate, but did not include forbearance or reductions of principal balances and borrower trial periods. Under our current non-HAMP Standard Modification program, modifications to the Mortgages include capitalization of interest and non-interest arrearages, setting of interest rates (increasing or decreasing rates), extending the Mortgage term, a borrower trial period for the modifications before they are finalized and may include forbearance, but not reduction, of principal balances. We may securitize Modified Mortgages in new fixed-rate "**Modified PCs**." At the time of their securitization in new Modified PCs, Modified Mortgages will be current and will have been current for at least six consecutive months, as reported to us by the applicable servicers. There can be no assurance that the Modified Mortgages backing Modified PCs will remain current. Assuming that we do not change our current practices relating to delinquent Mortgages, if any Modified Mortgage backing Modified PCs becomes 120 or more days delinquent in the future and/or meets applicable criteria described under – *Mortgage Purchase and Servicing Standards—Defaults and Delinquencies*, we could repurchase such Modified Mortgage from its related Modified PC Pool. Mortgages modified through

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the Home Affordable Modification Program, or HAMP, will not be included among Modified Mortgages or back Modified PCs. See also *Freddie Mac – Our Initiatives Under the Making Home Affordable and Other Programs* for additional information about our initiatives to modify Mortgages. We provide several unique pool-level and loan-level disclosures for the Modified PCs.

The following paragraph replaces the last paragraph under the heading "**Certain Federal Income Tax Consequences—Tax Status**":

"Under Treasury regulations applicable to a real estate mortgage investment conduit ("REMIC"), a mortgage will generally be treated as a "qualified mortgage" within the meaning of Section 860G(a)(3)(A) of the Code (and not other statutes) only if the mortgage has an LTV ratio of 125% or less at either (i) the time the obligation was originated (which includes the time of any "significant modification" of such obligation) or (ii) the time a sponsor contributes the obligation to a REMIC. Accordingly, a Mortgage with an LTV ratio in excess of 125% at origination (including at the time of any "significant modification" of such obligation) generally would not be considered a "qualified mortgage" for purposes of the REMIC rules unless the LTV ratio has decreased to 125% or below at the time such Mortgage is contributed by a sponsor to a REMIC. The REMIC regulations provide a special rule pursuant to which any modification that is occasioned by default or a reasonably foreseeable default is not treated as a "significant modification." Because a Modified Mortgage is a mortgage that has been modified as a result of default or a reasonably foreseeable default, a Modified Mortgage would constitute a "qualified mortgage" as long as it has an LTV ratio of 125% or less at either (i) the time such Modified Mortgage was originated (ignoring such modification) or (ii) the time a sponsor contributes the Modified Mortgage to a REMIC. You should consult your tax advisor concerning the tax consequences of transferring PCs to a REMIC."

Appendix I is amended by adding "Modified PCs" and "Modified Mortgages "to the listed terms in alphabetical order. Appendix II is amended by adding "Modified Mortgages" under the heading "Gold PCs -- Description of Mortgage" and "MA (40-year), MB (30-year), MC (20-year) and MD (15-year)" under the heading "Prefixes."

Capitalized terms used in this Supplement have the meanings given to them in the Offering Circular.