Offering Circular Supplement
(To Offering Circular
Dated August 17, 2020)

Freddie Mac
Uniform Mortgage-Backed Securities™ and Mortgage-Backed Securities

The Offering Circular is amended as follows, effective immediately:

1. The section titled **"Risk Factors – Prepayment and Yield Factors – Substantial repurchases of seriously delinquent Mortgages from Pools could materially affect Security prepayment speeds"** is hereby amended and restated in its entirety as follows:

> **Substantial repurchases of seriously delinquent Mortgages from Pools could materially affect Security prepayment speeds.** Currently, we typically repurchase Mortgages from their related Pools after the Mortgages become 120 days delinquent or more, subject to operational and regulatory constraints. On April 13, 2020, FHFA instructed us to retain Mortgages in their related Pools while such Mortgages remain subject to a forbearance plan. On September 30, 2020, we announced that, effective January 1, 2021, we will extend the trigger to repurchase delinquent Mortgages from their related Pools from 120 days or more of delinquency to 24 months of delinquency. Certain Mortgages may be repurchased prior to reaching 24 months of delinquency, including: Mortgages that are permanently modified (for this purpose, Mortgages subject to a Payment Deferral Solution are not considered to be "permanently modified"); Mortgages subject to a short sale or deed-in-lieu of foreclosure; Mortgages repurchased by a seller/servicer under applicable selling and servicing requirements; Mortgages that are paid in full, or for which the related lien is released and/or the note debt is satisfied or forgiven; and Mortgages referred to foreclosure. The September 30, 2020 announcement stated that we currently believe, based on prevailing assumptions and market conditions, that the change will have only a marginal impact on prepayment speeds, in aggregate. Cohort level impacts may vary. For more information, see *Description of the Mortgages that back Securities – Mortgage Purchase and Servicing Standards – Defaults and Delinquencies.*

2. The first and second paragraphs of the section titled **"Description of the Mortgages that back Securities – Special Mortgage Characteristics – Mortgages That Have Been Modified That We Subsequently Securitize"** are hereby amended and restated in their entirety as follows:

> From time to time, we repurchase Mortgages from our mortgage-related securities. In recent years, we repurchased most Mortgages from their related Pools when they became 120 or more days delinquent. However, on April 13, 2020, FHFA instructed us to retain Mortgages in their related Pools while any such Mortgages remain subject to a forbearance plan. Effective January 1, 2021, we will extend the trigger to repurchase delinquent Mortgages from their related Pools from 120 days or more of delinquency to 24 months of delinquency. Certain Mortgages may be repurchased prior to reaching 24 months of delinquency, including Mortgages that are permanently modified. See *Mortgage Purchase and Servicing Standards— Defaults and Delinquencies*. 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. For the same reasons, we may also modify Mortgages when they are fewer than 120 days delinquent or in imminent default and, upon modification, we generally repurchase them from our mortgage-related securities. We may also modify Mortgages that we have purchased for cash that become delinquent or are in imminent default before we have the opportunity to securitize those Mortgages. Mortgages described above are referred to as **"Modified Mortgages."**

Modified Mortgages may include Mortgages that we have modified pursuant to our HAMP modification, non-HAMP standard modification, Flex Modification, disaster-related modification, or principal reduction modification initiatives described under *Freddie Mac—Our Relief Refinance and Mortgage Modification Programs*. Modified Mortgages may also include Mortgages subject to Payment Deferral Solutions.

3. The section titled **"Description of the Mortgages that back Securities – Mortgage Purchase and Servicing Standards – Defaults and Delinquencies"** is hereby amended and restated in its entirety as follows:

Defaults and Delinquencies

In attempting to resolve an existing or impending delinquency or other Mortgage default, as Administrator, we may take any of the following measures:

- Approve an assumption of a Mortgage by a new borrower.
- Allow a repayment plan that provides the borrower a specified period of time to return to current status by paying the normal monthly payment plus additional agreed-upon delinquent amounts.
- Allow a forbearance period during which regular Mortgage payments may be reduced or suspended.
- Allow a Payment Deferral Solution.
- Approve a modification of certain terms of the Mortgage or a refinancing of the Mortgage, including under our mortgage modification initiatives and Enhanced Relief Refinance Program. See *Freddie Mac—Our Relief Refinance and Mortgage Modification Programs*.
- Pursue a pre-foreclosure contract for sale of the underlying property or other foreclosure alternative transaction.
- Initiate a foreclosure proceeding.

When considering our options under the particular circumstances, we determine, in accordance with the terms of the Trust Agreement, whether to repurchase a Mortgage from a Pool under our guarantees. Repurchasing a Mortgage from its Pool has the same effect on Holders as a prepayment. If we determine not to repurchase the Mortgage from its Pool, the measures we take may affect the timing of payments of principal to Holders.

As Administrator, we generally demand accelerated payment of principal and initiate foreclosure proceedings with respect to a Mortgage in accordance with the provisions of our Guide. However, we also continue to pursue alternative measures, including Mortgage modifications, to resolve the delinquency before the conclusion of the foreclosure proceedings, if such measures appear likely to mitigate our potential losses. If, after demand for acceleration, a borrower pays all delinquent amounts or agrees with us to accept an arrangement for reinstatement of the Mortgage, we may terminate the foreclosure proceedings and withdraw our demand. If the borrower again becomes delinquent, we generally require our servicers to accelerate the Mortgage and demand payment for all amounts due under the Mortgage and, if the borrower fails to pay the demand, commence new foreclosure proceedings.

Under the Trust Agreement, we may repurchase a Mortgage from its Pool if the Mortgage is 120 days or more delinquent. Currently, we typically repurchase Mortgages from their related Pools after the Mortgages become 120 days delinquent or more, subject to (i) operational and regulatory constraints and (ii) whether the Mortgage is subject to a forbearance plan, as discussed in the paragraph immediately below. We also generally require a Mortgage to be repurchased in the event of modification or foreclosure, in each case if the Mortgage was 120 days or more delinquent. We generally require repurchase if the Mortgage has been delinquent for 24 months, regardless of the loss mitigation status of the Mortgage. Effective January 1, 2021, our practice of repurchasing Mortgages from their related Pools if the Mortgage is 120 days or more delinquent will change, as discussed in the second paragraph below. We may also require repurchase if we determine, on the basis of information from the related borrower or servicer, that loss of ownership of the mortgaged property is likely or default is imminent due to borrower incapacity, death or hardship or other extraordinary circumstances that made future payments on the Mortgage unlikely or impossible.

On April 13, 2020, FHFA instructed us to retain Mortgages in their related Pools while any such Mortgages remain subject to a forbearance plan. In addition, following the expiration of the forbearance plan, we must continue to have any such Mortgage retained in its related Pool (i) during such time as an offer to reinstate the Mortgage or enter into a Payment Deferral Solution, repayment plan or trial period plan remains outstanding, (ii) during the period of a repayment plan or trial period plan or (iii) after a Payment Deferral Solution takes effect and the Mortgage is reinstated. If the related borrower has failed to timely accept or comply with the terms of a forbearance plan, Payment Deferral Solution, repayment plan or trial period plan, or upon such borrower's successful completion of a trial period plan, we must remove the Mortgage from the related Pool in accordance with our current practices, as discussed above. Due to operational constraints or servicer reporting errors, we may occasionally repurchase Mortgages from their related Pools earlier than the time requirements provided for in these instructions. See *Risk Factors—Prepayment and Yield Factors—Substantial repurchases of seriously delinquent Mortgages from Pools could materially affect Security prepayment speeds.* Our repurchase practices with respect to Mortgages subject to trial period plans are generally similar to our repurchase practices with respect to Mortgages subject to forbearance plans.

On September 30, 2020, we announced that we will extend the trigger to repurchase delinquent Mortgages from their related Pools from 120 days or more of delinquency to 24 months of delinquency (i.e., the borrower has missed 24 full monthly payments). This change will be effective January 1, 2021. Pursuant to the terms of the Trust Agreement or applicable law, we may repurchase the following delinquent Mortgages from their related Pools prior to such Mortgages reaching 24 months of delinquency: (i) Mortgages that are permanently modified (for this purpose, Mortgages subject to a Payment Deferral Solution are not considered to be "permanently modified"); (ii) Mortgages subject to a short sale or deed-in-lieu of foreclosure; (iii) Mortgages repurchased by a seller/servicer under applicable selling and servicing requirements; (iv) Mortgages that are paid in full, or for which the related lien is released and/or the note debt is satisfied or forgiven; and (v) Mortgages referred to foreclosure. Once effective on January 1, 2021, any change to this policy would not be effective for at least two years and market participants would be provided at least six months advance public notice of any such change. Furthermore, any future policy change will be applicable only to Mortgages in Pools that are current as of the effective date of such future change. Any Mortgage in a Pool that is delinquent at the effective date of a future policy change would remain subject to the policy requiring delinquent Mortgages to remain in their related Pools until reaching 24 months of delinquency, unless any such Mortgage subsequently cures. Our September 30, 2020 announcement stated that, historically, more than half of Mortgages referred to foreclosure are referred within six months of delinquency. The announcement stated that we anticipate that delinquent Mortgages will be repurchased in most cases before the 24-month deadline under one of the exceptions described above. The degree to which prepayment speeds in related Securities are affected depends on delinquency levels, borrower response and referral to foreclosure timelines. The announcement also stated that we currently believe, based on prevailing assumptions and market conditions, that the change will have only a marginal impact on prepayment speeds, in aggregate. Cohort level impacts may vary.

In certain cases in which (i) the post-modification monthly principal and interest payment, (ii) the interest rate and (iii) the term to maturity of a modified Mortgage remain the same as the corresponding pre-modification terms, we may elect not to repurchase the modified Mortgage from its related Pool. In those instances, any delinquent payments will become non-interest bearing and their payment by the borrower will be deferred until the earlier of the maturity date of the modified Mortgage or its earlier payoff through a curtailment payment or refinancing or upon transfer or sale of the mortgaged property. However, payments on the modified Mortgage of scheduled principal and interest will continue to be made to Holders in accordance with Freddie Mac's guarantees. We refer to these modified Mortgages as being subject to **"Payment Deferral Solutions."** Payment Deferral Solutions generally cover up to two months of delinquent payments. However, on May 13, 2020, we announced that eligible borrowers that have resolved a COVID-19 related hardship may receive Payment Deferral Solutions covering up to 12 months of delinquent payments. In addition, on July 15, 2020, we announced that eligible borrowers that have been impacted by an Eligible Disaster may receive Payment Deferral Solutions covering up to 12 months of delinquent payments.

From time to time, we reevaluate our delinquent loan repurchase practices and alter them if circumstances warrant.

Sometimes the unpaid principal balance of a Mortgage exceeds the current value of the underlying property. Bankruptcy courts are permitted, under limited circumstances, to approve a borrower's plan reducing the borrower's obligation under such a Mortgage to the current value of the property and to treat the remaining amount of the Mortgage indebtedness as an unsecured obligation. We may treat the unsecured portion of the Mortgage as a partial prepayment and pass through that amount as a guarantee payment as early as the date of the court action.

The Incorporated Documents provide information regarding our overall Mortgage delinquency, default and foreclosure experience.

Unless otherwise defined in this Supplement, capitalized terms used in this Supplement have the meanings given to them in the Offering Circular.