

**CHARTER OF THE FINANCE AND CAPITAL DEPLOYMENT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF THE
FEDERAL HOME LOAN MORTGAGE CORPORATION**

[Amended and Restated by the Board of Directors on March 7, 2008]

Organization, Membership Requirements and Committee Processes

The Finance and Capital Deployment Committee (the “Committee”) of the Board of Directors (the “Board”) of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) shall consist of at least three members. One member of the Committee shall be designated by the Board as the Committee’s Chairman. The Committee’s Chairman shall report regularly to the Board on the Committee’s activities and minutes of the Committee’s meetings shall be submitted to the Board.

The members of the Committee shall have access to any employees of Freddie Mac, and shall have the authority to engage outside consultants or advisors including, but not limited to, investment bankers and financial advisors, as the Committee may deem appropriate to fulfill its responsibilities. Freddie Mac shall provide appropriate funding for the retention of any such consultants or advisors and for other necessary and appropriate administrative expenses of the Committee, all as determined by the Committee.

Definitions

For the purposes of this Charter,

- (1) the term “Debt Obligations” refers to notes, debentures, bonds and other debt obligations of Freddie Mac.
- (2) the term “Investment Operations” refers to Freddie Mac’s funding, investment and hedging activities associated with its retained and sold portfolios, credit risk arising from the guarantee portfolio, and mortgage and non-mortgage investment portfolios;
- (3) the term “Funding” refers to Freddie Mac’s issuance, sale and repurchase of Debt Obligations and Mortgage-Related Securities;
- (4) the term “Mortgage-Related Securities” refers to any securities of Freddie Mac that are secured by, or the payments on which are either derived from or determined by reference to payments on, specified Mortgages or specified other Mortgage-Related Securities, whether the securities are single-class or multiclass and whether or not the securities represent evidence of indebtedness. Examples of Mortgage-Related Securities include, but are not limited to, the following:

Mortgage Participation Certificates
Giant Mortgage Participation Certificates
Structured Pass-Through Certificates

Multiclass Mortgage Participation Certificates
Funding Note Pass Through Certificates
Multifamily Variable Rate Certificates
Collateralized Mortgage Obligations
Mortgage Cash Flow Obligations

- (5) the term “Mortgage” means any residential mortgage or interest in a residential mortgage that Freddie Mac is authorized to purchase under the Federal Home Loan Mortgage Corporation Act.

Purposes, Powers, Duties and Responsibilities of the Committee

The Committee is hereby charged by the Board with the authority and responsibilities set forth below.

1. Investment Operations. The Committee will oversee Investment Operations, including:
 - (a) Freddie Mac’s investment, credit and liquidity strategies and activities, and the results of those strategies and activities (including the profitability thereof);
 - (b) the profitability of, and capital allocations to, Investment Operations;
 - (c) the techniques employed by Freddie Mac to
 - (i) manage the Investment Operations;
 - (ii) fund the acquisition of assets for Investment Operations; and
 - (iii) adjust the composition and characteristics of these assets and related liabilities from time to time in order to mitigate Freddie Mac’s risk exposures; and
 - (d) Freddie Mac’s strategy and business plan associated with Investment Operations.
2. Funding Activities. The Committee will oversee Freddie Mac’s Funding activities, including:
 - (a) With respect to Debt Obligations:
 - (i) Debt Obligation strategies, policies, programs, products and enhancements thereto, and related marketing activities;
 - (ii) the performance of Debt Obligations against appropriate benchmarks;
 - (iii) Freddie Mac’s competitive position in, and the liquidity of, the markets for its Debt Obligation; and

- (iv) the profitability of Debt Obligation activities; and
- (b) with respect to the issuance of Mortgage-Related Securities:
 - (i) Freddie Mac's strategies, policies, and related marketing activities with respect to Mortgage-Related Securities;
 - (ii) the performance of Mortgage-Related Securities;
 - (iii) Freddie Mac's competitive position in, and the liquidity of, the markets for Mortgage-Related Securities;
 - (iv) the profitability of Mortgage-Related Securities activities; and
 - (v) the impact of proposed changes in strategies and policies with respect to Mortgage-Related Securities on the Corporation's acquisition of Mortgages.
- 3. Transaction Reporting. Management will report to the Committee, at least quarterly, with respect to any single transaction involving Mortgage-Related Securities having an aggregate principal amount greater than \$5 billion (other than transactions consisting of the issuance of Giant Mortgage Participation Certificates or the issuance of Mortgage Participation Certificates in exchange for the underlying Mortgages).
- 4. Asset/Liability Management Policy and Plan. The Committee will oversee the content and implementation of Freddie Mac's management policy and management plan for asset/liability management (the "Asset/Liability Management Policy" and "Asset/Liability Management Plan," respectively), including:
 - (a) approval of the Asset/Liability Management Policy and the Asset/Liability Management Plan established by management, including the risk limits and performance targets set forth therein, respectively;
 - (b) periodic review of other plans and strategies governing asset/liability management activities, including the investment, funding, hedging, and risk management and other policies governing asset/liability management activities adopted by management ("Management Policies"); and
 - (c) review of Freddie Mac's asset/liability management performance, risk exposures (including credit risk, market risk and operational risk) and, as necessary, any material changes or exceptions to the Asset/Liability Management Policy, the Asset/Liability Management Plan or the Management Policies.

5. VIU Matters. The Committee will review reports from management identifying changes to policies, exceptions to policies and procedures, implementation of new programs and strategies, and execution of non-standard transactions involving debt funding, investment, hedging, derivatives, credit risk management, mortgage funding and other activities of the Investment and Funding operations that:

- (a) are considered Visible, High Impact, or Unique (VIU) and,
- (b) in the case of transactions, either are material to Freddie Mac or otherwise raise substantial questions about financial aspects of the company's business operations or about the integrity of its normal approval processes.

Such matters need not be reported in advance of their implementation, but shall be reported to the Committee at its next regularly scheduled meeting following implementation.

6. Capital Management. The Committee will oversee the management of Freddie Mac's capital, including:

- (a) Review of, and making recommendations to the Board concerning, changes in Freddie Mac's capital structure, including, but not limited to:
 - (i) issuances of common stock, preferred stock, any other securities the proceeds of which qualify under applicable law for treatment as regulatory capital of Freddie Mac, and any securities or other instruments or transactions convertible into or exchangeable for such securities;
 - (ii) repurchases or redemptions of such stock or other instruments; stock splits; and
 - (iii) related matters;
- (b) review of, and making recommendations to the Board concerning, Freddie Mac's annual dividend policy and the declaration and payment of dividends;
- (c) the techniques employed by Freddie Mac to manage and allocate its capital, including, but not limited to, internal stress tests and other related management information and control systems;
- (d) aggregate portfolio risks, including credit, market and operational risks, and assess the adequacy of capital relative to these risks;
- (e) the establishment of major regulatory capital requirements applicable to Freddie Mac; and
- (f) the implementation of regulatory capital requirements, the results of compliance with such requirements and the implications of such requirements and capital allocations for Freddie Mac's business activities.

7. Risk. With respect to risk management, the Committee will:

- (a) Approve risk metrics and limits, including those embedded in the Asset/Liability Management Policy and other enterprise risk management policies that are otherwise subject to approval by the Governance, Nominating and Risk Oversight Committee, and review compliance with such metrics and limits;
- (b) Review risk-adjusted performance measures;
- (c) Review the management of credit risk, market risk (including interest rate and liquidity risk), and operational risk and, to the extent not otherwise included in the foregoing, counterparty risk associated with Investment Operations, Funding activities and Mortgage-Related Securities activities, including:
 - (i) Freddie Mac's strategies, policies and performance with respect to management of such risks; and
 - (ii) the appropriateness, reliability and completeness of the risk management systems and processes employed by management to identify, measure, manage and control such risks.
- (d) Review the management of market risk (including interest rate and liquidity risk) associated with purchased Mortgages; and
- (e) Review major changes in policies on the sale or other disposition of Mortgages as they relate to credit, interest rate or operational risk.

At least annually, the Committee will meet in joint session with the Audit Committee to review Freddie Mac's major financial risk exposures (including but not limited to market, credit and operational risks) and the steps management has taken to monitor and control such exposures.

- 8. Investor Relations and Rating Agencies. The Committee will oversee investor relations activities relating to equity, debt and Mortgage-Related Securities and their strategic implications, and Freddie Mac's relationships with rating agencies.
- 9. Committee Self-Assessment. The Committee will review, at least annually, under the oversight of the Governance, Nominating and Risk Oversight Committee, this Committee's performance, including its structure and operations (including authority to delegate to subcommittees), its process for reporting to the Board, and the process for determining the membership of the Committee, including qualifications for Committee membership.
- 10. Committee Charter. The Committee will review and reassess, at least annually, the adequacy of the Committee's Charter and recommend for approval by the Board any changes that it deems appropriate.

11. Other Duties. The Committee will perform such other duties as may be assigned from time to time to the Committee by the Board or requested by the Board's Chairman or the Lead Director.