



Freddie Mac Potential STACR Enhancement

Proposed Addition to PC Master Trust Agreement

In potentially moving to a REMIC tax election for the majority of single-family loans it acquires, Freddie Mac would add the following section to its PC Master Trust Agreement:

Section 7.10. REMIC Election for Certain Mortgages. Freddie Mac will elect to treat Mortgages, except with respect to Mortgages backing PCs with the prefixes U7, U8 and U9, that are deposited in PC Pools, as part of a Real Estate Mortgage Investment Conduit (“REMIC”) for federal income tax purposes, resulting in those underlying Mortgages treated as part of a REMIC once the election is made.