

**PRICING SUPPLEMENT DATED August 5, 1999  
(to Offering Circular Dated December 30, 1998)**



**US\$2,500,000,000**

**Freddie Mac**

**GLOBAL DEBT FACILITY  
5.50% Notes Due May 15, 2002**

**Reference Notes<sup>SM\*</sup>**

This Pricing Supplement relates to the Notes of the Federal Home Loan Mortgage Corporation ("Freddie Mac") described below and should be read in conjunction with the Offering Circular dated December 30, 1998 (the "Offering Circular") and all documents incorporated by reference in the Offering Circular including Freddie Mac's Information Statement dated March 31, 1999 and any supplements to such Information Statement. Capitalized terms used in this Pricing Supplement and not otherwise defined in this Pricing Supplement have the meanings given to them in the Offering Circular.

The Notes have the same terms (other than Issue Date and Issue Price) as, and form a single series with, the 5.50% Notes Due May 15, 2002 that Freddie Mac issued in the principal amount of US\$3,000,000,000 on May 14, 1999. The aggregate principal amount of the 5.50% Notes Due May 15, 2002, including the Notes issued pursuant to this Pricing Supplement, will be US\$5,500,000,000. See "Description of the Notes - General - Further Issues" and " - Repurchase" in the Offering Circular. Interest on the Notes offered pursuant to this Pricing Supplement will accrue from and including May 14, 1999.

The Notes are not suitable investments for all investors. In particular, no investor should purchase the Notes unless the investor understands and is able to bear the yield, market and liquidity risks associated with the Notes. See "Risk Factors and Investment Considerations - Suitability" in the Offering Circular.

**The Notes are obligations of Freddie Mac only. The Notes, including any interest or return of discount on the Notes, are not obligations of, or guaranteed by, the United States or any agency or instrumentality of the United States other than Freddie Mac. The Notes and income derived from the Notes generally are not exempt from taxation. Non-U.S. owners generally will be subject to United States federal income and withholding tax unless they establish an exemption. The Notes are exempt from the registration requirements of the Securities Act of 1933 and are "exempted securities" within the meaning of the Securities Exchange Act of 1934.**

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Such transactions may include stabilizing the purchase of Notes to cover syndicate short positions and the imposition of penalty bids. For a description of these activities, see "Plan of Distribution" in the Offering Circular.

**THIS PRICING SUPPLEMENT DOES NOT DESCRIBE ALL OF THE RISKS OF AN INVESTMENT IN THE NOTES. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS ENTAILED BY AN INVESTMENT IN THE NOTES.**

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\* "Reference Notes" is a service mark of Freddie Mac.

## Certain Notes Terms

1. Title: 5.50% Notes Due May 15, 2002
2. Form:
  - Book-Entry Registered
    - DTC Registered Notes
    - Global Registered Notes
3. Specified Payment Currency:
  - a. Specified Interest Currency: U.S. dollars
  - b. Specified Principal Currency: U.S. dollars
4. Aggregate Original Principal Amount: \$2,500,000,000
5. Issue Date: August 9, 1999
6. Denominations: \$1,000 and additional increments of \$1,000
7. Maturity Date: May 15, 2002
  - a. Amount Payable on the Maturity Date
    - Fixed Principal Repayment Amount
      - 100% of principal amount
      - % of principal amount
    - Variable Principal Repayment Amount
8. Subject to Redemption Prior to Maturity Date:
  - No
  - Yes
    - Mandatory
    - Option of Freddie Mac
    - Option of Holders
9. Payment Terms of the Notes:
  - Fixed Rate Notes
  - Step Notes
  - Variable Rate Notes
  - Fixed/Variable Rate Notes
  - Zero Coupon Notes
10. Interest:
  - a. Frequency of Interest Payments
    - Annually
    - Semiannually
    - Quarterly
    - Monthly
    - Other: \_\_\_\_\_
  - b. Interest Periods: The first Interest Period for the Notes offered hereby begins on, and includes, May 14, 1999 and ends on, but excludes, the first Interest Payment Date. Consequently, the first payment on the Notes will include accrued interest from May 14, 1999. Subsequent Interest Periods will be as described in the Offering Circular.
  - c. Interest Payment Dates: May 15 and November 15, commencing November 15, 1999
  - d. Interest rate per annum: 5.50%

**Additional Information Relating to the Notes**

1. Identification Number(s)
  - a. CUSIP: 3134A3RE8
  - b. ISIN: US3134A3RE84
  - c. Common Code: 9771255
  - d. Other: N/A
  
2. Listing Application
  - No
  - Yes
    - Luxembourg Stock Exchange
    - Stock Exchange of Singapore Limited
    - Other: \_\_\_\_\_
  
3. Eligibility for Stripping
  - No
  - Yes Interest for the first Interest Period may not be stripped. See “Other - Description of the Notes - General - Payment Terms of the Notes.”
  - Minimum Principal Amount: \$400,000

**Offering**

1. Pricing Date: August 5, 1999
2. Method of Distribution:  Principal Agent
3. Dealer Underwriting Commitment

J.P. Morgan Securities Inc.	\$530,000,000
Lehman Brothers Inc.	\$500,000,000
Salomon Smith Barney Inc.	\$500,000,000
Warburg Dillon Read LLC	\$650,000,000
ABN AMRO Incorporated	\$40,000,000
Bear, Stearns & Co. Inc.	\$40,000,000
Credit Suisse First Boston Corporation	\$40,000,000
Donaldson, Lufkin & Jenrette Securities Corp.	\$40,000,000
First Tennessee Bank National Association	\$40,000,000
Goldman, Sachs & Co.	\$40,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$40,000,000
Morgan Stanley & Co. Incorporated	<u>\$40,000,000</u>
Total . . . . .	<u>\$2,500,000,000</u>

- a. Representatives:
  - J.P. Morgan Securities Inc.
  - Lehman Brothers Inc.
  - Salomon Smith Barney Inc.
  
- b. Stabilizing Manager: J.P. Morgan Securities Inc.

4. Offering Price:
  - Fixed Offering Price: 97.999% of the principal amount of the Notes and an additional amount of \$32,465,277.78 representing accrued interest from May 14, 1999 to, but not including, August 9, 1999, plus accrued interest, if any, from the Settlement Date

## Variable Price Offering

5. Purchase Price to Applicable Dealer: 97.924% of principal amount  
Concession: .050%  
Reallowance: N/A

### Settlement

1. Settlement Date of the Notes Offered Hereby: August 9, 1999. (Previous Settlement Date of the outstanding Notes forming part of the same series is May 14, 1999)
2. Settlement Basis  
 Delivery versus payment  
Free delivery
3. Settlement Clearing System  
 U.S. Federal Reserve Banks  
DTC  
 Euroclear  
 Cedelbank  
Other

### Other

## DESCRIPTION OF THE NOTES

### General

#### *Payment Terms of the Notes*

#### *Eligibility For Stripping*

Certain issues of Notes that are Freddie Mac Reference Notes<sup>SM</sup> designated by Freddie Mac, including the Notes (collectively, the “Eligible Notes”) are eligible to be separated (“stripped”) into their separate Interest Components and Principal Components (each as defined below) on the book-entry records of the Federal Reserve Bank of New York (the “FRBNY”). The components of an Eligible Note are: (i) each future interest payment due on or prior to the Maturity Date (each an “Interest Component”) and (ii) the principal payment (the “Principal Component”). However, the initial interest payment on the Notes will not be an Interest Component because the initial Interest Period is longer than other Interest Periods, based on a 360-day year consisting of twelve 30-day months. The initial interest payment will remain with the Principal Component. Each Interest Component and Principal Component (each a “Component”) will receive a CUSIP number and an ISIN number.

For an Eligible Note to be stripped into Components, the principal amount of the Eligible Note must be in an amount that, based on the stated interest rate of the Eligible Note, will produce an interest payment of \$1,000 or an integral multiple thereof on each Interest Payment Date for such Eligible Note. The minimum principal amount required to strip the Notes is \$400,000.

A Holder of an Eligible Note may request that such Eligible Note be separated into its Components at any time. The Holder must make a request for separation to the FRBNY and comply with any requirements and procedures, including payment of applicable fees, if any, of the FRBNY in effect at such time.

The Components may be maintained and transferred on the Fed Book-Entry System in integral multiples of \$1,000. Payments on Components will be made in U.S. dollars on the applicable payment dates (or the succeeding Business Day if payment on the related Notes is made on such succeeding Business Day as described under “Description of the Notes - General - Business Day Convention” in the Offering Circular) by credit of the payment amount to the account at a U.S. Federal Reserve Bank of the Holding Institutions whose names appear on the book-entry records of the U.S. Federal Reserve Banks as the entities to whose account such Components have been deposited (“Component Holders”).

Currently, at the request of a Component Holder holding a Principal Component and all applicable unmatured Interest Components, and on the Component Holder's payment of a fee (currently the FRBNY's fee applicable to on-line book-entry securities transfers), the FRBNY will restore ("reconstitute") the Principal Components of a stripped Note and the applicable unmatured Interest Components (all in appropriate amounts) to such Note in fully constituted form. Generally, for purposes of reconstituting a Note, the Principal Component of an issue of Notes may be combined with either Interest Components of such issue or Interest Components, if any, from other issues of Notes of Freddie Mac that have the same CUSIP number as the unmatured Interest Components of such issue. Component Holders wishing to reconstitute Components into a Note also must comply with all applicable requirements and procedures of the FRBNY relating to the stripping and reconstitution of securities.

The preceding discussion is based on Freddie Mac's understanding of the manner in which the FRBNY currently strips and reconstitutes eligible securities on the Fed Book-Entry System. The FRBNY may cease stripping or reconstituting Notes or may change the manner in which this is done or the requirements, procedures or charges therefor at any time without notice.

## **CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES**

The following discussion should be read in conjunction with the discussion contained under "Certain United States Federal Tax Consequences" in the Offering Circular. Capitalized terms used herein and not defined in this Pricing Supplement are defined in the Offering Circular. This discussion does not address all tax consequences applicable to all categories of investors, some of which may be subject to special rules.

### **No Original Issue Discount on Notes**

Freddie Mac intends to treat the Notes as not issued with OID. The Notes should be considered part of a series of Notes that was first issued on May 14, 1999, and the issue price of the Notes for purposes of the rules relating to OID should, therefore, be the initial price at which a substantial portion of the Notes was sold on May 14, 1999. The Notes offered pursuant to this Pricing Supplement, however, should be issued with market discount. See "Certain United States Federal Tax Consequences – U.S. Owners – Acquisition Premium and Market Discount" in the Offering Circular.

### **Principal and Interest Components of Notes**

#### ***Tax Treatment of Purchasers of Principal or Interest Components***

Pursuant to Code Section 1286, the separation of ownership of the right to receive some or all of the interest payments on a debt obligation from ownership of the right to receive some or all of the principal payments results in the creation of "stripped bonds" with respect to principal payments and "stripped coupons" with respect to interest payments. Consequently, a purchaser of a Principal Component or an Interest Component will be considered to own stripped bonds or stripped coupons, respectively.

Code Section 1286 treats a stripped bond or a stripped coupon, for purposes of applying the original issue discount rules, as a debt instrument issued with original issue discount on the date that such stripped interest is purchased. Accordingly, the tax consequences to a purchaser of a Component are determined as if the Component were an OID Debt Obligation issued on the date of purchase or, in the case of a Component maturing one year or less from the date of purchase, a Short-Term Debt Obligation issued on that date. See "Certain United States Federal Tax Consequences -- U.S. Owners -- Debt Obligations with Original Issue Discount" and "-- Debt Obligations with a Term of One Year or Less" and "Certain United States Federal Tax Consequences -- Non-U.S. Owners -- Interest" in the Offering Circular. The amount of original issue discount is equal to the excess (if any) of the Component's stated redemption price at maturity (in the case of an Interest Component, the amount payable on the due date of such Component) over the purchase price.

If an investor purchases in one transaction a pro rata share of the Principal Component and applicable unmatured Interest Components relating to the same Note, while the matter is not free from doubt, such investor should be treated as purchasing an undivided interest in the Note rather than the separate Components. If it cannot be ascertained whether such Components relate to the same Note, or if such Components are purchased in separate transactions, then the investor likely should be treated as purchasing the separate Components for Federal income tax

purposes. Such an investor must account for taxable income with respect to such Components as described in the preceding paragraph.

***Tax Treatment of Person That Strips the Reference Note and Disposes of Some of the Components***

A Beneficial Owner of a Note that strips the Reference Note into its related Components and disposes of some of such Components will be subject to the rules of Code Section 1286. On the date of disposition, such Beneficial Owner must (i) include in income all interest and market discount accrued on the Note not previously included in income, (ii) increase its basis in the Reference Note by the same amount, (iii) allocate its basis in the Note among the Principal Component and Interest Components retained and disposed of according to their respective fair market values and (iv) recognize gain or loss with respect to the Principal Component and Interest Components disposed of. Such Beneficial Owner will be treated as having purchased the retained Components for an amount equal to the basis allocable to such Components.

***Tax Treatment of Stripping and Reconstitution Transactions***

An exchange by a Beneficial Owner of a Note for the related Components will not constitute a taxable exchange to the Beneficial Owner. Similarly, a reconstitution of Components into a single instrument will not constitute a taxable exchange. In either case, the Beneficial Owner will be treated as continuing to own for Federal income tax purposes the property that it owned prior to the exchange.