

PRICING SUPPLEMENT dated December 11, 2006
(to the Offering Circular dated July 28, 2006)



\$500,000,000

Freddie Mac

GLOBAL DEBT FACILITY

5.00% Subordinated Debt Securities due December 14, 2018

Freddie SUBS®*

This Pricing Supplement relates to the offer of \$500,000,000 of 5.00% Subordinated Debt Securities due December 14, 2018 of Freddie Mac. You should read it together with our Global Debt Facility Offering Circular dated July 28, 2006, which is incorporated by reference in this Pricing Supplement (the "Offering Circular"). In this Pricing Supplement, the term "Freddie SUBS" refers to all Subordinated Debt Securities issued under the Global Debt Facility in the Freddie SUBS program generally, and the term "2018 Freddie SUBS" refers to the specific securities offered in this Pricing Supplement. Other capitalized terms used in this Pricing Supplement and not defined have the meanings given to them in the Offering Circular.

Freddie SUBS are unsecured subordinated debt obligations of Freddie Mac, ranking junior in right of payment to all of Freddie Mac's existing and future Senior Obligations, as specified in this Pricing Supplement. In certain cases, we will defer the payment of interest on Freddie SUBS for periods not to exceed five years. See "Description of the Securities — Subordination" and "— Interest."

Freddie SUBS are being offered globally for sale in the United States, Europe, Asia and elsewhere where it is lawful to make such offers. We have applied to have the 2018 Freddie SUBS admitted for trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange in accordance with its rules. The 2018 Freddie SUBS will be issued in book-entry form on the book-entry system of the U.S. Federal Reserve Banks on December 14, 2006.

Freddie SUBS are not suitable investments for all investors and involve risks. See "Risk Factors — The Debt Securities May Not Be Suitable For You" in the Offering Circular and the section entitled "Risk Factors" beginning on page 1-6 of this Pricing Supplement for a description of certain of these risks.

Freddie SUBS are obligations of Freddie Mac only. Freddie SUBS, including any interest or return of discount on Freddie SUBS, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac. Because of applicable U.S. securities law exemptions, we have not registered Freddie SUBS with any U.S. federal or state securities commission. No U.S. securities commission has reviewed the Offering Circular or this Pricing Supplement.

Freddie SUBS are not tax-exempt. Non-U.S. owners generally will be subject to United States federal income and withholding tax unless they establish an exemption. Any discussion of tax issues set forth in this Pricing Supplement and the related Offering Circular was written to support the promotion and marketing of the transactions described in this Pricing Supplement. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

	Initial Public Offering Price(1)	Underwriting Discount	Proceeds to Freddie Mac(1) (2)
Per Security	99.013%	0.30%	98.713%
Total	\$495,065,000	\$1,500,000	\$493,565,000

(1) Plus accrued interest, if any, from December 14, 2006.

(2) Before deducting estimated expenses of \$10,000.

Lead Managers

Bear, Stearns & Co. Inc.

Merrill Lynch & Co.

Co-Managers

FTN Financial Capital Markets
JPMorgan
Lehman Brothers

Morgan Stanley
UBS Investment Bank

* "Freddie SUBS®" is a registered trademark of Freddie Mac.

ADDITIONAL INFORMATION

We prepare an annual Information Statement that describes our business and operations and contains important financial information and other information, including our audited consolidated financial statements (the “Information Statement”). We also prepare periodic Information Statement Supplements that may include unaudited consolidated financial data and other information concerning our business and operations (each, an “Information Statement Supplement”). These documents are (or upon publication will be) incorporated by reference in this Pricing Supplement, which means that we are disclosing information to you by referring you to those documents. These documents are considered part of this Pricing Supplement. You should read this Pricing Supplement, and any applicable supplements or amendments, in conjunction with our most recent Information Statement dated June 28, 2006 containing our audited consolidated financial information for the year ended December 31, 2005 and any subsequent Information Statement Supplements we incorporate by reference in this Pricing Supplement.

You can obtain copies of any of these documents and any documents we make available by contacting us at:

**Freddie Mac
Debt Securities Marketing Office
1551 Park Run Drive
McLean, VA 22102-3110
USA
E-Mail: debt_securities@freddiemac.com**

Our Offering Circular, Information Statement and Information Statement Supplements also are available on our Internet Web-Site (www.freddiemac.com). We do not intend for this internet address to be an active link and are not using references to this internet address here or elsewhere in this pricing supplement and the accompanying Offering Circular to incorporate additional information into this pricing supplement and the accompanying Offering Circular. You may also obtain all documents incorporated by reference in this Pricing Supplement, free of charge, by contacting Fortis Banque Luxembourg, S.A., our Luxembourg Listing Agent, via e-mail (LAA@fortis.lu) or phone (+352 4242-2000).

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SUMMARY

This summary contains selected information about Freddie SUBS and the 2018 Freddie SUBS. It does not contain all of the information you should consider before investing. You also should read the more detailed information contained elsewhere in this Pricing Supplement and the Offering Circular and in the documents incorporated by reference.

Issuer	Federal Home Loan Mortgage Corporation (“Freddie Mac”), a stockholder-owned government-sponsored enterprise.
Securities Offered	\$500,000,000 of 5.00% Subordinated Debt Securities due December 14, 2018 (“2018 Freddie SUBS”). The 2018 Freddie SUBS will be issued for cash or in exchange for certain previously issued Freddie SUBS. See “Plan of Distribution” in this Pricing Supplement.
Form	Freddie SUBS are U.S. dollar denominated Debt Securities issued, maintained and transferred through the Fed Book Entry System.
Denominations	Freddie SUBS will be issued in minimum denominations of \$100,000 and additional increments of \$1,000.
Ratings	The 2018 Freddie SUBS have been rated “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”), “AA–” by Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“Standard & Poor’s”), and “AA–” by Fitch Ratings (“Fitch”).
Issue Date	December 14, 2006
Maturity Date	December 14, 2018
Payment of Principal	We will repay 100% of the principal amount of Freddie SUBS at maturity.
No Redemption	The 2018 Freddie SUBS are not redeemable by us prior to maturity.
Payment of Interest	We will pay interest on the 2018 Freddie SUBS, semi-annually in arrears each June 14 and December 14 (the “Interest Payment Dates”), commencing June 14, 2007, at the rate of 5.00% per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months.
Subordination	<p>Freddie SUBS are unsecured subordinated debt obligations of Freddie Mac issued under Section 306(a) of the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Freddie SUBS rank junior in priority of payment to our Senior Obligations.</p> <p>“Senior Obligations” include all existing and future liabilities of Freddie Mac, other than liabilities that by their terms expressly rank equally with or junior to Freddie SUBS. Senior Obligations include all of Freddie Mac’s debt obligations (excluding Freddie SUBS but including certain other series of outstanding Freddie Mac subordinated debentures) and all liabilities in respect of Freddie Mac’s guarantees of mortgage-related securities.</p> <p>At December 31, 2005, we had \$778,082 million of outstanding total liabilities (including outstanding Freddie SUBS) and \$1,335,524 million of total guaranteed mortgage-related securities issued (including \$361,324 million held in our retained portfolio). All of these liabilities and guaranteed mortgage-related securities (other than outstanding Freddie SUBS) constituted Senior Obligations as of that date. At December 31, 2005, we had approximately \$5.5 billion of Freddie SUBS outstanding. In addition, we issued approximately \$1.25 billion of Freddie SUBS in June 2006 and redeemed approximately \$1 billion of Freddie SUBS in August 2006. We may issue and sell additional obligations that will rank senior in right of payment to Freddie SUBS. We may also issue and sell additional Freddie SUBS, all of which will</p>

	rank equally with outstanding Freddie SUBS, including the 2018 Freddie SUBS. See “Description of the Securities — Subordination” in this Pricing Supplement and “Description of the Debt Securities — General — Subordinated Debt Securities — Subordination” in the Offering Circular.
Deferral of Interest	<p>We will defer payment of interest on all outstanding Freddie SUBS if, as of the fifth Business Day prior to any Interest Payment Date on any Freddie SUBS (each, a “Deferral Determination Date”):</p> <ul style="list-style-type: none"> • Our “core capital” is below 125% of our “critical capital” requirement, or • (1) Our “core capital” is below our “minimum capital” requirement and (2) the U.S. Secretary of the Treasury, acting on our request, exercises discretionary authority pursuant to Section 306(c) of the Freddie Mac Act to purchase our debt obligations. <p>See “Description of the Securities — Interest” in this Pricing Supplement and “Description of the Debt Securities — General — Subordinated Debt Securities — Interest Payment Deferral” in the Offering Circular.</p>
Capital Levels	We will use the core, critical and minimum capital levels, as most recently verified by the Office of Federal Housing Enterprise Oversight (“OFHEO”), pursuant to its then current methodology for calculating those levels, prior to any Deferral Determination Date to determine whether we must defer interest on all outstanding Freddie SUBS. If legislation is enacted that revises the definition of core, critical or minimum capital, or if OFHEO ceases to announce any of these capital levels, we will calculate any revised or no longer announced capital levels in accordance with the most recent statutory definition and OFHEO methodology and requirements. An independent third party will verify any capital levels we are required to calculate. Upon such third party verification, we will publicly announce the results. See “Regulatory Capital Requirements” in this Pricing Supplement, “Description of the Debt Securities — Term Debt Securities — Subordinated Debt Securities — Regulatory Capital Requirements” in the Offering Circular and “Risk Management and Disclosure Commitments” and “Note 10: Regulatory Capital” in the Information Statement.
Limit on Deferral	We may not defer interest on any Freddie SUBS for more than five consecutive years or beyond the Maturity Date.
Accrual of Interest on Deferred Amounts.....	If we defer the payment of interest on Freddie SUBS, interest will continue to accrue, including on any deferred interest, and will compound semi-annually at the per annum interest rate of such Freddie SUBS.
Resumption of Interest Payments	We will pay all deferred interest, and interest thereon, on all Freddie SUBS as soon as, after giving effect to such payments, we no longer would be required to defer interest under the terms described above, and have repaid all debt obligations, if any, purchased by the U.S. Secretary of the Treasury as described above. We will make this payment in respect of all Freddie SUBS on the next scheduled Interest Payment Date of any issue of Freddie SUBS, unless we elect to make the payment earlier.

If we have not resumed interest payments on an issue of Freddie SUBS by its Maturity Date or have deferred interest on an issue of Freddie SUBS for five consecutive years, then we must pay deferred interest, and interest thereon, on that issue of Freddie SUBS regardless of our core capital level or our repayment of all debt obligations purchased by the U.S. Secretary of the Treasury. Even if we are required to make any payment on Freddie SUBS, because Freddie SUBS are subordinated, Holders of Freddie SUBS will be entitled to receive payments only after we have made payment in full of all amounts then due to holders of Senior Obligations. In no event will Holders of Freddie SUBS be able to accelerate the maturity of their Freddie SUBS, but will have claims only for amounts then due and payable on their Freddie SUBS. After we have fully paid all deferred interest on any issue of Freddie SUBS, future interest payments on that issue of Freddie SUBS will be subject to further deferral as described above.

No Dividends During Deferral

Periods During periods when we defer the payment of interest on Freddie SUBS, we may not declare or pay dividends on, or redeem, purchase or acquire, our common stock or preferred stock.

Notices We will give prompt notice of any event that would require deferral of the payment of interest on Freddie SUBS. We will also give notice of the resumption of the payment of interest on Freddie SUBS.

No Acceleration Freddie SUBS do not permit Holders to accelerate the maturity of the securities upon default or the occurrence of any other event.

Tax Status Freddie SUBS will constitute debt for United States federal income tax purposes. Freddie SUBS and income derived from Freddie SUBS generally are subject to taxation by the United States and generally are not exempt from taxation by other U.S. or non-U.S. taxing jurisdictions. Unless they establish an exemption by filing a form W-8BEN or otherwise, Non-U.S. Owners generally will be subject to U.S. federal income and withholding tax. See “Certain United States Federal Tax Consequences” in this Pricing Supplement and in the Offering Circular.

Identification Numbers CUSIP: 3134A4ZZ0
ISIN: US3134A4ZZ05
Common Code: 27806023

Listing Application We have applied to have the 2018 Freddie SUBS admitted for trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange in accordance with its rules.

Ineligibility for Stripping Freddie SUBS are not eligible to be separated or “stripped” into separate interest and principal components.

Eligibility for Reopening We may “reopen” (issue additional Freddie SUBS as part of) outstanding issues of Freddie SUBS. See “Description of the Securities — Reopenings.”

Governing Law Freddie SUBS will be governed by the federal laws of the United States. The local laws of the State of New York will be deemed to reflect the federal laws of the United States, unless there is applicable precedent under federal law or the application of New York law would frustrate the purposes of the Freddie Mac Act or the Global Debt Facility Agreement.

RISK FACTORS

You should consider carefully the risk factors set forth below and in the Offering Circular and the Information Statement, as well as all other information contained or incorporated by reference in this Pricing Supplement, the Offering Circular and the Information Statement in evaluating an investment in Freddie SUBS.

We Continue to Experience Delays in Our Financial Reporting

Since the revision and restatement of our financial results for 2000 through 2002, we have had to face many challenging and complex accounting and financial reporting issues, including ongoing controls remediation and systems re-engineering and development. We fell behind in our periodic reporting for the years ended December 31, 2002, 2003, 2004 and 2005, and we have not yet returned to quarterly reporting. In order to devote the resources needed to complete an end-to-end review of our internal control environment and return to timely reporting as soon as possible, we have decided to delay our interim financial reporting for 2006. Further, OFHEO could seek to require us to implement a remediation plan, hold additional capital or take other actions. In August 2006, in response to a request from OFHEO, we announced that we will voluntarily limit, on a temporary basis, the annual growth of our retained mortgage portfolio to no more than two percent above the level of June 30, 2006, effective July 1, 2006. In addition, a failure to effectively and timely implement the remediation plan undertaken as a result of the prior restatement of our consolidated financial statements and the consent order entered into with OFHEO, including particular initiatives relating to technical infrastructure and internal control over financial reporting, could similarly adversely affect our business. Additionally, because we do not have current financial information available, our current financial results could differ (perhaps substantially) from our most recent audited financial statements as of December 31, 2005 set forth in our Information Statement or management's estimates of our financial results for the first half of 2006 as set forth in our Information Statement Supplement dated October 3, 2006. Any of these events could have an adverse effect on the trading value of the Freddie SUBS. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operation — Risk Management — Operational Risks — Internal Control Over Financial Reporting" in the Information Statement.

We Have Material Weaknesses and Other Deficiencies in Our Internal Controls

We have discovered, and may in the future discover, material weaknesses and significant deficiencies in our internal controls that require remediation. Due to these weaknesses and deficiencies, our management has determined that, as of December 31, 2005, our internal control over financial reporting was not effective. A failure to establish and maintain an adequate control environment could result in a material error in our reported financial results, loss of market confidence in our reported results and additional delay in our financial reporting timeline. Any of these results could have a material adverse effect on our business and on the trading price of our securities, and could result in additional regulatory measures. OFHEO is considering whether additional remedial actions may be appropriately applied to us. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operation — Risk Management — Operational Risks — Internal Control Over Financial Reporting" in the Information Statement.

We May Be Unable to Manage Effectively All of the Risks to Which We Are Subject

Our business is exposed to operational risks, interest-rate and other market risks and credit risks. We are also exposed to other risks, such as those described in the "Risk Factors" section of the Information Statement, including reputation risk, legislation and regulatory risk and risks related to implementing our business strategies. As described therein and above, we face a number of significant operational risks, including material weaknesses and other significant deficiencies in our internal control over financial reporting. These operational risks may expose us to financial loss, may delay or interfere with our ability to return to and sustain timely financial reporting, or may result in other adverse consequences to our business and the trading value of our securities. Our retained portfolio activities expose us to interest-rate risk and other market risks arising primarily from the uncertainty as to when borrowers will pay the outstanding principal balance of mortgage loans and mortgage-related securities, known as prepayment risk, and the resulting potential

mismatch in the timing of our receipt of cash flows on our assets versus the timing of our obligation to make payments on our liabilities. Our credit guarantee activities also expose us to interest-rate risk because changes in interest rates can cause fluctuations in the fair value of our existing credit guarantee portfolio. Our credit guarantee portfolio also is subject primarily to two types of credit risk — mortgage credit risk and institutional credit risk. Mortgage credit risk is the risk that a borrower will fail to make timely payments on a mortgage or security we own or guarantee. Institutional credit risk is the risk that a counterparty that has entered into a business contract or arrangement with us will fail to meet its obligations. For further information, see “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Risk Management” in the Information Statement.

Freddie SUBS are Subordinated to Senior Obligations

Freddie SUBS are unsecured subordinated debt obligations of Freddie Mac issued under Section 306(a) of the Freddie Mac Act. Freddie SUBS rank junior in priority of payment to all of our existing and future Senior Obligations. This means that we cannot make any payments of principal or interest on Freddie SUBS while we are in default on any payment due in respect of Senior Obligations. In the event of our liquidation, dissolution, reorganization or similar event, our assets would be available to pay obligations under Freddie SUBS only after all payments had been made of amounts due on Senior Obligations. See “Summary — Subordination” in this Pricing Supplement.

Interest Payments May be Deferred

If (1) our core capital is below 125% of our critical capital requirement, or (2)(a) our core capital is below our minimum capital requirement *and* (b) the U.S. Secretary of the Treasury, acting on our request, exercises discretionary authority under Section 306(c) of the Freddie Mac Act to purchase our debt obligations, then we must defer the payment of interest on Freddie SUBS offered in this Pricing Supplement and on other outstanding Freddie SUBS for periods not to exceed five years. See the Summary in this Pricing Supplement and “Description of the Debt Securities — General — Subordinated Debt Securities — Interest Payment Deferral” in the Offering Circular.

Holders Have No Acceleration Rights

Holders of Freddie SUBS will not be able to accelerate the maturity of their Freddie SUBS. Holders will have claims only for amounts then due and payable on their Freddie SUBS. After we have fully paid all deferred interest on Freddie SUBS, and if Freddie SUBS remain outstanding, future interest payments on Freddie SUBS will be subject to further deferral as described above.

Holders May Have Adverse Tax Consequences

In the event of deferral of interest payments, you generally will be required to accrue income, for United States federal income tax purposes, in respect of the accrued but unpaid interest on Freddie SUBS held by you, as described below under “Certain United States Federal Tax Consequences.” As a result, you may recognize income with respect to Freddie SUBS held by you for United States federal income tax purposes in advance of the receipt of payment. Additionally, you will not receive the payment of that interest if you dispose of your Freddie SUBS prior to the end of the day preceding the date for the payment of accrued interest. Even though any income with respect to deferred interest will constitute ordinary income, if you sell your Freddie SUBS you generally will recognize a capital loss to the extent that the selling price (which may not reflect the full amount of deferred interest) is less than your adjusted tax basis. Subject to certain limited exceptions, capital losses cannot be applied to offset ordinary income for United States federal income tax purposes. See “Certain United States Federal Tax Consequences” in this Pricing Supplement and in the Offering Circular.

There is No Existing Trading Market for the 2018 Freddie SUBS

The 2018 Freddie SUBS are a new issue of securities with no established trading market. An active market for Freddie SUBS may or may not develop or be sustained in the future. Although certain of the

Dealers have indicated to us that they intend to make a market in Freddie SUBS, they are not obligated to do so and may discontinue any such market-making at any time without notice. Accordingly, we cannot assure you regarding the liquidity of, or trading markets for, Freddie SUBS.

Additionally, Freddie SUBS may trade at prices that do not fully reflect the amount of accrued but unpaid interest or deferred interest. Any deferral of interest payments will likely have an adverse effect on the market price of Freddie SUBS. In addition, as a result of the interest deferral provision of Freddie SUBS, the market price of Freddie SUBS may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in Freddie Mac's financial condition.

RATING

The 2018 Freddie SUBS have been rated "Aa2" by Moody's, "AA—" by Standard & Poor's and "AA—" by Fitch.

A security rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn at any time by the assigning rating organization. A reduction in any of the current ratings for Freddie SUBS could adversely affect their price and liquidity.

LISTING

We have applied to have the 2018 Freddie SUBS admitted for trading on the Euro MTF Market and listed on the Official List of the Luxembourg Stock Exchange in accordance with its rules.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2005. This financial information should be read together with our consolidated financial statements and other financial information set forth in the Information Statement. We engage in transactions and issue or repurchase debt obligations on an ongoing basis, all of which cause our total capitalization to change. Therefore, on any date after December 31, 2005, our total capitalization will differ (perhaps substantially) from the figures contained in this capitalization table. See "Risk Factors — We Continue to Experience Delays in Our Financial Reporting."

	December 31, 2005
	(dollars in millions)
Total debt securities, net:	
Senior debt, due within one year:	
Short-term debt securities	\$192,713
Current portion of long-term debt	95,819
Senior debt, due within one year	288,532
Senior debt, due after one year	454,627
Subordinated debt, due after one year	5,633
Senior and subordinated debt, due after one year	460,260
Total debt securities, net	748,792
Total stockholders' equity	27,191
Total capitalization	<u>\$775,983</u>

REGULATORY CAPITAL REQUIREMENTS

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the "GSE Act") established minimum, critical and risk based capital standards for Freddie Mac. You should refer to "Description of the Debt Securities — Term Debt Securities — Subordinated Debt Securities — Regulatory Capital Requirements" in the Offering Circular and "Risk Management and Disclosure Commitments" and "Note 10: Regulatory Capital" in the Information Statement for an explanation of how our core, critical and minimum capital levels are established.

The following table summarizes our regulatory capital requirements and surpluses.⁽¹⁾

	December 31,	
	2005	2004
	(in millions)	
<i>Minimum capital requirement</i> ⁽²⁾	\$25,010	\$24,131
Core capital ⁽²⁾	35,964	35,009
Minimum capital surplus ⁽²⁾	10,954	10,878
<i>Critical capital requirement</i> ⁽²⁾	\$12,782	\$12,308
Core capital ⁽²⁾	35,964	35,009
Critical capital surplus ⁽²⁾	23,182	22,701
<i>Risk-based capital requirement</i> ⁽³⁾	\$11,282	\$11,108
Total capital ⁽³⁾	36,781	34,691
Risk-based capital surplus ⁽³⁾	25,499	23,583

(1) OFHEO is the authoritative source of the capital calculations that underlie our capital classifications.

(2) Amounts for 2005 are based on amended reports we submitted to OFHEO on May 30, 2006.

(3) Amounts for 2005 and 2004 are those calculated by OFHEO prior to the issuance of our 2005 and 2004 financial results.

DESCRIPTION OF THE SECURITIES

The Freddie SUBS Program

We have committed to issue Freddie SUBS in an amount such that total capital (core capital plus general allowance for losses) plus the outstanding principal amount of Freddie SUBS will equal or exceed 4 percent of on-balance sheet assets and 0.45 percent of off-balance sheet mortgage securities. For purposes of making this calculation, the outstanding principal amount of each issue of Freddie SUBS is discounted as it approaches maturity by excluding from the calculation one-fifth of such outstanding amount each year during the issue's last five years prior to maturity. When the remaining maturity of an issue of Freddie SUBS is less than one year, that issue of Freddie SUBS is entirely excluded.

Freddie SUBS will be issued as Fed Book-Entry Securities in book-entry form on the Fed Book-Entry System. Freddie SUBS may be held indirectly through the clearing systems operated by Euroclear and Clearstream, Luxembourg. Freddie SUBS will not be exchangeable for definitive securities. Freddie SUBS are not eligible to be separated or "stripped" into their separate interest components and principal components.

Freddie SUBS will be offered globally for sale in the United States, Europe, Asia and elsewhere where it is lawful to make such offers.

Freddie SUBS will not contain any provisions permitting the Holders to accelerate their maturity on the occurrence of any default or other event.

Interest

The 2018 Freddie SUBS will be Fixed Rate Debt Securities and will accrue interest from December 14, 2006 at a rate of 5.00% per annum. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Interest Payment Dates will be June 14 and December 14 of each year, commencing June 14, 2007. The Specified Payment Currency for the 2018 Freddie SUBS will be U.S. dollars.

We will defer the payment of interest on all Freddie SUBS under the circumstances requiring deferral that are described under "Summary — Deferral of Interest" in this Pricing Supplement. You should refer to the Summary in this Pricing Supplement and "Description of the Debt Securities — General — Subordinated Debt Securities — Interest Payment Deferral" in the Offering Circular for an explanation of your rights in the event of deferral.

You should also read "Certain United States Federal Tax Consequences" in this Pricing Supplement for a discussion of selected United States federal income tax considerations in the event of a deferral of interest payments under Freddie SUBS.

Subordination

Freddie SUBS are unsecured subordinated debt obligations of Freddie Mac issued under Section 306(a) of the Freddie Mac Act. Freddie SUBS rank junior in priority of payment to our Senior Obligations, as described under “Summary — Subordination” in this Pricing Supplement. That section also sets forth, as of December 31, 2005, our total outstanding dollar volume of Senior Obligations and of Freddie SUBS.

In the event of default in payment on our Senior Obligations, or our dissolution, liquidation, reorganization or similar event, your rights to receive payment will be subordinated to the rights of holders of Senior Obligations. You should refer to “Description of the Debt Securities — General — Subordinated Debt Securities — Subordination” in the Offering Circular for a description of your rights in relation to rights of holders of Senior Obligations.

Reopenings

We may increase the size of this issue of the 2018 Freddie SUBS from time to time without the consent of any Holder by issuing additional Freddie SUBS with the same terms (other than the date of issuance, interest commencement date and offering price, which may vary). We may reopen this issue of the 2018 Freddie SUBS one or more times to increase the size and liquidity of the issue when there is requisite investor demand and the reopening is consistent with our funding needs and overall market conditions. The evaluation of these criteria and the decision whether to reopen the 2018 Freddie SUBS are in our sole discretion. We cannot assure you that we will reopen this issue of the 2018 Freddie SUBS or, if reopened, what the total issue size will be.

No Redemption

We do not have any right to redeem the 2018 Freddie SUBS prior to maturity.

Notices

We will give prompt notice of any event that would require deferral of the payment of interest on Freddie SUBS. We will also give notice of the resumption of the payment of interest on Freddie SUBS. We will give all such notices by broadcast through the communications system of the U.S. Federal Reserve Banks. If and so long as any Freddie SUBS are listed on the Official List of the Luxembourg Stock Exchange, we also will inform the Luxembourg Stock Exchange and provide notices on the Luxembourg Stock Exchange website at <http://www.bourse.lu> or, if publication in Luxembourg is not practical and not required under the rules and regulations of the Luxembourg Stock Exchange, elsewhere in Europe. Notice by publication will be considered given on the date of publication or, if published more than once, on the date of first publication.

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES

Freddie SUBS and payments on the Freddie SUBS generally are not exempt from taxation by the United States or other U.S. or non-U.S. taxing jurisdictions.

The following summary supplements the summary under “Certain United States Federal Tax Consequences” in the Offering Circular. These two summaries do not discuss all of the tax consequences that may be relevant to a Beneficial Owner in light of its particular circumstances or to Beneficial Owners subject to special rules. You are advised to consult your own tax advisor regarding the U.S. federal tax consequences to you of purchasing, owning and disposing of Freddie SUBS.

We will defer the payment of interest on Freddie SUBS upon the occurrence of an event described under “Description of the Securities — Interest” in this Pricing Supplement and “Description of the Debt Securities — General — Subordinated Debt Securities — Interest Payment Deferral” in the Offering Circular. Notwithstanding the potential for interest deferral, we believe that the stated interest on the 2018 Freddie SUBS will be treated as “unconditionally payable” within the meaning of the OID Regulations. Accordingly, the stated interest on Freddie SUBS will constitute “qualified stated interest.” Consequently, interest paid on Freddie SUBS generally will be taxable to a U.S. Owner as ordinary interest income at the time it accrues or is received in accordance with the U.S. Owner’s method of accounting for U.S. federal income tax purposes. If payments of interest actually were deferred, you generally would be required to include currently interest (and interest on that interest) in your income at the stated rate as original issue discount, notwithstanding that the interest is not being paid currently.

See “Certain United States Federal Tax Consequences” in the Offering Circular.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the Dealer Agreement, we have agreed to sell to each of the Dealers named below, and each of the Dealers has severally agreed to purchase, the amount of the 2018 Freddie SUBS set forth opposite its name below:

<u>Dealer</u>	<u>Principal Amount</u>
Bear, Stearns & Co. Inc.	\$213,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	212,000,000
First Tennessee Bank National Association.....	15,000,000
J.P. Morgan Securities Inc.	15,000,000
Lehman Brothers Inc.	15,000,000
Morgan Stanley & Co. Incorporated	15,000,000
UBS Securities LLC	15,000,000
Total.....	<u>\$500,000,000</u>

In the Dealer Agreement, the Dealers named above have severally agreed, subject to its terms and conditions, to purchase all the 2018 Freddie SUBS listed above if any are purchased. Bear, Stearns & Co. Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated are designated as “Representatives” for the Dealers.

The Dealers have advised us that they propose initially to offer the 2018 Freddie SUBS listed above to the public at the initial public offering price set forth on the cover page of this Pricing Supplement, and may offer the 2018 Freddie SUBS to certain other dealers at that price less a concession not in excess of 0.24% of the principal amount of the 2018 Freddie SUBS. After the initial public offering, the public offering price and concession may be changed.

Concurrently with this offering, Freddie Mac is offering to exchange the 2018 Freddie SUBS for \$1,504,378,000 of outstanding Freddie SUBS of certain series on the terms and conditions set forth in the Exchange Supplement dated December 4, 2006 to the Offering Circular. Upon completion of this offering and such exchanges, there will be approximately \$2,074,344,000 of the 2018 Freddie SUBS outstanding.

Prior to this offering, there has been no public market for the 2018 Freddie SUBS. We have applied to have the 2018 Freddie SUBS admitted for trading on the Euro MTF market and listed on the Official List of the Luxembourg Stock Exchange in accordance with its rules. All of the Dealers have advised us that they intend to make a market in the 2018 Freddie SUBS, but are not obligated to do so and may discontinue any such market making at any time without notice. No assurance can be given as to the liquidity of the trading market for Freddie SUBS.

In connection with the offering, the Representatives may purchase and sell the 2018 Freddie SUBS in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the Representatives of a greater number of 2018 Freddie SUBS than they are required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the 2018 Freddie SUBS while the offering is in progress. These activities by the Representatives may stabilize, maintain or otherwise affect the market price of the 2018 Freddie SUBS. As a result, the price of the 2018 Freddie SUBS may be higher than the price that might otherwise exist in the open market. If these activities are commenced, they may be discontinued by the Representatives at any time. These transactions may be effected in the over-the-counter market or otherwise. The stabilizing transactions described above shall be conducted in compliance with all applicable laws, regulations and rules.

In the Dealer Agreement, Freddie Mac and the Dealers have agreed to indemnify each other against certain liabilities.

The Dealers and certain of their affiliates engage in transactions with and perform services for Freddie Mac in the ordinary course of business.

