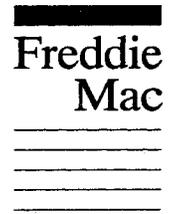


Federal Home Loan Mortgage Corporation Debentures



The Federal Home Loan Mortgage Corporation ("Freddie Mac") from time to time will offer Debentures (the "Debentures") by means of this Offering Circular and one or more Offering Circular Supplements (each, a "Supplement") relating to the specific Debentures being issued. The Debentures will constitute unsecured general obligations of Freddie Mac or, if so provided in the applicable Supplement, secured general obligations or unsecured subordinated obligations of Freddie Mac.

The Debentures will have the maturities and will bear interest as set forth in the applicable Supplement. The Debentures may bear interest at a fixed rate ("Fixed Rate Debentures") or at a floating rate ("Floating Rate Debentures") or may provide for no payments of interest ("Zero Coupon Debentures"). The interest payable on a Floating Rate Debenture will be determined by a formula based on LIBOR (as defined herein), the Treasury Rate (as defined herein) or another index specified in the applicable Supplement. Principal payments on the Debentures may be made periodically ("Amortizing Debentures") or only at maturity ("Non-amortizing Debentures").

Certain Debentures may be subject to redemption at the option of Freddie Mac. Certain Debentures may be denominated in a currency other than the U.S. dollar and/or may be Debentures for which a foreign currency or foreign exchange rate applies in determining payments of principal, interest or both ("Currency Related Debentures"). Certain Debentures may be separated ("stripped") into interest and principal components ("Strip Debentures"). Freddie Mac may offer Debentures having terms other than those described herein if so provided in the applicable Supplement.

Unless otherwise provided in the applicable Supplement, the Debentures will be issued in book-entry form and will be issued in minimum original principal amounts of \$5,000 and integral multiples thereof.

This Offering Circular should be read in conjunction with any applicable Supplements and with Freddie Mac's current Information Statement and Information Statement Supplements. See "Availability of Information and Incorporation by Reference."

The Debentures are obligations of Freddie Mac only. The Debentures, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. Income on the Debentures has no exemption under federal law from federal, state or local taxation. The Debentures 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.

Freddie Mac may offer the Debentures for sale from time to time to various securities dealers (the "Dealers") selected by Freddie Mac, for resale to investors by such Dealers. Freddie Mac will provide the Dealers a specified concession as set forth in the applicable Supplement. Freddie Mac may also offer the Debentures through a single Dealer or a limited group of Dealers in underwritten transactions. Such Dealers will receive an underwriting discount as set forth in the applicable Supplement. In addition, Freddie Mac may sell the Debentures directly to investors on its own behalf.

Freddie Mac or, in certain circumstances, a Dealer that solicits any offer of the Debentures reserves the right to withdraw, cancel or modify the offer without notice. Freddie Mac or, in certain circumstances, a Dealer that solicits any offer to purchase the Debentures may reject the offer in whole or in part. See "Plan of Distribution."

This Offering Circular may not be used to consummate sales of Debentures unless accompanied by the applicable Supplement.

The Dealers have advised Freddie Mac that they intend to make a secondary market in the Debentures offered by or through them but are not obligated to do so under all circumstances. There is no assurance that a secondary market will develop or, if it develops, that it will continue. Consequently, investors may not be able to sell their Debentures readily or at prices that will enable them to realize their desired yield.

In connection with any offering of Debentures, the Dealers may over-allot or effect transactions which stabilize or maintain the market prices of the Debentures or other Freddie Mac debt securities at levels other than those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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This Offering Circular, together with the applicable Supplement for each issuance of Debentures, constitutes an offer to sell only that issuance. Freddie Mac has not authorized any broker, dealer, salesperson, or anyone else, to make any statements, written or oral, in connection with any such offer, except for those contained in this Offering Circular, the applicable Supplement, Freddie Mac's current Information Statement, any subsequent Information Statement or any supplement to any of the foregoing. Investors must not rely on any other statements as having been authorized by either Freddie Mac or any Dealer. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction where such an offer or solicitation would be unlawful, or where the person making such an offer or solicitation would not be qualified to do so, or to anyone to whom it would be unlawful to make such an offer or solicitation. Freddie Mac makes no representation that the statements in this Offering Circular, the applicable Supplement, or any other document will be correct at any time after the date of such document even though delivery of the document and the sale of the Debentures take place on a later date.

OFFERING CIRCULAR SUMMARY

The summary information below is qualified in its entirety by reference to the information appearing elsewhere in this Offering Circular and in any applicable Supplement.

Issuer	The Federal Home Loan Mortgage Corporation, a publicly held government-sponsored enterprise.
The Debentures	The Debentures will be unsecured general obligations of Freddie Mac or, if so provided in the applicable Supplement, secured general obligations or unsecured subordinated obligations of Freddie Mac. The Debentures will be issued under a Debenture Agreement dated as of April 6, 1992, a copy of which is attached as Exhibit A, and, as to each issuance of Debentures, a Supplemental Agreement (together, the "Agreement").
Form of Debentures	Unless otherwise provided in the applicable Supplement, the Debentures will be issued and maintained, and may be transferred by Holders (as defined below), only on the book-entry system of the Federal Reserve Banks. Debentures maintained on such book-entry system may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank. In the case of Debentures issued in registered, certificated form, the terms relating to registration, including the identity of Freddie Mac's fiscal agent for such Debentures, will be set forth in the applicable Supplement.
Holders	The term "Holders" refers to (i) the entities that appear on the book-entry records of a Federal Reserve Bank as the holders of Debentures in book-entry form and (ii) the persons or entities that appear on the records of Freddie Mac's fiscal agent as the holders of Debentures in registered, certificated form. See "Description of the Debentures – Book-Entry System."
Minimum Principal Amounts; Transfers	Debentures in book-entry form will be issued and must be maintained and transferred in minimum original principal amounts of \$5,000 and integral multiples thereof, unless otherwise provided in the applicable Supplement. Debentures in registered, certificated form will be issued and must be maintained and transferred as provided in the applicable Supplement.
Payments of Interest and Principal	<p>The Debentures may be:</p> <ul style="list-style-type: none">• Fixed Rate Debentures, with interest payable at a fixed rate periodically and at maturity;• Floating Rate Debentures, with interest payable at a floating rate periodically and at maturity; or• Zero Coupon Debentures, which will not bear interest. <p>The interest payable on a Floating Rate Debenture will be determined by a formula based on: (i) London interbank offered quotations for deposits in U.S. dollars ("LIBOR") determined as provided herein; (ii) the Treasury</p>

	Rate determined as provided herein; or (iii) another index specified in the applicable Supplement.
	The Debentures may be either (i) Amortizing Debentures, with principal payable periodically and at maturity or (ii) Non-amortizing Debentures, with principal payable only at maturity.
Method of Payment	Payments on Debentures in book-entry form will be credited on each applicable Payment Date (as defined herein) by a Federal Reserve Bank to the accounts of the Holders thereof. Payments on registered, certificated Debentures will be made by check mailed by the fiscal agent to the addresses of the Holders as they appear on the records maintained by the fiscal agent, not later than the applicable Payment Date, unless otherwise specified in the applicable Supplement. See "Description of the Debentures – Book-Entry System."
Record Date	In the case of a Debenture in book-entry form, the Holder of such Debenture on the books and records of a Federal Reserve Bank as of the close of business on the Business Day (as defined in the Agreement) immediately preceding a Payment Date will be entitled to the payment due on such Payment Date. In the case of a Debenture in registered, certificated form, the Holder of record of such Debenture on the books and records of the fiscal agent on the record date specified in the applicable Supplement will be entitled to the payment due on such Payment Date.
Strip Debentures	Certain Debentures may be Strip Debentures, the interest and principal components of which may be maintained as separate securities on the book-entry system of the Federal Reserve Banks (or on the records of the fiscal agent, in the case of Debentures issued in registered, certificated form).
Secured or Subordinated Debentures	The Debentures will be unsecured, unsubordinated obligations of Freddie Mac unless the applicable Supplement provides that they will be secured or subordinated. Secured Debentures will be secured as provided in the applicable Supplement. Subordinated Debentures will be subordinated in right of payment to all Senior Obligations (as defined herein) of Freddie Mac. See "Description of the Debentures – Subordination."
Redemption	The Debentures will be subject to redemption prior to maturity at the option of Freddie Mac, if so provided in the applicable Supplement. See "Description of the Debentures – Redemption."
Tax Status	Income from the Debentures has no exemption under federal law from federal, state or local taxation. See "Certain Federal Income Tax Consequences."

Legality of Investment

Subject to the considerations described under “Regulatory Constraints” herein, the Debentures:

- are acceptable as security for the deposit of public monies subject to the control of the United States or any of its officers;
- are eligible as collateral for Treasury tax and loan accounts;
- are among those securities which national banks may deal in, underwrite and purchase for their own accounts without limitation;
- are eligible as collateral for advances by Federal Reserve Banks;
- are legal investments for federal savings associations and federal savings banks;
- provided a period of five years or less remains until maturity of an issuance of Debentures, such Debentures should be “liquid assets” for federal savings associations, federal savings banks and state-chartered savings associations whose deposits are insured by the Federal Deposit Insurance Corporation;
- are eligible as collateral for advances by Federal Home Loan Banks;
- are legal investments for surplus and reserve funds of Federal Home Loan Banks; and
- are legal investments for federal credit unions.

In general, any person, trust or business entity created pursuant to or existing under the laws of the United States or any state is authorized to purchase, hold and invest in the Debentures to the same extent that the investor is authorized to purchase, hold or invest in obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. However, in certain cases, investment authority for certain investors has been limited by state legislation. See “Legality of Investment” and “Regulatory Constraints.”

FEDERAL HOME LOAN MORTGAGE CORPORATION

Freddie Mac is a publicly held government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"). Freddie Mac's statutory mission is to provide stability in the secondary market for home mortgages, to respond appropriately to the private capital market and to provide ongoing assistance to the secondary market for home mortgages (including mortgages secured by housing for low- and moderate-income families involving a reasonable economic return to Freddie Mac) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for home mortgage financing. The principal activity of Freddie Mac consists of the purchase of first lien, conventional, residential mortgages and participation interests in such mortgages from mortgage lending institutions and the resale of the mortgages so purchased in the form of guaranteed mortgage securities. Freddie Mac generally matches and finances its purchases of mortgages with sales of guaranteed securities. Mortgages retained by Freddie Mac are financed with short- and long-term debt, cash temporarily held pending disbursement to security holders and equity capital. Freddie Mac also engages in transactions involving the purchase and securitization of its outstanding guaranteed mortgage securities.

AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

Freddie Mac prepares an Information Statement annually which describes Freddie Mac, its business and operations and contains Freddie Mac's audited financial statements. From time to time Freddie Mac prepares supplements to its Information Statement which include certain unaudited financial data and other information concerning the business and operations of Freddie Mac. Investors should purchase Debentures only after reading this Offering Circular, any applicable Supplement, Freddie Mac's current Information Statement and any Information Statement Supplements. Such Information Statement and any Information Statement Supplements are incorporated herein by reference. Investors can obtain these documents from Freddie Mac by writing or calling its Investor Inquiry Department at 8200 Jones Branch Drive, McLean, Virginia, 22102 (outside Washington, D.C. metropolitan area, telephone 800/336-FMPC; within Washington, D.C. metropolitan area, telephone 703/759-8160).

USE OF PROCEEDS

The net proceeds received by Freddie Mac from sales of the Debentures will provide funds to Freddie Mac for general corporate purposes, including, without limitation, the purchase and financing of mortgages and interests therein.

CAPITALIZATION

Freddie Mac's capitalization as of the end of the most recent fiscal quarter for which financial statements are available, as adjusted to reflect the issuance of any additional Debentures issued after the end of such fiscal quarter, will be set forth in the applicable Supplement.

DESCRIPTION OF THE DEBENTURES

The Debentures are to be issued pursuant to authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act and pursuant to the Agreement. The following summary of certain provisions of the Agreement is not complete and is qualified in its entirety by reference to all of the provisions of the Agreement, including any applicable Supplemental Agreement. A Supplemental Agreement may be in the form of a supplement to the Agreement or this Offering Circular, a confirmation or a terms sheet. By receiving and accepting a Debenture, the Holder, each financial intermediary and each beneficial owner of such Debenture agrees to be bound by the terms and conditions of the Agreement, as supplemented, modified or amended, pursuant to its terms, from time to time.

General

The Debentures will be unsecured general obligations, or, if so provided in the applicable Supplement, secured general obligations or unsecured subordinated obligations. The Debentures will have the maturities set forth in the applicable Supplement. In its discretion and at any time, Freddie Mac may issue additional Debentures under the Agreement which have the same terms and conditions as Debentures previously issued under the Agreement. Such additional Debentures will be described in a Supplement and may be sold at varying prices.

The Debentures may be Fixed Rate Debentures, Floating Rate Debentures or Zero Coupon Debentures. The interest payable on a Floating Rate Debenture will be determined by a formula based on LIBOR (a "LIBOR Debenture"), the Treasury Rate (a "Treasury Rate Debenture") or another index specified in the applicable Supplement. Unless otherwise provided in the applicable Supplement, interest will accrue on the Debentures from their respective dates of issuance.

Debentures in book-entry form will be issued and must be maintained and transferred in minimum original principal amounts of \$5,000 and integral multiples thereof unless otherwise provided in the applicable Supplement. Debentures in registered, certificated form will be issued and must be maintained and transferred as provided in the applicable Supplement.

Each issue of Debentures will be identified on the records of the Federal Reserve Banks (or, in the case of Debentures issued in registered, certificated form, the fiscal agent) by a unique nine character designation assigned by the CUSIP Service Bureau (a "CUSIP Number").

The Debentures may be either Amortizing Debentures, which will pay principal periodically through the term of the Debenture and at maturity, or Non-amortizing Debentures, which will pay principal only at maturity.

Currency Related Debentures will be denominated in a currency other than the U.S. dollar or will be Debentures for which a foreign currency or foreign exchange rate will apply in determining payments of principal, interest or both.

Freddie Mac may offer Debentures having terms other than those described herein. Such terms will be set forth in the applicable Supplement. The applicable Supplement for a particular issuance of Debentures (i) is required to be sent to each purchaser by the Dealer through which a Debenture is purchased or underwritten or (ii) will be sent to each purchaser by Freddie Mac, if no Dealer is involved in the sale of such Debentures. In the case of certain Debentures, final terms will be agreed upon between Freddie Mac and the purchaser and specified in the related confirmation of sale.

Settlement of the Debentures will occur on the settlement date selected by Freddie Mac and specified in the applicable Supplement. Unless otherwise provided in the applicable Supplement, payment for the Debentures must be made in immediately available funds.

Freddie Mac may require a Holder of a Debenture, as a condition to payment of principal or interest on such Debenture or as a condition to transfer or exchange of such Debenture, to present a certificate in the form prescribed by Freddie Mac to enable Freddie Mac to determine its duties and liabilities with respect to any taxes or other charges which may be required to be deducted or withheld under United States law or any reporting or other requirements thereunder.

The Debentures are obligations of Freddie Mac only. The Debentures, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.

Strip Debentures

If so provided in the applicable Supplement, a Debenture may be a Strip Debenture, which a Holder may separate into interest and principal components. An interest component (the "Interest Strip") will include the right to receive all interest payments, or specified portions thereof, due prior to the first date, if any, that Freddie Mac may redeem the Debenture (the "Call Date"), and the principal component (the "Principal Strip") will include the right to receive all principal payments and any interest payments due on or after the Call Date. Each Interest and Principal Strip will be maintained as a separate security on the book-entry system of the Federal Reserve Banks (or, in the case of Debentures issued in registered, certificated form, on the records of the fiscal agent) and each Interest and Principal Strip will receive a CUSIP Number.

A Holder of a Strip Debenture may separate the Debenture into Interest and Principal Strips at any time prior to the Call Date, if any. The minimum principal amounts required to separate a Debenture into such Strips will be set forth in the applicable Supplement. To separate a Strip Debenture, the holder must request the Federal Reserve Bank of New York ("FRBNY") or the fiscal agent to separate the Debenture.

A Strip Debenture which has been separated into Interest and Principal Strips will be maintained and transferred on the book-entry system of the Federal Reserve Banks or the fiscal agent as set forth in the applicable Supplement. A Holder may request the FRBNY or the fiscal agent to restore the unmatured Interest and Principal Strips to their fully constituted form if the Holder complies with the terms and conditions set forth in the applicable Supplement and all FRBNY or fiscal agent regulations and procedures governing the stripping and reconstitution of securities.

Payment Dates

Interest payments on the Debentures will be made as set forth in the applicable Supplement. The final installments of principal and interest on Amortizing Debentures and the final installment of interest on, together with the entire principal amount of, Non-amortizing Debentures will be paid at maturity. Any date on which payment of principal and/or interest on a Debenture is required to be made is referred to herein as a "Payment Date." The Payment Date on which the final payment of principal of a Debenture is required to be made is referred to herein as the "Maturity Date."

In any case in which a Payment Date is not a Business Day, payment of interest and/or principal will be made on the next succeeding Business Day with the same effect as if made on such Payment Date.

The Agreement provides that in the event of principal or interest payment errors, Freddie Mac, in its sole discretion, may either request the Federal Reserve Bank (or the fiscal agent, in the case of Debentures issued in registered, certificated form) to correct such errors or, prior to maturity or redemption of the Debentures, effect corrections by the adjustment of payments to be made on future Payment Dates.

Interest on Fixed Rate Debentures

Unless otherwise provided in the applicable Supplement, each Fixed Rate Debenture will bear interest from its date of issuance to its Maturity Date at a specified annual interest rate. Interest payments on Fixed Rate Debentures will include interest accrued to (but excluding) the Payment Date on which such payment is made. Interest on Fixed Rate Debentures will be computed on the basis of a 360-day year of twelve 30-day months.

Interest on LIBOR Debentures

Unless otherwise provided in the applicable Supplement, each LIBOR Debenture will bear interest from its date of issuance to its Maturity Date. For the Initial Interest Period (as defined below), each such Debenture will bear interest at a specified Initial Interest Rate (as defined below) and, for

each Reset Period (as defined below), at a rate of interest equal to the applicable LIBOR (calculated as provided below under "Calculation of LIBOR"), plus or minus a specified number of basis points, if any (a "Spread"). The LIBOR Debentures may have Reset Periods that begin and end on dates that do not correspond to the Payment Dates on such Debentures. With respect to a LIBOR Debenture, the Initial Interest Period, the Initial Interest Rate, the Reset Period and the Spread will be set forth in the applicable Supplement. In the event a Reset Adjustment Date (as defined below) with respect to a LIBOR Debenture falls on any day within the period commencing on (and including) the sixth Business Day prior to a Payment Date with respect to such LIBOR Debenture and ending on (but excluding) such Payment Date, then (i) the interest rate applicable to the period beginning on (and including) the Reset Date (as defined below) related to such Reset Adjustment Date and ending on (but excluding) such Payment Date will be equal to the interest rate in effect during the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate, and (ii) the interest rate applicable to the period beginning on (and including) such Payment Date and ending on (but excluding) the next succeeding Reset Date will be the interest rate as determined on such Reset Adjustment Date. The maximum and minimum per annum interest rates, if any, on a LIBOR Debenture will be set forth in the applicable Supplement. Interest on LIBOR Debentures will be computed on the basis of the actual number of days in the applicable period divided by 360. Interest payments on LIBOR Debentures will include interest accrued to (but excluding) the Payment Date on which such payment is made. A "Reset Date" means each of the dates specified as Reset Dates in the related Supplement. A "Reset Period" with respect to a LIBOR Debenture means a period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date or the Maturity Date, as the case may be. The "Initial Interest Period" with respect to a LIBOR Debenture means the period from (and including) the date of issue to (but excluding) the initial Reset Date. The "Initial Interest Rate" means the annual interest rate specified as such with respect to the LIBOR Debenture.

Calculation of LIBOR

Unless otherwise provided in the applicable Supplement, the interest rate on LIBOR Debentures for any Reset Period will be determined on the second business day prior to the Reset Date on which such Reset Period begins (a "Reset Adjustment Date"). As used herein with respect to a Reset Adjustment Date, "business day" means a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C.

LIBOR determined on any Reset Adjustment Date with respect to a LIBOR Debenture will be based upon quotations for U.S. dollar deposits of a maturity specified in the applicable Supplement. LIBOR will be determined as described below.

(i) On each Reset Adjustment Date, Freddie Mac will determine LIBOR on the basis of the British Bankers' Association ("BBA") "Interest Settlement Rate" for U.S. dollar deposits having the applicable maturity as found on page 3750 of Telerate (or any replacement page). Interest Settlement Rates currently are based on rates quoted by eight BBA designated banks as being, in the view of such banks, the offered rate at which deposits are being quoted to prime banks in the London interbank market at approximately 11:00 a.m. London time on the applicable Reset Adjustment Date. Such Interest Settlement Rates are calculated by eliminating the two highest rates and the two lowest rates, averaging the four remaining rates, carrying the result (expressed as a percentage) out to six decimal places, and rounding to five decimal places.

(ii) If on any Reset Adjustment Date Freddie Mac is unable to calculate LIBOR in accordance with the method set forth in paragraph (i) above, Freddie Mac will determine LIBOR based upon quotes for U.S. dollar deposits of the applicable maturity as of approximately 11:00 a.m. London time on such Reset Adjustment Date, as provided to Freddie Mac by four New York City banks having established places of business in London and engaging in transactions in U.S. dollar deposits in the international Eurocurrency market ("Reference Banks"). LIBOR shall be equal to the arithmetic mean of such quotes (expressed as a percentage) carried out to six decimal places and rounded to five decimal

places. If at least one but fewer than four Reference Banks are able to provide quotes in the manner described above, LIBOR shall equal the lowest quote, or the single quote, as the case may be, provided to Freddie Mac. In the event no Reference Bank is able to provide quotes on a Reset Adjustment Date, LIBOR for the related Reset Period shall be LIBOR as determined for the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate.

The establishment of LIBOR by Freddie Mac and Freddie Mac's subsequent calculation of the rate of interest applicable to LIBOR Debentures for the relevant Reset Period will be final, except in the case of clear error. The interest rates applicable to the then current and the immediately preceding Reset Periods may be obtained by calling Freddie Mac's Investor Inquiry Department at the telephone numbers set forth on page 6.

Interest on Treasury Rate Debentures

Unless otherwise provided in the applicable Supplement, each Treasury Rate Debenture will bear interest from its date of issuance to its Maturity Date at a floating rate of interest equal to the "Treasury Rate," calculated as provided below under "Calculation of Treasury Rate," plus or minus a Spread, if any. The maximum and minimum per annum interest rates, if any, on a Treasury Rate Debenture will be set forth in the applicable Supplement. Interest on Treasury Rate Debentures will be computed daily on the basis of (a) the actual number of days in the applicable Interest Period (as defined below) and (b) a year of 365 or 366 days, as applicable. Interest payments on the Treasury Rate Debentures will include interest accrued to (but excluding) the Payment Date on which such payment is made. An Interest Period with respect to a Treasury Rate Debenture means the period from (and including) the preceding Payment Date (or from the date of issuance of such Debenture, in the case of the first Payment Date) to (but excluding) the current Payment Date.

Calculation of Treasury Rate

The Treasury Rate will be equal to the weighted average per annum discount rate (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable and applied on a daily basis) for direct obligations of the United States with a maturity of thirteen weeks ("91-day Treasury Bills") sold at the applicable weekly 91-day Treasury Bill auction, as published by the Board of Governors of the Federal Reserve System or as reported by the Department of the Treasury. In the event that the results of the auctions of 91-day Treasury Bills cease to be published or reported as provided above, or that no such auction is held in a particular week, then the interest rate in effect for the Treasury Rate Debentures at the time of the last such publication or report will remain in effect until such time, if any, as the results of auctions of 91-day Treasury Bills are again so published or reported.

The Treasury Rate will be subject to weekly adjustment on the calendar day following each auction of 91-day Treasury Bills; provided, however, that, for each Treasury Rate Debenture, (i) the Treasury Rate in effect for the period beginning on (and including) the sixth Business Day prior to a Payment Date and ending on (but excluding) such Payment Date will be based upon the results of the most recent 91-day Treasury Bill auction prior to such period, and (ii) the Treasury Rate in effect from the first day of each Interest Period, including the Interest Period beginning on the date of issue of such Treasury Rate Debenture, through the date of the first 91-day Treasury Bill auction on or after the first day of each Interest Period will be based upon the results of the most recent 91-day Treasury Bill auction prior to such first day.

Accrued interest from the last date on which interest has been paid to the current date is calculated by multiplying the principal amount of a Treasury Rate Debenture by an "accrued interest factor." This factor is computed by adding the interest rates applicable to each day on which such Debenture has been outstanding since the last date through which interest has been paid and dividing the sum by the actual number of days in the year in which interest will be paid. The following table sets forth illustrative accrued interest factors that would be applicable to a Treasury Rate Debenture bearing interest at the rates indicated in the second column based on a year having 365 days.

<u>Days Outstanding</u>	<u>Assumed Interest Rates on the Notes</u>	<u>Accrued Interest Factor</u>
0	9.50%	0.00000000
1	9.50	0.000260274
2	9.50	0.000520548
3	9.50	0.000780822
4*	9.65	0.001041096
5	9.65	0.001305480
6	9.65	0.001569864
7	9.65	0.001834248
8	9.65	0.002098632
9	9.65	0.002363016

* First interest rate adjustment date.

The establishment of the Treasury Rate by Freddie Mac and Freddie Mac's subsequent calculation of the rate of interest applicable to the Treasury Rate Debentures for the relevant Interest Period will be final, except in the case of clear error. Information concerning the current Treasury Rate and the accrued interest factor can be obtained by calling Freddie Mac's Investor Inquiry Department at the telephone numbers set forth on page 6 hereof.

Payments on Amortizing Debentures

Payments of principal and interest on Amortizing Debentures will be made in installments, consisting of accrued interest and a partial repayment of principal, on the Payment Dates specified in the applicable Supplement. Unless otherwise provided in the applicable Supplement, each Amortizing Debenture will bear interest from its date of issuance to its Maturity Date at a fixed annual interest rate computed on the basis of a 360-day year of twelve 30-day months and applied to the declining amount of unpaid principal. Unless otherwise specified in the applicable Supplement, payments with respect to Amortizing Debentures will be applied first to interest due and payable on the unpaid principal amount thereof and then to the reduction of such unpaid principal. An amortization schedule will be included in the applicable Supplement. The method of payment of principal and interest on Amortizing Debentures will be specified in such Supplement.

Book-Entry System

The Federal Reserve Banks, on behalf of Freddie Mac, will issue the Debentures (other than Debentures issued in registered, certificated form) in book-entry form, will maintain book-entry accounts with respect to such Debentures and will make payments of interest on and principal of the Debentures by crediting Holders' accounts at the Federal Reserve Banks.

A Holder of a Debenture on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding a Payment Date of the Debentures will be entitled to the payment on such Debenture due and payable on such date.

The Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York, acting on behalf of the Federal Reserve Banks as Freddie Mac's fiscal agent for the Debentures in book-entry form, makes generally applicable to the Debentures the Freddie Mac Book-Entry Regulations, 1 C.F.R. Part 462, and such procedures, insofar as applicable, as may from time to time be established by regulations of the Department of the Treasury governing United States Treasury obligations, and such other procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Bank of New York. These regulations and procedures relate primarily to the registration, transfer and pledge of such obligations.

Debentures in book-entry form may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank. A Federal Reserve Bank's book-entry records will reflect a Holder's aggregate holdings of Debentures by account.

A Holder is not necessarily the beneficial owner of a Debenture. Beneficial owners of Debentures in book-entry form ordinarily hold such Debentures through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, an individual purchaser may hold a Debenture through a brokerage firm which, in turn, holds the Debenture through an entity eligible to maintain book-entry accounts with a Federal Reserve Bank. In such case, the beneficial owner of the Debenture would be the individual purchaser and the entity whose name appears on the records of a Federal Reserve Bank as the entity for whose account the Debenture was deposited would be the Holder. A Holder that is not the beneficial owner of a Debenture, and each other financial intermediary in the chain between the Holder and the beneficial owner, will have the responsibility of establishing and maintaining accounts for their respective customers. The rights of the beneficial owner of a Debenture in book-entry form with respect to Freddie Mac and a Federal Reserve Bank may be exercised only through the Holder of the Debenture. Freddie Mac and a Federal Reserve Bank will have no direct obligation to a beneficial owner of a Debenture that is not also the Holder of the Debenture. A Federal Reserve Bank will act only upon the instructions of the Holder in recording transfers of a Debenture.

Secured Debentures

If so provided in the applicable Supplement, the indebtedness represented by certain Debentures will be secured general obligations of Freddie Mac. In such event, the description of the security interest and the terms of the grant of the security interest will be set forth in such Supplement.

Subordination

If so provided in the applicable Supplement, the indebtedness represented by certain Debentures and the payment of principal and interest on such Debentures (“Subordinated Debentures”) may be subordinated to prior payment in full of all “Senior Obligations” of Freddie Mac which are due and payable. Unless otherwise provided in the related Supplement, “Senior Obligations” means the principal of, premium (if any) on and interest on all other obligations and indebtedness of Freddie Mac, whether outstanding on the date of issuance of Subordinated Debentures or thereafter incurred or created, and all direct or indirect guarantees or assurances of payment by Freddie Mac of the indebtedness of others, or any extension, modification, supplement or renewal thereof, and all other liabilities of Freddie Mac existing on the date of issuance of Subordinated Debentures or thereafter incurred except (i) Freddie Mac’s Zero Coupon Subordinated Capital Debentures due November 29, 2019, Zero Coupon Subordinated Capital Debentures due November 30, 1994, Zero Coupon Capital Debentures due June 23, 1992, 8.25% Subordinated Capital Debentures due June 1, 2016, 7.95% Subordinated Capital Debentures due April 3, 1995, 11.40% Subordinated Capital Debentures due May 1, 1995, 8.125% Subordinated Capital Debentures due September 30, 1996 and 9.15% Subordinated Debentures due August 8, 2000 (collectively, the “Outstanding Subordinated Debentures”); and (ii) any indebtedness of Freddie Mac hereafter issued which, by the express terms of the instrument creating or evidencing such indebtedness, is subordinated to or ranked equally in right of payment with Subordinated Debentures. Subordinated Debentures will rank equally in right of payment with the Outstanding Subordinated Debentures.

Upon the occurrence of an event of default with respect to any Senior Obligation permitting the holder(s) to accelerate the maturity thereof (and, if the default is other than a default in the payment of the principal of, premium (if any) on or interest on such Senior Obligation, upon written notice thereof given to Freddie Mac by the holder(s) of such Senior Obligation or their representative(s)), then, unless and until such default shall have been cured or waived or shall have ceased to exist, no payment shall be made by Freddie Mac of principal of or interest on the Subordinated Debentures or to acquire any of the Subordinated Debentures, unless Freddie Mac has made adequate provision for the payment in full of such Senior Obligation. In the event of any distribution of assets of Freddie Mac upon any dissolution, winding-up, total or partial liquidation or reorganization of Freddie Mac (whether in bankruptcy, insolvency, reorganization or receivership proceedings), or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of Freddie Mac, the principal

of, premium (if any) on and interest on all Senior Obligations shall first be paid in full, or adequate provision shall be made for such payment, before any payment is made on account of the Subordinated Debentures. All statements herein relating to the payment of principal of and interest on the Subordinated Debentures are subject to any such subordination.

Redemption

Debentures will be subject to redemption prior to maturity at the option of Freddie Mac, if so provided in the applicable Supplement. In such event, Freddie Mac, unless provided otherwise in the Supplement, may redeem such Debentures on the dates and terms described in the applicable Supplement at 100% of their principal amount, together with accrued interest to the redemption date. Notice of any redemption shall be given to the Holders of the Debentures not less than 30 nor more than 60 days prior to the date fixed for such redemption.

In the case of a Debenture in book-entry form, the Holder of such Debenture on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately prior to the date fixed for redemption will be entitled to the payment of principal and interest to be paid on such redemption date. In the case of a Debenture in registered, certificated form, the Holder of record of such Debenture on the books and records of the fiscal agent on the date specified in the applicable Supplement will be entitled to the payment of principal and interest to be paid on such redemption date. Unless Freddie Mac shall default in the payment of the redemption price of the Debentures, together with interest accrued to the redemption date, interest on the Debentures shall cease to accrue on the redemption date.

Events of Default

An Event of Default in respect of any issuance of Debentures will not be considered an Event of Default in respect of any other issuance of Debentures. Events of Default under the Agreement in respect of an issuance of Debentures include: default for 30 days or more in the payment of principal of or interest on any such Debentures which is due and payable; failure on the part of Freddie Mac to perform any other covenant or undertaking contained in the Agreement with respect to such Debentures if such failure continues for a period of 60 days after the Holders of not less than 25% in aggregate principal amount of such outstanding Debentures have given written notice specifying such failure to Freddie Mac; or certain events of bankruptcy, insolvency or reorganization affecting Freddie Mac or its property.

If an Event of Default occurs and is continuing, the Holders of a majority in aggregate principal amount of an outstanding issuance of Debentures to which such Event of Default relates may, by written notice to Freddie Mac, declare such Debentures due and payable.

No Holder shall have any right under the Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise with respect to the Debentures unless written notice of an Event of Default shall have been given to Freddie Mac by such Holder and by the Holders of a majority in aggregate principal amount of an outstanding issuance of Debentures to which such Event of Default relates, and such Event of Default continues uncured for 60 days after such notice; provided, however, that the right of any Holder of an outstanding Debenture to institute suit to enforce the payment of principal of or interest on such Debentures on or after the due dates thereof may not be impaired or affected without such Holder's consent.

Prior to or after the institution of any action or proceeding relating to an outstanding issuance of Debentures, the Holders of a majority in aggregate principal amount of the outstanding Debentures to which such action or proceeding relates may, on behalf of the Holders of all such Debentures, waive an Event of Default in respect of such Debentures, whether or not it has resulted in the acceleration of the maturity of such Debentures, and may rescind and annul any previously declared acceleration and its consequences.

Modification

The Agreement contains provisions permitting Freddie Mac, with the consent of the Holders of not less than a majority in aggregate principal amount of an outstanding issuance of Debentures affected thereby, to amend or supplement the Agreement for the purpose of adding provisions to or changing in any manner any of the provisions of the Agreement, including those governing the rights of Holders, provided that no such modification or amendment may (i) extend the maturity date of the Debentures, reduce the principal amount of or rate of interest on any Debenture, extend the time for payment thereof or accelerate the date on or after which the Debentures are subject to redemption, without the consent of the Holder of each Debenture affected thereby, or (ii) reduce the percentage of the principal amount of the Debentures with respect to which the consent of the Holders is necessary in order to modify or amend the Agreement, without the consent of all Holders of the Debentures affected thereby.

Without the consent of any Holder, Freddie Mac may amend or supplement the Agreement to (i) cure any ambiguity, correct or supplement any provision of the Agreement or make any other provisions with respect to matters or questions arising under the Agreement where such action shall not adversely affect the interest of the Holders; (ii) add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac; (iii) evidence the succession of another corporation to Freddie Mac and its assumption of the covenants of Freddie Mac; or (iv) evidence the issuance of additional Debentures.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion is based upon the advice of Cadwalader, Wickersham & Taft, special counsel to Freddie Mac. The discussion is applicable to taxpayers who hold the Debentures as capital assets. It does not deal with all aspects of federal taxation that may be relevant to particular Holders or other persons having beneficial interests in the Debentures (“Beneficial Owners”). The discussion does not constitute, and should not be considered as, legal or tax advice to prospective investors. Investors should consult their own advisors as to the federal tax treatment of the Debentures as well as with respect to any state, local or foreign tax consequences. When Freddie Mac offers any Currency Related Debentures, the applicable Supplement will set forth additional federal income tax consequences applicable to Beneficial Owners.

General. Interest income, including original issue discount and market discount on a Debenture, will be treated as ordinary income to the Beneficial Owner.

Original Issue Discount. All Zero Coupon Debentures will be, and certain other Debentures may be, issued with “original issue discount” within the meaning of Section 1273(a) of the Internal Revenue Code (the “Code”). Beneficial Owners of any Debenture having original issue discount generally must include original issue discount in income for federal income tax purposes as it accrues, in accordance with a constant interest method that takes into account the compounding of interest, in advance of receipt of the cash attributable to such income. Based in part on proposed Treasury regulations issued on April 2, 1986 under Sections 1271 through 1273 and Section 1275 of the Code, the total amount of original issue discount on a Debenture is the excess of the “stated redemption price” of the Debenture over its “issue price.” The issue price of a Debenture is the price at which a substantial amount of an offering of Debentures are first sold to the public. The issue price of a Debenture may also include the amount paid by an initial Beneficial Owner of a Debenture for accrued interest that relates to a period prior to the issue date of the Debenture. The stated redemption price of a Debenture always includes its original principal amount, but generally does not include distributions of stated interest. Under a *de minimis* rule, original issue discount on a Debenture will be considered to be zero if it is less than 0.25% of the stated redemption price of the Debenture multiplied by the number of complete years to its maturity.

If the interval between the date on which an issuance of Debentures is originally issued and the first Payment Date on such Debentures is longer than the interval between subsequent Payment Dates, however, the Internal Revenue Service could contend that the initial interval should be divided into a

short accrual period followed by a period corresponding to the interval between subsequent Payment Dates, and that because no distribution of interest is made on the date the short accrual period ends, all stated interest distributions on such Debentures are included in the stated redemption price. Accordingly, such Debentures may be considered to be issued with original issue discount. In general, this treatment would result in more interest on such a Debenture being allocated to this initial interval and less interest being allocated to all subsequent periods.

Subject to certain rules for Debentures having a maturity of one year or less (discussed below), a Beneficial Owner of a Debenture generally must include in gross income for any taxable year the sum of the “daily portions,” as defined below, of the original issue discount on the Debenture accrued during an accrual period for each day on which he holds the Debenture, including the date of purchase, but excluding the date of disposition. With respect to each Debenture, a calculation will be made of the original issue discount that accrues during each successive full accrual period (or shorter period from the date of original issue) that ends on the day in the calendar year corresponding to a Payment Date on the Debenture. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the increase during such accrual period in the Debenture’s “adjusted issue price.” The adjusted issue price of the Debenture at the start of any accrual period is the sum of the issue price of the Debenture plus the accrued original issue discount for each prior accrual period minus the amount of any payment on the Debenture that is part of its stated redemption price at maturity. For any accrual period, the increase in the adjusted issue price is an amount equal to the excess of (a) the product of the Debenture’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the interest, if any, payable during the accrual period.

If the cost of the Debenture to a subsequent purchaser is greater than its “revised issue price,” the daily portion for any day is reduced by the amount that would be the daily portion for that day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is the amount by which the price paid by the purchaser for the Debenture exceeds the revised issue price and the denominator of which is the sum of the daily portions for the Debenture (computed in accordance with the rules set forth above) for all days after the date of purchase. The revised issue price of a Debenture on any given day is equal to the sum of its adjusted issue price at the beginning of the accrual period during which such day occurs and the daily portions of original issue discount for all days during such accrual period prior to that day.

Market Discount. A purchaser of a Debenture also may be subject to the market discount rules. Market discount is the amount by which the purchaser’s basis in the Debenture (i) is exceeded by the stated redemption price at maturity of the Debenture (less any prior distributions included in the stated redemption price at maturity), or (ii) in the case of a Debenture having original issue discount, is exceeded by the revised issue price. Such a purchaser generally will be required to recognize accrued market discount as ordinary income as distributions includable in the stated redemption price at maturity of the Debenture are received, in an amount not exceeding any such distribution. The purchaser will be required to treat a portion of any gain on a sale or exchange of the Debenture as ordinary income to the extent of the market discount accrued to the date of disposition. In addition, deductions for a portion of a Beneficial Owner’s interest expense attributable to any indebtedness incurred or continued to purchase or carry the Debenture purchased with market discount may be deferred. The deferred portion would not exceed the portion of market discount which accrues but which is not taken into account currently. Any such deferred interest expense is, in general, allowed as a deduction not later than the year in which the related market discount income is recognized. As an alternative to the foregoing rules, the Beneficial Owner may elect to include market discount in income currently as it accrues on all market discount instruments acquired by such Beneficial Owner in that taxable year or thereafter.

Market discount with respect to a Debenture will be considered to be zero if it is less than 0.25% of the remaining stated redemption price at maturity of the Debenture, multiplied by the number of

complete years to its final maturity. Treasury regulations implementing the market discount rules have not yet been issued, and therefore investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Premium. A Debenture purchased at a cost (net of accrued interest) greater than its principal amount generally is considered to be purchased at a premium. The Beneficial Owner may elect under Section 171 of the Code to amortize such premium under the constant interest method. Such premium is generally treated as an offset to the amount of interest income from a Debenture rather than as a separate interest deduction.

Debentures With a Term of One Year or Less. Where the term of the Debentures does not exceed one year, all interest on the Debentures will be original issue discount for federal income tax purposes. Certain Beneficial Owners who purchase a Debenture, including any who report income for federal income tax purposes under an accrual method, will be required to include in income original issue discount on a ratable basis for each day during the taxable year on which the Beneficial Owner holds a Debenture. Such Beneficial Owners may elect to include the original issue discount on a yield-to-maturity basis.

Beneficial Owners not subject to this requirement will not include original issue discount in income as it accrues (unless they so elect), but any gain realized upon the disposition of a Debenture will be ordinary income to the extent of the original issue discount accrued on a ratable basis. Such Beneficial Owners who are not required, and do not elect, to accrue original issue discount on a Debenture will be required to defer deductions for interest on borrowings allocable to the Debenture in an amount not exceeding the deferred income until such income is realized.

Sale and Retirement of the Debentures. Except as noted above, upon the sale or retirement of a Debenture, a Beneficial Owner will recognize capital gain or loss equal to the difference, if any, between the amount realized upon the sale or retirement and the Beneficial Owner's tax basis in the Debenture. A Beneficial Owner's tax basis will be increased by the original issue discount and market discount previously included in the Beneficial Owner's gross income, and decreased by the amount of any payments under the Debenture that are part of its stated redemption price at maturity and by the portion of any premium used to offset interest payments.

Taxation of Certain Foreign Investors. Interest, including original issue discount, distributable to Beneficial Owners of Debentures who are non-resident aliens, foreign corporations or other non-U.S. persons ("foreign persons"), will be considered "portfolio interest" and, therefore, generally will not be subject to United States federal income tax, including 30% withholding tax, provided that such foreign person (i) is not a "10-percent shareholder" within the meaning of Section 871(h)(3)(B) of the Code or a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, (ii) is not, with respect to the United States, a personal holding company or corporation that accumulates earnings in order to avoid United States federal income tax and (iii) provides an appropriate statement, signed under penalties of perjury, identifying the Beneficial Owner and stating, among other things, that the Beneficial Owner of the Debenture is a foreign person. If such a statement is not provided, 30% withholding will apply unless reduced or eliminated pursuant to an applicable tax treaty or unless the interest is effectively connected with the conduct of a trade or business within the United States by the foreign person. In the latter case, the foreign person will be subject to United States federal income tax at regular rates. Beneficial Owners of Debentures who are foreign persons should consult their own tax advisors regarding the specific tax consequences to them of owning a Debenture.

Backup Withholding. Payments on the Debentures and proceeds from the sale of the Debentures (whether owned by a U.S. or non-U.S. person) to or through certain brokers may be subject to a backup withholding tax of 20% unless the Beneficial Owner complies with certain reporting or certification procedures. Any amounts so withheld would be allowed as a credit against the Beneficial Owner's federal income tax.

Freddie Mac will report as required to Holders and to the Internal Revenue Service annually the interest paid and original issue discount accrued on the Debentures and withholding information, if any, for the calendar year.

LEGALITY OF INVESTMENT

Subject to the considerations described under “Regulatory Constraints” below:

The Debentures are lawful investments, and may be accepted as security, for all fiduciary, trust and public funds, the investment or deposits of which are under the authority and control of the United States or any officers thereof. 12 U.S.C. §1452(g). Accordingly, the Debentures are acceptable as collateral for Treasury tax and loan accounts pursuant to 31 C.F.R. §203.15(d)(1).

National banks may deal in, underwrite and purchase the Debentures for their own accounts without regard to limitations generally applicable to investment securities. 12 U.S.C. §24, seventh paragraph.

Federal Reserve Banks may accept the Debentures as eligible security for advances to member banks for periods not exceeding 90 days. 12 U.S.C. §347 and 12 C.F.R. §201.108(b)(16).

Federal savings associations and federal savings banks may invest in the Debentures without regard to limitations generally applicable to investments. 12 U.S.C. §1464(c)(1)(E).

Provided a period of five years or less remains until the Maturity Date, the Debentures should be treated as “liquid assets” for federal savings associations, federal savings banks and state-chartered savings associations whose deposits are insured by the Federal Deposit Insurance Corporation. 12 C.F.R. §566.1(g)(3)(xi).

The Debentures are eligible as security for advances by Federal Home Loan Banks to federal savings associations, federal savings banks and other members for which the Debentures are legal investments. 12 U.S.C. §1430(a)(2) and 12 C.F.R. §935.7(b)(2).

Federal Home Loan Banks may invest their surplus and reserve funds in the Debentures. 12 U.S.C. §§1431(h) and 1436(a), respectively.

Federal credit unions may purchase the Debentures without regard to limitations generally applicable to investments. 12 U.S.C. §1757(7)(E).

The Debentures are “obligations of a corporation which is an instrumentality of the United States” within the meaning of Section 7701(a)(19)(C)(ii) of the Code for purposes of the 60 percent of assets limitation applicable to domestic building and loan associations.

In addition to the specific authorizations discussed above, pursuant to Section 106 of the Secondary Mortgage Market Enhancement Act of 1984 (“SMMEA”), any person, trust, corporation, partnership, association, business trust or business entity created pursuant to or existing under the laws of the United States or any state (including the District of Columbia and Puerto Rico) is authorized to purchase, hold and invest in securities issued or guaranteed by Freddie Mac (including the Debentures) to the same extent that the investor is authorized to purchase, hold or invest in obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Prior to October 4, 1991, states were authorized by SMMEA to enact legislation which specifically referred to Section 106 and either prohibited or limited an investor’s authority to invest in securities issued or guaranteed by Freddie Mac. To the best of Freddie Mac’s knowledge, 17 states have legislation currently in effect limiting to varying extents the ability of certain entities (in most cases, insurance companies) to invest in securities issued or guaranteed by Freddie Mac.

REGULATORY CONSTRAINTS

Investors should consult with their own legal advisors in determining whether and to what extent the Debentures constitute legal investments for such investors. The immediately preceding section does not take into consideration the applicability of statutes, rules, regulations, orders, guidelines or agreements generally governing investments made by any particular investor, including, but not

limited to, “prudent investor” provisions, percentage-of-assets limits, limits on investments in securities that are not “interest-bearing” or “income-paying,” and provisions which may restrict or prohibit investments in securities which are issued in book-entry form. Any institution which is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other federal or state agency with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the Debentures.

PLAN OF DISTRIBUTION

Under the terms of a Debenture Dealer Group Agreement (the “Dealer Agreement”) among Freddie Mac and certain Dealers, the Debentures may be offered for sale from time to time by Freddie Mac to the Dealers for resale to investors. Freddie Mac will provide the Dealers a specified concession as set forth in the applicable Supplement. Freddie Mac may also offer the Debentures to a single Dealer or a limited group of Dealers in underwritten transactions pursuant to the terms and conditions set forth in an Underwriting Agreement between Freddie Mac and such Dealers. In such case, the underwriting discount will be set forth in the applicable Supplement. In an underwritten transaction, Freddie Mac will indemnify the Dealer against certain liabilities or contribute to payments the Dealer may be required to make in respect thereof, as provided in an Underwriting Agreement. In addition, Freddie Mac may sell the Debentures directly to investors on its own behalf. The Debentures may be offered from time to time at negotiated prices that may vary at any one time as among different purchasers. Freddie Mac has the right to accept or reject offers to purchase Debentures and may reject any such offer, in whole or in part. A Dealer in an underwritten transaction, without notice to Freddie Mac, may reject, in whole or in part, any offer received by it to purchase Debentures.

Unless otherwise indicated in the related Supplement, payment of the purchase price of Debentures must be made in immediately available funds.

LEGAL MATTERS

With respect to Debentures that are underwritten, the legality of such Debentures will be passed upon for Freddie Mac by Maud Mater, Esq., Senior Vice President – General Counsel and Secretary of Freddie Mac. The material federal income tax consequences of such Debentures will be passed upon for Freddie Mac by Cadwalader, Wickersham & Taft.

FEDERAL HOME LOAN MORTGAGE CORPORATION

DEBENTURE AGREEMENT

DEBENTURE AGREEMENT, dated as of April 6, 1992, by and among the Federal Home Loan Mortgage Corporation ("Freddie Mac") and each Holder (as hereinafter defined).

WHEREAS, Freddie Mac, a corporate instrumentality of the United States created pursuant to Title III of the Emergency Home Finance Act of 1970, as amended (the "Freddie Mac Act"), is authorized, pursuant to Section 305(a) of the Freddie Mac Act, to purchase residential mortgages or interests therein from the institutions specified in such Section and to hold and deal with, and sell or otherwise dispose of, any such mortgages or interests therein;

WHEREAS, Freddie Mac is authorized, pursuant to Section 306(a) of the Freddie Mac Act, upon such terms and conditions as it may prescribe, to borrow, to pay interest or other return, and to issue notes, debentures, bonds or other obligations or securities; and

WHEREAS, in connection with the purchase of residential mortgages or interests therein and to provide funds to permit Freddie Mac to engage in activities consistent with its statutory purposes, Freddie Mac has authorized the issuance, from time to time, of Debentures (the "Debentures") pursuant to this Agreement. The Debentures are to be unsecured, general obligations of Freddie Mac or, if so provided in the applicable Supplemental Agreement (as hereinafter defined), secured general obligations or unsecured, subordinated obligations of Freddie Mac.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, it is hereby agreed that the following terms and conditions of this Agreement (including, as to each issuance of Debentures, the applicable Supplemental Agreement) shall govern the Debentures and the rights and obligations of Freddie Mac and the Holders with respect to the Debentures:

ARTICLE 1

DEFINITIONS

Whenever used in this Agreement, the following words and phrases shall have the following meanings, unless the context otherwise requires:

Additional Debentures: Debentures issued by Freddie Mac with the same terms and conditions as Debentures for which settlement has previously occurred. Any issuance of Additional Debentures shall be evidenced by a supplement to the applicable Supplemental Agreement.

Amortizing Debentures: Debentures on which Freddie Mac is obligated to pay principal periodically through the term of the Debenture and at maturity as contemplated by Section 2.07 hereof.

Book-Entry Form: The form of a security which (i) is issued by means of an entry on the books and records of a Federal Reserve Bank, which entry includes, but is not limited to, the name of the Holder, the principal amount of the security owned by such Holder, the CUSIP Number of the security and the maturity date of the security, and (ii) is evidenced only by such entry and is not evidenced by a certificated security.

Book-Entry Rules: The provisions from time to time in effect, presently contained in Title 1, Part 462 of the Code of Federal Regulations, setting forth the terms and conditions under which Freddie Mac may issue securities in Book-Entry Form and authorizing the Federal Reserve Banks to act as Freddie Mac's agents in connection with securities issued in Book-Entry Form.

Business Day: A day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent for the purpose of paying principal of and interest on the Debentures) is authorized or obligated by law or executive order to remain closed or (iii) as to any Holder, a day on which the Federal Reserve Bank at which such Holder's account is maintained is authorized or obligated by law or executive order to remain closed.

Call Date: In the case of Debentures subject to redemption by Freddie Mac, the first date on which Freddie Mac may redeem such Debentures.

Currency Related Debentures: Debentures that have the characteristics contemplated by Section 2.02(b) hereof.

CUSIP Number: A unique nine-character designation assigned to Debentures (and, in the case of Strip Debentures, to Interest and Principal Strips) by the CUSIP Service Bureau and used to identify each issue of Debentures on the records of the Federal Reserve Bank, in the case of Debentures in Book-Entry Form, or the fiscal agent, in the case of Debentures in registered, certificated form.

Federal Reserve Bank: Any Federal Reserve Bank.

Fixed Rate Debentures: Debentures that have the characteristics contemplated by Section 2.02(a)(i) hereof.

Floating Rate Debentures: Debentures that have the characteristics contemplated by Section 2.02(a)(ii) hereof.

Holder: In the case of Debentures in Book-Entry Form, the entity which maintains an account with a Federal Reserve Bank and whose name appears on the books and records of such Federal Reserve Bank as the entity for whose account a Debenture has been deposited. In the case of Debentures in registered, certificated form, the person whose name appears on the register maintained by the fiscal agent for such Debentures as the owner thereof.

Interest Strip: The meaning specified in Section 2.08.

LIBOR: (a) London interbank offered rate quotations on Eurodollar deposits and (b) with respect to any LIBOR Debenture, London interbank offered rate quotations on Eurodollar deposits for the maturity specified in the Supplemental Agreement relating to such LIBOR Debenture.

LIBOR Debentures: The meaning specified in Section 2.02.

Maturity Date: Any date specified in the related Supplemental Agreement on which the final payment of principal of a Debenture is required to be made.

Non-amortizing Debentures: Debentures on which Freddie Mac is obligated to pay principal only on their Maturity Date.

Offering Circular Supplement: Any supplement to Freddie Mac's Debentures Offering Circular dated April 6, 1992.

Payment Date: Any date (including the Maturity Date) on which Freddie Mac is required to make payment of principal and/or interest on a Debenture.

Principal Strip: The meaning specified in Section 2.08.

Redemption Date: The meaning specified in Section 3.02.

Spread: The meaning specified in Section 2.05(a).

Strip Debentures: Debentures that have the characteristics contemplated by Section 2.08 hereof.

Supplemental Agreement: An agreement which, as to each related issuance of Debentures, supplements the other provisions of this Agreement and identifies and establishes the particular offering of Debentures issued in respect thereof. A Supplemental Agreement may be documented by a supplement to this Agreement, an Offering Circular Supplement, a confirmation or a term sheet. A

Supplemental Agreement may, as to any particular issuance of Debentures, modify, amend or supplement the other provisions of this Agreement in any respect whatsoever.

Treasury Rate: The meaning specified in Section 2.06(b).

Treasury Rate Debentures: The meaning specified in Section 2.02.

Zero Coupon Debentures: Debentures that have the characteristics contemplated by Section 2.02(a)(iii) hereof.

ARTICLE II

AUTHORIZATION AND TERMS OF DEBENTURES

SECTION 2.01. *Authorization and Certain Terms.* The Debentures shall be issued by Freddie Mac in accordance with the authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act. The Debentures shall be issued from time to time. The Debentures shall be known by the designation given them in the applicable Supplemental Agreement. The Debentures shall have the maturity stated in the applicable Supplemental Agreement. Freddie Mac, in its discretion and at any time, may issue Additional Debentures pursuant to this Agreement. Unless otherwise provided in the applicable Supplemental Agreement, the Debentures shall be issued in Book-Entry Form and shall at all times remain on deposit with the Federal Reserve Banks in accordance with the provisions of the Book-Entry Rules. The Debentures in Book-Entry Form shall each be issued in minimum principal amounts of \$5,000 and integral multiples thereof, unless otherwise provided in the Supplemental Agreement. Debentures in registered, certificated form shall be issued and must be maintained as provided in the applicable Supplemental Agreement. The indebtedness represented by the Debentures and payment of the principal of and interest on the Debentures shall be unsecured general obligations of Freddie Mac, or secured general obligations or unsecured subordinated obligations of Freddie Mac, if so provided in the related Supplemental Agreement. If the Debentures are secured general obligations of Freddie Mac, the provisions of Article IV hereof shall apply to such Debentures, and if the Debentures are unsecured subordinated obligations of Freddie Mac, the provisions of Article V hereof shall apply to such Debentures.

SECTION 2.02. *Interest—General.* (a) The Debentures may be: (i) Fixed Rate Debentures, with interest payable at a fixed rate periodically and at maturity; (ii) Floating Rate Debentures, with interest payable at a floating rate periodically and at maturity; or (iii) Zero Coupon Debentures, which shall not bear interest and shall be sold at a discount. The interest payable on a Floating Rate Debenture shall be determined by a formula based on (x) LIBOR (any such Debenture, a “LIBOR Debenture”), (y) the Treasury Rate (any such Debenture, a “Treasury Rate Debenture”) or (z) such other index as is specified in the applicable Supplemental Agreement. Interest shall accrue on the Debentures from their date of issuance.

(b) Freddie Mac may issue Currency Related Debentures (i) denominated in a currency other than the U.S. dollar or (ii) denominated in the U.S. dollar and having provisions set forth in the applicable Supplemental Agreement which cause the payments of principal, interest or both principal and interest to vary according to a formula based upon the relationship of one or more currencies other than the U.S. dollar to the U.S. dollar.

(c) Freddie Mac may offer Debentures having terms other than those described herein and such terms shall be set forth in the applicable Supplemental Agreement.

SECTION 2.03. *Payment Dates.* Interest payments on Debentures shall be made as set forth in the applicable Supplemental Agreement. The final installments of principal and interest on Amortizing Debentures and the final installment of interest on, together with the entire principal amount of, Non-amortizing Debentures will be paid on the applicable Maturity Date.

SECTION 2.04. *Interest on Fixed Rate Debentures.* Unless otherwise provided in the applicable Supplemental Agreement, each Fixed Rate Debenture shall bear interest from its date of issue to its Maturity Date at a specified annual interest rate. Interest payments on Fixed Rate Debentures will include interest accrued to (but excluding) the respective Payment Date. Interest on Fixed Rate Debentures shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.05. *Interest on LIBOR Debentures.* (a) Unless otherwise provided in the applicable Supplemental Agreement, each LIBOR Debenture shall bear interest from its date of issue to its Maturity Date. For the Initial Interest Period (as defined below), each such Debenture will bear interest at a specified Initial Interest Rate (as defined below) and, for each subsequent Reset Period (as defined below), at a rate of interest equal to the applicable LIBOR (calculated as provided in subsection (b) of this Section 2.05), plus or minus a specified number of basis points, if any (a "Spread"). The LIBOR Debentures may have Reset Periods that begin and end on dates that do not correspond to the Payment Dates on such Debentures. With respect to a LIBOR Debenture, the Initial Interest Period, the Initial Interest Rate, the Reset Period and the Spread shall be set forth in the related Supplemental Agreement. In the event a Reset Adjustment Date (as defined below) with respect to a LIBOR Debenture falls on any day within the period commencing on (and including) the sixth Business Day prior to a Payment Date with respect to such LIBOR Debenture and ending on (but excluding) such Payment Date, then (i) the interest rate applicable to the period beginning on (and including) the Reset Date related to such Reset Adjustment Date and ending on (but excluding) such Payment Date shall be equal to the interest rate in effect during the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate, and (ii) the interest rate applicable to the period beginning on (and including) such Payment Date and ending on (but excluding) the next succeeding Reset Date shall be the interest rate as determined on such Reset Adjustment Date. Interest on LIBOR Debentures will be computed on the basis of the actual number of days in the applicable period divided by 360. Interest payments on LIBOR Debentures shall include interest accrued to (but excluding) the Payment Date on which such payment is made. A Reset Date with respect to a LIBOR Debenture means each of the dates specified as Reset Dates in the related Supplemental Agreement. A Reset Period with respect to a LIBOR Debenture means a period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date or the Maturity Date, as the case may be. The Initial Interest Period with respect to a LIBOR Debenture means the period from (and including) the date of issue to (but excluding) the initial Reset Date specified in the related Supplemental Agreement. The Initial Interest Rate with respect to a LIBOR Debenture means the annual interest rate specified as such in the related Supplemental Agreement.

(b) Unless otherwise provided in the applicable Supplemental Agreement, the interest rate on LIBOR Debentures for any Reset Period shall be determined on the second business day prior to the applicable Reset Date (a "Reset Adjustment Date"). For purposes of this Section, "business day" means a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C. LIBOR determined on any Reset Adjustment Date with respect to a LIBOR Debenture shall be based upon quotations for U.S. dollar deposits of a maturity specified in the applicable Supplemental Agreement. LIBOR shall be determined as described below.

(i) On each Reset Adjustment Date, Freddie Mac shall determine LIBOR on the basis of the British Bankers' Association "Interest Settlement Rate" for U.S. dollar deposits having the applicable maturity as found on page 3750 of Telerate (or any replacement page).

(ii) If on any Reset Adjustment Date Freddie Mac is unable to determine LIBOR in accordance with the method set forth in (i) above, Freddie Mac shall determine LIBOR based upon quotes for U.S. dollar deposits of the applicable maturity as of approximately 11:00 a.m. London time on such Reset Adjustment Date, as provided to Freddie Mac by four New York City banks having established places of business in London and engaging in transactions in U.S. dollar deposits in the international Eurocurrency market ("Reference Banks"). LIBOR shall be equal to the arithmetic mean of such quotes carried out to six decimal places and rounded to five decimal

places. If at least one but fewer than four Reference Banks are able to provide quotes in the manner described above, LIBOR shall equal the lowest quote, or the single quote, as the case may be, provided to Freddie Mac. In the event no Reference Bank is able to provide quotes on a Reset Adjustment Date, LIBOR for the related Reset Period shall be LIBOR as determined for the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate.

The establishment of LIBOR by Freddie Mac and Freddie Mac's subsequent calculation of the rate of interest applicable to LIBOR Debentures for the relevant Reset Period, in the absence of clear error, shall be final and binding.

SECTION 2.06. *Interest on Treasury Rate Debentures.* (a) Unless otherwise provided in the applicable Supplemental Agreement, each Treasury Rate Debenture shall bear interest from its date of issue to its Maturity Date at a floating rate of interest equal to the "Treasury Rate" (calculated as provided in subsection (b) of this Section 2.06), plus or minus a Spread, if any. Interest on Treasury Rate Debentures shall be computed daily on the basis of (a) the actual number of days in the applicable Interest Period (as defined below) and (b) a year of 365 days or 366 days, as applicable. Interest payments on Treasury Rate Debentures shall include interest accrued to (but excluding) the Payment Date on which such payment is made. An Interest Period with respect to a Treasury Debenture means the period from (and including) the preceding Payment Date (or from the date of issuance of such Debenture, in the case of the first Payment Date) to (but excluding) the current Payment Date.

(b) The Treasury Rate shall be equal to the weighted average per annum discount rate (expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for direct obligations of the United States with a maturity of thirteen weeks ("91-day Treasury Bills") sold at the applicable weekly 91-day Treasury Bill auction, as published by the Board of Governors of the Federal Reserve System or as reported by the Department of the Treasury. In the event that the results of the auctions of 91-day Treasury Bills cease to be published or reported as provided for herein, or that no such auction is held in a particular week, then the interest rate in effect for Treasury Rate Debentures at the time of the last such publication or report shall remain in effect until such time, if any, as the results of auctions of 91-day Treasury Bills shall again be so published or reported.

The Treasury Rate shall be subject to weekly adjustment on the calendar day following each auction of 91-day Treasury Bills; *provided, however*, that, for each Treasury Rate Debenture, (i) the Treasury Rate in effect for the period beginning on (and including) the sixth Business Day prior to an Interest Payment Date and ending on (but excluding) such Payment Date shall be based upon the results of the most recent 91-day Treasury Bill auction prior to such period, and (ii) the Treasury Rate in effect from the first day of each Interest Period, including the Interest Period beginning on the date of issue of such Treasury Rate Debenture, through the date of the first 91-day Treasury Bill auction on or after the first day of each Interest Period shall be based upon the results of the most recent 91-day Treasury Bill auction prior to such day.

Accrued interest from the last date through which interest has been paid to the current date is calculated by multiplying the principal amount of a Treasury Rate Debenture by an "accrued interest factor." This factor is computed by adding the interest rates applicable to each day on which such Debenture has been outstanding since the last date through which interest has been paid and dividing the sum by the actual number of days in the year in which interest shall be paid.

The establishment of the Treasury Rate by Freddie Mac and Freddie Mac's subsequent calculation of the rate of interest applicable to Treasury Rate Debentures for the relevant period, in the absence of clear error, shall be final and binding.

SECTION 2.07. *Payment on Amortizing Debentures.* Payments of principal and interest on Amortizing Debentures shall be made in installments, consisting of accrued interest and a partial

repayment of principal, on the Payment Dates specified in the applicable Supplemental Agreement. Unless otherwise provided in the applicable Supplemental Agreement, each Amortizing Debenture shall bear interest from its date of issue to its Maturity Date at a fixed annual interest rate computed on the basis of a 360-day year of twelve 30-day months and applied to the declining amount of unpaid principal. Unless otherwise provided in the applicable Supplemental Agreement, payments with respect to Amortizing Debentures shall be applied first to interest due and payable on the unpaid principal amount thereof and then to the reduction of such unpaid principal. An amortization schedule shall be included in the Supplemental Agreement. Payments of principal and interest on Amortizing Debentures shall be made as provided in the related Supplemental Agreement.

SECTION 2.08. *Strip Debentures.* (a) If so provided in the applicable Supplemental Agreement, the Debentures may be Strip Debentures, which a Holder may separate into interest and principal components. An interest component (the "Interest Strip") shall include the right to receive all interest payments, or specified portions thereof, due prior to the Call Date, if any, and the principal component (the "Principal Strip") shall include all principal payments and any interest payments due on or after the Call Date. Each Interest and Principal Strip shall be maintained as a separate security on the book-entry system of the Federal Reserve Banks (or, in the case of Debentures issued in registered, certificated form, on the records of the fiscal agent). Each Interest and Principal Strip shall be assigned a CUSIP Number.

(b) A Holder of a Strip Debenture may separate the Debenture into Interest and Principal Strips at any time prior to the Call Date, if any. The minimum principal amounts required to separate a debenture into Interest and Principal Strips will be set forth in the applicable Supplemental Agreement. To separate a Strip Debenture into Interest and Principal Strips, the Holder must request the Federal Reserve Bank of New York ("FRBNY") or fiscal agent to separate the Debenture.

(c) A Strip Debenture which has been separated into Interest and Principal Strips shall be maintained and transferred on the book-entry system of the Federal Reserve Banks or the records of the fiscal agent, as set forth in the Supplemental Agreement. A Holder may request the FRBNY or the fiscal agent to restore the unmatured Interest and Principal Strips to their fully constituted form if the Holder complies with the terms and conditions set forth in the applicable Supplemental Agreement and all FRBNY or fiscal agent regulations and procedures governing the stripping and reconstitution of securities.

SECTION 2.09. *Medium and Manner of Payment; Payment Errors.* Except as otherwise provided in the Supplemental Agreement relating to an issuance of Currency Related Debentures, the principal of and interest on the Debentures shall be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts.

Except as otherwise provided in the Supplemental Agreement relating to an issuance of Debentures, payment of interest on and principal of each Debenture, other than Debentures issued in registered, certificated form, shall be made to the Holder entitled thereto by the Federal Reserve Bank maintaining the book-entry account relating to such Debenture on the applicable Payment Date. A Holder of a Debenture on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding the applicable Payment Date will be entitled to the payment of the principal of and interest on such Debenture made on such date. Payment of principal of and/or interest on the Debentures issued in registered certificated form, shall be made to the Holder of record of such Debenture on the books and records of the fiscal agent by electronic transfer of funds or by check mailed by the fiscal agent to the address of the Holder as it appears on the records maintained by the fiscal agent not later than the applicable Payment Date. A Holder of a Debenture on the books and records of a fiscal agent as of the date specified in the Supplemental Agreement as the "record date" will be entitled to the payment of the principal of and interest on such Debenture made on the applicable Payment Date.

In the event of principal or interest payment errors, Freddie Mac, in its sole discretion, either may request the Federal Reserve Bank (or the fiscal agent, in the case of Debentures issued in registered,

certificated form) to correct such errors or, prior to maturity or redemption of the affected Debenture, or may effect corrections by the adjustment of payments to be made on future Payment Dates.

SECTION 2.10. *Payments Due on Non-Business Days.* If the date fixed for payment of principal and interest on the Debentures shall be a day which is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding day which is a Business Day, with the same effect as though made on the date fixed for such payment, and no interest shall accrue for the intervening period.

SECTION 2.11. *Transfer and Exchange.* The transfer, exchange or pledge of Debentures in Book-Entry Form shall be governed by the Book-Entry Rules and such procedures, insofar as applicable, as may from time to time be established by regulations of the Treasury Department governing obligations of the United States, and such other procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Banks. The transfer, exchange or pledge of Debentures issued in registered, certificated form shall be made pursuant to the requirements of the fiscal agent as provided in the applicable Supplemental Agreement.

SECTION 2.12. *Conditions to Payment, Transfer or Exchange.* Freddie Mac shall have the right to require a Holder of a Debenture, as a condition to the payment of principal of or interest on such Debenture, or as a condition to the transfer or exchange of such Debenture, to present at such place as Freddie Mac shall designate a certificate in such form as Freddie Mac may from time to time prescribe, to enable Freddie Mac to determine its duties and liabilities with respect to (i) any taxes, assessments or governmental charges which Freddie Mac, any Federal Reserve Bank or a fiscal agent (in the case of a Debenture issued in registered, certificated form) may be required to deduct or withhold from payments in respect of such Debenture under any present or future law of the United States or jurisdiction therein or any regulation or interpretation of any taxing authority thereof and (ii) any reporting or other requirements under such laws, regulations or interpretations. Freddie Mac shall be entitled to determine its duties and liabilities with respect to such deduction, withholding, reporting or other requirements on the basis of information contained in such certificate or, if no certificate shall be presented, on the basis of any presumption created by any such law, regulation or interpretation, and shall be entitled to act in accordance with such determination.

SECTION 2.13. *Persons Deemed Owners.* Freddie Mac, the Federal Reserve Banks and any fiscal agent (in the case of a Debenture issued in registered, certificated form), or any agent of Freddie Mac, the Federal Reserve Banks or the fiscal agent, may deem and treat the Holder as the absolute owner of a Debenture for the purpose of receiving payment of principal of or interest on such Debenture and for all other purposes whatsoever, and neither Freddie Mac, the Federal Reserve Banks or the fiscal agent, nor any agent of Freddie Mac, the Federal Reserve Banks or the fiscal agent, shall be affected by any notice to the contrary. All payments made to any such Holder, or upon such Holder's order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge liabilities for moneys payable by Freddie Mac on or with respect to any such Debenture.

SECTION 2.14. *Debentures Owned by Freddie Mac.* Any Debentures owned by Freddie Mac from time to time shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among such Debentures, except as otherwise expressly provided in Section 6.05 of this Agreement.

ARTICLE III

REDEMPTION

SECTION 3.01. *Right to Redeem.* If so provided in the related Supplemental Agreement, Freddie Mac may at its option, without penalty or premium, redeem the Debentures on the dates and

terms described in the Supplemental Agreement at 100% of their principal amount, together with accrued interest to the Redemption Date, upon the giving of notice as set forth in Section 3.02.

SECTION 3.02. *Notice of Redemption.* If Freddie Mac shall desire to exercise its right to redeem any Debentures, it shall give notice of such redemption to the Holders of such Debentures, pursuant to the provisions of Section 8.02, not less than 30 nor more than 60 days prior to the date fixed for redemption (the "Redemption Date"). Failure to give notice, or any defect in the notice, to any such Holder shall not affect the validity of the proceedings for the redemption of other Debentures being redeemed.

Each notice of redemption shall specify the Redemption Date and shall state that payment of the principal amount of the Debentures and payment of interest accrued on such principal amount to the Redemption Date shall be made (i) to the Holders of the Debentures on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding the Redemption Date and (ii) to the Holders of the Debentures on the books and records of the fiscal agent as of the date specified in the applicable Supplemental Agreement.

SECTION 3.03. *Payment Upon Redemption.* If notice of redemption shall have been given as provided in Section 3.02, the Debentures shall become due and payable on the Redemption Date stated in such notice at the redemption price, including interest accrued to the Redemption Date. Unless Freddie Mac shall default in the payment of the redemption price of the Debentures, together with interest accrued to the Redemption Date, interest on the Debentures shall cease to accrue on the Redemption Date. The payment due to a Holder on redemption of the Debenture shall be made on the Redemption Date in accordance with Section 2.09.

ARTICLE IV

SECURED DEBENTURES

SECTION 4.01. *Secured Debentures.* If so provided in the applicable Supplemental Agreement, the indebtedness represented by certain Debentures shall be secured general obligations of Freddie Mac. In such event, the description of the security interest and the terms of the grant of the security interest shall be set forth in the applicable Supplemental Agreement.

ARTICLE V

SUBORDINATION

SECTION 5.01. *Debentures Subordinated to Senior Obligations.* If so provided in the related Supplemental Agreement, the indebtedness represented by certain Debentures and the payment of the principal of and interest on such Debentures ("Subordinated Debentures") shall be subordinated to prior payment in full of all "Senior Obligations" of Freddie Mac which are due and payable. Unless otherwise provided in the applicable Supplemental Agreement, "Senior Obligations" means the principal of, premium (if any) on and interest on all other obligations and indebtedness of Freddie Mac, whether outstanding on the date of issuance of the Subordinated Debentures or thereafter incurred or created, and all direct or indirect guarantees or assurances of payment by Freddie Mac of the indebtedness of others, or any extension, modification, supplement or renewal thereof, and all other liabilities of Freddie Mac existing on the date of issuance of the Subordinated Debentures or thereafter incurred except (i) Freddie Mac's Zero Coupon Subordinated Capital Debentures due November 29, 2019, Zero Coupon Subordinated Capital Debentures due November 30, 1994, Zero Coupon Capital Debentures due June 23, 1992, 8.25% Subordinated Capital Debentures due June 1, 2016, 7.95% Subordinated Capital Debentures due April 3, 1995, 11.40% Subordinated Capital Debentures due May 1, 1995, 8.125% Subordinated Capital Debentures due September 30, 1996 and 9.15% Subordinated Debentures Due August 8, 2000 (collectively the "Outstanding Subordinated Debentures"); and (ii) any indebtedness of Freddie Mac hereafter issued which, by the express terms of

the instrument creating or evidencing such indebtedness, is subordinated to or ranked equally in right of payment with the Subordinated Debentures. The Subordinated Debentures described herein shall rank equally in right of payment with the Outstanding Subordinated Debentures.

SECTION 5.02. *Distribution of Assets.* In the event of any distribution of assets of Freddie Mac upon any dissolution, winding-up, total or partial liquidation or reorganization of Freddie Mac, whether in bankruptcy, insolvency, reorganization or receivership proceedings, or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of Freddie Mac:

(a) The holders of all Senior Obligations shall first be entitled to receive payment in full of the principal thereof, premium (if any) thereon and interest due thereon, or adequate provision shall be made for such payment, before the Holders of the Subordinated Debentures are entitled to receive any payment on account of the principal of or interest on the indebtedness represented by the Subordinated Debentures; and

(b) Any payment by, or distribution of assets of, Freddie Mac of any kind or character, whether in cash, property or securities, to which the Holders of the Subordinated Debentures would be entitled except for the provisions of this Article V, shall be paid or delivered by the person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Obligations or their representative(s) or to the trustee(s) under any indenture under which any instruments evidencing any of such Senior Obligations may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Obligations held or represented by each, to the extent necessary to make payment in full of all Senior Obligations remaining unpaid, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Obligations, except that Holders of the Subordinated Debentures may receive securities that are subordinated to at least the same extent as the Subordinated Debentures are to Senior Obligations.

SECTION 5.03. *Default on Senior Obligations.* Upon maturity of any Senior Obligation by lapse of time, acceleration or otherwise, all principal thereof, premium (if any) thereon and interest due thereon shall first be paid in full, or such payment duly provided for in cash or in a manner satisfactory to the holder(s) of such Senior Obligations, before any payment is made on account of the principal of or interest on the Subordinated Debentures, except that Holders of the Subordinated Debentures may receive securities that are subordinated to at least the same extent as the Subordinated Debentures are to Senior Obligations.

Upon the occurrence of an event of default with respect to any Senior Obligation, as such event of default is defined therein or in the instrument under which such Senior Obligation is outstanding, permitting the holder(s) to accelerate the maturity thereof, and, if the default is other than a default in the payment of the principal of, premium (if any) on or interest on such Senior Obligation, upon written notice thereof given to Freddie Mac by the holder(s) of such Senior Obligation or their representative(s), then, unless and until such event of default shall have been cured or waived or shall have ceased to exist, no payment shall be made by Freddie Mac with respect to the principal of or interest on the Subordinated Debentures or to acquire any of the Subordinated Debentures for cash or property (other than the exchange of such Subordinated Debentures for Debentures which are subordinated to at least the same extent as the Subordinated Debentures are to Senior Obligations), unless Freddie Mac shall have made adequate provision for payment in full of such Senior Obligations.

SECTION 5.04. *Payments to Holders of Senior Obligations.* In the event that any payment by or distribution of assets of Freddie Mac of any kind or character, whether in cash, property or securities, shall be received by the Holders of Subordinated Debentures before all Senior Obligations which are due and payable have been paid in full, which payment or distribution such Holders are not entitled to receive under the provisions of Sections 5.01, 5.02 or 5.03 hereof, such payment or distribution shall be paid over to the holders of such Senior Obligations or their representative(s) or to the trustee(s) under any indenture or other instrument under which any of such Senior Obligations may have been

issued, ratably as aforesaid, for application to the payment of all such Senior Obligations remaining unpaid until all such Senior Obligations shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Obligations.

SECTION 5.05. *Right of Payment.* Nothing contained in this Article V or elsewhere in this Agreement is intended to or shall impair, as between Freddie Mac and the Holders of the Subordinated Debentures, the obligation of Freddie Mac, which is absolute and unconditional, to pay to the Holders of the Subordinated Debentures the principal of and interest on the Subordinated Debentures as and when the same shall become due and payable in accordance with their terms.

SECTION 5.06. *No Waiver.* No right of any present or future holder of any Senior Obligation to enforce subordination as herein provided shall at any time be prejudiced or impaired by any act or failure to act on the part of Freddie Mac or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by Freddie Mac with the terms, provisions and undertakings of this Agreement regardless of any knowledge thereof any such holder may have or be otherwise charged with.

ARTICLE VI

REMEDIES

SECTION 6.01. *Events of Default.* An Event of Default (as defined below) in respect of a specific issuance of Debentures will not be considered an Event of Default in respect of any other issuance of Debentures. "Event of Default" whenever used herein in respect of any issuance of Debentures means any one of the following events:

(a) Default in the payments to the Holders of Debentures of the principal of or interest on any of such Debentures when the same shall become due and payable as herein provided, and continuance of such default for a period of 30 days; or

(b) Failure on the part of Freddie Mac to observe or perform any other of the covenants of this Agreement in respect of such Debentures, which shall have continued for a period of 60 days after the date on which written notice of such failure, requiring Freddie Mac to remedy the same, shall have been given to Freddie Mac by the Holders of not less than 25% in aggregate principal amount of outstanding Debentures to which such failure relates; or

(c) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of Freddie Mac in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, or sequestrator (or other similar official) of Freddie Mac or for all or substantially all of its property, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(d) Freddie Mac shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, or sequestrator (or other similar official) of Freddie Mac or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

SECTION 6.02. *Acceleration of Maturity.* If an Event of Default occurs and is continuing, then, and in each and every such case, the Holders of not less than a majority in aggregate principal amount of an outstanding issuance of Debentures to which such Event of Default relates may, by written notice to Freddie Mac, declare the principal amount of such Debentures due and payable and accelerate the

maturity of such Debentures. Upon such acceleration, the principal amount of such Debentures and the interest accrued thereon shall be due and payable.

SECTION 6.03. *Limitation on Suits.* No Holder shall have any right to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon, under or with respect to this Agreement, or for the appointment of a receiver or trustee, or for any other remedy whatsoever, unless such Holder previously shall have given to Freddie Mac written notice of an Event of Default and of the continuance thereof, as provided herein, and unless the Holders of not less than a majority in aggregate principal amount of an outstanding issuance of Debentures to which such Event of Default relates shall have given written notice to Freddie Mac of such Event of Default; and such Event of Default continues uncured for a period of 60 days following such notice. It is understood and intended that no Holder of an issuance of Debentures shall have any right in any manner whatsoever by virtue of or by availing itself of any provision of this Agreement to affect, disturb or prejudice the rights of any other such Holder, or to obtain or seek to obtain preference or priority over any other such Holder or to enforce any right under this Agreement, except in the manner herein provided and for the ratable and common benefit of all such Holders. For the protection and enforcement of the provisions of this Section 6.03, each and every Holder shall be entitled to such relief as can be given either at law or in equity. Notwithstanding the foregoing or any other provision of this Agreement, the right of any Holder to receive payment of the principal of or interest on a Debenture on or after the due date of such payment, or to institute suit for the enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

SECTION 6.04. *Waiver.* Prior to or after the institution of any action or proceeding relating to an outstanding issuance of Debentures, the Holders of not less than a majority in aggregate principal amount of all outstanding Debentures affected thereby may waive an Event of Default whether or not it has resulted in acceleration of the maturity of such Debentures, and may rescind and annul any previously declared acceleration and its consequences.

SECTION 6.05. *Evidence of Holders' Action; List of Holders.* Whenever in this Agreement it is provided that the Holders of a specified percentage in aggregate principal amount of an issuance of Debentures may take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced by an instrument, or any number of instruments of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing. In determining whether the Holders of the required percentage of aggregate unpaid principal amount of an issuance of Debentures have given any required demand, authorization, notice, consent or waiver hereunder, any Debentures owned by Freddie Mac or any other obligor under the Debentures or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac or any other obligor on the Debentures shall be disregarded and deemed not to be outstanding for the purposes of such determination. Upon the written request of Holders of at least 10% in aggregate principal amount of an outstanding issuance of Debentures, Freddie Mac shall furnish to such Holders the most recent list of Holders of such Debentures that is in the possession of Freddie Mac.

ARTICLE VII

AMENDMENTS

SECTION 7.01. *Amendment Without Consent of Holders.* This Agreement may be amended from time to time by Freddie Mac, without the consent of any Holder or Holders:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the other

provisions of this Agreement, provided that any such amendment shall not adversely affect in any material respect the interest of the Holders;

(b) to add to the covenants of Freddie Mac, for the benefit of the Holders, or to surrender any right or power herein conferred upon Freddie Mac; or

(c) to evidence the succession of another corporation to Freddie Mac and the assumption by any such successor of the covenants of Freddie Mac herein contained or relating to the Debentures.

SECTION 7.02. *Amendment With Consent of Holders.* With the written consent of the Holders of not less than a majority in aggregate principal amount of an outstanding issuance of Debentures affected thereby, Freddie Mac may amend or supplement this Agreement for the purpose of adding provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of any amendment or supplement hereto, including provisions governing the rights of the Holders under this Agreement, provided, however, that no such amendment or supplement shall

(a) extend the fixed maturity of any Debenture, or reduce the principal amount of or the rate of interest payable on any Debenture or extend the time for payment thereof, without the consent of the Holder of each Debenture affected thereby; or

(b) reduce the percentage of the aggregate principal amount of an issuance of Debentures, the consent of the Holders of which is required for any such amendment or supplement, without the consent of the Holders of all of such Debentures then outstanding.

Notwithstanding anything in this Section 7.02 to the contrary, without the prior consent of the holders of all the Senior Obligations then outstanding no such amendment or waiver shall change the subordination provisions set forth in Article V.

It shall not be necessary for the Holders to consent to the particular form of any proposed supplement or amendment, and it shall be sufficient if such Holders shall consent to the substance thereof.

SECTION 7.03. *Effect of Amending or Supplemental Agreement.* Upon the execution of any amendment or the execution or issuance of a Supplemental Agreement under this Article, this Agreement shall be modified in accordance therewith with respect to the Debentures to which it relates, and such amendment or Supplemental Agreement shall form a part of this Agreement for all purposes; and every Holder of a Debenture to which such amendment or Supplemental Agreement relates theretofore or thereafter issued shall be bound thereby.

ARTICLE VIII

NOTICE

SECTION 8.01. *Notice to Freddie Mac.* Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, 8200 Jones Branch Drive, McLean, Virginia 22102 Attention: Senior Vice President—General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

SECTION 8.02. *Notice to Holders.* Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail, addressed to such Holder as such Holder's name and address may appear in the records of a Federal Reserve Bank, or the fiscal agent, as the case may be, or by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon a

Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

ARTICLE IX

SATISFACTION AND DISCHARGE

SECTION 9.01. *Payment by Freddie Mac.* If an issuance of Debentures shall have become due and payable and Freddie Mac shall have deposited with a Federal Reserve Bank or the fiscal agent, as the case may be, funds available for distribution to the Holders and sufficient to pay all of the principal of and interest due and payable on the Debentures, then this Agreement shall cease to be of further effect with respect to such Debentures and all obligations of Freddie Mac in respect of such Debentures shall cease and be discharged, and the Holders shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under this Agreement or with respect to such Debentures.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 10.01. *Governing Law.* This Agreement and the rights and obligations of the Holders and Freddie Mac with respect to the Debentures shall be construed in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Freddie Mac Act or any provision of this Agreement or the transactions governed hereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States.

SECTION 10.02. *Successors.* This Agreement shall be binding upon and shall inure to the benefit of any successor to Freddie Mac, including any successor by operation of law.

SECTION 10.03. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction of this Agreement.

SALE OF A DEBENTURE BY FREDDIE MAC AND RECEIPT AND ACCEPTANCE OF A DEBENTURE BY OR ON BEHALF OF A HOLDER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER, EACH FINANCIAL INTERMEDIARY AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH DEBENTURE OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT, AND THE AGREEMENT OF FREDDIE MAC, SUCH HOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN FREDDIE MAC AND SUCH HOLDER AND SUCH OTHERS.

FEDERAL HOME LOAN MORTGAGE
CORPORATION

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Freddie
Mac
