Offering Circular

Freddie Mac

Federal Home Loan Mortgage Corporation

Debentures
Medium-Term Notes
Discount Notes

Freddie Mac periodically will offer Debentures, Medium-Term Notes and Discount Notes (collectively, the "Securities") by means of this Offering Circular and, in the case of Debentures and Medium-Term Notes, an Offering Circular Supplement relating to the specific Debentures or Medium-Term Notes being offered. The Securities will constitute unsecured general obligations of Freddie Mac or, if so provided in the applicable Offering Circular Supplement, Debentures and Medium-Term Notes may constitute secured obligations or unsecured subordinated obligations of Freddie Mac. Certain capitalized terms used and not otherwise defined in this Offering Circular are defined in the Glossary.

Discount Notes will have maturities of one year or less from their Issue Date, will be sold on a discounted basis and will be paid only at maturity. Debentures and Medium-Term Notes will have the maturities and will bear interest as set forth in the applicable Offering Circular Supplement. Debentures and Medium-Term Notes may be interest-bearing at fixed or variable rates or may be non-interest bearing. Certain Debentures and Medium-Term Notes may be subject to redemption, in whole or in part, prior to maturity. The principal amount payable on Debentures and Medium-Term Notes at maturity or earlier redemption may be par, a specified amount above or below par, an amount determined by reference to one or more interest rate or exchange rate indices, or otherwise, as specified in the applicable Offering Circular Supplement. Certain Debentures and Medium-Term Notes may be separated ("stripped") into interest and principal components. Freddie Mac may issue Debentures and Medium-Term Notes having terms other than those described herein if so provided in the applicable Offering Circular Supplement.

THE SECURITIES ARE NOT SUITABLE INVESTMENTS FOR ALL INVESTORS. IN PARTICULAR, NO INVESTOR SHOULD PURCHASE ANY SECURITIES UNLESS THE INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE ASSOCIATED YIELD, MARKET AND LIQUIDITY RISKS AND ANY OTHER APPLICABLE RISKS (INCLUDING, IF APPLICABLE, THOSE ASSOCIATED WITH OPTIONAL REDEMPTION PROVISIONS AND PERIODIC INTEREST RATE ADJUSTMENTS).

Certain Securities are complex financial instruments. It is important that an investor in any Securities possess, either alone or with a financial advisor, the expertise necessary to evaluate the information contained or incorporated in this Offering Circular and any applicable Offering Circular Supplement in the context of that investor's financial situation. See "Certain Investment Considerations."

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

THE SECURITIES ARE OBLIGATIONS OF FREDDIE MAC ONLY. THE SECURITIES, 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 SECURITIES HAS NO EXEMPTION UNDER FEDERAL LAW FROM FEDERAL, STATE OR LOCAL TAXATION. THE SECURITIES 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 sell Debentures and Medium-Term Notes to Dealers as principals, either individually or as part of a syndicate. Freddie Mac may also offer Debentures and Medium-Term Notes through selected Dealers as agents of Freddie Mac, or directly to investors on its own behalf. Discount Notes will be offered for sale on a continuous basis by allocation, auction or other methods to selected Dealers. See "Plan of Distribution."

This Offering Circular may not be used to consummate sales of Debentures or Medium-Term Notes unless accompanied by any applicable Offering Circular Supplements.

Offering Circular Dated September 13, 1995

IN CONNECTION WITH ANY ISSUE OF DEBENTURES OR MEDIUM-TERM NOTES TO OR THROUGH DEALERS, SUCH DEALERS MAY, SUBJECT TO APPLICABLE LAWS AND REGULATIONS, OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE DEBENTURES OR MEDIUM-TERM NOTES OF SUCH ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No issue of Securities will have an established trading market when issued (with the possible exception of Securities having the same terms and conditions as Securities for which settlement has previously occurred). Freddie Mac has been advised that certain Dealers for the Securities intend to use their best efforts to make a secondary market in certain Securities offered by or through them, but such Dealers are not obligated to do so. The secondary market activities of these Dealers could be discontinued at any time without notice to Holders of Securities. There is no assurance that a secondary market for any of the Securities will develop or that such a market, if it develops, will be or continue to be liquid. Consequently, investors may not be able to sell their Securities readily or at prices that will enable them to realize their anticipated yield.

INVESTORS SHOULD HAVE THE FINANCIAL STATUS AND THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SUFFICIENT TO EVALUATE THE MERITS AND TO BEAR THE RISKS OF INVESTING IN A PARTICULAR ISSUE OF SECURITIES. THIS OFFERING CIRCULAR AND ANY APPLICABLE OFFERING CIRCULAR SUPPLEMENT DESCRIBE THE GENERAL MERITS AND RISKS OF INVESTING IN AN ISSUE OF SECURITIES, BUT THEY DO NOT DESCRIBE ALL OF THE RISKS AND INVESTMENT CONSIDERATIONS OF SUCH AN INVESTMENT RESULTING FROM EACH INVESTOR'S PARTICULAR CIRCUMSTANCES, NOR DO THEY PROJECT THE MANNER IN WHICH THE SECURITIES WILL PERFORM UNDER ALL POSSIBLE ECONOMIC AND INTEREST RATE SCENARIOS. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN FINANCIAL AND LEGAL ADVISORS AS TO THE RISKS AND INVESTMENT CONSIDERATIONS ARISING FROM AN INVESTMENT IN AN ISSUE OF SECURITIES, PARTICULARLY THOSE RISKS AND INVESTMENT CONSIDERATIONS RESULTING FROM PRINCIPAL OR INTEREST BEING DETERMINED BY REFERENCE TO ONE OR MORE INTEREST RATE, CURRENCY EXCHANGE RATE OR OTHER INDICES OR FORMULAS OR FROM ANY APPLICABLE REDEMPTION FEATURES. SECURITIES INVOLVING INTEREST RATE, CURRENCY EXCHANGE RATE OR OTHER INDICES OR FORMULAS OR REDEMPTION FEATURES MAY NOT BE APPROPRIATE INVESTMENTS FOR INVESTORS WHO DO NOT HAVE SUFFICIENT KNOWLEDGE AND UNDERSTANDING OF TRANSACTIONS INVOLVING THE APPLICABLE INDEX, FORMULA OR REDEMPTION FEATURES. SEE "CERTAIN INVESTMENT CONSIDERATIONS."

This Offering Circular relates to Securities offered hereby and not to any other securities of Freddie Mac, including notes offered pursuant to Freddie Mac's Global Debt Facility Offering Circular dated May 19, 1995, or successors thereto.

The distribution of this Offering Circular or any applicable Offering Circular Supplement and the offer, sale and delivery of Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any applicable Offering Circular Supplement comes are required by Freddie Mac and the Dealers to inform themselves about and to observe any such restrictions.

AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

Freddie Mac prepares an annual Information Statement that describes Freddie Mac, its business and operations and contains Freddie Mac's audited financial statements. From time to time, Freddie Mac prepares Information Statement Supplements that include unaudited financial data and other information concerning its business and operations. This Offering Circular should be read in conjunction with Freddie Mac's most recent Information Statement and any supplement thereto, each of which is incorporated by reference in this Offering Circular. Investors can obtain any of these documents and any other documents prepared and made available by Freddie Mac by writing or calling Investor Inquiry at Freddie Mac at 8200 Jones Branch Drive, McLean, Virginia 22102 (outside Washington, D.C. metropolitan area, phone 800/336-3672; within Washington, D.C. metropolitan area, phone 703/759-8160).

Freddie Mac will prepare, in respect of each particular issue of Debentures or Medium-Term Notes, an Offering Circular Supplement which will contain the terms of, and pricing information for, such issue of Debentures or Medium-Term Notes and such other information as Freddie Mac considers necessary or appropriate. Each such Offering Circular Supplement should be read together with this Offering Circular.

FEDERAL HOME LOAN MORTGAGE CORPORATION

Freddie Mac is a shareholder owned government-sponsored enterprise chartered on July 24, 1970 pursuant to the Freddie Mac Act. Freddie Mac's statutory purpose is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. The principal activity of Freddie Mac consists of the purchase of first lien, conventional, residential mortgages from mortgage lending institutions. Freddie Mac finances its purchases of mortgages principally by sales of guaranteed mortgage securities. Freddie Mac also finances mortgage purchases with debt securities, other liabilities (primarily cash temporarily held pending disbursement to securities holders) and equity capital. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac.

CAPITALIZATION

Freddie Mac's capitalization as of the end of the most recent fiscal year for which an Information Statement has been published is set forth in such Information Statement and its capitalization as of the end of the most recent fiscal quarter for which an Information Statement Supplement has been published is set forth in such Information Statement Supplement. Freddie Mac engages in transactions affecting stockholders' equity from time to time and issues or retires debt obligations on an ongoing basis. Accordingly, on any date subsequent to the date of an Information Statement or Information Statement Supplement, stockholders' equity may differ, and the amount of debt obligations outstanding will differ, and may differ substantially, from the figures contained in the capitalization table set forth in such Information Statement or Information Statement Supplement.

CERTAIN INVESTMENT CONSIDERATIONS

The following section describes the general risks and other ramifications of an investment in the Securities, but does not describe all of the risks and ramifications of such an investment arising from each investor's particular circumstances, nor does it project the manner in which the Securities will perform under all possible economic and interest rate scenarios. Prospective investors should consult their own financial and legal advisors about the risks and investment considerations associated with an investment in a particular issue of Securities and the suitability of investing in such Securities in light of their particular circumstances and their views as to both possible and likely economic and interest rate scenarios.

Suitability

Investors should have the financial status and the knowledge and experience in financial and business matters sufficient to evaluate the merits and to bear the risks of investing in a particular issue of Securities. The Securities are not suitable investments for all investors. No investor should purchase any Securities unless the investor understands and is able to bear the associated yield, market and liquidity risks and any other applicable risks (including, if applicable, those associated with optional redemption provisions and periodic interest rate adjustments). Certain Securities are complex financial instruments. It is important that an investor in any Securities possess, either alone or with a financial advisor, the expertise necessary to evaluate, in the context of that investor's financial situation, such Securities, the associated risks and benefits, and the information contained and incorporated in this Offering Circular and any applicable Offering Circular Supplement. An investor should make a decision whether to invest in any Security based on the anticipated performance of that Security and the investor's own financial needs and ability to bear the associated risks under a variety of economic and interest rate scenarios.

Structure Risks

Historically, the large majority of the Debentures and Medium-Term Notes issued by Freddie Mac have been conventional fixed rate debt securities, including securities that are redeemable from and after a specified date at the option of Freddie Mac. Although these securities present certain risks to investors, see "Market, Liquidity and Yield Considerations—Redeemable Debentures and Medium-Term Notes" and "—Fixed Rate Zero Coupon Debentures and Medium-Term Notes," they do not present all of the risks associated with more complex securities. These more complex securities, such as Variable Rate Debentures and Medium-Term Notes and Debentures and Medium-Term Notes repayable in Variable Principal Repayment Amounts, may have principal or interest payments determined, either directly or inversely, by reference to one or more interest rates, exchange rates or other indices (including currency or currency unit swap indices). An investment in such Debentures and Medium-Term Notes entails significant risks not associated with an investment in a conventional fixed rate debt security. Such risks may include, without limitation, the possibility that such index or indices may be subject to significant changes, that a resulting interest rate will be less than that payable on a conventional fixed rate debt security issued by Freddie Mac at the same time or that no interest will be payable, that the repayment of principal can occur at times other than expected by the investor, and that the investor could lose all or a substantial portion of the principal of its Debenture or Medium-Term Note (whether payable at maturity or upon redemption). With respect to Debentures and Medium-Term Notes that have principal or interest payments determined by reference to one or more specified currency exchange rates or indices, such risks may also include, without limitation, the possibility of currency devaluations and the imposition or modification of exchange controls by authorities with jurisdiction over the applicable currency. The risks involved with more complex securities may depend on a number of interrelated factors, including financial, economic and political events, over which Freddie Mac has no control. In addition, if the formula used to determine the amount of principal or interest payable with respect to a Debenture or Medium-Term Note contains a Multiplier of greater than one by which an applicable index is multiplied (a "Leverage Factor"), the effect of any change in such index or indices will be magnified. If the formula contains a Multiplier of less than one by which an applicable index is multiplied (a "Deleverage Factor"), the effect of any such change will be diminished. In recent years, certain interest rates, exchange rates and other indices have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular interest rate or other index that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

Market, Liquidity and Yield Considerations

Secondary Markets and Market Values

The Securities offered hereby will have no established trading market when issued (with the possible exception of Securities having the same terms and conditions as Securities for which settlement has previously occurred). Freddie Mac has been advised that certain Dealers for the Securities intend to use their best efforts to make a secondary market in certain Securities offered by or through them, but such Dealers are not obligated to do so and may discontinue any such secondary market making at any time without notice. There is no assurance that a secondary market for any of the Securities, particularly those that are especially sensitive to interest rate or market risks or that have been structured to meet the investment requirements of limited categories of investors, will develop or that such a market, if it develops, will be, or continue to be, liquid. Consequently, investors may not be able to sell their Securities readily or at prices that will enable them to realize a yield comparable to that of similar instruments with a developed secondary market. Investors seeking to purchase or sell relatively small amounts of Securities may not be able to do so at prices comparable to those that may be available to investors seeking to purchase or sell relatively large amounts of Securities. The market values of the Securities are likely to fluctuate; such fluctuations may be significant and, in the case of certain types of Securities, could result in significant losses to investors, particularly those investors whose circumstances do not permit them to hold the Securities until maturity.

Any secondary market for, and the market value of, an issue of Securities will be affected by a number of factors independent of the creditworthiness of Freddie Mac and the value of any applicable index or indices. These factors may include the complexity and volatility of such index or indices, any applicable method of calculating the principal or any interest to be paid in respect of such Securities, the time remaining to the maturity of such Securities, the outstanding amount of such Securities, the availability of comparable securities, any applicable redemption features of such Securities, the amount of other securities linked to any applicable index or indices, and the level, direction and volatility of market interest rates generally.

The market prices of zero coupon instruments, such as Discount Notes and Zero Coupon Debentures and Medium-Term Notes, as well as other instruments issued at a substantial discount from their principal amount payable at maturity or upon redemption, tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest-bearing securities with comparable maturities. Likewise, the market prices of instruments issued at a substantial premium to their principal amount payable at maturity or upon redemption, such as Debentures or Medium-Term Notes issued with significantly above-market interest rates, tend to fluctuate more in relation to general changes in interest rates than do the prices of conventional securities with at-the-market interest rates and comparable maturities. In addition, certain Debentures and Medium-Term Notes may be structured to meet the investment requirements of limited categories of investors and such securities therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

The secondary markets for Securities that are especially sensitive to interest rate or market risks or that have been structured to meet the investment requirements of limited categories of investors have experienced periods of illiquidity and may do so in the future. Illiquidity can have a severely adverse effect on the prices of Securities. Investors in such Securities should consider whether their circumstances permit them to hold the Securities until maturity or otherwise to bear the risks of illiquidity and price volatility.

Redeemable Debentures and Medium-Term Notes

Certain Debentures and Medium-Term Notes, as described in the applicable Offering Circular Supplement, may be redeemed by Freddie Mac from and after a specified date, typically at 100% of their principal amount plus accrued interest. Optional redemption provisions are likely to restrict the market values that such

Debentures and Medium-Term Notes otherwise would have. In general, Debentures and Medium-Term Notes redeemable by Freddie Mac are most likely to be redeemed when prevailing interest rates and Freddie Mac's costs of borrowing are relatively low and are least likely to be redeemed when such rates and costs are relatively high. If Freddie Mac redeems Debentures or Medium-Term Notes when prevailing interest rates are relatively low, an investor may not be able to reinvest the redemption proceeds in comparable securities with similar yields.

Certain Debentures and Medium-Term Notes may be redeemable at a variable amount determined by reference to one or more interest rate, exchange rate or other indices. The principal amount at which such Debentures and Medium-Term Notes are redeemed will vary depending on the level of the applicable rate or index, and investors in such Debentures and Medium-Term Notes may receive less than 100% of their original principal amount upon redemption.

Fixed Rate and Zero Coupon Debentures and Medium-Term Notes and Discount Notes

Fixed Rate Debentures and Medium-Term Notes, if held to maturity, provide return of their principal and the certainty of interest payments at a fixed rate; similarly, Zero Coupon Debentures and Medium-Term Notes and Discount Notes, if held to maturity, provide return of their principal, including return of the applicable discount. However, the market values of such Fixed Rate and Zero Coupon Debentures and Medium-Term Notes and Discount Notes are likely to fluctuate with changes in prevailing interest rates. In a falling interest rate environment, the market values of fixed rate and discount instruments generally will rise. In a rising interest rate environment, the market values of such instruments generally will fall, creating risk of loss of investment capital if such instruments are sold prior to maturity. This effect on market values is generally greater for Debentures and Medium-Term Notes having relatively long remaining terms to maturity (especially in the case of Zero Coupon Debentures and Medium-Term Notes or other Debentures and Medium-Term Notes issued at substantial discounts) than for Debentures and Medium-Term Notes with remaining terms to maturity that are relatively short. Similarly, other things being equal, this effect on market values is generally greater for Debentures and Medium-Term Notes than for Discount Notes, because of the generally short terms to maturity of Discount Notes.

Step Debentures and Medium-Term Notes

Step Debentures and Medium-Term Notes provide for one or more prescribed increases (or decreases) in their interest rates at specified dates. However, Step Debentures and Medium-Term Notes typically will be subject to optional redemption by Freddie Mac at the beginning of a step period or at any time after a step period has begun. Therefore, investors should consider the possibility that such Step Debentures and Medium-Term Notes may be redeemed if their subsequent interest rates exceed the interest rates then available to Freddie Mac for comparable borrowings.

Although the interest rate on a Step Debenture or Medium-Term Note may increase on the specified dates, the increased interest rate may be below the interest rate that investors would receive on newly issued but otherwise comparable instruments with the same remaining term to maturity as such Step Debenture or Medium-Term Note at the time of the increase.

Variable Rate Debentures and Medium-Term Notes

Investors in Variable Rate Debentures and Medium-Term Notes with interest rates determined on the basis of a direct relationship to a specified index or indices should consider the risk that lower than anticipated levels of such index or indices could result in actual yields to investors that are lower than the anticipated yields. Conversely, investors in Variable Rate Debentures and Medium-Term Notes with interest rates determined on the basis of an inverse relationship to a specified index or indices should consider the risk that higher than anticipated levels of such index or indices could result in actual yields to investors that are lower than the anticipated yields.

The interest rate formula for a Variable Rate Debenture or Medium-Term Note may include a Leverage Factor or a Deleverage Factor by which an applicable index is multiplied in determining the applicable interest rate. In general, a Leverage Factor will cause changes in the interest rate of the Debenture or Medium-Term Note to be more pronounced than changes in the value of the applicable index, while a Deleverage Factor will have the converse effect. Variable Rate Debentures and Medium-Term Notes with Leverage Factors are referred to as "leveraged," and those with Deleverage Factors are referred to as "deleveraged." In general, the volatility associated with the level of an applicable index is higher for leveraged Debentures and Medium-Term Notes and lower for deleveraged Debentures and Medium-Term Notes. For example, a leveraged Variable Rate Debenture or Medium-Term Note with an interest rate determined on the basis of an inverse relationship to a specified index generally will experience an accentuated decline in its interest rate as the value of the applicable index increases, compared to a Variable Rate Debenture or Medium-Term Note that does not have a Leverage Factor. The interest rate of a deleveraged Variable Rate Debenture or Medium-Term Note with an interest rate determined on the basis of an inverse relationship to a specified index generally will decline more slowly as the value of the applicable index increases, compared to a Variable Rate Debenture or Medium-Term Note that does not have a Deleverage Factor.

In addition, investors in Variable Rate Debentures and Medium-Term Notes should consider the effects on interest rates and yields of any applicable maximum interest rates or minimum interest rates and of any delays in periodic interest rate adjustments.

The indices applicable to Variable Rate Debentures and Medium-Term Notes are not likely to remain constant at any level. The timing of changes in the level of an applicable index may affect the actual yield to an investor, even if the average level is consistent with the investor's expectation. In general, the earlier a change in the level of an applicable index, the greater the effect on an investor's yield, especially in the case of Debentures and Medium-Term Notes providing for repayment of principal at one or more times prior to maturity. As a result, the effect on an investor's yield of an index level that is lower (or higher) than the rate anticipated by the investor during earlier periods is not likely to be offset by a later equivalent increase (or reduction). Moreover, changes in the index applicable to a particular Variable Rate Debenture or Medium-Term Note may not correlate with changes in interest rates generally or with changes in other indices. An investor's yield could be either adversely or positively affected if changes in the index applicable to that investor's Variable Rate Debenture or Medium-Term Note do not reflect changes in interest rates generally.

DESCRIPTION OF THE SECURITIES

General

The Securities will be issued pursuant to authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act. Debentures and Medium-Term Notes will be issued pursuant to the Debenture and Medium-Term Note Agreement and the applicable Supplemental Agreement, and Discount Notes will be issued pursuant to the Discount Note Agreement. Copies of the Debenture and Medium-Term Note Agreement and the Discount Note Agreement (together, the "Agreements") and any applicable Supplemental Agreement are available from Investor Inquiry upon request. By receiving and accepting a Security, or an interest in a Security, each Holder, financial intermediary and Beneficial Owner of the Security agrees to be bound by the terms and conditions of the applicable Agreement, as supplemented, modified or amended, pursuant to its terms, from time to time. See "The Agreements—Binding Effect of the Agreements."

Freddie Mac may require a Holder of a Security, as a condition to payment of principal of or interest on such Security or as a condition to transfer or exchange of such Security, 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 Securities are obligations of Freddie Mac only. The Securities, 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. The Securities 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.

The following description will apply to the Securities unless otherwise specified in an Offering Circular Supplement related to an issue of Debentures or Medium-Term Notes or any amendment or supplement hereto. With respect to any particular issue of Securities, the description herein can be superseded or replaced, in whole or in part, by such Offering Circular Supplement, amendment or supplement. Investors should read such Offering Circular Supplement, amendment or supplement in conjunction with this Offering Circular.

Debentures and Medium-Term Notes

Freddie Mac will prepare an Offering Circular Supplement in respect of each issue of Debentures or Medium-Term Notes that describes the terms of, and pricing information for, the Debentures or Medium-Term Notes of such issue and includes such other information as Freddie Mac considers necessary or appropriate.

Debentures and Medium-Term Notes of any issue will be denominated and payable in U.S. dollars and will be issued and will clear and settle in book-entry form through the Fed Book-Entry System. The Federal Reserve Banks will act as fiscal agents for Debentures and Medium-Term Notes pursuant to the Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York acting on behalf of the Federal Reserve Banks.

Denominations

Debentures and Medium-Term Notes will be issued and maintained in the minimum denominations specified in the applicable Offering Circular Supplement.

Status

Debentures and Medium-Term Notes will be unsecured general obligations of Freddie Mac, or, if so provided in the applicable Offering Circular Supplement, secured obligations or unsecured subordinated obligations of Freddie Mac. The Debenture and Medium-Term Note Agreement does not limit other indebtedness or securities that may be incurred or issued by Freddie Mac and does not contain any financial or similar restrictions on Freddie Mac or any restrictions on its ability to secure indebtedness.

Maturity and Redemption

Each Debenture and Medium-Term Note will mature on the Maturity Date specified in the applicable Offering Circular Supplement, unless redeemed prior thereto.

The Offering Circular Supplement relating to any particular issue of Debentures or Medium-Term Notes will specify whether such Debentures or Medium-Term Notes may be redeemed, in whole or in part, prior to their Maturity Date. If so specified in the applicable Offering Circular Supplement, an issue of Debentures or Medium-Term Notes will be subject to redemption at the option of Freddie Mac, in whole or from time to time in part, on one or more specified dates, at any time on or after a specified date, or during one or more specified periods of time. The redemption price for such Debentures or Medium-Term Notes (or such part of such Debentures or Medium-Term Notes as is redeemed) will be an amount specified in, or determined in a manner described in, the applicable Offering Circular Supplement, together with accrued and unpaid interest to the date fixed for redemption.

Unless otherwise indicated in the applicable Offering Circular Supplement, notice of optional redemption will be given to Holders of the related Debentures or Medium-Term Notes not less than 10 Business Days nor more than 60 calendar days prior to the date of redemption in the manner described under "The Agreements—Notice."

In the case of a partial redemption of an issue of Debentures or Medium-Term Notes by Freddie Mac, such Debentures or Medium-Term Notes will be redeemed pro rata.

In certain circumstances, Freddie Mac may issue Debentures and Medium-Term Notes that are redeemable at the option of the relevant Holders thereof, on one or more specified dates, at any time on or after a specified date, or during one or more specified periods of time, upon such terms and procedures as are described in the applicable Offering Circular Supplement.

The principal amount payable on the Maturity Date or upon redemption of a Debenture or Medium-Term Note will be a fixed amount (the "Fixed Principal Repayment Amount") equal to 100% of the principal amount thereof (*i.e.*, par), or a specified amount above or below such principal amount, or an amount (the "Variable Principal Repayment Amount") determined by reference to one or more interest rate or exchange rate indices or otherwise, in each case as specified in the applicable Offering Circular Supplement.

Payment Terms

Debentures and Medium-Term Notes may bear interest at one or more fixed rates or variable rates or may not bear interest. Freddie Mac will specify in the applicable Offering Circular Supplement whether such Debenture or Medium-Term Note is a Fixed Rate Debenture or Medium-Term Note, a Step Debenture or Medium-Term Note, a Variable Rate Debenture or Medium-Term Note, a Fixed/Variable Rate Debenture or Medium-Term Note, a Zero Coupon Debenture or Medium-Term Note or otherwise. Each type of Debenture or Medium-Term Note is defined below:

- "Fixed Rate Debentures or Medium-Term Notes" are Debentures or Medium-Term Notes that bear interest at a fixed rate.
- "Fixed/Variable Rate Debentures or Medium-Term Notes" are Debentures or Medium-Term Notes that bear interest at a fixed rate for one or more specified periods and at a variable rate, reset periodically, determined by reference to one or more interest rate or exchange rate indices, or otherwise, for one or more other specified periods.
- "Step Debentures or Medium-Term Notes" are Debentures or Medium-Term Notes that bear interest at specified fixed rates for specified periods.
- "Variable Rate Debentures or Medium-Term Notes" are Debentures or Medium-Term Notes that bear interest at a variable rate, reset periodically, determined by reference to one or more interest rate or exchange rate indices, or otherwise.
- "Zero Coupon Debentures or Medium-Term Notes" are Debentures or Medium-Term Notes that do not bear interest and are issued at a discount to their principal amount.

If so provided in the applicable Offering Circular Supplement, Debentures and Medium-Term Notes may be separated ("stripped") by a Holder into an interest component that includes the right to receive all interest payments, or specified portions thereof, and a principal component that includes the right to receive principal payments only or payments of principal and specified portions of interest. The applicable Offering Circular Supplement for such Debentures and Medium-Term Notes will describe the procedure for stripping such Debentures and Medium-Term Notes into such interest and principal components.

The applicable Offering Circular Supplement will specify the frequency with which interest is payable on the related Debentures and Medium-Term Notes. Interest on Debentures and Medium-Term Notes will be payable in arrears on the Interest Payment Dates specified in the applicable Offering Circular Supplement and on the Principal Payment Date.

Each issue of interest-bearing Debentures and Medium-Term Notes will bear interest from and including the most recent Interest Payment Date or, if no interest has been paid or made available for payment in respect of such issue of Debentures and Medium-Term Notes, from and including the Issue Date of such issue of Debentures or Medium-Term Notes (or such other date specified in the applicable Offering Circular Supplement) to but excluding the applicable Interest Payment Date or the Principal Payment Date (each such period is referred to herein as an "Interest Period"). The Maturity Date or, if applicable, earlier date of redemption is referred to herein as the "Principal Payment Date" with respect to the principal of such Debentures and Medium-Term Notes repayable on such date. No interest on the principal of any Debenture or Medium-Term Note will accrue on or after the Principal Payment Date on which such principal is repaid.

Payments on Debentures and Medium-Term Notes will be rounded to the nearest cent (with one-half cent being rounded upwards).

In the event that any withholding or other tax should be imposed by any jurisdiction, Freddie Mac will not pay additional interest or other amounts, or redeem the Debentures or Medium-Term Notes prior to maturity, in consequence thereof.

Fixed Rate Debentures and Medium-Term Notes. The applicable Offering Circular Supplement will specify the fixed interest rate applicable per annum on a Fixed Rate Debenture or Medium-Term Note. Interest on a Fixed Rate Debenture or Medium-Term Note will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Fixed/Variable Rate Debentures and Medium-Term Notes. Fixed/Variable Rate Debentures and Medium-Term Notes will bear interest at a fixed rate for one or more specified periods (see "—Fixed Rate Debentures and Medium-Term Notes") and at a rate determined by reference to one or more interest rate or exchange rate indices, or otherwise, for one or more other specified periods (see "—Variable Rate Debentures and Medium-Term Notes").

Step Debentures and Medium-Term Notes. Each Step Debenture or Medium-Term Note will bear interest from its Issue Date to a specified date at its initial fixed interest rate and from that date to its Maturity Date at one or more different interest rates that are prescribed as of the Issue Date. A Step Debenture or Medium-Term Note can have one or more step periods. Step Debentures and Medium-Term Notes may contain provisions giving Freddie Mac the option to redeem such Debentures and Medium-Term Notes at the beginning of a step period or at any time after a step period has begun. The applicable Offering Circular Supplement will specify the fixed interest rate per annum payable on Step Debentures and Medium-Term Notes for each related period from issuance to maturity. Interest on a Step Debenture or Medium-Term Note will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Zero Coupon Debentures and Medium-Term Notes. Zero Coupon Debentures and Medium-Term Notes will not bear interest and will be issued at a price that is less than the principal amount payable on the Maturity Date. As a result, Zero Coupon Debentures and Medium-Term Notes are issued with original issue discount for Federal income tax purposes. See "Certain Federal Tax Consequences—U.S. Owners—Debt Obligations with Original Issue Discount."

Variable Rate Debentures and Medium-Term Notes. Variable Rate Debentures and Medium-Term Notes may bear interest at a variable rate, reset periodically, determined on the basis of a direct relationship to one or more specified interest rate, exchange rate or other indices or determined on the basis of an inverse relationship to one or more specified interest rate, exchange rate or other indices. Variable Rate Debentures and Medium-Term Notes also may bear interest in any other manner described in the applicable Offering Circular Supplement.

The interest rate formula for a Variable Rate Debenture or Medium-Term Note may contain a Spread and/or one or more Multipliers. A "Spread" means a constant or variable number to be added to or subtracted from the relevant index or formula. A "Multiplier" means a constant or variable number (which may be greater or less than one) to be multiplied by the relevant index or formula.

Variable Rate Debentures and Medium-Term Notes also may have a Cap and/or a Floor. A "Cap" means a maximum interest rate at which interest may accrue on a Debenture or Medium-Term Note during any Interest Reset Period. A "Floor" means a minimum interest rate at which interest may accrue on a Debenture or Medium-Term Note during any Interest Reset Period.

The applicable Offering Circular Supplement will specify the accrual method (*i.e.*, the day count convention) for interest on the related Variable Rate Debentures and Medium-Term Notes and may incorporate one or more of the following defined terms:

"Actual/360" means that interest or any other relevant accrual factor will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

"Actual/365 (fixed)" means that interest or any other relevant accrual factor will be calculated on the basis of the actual number of days elapsed in a year of 365 days, regardless of whether payment occurs during a calendar leap year.

"Actual/Actual" means that interest or any other relevant accrual factor will be calculated on the basis of (i) the actual number of days elapsed in the Interest Period divided by 365, or (ii) if any portion of the Interest Period falls in a calendar leap year, (A) the actual number of days in that portion of the Interest Period falling in the calendar leap year divided by 366 plus (B) the actual number of days in that portion of the Interest Period falling in a calendar non-leap year divided by 365.

The applicable Offering Circular Supplement will specify the frequency with which the rate of interest on the related Variable Rate Debentures and Medium-Term Notes will reset (which may be daily, weekly, monthly, quarterly, semiannually, annually or any other frequency). The applicable Offering Circular Supplement also will specify the dates on which a new rate of interest becomes effective (each, a "Reset Date"). Variable Rate Debentures and Medium-Term Notes may bear interest prior to the initial Reset Date at an initial interest rate, if any, specified in the applicable Offering Circular Supplement. Each period beginning on the applicable Reset Date and ending on the calendar day preceding the next Reset Date is referred to herein as an "Interest Reset Period." The rate of interest applicable to each Interest Reset Period will be determined as of the applicable Determination Date. Except as described in the succeeding sentence, the Determination Date for a Variable Rate Debenture or Medium-Term Note means the second Business Day preceding the Reset Date applicable to an Interest Reset Period. The Determination Date for a Variable Rate Debenture or Medium-Term Note as to which the rate of interest thereon is determined by reference to LIBOR means the second London Banking Day preceding the Reset Date applicable to an Interest Reset Period.

If the rate of interest on a Variable Rate Debenture or Medium-Term Note is subject to adjustment within an Interest Period, accrued interest will be calculated by multiplying the principal amount of such Variable Rate Debenture or Medium-Term Note by an accrued interest factor. Unless otherwise specified in the applicable Offering Circular Supplement, this accrued interest factor will be computed by adding the interest factor calculated for each Interest Reset Period in such Interest Period and rounding the sum to nine decimal places. The interest factor for each such Interest Reset Period will be computed by multiplying the number of days in the Interest Reset Period by the interest rate (expressed as a decimal) applicable to such Interest Reset Period and dividing the product by the number of days in the year referred to in the accrual method specified in the applicable Offering Circular Supplement.

The determination of the interest rate on Variable Rate Debentures and Medium-Term Notes (or any interim calculation in the determination of such interest rate) by the Calculation Agent shall, absent manifest error, be final and binding on all parties. The "Calculation Agent" will be Freddie Mac or a bank or broker-dealer designated by Freddie Mac.

Information concerning the current interest rate on Variable Rate Debentures and Medium-Term Notes is expected to be available from Freddie Mac, by writing or calling Investor Inquiry at Freddie Mac at the address and telephone numbers shown on page 3, and, if Freddie Mac is not the Calculation Agent, from the Calculation Agent.

LIBOR. If the applicable Offering Circular Supplement specifies LIBOR as the applicable interest rate index for determining the rate of interest for the related Variable Rate Debenture or Medium-Term Note, the following provisions will apply:

"LIBOR" means, with respect to a Reset Date (in the following order of priority):

(i) the rate (expressed as a percentage per annum) for Deposits having the Index Maturity that appears on the Designated Telerate Page as of 11:00 a.m. (London time) on the related Determination Date;

(ii) if such rate does not appear on the Designated Telerate Page as of 11:00 a.m. (London Time) on the related Determination Date, LIBOR will be the rate (expressed as a percentage per annum) for Deposits having the Index Maturity that appears on the Designated Reuters Page as of 11:00 a.m. (London time) on such Determination Date;

(iii) if such rate does not appear on the Designated Reuters Page as of 11:00 a.m. (London time) on the related Determination Date, the Calculation Agent will request the principal London offices of four leading banks in the London interbank market selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide such bank's offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for Deposits having the Index Maturity as of 11:00 a.m. (London time) on such Determination Date and in a Representative Amount. If at least two quotations are provided, LIBOR will be the arithmetic mean (if necessary rounded upwards) of such quotations;

(iv) if fewer than two such quotations are provided as requested in clause (iii) above, the Calculation Agent will request four major banks in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide such bank's offered quotation (expressed as a percentage per annum) to leading European banks for loans in U.S. dollars having the Index Maturity, commencing on such Reset Date, as of approximately 11:00 a.m. in the City of New York on such Determination Date and in a Representative Amount. If at least two such quotations are provided, LIBOR will be the arithmetic mean (if necessary rounded upwards) of such quotations; and

(v) if fewer than two such quotations are provided as requested in clause (iv) above, LIBOR will be LIBOR determined with respect to the Reset Date immediately preceding such Reset Date (or, in the case of the first Reset Date, will be the rate for Deposits having the Index Maturity as of 11:00 a.m. (London time) on the most recent London Banking Day preceding the related Determination Date for which such rate shall have been displayed on either the Designated Telerate Page or the Designated Reuters Page with respect to deposits commencing on the second London Banking Day following such date (and if such rate appears on both such screens on such London Banking Day, using the Designated Telerate Page)).

If the rate for Deposits having the Index Maturity that initially appears on the Designated Telerate Page or the Designated Reuters Page, as the case may be, as of 11:00 a.m. (London time) on the related Determination Date is superseded on the Designated Telerate Page or the Designated Reuters Page, as the case may be, by a corrected rate before 12:00 noon (London time) on such Determination Date, such corrected rate as so substituted on the applicable page shall be the applicable LIBOR for such Determination Date.

"Deposits" means deposits in U.S. dollars commencing on the applicable Reset Date.

"Designated Reuters Page" means the display on the Reuters Monitor Money Rates Service for the purpose of displaying interbank rates from London for deposits in U.S. dollars, which will be the ISDA page (or such other page as may replace the ISDA page on that service for the purpose of displaying interbank rates from London in U.S. dollars).

"Designated Telerate Page" means the display on the Dow Jones Telerate Service for the purpose of displaying the London interbank rates for deposits in U.S. dollars, which will be page 3750 (or such other page as may replace page 3750 on that service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Bankers' Association Interest Settlement Rates for deposits in U.S. dollars).

"Index Maturity" means the period with respect to which LIBOR will be calculated that is specified in the applicable Offering Circular Supplement.

"London Banking Day" means any day on which commercial banks are open for business (including dealings in deposits in U.S. dollars) in London.

"Representative Amount" means a principal amount of not less than U.S. $1,000,000 that, in the Calculation Agent's sole judgment, is representative for a single transaction in the relevant market at the relevant time.

Secured Debentures and Medium-Term Notes. If so provided in the applicable Offering Circular Supplement, the indebtedness represented by certain Debentures and Medium-Term Notes will be secured 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 the applicable Offering Circular Supplement.

Subordinated Debentures and Medium-Term Notes. If so provided in the applicable Offering Circular Supplement, the indebtedness represented by certain Debentures and Medium-Term Notes and the payment of principal of and interest on such Debentures and Medium-Term Notes will be subordinated to prior payment in full of all "Senior Obligations" of Freddie Mac which are due and payable. Such Senior Obligations of Freddie Mac will be specified in the applicable Offering Circular Supplement.

Business Day Convention

Unless otherwise specified in the applicable Offering Circular Supplement, in any case in which an Interest Payment Date or Principal Payment Date is not a Business Day, payment of any interest on or the principal of the Debentures and Medium-Term Notes will not be made on such date but will be made on the next Business Day with the same force and effect as if made on such Interest Payment Date or Principal Payment Date, as the case may be. Unless otherwise specified in the applicable Offering Circular Supplement, no interest on such payment will accrue for the period from and after such Interest Payment Date or Principal Payment Date, as the case may be, to the date of such payment.

As used herein, "Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed or (d) 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.

Further Issues of Debentures and Medium-Term Notes

In its discretion and at any time, Freddie Mac may offer additional Debentures and Medium-Term Notes which have the same terms (other than Issue Date, interest commencement date and issue price) and conditions as Debentures and Medium-Term Notes for which settlement has previously occurred or been scheduled so as to form a single series of Debentures and Medium-Term Notes as specified in the applicable Offering Circular Supplement.

Discount Notes

Discount Notes issued hereunder will be unsecured general obligations of Freddie Mac. Discount Notes will be offered on a continuous basis, have maturities of one year or less and be paid only on their Maturity Dates at their principal amounts. Discount Notes will be issued and must be maintained and transferred on the Fed Book-Entry System in minimum principal amounts of $25,000 and additional increments of $1,000.

Discount Notes will be sold on a discounted basis. The purchase price of a Discount Note will be the difference between the principal amount of the Discount Note and the amount derived from the following formula:

$$\frac{\text{Principal Amount of Discount Note} \times \text{Percentage of Discount} \times \text{Number of Days From Issue Date to Maturity Date of Discount Note}}{\text{360 days}}$$

Freddie Mac generally will not offer a Discount Note having a Maturity Date that is not a Business Day. In the event that the Maturity Date of a Discount Note should fall on a day that is not a Business Day, the Maturity

Date of such Discount Note will be the first Business Day following such day. Freddie Mac will pay to the Discount Note Holder interest for the days from the stated Maturity Date to (but excluding) the Maturity Date established according to the preceding sentence based on the percentage of discount at which such Discount Note was issued by Freddie Mac.

The maturities and purchase prices of Discount Notes are established on a daily basis by Freddie Mac. Information with respect to available maturities and current prices can be obtained from the Dealers through which Freddie Mac offers Discount Notes. See "Plan of Distribution."

Repurchase

Freddie Mac at any time may purchase Securities at any price or prices in the open market or otherwise. Such Securities may be held, resold or cancelled by Freddie Mac.

Clearance and Settlement

Securities will be issued and maintained only on the Fed Book-Entry System. Securities will not be exchangeable for definitive securities. Securities will be issued and settled through the Fed Book-Entry System in same-day funds and will be held by entities eligible to maintain book-entry accounts with a Federal Reserve Bank (the "Holding Institutions"). After initial issue, all Securities will continue to be held by such Holding Institutions in the Fed Book-Entry System unless arrangements are made for the transfer thereof to another Holding Institution, in accordance with the rules of the Fed Book-Entry System. Each issue of Debentures and Medium-Term Notes is assigned a CUSIP Number used, among other things, to identify such issue. Each issue of Discount Notes having the same Maturity Date is assigned the same CUSIP Number.

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 agents for Securities issued in book-entry form, makes generally applicable to the Securities (i) the Freddie Mac Book-Entry Regulations (1 C.F.R. Part 462), (ii) the procedures, insofar as applicable, established from time to time by Treasury Department regulations governing obligations of the United States, as now contained in Treasury Department Circular No. 300, and (iii) such other procedures as may 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 Freddie Mac's book-entry securities. A copy of Circular No. 300 may be obtained upon request from any Federal Reserve Bank, the Treasury Department or Freddie Mac.

Book-Entry Form

Securities will be be issued only in book-entry form and may be held of record only by Holding Institutions. Such entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities to whose accounts Securities have been deposited are herein referred to as "Holders" of such Securities. A Holder is not necessarily the Beneficial Owner of a Security. Beneficial Owners of Securities ordinarily will hold such Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, an investor may hold a Security through a brokerage firm which, in turn, holds the Security through an entity eligible to maintain book-entry accounts with a Federal Reserve Bank. In that case, the investor would be the Beneficial Owner of the Security and the entity that appears as the holder on the records of a Federal Reserve Bank would be the Holder. A Holder that is not the Beneficial Owner of a Security, and each other financial intermediary in the chain between the Holder and the Beneficial Owner, will be responsible for establishing and maintaining accounts for their respective customers. The rights of the Beneficial Owner of a Security in book-entry form with respect to Freddie Mac and a Federal Reserve Bank may be exercised only through the Holder of the Security. Neither Freddie Mac nor any Federal Reserve Bank will have a direct obligation to a Beneficial Owner of a Security that is not also the Holder of the Security. A Federal Reserve Bank will act only upon the instructions of the Holder in recording transfers of a Security maintained on the Fed Book-Entry System. Freddie Mac and the Federal Reserve Banks may treat the Holders as the absolute owners of Securities for the purpose of making payments in respect thereof and for all other purposes, whether or not such Securities shall be overdue and notwithstanding any notice to the contrary.

Payments

Payments of principal of and any interest on Securities will be made in U.S. dollars on the applicable payment dates to Holders thereof as of the end of the Business Day preceding such payment dates. Payments on Securities will be made by credit of the payment amount to the Holders' accounts at the Federal Reserve Banks. All payments to or upon the order of a Holder will be valid and effective to discharge the liability of Freddie Mac and the Fiscal Agent in respect of the related Securities. The Holders and each other financial intermediary holding such Securities directly or indirectly on behalf of the Beneficial Owners will have the responsibility of remitting payments for the accounts of their customers. All payments on Securities are subject to any applicable law or regulation.

Fiscal Agent

The Federal Reserve Banks will be the fiscal agents for Securities. Freddie Mac and the Federal Reserve Banks may amend, modify or supplement in any respect, or may terminate, substitute or replace, the Fiscal Agency Agreement.

In acting under the Fiscal Agency Agreement, the Federal Reserve Banks act solely as fiscal agent of Freddie Mac and do not assume any obligation or relationship of agency or trust for or with any Holder of a Security.

THE AGREEMENTS

The following summary describes certain provisions of the Agreements not otherwise described in this Offering Circular.

Binding Effect of the Agreements

By receiving and accepting a Security, each Holder, financial intermediary and Beneficial Owner of such Security agrees, without any signature or further manifestation of assent, to be bound by the terms and conditions of the applicable Agreement, as supplemented, modified or amended pursuant to its terms, from time to time.

The Agreements will be binding upon and inure to the benefit of any successor to Freddie Mac.

Events of Default

Under the Debenture and Medium-Term Note Agreement, an "Event of Default" with respect to a specific issue of Debentures or Medium-Term Notes will consist of (i) any failure by Freddie Mac to pay to Holders of such Debentures or Medium-Term Notes any required payment that continues unremedied for 30 days; (ii) any failure by Freddie Mac to perform in any material respect any other covenant or agreement in the Debenture and Medium-Term Note Agreement, which failure continues unremedied for 60 days after the giving of notice of such failure to Freddie Mac by the Holders of not less than 25% of the outstanding principal amount (or notional principal amount) of such Debentures or Medium-Term Notes; or (iii) certain events of bankruptcy, insolvency or similar proceedings involving Freddie Mac. The Discount Note Agreement does not define events of default or specify the remedies available to Holders in the event of a default by Freddie Mac thereunder.

Rights Upon Event of Default—Debentures and Medium-Term Notes

As long as an Event of Default under the Debenture and Medium-Term Note Agreement remains unremedied, Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of an issue of Debentures or Medium-Term Notes to which such Event of Default relates may, by written notice to Freddie Mac, declare such Debentures or Medium-Term Notes due and payable.

No Holder has any right under the Debenture and Medium-Term Note Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any other remedy, unless (i) such Holder previously has given to Freddie Mac written notice of an Event of Default and of the continuance thereof; (ii) the Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of an issue of Debentures or Medium-Term Notes to which such Event of Default relates have given written notice to Freddie Mac of such Event of Default; and (iii) such Event of Default continues uncured for a period of 60 days following such notice. No Holder of an issue of Debentures or Medium-Term Notes has any right in any manner whatsoever by virtue of or by availing itself of any provision of the Debenture and Medium-Term Note 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 the Debenture and Medium-Term Note Agreement, except in the manner provided in the Debenture and Medium-Term Note Agreement and for the ratable and common benefit of all such Holders.

Prior to or after the institution of any action or proceeding relating to an issue of Debentures or Medium-Term Notes, the Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of such Debentures or Medium-Term Notes may waive an Event of Default, whether or not it has resulted in a declaration of an acceleration of the maturity of such Debentures or Medium-Term Notes, and may rescind and annul any previously declared acceleration.

Whenever in the Debenture and Medium-Term Note Agreement it is provided that the Holders of a specified percentage in outstanding principal amount (or notional principal amount) of an issue of Debentures or Medium-Term Notes 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 a writing, or any number of writings of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing.

Amendment

Freddie Mac may modify, amend and supplement either Agreement and the terms of an issue of Securities, without the consent of the Holder or Holders, (i) for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision or to make any other provision with respect to matters or questions arising under an Agreement or the terms of any Security that are not inconsistent with any other provision of such Agreement or such Security, (ii) to add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac, (iii) to evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac, (iv) for the purpose of conforming the terms of an issue of Securities to, or curing any ambiguity or discrepancy resulting from any changes in, the Freddie Mac Book-Entry Regulations or any regulation or document that the Freddie Mac Book-Entry Regulations or the Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York makes applicable to book-entry securities of Freddie Mac, (v) for the purpose of increasing the amount of an issue of Securities or (vi) in any manner that Freddie Mac may determine and that will not adversely affect in any material respect the interests of Holders or Beneficial Owners at the time of such modification, amendment or supplement.

In addition, either (a) with the written consent of the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Securities affected thereby, excluding any such Securities owned by Freddie Mac, or (b) by the adoption of a resolution, at a meeting of Holders at which a quorum is present, by the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Securities represented at such meeting, excluding any such Securities owned by Freddie Mac, Freddie Mac may from time to time and at any time modify, amend or supplement the terms of an issue of Securities for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of such Securities or modifying in any manner the rights of the Holders; *provided, however,* that no such modification, amendment or supplement may, without the written consent or affirmative vote of each Holder of a Security, (i) change the Maturity Date or Interest Payment Date (if any) of such Security, (ii) materially modify the redemption provisions, if any, relating to the redemption price of, or any redemption date or period for, such Security, (iii) reduce the principal amount of, or materially modify the rate of interest (if any) or the calculation of the rate of interest on, such Security or

(iv) reduce the percentage of Holders whose consent or affirmative vote is necessary to modify, amend or supplement the terms of the relevant issue of Securities. A quorum at any meeting of Holders called to adopt a resolution will be Holders entitled to vote a majority of the then aggregate outstanding principal (or notional principal) amount of an issue of such Securities called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding principal (or notional principal) amount of such issue of Securities, in both cases excluding any such Securities owned by Freddie Mac. It will not be necessary for the Holders to approve the particular form of any proposed amendment, but it will be sufficient if such consent or resolution approves the substance of such change.

As provided in the Debenture and Medium-Term Note Agreement, Freddie Mac may establish a record date for the determination of Holders entitled to vote at any meeting of Holders of Debentures or Medium-Term Notes, to grant any consent in respect of Debentures or Medium-Term Notes and to notice with respect to any such meeting or consent.

Any instrument given by or on behalf of any Holder of a Security in connection with any consent to any such modification, amendment or supplement will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Security or any Security issued, directly or indirectly, in exchange or substitution therefor. Any modification, amendment or supplement of either Agreement or of the terms of Securities will be conclusive and binding on all Holders of Securities affected thereby, whether or not they have given such consent or were present at any meeting (unless by the terms of such Agreement a written consent or an affirmative vote of such Holders is required).

Securities Owned by Freddie Mac

Freddie Mac may, from time to time, repurchase or otherwise acquire all or a portion of any issue of Securities. Any Securities owned by Freddie Mac will have an equal and proportionate benefit under the provisions of the applicable Agreement, without preference, priority or distinction as among such Securities, except that in determining whether the Holders of the required percentage of the outstanding principal amount (or notional principal amount) of an issue of Securities have given any required demand, authorization, notice, consent or waiver under the applicable Agreement, any Securities owned by Freddie Mac or any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac will be disregarded and deemed not to be outstanding for the purposes of such determination.

Notice

Any notice, demand or other communication which by any provision of either 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 mail, addressed to such Holder as such Holder's name and address may appear in the records of a Federal Reserve Bank or by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon any Holder will be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

Any notice, demand or other communication which by any provision of either Agreement is required or permitted to be given to or served upon Freddie Mac must 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 22012 Attention: Senior Vice President—General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac will be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

Governing Law

The Agreements and the rights and obligations of the Holders and Freddie Mac with respect to the Securities will 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 the applicable Agreement or the transactions governed thereby, the local laws of the State of New York will be deemed reflective of the laws of the United States.

CERTAIN FEDERAL TAX CONSEQUENCES

The Securities and payments thereon are not generally exempt from taxation by the United States or other U.S. or non-U.S. taxing jurisdictions.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), revenue rulings, judicial decisions and existing and proposed Treasury regulations, including final regulations concerning the tax treatment of debt instruments issued with original issue discount (the "OID Regulations"), changes to any of which subsequent to the date of the Offering Circular may affect the tax consequences described herein.

This summary discusses only Debt Obligations held by Beneficial Owners as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to a Beneficial Owner in light of its particular circumstances or to Beneficial Owners subject to special rules, such as certain financial institutions, insurance companies, dealers or Beneficial Owners holding Debt Obligations as part of a hedging transaction or straddle. Further, the tax consequences arising from the ownership of any Debt Obligations with special characteristics may be set forth in the applicable Offering Circular Supplement. The discussion below does not deal with the tax consequences of separating the ownership rights to principal and interest payments on Debt Obligations or the purchase, ownership or disposition of such stripped payment rights. In all cases, prospective investors are advised to consult their own tax advisors regarding the federal tax consequences to them of holding, owning and disposing of Debt Obligations (or of stripped payment rights derived from such Debt Obligations), including the advisability of making any of the elections described below, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

For purposes of this discussion "U.S. Person" means an individual who, for federal income tax purposes, is a citizen or resident of the United States or a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, or an estate or trust the income of which is subject to federal income taxation regardless of its source. "U.S. Owner" means a Beneficial Owner that is a U.S. Person and "Non-U.S. Owner" means a Beneficial Owner that is not a U.S. Person.

If Freddie Mac issues Debentures or Medium-Term Notes having a Variable Principal Repayment Amount, the federal tax treatment of Beneficial Owners of such Debentures or Medium-Term Notes will be described in the applicable Offering Circular Supplement.

U.S. Owners

In General

Income derived from a Debt Obligation by a U.S. Owner is subject to federal income taxation. In addition, a Debt Obligation owned by an individual who, at the time of death, is a U.S. citizen or domiciliary is subject to federal estate tax.

The Internal Revenue Service (the "IRS") has ruled that Freddie Mac is an instrumentality of the United States for purposes of Section 7701(a)(19) of the Code; therefore, domestic building and loan associations and savings banks are permitted to invest in Freddie Mac's Debt Obligations to meet the percentage of total assets required to be invested in, among other things, "stock or obligations of a corporation which is an instrumentality of the United States." Further, Debt Obligations held by a real estate investment trust will constitute "Government securities" within the meaning of Section 856(c)(5)(A) of the Code, and Debt Obligations held by a regulated investment company will constitute "Government securities" within the meaning of Section 851(b)(4)(A)(i) of the Code.

The Freddie Mac Act does not contain any specific exemption with respect to any taxes on the principal of or interest on obligations issued by Freddie Mac imposed by any state or possession of the United States or by any local taxing authority. Purchasers residing in states of the United States that impose intangible property or income taxes should consult their own tax advisor as to the status of the Debt Obligations and their interest under applicable tax laws.

Payments of Interest

Interest paid on a Debt Obligation generally will be taxable to a U.S. Owner as ordinary interest income at the time it accrues or is received in accordance with the U.S. Owner's method of accounting for federal income tax purposes.

Debt Obligations with Original Issue Discount

Debt Obligations that are Zero Coupon Debentures or Medium-Term Notes will, and certain other Debt Obligations may, be sold at a discount below their principal amount. As provided in the Code and the OID Regulations, the excess of the "stated redemption price at maturity" (as defined below) of each such Debt Obligation over its "issue price" (defined as the initial offering price to the public, excluding bond houses and brokers, at which a substantial amount of such Debt Obligations has been sold) will be original issue discount if such excess equals or exceeds a *de minimis* amount (*i.e.*, one-quarter of one percent of such Debt Obligation's stated redemption price at maturity multiplied by the number of complete years to its maturity). A Debt Obligation having more than a *de minimis* amount of original issue discount is referred to herein as an "OID Debt Obligation." A U.S. Owner of a Debt Obligation with a *de minimis* amount of original issue discount will include any *de minimis* original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Debt Obligation. The "stated redemption price at maturity" of a Debt Obligation is equal to the sum of all payments on the Debt Obligation other than interest based on a fixed rate (or a variable rate, unless an applicable Offering Circular Supplement otherwise states) and payable unconditionally at least annually. Special rules applicable to Debt Obligations that are Step Debentures and Medium-Term Notes and that have an initial fixed interest rate that will increase to a higher fixed rate on the first day on which such Debt Obligations may be redeemed unless the entire principal amount of such Debt Obligations is redeemed on that day ("Step Debt Obligations") are described in "—Callable Debt Obligations" herein. Other special rules may apply to Debt Obligations that are Variable Rate Debentures or Medium-Term Notes subject to a maximum or minimum interest rate, Debt Obligations with a zero or reduced interest rate for an initial period, and certain other situations. Unless otherwise described in an applicable Offering Circular Supplement, these other special rules will not apply.

Subject to certain special rules for Debt Obligations having a maturity of one year or less (discussed below), U.S. Owners are required to include original issue discount in income as it accrues, which may be before the receipt of the cash attributable to such income, based on a compounding of interest at a constant rate (using the yield to maturity of the Debt Obligation as originally issued). Under these rules, generally U.S. Owners must include in income increasingly greater amounts of original issue discount in successive accrual periods, unless payments that are part of the stated redemption price at maturity of a Debt Obligation are made before its final maturity. The OID Regulations permit U.S. Owners to use accrual periods of any length up to one year (including daily accrual periods) to compute accruals of original issue discount, provided each scheduled payment of principal or interest occurs either on the first or the last day of an accrual period.

Callable Debt Obligations

The OID Regulations provide special rules with respect to debt instruments that are callable prior to their final maturity date. Under these rules, (i) the issuer will be presumed to exercise a call right if doing so would lower the yield to maturity of the debt instrument and (ii) if the issuer does not in fact exercise the call right, the debt instrument is deemed reissued at the call price for purposes of determining subsequent accruals of interest and original issue discount. For example, if an issue of Step Debt Obligations is issued at par and is callable at par on the dates specified for increases in interest rates, it would be deemed to be called on the first step date because the yield to maturity on such Debt Obligations would be lower than if the interest rate were stepped up. If such issue of Step Debt Obligations in fact is not called on that date, or is called only in part, the Step Debt Obligations (to the extent of their remaining outstanding principal amount) will be deemed to be called and reissued at par. As a result of these special rules, such issue of Step Debt Obligations will not have any original issue discount and stated interest on them is taken into account by U.S. Owners under their regular methods of accounting.

If a principal purpose in structuring a debt instrument is to achieve a result that is unreasonable in light of the purposes of the statutes relating to original issue discount, then the OID Regulations provide, in an anti-abuse rule, that the IRS can apply or depart from the OID Regulations, including the rules relating to the exercise of call rights described above, as necessary or appropriate to achieve a reasonable result. Freddie Mac intends to report income on any Step Debt Obligations with the features described above assuming this anti-abuse rule does not apply.

Debt Obligations with a Term of One Year or Less

Except as noted below, a cash method U.S. Owner of an OID Debt Obligation that matures one year or less from the date of its issuance (a "Short-Term Debt Obligation") is not required to include original issue discount in income as it accrues. Accrual method U.S. Owners, banks, regulated investment companies and certain other U.S. Owners described in Section 1281(b) of the Code are required to include original issue discount and stated interest (if any) in income as it accrues, regardless of their method of accounting, on a straight-line basis unless the U.S. Owner makes an irrevocable election to accrue such original issue discount on the basis of the Short-Term Debt Obligation's yield to maturity and daily compounding.

A cash method U.S. Owner of a Short-Term Debt Obligation that is not otherwise required to account for interest or original issue discount on such Short-Term Debt Obligation as it accrues may nevertheless elect to include in income interest and original issue discount as they accrue (under the rules discussed above) on all obligations having a maturity of one year or less held by the U.S. Owner in the taxable year of the election and in all subsequent years. This election is irrevocable without the consent of the IRS. In the case of a U.S. Owner that is not required and that does not elect to include original issue discount in income currently, (i) any gain realized upon the sale, exchange or retirement of a Short-Term Debt Obligation will be ordinary income to the extent of accrued original issue discount, and (ii) such U.S. Owner will be required to defer deductions for interest expense on any indebtedness incurred or continued to purchase or carry the Short-Term Debt Obligation, in an amount not exceeding the deferred interest income, until the deferred interest income is recognized.

In certain cases, Step Debt Obligations may have a call right exactly one year after the date of issuance. In such cases, the Step Debt Obligations would not be characterized as Short-Term Debt Obligations under the OID Regulations, even though it is presumed for purposes of computing accruals of interest and original issue discount that Freddie Mac will call the Step Debt Obligations one year after they are issued. Accordingly, these Step Debt Obligations also will be treated as described in "—Callable Debt Obligations" herein.

Acquisition Premium and Market Discount

In the event that a U.S. Owner purchases an OID Debt Obligation at an acquisition premium (*i.e.*, at a price in excess of its "adjusted issue price" but less than its stated redemption price at maturity), the amount includible in income in each taxable year as original issue discount is reduced by that portion of the excess properly allocable to such year. The adjusted issue price is defined as the sum of the issue price of the Debt Obligation and the aggregate amount of previously accrued original issue discount, less any prior payments of amounts included in its stated redemption price at maturity. Unless a U.S. Owner makes the accrual method election described below, acquisition premium is allocated on a *pro rata* basis to each accrual of original issue discount, so that the U.S. Owner is allowed to reduce each accrual of original issue discount by a constant fraction.

A U.S. Owner that purchases a Debt Obligation (other than a Short-Term Debt Obligation) at a "market discount" (*i.e.*, at a price less than its stated redemption price at maturity or, in the case of an OID Debt Obligation, its adjusted issue price) will be required (unless such difference is less than a *de minimis* amount) to treat any principal payments on, or any gain realized upon the disposition or retirement of, such Debt Obligation as interest income to the extent of the market discount that accrued while such U.S. Owner held such Debt Obligation, unless the U.S. Owner elects to include such market discount in income on a current basis. Market discount is considered to be *de minimis* if it is less than one-quarter of one percent of such Debt Obligation's stated redemption price at maturity multiplied by the number of complete years to maturity after the U.S. Owner acquired such Debt Obligation. If a Debt Obligation with more than a *de minimis* amount of market discount is disposed of in a nontaxable transaction (other than a nonrecognition transaction described in Section 1276(d) of the Code), accrued market discount will be includible as ordinary income to the U.S. Owner as if such U.S. Owner had sold the Debt Obligation at its then fair market value. A U.S. Owner of a Debt Obligation that acquired it at a market discount and that does not elect to include market discount in income on a current basis also may be required to defer the deduction for a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Debt Obligation until the deferred income is realized.

Debt Obligations Purchased at a Premium

Except as noted below, a U.S. Owner that purchases a Debt Obligation for an amount in excess of its principal amount, or in the case of an OID Debt Obligation, its remaining stated redemption price at maturity, will be treated as having premium with respect to such Debt Obligation in the amount of such excess. A U.S. Owner that purchases an OID Debt Obligation at a premium is not required to include in income any original issue discount with respect to such Debt Obligation. If such a U.S. Owner makes an election under Section 171(c)(2) of the Code to treat such premium as "amortizable bond premium," the amount of interest that must be included in such U.S. Owner's income for each accrual period (where such Debt Obligation is not optionally redeemable prior to its maturity date) will be reduced by the portion of the premium allocable to such period based on the Debt Obligation's yield to maturity. If such Debt Obligation may be called prior to maturity after the U.S. Owner has acquired it, the U.S. Owner generally may not assume that the call will be exercised and must amortize premium to the maturity date. If the Debt Obligation is in fact called, any unamortized premium may be deducted in the year of the call. If a U.S. Owner makes the election under Section 171(c)(2), the election also shall apply to all bonds the interest on which is not excludible from gross income ("Fully Taxable Bonds") held by the U.S. Owner at the beginning of the first taxable year to which the election applies and to all such Fully Taxable Bonds thereafter acquired by it, and is irrevocable without the consent of the IRS. If such an election is not made, such a U.S. Owner must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale or other disposition or retirement of the Debt Obligation. In the case of a Short-Term Debt Obligation, this paragraph applies only to those cash method U.S. Owners that neither are required nor have elected to account for interest or original issue discount on the Short-Term Debt Obligation as it accrues.

Accrual Method Election

Under the OID Regulations, a U.S. Owner of a Debt Obligation is permitted to elect to include in gross income its entire return on a Debt Obligation (*i.e.*, the excess of all remaining payments to be received on the

Debt Obligation over the amount paid for the Debt Obligation by such U.S. Owner) based on the compounding of interest at a constant rate. Such an election for a Debt Obligation with amortizable bond premium (or market discount) will result in a deemed election for all of the U.S. Owner's debt instruments with amortizable bond premium (or market discount) and may be revoked only with the permission of the IRS.

Disposition or Retirement of Debt Obligations

Upon the sale, exchange or other disposition of a Debt Obligation, or upon the retirement of a Debt Obligation (including by redemption), a U.S. Owner will recognize gain or loss equal to the difference, if any, between the amount realized upon the disposition or retirement and the U.S. Owner's tax basis in the Debt Obligation. A U.S. Owner's tax basis for determining gain or loss on the disposition or retirement of a Debt Obligation will be the cost of such Debt Obligation to such U.S. Owner, increased by the amount of original issue discount and any market discount includible in such U.S. Owner's gross income with respect to such Debt Obligation, and decreased by the amount of any payments under the Debt Obligation that are part of its stated redemption price at maturity and by the portion of any premium applied to reduce interest payments as described above.

Gain or loss upon the disposition or retirement of a Debt Obligation will be capital gain or loss, except to the extent the gain represents accrued original issue discount or market discount on the Debt Obligation not previously included in gross income, to which extent such gain or loss would be treated as ordinary income. Any capital gain or loss will be long-term capital gain or loss if at the time of disposition or retirement the Debt Obligation has been held for more than one year. With respect to Step Debt Obligations described above, if a call that is presumed exercised is not in fact exercised, the deemed reissuance of the Debt Obligations for purposes of computing subsequent accruals of interest and original issue discount will not result in a deemed disposition or retirement of the Step Debt Obligations.

Non-U.S. Owners

Interest

Interest (including original issue discount) on a Debt Obligation of a Non-U.S. Owner will be subject to a 30 percent federal income and withholding tax, unless an exemption is established. An exemption generally exists in the following circumstances:

Exemption for Short-Term Obligations. Interest (including original issue discount) on a Debt Obligation of a Non-U.S. Owner that is not effectively connected with a trade or business of the Non-U.S. Owner within the United States will be exempt from federal income and withholding taxes if the Debt Obligation is payable 183 days or less from the date of original issue and certain other requirements are satisfied.

Exemption for Non-U.S. Owners That Provide IRS Form W-8. Generally, interest on a Debt Obligation of a Non-U.S. Owner will be exempt from federal income and withholding taxes if:

(1) the person that otherwise would be required to withhold from interest on the Debt Obligation (the "Withholding Agent") receives a statement effective as to such interest, which statement (a) is signed by the Non-U.S. Owner under penalties of perjury, (b) certifies that such Non-U.S. Owner is not a U.S. Person, (c) provides the name, address and taxpayer identification number, if any, of the Non-U.S. Owner and (d) is received within the calendar year in which the payment is made or either of the two preceding years;

(2) the Non-U.S. Owner is not (a) a bank that receives payments on the Debt Obligations that are described in Section 881(c)(3)(A) of the Code, (b) a 10-percent shareholder of Freddie Mac within the meaning of Section 871(h)(3)(B) of the Code, or (c) a "controlled foreign corporation" related to Freddie Mac within the meaning of Section 881(c)(3)(C) of the Code;

(3) the interest is not effectively connected with a trade or business of the Non-U.S. Owner within the United States; and

(4) the interest is not determined by reference to the income or cash flow of Freddie Mac, a change in value of any property of Freddie Mac, or any other profit related item as specified in Section 871(h)(4)(A) of the Code. To the extent that a Debt Obligation is issued with interest that is so determined, the tax consequences will be specified in the applicable Offering Circular Supplement.

The Non-U.S. Owner statement referred to above may be made on an IRS Form W-8 or a substantially similar substitute form. If a Debt Obligation is held through a securities clearing organization or certain other financial institutions, the Non-U.S. Owner may provide such statement to the organization or financial institution, which then certifies a copy of the statement to the Withholding Agent. In all cases, the Form W-8 or substitute form must be filed by the Withholding Agent with the IRS. The Non-U.S. Owner must inform the Withholding Agent (or the last intermediary in the chain between the Withholding Agent and the Non-U.S. Owner) of any change in the information on the statement within 30 days of such change.

Exemption or Reduced Rate for Non-U.S. Owners Entitled to the Benefits of a Treaty (IRS Form 1001). If interest on a Debt Obligation of a Non-U.S. Owner is exempt from federal income and withholding tax (or subject to a reduced rate of tax) under the provisions of an income tax treaty to which the United States is a party, the Non-U.S. Owner may establish such exemption (or reduced rate) by providing the Withholding Agent with a properly completed IRS Form 1001 effective as to such interest.

Exemption for Non-U.S. Owners with Effectively Connected Income (IRS Form 4224). If interest on a Debt Obligation of a Non-U.S. Owner is effectively connected with the conduct of a trade or business within the United States, the Non-U.S. Owner may establish an exemption from U.S. withholding tax for such interest by providing the Withholding Agent with a properly completed IRS Form 4224 effective as to such interest. To be effective as to such interest, Treasury Regulations provide that the Form 4224 must specify the exempt items of interest, must be filed with the Withholding Agent for each taxable year of the Non-U.S. Owner, and must be so filed before payment of the interest in respect of which it applies. Interest on a Debt Obligation that is effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Owner, although exempt from the withholding tax, may be subject to graduated federal income tax and, in the case of a foreign corporation, federal branch profits tax.

In certain circumstances, amounts not exempted from tax and withheld may be allowed as a refund or as a credit against the Non-U.S. Owner's federal income tax.

Disposition or Retirement of Debt Obligations

Except as provided in the discussion of backup withholding below, a Non-U.S. Owner that does not have certain present or former connections with the United States (*e.g.*, holding such Non-U.S. Owner's Debt Obligation in connection with the conduct of a trade or business within the United States or being present in the United States for 183 days or more during a taxable year) will not be subject to federal income tax, and no withholding of such tax will be required, with respect to any gain realized upon the disposition or retirement of a Debt Obligation.

Federal Estate Tax

Debt Obligations owned by a person who is not a citizen or domiciliary of the United States will not be subject to federal estate tax if interest paid on the Debt Obligations to such individual at the time of his or her death would have been exempt from federal income and withholding tax as described above under "—Interest—Exemption for Non-U.S. Owners That Provide IRS Form W-8" herein (without regard to the requirement that a non-U.S. beneficial ownership statement has been received). However, Debt Obligations so owned that are payable 183 days or less from the date of original issue are subject to federal estate tax unless an exemption exists under an estate tax convention to which the United States is a party.

Information Reporting and Backup Withholding

Payments of interest on Debt Obligations held of record by U.S. Persons other than corporations and other exempt holders are required to be reported to the IRS.

Backup withholding of federal income tax at a rate of 31 percent may apply to payments made in respect of the Debt Obligations, as well as payments of proceeds from the sale of Debt Obligations, to holders or Owners that are not "exempt recipients" and that fail to provide certain identifying information (such as the taxpayer identification number of the holder or Owner) in the manner required. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

In addition, if a Debt Obligation is sold before the stated maturity to (or through) a "broker," the broker may be required to withhold 31 percent of the entire sale price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller provides, in the required manner, certain identifying information and, in the case of a Non-U.S. Owner, certifies that such seller is not a U.S. Person (and certain other conditions are met). Such a sale also must be reported by the broker to the IRS, unless either (i) the broker determines that the seller is an exempt recipient or (ii) the seller certifies its non-U.S. status (and certain other conditions are met). Certification of the Owner's non-U.S. status normally would be made on IRS Form W-8 under penalties of perjury, although in certain cases it may be possible to submit certain other signed forms. The term "broker," as defined by Treasury regulations, includes all persons who, in the ordinary course of business, stand ready to effect sales made by others. This information reporting requirement generally will apply to a U.S. office of a broker and to a foreign office of a U.S. broker, as well as to a foreign office of a foreign broker (i) that is a "controlled foreign corporation" within the meaning of Section 957(a) of the Code or (ii) 50 percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the foreign broker has been in existence) was effectively connected with the conduct of a trade or business within the United States, unless such foreign office has documentary evidence that the seller is not a U.S. Person and has no actual knowledge that such evidence is false.

Any amounts withheld under the backup withholding rules from a payment to a person would be allowed as a refund or a credit against such person's U.S. federal income tax, provided that the required information is furnished to the IRS. Furthermore, certain penalties may be imposed by the IRS on a holder or Beneficial Owner who is required to supply information but who does not do so in the proper manner.

Interest on a Debt Obligation of a Non-U.S. Owner generally will be reported annually on IRS Form 1042S, which must be filed by the Withholding Agent with the IRS and furnished to the Non-U.S. Owner.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BENEFICIAL OWNER'S PARTICULAR SITUATION. BENEFICIAL OWNERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE DEBT OBLIGATIONS, INCLUDING THE TAX CONSEQUENCES UNDER THE TAX LAWS OF THE UNITED STATES, STATES, LOCALITIES, COUNTRIES OTHER THAN THE UNITED STATES AND ANY OTHER TAXING JURISDICTIONS AND THE POSSIBLE EFFECTS OF CHANGES IN SUCH TAX LAWS.

APPLICATION OF PROCEEDS

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

LEGAL INVESTMENT CONSIDERATIONS

Investors should consult their own legal advisors in determining whether and to what extent the Securities constitute legal investments for such investors and whether and to what extent the Securities can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisors or regulators in determining the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Institutions whose investment activities are subject to legal investment laws and regulations or to review by regulatory authorities may be subject to restrictions on investments in certain types of Securities generally. An institution under 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, the Treasury Department or any other federal or state agency with similar authority should review any applicable regulations, policy statements and guidelines before purchasing or pledging Securities.

PLAN OF DISTRIBUTION

Freddie Mac from time to time sells Debentures or Medium-Term Notes to a Dealer or Dealers as principal, either individually or as part of a syndicate, for resale to investors at a fixed offering price or at varying offering prices related to market prices prevailing at the time of resale as determined by such Dealer or Dealers. Except under certain circumstances, any such Dealer may sell the Debentures or Medium-Term Notes it has purchased as principal to other dealers at a concession, which may be all or a portion of the discount to be received by such Dealer from Freddie Mac. The applicable Dealer or Dealers will advise Freddie Mac whether an offering is on a fixed price or variable price basis and of any concessions or reallowances that will be provided to other dealers in connection with such offering, and such information will be specified in the applicable Offering Circular Supplement. After the initial offering of any issue of Debentures or Medium-Term Notes, the offering price (in the case of a fixed price offering), the concession and the reallowance may be changed.

Under the terms of a Debenture Dealer Group Agreement among Freddie Mac and certain Dealers, and under the terms of a Medium-Term Note Dealer Group Agreement among Freddie Mac and certain Dealers (together, such agreements are referred to herein as the "Dealer Group Agreements"), Freddie Mac also from time to time offers Debentures and Medium-Term Notes, respectively, through selected Dealers as agents of Freddie Mac. The Dealer Group Agreements require each Dealer to solicit purchases of the Debentures and Medium-Term Notes for which it is authorized to solicit offers as agent. Freddie Mac will have the sole right to accept offers to purchase such Debentures and Medium-Term Notes and may reject any proposed purchase of such Debentures and Medium-Term Notes in whole or in part. In soliciting offers to purchase Debentures and Medium-Term Notes as agent, each Dealer acts solely as agent for Freddie Mac, and not as principal, and does not assume any obligation towards or relationship of agency or trust with any purchaser of Debentures and Medium-Term Notes.

Freddie Mac also may sell Debentures and Medium-Term Notes directly to investors on its own behalf.

Unless otherwise specified in the applicable Offering Circular Supplement, payment of the purchase price of Securities to Freddie Mac must be made in immediately available funds and will be effective only upon receipt of such funds by Freddie Mac.

Freddie Mac and the Dealers have agreed to indemnify each other against and contribute toward certain liabilities.

The Dealers and certain affiliates thereof engage in transactions with and perform services for Freddie Mac in the ordinary course of business. In connection with any particular issue of Securities, Freddie Mac may enter into hedging transactions, including interest rate swaps, with the applicable Dealer, an affiliate thereof or an unrelated entity. Freddie Mac, such Dealers or other parties may receive compensation, trading gain or other benefits in connection with such transactions.

Under the terms of a Discount Note Dealer Group Agreement among Freddie Mac and certain Dealers, Discount Notes may be offered for sale by Freddie Mac through one or a combination of methods including, but not limited to, auction, allocation to selected Dealers in accordance with procedures established by Freddie Mac and reoffering or placement with investors, or direct placement with Dealers or investors.

Discount Notes generally are offered on a continuous basis for sale to Dealers. The sales may be held on a daily basis and there may be more than one sale on a given day. Current quotations for Discount Notes of varying maturities can be obtained by contacting any Dealer for Discount Notes.

Lists of Dealers for Debentures, Medium-Term Notes and Discount Notes can be obtained by writing or calling Investor Inquiry at Freddie Mac.

Securities offered hereby will have no established trading market when issued (with the possible exception of Securities having the same terms and conditions as Securities for which settlement has previously occurred). Freddie Mac has been advised that certain Dealers for the Securities intend to use their best efforts to make a secondary market in certain Securities offered by or through them, but such Dealers are not obligated to do so and may discontinue any such secondary market making at any time without notice. There is no assurance that a secondary market for any of the Securities, particularly those that are especially sensitive to interest rate or market risks or that have been structured to meet the investment requirements of limited categories of investors, will develop or that such a market, if it develops, will be, or continue to be, liquid.

Selling Restrictions

The Securities may be offered and sold from time to time in one or more issues only where it is legal to make such offers and sales.

Neither Freddie Mac nor any Dealer represents that the Securities may be sold lawfully in the secondary market at any time in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating such sales.

LEGAL MATTERS

With respect to Debentures that are offered in underwritten transactions, 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.

GLOSSARY

Beneficial Owner: The entity or individual that beneficially owns a Security.

Book-Entry Regulations: Freddie Mac regulations (1 C.F.R. Part 462) relating primarily to the registration, transfer and pledge of Freddie Mac's book-entry securities.

Business Day: Any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed or (d) 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.

Cap: A maximum interest rate at which interest may accrue on a Debenture or Medium-Term Note during any Interest Reset Period.

Code: The Internal Revenue Code of 1986, as amended.

CUSIP Number: A unique nine-character designation assigned to Securities by the CUSIP Service Bureau and used to identify each issue of Securities on the records of the Federal Reserve Bank.

Dealers: Any persons or entities (other than Freddie Mac) that engage, either for all or part of such persons' or entities' time, directly or indirectly, as agents, brokers or principals, in the business of offering, buying, selling or otherwise dealing or trading in Securities.

Debenture and Medium-Term Note Agreement: The Debenture and Medium-Term Note Agreement between Freddie Mac and Holders of Debentures and Medium-Term Notes dated as of September 13, 1995, as amended or supplemented, and successors thereto.

Debt Obligations: Securities other than Securities with a Variable Principal Repayment Amount.

Deleverage Factor: A Multiplier of less than one by which an applicable index is multiplied.

Deposits: Deposits in U.S. dollars commencing on the applicable Reset Date.

Designated Reuters Page: The display on the Reuters Monitor Money Rates Service for the purpose of displaying interbank rates from London for Deposits.

Designated Telerate Page: The display on the Dow Jones Telerate Service for the purpose of displaying British Bankers' Association Interest Settlement Rates for Deposits.

Determination Date: The date as of which the rate of interest applicable to an Interest Reset Period is determined.

Discount Note Agreement: The Discount Note Agreement between Freddie Mac and Holders of Discount Notes dated as of September 13, 1995, as amended or supplemented, and successors thereto.

Fed Book-Entry System: The book-entry system of the Federal Reserve Banks which provides book-entry holding and settlement for U.S. dollar denominated securities issued by the U.S. Government, certain of its agencies, instrumentalities, government-sponsored enterprises and international organizations of which the United States is a member.

Federal Reserve Bank: Each Federal Reserve Bank that maintains Securities on the Fed Book-Entry System.

Fiscal Agency Agreement: The agreement between Freddie Mac and the Federal Reserve Bank of New York, acting on behalf of the Federal Reserve Banks.

Fiscal Agent: The Federal Reserve Banks.

Fixed Principal Repayment Amount: An amount equal to 100% of the principal amount of a Debenture or Medium-Term Note, payable on the applicable Maturity Date or date of redemption or a specified amount above or below such principal amount, as specified in the applicable Offering Circular Supplement.

Fixed Rate Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest at a fixed rate.

Fixed/Variable Rate Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest at a fixed rate for one or more specified periods and at a variable rate determined by reference to one or more interest rate or exchange rate indices, or otherwise, for one or more other specified periods.

Floor: A minimum interest rate at which interest may accrue on a Debenture or Medium-Term Note during any Interest Reset Period.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a shareholder owned United States government-sponsored enterprise chartered pursuant to the Freddie Mac Act.

Freddie Mac Act: Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459.

Holder: The entity whose name appears on the books and records of a Federal Reserve Bank as the entity to whose account a Security has been deposited.

Holding Institutions: Entities eligible to maintain book-entry accounts with a Federal Reserve Bank.

Index Maturity: The period with respect to which LIBOR will be calculated for a Variable Rate Debenture or Medium-Term Note that is specified in the applicable Offering Circular Supplement.

Information Statement: An annual statement prepared by Freddie Mac that describes Freddie Mac and its business and operations and contains Freddie Mac's audited financial statements.

Information Statement Supplement: A supplement, prepared by Freddie Mac, to the Information Statement.

Interest Payment Date: The date or dates on which interest on Debentures and Medium-Term Notes will be payable in arrears.

Interest Period: Unless otherwise provided in the applicable Offering Circular Supplement, the period beginning on (and including) the Issue Date or the most recent Interest Payment Date, as the case may be, and ending on (but excluding) the earlier of the next Interest Payment Date, the redemption date or the Maturity Date.

Interest Reset Period: The period beginning on the applicable Reset Date and ending on the calendar day preceding the next Reset Date.

IRS: The Internal Revenue Service.

Issue Date: The date on which Freddie Mac wires an issue of Securities to Holders, through the Fed Book-Entry System.

Leverage Factor: A Multiplier of greater than one by which an applicable index is multiplied.

LIBOR: The daily average of the London interbank offered rate for Deposits having the Index Maturity, as determined by the Calculation Agent as described in this Offering Circular or the applicable Offering Circular Supplement.

London Banking Day: Any day on which commercial banks are open for business (including dealings in deposits in U.S. dollars) in London.

Maturity Date: The date, one day or longer from the Issue Date, on which a Security will mature unless, in the case of Debentures or Medium-Term Notes, redeemed prior thereto.

Multiplier: A constant or variable number (which may be greater than or less than one) to be multiplied by the relevant index or formula for the interest rate of a Debenture or Medium-Term Note.

Non-U.S. Owner: A Beneficial Owner of a Debt Obligation that is not a U.S. Person.

Offering Circular: The Freddie Mac Debentures, Medium-Term Notes and Discount Notes Offering Circular dated September 13, 1995 and successors thereto.

Offering Circular Supplement: A supplement to the Offering Circular which describes the terms of, and provides pricing and other information for, an issue of Debentures or Medium-Term Notes or which otherwise amends, modifies or supplements the terms of the Offering Circular.

OID Debt Obligation: A Debt Obligation having more than a *de minimis* amount of original issue discount.

OID Regulations: Treasury Department regulations concerning the tax treatment of debt instruments issued with original issue discount.

Principal Payment Date: The Maturity Date of a Security or, in the case of a Debenture or Medium-Term Note, the earlier date of redemption (whether such redemption is in whole or in part).

Representative Amount: A principal amount of not less than U.S. $1,000,000 that, in the Calculation Agent's sole judgment, is representative for a single transaction in the relevant market at the relevant time.

Reset Date: The date on which a new rate of interest on a Debenture or Medium-Term Note becomes effective.

Short-Term Debt Obligation: An OID Debt Obligation that matures one year or less from the date of its issuance.

Spread: A constant or variable number to be added to or subtracted from the relevant index or formula for the interest rate of a Debenture or Medium-Term Note.

Step Debt Obligations: Debt Obligations that are Step Debentures or Medium-Term Notes and have an initial fixed interest rate that will change to a different fixed rate on the first day on which such Debt Obligations may be redeemed unless the entire principal amount of such Debt Obligations is redeemed on that day.

Step Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest at fixed rates for specified periods.

Supplemental Agreement: An agreement which, as to the related issue of Debentures or Medium-Term Notes, supplements the other provisions of the Debenture and Medium-Term Note Agreement and identifies and establishes the particular offering of Debentures or Medium-Term Notes issued in respect thereof. A Supplemental Agreement may be documented by a supplement to the Debenture and Medium-Term Note Agreement, an Offering Circular Supplement, a confirmation or a terms sheet. A Supplemental Agreement may, as to any particular issue of Debentures or Medium-Term Notes, modify, amend or supplement the other provisions of the Debenture and Medium-Term Note Agreement in any respect whatsoever.

Treasury Department: United States Department of the Treasury.

U.S. Person: For certain tax purposes, a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Variable Principal Repayment Amount: The principal amount determined by reference to one or more interest rate or exchange rate indices or otherwise, payable on the applicable Maturity Date or date of redemption of a Debenture or Medium-Term Note, as specified in the applicable Offering Circular Supplement.

Variable Rate Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest at a variable rate, reset periodically, determined by reference to one or more interest rate or exchange rate indices or otherwise.

Withholding Agent: Any person required to withhold amounts from interest on a Debt Obligation pursuant to Code Sections 1441 and 1442.

Zero Coupon Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that do not bear interest and are issued at a discount to their principal amount.

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