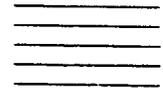


Federal Home Loan Mortgage Corporation
Debentures
Medium-Term Notes
Discount Notes

**Freddie
Mac**



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, a 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 Supplement, Debentures and Medium-Term Notes may constitute secured obligations or unsecured subordinated obligations of Freddie Mac.

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 Supplement. Debentures and Medium-Term Notes may bear interest at a fixed rate or a floating rate or may provide for no payments of interest. Any index or formula used to determine the interest payable on Debentures and Medium-Term Notes will be specified in the applicable Supplement. Principal payments on the Debentures and Medium-Term Notes may be made periodically or only at maturity.

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

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

The 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 offer Debentures and Medium-Term Notes for sale from time to time to a group of Dealers selected by Freddie Mac, for resale to investors by such Dealers. Freddie Mac will provide the Dealers a specified concession as set forth in the applicable Supplement. Freddie Mac may also offer Debentures and Medium-Term Notes through a single Dealer or a limited group of Dealers in underwritten transactions. Such Dealers will receive an underwriting discount as set forth in the applicable Supplement. In addition, Freddie Mac may offer Debentures and Medium-Term Notes 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 a group of Dealers selected by Freddie Mac. Current quotations for Discount Notes of varying maturities can be obtained by contacting any Dealer eligible to participate in the sale of Discount Notes.

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

Certain Dealers for the Securities have agreed to use their best efforts to make a secondary market in the Securities offered by or through them. There is no assurance that a secondary market for any of the Securities will develop or, if it develops, that it will continue. Consequently, investors may not be able to sell their Securities readily or at prices that will enable them to realize their desired yield.

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

This Offering Circular, together with any applicable Supplement for an issuance of Securities, constitutes an offer to sell only that issuance. Freddie Mac has not authorized any broker, dealer, salesperson, or anyone else, to make any statements, written or oral, in connection with any such offer, except for those contained in this Offering Circular, any applicable Supplement, Freddie Mac's current Information Statement, any subsequent Information Statement or any supplement to any of the foregoing. Investors must not rely on any other statements as having been authorized by either Freddie Mac or any Dealer. Neither this Offering Circular nor any Supplement constitutes an offer to sell or a solicitation of an offer to buy any Securities by anyone in any jurisdiction where such an offer or solicitation would be unlawful, or where the person making such an offer or solicitation would not be qualified to do so, or to anyone to whom it would be unlawful to make such an offer or solicitation. Freddie Mac makes no representation that the statements in this Offering Circular, any applicable Supplement, or any other document will be correct at any time after the date of such document even though delivery of the document and the sale of the Securities take place on a later date.

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FEDERAL HOME LOAN MORTGAGE CORPORATION

Freddie Mac is a publicly held government-sponsored enterprise created on July 24, 1970 pursuant to the Freddie Mac Act. Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market and (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 to promote access to mortgage credit throughout the United States (including central cities, rural areas and other 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 and the resale of the mortgages so purchased in the form of guaranteed mortgage securities. Freddie Mac generally finances its purchases of mortgages with sales of guaranteed mortgage securities. Mortgages retained by Freddie Mac are financed with short- and long-term debt and equity capital.

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. On a quarterly basis, and from time to time, as necessary, Freddie Mac prepares Information Statement Supplements that include unaudited financial data and other information concerning its business and operations. Investors should purchase Securities only after reading this Offering Circular, any applicable Supplement, Freddie Mac's current Information Statement and any subsequent Information Statement Supplements. The current Information Statement and any subsequent Information Statement Supplements are incorporated herein by reference. Investors can obtain any of these documents and any other documents prepared and made available by Freddie Mac by writing or calling the Investor Inquiry Department 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).

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.

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 Freddie Mac's Investor Inquiry Department upon request. By receiving and accepting 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." Certain capitalized terms used and not otherwise defined in this Offering Circular are defined in the Glossary, beginning on page 20.

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.

Debentures and Medium-Term Notes

Debentures and Medium-Term Notes will be unsecured general obligations of Freddie Mac, or, if so provided in the applicable Supplement, secured obligations or unsecured subordinated obligations of Freddie Mac. Debentures and Medium-Term Notes will have the maturities set forth in the applicable Supplement. In its discretion and at any time, Freddie Mac may offer additional Debentures and Medium-Term Notes having the same terms and conditions as Debentures and Medium-Term Notes previously offered. Such additional Debentures and Medium-Term Notes may be sold at varying prices.

Debentures and Medium-Term Notes may be Fixed Rate, Step-Up, Floating Rate, Zero Coupon or Currency Related Debentures or Medium-Term Notes, as specified in the applicable Supplement. Unless otherwise provided in the applicable Supplement, interest will accrue and be paid periodically on Debentures and Medium-Term Notes from their respective Issue Dates to their respective Maturity Dates.

If so provided in the applicable Supplement, a Debenture or Medium-Term Note may be a Strip Debenture or Medium-Term Note, which a Holder may separate into interest and principal components.

Debentures and Medium-Term Notes may be either Amortizing, paying principal periodically through the term of the Debenture or Medium-Term Note and at maturity, or Non-Amortizing, paying principal only at maturity.

Freddie Mac may offer Debentures and Medium-Term Notes having terms other than those described herein. Such terms will be set forth in the applicable Supplement. Dealers are required to deliver the applicable Supplement for a particular issuance of Debentures or Medium-Term Notes, along with this Offering Circular (unless previously provided), during the applicable Distribution Period to each purchaser from the Dealer, and otherwise upon request. Applicable Supplements and this Offering Circular are also available from Freddie Mac's Investor Inquiry Department upon request.

Discount Notes

Discount Notes will be unsecured general obligations of Freddie Mac. Discount Notes will be offered on a continuous basis, will have maturities of one year or less and will be paid only on their Maturity Dates at their principal amounts.

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."

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:

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

Form of Securities, Holders, Minimum Principal Amounts and Transfers

Freddie Mac will issue the Securities (other than certain Debentures or Medium-Term Notes issued in certificated form) only in Book-Entry Form through the Federal Reserve Banks' book-entry system. The Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York, acting on behalf of the Federal Reserve Banks as Freddie Mac's fiscal agent for 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. Each issuance of Debentures and Medium-Term Notes is assigned a CUSIP Number used, among other things, to identify such issuance. Each issuance of Discount Notes having the same Maturity Date is assigned the same CUSIP Number.

A Security in Book-Entry Form may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank. The accounts of Holders on the Federal Reserve Banks' book-entry system are governed by applicable operating circulars and letters of the Federal Reserve Banks. A Federal Reserve Bank's book-entry records will reflect Holders' aggregate holdings of a Security by account.

If so provided in the applicable Supplement, a Debenture or Medium-Term Note may be issued in certificated form. Certificated Debentures and Medium-Term Notes will be transferable and exchangeable at the offices of Freddie Mac or an agent appointed by Freddie Mac, as specified in the applicable Supplement.

A Holder is not necessarily the Beneficial Owner of a Security. Beneficial Owners of book-entry Securities ordinarily will, and Beneficial Owners of certificated Debentures and Medium-Term Notes may, 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 Federal Reserve Banks' book-entry system.

Unless otherwise provided in the applicable Supplement, Debentures and Medium-Term Notes in Book-Entry Form will be issued and must be maintained and transferred on the Federal Reserve

Banks' book-entry system in minimum original principal (or minimum original notional principal) amounts of \$5,000 and additional increments thereof. Discount Notes will be issued and must be maintained and transferred on the Federal Reserve Banks' book-entry system in minimum principal amounts of \$25,000 and additional increments of \$1,000. Transfers of Securities will also be subject to any applicable minimum wire transfer requirements of the Federal Reserve Banks.

Payments

Payments of principal and/or interest on Debentures and Medium-Term Notes will be made as set forth in the applicable Supplement. Payment of principal on Discount Notes will be made at maturity.

Payments due to Holders of Debentures and Medium-Term Notes in Book-Entry Form and of Discount Notes will be made by crediting the Holders' accounts at the Federal Reserve Banks on the applicable Payment Dates. Payments on certificated Debentures and Medium-Term Notes will be made by check mailed by the fiscal agent to the addresses of the Holders, as they appear on the register maintained by the fiscal agent, or, if specified in the applicable Supplement, by wire transfer to such Holders, in either case not later than the applicable Payment Date. However, a Holder will receive the final payment on a certificated Debenture or Medium-Term Note only upon presentation and surrender of the Holder's certificate to the fiscal agent.

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

Unless otherwise provided in any applicable Supplement, any payment made on a Security on any Payment Date will be made to the Holder of record of such Security as of the close of business on the Business Day immediately preceding such Payment Date. In any case in which a Payment Date is not a Business Day, payment of interest and/or principal on a Debenture or Medium-Term Note will be made on the next succeeding Business Day with the same effect as if made on such Payment Date. 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 the 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 Agreements provide that if an issuance of Securities has become due and payable and Freddie Mac has deposited with a Federal Reserve Bank or the fiscal agent, as the case may be, funds available for distribution to the Holders and sufficient to pay all of the principal of and/or interest due and payable on the Securities, then all obligations of Freddie Mac in respect of such Securities shall cease and be discharged, and the Holders shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under the Agreements or with respect to such Securities.

Fixed Rate and Step-Up Debentures and Medium-Term Notes

Unless otherwise provided in the applicable Supplement, each Fixed Rate Debenture and Medium-Term Note will bear interest from its Issue Date to its Maturity Date at a specified annual interest rate. Each Step-Up Debenture and Medium-Term Note will bear interest from its Issue Date to a date before its Maturity Date at one annual interest rate and from that date to its Maturity Date at a different annual interest rate. Interest payments on Fixed Rate and Step-Up Debentures and Medium-Term Notes will include interest accrued to (but excluding) the Payment Date (including the Maturity Date) on which an interest payment is made. Interest on Fixed Rate and Step-Up

Debentures and Medium-Term Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Floating Rate and Currency Related Debentures and Medium-Term Notes

Unless otherwise provided in the applicable Supplement, each Floating Rate Debenture and Medium-Term Note will, and each Currency Related Debenture and Medium-Term Note may, bear interest during each Floating Rate Accrual Period at an annual rate of interest calculated based upon one or more interest rate indices or formulas specified in the Supplement. Any such formula may include a spread (which determines the difference, if any, between the interest rate on a Floating Rate or Currency Related Debenture or Medium-Term Note and the related index) or a multiplier. The annual rate of interest on each Floating Rate Debenture and Medium-Term Note will, and on each Currency Related Debenture and Medium-Term Note may, be reset with the frequency specified in the applicable Supplement and may be subject to a minimum and/or maximum interest rate if so provided in the Supplement.

A Floating Rate Debenture or Medium-Term Note may bear interest by reference to one or more of the following indices: (i) "LIBOR," the arithmetic mean of London interbank offered quotations for Eurodollar deposits with a maturity of one month, three months, one year or another maturity, as specified in the applicable Supplement; (ii) "COFI," the weighted average cost of funds for member savings institutions of the Eleventh Federal Home Loan Bank District; (iii) a "Treasury Index," the auction average (investment) yield on three-month or six-month U.S. Treasury bills or the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one, three, five, seven or ten years or to another constant maturity, in each case as specified in the applicable Supplement; (iv) the "Prime Rate," the prime lending rate of major banks; or (v) another index specified in the applicable Supplement.

A Currency Related Debenture or Medium-Term Note may be denominated in a currency other than the U.S. dollar and/or may provide for payments of principal, interest or both to be determined by reference to one or more foreign currencies, foreign exchange rates, or swaps of or other transactions related to one or more foreign currencies or foreign exchange rates, in each case as specified in the applicable Supplement.

Interest on Floating Rate and Currency Related Debentures and Medium-Term Notes will be computed using the day-count convention specified in the applicable Supplement.

Absent manifest error, Freddie Mac's determination of the applicable index or formula and its calculation of the interest rate of Floating Rate and Currency Related Debentures and Medium-Term Notes for each Floating Rate Accrual Period will be final and binding. Investors may obtain the interest rates for the current and preceding Floating Rate Accrual Periods by writing or calling Freddie Mac's Investor Inquiry Department at the address or phone numbers shown on page 4.

Strip Debentures and Medium-Term Notes

If so provided in the applicable Supplement, a Strip Debenture or Medium-Term Note may be separated into an Interest Strip that includes the right to receive all interest payments, or specified portions thereof, due prior to the Call Date, if any, and a Principal Strip that includes the right to receive principal payments only or payments of principal and specified portions of interest due on or after the Call Date. Each Interest Strip and Principal Strip will have a CUSIP Number.

A Holder of a Strip Debenture or Medium-Term Note may request the Federal Reserve Bank of New York or the fiscal agent to separate the Security into Interest Strips and Principal Strips at any time prior to the Call Date, if any. The minimum principal amounts required to separate a Strip Debenture or Medium-Term Note into such Strips will be set forth in the applicable Supplement.

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

Amortizing and Non-Amortizing Debentures and Medium-Term Notes

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

Payments of interest on Non-Amortizing Debentures and Medium-Term Notes will be made on the Payment Dates specified in the applicable Supplement, but payment of principal, together with the final installment of interest, will be made only on the applicable Maturity Date.

Secured Debentures and Medium-Term Notes

If so provided in the applicable 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 Supplement.

Subordinated Debentures and Medium-Term Notes

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

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

Debenture and Medium-Term Note Redemption

If so provided in the applicable Supplement, Debentures and Medium-Term Notes will be subject to redemption prior to maturity at the option of Freddie Mac. In such event, Freddie Mac, unless otherwise provided in the Supplement, may redeem all, but not less than all, such Debentures or Medium-Term Notes on the dates and terms described in the Supplement at 100% of their principal amount, together with interest accrued to (but excluding) the Redemption Date. Notice of any redemption shall be given to the Holders of the Debentures or Medium-Term Notes not less than 30 nor more than 60 days prior to the Redemption Date.

In the case of a Debenture or Medium-Term Note in Book-Entry Form, the Holder of such Debenture or Medium-Term Note on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding the Redemption Date will be entitled to the payment of principal and interest to be paid on such Redemption Date. In the case of a Debenture or Medium-Term Note in certificated form, the Holder of record of such Debenture or Medium-Term Note on the books and records of the fiscal agent on the date specified in the applicable Supplement will be entitled to the payment of principal and interest to be paid on the Redemption Date. Unless Freddie Mac defaults in the payment of the redemption price, together with interest accrued to the Redemption Date, interest on Debentures or Medium-Term Notes shall cease to accrue on the Redemption Date.

THE AGREEMENTS

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

Binding Effect of the Agreements

By receiving and accepting a Security, each Holder, financial intermediary and Beneficial Owner of the 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—Debentures and Medium-Term Notes

Under the Debenture and Medium-Term Note Agreement, an “Event of Default” with respect to a specific issuance 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; and (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 issuance 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 issuance 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 issuance 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 such 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 issuance 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 acceleration of the maturity of such Debentures or Medium-Term Notes, and may rescind and annul any previously declared acceleration and its consequences.

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 issuance 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 an instrument, or any number of instruments of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing.

Amendment

Freddie Mac may amend either Agreement, without the consent of any Holder or Holders, to (i) cure any ambiguity, to correct or supplement any provision which may be inconsistent with any other provision, or to make any other provisions with respect to matters or questions arising under an

Agreement that are not inconsistent with the other provisions of such Agreement, provided that any such amendment shall not adversely affect in any material respect the interest of any Holder; (ii) add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac; or (iii) evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac. Freddie Mac may also amend the Debenture and Medium-Term Note Agreement to evidence the issuance of additional Debentures or Medium-Term Notes.

Freddie Mac may amend either Agreement in any other respect with the consent of the Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of each issuance of Securities to which such amendment relates. However, without the consent of each Holder of an affected issuance of Securities, Freddie Mac may not amend an Agreement to extend the Maturity Date of such Securities, reduce the principal amount of or the rate of interest payable on such Securities, extend the time for payment on such Securities, or reduce the number of Holders whose consent is otherwise required for certain amendments to such Agreement.

Securities Owned by Freddie Mac

Freddie Mac may, from time to time, repurchase or otherwise acquire all or a portion of any issuance of Securities. Any Securities owned by Freddie Mac shall 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 issuance 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 shall 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 an Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail, addressed to such Holder as such Holder's name and address may appear in the records of Freddie Mac, a Federal Reserve Bank or the fiscal agent, as the case may be, or by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon a Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

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

Governing Law

The Agreements and the rights and obligations of the Holders and Freddie Mac with respect to the Securities shall be construed in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Freddie Mac Act or any provision of the Agreements or the transactions governed thereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion is applicable to taxpayers who hold the Securities as capital assets. Moreover, this discussion applies only to Securities denominated in U.S. dollars. It does not deal with taxpayers who hold the Securities as part of a hedging transaction or straddle, or with other aspects of federal taxation that may be relevant to particular Beneficial Owners. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. The discussion does not constitute, and should not be considered as, legal or tax advice to prospective investors. Investors should consult with their own advisors as to the federal tax treatment of the Securities and any state, local or foreign tax consequences. When Freddie Mac offers any Securities whose federal income tax treatment is not addressed herein, the applicable Supplement will set forth additional federal income tax consequences applicable to Beneficial Owners.

General

Income from the Securities has no exemption under federal law from federal, state or local taxation. Interest, OID and market discount accrued on a Security will constitute ordinary income to the Beneficial Owner. Interest on a Security generally is includible in a Beneficial Owner's income when it is received or when it accrues, in accordance with the Beneficial Owner's regular method of tax accounting, unless the interest is taken into income under the OID provisions of the Code.

OID

All Zero Coupon Debentures and Medium-Term Notes will be, and certain other Securities may be, issued with OID within the meaning of Section 1273(a) of the Code. Beneficial Owners of any Security having OID generally must include OID in income for federal income tax purposes as it accrues, in accordance with a constant interest method that takes into account the compounding of interest, in advance of receipt of the cash attributable to such income. The following discussion relating to OID is based in part on proposed regulations under Sections 1271 through 1273 and Section 1275 of the Code issued by the Treasury Department on December 22, 1992 (the "Proposed OID Regulations"). The Proposed OID Regulations are proposed to be effective for debt instruments issued 60 days or more after the date the regulations are finalized.

The total amount of OID on a Security is the excess of the "stated redemption price" of the Security over its "issue price." The issue price of a Security is the price at which a substantial amount of an offering of Securities is first sold to the public. The issue price of a Security may also include the amount paid by an initial Beneficial Owner of the Security for accrued interest that relates to a period prior to the Issue Date of the Security. The stated redemption price of a Security always includes its principal amount, but does not include distributions of "qualified stated interest." Qualified stated interest generally is interest which is unconditionally payable at least annually at a fixed rate or at a rate which qualifies the debt instrument as a "variable rate debt instrument." A variable rate debt instrument is a debt instrument which provides for interest at a "qualified floating rate," an "objective rate," a qualified floating rate followed by another qualified floating rate, or a fixed rate followed by a qualified floating rate. A qualified floating rate is a rate which can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds (e.g., LIBOR, or LIBOR plus or minus a constant). An objective rate includes a rate based on one or more qualified floating rates (e.g., a multiple of LIBOR).

Under a *de minimis* rule, OID on a Debenture or Medium-Term Note will be considered to be zero if it is less than 0.25% of the stated redemption price of the Security multiplied by the number of complete years to its maturity. A Beneficial Owner includes any *de minimis* OID in income as gain as principal payments are made.

A Beneficial Owner of a Security generally must include in gross income for any taxable year the sum of the "daily portions," as defined below, of the OID on the Security accrued during an accrual period for each day on which it holds the Security, including the date of purchase, but excluding the date of disposition. With respect to each Security, a calculation will be made of the OID that accrues during each successive accrual period that ends on the day in the calendar year corresponding to a Payment Date on the Security. The daily portion is determined by allocating to each day in any accrual period a pro rata portion of the increase during such accrual period in the Security's "adjusted issue price." The adjusted issue price of the Security is the sum of the issue price of the Security plus the accrued OID minus the amount of any payment on the Security that is part of its stated redemption price. For any accrual period, the increase in the adjusted issue price is an amount equal to the excess of (a) the product of the Security's adjusted issue price at the beginning of each accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the interest, if any, payable during the accrual period. For purposes of accruing OID on a variable rate debt instrument, the same rules apply by assuming that the debt instrument provides for qualified stated interest at a reasonable fixed rate. An example of a reasonable fixed rate is a fixed rate which produces a yield to maturity which approximates the applicable federal rate under Code Section 1274(d).

If the cost of the Security to a subsequent purchaser is greater than its "adjusted issue price," the daily portion for any day is reduced by the amount that would be the daily portion for that day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is the amount by which the price paid by the purchaser for the Security exceeds the adjusted issue price and the denominator of which is the sum of the daily portions for the Security (computed in accordance with the rules set forth above) for all days after the date of purchase.

Securities With a Term of One Year or Less

Where the longest possible period that the Security could be outstanding does not exceed one year, all interest on the Security will be OID for federal income tax purposes. As a result, Discount Notes will be issued with OID. Certain Beneficial Owners who purchase a Security, including any who report income for federal income tax purposes under an accrual method, will be required to include OID in income on a ratable basis for each day during the taxable year on which the Beneficial Owner holds a Security. Such Beneficial Owners may elect to include the OID on a yield-to-maturity basis.

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

Market Discount

A purchaser of a Security may also be subject to the market discount rules. Market discount is the amount by which the purchaser's basis in the Security (i) is exceeded by the stated redemption price of the Security (less any prior distributions included in the stated redemption price), or (ii) in the case of a Security having OID, is exceeded by the adjusted issue price. Such a purchaser generally will be required to recognize accrued market discount as ordinary income as distributions includible in the stated redemption price of the Security are received, in an amount not exceeding any such distribution. The purchaser will be required to treat a portion of any gain on a sale or exchange of the Security as ordinary income to the extent of the market discount accrued to the date of disposition. In addition, deductions for a portion of a Beneficial Owner's interest expense attributable to any indebtedness incurred or continued to purchase or carry the Security purchased with market discount may be deferred. The deferred portion would not exceed the portion of market discount which accrues but

which is not taken into account currently. Any such deferred interest expense is, in general, allowed as a deduction not later than the year in which the related market discount income is recognized. As an alternative to the foregoing rules, the Beneficial Owner may elect to include market discount in income currently as it accrues on all market discount instruments acquired by such Beneficial Owner in that taxable year or thereafter.

Market discount with respect to a Security will be considered to be zero if it is less than 0.25% of the remaining stated redemption price of the Security, multiplied by the number of complete years to its final maturity. Treasury Department regulations implementing the market discount rules have not yet been issued, and therefore investors should consult their own tax advisors regarding the application of these rules as well as the advisability of making any of the elections with respect thereto.

Premium

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

Election for Accrual Method Beneficial Owners

The Proposed OID Regulations would allow a Beneficial Owner that uses an accrual method of accounting to elect to include in gross income all interest that accrues on a debt instrument by using the constant yield method. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, and *de minimis* market discount, as adjusted by any premium. The Proposed OID Regulations, however, are proposed to be effective only 60 days after publication of final regulations. Beneficial Owners should consult their own tax advisors regarding the advisability of such an election.

Contingent Payment Obligations

Securities which provide for contingent payments of principal or interest, or which provide for interest at a floating rate in some or all periods but which are not "variable rate debt instruments," may be issued with OID. The Treasury Department has issued proposed regulations under the OID provisions of the Code relating to contingent payment obligations. The Treasury Department released, and subsequently withdrew, draft proposed regulations which would have revoked the proposed regulations and provided substantially revised rules, but such regulations have not been formally proposed. It is impossible to predict whether, or in what manner, the proposed regulations may be modified or whether any such modified regulations would become final regulations. The applicable Supplement will set forth the manner in which Freddie Mac intends to report income on these types of debt instruments.

Securities Subject to a Call Option

Certain Securities may provide Freddie Mac with an option to redeem the Security at par plus accrued interest. For purposes of determining the yield and maturity of such a debt instrument, the Proposed OID Regulations provide that the issuer is treated as exercising any option if its exercise would lower the yield of the debt instrument. It is not clear whether, or in what manner, this rule would apply to a debt instrument which provides for a combination of fixed and floating rates other than a fixed rate followed by a fixed rate. The applicable Supplement will specify whether Freddie Mac will report income on Securities described in the preceding sentence assuming that the option will be exercised.

Sale and Retirement of the Securities

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

Taxation of Certain Foreign Investors

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

Backup Withholding

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

Federal Tax Reporting

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

LEGALITY OF INVESTMENT

Set forth below is a summary of certain federal statutes and regulations relating to the purchase or pledge of Securities by certain financial institutions. The information in this section is qualified by the considerations described under "Regulatory Constraints" below:

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

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

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

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

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

The Securities are eligible as security for advances by Federal Home Loan Banks to federal savings associations, federal savings banks and other members for which the Securities are legal investments. 12 U.S.C. § 1430(a)(2) and 12 C.F.R. § 935.9(a)(2)(i).

Federal credit unions may purchase the Securities without regard to limitations generally applicable to investments. 12 U.S.C. § 1757(7)(E) and 12 C.F.R. § 703.5(f)-(k).

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

In addition to the specific authorizations discussed above, Section 106 of SMMEA provides that any person, trust, corporation, partnership, association, business trust or business entity created pursuant to or existing under the laws of the United States or any state (including the District of Columbia and Puerto Rico) is authorized to purchase, hold and invest in securities issued or guaranteed by Freddie Mac (including the Securities) to the same extent that the investor is authorized to purchase, hold or invest in obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Prior to October 4, 1991, states were authorized by SMMEA to enact legislation which specifically referred to Section 106 and either prohibited or limited an investor's authority to invest in securities issued or guaranteed by Freddie Mac. To the best of Freddie Mac's knowledge, 18 states currently have legislation limiting to varying extents the ability of certain entities (in most cases, insurance companies) to invest in securities issued or guaranteed by Freddie Mac.

REGULATORY CONSTRAINTS

The regulatory or lending authorities that administer the statutes or regulations discussed in the preceding section generally reserve discretion whether securities, such as Debentures, Medium-Term Notes and Discount Notes, that are otherwise acceptable for investment or as security for borrowings may be purchased or pledged by the institutions subject to their jurisdiction. In particular, the ability of an institution to purchase or pledge the Securities in the various circumstances described in the preceding section (such as collateral for Treasury Department tax and loan accounts) may be limited in the exercise of such discretion. Such authorities, in their discretion, may also impose limitations on the collateral value of the Securities that are otherwise acceptable as security.

Any 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 the Securities.

The National Association of Insurance Commissioners has released for public comment a proposed Model Investment Law for state-regulated insurance companies. The proposal would impose additional restrictions on investments by certain insurance companies in certain securities,

including Debentures, Medium-Term Notes and Discount Notes. As proposed, these restrictions would take effect after adoption of the Model Investment Law on a state-by-state basis.

Institutions whose investment activities are subject to review by regulatory authorities may become subject to restrictions, which may be retroactively imposed by such regulatory authorities, on investment by such institutions in certain types of Securities.

Investors should consult with 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 may be used as collateral for various types of borrowings. This section and the preceding section do not take into consideration the applicability of statutes, regulations, orders, guidelines or agreements generally governing investments made by a particular investor, including, but not limited to, "prudent investor" provisions, percentage-of-assets limits and provisions which may restrict or prohibit investments in securities that are issued in Book-Entry Form, that are not "interest-bearing" or "income-paying" or that are denominated in a foreign currency.

PLAN OF DISTRIBUTION

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

Unless otherwise indicated in the applicable Supplement, payment of the purchase price of Debentures and Medium-Term Notes must be made in immediately available funds.

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 re-offering 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 Freddie Mac's Investor Inquiry Department at the address or phone numbers shown on page 4.

LEGAL MATTERS

With respect to Debentures and Medium-Term Notes that are offered in underwritten transactions, the legality of such Debentures and Medium-Term Notes will be passed upon for Freddie Mac by Maud Mater, Esq., Senior Vice President—General Counsel and Secretary of Freddie Mac.

GLOSSARY

Amortizing Debentures and Medium-Term Notes: Debentures and Medium-Term Notes on which Freddie Mac is obligated to pay principal periodically through the term of the Debenture or Medium-Term Note and at maturity, as specified in the applicable Supplement.

Beneficial Owners: Holders or other persons having beneficial interests in Securities.

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

Business Day: A day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent) is authorized or obligated by law or executive order to remain closed or (iii) as to any Holder of a Security issued in Book-Entry Form, a day on which the Federal Reserve Bank at which such Holder's account is maintained is authorized or obligated by law or executive order to remain closed.

Call Date: In the case of Debentures and Medium-Term Notes subject to redemption by Freddie Mac, the first permitted Redemption Date.

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

Currency Related Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that are denominated in a currency other than the U.S. dollar and/or for which foreign currencies, foreign exchange rates, or swaps of or other transactions related to foreign currencies or foreign exchange rates apply in determining payments of principal, interest or both, as specified in the applicable Supplement.

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

Dealer: Any person or entity (other than Freddie Mac) that engages, either for all or part of such person's or entity's time, directly or indirectly, as agent, broker or principal, 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 December 30, 1993.

Discount Note Agreement: The Discount Note Agreement between Freddie Mac and Holders of Discount Notes dated as of December 30, 1993.

Distribution Period: The period during which a Dealer is (i) acting as an underwriter (as the term "underwriter" is defined in the Securities Act of 1933, as amended (the "Act")) with respect to such sale of Securities or (ii) offering or selling Securities constituting the whole or a part of an unsold allotment to, or subscription by, or allocation to, such Dealer as a participant in the distribution of such Securities by Freddie Mac or by or through an underwriter (as defined in the Act).

Federal Reserve Bank: Any Federal Reserve Bank.

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

Floating Rate Accrual Period: The period beginning on (and including) the Issue Date or a Floating Rate Reset Date, as the case may be, and ending on (but excluding) the earlier of the next Floating Rate Reset Date or the Maturity Date.

Floating Rate Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest payable at an annual rate that is reset periodically based upon an index or formula, as specified in the applicable Supplement.

Floating Rate Reset Calculation Date: The date specified in the applicable Supplement on which, as to any Floating Rate Accrual Period, Freddie Mac calculates the annual rate of interest for a Floating Rate or Currency Related Debenture or Medium-Term Note for such Floating Rate Accrual Period.

Floating Rate Reset Date: The date specified in the applicable Supplement on which the annual rate of interest calculated by Freddie Mac on the related Floating Rate Reset Calculation Date becomes effective.

Freddie Mac: The Federal Home Loan Mortgage Corporation, a corporation created 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: In the case of Securities maintained in Book-Entry Form, the entity which maintains an account with a Federal Reserve Bank and whose name appears on the books and records of such Federal Reserve Bank as the entity for whose account a Security has been deposited. In the case of Debentures and Medium-Term Notes in certificated form, the person or entity whose name appears on the register maintained by the fiscal agent for such Debentures or Medium-Term Notes as the record holder thereof.

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

Interest Strip: A component of a Strip Debenture or Medium-Term Note that does not have a principal amount (other than a notional principal amount, if any) and is entitled to all payments of interest, or specified portions thereof, due prior to the Call Date, if any, from the amount otherwise payable on such Strip Debenture or Medium-Term Note.

Issue Date: The date on which: (i) Freddie Mac wires an issuance of Securities in Book-Entry Form to Holders; or (ii) in the case of an issuance of certificated Debentures or Medium-Term Notes, the fiscal agent for such Debentures or Medium-Term Notes sends the certificates representing such Debentures or Medium-Term Notes to Holders.

Maturity Date: The date on which the final payment of a Security is required to be made.

Non-Amortizing Debentures and Medium-Term Notes: Debentures and Medium-Term Notes on which Freddie Mac is obligated to pay principal only on their Maturity Dates.

OID: Original issue discount.

Outstanding Subordinated Debentures: See page 9 of this Offering Circular.

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

Principal Strip: A component of a Strip Debenture or Medium-Term Note that has a principal amount and is entitled to payments of principal only, or payments of principal and specified portions of interest due on or after the Call Date, if any, from the amount otherwise payable on such Strip Debenture or Medium-Term Note.

Redemption Date: The date fixed by Freddie Mac for the redemption of an issuance of Debentures or Medium-Term Notes.

Senior Obligations: See page 9 of this Offering Circular.

SMMEA: The Secondary Mortgage Market Enhancement Act of 1984.

Step-Up Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that bear interest from their Issue Date to a date before the Maturity Date at one annual interest rate and from that date to the Maturity Date at a different annual interest rate.

Strip Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that may be separated into Interest Strips and Principal Strips.

Subordinated Debentures and Medium-Term Notes: Debentures and Medium-Term Notes for which payment of principal and interest is subordinated to prior payment in full of all Senior Obligations of Freddie Mac that are due and payable.

Supplement: A document that amends or supplements this Offering Circular.

Supplemental Agreement: An agreement which, as to the related issuance 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, a Supplement, a confirmation or a terms sheet. A Supplemental Agreement may, as to any particular issuance 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.

Zero Coupon Debentures and Medium-Term Notes: Debentures and Medium-Term Notes that do not bear interest and are sold at a discount.



Freddie Mac

