

Exchange Offer of
Freddie Mac Reference BondsSM due July 15, 2032
for
the following outstanding Freddie Mac Reference Bonds:

6.75% Reference Bonds due September 15, 2029 (Cusip No. 3134A3U46; ISIN No. US3134A3U467)

6.75% Reference Bonds due March 15, 2031 (Cusip No. 3134A4AA2; ISIN No. US3134A4AA29)

We, the Federal Home Loan Mortgage Corporation or Freddie Mac, are offering to exchange our Reference Bonds due July 15, 2032 (the "New Securities") for up to an aggregate "Group Maximum Amount" of \$2,500,000,000 of the outstanding Reference Bonds listed above, upon the terms and subject to the conditions set forth in this Exchange Supplement and the Offering Circular (the "Exchange Offer"). We refer to the outstanding Reference Bonds listed above as the "Exchange Securities." Subject to the Group Maximum Amount, we will accept all validly tendered Reference Bonds due September 15, 2029 (the "First Priority Bonds") in an amount up to \$902,000,000 and all validly tendered Reference Bonds due March 15, 2031 (the "Second Priority Bonds") in an amount equal to the Group Maximum Amount less the amount of the First Priority Bonds exchanged. See "The Exchange Offer—Amount of Exchange Securities to be Accepted."

In addition, we are offering to sell New Securities for cash (the "Cash Offering"). In the Cash Offering, New Securities are offered severally by the Dealers listed in Annex 1, subject to receipt and acceptance by such Dealers and subject to their right to reject any orders in whole or in part. We anticipate that \$500,000,000 or more in principal amount of New Securities will be issued in the Cash Offering and that at least \$2,000,000,000 in principal amount of New Securities will be issued in the Cash Offering and the Exchange Offer combined.

Application has been made to list the New Securities on the Luxembourg Stock Exchange.

THE EXCHANGE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 11:00 A.M., NEW YORK CITY TIME, ON WEDNESDAY, FEBRUARY 13, 2002, UNLESS EARLIER TERMINATED OR EXTENDED BY US.

In tendering Exchange Securities in the Exchange Offer, you must follow the procedures described in this Supplement and the Letter of Transmittal. Only entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities to whose accounts Exchange Securities have been deposited (the "Holders") may submit an electronic Letter of Transmittal.

An investment in the New Securities, or a decision not to participate in the Exchange Offer, will involve certain risks for some investors. It is important that you read "Risk Factors" on page S-7 of this Supplement as well as "Risk Factors" beginning on page 10 of the Offering Circular.

The New Securities are obligations of Freddie Mac only. The New Securities, including any interest on the New Securities, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac.

We will not be required to exchange Exchange Securities of either issue for New Securities if for any reason we determine, prior to the expiration of the Exchange Offer, that it is impracticable or inadvisable to proceed with the Exchange Offer for such Exchange Securities. In addition, we will exclude from the Exchange Offer, prior to the Exchange Security Delivery Date, any issue of Exchange Securities whose exchange for New Securities we believe would result in a "significant modification" of the Exchange Securities for federal income tax purposes. The Exchange Offer is also subject to other customary conditions.

Beneficial owners who participate in the Exchange Offer will be deemed to have elected to treat the exchange in the manner described under "United States Taxation—Treatment of Exchange Offer—Deemed Election," and, generally, will recognize any gain or loss realized on the surrender of Exchange Securities over the term of the New Securities.

You may obtain the Exchange Offer materials from Freddie Mac at <http://www.freddie.com> or by contacting the Dealer Manager at the E-mail address or one of the telephone numbers listed on the back cover. You may also contact (a) the Dealer Manager for answers to questions concerning the terms and procedures of the Exchange Offer and (b) Freddie Mac's information agent, D.F. King & Co., Inc., for additional copies of the Exchange Offer materials, in each case at one of the telephone numbers listed on the back cover. In Luxembourg, all services in connection with the Exchange Offer are available through the Luxembourg Exchange Agent. See "The Exchange Offer—Luxembourg Exchange Agent."

Holders who wish to participate in the Exchange Offer must deliver an electronic Letter of Transmittal to the "Exchange Website" at <https://www.gs.com/fi/eexchange> by the Expiration Time. See "The Exchange Offer—Tender Procedures."

Information regarding the Exchange Offer will be available from February 6, 2002 to February 13, 2002 from the MCM "Corporate Watch" Service on Telerate pages beginning on page 64160 and Bloomberg pages beginning on page MCM 7885.

The Dealer Manager for the Exchange Offer is:

Goldman, Sachs & Co.

The date of this Exchange Supplement is February 6, 2002.

General

Freddie Mac has not authorized anyone to give you any information or to make any representation not contained in this Supplement, the Offering Circular, the Pricing Supplement or other applicable supplement or amendment. Neither delivery of this Supplement, the Offering Circular, the Pricing Supplement or any other supplement or amendment nor any sale of New Securities shall imply that there has been no change in the affairs of Freddie Mac since the dates of those documents. Information in those documents may not be correct as of any time subsequent to the date of that information.

Neither Freddie Mac nor the Dealer Manager make any recommendation that Holders and beneficial owners tender Exchange Securities for exchange or purchase New Securities or refrain from doing so pursuant to this Supplement, the Offering Circular, the Pricing Supplement or any other supplement or amendment. No one has been authorized to make any such recommendation. Holders and beneficial owners must make their own decisions whether to tender Exchange Securities in the Exchange Offer or purchase New Securities in the Cash Offering and, if so, the principal amount of Exchange Securities to tender or the amount of New Securities to purchase in the Cash Offering.

After making all reasonable inquiries as of the date of this Exchange Supplement, we confirm that this Exchange Supplement contains all information about the Exchange Offer which, when read together with the Offering Circular, the Pricing Supplement and the documents incorporated by reference, is material, in the context of the Exchange Offer. We also confirm that the information in this Exchange Supplement, as of its date, is true and accurate in all respects and is not misleading and that there are no facts the omission of which makes this Exchange Supplement as a whole or any such information misleading in any material respect.

In this Supplement, "\$" refers to United States dollars.

Selling Restrictions

The distribution of this Supplement, the Letter of Transmittal, the Offering Circular, the Pricing Supplement or any other supplement or amendment and the offer, sale and delivery of New Securities in certain jurisdictions may be restricted by law. Persons who come into possession of this Supplement, the Letter of Transmittal, the Offering Circular, the Pricing Supplement or any other supplement or amendment must inform themselves about and observe any such restrictions.

Because of applicable securities law exemptions, we have not registered the New Securities with any U.S. federal or state securities commission. No U.S. securities commission has reviewed this Supplement.

In the United Kingdom, we have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by us in connection with the issue or sale of the New Securities in circumstances in which section 21(1) of the FSMA does not apply to Freddie Mac. The New Securities are subject to resale restrictions under applicable Canadian law. Investors should consult their legal advisors before attempting to resell any of the New Securities offered hereunder in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this Supplement, the Letter of Transmittal, the Offering Circular, the Pricing Supplement or any other supplement or amendment, or the merits of the New Securities described herein, and any representation to the contrary is an offense. For a further description of certain restrictions on offers, sales and deliveries of the New Securities and on the distribution of this Supplement, the Letter of Transmittal, the Offering Circular, the Pricing Supplement or any other supplement or amendment hereto, see "Jurisdictional Restrictions" in this Supplement and "Distribution Arrangements—Selling Restrictions" in the Offering Circular.

The Luxembourg Stock Exchange does not assume responsibility for the correctness of any of the statements made or opinions expressed or reports contained or incorporated by reference in this Exchange Supplement. Admission to the Official List of the Luxembourg Stock Exchange is not to be taken as an indication of the merits of Freddie Mac or the New Securities.

This Supplement, the Letter of Transmittal, the Offering Circular, the Pricing Supplement or any other supplement or amendment are not an offer to sell or buy or a solicitation of an offer to buy or sell any securities other than the New Securities or Exchange Securities or an offer to sell or buy or a solicitation of an offer to buy or sell New Securities or Exchange Securities in any jurisdiction or in any other circumstance in which such an offer or solicitation is unlawful or not authorized.

ADDITIONAL INFORMATION ABOUT FREDDIE MAC

You should read this Supplement together with the Offering Circular dated January 4, 2002 (the “Offering Circular”), relating to the Freddie Mac Global Debt Facility and attached hereto; the preliminary Pricing Supplement relating to the New Securities and attached as Annex 1; and our most recent Information Statement and any supplements thereto (collectively, the “Information Statement”), each of which is incorporated herein by reference. As of the date of this Supplement, our current Information Statement is dated March 26, 2001 and the supplements to it are dated May 15, 2001, August 14, 2001, November 14, 2001 and January 31, 2002. These documents are available on our World Wide Web site at <http://www.freddiemac.com> and in Luxembourg through our Luxembourg Exchange Agent.

Any later supplements to the current Information Statement, any subsequent Information Statement and supplements published prior to the expiration of the Exchange Offer also will be incorporated by reference in this Supplement. Any statement contained in this Supplement or in a document incorporated or deemed to be incorporated by reference in this Supplement shall be deemed to be modified or superseded for purposes of the Offering Circular and this Supplement to the extent that a statement contained in such document or in this Supplement or in any other subsequent document that also is or is deemed to be incorporated by reference in this Supplement or in such document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Supplement, the Offering Circular and the Pricing Supplement.

See “Available Information” about Freddie Mac in the Offering Circular for further information, including information about the frequency of Freddie Mac’s financial reporting.

Also, see “The Exchange Offer—Summary Time Schedule for the Exchange Offer” on page S-9.

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SUMMARY

This summary highlights information contained elsewhere in this Supplement and in the Letter of Transmittal. It does not contain all the information that you should consider before deciding whether to tender any Exchange Securities in the Exchange Offer. You also should read the more detailed information in this Supplement, the Offering Circular, the Pricing Supplement and any other amendments or supplements thereto. A summary time schedule for the Exchange Offer is presented on page S-9 of this Supplement.

Exchange Offer

Issuer Freddie Mac

Exchange Offer We are offering to exchange our New Securities for (i) up to \$902,000,000 of the First Priority Bonds and (ii) an amount of the Second Priority Bonds up to the difference between \$2,500,000,000 and the amount of First Priority Bonds accepted by us for exchange, in the following order of priority:

First, we will accept up to the First Priority Maximum Amount (\$902,000,000) of the First Priority Bonds. If more than the First Priority Maximum Amount is validly tendered and not withdrawn, we will pro-rate these First Priority Bonds down to the First Priority Maximum Amount and accept those tenders as so pro-rated.

Second, we will accept Second Priority Bonds in an amount up to the excess of the Group Maximum Amount over the amount of the First Priority Bonds accepted. If more than such amount of the Second Priority Bonds are validly tendered and not withdrawn, we will pro-rate these Second Priority Bonds down to such amount and accept those tenders as so pro-rated.

Exchange Ratio A Holder exchanging Exchange Securities pursuant to the Exchange Offer will receive, for each \$1,000 principal amount of Exchange Securities exchanged, New Securities with a principal amount (subject to rounding as described in this Supplement) equal to \$1,000 *multiplied by* the Exchange Ratio. This “Exchange Ratio” is the applicable Exchange Security Index Price (as defined below) *divided by* the New Security Offering Price (as defined below).

Exchange Security Index

Price The “Exchange Security Index Price” for each issue of Exchange Securities will be calculated in a manner intended to result in a yield to maturity (the “Exchange Yield” for such issue of Exchange Securities) equal to (a) the yield to maturity of the New Securities on the Settlement Date, as calculated in accordance with standard market practice based on the New Security Offering Price (the “Reference Yield”), minus (b) the number of basis points applicable to such issue of Exchange Securities as identified on Schedule A (the “Fixed Spread” for such issue of Exchange Securities). Specifically, the Exchange Security Index Price for any issue of Exchange Securities will equal the value per \$1,000 principal amount of such Exchange Securities, including accrued interest to but excluding the Settlement Date, in a manner consistent with the methodology underlying the formula set forth in Schedule B.

The Settlement Agent will calculate the Reference Yield and the resulting Exchange Yield, Exchange Security Index Price and Exchange Ratio for each issue of Exchange Securities, and those calculations will be final and binding, absent manifest error.

Hypothetical examples, demonstrating the determination of the Exchange Yields, the Exchange Security Index Prices and the Exchange Ratios in the manner we have described above, are set forth on Schedule B. During the Exchange Offer, hypothetical examples set forth on Schedule B will be updated daily by the Dealer Manager on the Exchange Website, taking into account then current market conditions.

New Security Offering Price The “New Security Offering Price” will equal the price per \$1,000 principal amount at which the New Securities are sold to the public pursuant to the Cash Offering, as determined by negotiation between us and representatives of the Dealers for the Cash Offering.

Pricing Date and Time The New Security Offering Price and the Exchange Yields will be determined by 11:00 a.m., New York City time, on the first Business Day after the Expiration Time (the “Pricing Date”). Accordingly, you cannot determine the final Reference Yield, Exchange Yield, Exchange Security Index Price and Exchange Ratio for an issue of Exchange Securities prior to the time you must make the decision whether to exchange your Exchange Securities for New Securities.

Rounding of Principal Amount of New Securities; Residual Cash Amount The aggregate principal amount of New Securities to be issued to any Holder pursuant to a particular Letter of Transmittal delivered by that Holder will be rounded downward to the nearest \$1,000. On the Exchange Security Delivery Date, we will pay, against delivery of Exchange Securities, cash to each Holder to compensate for this rounding (the “Residual Cash Amount”). If a Holder aggregates in one Letter of Transmittal the information relating to more than one beneficial owner holding through such Holder, this rounding may result in the Holder not being able to accurately allocate the New Securities delivered. Accordingly, a Holder should submit a separate Letter of Transmittal for each beneficial owner.

Accrued Interest on Exchange Securities Because the Exchange Security Index Price includes accrued interest, neither Freddie Mac nor any Holder will make any cash payment in respect of accrued interest on Exchange Securities exchanged.

Conditions The Exchange Offer is subject to certain conditions. In addition, we will exclude from the Exchange Offer, prior to the Exchange Security Delivery Date, either issue of Exchange Securities whose exchange for New Securities we believe would result in a “significant modification” of the Exchange Securities for federal income tax purposes. See “The Exchange Offer—Certain Conditions to the Exchange Offer.”

Expiration Time The Exchange Offer will expire at 11:00 a.m., New York City time, on Wednesday, February 13, 2002, unless earlier terminated or extended

by us in our sole discretion. See “The Exchange Offer—Expiration Time; Extensions; Amendments.”

Procedures for Tendering and Delivery of Exchange Securities . . .

To tender Exchange Securities for exchange pursuant to the Exchange Offer, Holders must deliver to the Dealer Manager, by electronic transmission through the Exchange Website at <https://www.gs.com/fi/eexchange>, a properly completed and duly executed electronic Letter of Transmittal in accordance with the instructions therein, so as to be received prior to the Expiration Time; provided, however, that (i) Holders who are unable to submit an electronic Letter of Transmittal may contact the Dealer Manager for assistance and (ii) Letters of Transmittal may be submitted through the Luxembourg Exchange Agent, by following procedures obtained by contacting the Luxembourg Exchange Agent. Only Holders may submit an electronic Letter Of Transmittal. Each electronic Letter of Transmittal must be filled in clearly as to the issue or issues of Exchange Securities that are being tendered for exchange. See “The Exchange Offer—Tender Procedures.”

Holders must contact the Dealer Manager for a user ID and password to access the Exchange Website and then follow the instructions for transmitting the electronic Letter of Transmittal, at the Exchange Website. If Exchange Securities are tendered on behalf of a beneficial owner, the Holder should so indicate by transmitting a separate electronic Letter of Transmittal on behalf of each beneficial owner. If Exchange Securities are held through a broker, dealer, commercial bank, trust company, nominee or other custodian, the beneficial owner thereof must instruct the custodian to instruct the Holder to tender such Exchange Securities on the beneficial owner’s behalf. All tenders must be made at or prior to the Expiration Time. See “The Exchange Offer—Tender Procedures.”

Tendered Exchange Securities must be delivered through the Fed Book-Entry System to the Settlement Agent, at ABA Account #: 021000018, BK OF NYC/GOLDMAN, Attn: Exchange Offer, on the third Business Day after the Expiration Time (the “Exchange Security Delivery Date”) by 12:00 noon, New York City time. The Exchange Security Delivery Date will be February 19, 2002, unless the Exchange Offer is earlier terminated or extended by us. **Holders should not deliver Exchange Securities prior to the Exchange Security Delivery Date.** We will pay the Residual Cash Amount against delivery of the Exchange Securities.

Acceptance of Exchange Securities Tendered for Exchange; Settlement Date

Upon the terms and subject to the conditions of the Exchange Offer (including, if the Exchange Offer is extended, the terms and conditions of any such extension), we will accept for exchange Exchange Securities validly tendered on or prior to the Expiration Time. New Securities will be delivered to the Holders of tendered and accepted Exchange Securities on the fourth Business Day after the Expiration Time (the “Settlement Date”). The Settlement Date will be February 20, 2002, unless the Exchange Offer is earlier terminated or

	extended by us. See “The Exchange Offer—Acceptance of Exchange Securities Tendered for Exchange; Delivery of New Securities.”
No Guaranteed Delivery	No guaranteed delivery procedures are available with respect to the Exchange Offer.
Waivers; Extensions; Amendments	We expressly reserve the right, in our sole discretion, at any time or from time to time, with respect to any issue of Exchange Securities, to (a) waive any condition to the Exchange Offer and accept all Exchange Securities of such issue previously tendered for exchange pursuant to the Exchange Offer, (b) extend the Expiration Time and retain all Exchange Securities of such issue already tendered for exchange, (c) terminate the Exchange Offer with respect to either issue of Exchange Securities upon the failure of any of the conditions specified in “The Exchange Offer—Certain Conditions to the Exchange Offer,” and not accept for exchange any Exchange Securities of such issue and (d) amend the terms of the Exchange Offer. Unless otherwise specified, any waiver, extension, termination or amendment to the terms and conditions of the Exchange Offer with respect to an issue of Exchange Securities will apply to all Exchange Securities of such issue tendered pursuant to the Exchange Offer.
Withdrawal Rights	Tenders of Exchange Securities may be withdrawn at any time at or prior to the Expiration Time only by editing or deleting the electronic Letter of Transmittal on the Exchange Website, as described under “The Exchange Offer—Withdrawal Rights.”
Taxation	Beneficial owners who participate in the Exchange Offer will be deemed to have elected to treat the exchange in the manner described under “United States Taxation—Treatment of Exchange Offer—Deemed Election” and, generally, will recognize any gain or loss realized on the surrender of Exchange Securities over the term of the New Securities.
Dealer Manager	Goldman, Sachs & Co.
Settlement Agent	Goldman, Sachs & Co.
Luxembourg Exchange Agent	Banque Generale du Luxembourg S.A.
Information Agent	D.F. King & Co., Inc.
Group Maximum Amount	The maximum amount of validly tendered and not withdrawn Exchange Securities that will be accepted in the Exchange Offer is \$2,500,000,000.
First Priority Bonds	The 6.75% Reference Bonds due September 15, 2029.
Second Priority Bonds	The 6.75% Reference Bonds due March 15, 2031.
First Priority Maximum Amount	The maximum amount of the First Priority Bonds that are validly tendered and not withdrawn that will be accepted in the Exchange Offer is \$902,000,000.

Amount of Exchange We are offering to exchange New Securities for up to the Group Maximum Amount of the Exchange Securities. In determining which securities we will accept, we will give preference to Holders of the First Priority Bonds up to the First Priority Maximum Amount. We will then accept tenders from Holders of the Second Priority Bonds in an amount up to the excess of the Group Maximum Amount over the amount of First Priority Bonds that are exchanged. If more First Priority Bonds or if more Second Priority Bonds are validly tendered and not withdrawn, we will pro-rate the respective bonds down to the amount accepted. See “The Exchange Offer—Amount of Exchange Securities to be Accepted.”

Description of New Securities

Issuer	Freddie Mac
New Securities	We will issue the New Securities under our Global Debt Facility in book-entry form on the Fed Book-Entry System.
Identification Numbers	CUSIP: 3134A4KX1. ISIN: US3134A4KX12. Common Code: To be assigned on or after Pricing Date.
Maturity Date	July 15, 2032
Redemption	The New Securities will not be subject to redemption by us prior to maturity.
Interest	The New Securities will accrue interest from February 20, 2002 at a rate of interest to be determined on the Pricing Date. Interest will be paid semi-annually in arrears on each January 15 and July 15, commencing July 15, 2002. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.
Cash Offering	We anticipate that \$500,000,000 or more in principal amount of New Securities will be issued in the Cash Offering.
Total New Securities to be Issued	At least \$2,000,000,000 in aggregate principal amount of the New Securities pursuant to the Cash Offering and the Exchange Offer combined.
Fiscal Agents	The U.S. Federal Reserve Banks will act as fiscal agents for the New Securities.
Listing	An application has been made to list the New Securities on the Luxembourg Stock Exchange.
Denominations	We will issue the New Securities in minimum denominations of \$1,000 and additional increments of \$1,000.
Governing Law	The New Securities will be governed by the federal laws of the United States. The local laws of the State of New York will be deemed to reflect the federal laws of the United States, unless there is applicable precedent under federal law or the application of New York law would frustrate the purposes of the Freddie Mac Act or the Global Facility Agreement.
Use of Proceeds	We will not receive any proceeds from the Exchange Offer. However, we will receive proceeds from the Cash Offering, which we will use as described in the Offering Circular.

RISK FACTORS

Liquidity and Market Value of Exchange Securities

Exchange Securities exchanged pursuant to the Exchange Offer will be cancelled through the U.S. Federal Reserve Banks, as Fiscal Agents. If the maximum amount of the First Priority Bonds is validly tendered to and accepted by Freddie Mac, approximately \$1,000,000,000 original principal amount of the First Priority Bonds will remain outstanding. Currently, the outstanding original principal amount of Second Priority Bonds is approximately \$6,000,000,000, which amount will be reduced by the amount of Second Priority Bonds that are validly tendered to and accepted by Freddie Mac. The exchange of Exchange Securities pursuant to the Exchange Offer will reduce the aggregate principal amount of Exchange Securities that otherwise might trade publicly, which could affect the liquidity and market value of the remaining Exchange Securities held by the public.

Federal Income Tax Consequences—Deemed Election

Beneficial owners who participate in the Exchange Offer will be deemed to have elected to treat the exchange in the manner described under “United States Taxation—Treatment of Exchange Offer—Deemed Election” and, generally, will recognize any gain or loss realized on the surrender of Exchange Securities over the term of the New Securities.

Timing of Decision Whether to Exchange

Because the New Security Offering Price will not be determined until the first Business Day after the Expiration Time, you cannot determine the final Reference Yield, Exchange Yield, Exchange Security Index Price and Exchange Ratio for an issue of Exchange Securities prior to the time you must make the decision whether to exchange your Exchange Securities for New Securities.

FREDDIE MAC

Freddie Mac was chartered by Congress on July 24, 1970 under the Federal Home Loan Mortgage Corporation Act. Our statutory purposes are:

- to provide stability in the secondary market for residential mortgages,
- to respond appropriately to the private capital market,
- to provide ongoing assistance to the secondary market for residential mortgages, including mortgages on housing for low- and moderate-income families, 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.

Our principal activity is the purchase and financing of single-family and multifamily mortgages. We finance our purchases of residential mortgages and mortgage securities with securitization financing and debt financing. Securitization financing involves the securitization of purchased mortgages in the form of guaranteed mortgage passthrough securities. Debt financing involves the use of debt securities, other liabilities and equity capital to finance mortgages and mortgage-related securities we hold as portfolio investments. We also engage in other activities that help us to fulfill our statutory purposes. Neither the United States nor any agency or instrumentality of the United States (other than Freddie Mac) is obligated, either directly or indirectly, to fund our mortgage purchase or financing activities.

A more detailed discussion of our business appears under *Business* in the Information Statement.

Freddie Mac’s principal office is located at 8200 Jones Branch Drive, McLean, VA, USA 22102-3110 (telephone: (703) 903-3700).

THE EXCHANGE OFFER

General

We are offering, subject to the limits described herein, to exchange our Reference Bonds due July 15, 2032 (the “New Securities”) for outstanding Reference Bonds listed on Schedule A that are validly tendered **prior to 11:00 a.m., New York City time, on Wednesday, February 13, 2002, unless the Exchange Offer is earlier terminated or extended by us in our sole discretion (such time on such date, as it may be extended, the “Expiration Time”)**, upon the terms and subject to the conditions set forth in this Supplement and the accompanying Offering Circular. We will accept tenders of Exchange Securities in principal amounts of \$1,000 and additional increments of \$1,000.

In addition, we are offering to sell New Securities in the Cash Offering. The New Securities offered for cash are offered severally by the Dealers listed in Annex 1, subject to receipt and acceptance by such Dealers and subject to their right to reject any orders in whole or in part. The Cash Offering will commence on the date of the commencement of the Exchange Offer and will be made pursuant to the Offering Circular and the final Pricing Supplement with respect to the New Securities. We anticipate that \$500,000,000 or more in principal amount of New Securities will be issued in the Cash Offering.

Holders, custodians and beneficial owners of Exchange Securities may participate in the Exchange Offer only by following the procedures described herein and in the Letter of Transmittal. Only Holders may submit an electronic Letter of Transmittal. Holders must obtain a user ID password as described below, and then submit an electronic Letter of Transmittal by following the instructions at the Exchange Website.

We intend to announce the New Security Offering Price, the Reference Yield, the Exchange Yields, the Exchange Ratios and the Exchange Security Index Prices by 12:00 noon on the first Business Day after the Expiration Time, or as soon as practicable thereafter (such day, the “Pricing Date”). Holders must deliver Exchange Securities that are accepted for exchange, against payment of the Residual Cash Amount, on the third Business Day after the Expiration Time (the “Exchange Security Delivery Date”) by 12:00 noon, New York City time. We will issue New Securities pursuant to the Exchange Offer and the Cash Offering on the fourth Business Day after the Expiration Time (the “Settlement Date”), in each case in accordance with the procedures described herein.

Holders who tender Exchange Securities in the Exchange Offer will not be obligated to pay brokerage commissions or solicitation fees with respect thereto to Goldman, Sachs & Co. However, beneficial owners holding Exchange Securities through a Holder or a custodian may be charged fees by such Holder or custodian for tendering Exchange Securities, which will not be paid or reimbursed by us.

On the Settlement Date, we will cause the Exchange Securities accepted by us for exchange pursuant to the Exchange Offer to be cancelled through the Fiscal Agents.

As of the date of this Exchange Supplement, there is no litigation pending affecting Freddie Mac, at law or in equity, before or by any governmental authority that questions, threatens or challenges the validity of this Exchange Supplement or any other instrument to be delivered in connection herewith or any action taken or to be taken by Freddie Mac in connection with the Exchange Offer.

Notifications in Luxembourg in relation to (a) any material change, including any extension, termination or amendment of the Exchange Offer, to this Exchange Supplement or the Exchange Offer, throughout the period of the Exchange Offer, and (b) the results of the Exchange Offer, including the New Security Offering Price, the Reference Yield, the Exchange Yields, the Exchange Ratios and the Exchange Security Index Prices, will be published in the *Luxemburger Wort*. In Luxembourg, the Exchange Offer will be announced pursuant to a notice in the *Luxemburger Wort* at the time of commencement of the Exchange Offer.

Summary Time Schedule for the Exchange Offer

The following summarizes the anticipated time schedule for the Exchange Offer assuming, among other things, that the time of expiration of the Exchange Offer is not extended. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Supplement. All references are to New York City time.

<u>Date</u>	<u>Action</u>
February 6, 2002	Announcement of the terms of the Exchange Offer. Commencement of the Exchange Offer.
February 6, 2002 — February 13, 2002	Holder tender Exchange Securities via the electronic Letter of Transmittal on the Exchange Website, and the Dealer Manager responds through an e-mail to the Notification E-mail Address.
February 13, 2002 — 11:00 a.m.	Expiration Time —Expiration of the Exchange Offer.
February 14, 2002 — Pricing by 11:00 a.m. Announcement by 12:00 noon	Pricing Date —The New Security Offering Price, the Reference Yield, the Exchange Yields, the Exchange Ratios and the Exchange Security Index Prices for the Exchange Securities, the total issue size of the New Securities, the aggregate amount of each issue of Exchange Securities that has been accepted for exchange and any pro-ration that has occurred are determined by 11:00 a.m. and announced by 12:00 noon. The Settlement Agent notifies each Holder of the amount of its Exchange Securities accepted for exchange by an E-mail to the Notification E-mail Address. We reserve the right to announce the amount of Exchange Securities tendered or accepted for exchange before announcement of the New Security Offering Price and the Exchange Ratios.
February 19, 2002 — By 12:00 noon	Exchange Security Delivery Date —Holders deliver Exchange Securities accepted for exchange through the Fed Book-Entry System, against payment of the Residual Cash Amounts, to the Settlement Agent.
February 20, 2002	Settlement Date —Freddie Mac issues the New Securities through the Fed Book-Entry System and cancels the Exchange Securities that have been accepted.

Tender Procedures

Only Holders may submit an electronic Letter of Transmittal. Freddie Mac intends to conduct the exchange of New Securities for Exchange Securities only through the use of an electronic Letter of Transmittal which must be submitted on the Exchange Website, except that (i) Holders who are unable to submit an electronic Letter of Transmittal may contact the Dealer Manager for assistance and (ii) Letters of Transmittal may be submitted through the Luxembourg Exchange Agent, by following procedures obtained by contacting the Luxembourg Exchange Agent. To tender Exchange Securities for exchange pursuant to this Exchange Offer, Holders must execute and deliver an electronic Letter of Transmittal by following the instructions at the Exchange Website so as to be received at or prior to the Expiration Time.

To access the Exchange Website, Holders must contact the Dealer Manager by E-mail at freddiemac__exchange@gs.com or by calling (800) 828-3182 (toll free) or (212) 357-0336 (collect), in order to obtain a unique user ID and password for use in submitting the electronic Letters of Transmittal. To obtain an ID and password, a Holder must agree on behalf of its institution (the “Institution”) to the following terms (“Website Agreement”): (i) that it is authorized by the Institution to request a user ID and password and to bind the Institution to the Website Agreement; (ii) that it will safeguard such user ID and password; (iii) that it will permit only the Institution’s authorized users to use such user ID and password; (iv) that the user ID and password will be used only to access the Exchange Website and to submit offers thereon; (v) that the Institution will be solely responsible for all actions taken and be bound by any offers entered using such user ID and password; and (vi) that the Institution will be bound by the terms or disclosures on the Exchange Website for which an authorized user will be required to signify the Institution’s acceptance by means of “clicking” as if such terms or disclosures had been contained in a manually signed and written agreement. The

Holder will also be required to agree on behalf of its Institution that the Dealer Manager, its affiliates, managing directors, partners, agents and employees will have no liability, contingent or otherwise, for the accuracy, timeliness, completeness, reliability, performance or continued availability of the Exchange Website or the services provided thereby, or for any delay or omission therein, or for any failure or interruptions of the services provided and that to the extent any transactions are entered for or on behalf of any third parties, the Institution represents and warrants that it has all necessary authority to do so. A Holder requesting a user ID and password will also be required to provide the following information: (a) name of Institution, (b) ABA number, (c) Fedwire address, (d) address of Institution, (e) name of requesting person, (f) title of requesting person, (g) telephone number of requesting person, (h) E-mail address where password should be delivered, and (i) E-mail address where notifications can be delivered.

A Holder may enter the Exchange Website with a user ID and password at any time between the commencement of the Exchange Offer and the Expiration Time. Holders may on the Exchange Website prepare offers for submission and may either submit offers through an electronic Letter of Transmittal or store them for submission at a later date. However, Holders must submit an offer through an electronic Letter of Transmittal by clicking on the “submit” button in order for the offer to be considered in the Exchange Offer.

The following information will be required in each electronic Letter of Transmittal: (a) name of Holder, (b) address, telephone number and E-mail address of Holder where Reference Messages should be delivered (the “Notification E-mail Address”), (c) ABA number and Fedwire address of Holder, (d) contact name of individual that can be reached at the requested telephone number and E-mail address, (e) the issue of Exchange Securities being offered for exchange, and (f) the face amount of Exchange Securities being offered for exchange. The Holder will have the option, but not the obligation, to provide similar information for each beneficial owner on whose behalf the Holder is submitting the offer.

Each offer and corresponding electronic Letter of Transmittal will become irrevocable at the Expiration Time. However, any offer and corresponding electronic Letter of Transmittal may be withdrawn or revised prior to the Expiration Time by editing or deleting the electronic Letter of Transmittal on the Exchange Website. If a Holder wishes to so amend or withdraw an electronic Letter of Transmittal, it must use the same user ID and password under which it submitted that electronic Letter of Transmittal.

After submission of the electronic Letter of Transmittal, the Dealer Manager will electronically transmit a Reference Message for each electronic Letter of Transmittal to the Holder. A “Reference Message” is a message transmitted by the Dealer Manager that states that the Dealer Manager has received an electronic Letter of Transmittal from the Holder. Included in the Reference Message is a Reference ID for each electronic Letter of Transmittal and the details of each electronic Letter of Transmittal submitted. The Holder submitting an electronic Letter of Transmittal will be required to represent and warrant that (a) the Holder has received and agrees to be bound by the Letter of Transmittal, (b) we may enforce such agreement against the Holder, (c) it has full power and authority to tender, exchange, assign and transfer the tendered Exchange Securities, and (d) we will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances and adverse claims when the tendered Exchange Securities are acquired by us. Each such tendering Holder also will agree in the Letter of Transmittal that all of the Exchange Securities being tendered for exchange and accepted for exchange will be delivered on the Exchange Security Delivery Date by 12:00 noon, New York City time.

In order for a tendering Holder to be assured of participating in the Exchange Offer, such Holder must elect to tender Exchange Securities in accordance with the procedures set forth herein prior to the Expiration Time.

ELECTRONIC LETTERS OF TRANSMITTAL MUST BE SENT ONLY THROUGH THE EXCHANGE WEBSITE. DO NOT SEND ANY LETTERS OF TRANSMITTAL TO FREDDIE MAC, THE DEALER MANAGER (EXCEPT THROUGH THE EXCHANGE WEBSITE), THE SETTLEMENT AGENT OR THE INFORMATION AGENT.

If any Exchange Securities have been stripped, they must be reconstituted by the Federal Reserve Bank of New York in order to be tendered for exchange pursuant to the Exchange Offer. See “Description of the Debt Securities—General—Interest Payments—Stripped Debt Securities” in the Offering Circular.

The Letter of Transmittal must be initiated only by the Holder whose name appears on a security position listing in the Fed Book-Entry System with respect to the Exchange Securities tendered thereby, and the name must correspond with the name as written on the security position listing validated in accordance with procedures acceptable to the Dealer Manager and Freddie Mac.

New Securities will be delivered only in book-entry form through the Fed Book-Entry System and only to the Fed Book-Entry System account of the Holder. Custodians and beneficial owners may confirm their receipt of beneficial interests in New Securities through the applicable Holder.

No alternative, conditional, irregular or contingent tenders will be accepted. By delivery of the electronic Letter of Transmittal, the Holder of Exchange Securities waives any right to receive any notice of the acceptance for exchange of such Holder’s Exchange Securities.

You may incur certain costs in connection with tendering the electronic Letter of Transmittal and receiving delivery of documents (for example, online time and printing) and have possible risks of system outages and other technical failure. Freddie Mac reserves the right to reject any electronic Letter of Transmittal not received in the appropriate electronic form. If you encounter technical difficulties in submitting your electronic Letter of Transmittal prior to the Expiration Time, or if you are unable to access the Exchange Website and submit an electronic Letter of Transmittal, you may contact the Dealer Manager at 800-828-3182 (inside the U.S.) or collect at 212-357-0336 (outside the U.S.) for assistance. In Luxembourg, you may also contact the Luxembourg Exchange Agent to have the Letter of Transmittal submitted on your behalf by the Luxembourg Exchange Agent, to obtain delivery of documents or for other assistance, at the telephone number listed on the back cover. Freddie Mac cannot assure you, however, that you will be assisted successfully or that Freddie Mac will receive or accept your electronic Letter of Transmittal. In any case, you are responsible for arranging the timely delivery of the electronic Letter of Transmittal. See “The Exchange Offer—Deadline for Submission of Electronic Letters of Transmittal.”

Freddie Mac reserves the right in its sole discretion not to accept any Exchange Offers. If Freddie Mac determines to accept any Exchange Offers, it will, by 12:00 noon, New York City time, on the Pricing Date, announce on the Freddie Mac website at <http://www.freddiemac.com> and by press release:

- the New Security Offering Price;
- the Reference Yield;
- the Exchange Yields;
- the Exchange Ratios;
- the Exchange Security Index Prices;
- the aggregate principal amounts of New Securities to be issued in exchange for Exchange Securities pursuant to accepted Exchange Offers;
- the aggregate principal amount of Exchange Securities of each series (which could be zero) to be acquired in exchange for New Securities pursuant to accepted Exchange Offers;
- the amount of any resulting pro-ration; and
- the aggregate principal amount of New Securities to be sold for cash pursuant to the Cash Offering.

Freddie Mac may announce the principal amount of the Exchange Securities tendered or the principal amount of the Exchange Securities accepted for exchange prior to the establishment of the New Security Offering Price and announcement of the other information. In Luxembourg, any such announcement will be made available from the Luxembourg Exchange Agent and will be included in the publication of the results of the Exchange Offer in the *Luxemburger Wort*. The Settlement Agent shall notify by E-mail to the

Notification E-mail Address each tendering Holder of the amount of such Holder's Exchange Securities accepted for exchange and any pro-ration by 12:00 noon on the Pricing Date.

The aggregate principal amount of New Securities to be issuable pursuant to the Cash Offering may be more than \$500,000,000. At least \$2,000,000,000 in aggregate principal amount of the New Securities will be issued in the Cash Offering and the Exchange Offer combined.

Amount of Exchange Securities to be Accepted

The "Group Maximum Amount" of Exchange Securities to be exchanged for the New Securities will be up to \$2,500,000,000.

First, we will accept up to the First Priority Maximum Amount (\$902,000,000) of the First Priority Bonds. If more than the First Priority Maximum Amount is validly tendered and not withdrawn, we will pro-rate these First Priority Bonds down to the First Priority Maximum Amount and accept those tenders as so pro-rated.

Second, we will accept Second Priority Bonds in an amount up to the excess of the Group Maximum Amount over the amount of the First Priority Bonds accepted. If more than this amount of the Second Priority Bonds is validly tendered and not withdrawn, we will pro-rate these Second Priority Bonds down to such amount and accept those tenders as so pro-rated.

For example,

	<u>Amount Outstanding</u>	<u>Amount Tendered</u>	<u>First Priority Maximum Amount</u>	<u>Amount Accepted</u>	<u>Amount Not Accepted due to Pro-Ration</u>	<u>Amount Outstanding (post-Exchange)</u>
First Priority Bonds	\$1,902mm	\$1,200mm	\$902mm	\$ 902mm	\$ 298mm	\$1,000mm
Second Priority Bonds . .	\$6,000mm	\$3,000mm		<u>\$1,598mm</u>	\$1,402mm	\$4,402mm
Total				\$2,500mm		
Group Maximum Amount				\$2,500mm		

Acceptance of Exchange Securities Tendered for Exchange; Delivery of New Securities

Upon the terms and subject to the conditions of the Exchange Offer (including, if the Exchange Offer is extended, the terms and conditions of any such extension), we will accept for exchange, on an issue by issue basis, Exchange Securities validly tendered prior to the Expiration Time pursuant to the Exchange Offer. Each tendering Holder must deliver the Exchange Securities accepted for exchange to the Settlement Agent by 12:00 noon on the Exchange Security Delivery Date. On the Exchange Security Delivery Date, the Settlement Agent will have custody of the Exchange Securities delivered on that date. On the Settlement Date, we will acquire such Exchange Securities by issuing New Securities in exchange therefor. Such New Securities will be delivered on the Settlement Date to the Holders of Exchange Securities that are tendered and delivered on the Exchange Security Delivery Date.

In all cases, Exchange Securities will be accepted for exchange pursuant to the Exchange Offer only after timely receipt on the Exchange Website of a properly completed and duly transmitted electronic Letter of Transmittal, validated in accordance with procedures acceptable to the Dealer Manager and Freddie Mac, and any other documents required thereby.

The Exchange Securities were issued in book-entry form on the Fed Book-Entry System. New Securities will be delivered only in book-entry form through the Fed Book-Entry System and only to the Fed Book-Entry System account of the exchanging Holder. Accordingly, a Holder that tenders for exchange must specify on the Letter of Transmittal all necessary account information to effect such delivery. Failure to provide such information may render such Holder's tender defective, and we will have the right to reject such tender. Neither we, the Settlement Agent nor the Dealer Manager will incur any liability for delivering New Securities in accordance with any instructions provided by the tendering Holder.

Calculation of Exchange Ratio

Principal Amount of New Securities to be Received Pursuant to Exchange Offer. A Holder exchanging Exchange Securities pursuant to the Exchange Offer will receive, for each \$1,000 principal amount of Exchange Securities exchanged, New Securities with a principal amount equal to \$1,000 *multiplied by* the Exchange Ratio. The “Exchange Ratio” is the Exchange Security Index Price (as defined below) for such Exchange Securities, *divided by* the New Security Offering Price (as defined below). The Exchange Ratio will be expressed as a decimal and rounded to the seventh digit after the decimal point. (If the eighth digit to the right of the decimal point is five or greater, the seventh digit will be rounded up by one.)

The “Exchange Security Index Price” for any issue of Exchange Securities will be calculated in a manner intended to result in a yield to maturity (the “Exchange Yield” for such issue of Exchange Securities) equal to (a) the yield to maturity of the New Securities on the Settlement Date, as calculated in accordance with standard market practice based on the New Security Offering Price (the “Reference Yield”), *minus* (b) the number of basis points applicable to such issue of Exchange Securities as identified on Schedule A (the “Fixed Spread” for such issue of Exchange Securities). Specifically, the Exchange Security Index Price for any issue of Exchange Securities will equal the value per \$1,000 principal amount of each issue of Exchange Securities, including accrued interest to but excluding the Settlement Date, in a manner consistent with the methodology underlying the formula set forth in Schedule B.

The “New Security Offering Price” will equal the price per \$1,000 principal amount at which the New Securities are sold to the public pursuant to the Cash Offering, as determined by negotiation between Freddie Mac and the representatives of the Dealers for the Cash Offering.

The Settlement Agent will calculate the Reference Yield and the resulting Exchange Yield, Exchange Security Index Price and Exchange Ratio for each issue of Exchange Securities, and those calculations will be final and binding, absent manifest error.

The New Security Offering Price will be determined before 11:00 a.m., New York City time, on the Pricing Date. The Reference Yield, the Exchange Yields, the Exchange Security Index Prices and the Exchange Ratios cannot be determined by Holders and beneficial owners of Exchange Securities prior to the time you must make the decision whether to exchange your Exchange Securities for New Securities.

The aggregate principal amount of New Securities to be issued to any Holder pursuant to the Exchange Offer (or, to the extent a Holder provides a separate Letter of Transmittal for each beneficial owner holding through such Holder, the aggregate principal amount of New Securities to be issued for each such beneficial owner pursuant to the Exchange Offer) will be rounded downward to the nearest \$1,000. On the Exchange Security Delivery Date, we will pay cash to each Holder to compensate for this rounding, in an amount (the “Residual Cash Amount”) equal to the decrease in principal amount of New Securities issued as a result of this rounding *multiplied by* the New Security Offering Price *divided by* \$1,000. The Residual Cash Amount will be paid to the tendering Holder on the Exchange Security Delivery Date on a “delivery versus payment” basis upon delivery of the tendered Exchange Securities in the manner described herein. If a Holder in any one Letter of Transmittal aggregates the information relating to exchanges by more than one beneficial owner holding through such Holder, this rounding may result in the Holder not being able to accurately allocate the New Securities delivered. For that reason, a Holder should submit a separate Letter of Transmittal for each beneficial owner.

Because the Exchange Security Index Prices include accrued interest, neither Freddie Mac nor any Holder will make any cash payment in respect of accrued interest on the New Securities issued or Exchange Securities exchanged pursuant to the Exchange Offer.

Information regarding the Exchange Offer will be available from February 6, 2002 to February 13, 2002 from the MCM “CORPORATEWATCH” Service on Telerate pages beginning on page 64160 and Bloomberg pages beginning on page MCM 7885, or in Luxembourg through the Luxembourg Exchange Agent. After the issuance of the New Securities, the yield to maturity of the New Securities on any trading day may also be found in *The Wall Street Journal*.

Methodology Generally. The methodology used to calculate the Exchange Ratio represents one of several possible approaches. Its formulation involved choices and judgments that are necessarily subjective. Each beneficial owner should analyze independently the value of the Exchange Securities and the New Securities and make an independent assessment of the terms of the Exchange Offer. Freddie Mac makes no recommendation as to whether such terms are fair or whether any beneficial owner should tender Exchange Securities for exchange. In addition, no one has been authorized by us to make any such recommendation.

Hypothetical Examples of the Terms of the Exchange Offer

Hypothetical examples, demonstrating the determination of the Reference Yield, the Exchange Ratios and the Exchange Yields in the manner we have described, are set forth in Schedule B. During the Exchange Offer, such hypothetical examples will be updated daily by the Dealer Manager on the Exchange Website, taking into account then current market conditions.

Expiration Time; Extensions; Amendments

The Exchange Offer will expire at 11:00 a.m., New York City time, on Wednesday, February 13, 2002, unless earlier terminated or extended by us in our sole discretion (such date and time or the latest date and time to which the Exchange Offer is extended being referred to herein as the “Expiration Time.”)

We expressly reserve the right, in our sole discretion, at any time or from time to time, with respect to either issue of Exchange Securities, to (a) waive any condition to the Exchange Offer and accept all Exchange Securities of such issue previously tendered for exchange pursuant to the Exchange Offer, (b) extend the Expiration Time of the Exchange Offer and retain all Exchange Securities of such issue already tendered for exchange, (c) terminate the Exchange Offer and not accept for exchange any Exchange Securities of such issue upon the failure of any of the conditions specified in “The Exchange Offer—Certain Conditions to the Exchange Offer,” and (d) amend the Exchange Offer in any respect until the Exchange Securities are accepted for exchange. Unless otherwise specified, any waiver, extension, termination or amendment of the terms and conditions of the Exchange Offer with respect to an issue of Exchange Securities will apply to all Exchange Securities of such issue tendered for exchange pursuant to the Exchange Offer.

Any extension, termination or amendment of the Exchange Offer may be made by us by giving written or oral notice thereof to the Dealer Manager, to be followed as promptly as practicable by a public announcement thereof. In the case of an extension, a public announcement will be issued on or prior to 9:00 a.m., New York City time, on the next Business Day after the previously scheduled Expiration Time. Without limiting the manner in which we may choose to make any public announcement, we shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to the Dow Jones News Service and as otherwise described in this Exchange Supplement with respect to Luxembourg. All Exchange Securities tendered pursuant to the Exchange Offer prior to any extension will remain subject to the Exchange Offer.

The terms of any amendment of the Exchange Offer may vary from the original Exchange Offer depending on such factors as the principal amount of each issue of Exchange Securities previously tendered. Unless otherwise specified, any amendment of the Exchange Offer with respect to an issue of Exchange Securities will apply to all Exchange Securities of such issue tendered for exchange pursuant to the Exchange Offer.

If we make a change to the Exchange Offer that, in our opinion, affects materially and adversely the Holders or the beneficial owners of the Exchange Securities already tendered, we will provide a new supplement relating to the Exchange Offer describing such amendment. In addition, we may extend the Exchange Offer with respect to all Exchange Securities for a period of time sufficient, in our opinion, for the Holders and beneficial owners to review such material.

Certain Conditions to the Exchange Offer

Notwithstanding any other provision of the Exchange Offer, we will not be required to accept any Exchange Securities for exchange or exchange any New Securities for Exchange Securities and may terminate or amend the Exchange Offer with respect to any issue of Exchange Securities at any time prior to the Expiration Time, if any of the following events shall have occurred:

(1) (a) any general suspension or limitation of trading in, or limitation on prices for, securities on any major securities exchange or the over-the-counter market, or the setting of minimum prices for trading on such exchange; (b) any suspension of trading of any securities of Freddie Mac on any United States securities exchange; (c) the declaration of a banking moratorium, or any suspension of payments in respect of banks, by federal or New York authorities; or (d) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by the United States or any other substantial state, national or international calamity or emergency if the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable, in our sole judgment, to proceed with the Exchange Offer;

(2) any change in the general political, market, economic or financial conditions in the United States or abroad that, in our sole judgment, has or may have a material adverse effect with respect to our business, operations or prospects or the trading in our securities or with respect to the financial effect of the Exchange Offer to us;

(3) any change (or any development involving any prospective change) in the business, assets, liabilities, condition (financial or otherwise), operations, results of operations or prospects of us that, in our sole judgment, has or may have a material adverse significance with respect to us; or

(4) any other reason that we determine, in our sole judgment, prior to the Expiration Time, makes it impracticable or inadvisable for us to proceed with the Exchange Offer for any one or more issues of Exchange Securities.

The foregoing conditions are for our sole benefit and may be asserted by us in our sole discretion, regardless of the circumstances giving rise to any such condition, or may be waived by us in whole or in part at any time and from time to time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right and each such right shall be deemed an ongoing right which may be asserted at any time.

In addition, we will exclude from the Exchange Offer, prior to the Exchange Security Delivery Date, any issue of Exchange Securities whose exchange for New Securities we believe would result in a “significant modification” of the Exchange Securities for U.S. federal income tax purposes. We will make this determination, in our sole discretion, as soon as practicable after the Pricing Date.

If for any reason the New Security Offering Price for the Cash Offering is not determined on the Pricing Date, the Exchange Offer will terminate and we will not accept any Exchange Securities for exchange. If the New Security Offering Price, Reference Yield and Exchange Yields are determined on the Pricing Date but New Securities are not issued pursuant to the Cash Offering for any reason, we may elect, in our discretion, to proceed with the Exchange Offer, in which case participating Holders will be required to deliver the Exchange Securities on the Exchange Security Delivery Date as described in this Exchange Supplement.

Deadline for Submission of Exchange Securities

Any Exchange Security accepted for exchange must be delivered to the Settlement Agent by 12:00 noon, New York City time, on the Exchange Security Delivery Date. Any Holder who submits an electronic Letter of Transmittal must ensure that the Exchange Securities are delivered to the Settlement Agent for exchange.

Withdrawal Rights

You may withdraw Exchange Securities tendered pursuant to the Exchange Offer at any time prior to the Expiration Time but not thereafter.

Each tender of Exchange Securities and corresponding electronic Letter of Transmittal will become irrevocable at the Expiration Time. However, any tender and corresponding electronic Letter of Transmittal may be withdrawn or revised prior to the Expiration Time by returning to the Exchange Website and editing or deleting the related electronic Letter of Transmittal. If you wish to so amend or withdraw your electronic Letter of Transmittal, you must use the same unique user ID and the same password under which you submitted that electronic Letter of Transmittal. If Freddie Mac terminates the Exchange Offer or decides not to accept any tenders, all tenders and electronic Letters of Transmittal shall automatically be deemed to be withdrawn. Any tenders not so accepted, together with the corresponding electronic Letters of Transmittal, shall automatically be deemed to be withdrawn.

A purported notice of withdrawal that lacks any of the required information will not be an effective withdrawal of a tender previously made. You may not withdraw tenders after the Expiration Time.

Holders who have tendered in the Exchange Offer will continue to have withdrawal rights during any extension of the Expiration Time. Any permitted withdrawals of tenders of Exchange Securities may not be rescinded, and any Exchange Securities so withdrawn will thereafter be deemed not validly tendered for purposes of the Exchange Offer. However, withdrawn Exchange Securities may be re-tendered prior to the Expiration Time by following the standard procedures for tendering described above.

All questions as to the validity (including time of receipt) of withdrawals will be determined by us, and our determination will be conclusive and binding. None of Freddie Mac, the Dealer Manager or any other person will be under any duty to give notification of any defects or irregularities in any withdrawal or incur any liability for failure to give any such notification.

You may withdraw Exchange Securities only by following the foregoing procedures.

Dealer Manager; Settlement Agent; Information Agent

We have engaged Goldman, Sachs & Co. to act as the exclusive Dealer Manager in connection with the Exchange Offer. Any Holder or beneficial owner who has questions concerning the terms of the Exchange Offer may contact the Dealer Manager at the address and telephone numbers set forth on the back cover of this Supplement. We have agreed to pay the Dealer Manager predetermined compensation for its services as Dealer Manager. We have agreed to indemnify the Dealer Manager against certain liabilities, including certain liabilities under the federal securities laws. The Dealer Manager has provided in the past, and currently is providing, other investment banking, financial advisory and other services to us.

The Dealer Manager, in the ordinary course of its business, makes markets in securities of Freddie Mac, including the Exchange Securities. As a result, from time to time the Dealer Manager may own certain of our securities, including the Exchange Securities, and it may participate in the exchange of Exchange Securities.

We have engaged Goldman, Sachs & Co. to act as Settlement Agent in connection with the Exchange Offer. We have agreed to pay the Settlement Agent predetermined compensation for its services as Settlement Agent and to indemnify the Settlement Agent against certain liabilities.

D.F. King & Co., Inc. has been appointed as Information Agent for the Exchange Offer. Requests for answers to questions regarding completion of the Letter of Transmittal and/or additional copies of this Supplement may be directed to the Information Agent at the address and telephone number set forth on the back cover of this Supplement. We will pay the Information Agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses in connection with handling Exchange Offer documents and forwarding tenders.

Freddie Mac will not pay any additional fees or commissions or reimburse mailing and handling expenses in connection with the Exchange Offer.

Luxembourg Exchange Agent

We have engaged Banque Generale du Luxembourg S.A. to act as the Luxembourg Exchange Agent in connection with the Exchange Offer. In Luxembourg, all services in connection with the Exchange Offer are

available through the Luxembourg Exchange Agent as more fully set forth in this Exchange Supplement. In Luxembourg, you may contact the Luxembourg Exchange Agent at the telephone number listed on the back cover for assistance in connection with the Exchange Offer, including (i) to obtain the Exchange Offer materials, (ii) to obtain additional copies of the Exchange Offer materials, (iii) to obtain copies of the Information Statement, (iv) for answers to questions concerning the terms and procedures of the Exchange Offer, (v) to have the Letter of Transmittal submitted on your behalf by the Luxembourg Exchange Agent and (vi) to have Exchange Securities accepted for exchange delivered on your behalf by the Luxembourg Exchange Agent to the Settlement Agent. The Luxembourg Exchange Agent will also have information available regarding the Exchange Offer as it appears on the MCM “Corporate Watch” Service from February 6, 2002 to February 13, 2002.

DESCRIPTION OF NEW SECURITIES

The following summary of certain provisions of the New Securities does not purport to be complete and is subject, and is qualified in its entirety by reference, to all the provisions of the New Securities. The New Securities will be issued as Fed Book-Entry Securities under Freddie Mac’s Global Debt Facility. For a description of the New Securities, see “Description of the Debt Securities” in the Offering Circular and “Certain Reference Bond Terms” in the preliminary Pricing Supplement attached. The Pricing Supplement is deemed to be preliminary because it is incomplete with respect to certain information that will be available only after the Pricing Date, but the preliminary Pricing Supplement is current and accurate as of the date of this Exchange Supplement and the information currently contained therein will not be changed. The information that will be added to the Pricing Supplement after the Pricing Date includes: (i) the size of the Cash Offering, (ii) the interest rate of the New Securities, (iii) the Common Code for the New Securities, (iv) the Dealers, (v) their underwriting commitments, (vi) the fixed offering price, and (vii) the concession and reallowance for each Dealer. After the Pricing Date, the final Pricing Supplement will be available from Freddie Mac, from the Dealer Manager or, in Luxembourg, from the Luxembourg Exchange Agent.

The New Securities will mature on July 15, 2032. The New Securities will not be subject to redemption by us prior to maturity.

The New Securities will accrue interest from the Settlement Date at the annual rate to be determined on the Pricing Date, payable on January 15 and July 15 of each year, commencing July 15, 2002, to the persons in whose names the New Securities were registered at the close of business on the Business Day preceding such interest payment date.

The New Securities will be eligible to be stripped into their separate interest and principal components on the Fed Book-Entry System. The initial Interest Payment Period is shorter than other Interest Payment Periods. Consequently, the initial interest payment will remain with the Principal Component. See “Description of the Debt Securities—General—Interest Payments—Stripped Debt Securities” and “Certain United States Federal Tax Consequences” in the Offering Circular.

UNITED STATES TAXATION

We have engaged Shearman & Sterling as special tax counsel to review the following discussion. Shearman & Sterling has given us its written legal opinion that the discussion, when read with the discussion in the Offering Circular under the heading “Certain United States Federal Tax Consequences,” correctly describes the principal U.S. federal income tax consequences to beneficial owners of Exchange Securities of participating in the Exchange Offer and of owning and disposing of New Securities received through the Exchange Offer.

The following discussion is general and may not apply to your particular circumstances for any of the following reasons or for other reasons:

- This summary is based on U.S. federal income tax laws in effect as of the date of this Supplement. Changes to any of these laws after this date may affect the tax consequences described below.

- This summary discusses only Exchange Securities acquired by beneficial owners at original issuance and held as capital assets (within the meaning of federal tax law) at the time of the Exchange Offer.
- This summary does not discuss all of the tax consequences that may be relevant to beneficial owners subject to special rules, such as banks, thrift institutions, real estate investment trusts, regulated investment companies, brokers and dealers in securities or currencies, certain securities traders and certain other financial institutions.
- This summary does not discuss tax consequences that may be relevant to a beneficial owner in light of the beneficial owner's particular circumstances, such as a beneficial owner holding an Exchange Security as a position in a straddle, hedging, conversion or other transaction made up of two or more positions.

This summary discusses certain U.S. federal income tax consequences of the Exchange Offer and some aspects of the U.S. federal income tax treatment of New Securities acquired in the Exchange Offer. Other aspects of the U.S. federal income tax treatment of the New Securities are addressed in the Offering Circular under the heading "Certain United States Federal Tax Consequences."

Because the following discussion may not apply to you, we advise you to consult your own tax advisors regarding the tax consequences of participating in the Exchange Offer (including the effects of the deemed election described below) and of owning and disposing of New Securities.

Treatment of Security Exchanges

We will not include in the Exchange Offer any issue of Exchange Securities whose exchange we believe would result in a significant modification for U.S. federal income tax purposes. See "The Exchange Offer—Certain Conditions to the Exchange Offer." Therefore, beneficial owners who participate in the Exchange Offer will recognize no gain or loss as a result of the exchange for U.S. federal income tax purposes. Instead, by participating in the Exchange Offer, a beneficial owner will be deemed to have agreed to treat the exchange (and the New Securities received) for U.S. federal income tax purposes in the manner described below under "United States Taxation—Treatment of Exchange Offer—Deemed Election."

If the exchange of Exchange Securities for New Securities were to constitute a significant modification of the Exchange Securities, the exchange would be considered a recapitalization of Freddie Mac for U.S. federal income tax purposes. In the case of recapitalization treatment, beneficial owners who participate in the Exchange Offer would recognize no loss as a result of the exchange and would recognize gain realized on the exchange only to the extent that the principal amount of the New Securities received in the exchange exceeded the principal amount of Exchange Securities tendered. In such case, however, New Securities that are attributable to interest which has accrued on the Exchange Securities will be treated as interest income.

Because the determination of whether a modification is significant will affect the tax treatment of the New Securities, and because of the deemed tax election described below, beneficial owners of Exchange Securities are urged to consult their tax advisors to determine both whether participating in the Exchange Offer will result in a significant modification of their Exchange Securities and the effects of the deemed election.

Treatment of Exchange Offer—Deemed Election

Taxpayers may elect to have Revenue Procedure 2001-21, 2001-9 I.R.B. 742 (February 26, 2001) (the "Revenue Procedure") govern the U.S. federal income tax consequences of exchanges where an issuer is consolidating two or more outstanding debt instruments into a single debt instrument. By distributing this Supplement, we are hereby electing to treat the Exchange Offer as a realization event for U.S. federal income tax purposes and to comply with the provisions of the Revenue Procedure. In addition, if you tender Exchange Securities for New Securities as part of the Exchange Offer, you will be deemed thereby to have made an election under the Revenue Procedure and to have agreed to comply with the provisions of the Revenue Procedure.

Under the Revenue Procedure, you will not immediately recognize gain or loss from the surrender of Exchange Securities for New Securities in the Exchange Offer (except in connection with either the cash you receive as a result of rounding downward the aggregate principal amount of the New Securities you receive or with respect to accrued interest on the Exchange Securities, which will be taxed in the manner described below). Instead, you will recognize any gain or loss realized from the exchange transaction over the term of the New Securities as described in the following paragraphs.

If your adjusted tax basis in the New Securities (determined immediately after the exchange in the manner described below under “United States Taxation—Special Features of New Securities”) is less than the “stated redemption price at maturity” of the New Securities (generally, the principal amount of the New Securities), you must treat the difference (gain) as market discount on the New Securities. Any market discount you have accrued, but not recognized, on the Exchange Securities will be ignored except in the case where, after applying the first sentence of this paragraph, there is more than a *de minimis* amount of market discount on the New Securities (generally, 7.50 percent or more of the New Securities’ “stated redemption price at maturity”). In that case, you must treat as accrued market discount on the New Securities the lesser of the accrued but unrecognized market discount on your Exchange Securities and the market discount on the New Securities determined under the first sentence of this paragraph. The rules governing market discount are described in the Offering Circular under the heading “Certain United States Federal Tax Consequences—U.S. Owners—Acquisition Premium and Market Discount.”

If your adjusted tax basis in the New Securities (determined immediately after the exchange in the manner described below under “United States Taxation—Special Features of New Securities”) is greater than the “stated redemption price at maturity” of the New Securities, you must treat the difference (loss) as bond premium on the New Securities. The rules governing bond premium are described in the Offering Circular under the heading “Certain United States Federal Tax Consequences—U.S. Owners—Acquisition Premium and Market Discount.”

If you receive any cash as a result of rounding downward to the nearest \$1,000 the aggregate principal amount of New Securities obtained in the Exchange Offer, you should treat it as a payment in retirement of a portion of the Exchange Securities, which may result in gain or loss. Your gain or loss will equal the difference, if any, between your tax basis in the portion of the Exchange Securities treated as retired and the cash you receive. The gain or loss on the portion of the Exchange Securities treated as retired will be taxed as described under “Certain United States Federal Tax Consequences—U.S. Owners—Disposition or Retirement of Debt Obligations” in the Offering Circular.

You will also receive New Securities for accrued interest on the Exchange Securities, and that transaction should not be subject to the rules set forth in the Revenue Procedure. Although there is no authority directly on point, we believe your tax basis in such New Securities should equal the amount of accrued interest on the Exchange Securities. If you use the cash method of accounting, you should recognize ordinary income when you receive the New Securities in an amount equal to the value of the New Securities you receive in respect of accrued interest on the Exchange Securities and your tax basis in these New Securities should equal their value. For that portion of the New Securities received in respect of accrued interest on the Exchange Securities, your holding period will begin on the day after the Settlement Date.

You should consult your tax advisor regarding the treatment of accrued interest on Exchange Securities.

Special Features of New Securities

The issue price per \$1,000 principal amount of the New Securities will be the first price at which a substantial amount of the New Securities is sold for cash in the Cash Offering, which we expect to be the fixed offering price set forth in the final Pricing Supplement.

Your tax basis in New Securities received in the Exchange Offer for the Exchange Securities (but not accrued interest) should be the same as your adjusted tax basis in the Exchange Securities surrendered therefor. For this purpose, you should reduce your adjusted tax basis in the Exchange Securities by your adjusted basis in the portion, if any, of the Exchange Securities treated as retired in connection with the cash

you receive as a result of rounding downward the aggregate principal amount of the New Securities you receive. In addition, solely for purposes of determining the accruals of any additional market discount on the New Securities, you should increase your adjusted tax basis by the amount of any accrued but unrecognized market discount on the Exchange Securities that you are required to treat as market discount on the New Securities under the Revenue Procedure. Your holding period for New Securities received in the exchange will include your holding period for the Exchange Securities.

The New Securities should be considered newly acquired debt instruments for purposes of any elections or identification requirements of U.S. federal income tax laws. Several such elections, including elections regarding the treatment of market discount and bond premium, are discussed in the Offering Circular under the heading "Certain United States Federal Tax Consequences."

LUXEMBOURG TAXATION

Capital gains realized by beneficial owners resident in Luxembourg on the sale, exchange or other disposition of the Exchange Securities are not subject to taxation on capital gains unless such Exchange Securities are disposed of within six months following the acquisition thereof.

Interest payments realized by a beneficial owner resident in Luxembourg upon maturity, sale, exchange or other disposition of an Exchange Security are subject to income tax at the common progressive tax rate.

The information contained herein is restricted to the taxation of income and capital gains realized by private persons holding Exchange Securities in relation to the Exchange Offer. Net worth tax considerations, as well as aspects of inheritance tax and gift tax have not been taken under consideration as they are dependent on the personal situation of every beneficial owner. This discussion is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective investor. In any case, prospective investors should seek advice from a professional tax advisor as to the tax consequences of the Exchange Offer.

JURISDICTIONAL RESTRICTIONS

General

The Exchange Offer may be made and the New Securities may be offered or sold only where it is legal to do so. The Dealer Manager has represented and agreed that it will comply with all applicable laws and regulations in each jurisdiction outside of the United States in which it may conduct the Exchange Offer. The Dealer Manager also has agreed to comply with certain selling restrictions relating to certain countries. We and the Dealer Manager may modify these selling restrictions at any time.

This Supplement, the Offering Circular, the Pricing Supplement or any other applicable supplement or amendment is not an offer to sell or buy or a solicitation of an offer to buy or sell any securities other than the New Securities or Exchange Securities or an offer to sell or buy or a solicitation of an offer to buy or sell New Securities or Exchange Securities in any jurisdiction or in any other circumstance in which such an offer or solicitation is unlawful or not authorized.

Canada

The New Securities may only be offered to investors located in the provinces of Ontario and Québec. The distribution of the New Securities in Canada will be made only on a private placement basis and will be exempt from the requirement that Freddie Mac prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the New Securities must be made in accordance with applicable securities laws, which may require resales to be made in accordance with exemptions from registration and prospectus requirements. Purchasers are advised to seek legal advice prior to any resale of the New Securities. Each Canadian investor who purchases New Securities will be deemed to have represented to Freddie Mac and the Dealer Manager that: (a) the offer and sale of the New Securities to that investor was made exclusively through this Exchange Supplement, the Offering Circular, the Pricing Supplement or other applicable supplement or amendment and was not made through an advertisement of the New Securities in

any printed media of general and regular paid circulation, radio, television or any other form of advertising; (b) any resale of the New Securities will be made in accordance with applicable securities laws; (c) where required by law, such purchaser is purchasing as principal and not as agent; (d) such purchaser or any ultimate purchaser for which such purchaser is acting as agent is not an individual and is entitled under applicable Canadian securities laws to purchase such New Securities without the benefit of a prospectus qualified under such securities laws; (e) in the case of a purchaser located in Ontario, such purchaser is a person to which a dealer registered as an international dealer in Ontario may offer or sell New Securities; and (f) in the case of a purchaser located in Québec, such purchaser is a “sophisticated purchaser” within the meaning of the Securities Act (Québec).

Pursuant to Ontario securities legislation, where an offering memorandum has been furnished to a prospective purchaser in connection with a distribution of securities in reliance upon the accredited investor exemption, the rights of action referred to in Section 130.1 of the *Securities Act* (Ontario) (the “Act”) must be described in the offering memorandum. These rights and the applicable notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable Ontario securities legislation. Where used in this section, “Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. A “material fact,” as used in the immediately preceding sentence, where used in relation to securities issued or proposed to be issued, means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.

These rights of action are described below.

In the event that the Offering Circular dated January 4, 2002 as supplemented by this Exchange Supplement (collectively, the “Canadian Offering Memorandum”) (including any amendment or supplement thereto) contains a Misrepresentation, an Ontario purchaser who purchases New Securities offered by this Canadian Offering Memorandum during the period of distribution shall be deemed to have relied upon the Misrepresentation if it was a Misrepresentation at the time of purchase, and has a right of action for damages or alternatively for rescission against Freddie Mac, provided that:

- a) if the purchaser exercises its right of rescission, it shall not have a right of action for damages against Freddie Mac;
- b) Freddie Mac will not be liable if it proves that the purchaser purchased the New Securities with knowledge of the Misrepresentation;
- c) in an action for damages, Freddie Mac will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the New Securities as a result of the Misrepresentation relied upon; and
- d) in no case shall the amount recoverable exceed the price at which the New Securities were offered.

Section 138 of the Act provides that no action shall be commenced to enforce these rights more than:

- a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- b) in the case of any action, other than an action for rescission, the earlier of:
 - A. 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - B. three years after the date of the transaction that gave rise to the cause of action.

The rights of action described above are in addition to and without derogation from any right or remedy available at law to the purchaser and are intended to correspond to the relevant provisions of Ontario securities legislation and are subject to the defenses contained therein. Such provisions may contain limitations and statutory defenses on which Freddie Mac and other applicable parties may rely.

Each Canadian investor, by submitting an offer, acknowledges that it is such investor's express wish that all documents evidencing or relating in any way to the sale of the New Securities be drawn up in the English language only. *Chaque investisseur canadien, en soumettant une offre, reconnaît que c'est à sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des Nouvelles Valeurs Mobilières sont rédigés en anglais seulement.*

Netherlands

The Dealer Manager has represented and agreed that it (i) has not offered or sold, and will not offer or sell, New Securities and (ii) has not distributed, and will not distribute, this Supplement, the Offering Circular, the Pricing Supplement or any other applicable supplement or amendment, in each case to any person or entity in the Netherlands other than natural persons and/or legal entities which trade or invest in securities in the course of their profession or business (which includes banks, investment banks, pension funds, insurance companies, securities firms, investment institutions and other entities, including, without limitation, treasuries and finance companies of large enterprises which trade or invest in securities). The foregoing restrictions will not apply to any offer or sale of New Securities in the Netherlands in respect of which (i) the denomination is in excess of Dutch Guilders 100,000 or the equivalent thereof in other currencies or currency units or euros, (ii) another exemption specified in the Securities Transactions Supervision Act or any of its implementing regulations applies and the requirements applicable to such exemption are complied with or (iii) the prohibition contained in Article 3 sub-section 1 of the Securities Transactions Supervision Act does not apply.

Singapore

Under Section 106B(2) (a) of the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act"), exemption has been obtained from the Minister for Finance of Singapore from compliance with Divisions 1 and 5 of Part IV of the Singapore Companies Act in relation to the issue and offering of notes and other debt securities pursuant to the Global Debt Facility of Freddie Mac. The Dealer Manager has acknowledged that none of the Offering Circular, this Supplement, the Letter of Transmittal, the Pricing Supplement or any other applicable supplement or amendment has been registered as a prospectus with the Registrar of Companies and Businesses in Singapore. Accordingly, the Dealer Manager has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, any New Securities pursuant to the Cash Offering, nor will it circulate or distribute this Supplement, the Offering Circular, the Pricing Supplement or any other applicable supplement or amendment or any other offering document or material relating to the New Securities pursuant to the Cash Offering, directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor or other person specified in Section 106C of the Singapore Companies Act, (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Singapore Companies Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Companies Act.

The New Securities which are the subject of the Exchange Offer may not be offered or sold to persons in Singapore other than under circumstances in which such offer or sale does not constitute an offer or sale of such New Securities to the public in Singapore.

United Kingdom

The Dealer Manager has represented and agreed as follows:

(1) it has not offered or sold and, prior to six months after the issue date of the New Securities, will not offer or sell any New Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended),

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Securities in, from or otherwise involving the United Kingdom, and

(3) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of New Securities in circumstances in which section 21(1) of the FSMA does not apply to Freddie Mac.

VALIDITY OF NEW SECURITIES

The validity of the New Securities will be passed upon for Freddie Mac by Maud Mater, Esq., Executive Vice President — General Counsel and Secretary of Freddie Mac, and for the Dealer Manager by Cleary, Gottlieb, Steen & Hamilton, New York, New York and Washington, D.C., counsel to the Dealer Manager and Settlement Agent. The U.S. federal income tax consequences of the Exchange Offer and the New Securities will be passed upon by Shearman & Sterling, Washington, D.C., special tax counsel to Freddie Mac.

LOCATION OF DEFINED TERMS

Each term listed below is defined or explained in this Supplement on the page indicated opposite such term. This reference guide is intended merely as a convenience and may not be complete.

Certain other terms used herein are defined in the Offering Circular. See “Appendix A—Location of Defined Terms” in the Offering Circular.

<u>Terms</u>	<u>Page</u>	<u>Terms</u>	<u>Page</u>
Act	S-21	Information Statement	iii
Canadian Offering Memorandum	S-21	Institution	S-9
Cash Offering	cover	Issuer	S-1, S-6
Dealer Manager	S-4	Luxembourg Exchange Agent	S-4
Exchange Offer	cover	Material Fact	S-21
Exchange Ratio	S-1, S-13, B-1	Misrepresentation	S-21
Exchange Securities	cover	New Securities	cover, S-6, S-8
Exchange Security Delivery Date	S-3, S-8	New Security Offering Price	S-2, S-13, B-1
Exchange Security Index Price	S-1, S-13, B-1	Notification E-Mail Address	S-10
Exchange Website	cover	Offering Circular	iii
Exchange Yield	S-1, S-13, B-1	Pricing Date	S-2, S-8
Expiration Time	S-8, S-14	Residual Cash Amount	S-2, S-13
First Priority Bonds	cover, S-4	Reference Message	S-10
First Priority Maximum Amount	S-4	Reference Yield	S-1, S-13, B-1
Fiscal Agents	S-6	Revenue Procedure	S-18
Fixed Spread	S-1, S-13, B-1	Second Priority Bonds	cover, S-4
Freddie Mac	cover	Settlement Agent	S-4
FSMA	ii	Settlement Date	S-3, S-8
Group Maximum Amount	cover, S-4, S-12	Singapore Companies Act	S-22
Holdings	cover	Website Agreement	S-9
Information Agent	S-4		

Exchange Securities

The CUSIP number, interest rate, maturity date, principal amount outstanding and fixed spread for each issue of Exchange Securities subject to the Exchange Offer is set forth in the following table:

<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Maximum Amount to be Exchanged</u>	<u>Fixed Spread (in basis points)</u>
3134A3U46	6.75%	September 15, 2029	\$1,902,000,000	\$ 902,000,000	0.5
3134A4AA2	6.75%	March 15, 2031	\$6,000,000,000	\$2,500,000,000*	1.0

* Subject to the Group Maximum Amount. See “The Exchange Offer—Amount of Exchange Securities to be Accepted.”

Methodology

Part 1 of this Schedule is intended to provide a brief summary of the methodology to be used to calculate the Exchange Ratio for each issue of Exchange Securities. Part 2 of this Schedule sets forth hypothetical examples of the Exchange Ratio for each issue of Exchange Securities. Part 3 of this Schedule sets forth a formula for determining the price of a particular security (including accrued interest to but excluding the Settlement Date) based on a specified yield to maturity. This Schedule is not complete and is qualified in its entirety by the description contained in “The Exchange Offer—Calculation of Exchange Ratio” in the Exchange Supplement to which this Schedule is attached. If there is any conflict between the information contained in this Schedule and the description contained under such caption, the description contained under such caption shall control.

Part 1 Methodology

Before 11:00 a.m., New York City time, on the first Business Day following the Expiration Time, the price per \$1,000 principal amount at which we will sell the New Securities to the public pursuant to the Cash Offering (the “New Security Offering Price”) will be determined in accordance with standard market practice by negotiation between us and representatives of the Dealers for the Cash Offering. At or about the same time, the Settlement Agent will determine the yield to maturity implied by this price (the “Reference Yield”) in accordance with standard market practice. The Reference Yield will be the yield to maturity that, pursuant to the formula in Part 3 below, results in a price per \$1,000 principal amount equal to the New Security Offering Price.

Next, for each issue of Exchange Securities, the Settlement Agent will use the formula in Part 3 below to calculate a price per \$1,000 principal amount (including accrued interest to but excluding the Settlement Date) (the “Exchange Security Index Price” for such Exchange Securities) intended to result in a yield to maturity (the “Exchange Yield” for such Exchange Securities) equal to (a) the Reference Yield *minus* (b) the number of basis points applicable to such issue of Exchange Securities as identified on Schedule A (the “Fixed Spread” for such Exchange Securities).

Finally, for each issue of Exchange Securities, the Settlement Agent will calculate the principal amount of New Securities to be issued in exchange for each \$1,000 principal amount of such Exchange Securities (the “Exchange Ratio” for such Exchange Securities) by multiplying \$1,000 by (a) the Exchange Security Index Price for such Exchange Securities *divided by* (b) the New Security Offering Price. The Exchange Ratio will be expressed as a decimal and rounded to the seventh digit after the decimal point. (If the eighth digit to the right of the decimal point is five or greater, the seventh digit will be rounded up by one.)

Greater detail about the specific manner in which the Settlement Agent will determine Exchange Ratios is set forth under “The Exchange Offer—Calculation of Exchange Ratio.” The methodology described therein represents one of several possible approaches. Its formulation involved choices and judgments that are necessarily subjective. Each beneficial owner should independently analyze the value of the Exchange Securities and the New Securities and make an independent assessment of the terms of the Exchange Offer. Freddie Mac has not expressed any opinion as to whether the terms of the Exchange Offer are fair. Freddie Mac makes no recommendation as to whether any beneficial owner should tender Exchange Securities for exchange, and no one has been authorized by Freddie Mac to make any such recommendation.

Part 2 Hypothetical Examples

Determination of Exchange Ratio

For the 6.75% Reference Bond due September 15, 2029 (CUSIP No. 3134A3U46;
ISIN No. US3134A3U467)

Exchange Consideration per \$1,000,000^{(1),(2)}

Hypothetical Reference Yield	Fixed Spread (in basis points)	Hypothetical Exchange Yield ⁽³⁾	Hypothetical Exchange Security Index Price ⁽⁴⁾	Assumed New Security Offering Price	Hypothetical Exchange Ratio ⁽⁵⁾	Face Amount of New Securities	Residual Cash Amount
6.123%	0.5	6.118%	\$1,112.69	\$1,000.35	1.1123007	\$1,112,000	\$300.81
6.133%	0.5	6.128%	\$1,111.28	\$ 998.97	1.1124258	\$1,112,000	\$425.36
6.143%	0.5	6.138%	\$1,109.88	\$ 997.61	1.1125390	\$1,112,000	\$537.71
6.153%	0.5	6.148%	\$1,108.48	\$ 996.24	1.1126636	\$1,112,000	\$661.10
6.163%	0.5	6.158%	\$1,107.08	\$ 994.88	1.1127774	\$1,112,000	\$773.42
6.173%	0.5	6.168%	\$1,105.68	\$ 993.52	1.1128915	\$1,112,000	\$885.72
6.183%	0.5	6.178%	\$1,104.29	\$ 992.16	1.1130160	\$1,113,000	\$ 15.87
6.193%	0.5	6.188%	\$1,102.90	\$ 990.81	1.1131297	\$1,113,000	\$128.51
6.203%	0.5	6.198%	\$1,101.51	\$ 989.46	1.1132436	\$1,113,000	\$241.03
6.213%	0.5	6.208%	\$1,100.12	\$ 988.11	1.1133578	\$1,113,000	\$353.55
6.223%	0.5	6.218%	\$1,098.74	\$ 986.77	1.1134712	\$1,113,000	\$464.97

Determination of Exchange Ratio

For the 6.75% Reference Bond due March 15, 2031 (CUSIP No. 3134A4AA2;
ISIN No. US3134A4AA29)

Exchange Consideration per \$1,000,000^{(1),(2)}

Hypothetical Reference Yield	Fixed Spread (in basis points)	Hypothetical Exchange Yield ⁽³⁾	Hypothetical Exchange Security Index Price ⁽⁴⁾	Assumed New Security Offering Price	Hypothetical Exchange Ratio ⁽⁵⁾	Face Amount of New Securities	Residual Cash Amount
6.123%	1.0	6.113%	\$1,115.10	\$1,000.35	1.1147099	\$1,114,000	\$710.15
6.133%	1.0	6.123%	\$1,113.66	\$ 998.97	1.1148083	\$1,114,000	\$807.47
6.143%	1.0	6.133%	\$1,112.23	\$ 997.61	1.1148946	\$1,114,000	\$892.46
6.153%	1.0	6.143%	\$1,110.79	\$ 996.24	1.1149823	\$1,114,000	\$978.61
6.163%	1.0	6.153%	\$1,109.36	\$ 994.88	1.1150692	\$1,115,000	\$ 68.85
6.173%	1.0	6.163%	\$1,107.93	\$ 993.52	1.1151562	\$1,115,000	\$155.19
6.183%	1.0	6.173%	\$1,106.51	\$ 992.16	1.1152536	\$1,115,000	\$251.61
6.193%	1.0	6.183%	\$1,105.09	\$ 990.81	1.1153400	\$1,115,000	\$336.88
6.203%	1.0	6.193%	\$1,103.67	\$ 989.46	1.1154266	\$1,115,000	\$422.10
6.213%	1.0	6.203%	\$1,102.25	\$ 988.11	1.1155135	\$1,115,000	\$507.39
6.223%	1.0	6.213%	\$1,100.84	\$ 986.77	1.1155994	\$1,115,000	\$591.47

⁽¹⁾ The New Security is assumed to have a coupon of 6.125%.

⁽²⁾ The assumed Settlement Date is February 20, 2002.

⁽³⁾ Reference Yield minus Fixed Spread.

⁽⁴⁾ Based on Hypothetical Exchange Yield (includes accrued interest).

⁽⁵⁾ Hypothetical Exchange Security Index Price divided by the Assumed New Security Offering Price.

Part 3 Formula to Price Securities Based on Yield to Maturity

Whenever in this Exchange Supplement there is a reference to a price per \$1,000 principal amount of securities intended to result from a specified yield to maturity on the Settlement Date, that price will be determined in accordance with market convention pursuant to the following formula.

Definitions

- PRICE = The price per \$1,000 principal amount (including accrued interest, if any, to but excluding the Settlement Date) of the security being priced, rounded to the second digit after the decimal point.
- N = The number of remaining cash payment dates for the securities being priced from but excluding the Settlement Date to and including the maturity date for such securities.
- CF_{*i*} = The aggregate amount of cash per \$1,000 principal amount scheduled to be paid on the securities being priced on the “*i*th” out of the N remaining cash payment dates from such securities. Scheduled payments of cash include interest and, on the applicable maturity date, principal.
- YLD = The specified yield to maturity (expressed as a decimal number).
- D_{*i*} = The number of days from and including the Settlement Date to but excluding the “*i*th” out of the N remaining cash payment dates for the securities being priced. The number of days is computed using the 30/360 day count method in accordance with market convention.
- / = Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any other addition or subtraction operations are performed.
- exp = Exponentiate. The term to the left of the exponentiation symbol is raised to the power indicated by the term to the right of the exponentiation symbol.
- $\sum_{i=1}^N$ = Summate. The term to the right of the summation symbol is separately calculated “N” times (substituting for the “*i*” in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.

Formula to Determine Price (including accrued interest to but excluding the Settlement Date)

$$\text{PRICE} = \sum_{i=1}^N \left[\frac{\text{CF}_i}{(1 + \text{YLD}/2)^{\exp(D_i/180)}} \right]$$

The information in this preliminary Pricing Supplement is subject to completion. We may not sell these securities until the Pricing Supplement is delivered in final form. This preliminary Pricing Supplement is not an offer to sell these securities and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Annex 1*

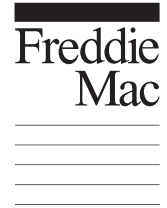
Preliminary Pricing Supplement dated February 6, 2002
Subject to Completion or Amendment

**PRICING SUPPLEMENT DATED February 14, 2002
(to Offering Circular Dated January 4, 2002)**

US\$

Freddie Mac

**GLOBAL DEBT FACILITY
% Bonds Due July 15, 2032**



Reference Bonds^{SM}**

This Pricing Supplement relates to the Reference BondsSM (the “Bonds”) of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) described below and should be read in conjunction with the Offering Circular dated January 4, 2002 (the “Offering Circular”) and all documents incorporated by reference in the Offering Circular including Freddie Mac’s Information Statement dated March 26, 2001 and any supplements to such Information Statement. Capitalized terms used in this Pricing Supplement and not otherwise defined in this Pricing Supplement have the meanings given to them in the Offering Circular.

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

The Bonds are obligations of Freddie Mac only. The Bonds, including any interest or return of discount on the Bonds, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac. The Bonds are not tax-exempt. Non-U.S. owners generally will be subject to United States federal income and withholding tax unless they establish an exemption. Because of applicable U.S. securities law exemptions, we have not registered the Bonds with any U.S. federal or state securities commission. No U.S. securities commission has reviewed the Offering Circular or this Pricing Supplement.

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

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

Certain Reference Bond Terms

- 1. Title: % Reference Bonds Due July 15, 2032
- 2. Form:
 - Book-Entry Registered
 - DTC Registered
 - Global Registered

* The information in this preliminary Pricing Supplement is not complete and will be completed in accordance with the terms of page S-17. The information currently contained herein will not be changed.
** “Reference Bonds” is a service mark of Freddie Mac.

3. Specified Payment Currency:
- a. Specified Interest Currency: U.S. dollars
 - b. Specified Principal Currency: U.S. dollars
4. Aggregate Original Principal Amount: \$
5. Issue Date: February 20, 2002
6. Denominations: \$1,000 and additional increments of \$1,000
7. Maturity Date: July 15, 2032
- a. Amount Payable on the Maturity Date
 - Fixed Principal Repayment Amount
 - 100% of principal amount
 - % of principal amount
 - Variable Principal Repayment Amount
8. Subject to Redemption Prior to Maturity Date:
- No
 - Yes
 - Mandatory
 - Option of Freddie Mac
 - Option of Holders
9. Payment Terms of the Bonds:
- Fixed Rate
 - Step
 - Variable Rate
 - Fixed/Variable Rate
 - Zero Coupon
10. Interest:
- a. Frequency of Interest Payments
 - Annually
 - Semiannually
 - Quarterly
 - Monthly
 - Other:
 - b. Interest Payment Dates: January 15 and July 15, commencing July 15, 2002
 - c. Interest rate per annum: %
 - d. Accrual method (i.e., day count convention)
 - 30/360
 - Actual/360
 - Actual/365 (fixed)
 - Actual/Actual
 - Actual/Actual (ISMA)

Additional Information Relating to the Bonds

1. Identification Number(s)
- a. CUSIP: 3134A4KX1
 - b. ISIN: US3134A4KX12
 - c. Common Code:
 - d. Other: N/A

2. Listing Application

- No
 Yes
 Luxembourg Stock Exchange
Stock Exchange of Singapore Limited
Other:

3. Eligibility for Stripping

- No
 Yes Interest for the first Interest Period may not be stripped.
 Minimum Principal Amount: \$

4. Governing Law

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

Offering

1. Pricing Date: February 14, 2002

2. Method of Distribution: Principal Agent

3. Dealer Underwriting Commitment

a. Representative: Goldman, Sachs & Co.

b. Stabilizing Manager: Goldman, Sachs & Co.

4. Offering Price:

- Fixed Offering Price: % , plus accrued interest, if any, from the Issue Date
Variable Price Offering

5. Purchase Price to Applicable Dealer:

% of principal amount
Concession: %
Reallowance:

Settlement

1. Settlement Date: February 20, 2002
2. Settlement Basis
 - Delivery versus payment
 - Free delivery
3. Settlement Clearing System
 - U.S. Federal Reserve Banks
 - DTC
 - Euroclear
 - Clearstream, Luxembourg
 - Other

Other

Offering Circular dated January 4, 2002

Freddie Mac

Global Debt Facility

Freddie
Mac

Offered Securities:	Debt Securities.
Reference Securities SM :	We may designate some Debt Securities as Reference Securities, which are regularly scheduled U.S. dollar or euro denominated issues in large principal amounts.
Amount:	Unlimited.
Maturities:	One day or longer.
Offering Terms:	We will offer the Debt Securities primarily through Dealers within the United States and internationally on the terms described in this Offering Circular and related Pricing Supplements.
Currencies:	U.S. dollars, euros or other currencies specified in the Pricing Supplement.
Priority:	The Debt Securities will be unsecured general obligations or unsecured subordinated obligations of Freddie Mac.
Tax Status:	The Debt Securities are not tax-exempt. Non-U.S. owners generally will be subject to United States federal income and withholding tax unless they establish an exemption.
Form of Securities:	<i>Non-U.S. dollar denominated Debt Securities:</i> Registered (global or definitive). <i>U.S. dollar denominated Debt Securities:</i> Book-entry (U.S. Federal Reserve Banks) or registered (global or definitive).

We will provide you with a Pricing Supplement describing the specific terms, pricing information and other information for each issue of Debt Securities. The applicable Pricing Supplement will describe whether the related issue of Debt Securities is a general or subordinated obligation, whether principal is payable at maturity or periodically, whether principal is redeemable prior to maturity, and whether interest is payable at a fixed or variable rate or if no interest is payable.

We may list some Debt Securities issued under this Facility on the Luxembourg Stock Exchange or the Singapore Exchange Securities Trading Limited and have applied for these listings. Our application with the Luxembourg Stock Exchange applies to Debt Securities issued within twelve months of the date of this Offering Circular. We may also issue unlisted Debt Securities and Debt Securities listed on other exchanges under this Facility.

Some Debt Securities are complex financial instruments and may not be suitable investments for you. You should consider carefully the risk factors described beginning on page 10. You should not purchase Debt Securities unless you understand and are able to bear these and any other applicable risks.

Because of applicable U.S. securities law exemptions, we have not registered the Debt Securities with any U.S. federal or state securities commission. No U.S. securities commission has reviewed this Offering Circular.

The Debt Securities are obligations of Freddie Mac only. The Debt Securities, including any interest or return of discount on the Debt Securities, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac.

The Index of Defined Terms (Appendix A) shows where definitions of defined terms appear in this Offering Circular.

Arranger

LEHMAN BROTHERS

SM is a service mark of Freddie Mac.

If you intend to purchase Debt Securities, you should rely only on the information in this Offering Circular and in any related Pricing Supplement for those Debt Securities, including the information in any documents we incorporate by reference. We have not authorized anyone to provide you with different information. We are not offering the Debt Securities in any jurisdiction that prohibits their offer. This Offering Circular, any related Pricing Supplements and any incorporated documents speak only as of their dates, regardless of the date you receive these documents or purchase Debt Securities. These documents may not be correct after their dates.

Some jurisdictions may restrict by law the distribution of this Offering Circular or any Pricing Supplement and the offer, sale and delivery of Debt Securities. Persons who receive this Offering Circular or any Pricing Supplement should know and observe these restrictions.

We have not registered the Debt Securities under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"), and we may not directly or indirectly offer and sell Debt Securities in Japan or to any resident of Japan or to any person for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except in compliance with, or under an available exemption from, the registration requirements of the Securities and Exchange Law and in compliance with other relevant laws of Japan.

For a further description of some additional restrictions on offers, sales and deliveries of Debt Securities and on the distribution of the Offering Circular, any Pricing Supplement or any other supplement or amendment, see "Distribution Arrangements — Selling Restrictions" and "General Information."

Neither the Luxembourg Stock Exchange nor the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange") assumes responsibility for the correctness of any of the statements made or opinions expressed or reports contained or incorporated by reference in this Offering Circular. Admission to the Official List of the Luxembourg Stock Exchange or the Singapore Stock Exchange is not to be taken as an indication of the merits of Freddie Mac or the Debt Securities.

After making all reasonable inquiries as of the date of this Offering Circular, we confirm that this Offering Circular contains all information about the Debt Securities which, when read together with the applicable Pricing Supplement and the documents incorporated by reference, is material, in the context of the initial issue of the Debt Securities. We also confirm that the information in this Offering Circular, as of its date, is true and accurate in all respects and is not misleading and that there are no facts the omission of which makes this Offering Circular as a whole or any such information misleading in any material respect.

Neither this Offering Circular nor any Pricing Supplement describes all of the risks and investment considerations applicable to Debt Securities whose principal or interest we pay in or determine by reference to one or more currencies or to one or more interest rate, currency or other indices or formulas. We and the Dealers disclaim any responsibility to advise prospective investors of these risks and investment considerations as they exist at the date of this Offering Circular or any Pricing Supplement or as these risks may change from time to time. Prospective investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in such Debt Securities. Such Debt Securities are not an appropriate investment for investors who are unsophisticated regarding currency transactions or transactions involving the applicable interest rate, currency or other indices or formulas. See "Risk Factors."

This Offering Circular replaces and supersedes the Offering Circular dated January 5, 2001 for issues of Debt Securities priced on and after the date of this Offering Circular. This Offering Circular relates to Debt Securities issued under the Facility and not to any other securities of Freddie Mac, including Debentures, Medium-Term Notes, Discount Notes, Euro Discount Notes, FreddieNotesSM and Reference Bills[®]. We offer those other securities under separate offering circulars.

SMFreddieNotes and [®]Reference Bills are service marks of Freddie Mac.

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* We use defined terms throughout this Offering Circular. Appendix A provides the page locations of the definitions of these terms.

FREDDIE MAC

The Federal Home Loan Mortgage Corporation (“Freddie Mac”) was chartered on July 24, 1970 by the Federal Home Loan Mortgage Corporation Act (the “Freddie Mac Act”). Our statutory purposes are:

- to provide stability in the secondary market for residential mortgages;
- to respond appropriately to the private capital market;
- to provide ongoing assistance to the secondary market for residential mortgages, including mortgages on housing for low- and moderate-income families; and
- 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.

We fulfill these statutory purposes by purchasing residential mortgages and mortgage-related securities from mortgage lenders, other mortgage sellers and securities dealers. We finance our mortgage purchases by issuing guaranteed mortgage securities, debt securities, other liabilities and equity capital.

AVAILABLE INFORMATION

We prepare an annual Information Statement that describes our business and operations and contains important financial and other information, including our audited consolidated financial statements (the “Information Statement”). We also prepare quarterly Information Statement Supplements that include unaudited consolidated financial data and other information concerning our business and operations (each an “Information Statement Supplement”). These documents are incorporated by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents. These documents are considered part of this Offering Circular. You should read this Offering Circular, and any applicable supplements or amendments, in conjunction with our most recent Information Statement and any subsequent Information Statement Supplements we incorporate by reference in this Offering Circular. As of the date of this Offering Circular, our current Information Statement is dated March 26, 2001 and our current Information Statement Supplement is dated November 14, 2001. You should rely only on the most current information provided or incorporated by reference in this Offering Circular and any applicable supplement or amendment.

You can obtain any of these documents, the Global Facility Agreement and any other documents that we make available by contacting us at:

Freddie Mac
Debt Securities Marketing Office
8200 Jones Branch Drive
McLean, Virginia U.S.A. 22102-3110
Telephone: 1-800-336-FMPC
(within Washington, DC metropolitan area: 703-903-3700)
E-Mail: debt_securities@freddiemac.com.
www.freddiemac.com

You also can read the Information Statement and any other information about Freddie Mac at the offices of the New York Stock Exchange. Since we are not subject to the periodic reporting requirements of the Securities Exchange Act of 1934, we do not file reports or other information with the U.S. Securities and Exchange Commission.

In connection with the application to list the Debt Securities to be issued under the Facility on the Luxembourg Stock Exchange, we have deposited copies of the Freddie Mac Act and Bylaws of

Freddie Mac and a legal notice relating to the issuance of the Debt Securities with the Chief Registrar of the District Court of Luxembourg, where copies may be inspected or obtained upon request. So long as any Debt Securities are listed on the Luxembourg Stock Exchange or the Singapore Stock Exchange, and the rules of such exchanges or any relevant authority so require, copies of the Offering Circular (and all documents incorporated by reference) will be available free of charge from the principal offices of the listing agent for such Debt Securities in Luxembourg and the office of Allen & Gledhill in Singapore. You may inspect copies of the Fiscal Agency Agreement and the Global Agency Agreement at the principal offices of the listing agent in Luxembourg and at the office of Allen & Gledhill in Singapore. You also may inspect copies of the Freddie Mac Act, the Bylaws of Freddie Mac and the Global Facility Agreement at the office of Allen & Gledhill in Singapore.

We have agreed, in connection with the listing of the Debt Securities on the Luxembourg Stock Exchange and the Singapore Stock Exchange that, so long as any Debt Securities remain outstanding and listed on one of those exchanges, in the event of any material adverse change in the business or the financial position of Freddie Mac that is not reflected in this Offering Circular as then amended or supplemented (including the documents incorporated by reference), we will prepare an amendment or supplement to this Offering Circular or publish a new Offering Circular if we subsequently offer or list Debt Securities. If the terms of the Facility are modified or amended in a manner that would make this Offering Circular, as amended or supplemented, inaccurate or misleading, we will prepare a further amendment to this Offering Circular or a new Offering Circular.

SUMMARY

This Summary contains selected information about the Debt Securities. It does not contain all of the information you should consider before purchasing the Debt Securities. You should refer to the remainder of this Offering Circular and to any related Pricing Supplement for further information. If a Pricing Supplement contains different information from this Offering Circular, you should rely on the Pricing Supplement.

Issuer	Freddie Mac, a shareholder-owned government-sponsored enterprise.
Debt Securities	Unsecured subordinated or unsubordinated notes, bonds and other debt securities issued from time to time under the Global Debt Facility (the "Facility"). We have established the Facility under the Global Debt Facility Agreement dated the same date as this Offering Circular (the "Global Facility Agreement").
Reference Securities	We will designate some Debt Securities as Reference Securities, which are regularly scheduled U.S. dollar or euro denominated issues in large principal amounts. Reference Notes [®] are U.S. dollar denominated, non-callable Debt Securities with maturities of one to ten years. Reference Bonds SM are U.S. dollar denominated, non-callable Debt Securities with maturities of more than ten years. Callable Reference Notes SM are U.S. dollar denominated, callable Debt Securities with maturities of one to ten years. €Reference Notes SM are euro denominated, non-callable Debt Securities with maturities of one to ten years. €Reference Bonds SM are euro denominated, non-callable Debt Securities with maturities of more than ten years. Issuances may consist of new issues of Reference Securities or the "reopening" of an existing issue.
Other Debt Securities	We will issue other Debt Securities from time to time in U.S. dollars or other currencies with maturities of one day or longer. Debt Securities with maturities of one to ten years will be called "Notes" and those with maturities of more than ten years will be called "Bonds." These Debt Securities may be callable or non-callable.
Arranger	Lehman Brothers International (Europe).
Amount	We may issue an unlimited amount of Debt Securities.
Legal Status	Unless otherwise specified in the applicable Pricing Supplement, the Debt Securities will be unsecured general obligations having the same priority as all of our other unsecured and unsubordinated debt and ranking senior to any subordinated debt. If specified in the applicable Pricing Supplement, the Debt Securities will be unsecured subordinated obligations with the terms, including but not limited to terms relating to priority or payment suspension, limitation or deferral (if any), set forth in the applicable Pricing Supplement ("Subordinated Debt Securities"). The United States does not guarantee the Debt Securities or any interest or return of discount on the Debt Securities. The Debt Securities are not debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.
Pricing Supplements	We will offer Debt Securities by means of a "Pricing Supplement" that will describe the specific terms, pricing information and other information for each issue of Debt Securities.
Specified Currencies	We may denominate and make payments of principal and interest on the Debt Securities in any of the following Specified Currencies or

"Reference Notes[®]," "Reference BondsSM," "Callable Reference NotesSM," "€Reference SecuritiesSM," "€Reference NotesSM," and "€Reference BondsSM" are service marks of Freddie Mac.

in another currency specified in the applicable Pricing Supplement subject to compliance with all relevant laws and regulations.

Australian dollars	Japanese yen (“Yen”)
British pounds sterling (“Sterling”)	New Zealand dollars
Canadian dollars	Swedish kronor
Danish kroner	Swiss francs
Euros	U.S. dollars
Hong Kong dollars	

Government or monetary authorities or clearing systems may require that Debt Securities denominated in certain currencies or currency units have certain denominations or have minimum or maximum maturities. The current minimum maturity for Debt Securities listed on the Luxembourg Stock Exchange is seven days and for Debt Securities listed on the Singapore Stock Exchange is one month.

Denominations We will issue and maintain U.S. dollar denominated Debt Securities in minimum principal amounts and additional increments of U.S. \$1,000, unless otherwise indicated in the related Pricing Supplement. We will issue and maintain €Reference Securities in minimum principal amounts and additional increments of €1,000, unless otherwise indicated in the related Pricing Supplement. The denominations for all other non-U.S. dollar denominated Debt Securities will be set forth in the applicable Pricing Supplement.

Redemption and Repayment We may have the option to redeem some Debt Securities, in whole or in part, before their Maturity Dates. Also, holders of some Debt Securities may have the option to require repayment of their Debt Securities, in whole or in part, before their Maturity Dates. The Pricing Supplement for an issue of Debt Securities will say whether the Debt Securities are redeemable at our option or repayable at your option and will describe the redemption or repayment right.

Payment Terms The related Pricing Supplement will specify the payment terms of the Debt Securities.

Principal The principal amount payable at maturity or upon redemption or repayment of the Debt Securities may be a fixed amount, which may be at, above or below par. The principal amount payable also may be a variable amount determined by reference to one or more indices, such as interest or exchange rate indices, or other formulas. The principal amount may be amortized through periodic payments during the term of the Debt Securities.

Interest Debt Securities may bear interest at fixed or variable rates (or a combination of fixed and variable rates), or may bear interest that is indexed by reference to an interest or currency exchange rate or in some other manner, or may not bear interest.

Stripping The applicable Pricing Supplement will indicate whether the Debt Securities may be stripped into interest and principal components.

Form of Debt Securities We will issue Debt Securities in either book-entry form or registered form and not in bearer form.

Book-Entry Debt Securities .. Debt Securities denominated and payable in U.S. dollars that are issued in book-entry form on the book-entry system (“Fed Book-Entry System”) of the U.S. Federal Reserve Banks (individually, a “Federal Reserve Bank” and, collectively, the “Federal Reserve Banks”). Debt Securities on the Fed Book-Entry System may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank (“Fed Participants”). Holders may not exchange Book-Entry Debt Securities for definitive Debt Securities.

Registered Debt Securities . . .	Debt Securities that are not Book-Entry Debt Securities. We generally will issue Registered Debt Securities in global registered form but may issue Registered Debt Securities in definitive registered form if specified in the applicable Pricing Supplement. Holders may exchange Registered Debt Securities in global registered form for definitive Debt Securities only in the limited circumstances described in this Offering Circular. See “Description of the Debt Securities — Registered Debt Securities — Exchange for Definitive Debt Securities.”
Fiscal Agents	The Federal Reserve Banks will act as Fiscal Agents for Book-Entry Debt Securities under a Fiscal Agency Agreement (the “Fiscal Agency Agreement”).
Global Agent	Citibank, N.A.’s London office (“Citibank — London”) is the Global Agent for Registered Debt Securities under a Global Agency Agreement (the “Global Agency Agreement”).
Clearance and Settlement	<p>Depending on the terms of an issue of Debt Securities and where they are offered, the Debt Securities may clear and settle through one or more of the following:</p> <ul style="list-style-type: none"> • the Federal Reserve Banks, • the Depository Trust Company (“DTC”), • Euroclear, • Clearstream, Luxembourg, or • other designated clearing systems. <p>Most Debt Securities denominated and payable in U.S. dollars, including all U.S. dollar denominated Reference Securities, will clear and settle through the Fed Book-Entry System, if distributed within the United States, and through Euroclear and/or Clearstream, Luxembourg, if distributed outside the United States. Most Debt Securities denominated and payable in a Specified Currency other than U.S. dollars, including all €Reference Securities, will clear and settle through DTC, if distributed within the United States, and through Euroclear and/or Clearstream, Luxembourg, if distributed outside the United States.</p>
Governing Law	The Debt Securities will be governed by the federal laws of the United States. The local laws of the State of New York will be deemed to reflect the federal laws of the United States, unless there is applicable precedent under federal law or the application of New York law would frustrate the purposes of the Freddie Mac Act or the Global Facility Agreement.
Tax Status	<p>The Debt Securities and income derived from the Debt Securities generally are subject to taxation by the United States and generally are not exempt from taxation by other U.S. or non-U.S. taxing jurisdictions. Unless they establish an exemption by filing a form W-8BEN or otherwise, Non-U.S. Owners generally will be subject to United States federal income and withholding tax. See “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest.”</p> <p>We will not pay additional interest or other amounts or redeem the Debt Securities prior to maturity if any jurisdiction imposes any withholding or other tax on payments on the Debt Securities. If any particular issue of Debt Securities is “targeted to foreign markets” under U.S. tax regulations, the related Pricing Supplement will describe any special tax considerations that apply.</p>
Listing	The applicable Pricing Supplement will specify the exchange, if any, on which we will apply to list a particular issue of Debt Securities. We may list some Debt Securities issued under this Facility on the

Luxembourg Stock Exchange or the Singapore Stock Exchange and have applied for such listings. Our application with the Luxembourg Stock Exchange applies to Debt Securities issued within twelve months of the date of this Offering Circular. We may list an issue of Debt Securities on one, both or neither of these exchanges. We may also list an issue of Debt Securities on other exchanges or no exchange at all.

Luxembourg Transfer, Paying and Listing Agent

Banque Générale du Luxembourg, S.A.

Method of Distribution

We generally will sell the Debt Securities to one or more Dealers acting as principals for resale to investors either at a fixed price or at varying prices determined by the relevant Dealer or Dealers. These sales may be by auction or other methods. The applicable Pricing Supplement will specify the names of this Dealer or these Dealers. Alternatively, we may allow Dealers to solicit purchases of Debt Securities on an agency basis or we may sell Debt Securities directly to investors.

Offering Price

Debt Securities may be offered at fixed prices equal to par, or at a discount to or premium over par, or at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Dealer, as specified in the applicable Pricing Supplement.

Selling Restrictions

Some jurisdictions restrict the offers and sales of Debt Securities and the distribution of offering materials. If any particular issue of Debt Securities is “targeted to foreign markets” under U.S. tax regulations, the Pricing Supplement for the Debt Securities will describe the selling restrictions that apply. See “Distribution Arrangements — Selling Restrictions.”

RISK FACTORS

This section describes some of the general risks and considerations that you should examine before investing in the Debt Securities. There may be other risks and considerations not discussed below or discussed in the applicable Pricing Supplement that you should consider. These risks and considerations may vary depending on your particular circumstances and on various economic, interest rate and exchange rate scenarios. Therefore, you should consult your own financial and legal advisors to determine the suitability for you of a particular issue of Debt Securities.

The Debt Securities May Not Be Suitable For You

The Debt Securities are not suitable investments for all investors. Before investing in a particular issue of Debt Securities, you should:

- possess, either alone or with an investment advisor, the expertise and analytical tools necessary to evaluate, in the context of your financial situation, the particular features of the Debt Securities, the risks and benefits of investing in the Debt Securities and the effect of the Debt Securities on your overall investment portfolio;
- have sufficient financial resources and liquidity to bear the risks associated with the Debt Securities;
- understand the information contained and incorporated in this Offering Circular and any related Pricing Supplement;
- understand the terms of the Debt Securities; and
- understand any applicable legal investment restrictions.

Sophisticated institutional investors generally do not purchase complex Debt Securities as stand-alone investments. Rather, they may invest in complex Debt Securities to reduce the risk of their overall portfolio or to enhance their yield by adding an appropriate level of risk to their overall portfolio. You should not purchase any Debt Securities unless you understand and are able to bear the associated yield, market, liquidity and structure risks, including risks associated with any redemption provisions, periodic interest rate adjustments and exchange rates and controls. You should decide whether to invest in an issue of Debt Securities based on your own financial needs and the anticipated performance of the Debt Securities under a variety of economic, interest rate and exchange rate scenarios.

Structured Debt Securities May Be Complex and Involve Greater Risks

If principal or interest on an issue of Debt Securities is either directly or inversely determined by reference to one or more interest rates, currencies (including exchange rates and swap indices between currencies or currency units) or other indices or formulas, then an investment in the Debt Securities would entail significant risks not associated with an investment in a conventional fixed rate debt security. These risks include the possibility that:

- the applicable index or indices may change significantly;
- changes in the applicable index or indices may not correlate with changes in interest rates or currencies generally or with changes in other indices;
- changes in the applicable index or indices will be magnified or diminished if the Debt Securities' principal or interest formula contains a leverage factor or a deleverage factor;
- the applicable index or indices may be subject to maximum ("Cap") or minimum ("Floor") interest rate or exchange rate limitations;
- the timing of changes in an applicable index or indices may affect your actual yield, even if the average level is consistent with your expectations (in general, the earlier the change in the applicable index or indices, the greater the effect on yield);

- two or more indices or formulas that you may expect to move in tandem or in some other relationship to each other may unexpectedly converge, diverge or otherwise not move as expected;
- currency devaluations may occur or monetary authorities may impose or modify currency exchange controls;
- the resulting interest rate may be less than the interest rate payable on a conventional fixed rate debt security we issued at the same time and, in some cases, may be as low as zero;
- you may receive repayments of principal at times other than you expect;
- you may lose all or a substantial portion of the principal of your Debt Security (whether payable at maturity, upon redemption or otherwise); and
- the value of Debt Securities with complex formulas or other terms may be volatile.

These risks may depend on a number of interrelated factors that we cannot control, including financial, economic, regulatory and political developments. In the past, certain interest rates, currencies, currency units, exchange rates and indices have been highly volatile. This volatility may continue in the future. Past fluctuations in any particular interest rate, currency, currency unit, exchange rate or index do not necessarily indicate the fluctuations that may occur in the future.

You should have knowledge of, and access to, appropriate analytical tools to evaluate quantitatively the effect of the particular features of the Debt Securities you are considering purchasing and the resulting effects upon their yields and values.

Exchange Rate Risks and Exchange Controls May Affect the Timing or Amount of Interest and Principal Paid on Your Debt Securities

We will denominate each issue of Debt Securities in one or more Specified Currencies in which we will pay principal and any interest. We may determine the amount of principal or interest payments on an issue of Debt Securities by reference to one or more Specified Currencies (including exchange rates and swap indices between currencies or currency units) that may be different from the denominated Specified Currency. You may conduct your financial activities in a currency other than the Debt Securities' denominated Specified Currencies or other than the Specified Currencies that determine the amount of the Debt Securities' principal or interest payments. In those cases, an investment in the Debt Securities involves more risks than if the Debt Securities were denominated in or indexed solely to your currency. These risks include the possibility that:

- the rate of exchange between the applicable Specified Currency and your currency may change significantly (including changes as a result of devaluation of the Specified Currency or revaluation of your currency);
- changes in exchange rates may decrease the effective yield on the Debt Securities and, in certain circumstances, you could lose all or a substantial portion of the principal of the Debt Securities;
- if the value of your currency appreciates relative to the value of the applicable Specified Currency, the yield on the Debt Securities, the value of payments on the Debt Securities and the market value of the Debt Securities all would decrease in terms of your currency. A depreciation in the value of your currency relative to the value of the applicable Specified Currency would have the opposite effect; and
- authorities with jurisdiction over the applicable Specified Currency or your currency may impose or modify currency exchange controls.

In the past, certain exchange rates and indices have been highly volatile. This volatility may continue in the future. Past fluctuations in any particular exchange rate or index, however, do not necessarily indicate the fluctuations that may occur in the future.

Government and monetary authorities have imposed, and may impose in the future, exchange controls that could affect exchange rates as well as the availability of the applicable Specified Currency when payments of principal or interest are due on an issue of Debt Securities. Even in the absence of actual exchange controls, it is possible that when payments on a particular issue of Debt Securities are due:

- the government issuing the applicable Specified Currency (or any successor to that Specified Currency) may no longer use the Specified Currency (or any successor currency);
- the international banking community may no longer use the applicable Specified Currency (or any successor currency) to settle transactions; and
- the applicable Specified Currency (or any successor currency) may no longer be available for some other reason.

In these cases, we generally will be entitled to satisfy our obligations on the Debt Securities in U.S. dollars. In addition, under certain circumstances, we may make payments in euros for Debt Securities originally denominated in currencies replaced by the euro. See “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability.”

Various Factors Could Adversely Affect the Trading Value and Yield of Your Debt Securities

Secondary Markets and Market Values

The Debt Securities generally will not have an established trading market when issued. Certain Dealers have advised us that they intend to use reasonable efforts to make a secondary market in the Debt Securities that they offer, but, in general, they are not obligated to do so. These Dealers may discontinue any such secondary market making at any time without notice. Consequently:

- a secondary market for any of the Debt Securities may not develop, particularly for those Debt Securities that are especially sensitive to interest rate or market risks or are structured to meet the investment requirements of limited categories of investors; or
- if it develops, such a market may not be liquid at all times.

As a result, you may not be able to sell your Debt Securities easily or at prices comparable to similar instruments with a developed secondary market. If you are seeking to purchase or sell very small or very large amounts of Debt Securities, you may not be able to do so at prices comparable to those available to other investors.

The market values of Debt Securities likely will fluctuate over time, perhaps significantly. These fluctuations could cause significant losses to your investment in Debt Securities, especially if you dispose of your Debt Securities prior to their maturity. The market prices of instruments issued at either a substantial discount (such as Zero Coupon Debt Securities) or a substantial premium (such as Debt Securities with significantly above-market interest rates) from their principal amount tend to fluctuate more in relation to general changes in interest rates than do the prices of securities with comparable maturities that are not issued at such a discount or premium.

A number of factors may affect any secondary market for, and the market value of, an issue of Debt Securities, including:

- the creditworthiness of Freddie Mac;
- the value, complexity and volatility of any applicable index or indices;
- the method of calculating principal or interest payments on the Debt Securities;
- the remaining time to maturity of the Debt Securities;
- any redemption or repayment features of the Debt Securities;
- the outstanding amount of the Debt Securities;
- the amount of other securities linked to any applicable index or indices;

- the amount of Debt Securities being sold in any secondary market from time to time;
- the subordinated status or other terms of any Subordinated Debt Securities;
- the stability of U.S. and non-U.S. currencies;
- any legal restrictions or tax treatment that limits demand for the Debt Securities;
- the availability of comparable securities, including comparable U.S. Treasury securities;
- fluctuations in the “spread” of the Debt Securities to comparable U.S. Treasury securities; and
- the level, direction and volatility of market interest rates generally.

You should not purchase any Debt Securities unless you understand and can bear the risks that you may not be able to resell them easily, that their value will fluctuate over time and that these fluctuations may be significant and cause significant losses to you. Illiquidity may have a severely adverse effect on the market values of the Debt Securities. These risks of limited liquidity and price volatility are greatest for Debt Securities that are:

- especially sensitive to interest rate, currency or market risks;
- designed for specific investment objectives or strategies;
- structured to meet the investment requirements of limited categories of investors; or
- not held until maturity.

Subordinated Debt Securities

If specified in the applicable Pricing Supplement, the indebtedness represented by Subordinated Debt Securities and the payment of principal of and interest on these Subordinated Debt Securities may be subordinated to prior payment in full of all of our “Senior Obligations” (as defined herein) which are due and payable. Therefore, we will not be permitted to make any payments of principal of or interest on the Subordinated Debt Securities (including redeeming any redeemable Subordinated Debt Securities) while we are in default on any of our Senior Obligations. In the event of a liquidation or dissolution of Freddie Mac, our assets would not be available to pay obligations under the Subordinated Debt Securities until our Senior Obligations have been paid in full. Such Senior Obligations will be identified by category in the applicable Pricing Supplement.

In addition, there may be other terms applicable to specific offerings of Subordinated Debt Securities that would defer, limit or suspend our obligation to make any payment of principal of or interest on these Subordinated Debt Securities under certain specified conditions. Moreover, Events of Default that apply to Senior Obligations may not necessarily be Events of Default for Subordinated Debt Securities. As a result, the Holders of Subordinated Debt Securities may not have the same acceleration rights as Holders of other Debt Securities. See “Global Facility Agreement — Events of Default” and “ — Rights Upon Event of Default”.

Redeemable Debt Securities

We will have the option to redeem the Debt Securities after a specified date if we so provide in the related Pricing Supplement. The redemption price typically is 100% of the principal amount plus accrued interest, in the case of Debt Securities that bear interest, and the accreted value to the redemption date, in the case of Zero Coupon Debt Securities. These optional redemption provisions are likely to restrict the market values that the Debt Securities would otherwise have. For example, the market price of the Debt Securities generally will not rise substantially above the redemption price during (and possibly before) any period when we may redeem the Debt Securities because of the increased likelihood of redemption. If we redeem a portion of an issue of Debt Securities, the market for the Debt Securities left outstanding may become less liquid.

In general, we are most likely to redeem Debt Securities when prevailing interest rates and our borrowing costs are relatively low and are least likely to redeem Debt Securities when prevailing interest rates and our borrowing costs are relatively high. Our decision to redeem or not to redeem an issue of Debt Securities may also be affected by any related hedge or derivative position that we hold. If we redeem the Debt Securities when prevailing interest rates are relatively low, you may not be able to reinvest the redemption proceeds in comparable securities with similar yields.

Some Debt Securities may be redeemable at a variable amount determined by reference to one or more interest rate, exchange rate or other indices. The redemption proceeds of those Debt Securities will vary depending on the level of the applicable index, and you may receive less than 100% of your original principal amount upon redemption.

Fixed Rate and Zero Coupon Debt Securities

Fixed Rate Debt Securities, if held to maturity, will provide return of their principal and the certainty of interest payments at a fixed rate. Similarly, Zero Coupon Debt Securities, if held to maturity, will provide return of their principal, including return of the applicable discount. However, the market values of Fixed Rate and Zero Coupon Debt Securities are likely to fluctuate with changes in prevailing interest rates.

The market values of Fixed Rate and Zero Coupon Debt Securities generally will rise in a falling interest rate environment and will fall in a rising interest rate environment. This fluctuation creates risk of loss of investment capital if you dispose of these Debt Securities prior to maturity. This effect on market values is generally greater for Debt Securities having relatively long remaining terms to maturity than for Debt Securities having relatively short remaining terms to maturity.

The market values of Zero Coupon Debt Securities and other Debt Securities issued at substantial discounts tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer their remaining term, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Step Debt Securities

Step Debt Securities provide for one or more prescribed increases (or decreases) in their interest rates at specified dates. However, we may have the option to redeem Step Debt Securities at the beginning of or during a step period. Therefore, you should consider the likelihood that we will redeem Step Debt Securities if their subsequent interest rates exceed the interest rates then available to us for comparable borrowings.

Although the interest rate on a Step Debt Security may increase on the specified dates, the increased interest rate may be below the interest rate that you would receive on newly issued but otherwise comparable instruments.

Variable Rate Debt Securities

If the interest rate on a Variable Rate Debt Security bears a direct relationship to a specified index, lower than anticipated levels of the index could result in actual yields that are lower than anticipated. Conversely, if the interest rate on a Variable Rate Debt Security bears an inverse relationship to a specified index, higher than anticipated levels of the index could result in actual yields that are lower than anticipated.

Inverse Variable Rate Debt Securities have an interest rate equal to a fixed rate minus a rate based upon an applicable index. The market values of inverse Variable Rate Debt Securities typically are more volatile than market values of our conventional Variable Rate Debt Securities based on the same applicable index (and with otherwise comparable terms). Inverse Variable Rate Debt Securities are more volatile because an increase in the applicable index not only decreases the

interest rate of the inverse Variable Rate Debt Security, but also often reflects an increase in prevailing interest rates, which further adversely affects the market value of these Debt Securities.

The indices applicable to Variable Rate Debt Securities are not likely to remain constant at any level. The timing of a change in the level of an applicable index may affect the actual yield you receive, even if the average level is consistent with your expectation. In general, the earlier a change in the level of an applicable index, the greater the effect on your yield, especially for Debt Securities that provide for repayment of principal at one or more times prior to maturity. As a result, the effect on the yield you receive of an index that is lower (or higher) than the rate anticipated 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 Debt Security may not correlate with changes in interest rates generally or with changes in other indices. Your yield could be either adversely or positively affected if changes in the index applicable to your Debt Security do not reflect changes in interest rates generally.

The interest rate formula for a Variable Rate Debt Security may include a multiplier that is applied to an index in determining the applicable interest rate. In general, a multiplier of greater than one will cause changes in the interest rate of the Debt Security to be more pronounced than changes in the value of the applicable index, while a multiplier of less than one will have the opposite effect. Variable Rate Debt Securities with multipliers of greater than one are “leveraged,” and those with multipliers of less than one are “deleveraged.”

In general, the volatility associated with the level of an applicable index is higher for leveraged Debt Securities and lower for deleveraged Debt Securities. For example, the interest rate of a leveraged Variable Rate Debt Security bearing an inverse relationship to a specified index generally will decline sharply as the value of the applicable index increases. By contrast, the interest rate of a deleveraged Variable Rate Debt Security bearing an inverse relationship to a specified index generally will decline more slowly as the value of the applicable index increases.

Investors in Variable Rate Debt Securities should consider the effects on their interest rates and yields of any applicable Caps or Floors and of any delays in periodic interest rate adjustments. Some Variable Rate Debt Securities may provide for no interest to accrue during periods when the applicable index is outside a specified range. The market values of Variable Rate Debt Securities with Caps or Floors or with such a range feature generally are more volatile than those of Variable Rate Debt Securities linked to the same applicable index without Caps or Floors or a range feature, especially when the applicable index approaches or passes the Cap or Floor or the endpoint of the applicable range.

Fixed / Variable Rate Debt Securities

Some Fixed/Variable Rate Debt Securities may bear interest at a rate that we may elect to convert from a fixed rate to a variable rate, or from a variable rate to a fixed rate. Our ability to convert the interest rate will affect the secondary market and the market values of the Debt Securities since we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a variable rate, the “spread” above or below the applicable index may be less favorable than the prevailing spreads on our conventional Variable Rate Debt Securities tied to the same index. In addition, the new variable rate at any time may be lower than the rates on our other Variable Rate Debt Securities. If we convert from a variable rate to a fixed rate, the fixed rate may be lower than then prevailing rates on our other Fixed Rate Debt Securities.

Debt Securities Eligible for Stripping

Some issues of Fixed Rate Debt Securities and Step Debt Securities will be eligible to be separated (“stripped”) into Interest Components and Principal Components. The related Pricing Supplement will indicate which issues of Debt Securities are eligible to be stripped. The secondary market, if any, for the Interest Components and Principal Components of stripped Debt Securities

may be more limited and have less liquidity than the secondary market for Debt Securities of the same issue that have not been stripped. The liquidity of an issue of Debt Securities also may be reduced if a significant portion of the Debt Securities are stripped. See “Description of the Debt Securities — General — Interest Payments — Stripped Debt Securities” for more information on stripping.

Legal Investment Considerations May Restrict Certain Investors

You should consult your own legal advisors in determining whether the Debt Securities are legal investments for you and whether you can pledge the Debt Securities as collateral for various types of borrowings. In addition, if you are a financial institution, you should consult your legal advisors or regulators to determine how to treat Debt Securities under any applicable risk-based capital or similar rules.

Certain legal investment laws and regulations or regulatory authorities may restrict an institution’s investment in certain types of Debt Securities or in Debt Securities generally. An institution under the jurisdiction of regulatory agencies should review any applicable regulations, policy statements and guidelines before purchasing or pledging Debt Securities.

Credit Ratings May Not Reflect All Risks

Rating agencies may assign credit ratings to the Debt Securities. Any credit ratings assigned to Debt Securities may not reflect the potential impact of all risks related to structure, yield, market, liquidity and other factors affecting their value. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency.

DESCRIPTION OF THE DEBT SECURITIES

The Debt Securities will be issued under Section 306(a) of the Freddie Mac Act, the Global Facility Agreement and the related Pricing Supplement. Copies of the Global Facility Agreement and any applicable Pricing Supplement are available as described under “Available Information.” By receiving and accepting a Debt Security, or an interest in a Debt Security, you agree to be bound by the terms and conditions of the Global Facility Agreement, as supplemented or amended from time to time. See “Global Facility Agreement — Binding Effect of the Global Facility Agreement.”

As a condition to our payment on a Debt Security or to the transfer or exchange of a Debt Security, we may require the Holder of the Debt Security to present a certificate in a prescribed form to enable us to determine our duties and liabilities for any taxes or other charges required to be deducted or withheld under United States law or any reporting or other requirements as described in “Certain United States Federal Tax Consequences.”

The Debt Securities are obligations of Freddie Mac only. The Debt Securities, including any interest or return of discount on the Debt Securities, are not guaranteed by and are not debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.

General

We may issue an unlimited amount of Debt Securities from time to time under the Facility. The Debt Securities may be issued as:

- Reference Securities, which are U.S. dollar or euro denominated, regularly scheduled issues in large principal amounts. Our current Reference Securities are:
 - Reference Notes — U.S. dollar denominated, non-callable Debt Securities with maturities of one to ten years

- Callable Reference Notes — U.S. dollar denominated, callable Debt Securities with maturities of one to ten years
- Reference Bonds — U.S. dollar denominated, non-callable Debt Securities with maturities of more than ten years
- €Reference Notes — euro denominated, non-callable Debt Securities with maturities of one to ten years

Issuances may consist of new issues of Reference Securities or reopenings of an existing issue.

- We may issue other Debt Securities, denominated in U.S. dollars or other currencies, with maturities of one day or longer. These Debt Securities will have various terms, as described in this Offering Circular and any applicable Pricing Supplement, and may be:
 - Notes — callable or non-callable Debt Securities with maturities of one to ten years
 - Bonds — callable or non-callable Debt Securities with maturities of more than ten years

We will issue the Debt Securities in book-entry, global registered or definitive registered form. The Federal Reserve Banks will act as fiscal agents for Book-Entry Debt Securities under the Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York (“FRBNY”), acting on behalf of the Federal Reserve Banks. Citibank—London will act as Global Agent for Registered Debt Securities under the Global Agency Agreement between Freddie Mac and Citibank, N.A., acting through Citibank — London. Banque Générale du Luxembourg, S.A. will act as the Luxembourg transfer and paying agent for Registered Debt Securities listed on the Luxembourg Stock Exchange.

Specified Currencies and Specified Payment Currencies

We will denominate and make payment for each Debt Security in one or more currencies or currency units (each, a “Specified Currency”) as specified in the applicable Pricing Supplement. Book-Entry Debt Securities will be denominated and payable in U.S. dollars only.

Except under the limited circumstances referred to in “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability,” we will make payments of any interest on Debt Securities in the Specified Currency designated for interest payments (the “Specified Interest Currency”) and will make payments of principal of Debt Securities in the Specified Currency designated for principal payments (the “Specified Principal Currency”). The Specified Interest Currency and Specified Principal Currency together constitute the “Specified Payment Currency.” See “Description of the Debt Securities — Book-Entry Debt Securities — Payments” and “Description of the Debt Securities — Registered Debt Securities — Payments.” However, any amounts we pay to a Holder in the United States on DTC Registered Debt Securities in a Specified Payment Currency other than U.S. dollars will be converted into U.S. dollars as described under “Currency Conversions — Payment on DTC Registered Debt Securities,” unless the Holder elects to receive payments in the Specified Payment Currency.

Government or monetary authorities, applicable laws or stock exchange regulations may prescribe denominations or minimum or maximum maturities for some Debt Securities. We describe some requirements in this Offering Circular. We will describe any additional requirements for an issue of Debt Securities in the Pricing Supplement.

European Economic and Monetary Union

The treaty establishing the European Community (the “EC”), as amended by the treaty on European Union (as so amended, the “Treaty”), contemplated that European economic and monetary union (“EMU”) would occur in three stages. The Treaty provided that the third stage of

EMU would start January 1, 1999 and on that date the currencies of certain participating member states, as determined by the Council of the European Union, were replaced for interbank transfers by a single currency, the “euro.” As of the date of this Offering Circular, the participating member states are Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Complete replacement of member currencies is anticipated by July 2002.

Unavailability

Except as set forth below, if a Specified Currency other than U.S. dollars is not available to us for making required payments due to the imposition of exchange controls, its replacement or disuse or other circumstances beyond our control, then we will be entitled to satisfy our obligations to Holders of the Debt Securities by making payments in U.S. dollars on the basis of the noon U.S. dollar buying rate in New York City for cable transfers for the Specified Currency published by the FRBNY on the date of such payment, or, if that currency exchange rate is not available on that date, as of the most recent prior practicable date.

For Debt Securities designated in a Specified Currency that is replaced by the euro as described under “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — European Economic and Monetary Union” above, however, we may at our option (or will, if so required by applicable law), without the consent of the Holders of the Debt Securities, make payments in euros in lieu of the Specified Currency, in conformity with legally applicable measures taken pursuant to, or by virtue of, the Treaty or other applicable legal or regulatory requirements.

Any payment made in U.S. dollars or in euros as described above where the required payment is in an unavailable or replaced Specified Currency will not constitute an Event of Default.

Denominations

We will issue and maintain U.S. dollar denominated Debt Securities in minimum denominations of U.S. \$1,000 and additional increments of U.S. \$1,000, unless otherwise specified in the applicable Pricing Supplement or otherwise required by law. In the case of Zero Coupon Debt Securities, denominations will be expressed in terms of the principal amount payable on the Maturity Date. Unless otherwise specified in the applicable Pricing Supplement, we will issue and maintain €Reference Securities in minimum denominations of €1,000 and additional increments of €1,000.

Any Debt Securities in respect of which the issue proceeds are received by us in the United Kingdom and which must be redeemed before the first anniversary of their date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (b) be issued in other circumstances which do not constitute a contravention of section 19 (the general prohibition) of the Financial Services and Markets Act 2000 (the “FSMA”).

Status of Debt Securities

The Debt Securities will be unsecured general obligations of Freddie Mac or, if specified in the applicable Pricing Supplement, unsecured subordinated obligations of Freddie Mac. See “Description of the Debt Securities — General — Subordinated Debt Securities.” The Global Facility Agreement does not limit other indebtedness or securities that we may incur or issue and does not contain any financial or similar restrictions on us or any restrictions on our ability to secure indebtedness.

Maturity, Redemption and Optional Repayment

Each Debt Security will mature on a date (the “Maturity Date”) one day or longer from its issue date, as specified in the applicable Pricing Supplement, unless redeemed earlier at our option or repaid at your option. As of the date of this Offering Circular, the minimum maturity for Debt Securities listed on the Luxembourg Stock Exchange is seven days and for Debt Securities listed on the Singapore Stock Exchange is one month. We may issue Debt Securities with any minimum or maximum maturities or variable maturities allowed or required from time to time by the relevant regulatory or stock exchange authority or clearing system or any laws or regulations applicable to the Specified Currency.

The principal amount payable on the Maturity Date or upon redemption or repayment of a Debt Security will be either:

- a fixed amount (the “Fixed Principal Repayment Amount”) equal to 100% of the principal amount (*i.e.*, par), or a specified amount above or below that 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 addition, we may issue “Amortizing Debt Securities” where we make periodic payments of principal during their terms as described in the related Pricing Supplement. Amortizing Debt Securities may bear interest at fixed or variable rates.

If we so provide in the Pricing Supplement, an issue of Debt Securities may be redeemable or repayable before maturity:

- in whole or from time to time in part as applicable;
- 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 or repayment price will be determined as described in the applicable Pricing Supplement.

Certain redeemable Debt Securities offered for sale in the United Kingdom may be subject to certain restrictions under the FSMA. See “Description of Debt Securities — General — Denominations.”

Unless a different notice period is specified in the applicable Pricing Supplement, we will give you notice of optional redemption from 5 to 60 calendar days before the redemption date in the manner described under “Global Facility Agreement — Notice.”

If we redeem a portion of an issue of Book-Entry Debt Securities, we will redeem a pro rata portion of them. If we redeem a portion of an issue of Registered Debt Securities, the Global Agent will reduce one or more of the Registered Debt Securities in the amount of the redemption, ensuring that the principal amount of each Registered Debt Security remains in an authorized denomination. The effect of any partial redemption of an issue of Registered Debt Securities on their Beneficial Owners will depend on the procedures of the applicable clearing system and, if applicable, on the procedures of the participants through which the Beneficial Owners hold their interests.

Interest Payments

Debt Securities may bear interest at one or more fixed rates or variable rates or may not bear interest. We will specify in the applicable Pricing Supplement whether a Debt Security is a Fixed

Rate Debt Security, a Step Debt Security, a Variable Rate Debt Security, a Fixed /Variable Rate Debt Security, a Zero Coupon Debt Security or otherwise. Each type of Debt Security is defined below:

- “Fixed Rate Debt Securities” are Debt Securities that bear interest at a single fixed rate.
- “Step Debt Securities” are Debt Securities that bear interest at different fixed rates during different specified periods.
- “Variable Rate Debt Securities” are Debt Securities that bear interest at a variable rate determined by reference to one or more interest rate or exchange rate indices, or otherwise.
- “Fixed /Variable Rate Debt Securities” are Debt Securities that bear interest at a fixed rate during one or more periods and at a variable rate during other periods.
- “Zero Coupon Debt Securities” are Debt Securities that do not bear interest and are issued at a discount to their principal amount.

If provided in the applicable Pricing Supplement, the Holder may separate Debt Securities into an Interest Component that includes the right to receive all interest payments, or specified portions of interest payments, and a Principal Component that includes the right to receive principal payments only or principal payments and specified portions of interest payments.

The applicable Pricing Supplement will specify the frequency with which interest, if any, is payable on the related Debt Securities. Interest on Debt Securities will be payable in arrears on each date specified in the applicable Pricing Supplement (each an “Interest Payment Date”). Zero Coupon Debt Securities will not bear interest.

Each issue of interest-bearing Debt Securities will bear interest (1) from and including the most recent Interest Payment Date or, if no interest has been paid or made available for payment on the issue of Debt Securities, from and including the date on which we issue the Debt Securities (“Issue Date”) or other date specified in the applicable Pricing Supplement and (2) to but excluding the next Interest Payment Date or the applicable Principal Payment Date (each such period is an “Interest Payment Period”). The Maturity Date or, if applicable, earlier date of redemption or repayment is the “Principal Payment Date” for the principal of Debt Securities redeemable or repayable on that date. No interest will accrue on the principal of any Debt Security on or after the Principal Payment Date.

The Calculation Agent’s determination of the interest rate on, or any index in relation to, a Variable Rate Debt Security, and the determination of any payment on any Debt Security (or any interim calculation in the determination of an interest rate, index or payment) will be final and binding on all parties, absent manifest error. See “Description of the Debt Securities — General — Corrections” below.

Interest on any Debt Security accrues on the then outstanding principal amount. Payments on Debt Securities will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of any other Specified Payment Currency, to the nearest smallest transferable unit (with one-half cent or unit being rounded upwards).

The terms of our Subordinated Debt Securities may require the deferral of interest payments under certain circumstances. See “Risk Factors — Various Factors Could Adversely Affect the Trading Value and Yield of Your Debt Securities — Subordinated Debt Securities.”

If any jurisdiction imposes any withholding or other tax, we will not pay additional interest or other amounts, or redeem the Debt Securities prior to maturity, as a result.

Fixed Rate Debt Securities

The Pricing Supplement will specify the single fixed interest rate per annum on a Fixed Rate Debt Security. Unless we otherwise specify in the Pricing Supplement, we compute interest on a Fixed Rate Debt Security on the basis of a 360-day year consisting of twelve 30-day months.

Step Debt Securities

Each Step Debt Security will bear interest from its Issue Date to a specified date at its initial fixed interest rate and then at one or more different fixed interest rates. A Step Debt Security can have one or more step periods. Step Debt Securities may contain provisions giving us the option to redeem them before, at the beginning of or during a step period. The Pricing Supplement will specify the fixed interest rate payable for each step period from issuance to maturity. Unless we otherwise specify in the Pricing Supplement, we compute interest on a Step Debt Security on the basis of a 360-day year consisting of twelve 30-day months.

Variable Rate Debt Securities

Variable Rate Debt Securities will bear interest at a variable rate determined on the basis of either a direct or an inverse relationship to one or more specified interest rate or exchange rate indices, or otherwise. Variable Rate Debt Securities also may bear interest in any other manner described in the applicable Pricing Supplement.

Variable Rate Debt Securities may bear interest determined by reference to one or more indices (1) plus or minus a Spread, if any, or (2) multiplied by one or more Multipliers, if any. We will specify the applicable index and any Spread or Multiplier in the Pricing Supplement for an issue of Variable Rate Debt Securities. 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 Debt Securities also may have either or both of the following:

- a Cap on the rate at which interest may accrue during any Interest Reset Period; and
- a Floor on the rate at which interest may accrue during any Interest Reset Period.

In addition, some Variable Rate Debt Securities may provide for no interest to accrue during periods when the applicable index is outside a specified range.

We will specify in the applicable Pricing Supplement the accrual method (*i.e.*, the day count convention) for calculating interest or any other relevant accrual factor on the related Variable Rate Debt Securities and may incorporate one or more of the following defined terms:

- "Actual/360" means a calculation on the basis of the actual number of days elapsed in a year of 360 days.
- "Actual/365 (fixed)" means a calculation on the basis of the actual number of days elapsed in a year of 365 days, regardless of whether accrual or payment occurs during a calendar leap year.
- "Actual/Actual" means, for all Debt Securities except €Reference Securities and any other Debt Securities if so indicated in the applicable Pricing Supplement, a calculation on the basis of (1) the actual number of days elapsed in the Interest Payment Period divided by 365, or (2) if any portion of the Interest Payment Period falls in a calendar leap year, (A) the actual number of days in that portion divided by 366 plus (B) the actual number of days in the remaining portion, if any, divided by 365. For €Reference Securities or if so indicated in the applicable Pricing Supplement, "Actual/Actual" means a calculation in accordance with the definition of "Actual/Actual" adopted by the International Securities Market Association ("ISMA") ("Actual/Actual (ISMA)"), which means that we will calculate payments of interest on the following basis:

- (1) where the number of days in the relevant Interest Payment Period is equal to or shorter than the Determination Period during which such Interest Payment Period ends, the number of days in such Interest Payment Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Interest Payment Dates that would occur in one calendar year; or

- (2) where the Interest Payment Period is longer than the Determination Period during which the Interest Payment Period ends, the sum of:
- (A) the number of days in such Interest Payment Period falling in the Determination Period in which the Interest Payment Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year; and
 - (B) the number of days in such Interest Payment Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year;

where “Determination Period” means the period from and including one Calculation Date to but excluding the next Calculation Date and “Calculation Date” means, in each year, each of those days in the calendar year that are specified in the applicable Pricing Supplement as being the scheduled Interest Payment Dates regardless, for this purpose, of whether any such date is in fact an Interest Payment Date and, for the avoidance of doubt, a “Calculation Date” may occur prior to the Issue Date or after the last Principal Payment Date.

We will also specify in the Pricing Supplement how frequently the rate of interest will reset and the dates on which a new rate of interest becomes effective (each, a “Reset Date”).

If the interest rate will reset within an Interest Payment Period, then:

- the interest rate in effect on the sixth Business Day preceding an Interest Payment Date will be the interest rate for the remainder of that Interest Payment Period; and
- the first day of each Interest Payment Period also will be a Reset Date.

Variable Rate Debt Securities may bear interest prior to the initial Reset Date at an initial interest rate specified in the related Pricing Supplement. If so, then the first day of the initial Interest Payment Period will not be a Reset Date.

Each period beginning on the applicable Reset Date and ending on the calendar day preceding the next Reset Date is an “Interest Reset Period.” The rate of interest applicable to each Interest Reset Period will be determined as described below under “LIBOR,” “EUR-LIBOR,” “EURIBOR” or as otherwise described in the applicable Pricing Supplement.

If the rate of interest on a Variable Rate Debt Security will reset within an Interest Payment Period, we will calculate accrued interest by multiplying the principal amount of the Variable Rate Debt Security by an accrued interest factor. Unless we otherwise specify in the applicable Pricing Supplement, we will calculate this accrued interest factor by adding the interest factor for each Interest Reset Period in such Interest Payment Period and rounding the sum to nine decimal places. The interest factor for each such Interest Reset Period will be computed by (1) multiplying the number of days in the Interest Reset Period by the interest rate (expressed as a decimal) applicable to that Interest Reset Period and (2) dividing the product by the number of days in the year referred to in the accrual method specified in the applicable Pricing Supplement.

If the source of an index changes in format, but the Calculation Agent determines that the index source continues to disclose the information necessary to determine the related interest rate substantially as required, the Calculation Agent will amend the procedure for obtaining information from that source to reflect the changed format.

The Calculation Agent’s determination of an index value or interest rate will be final and binding on all parties, absent manifest error. The “Calculation Agent” will be Freddie Mac or a bank or broker-dealer designated by Freddie Mac, as specified in the related Pricing Supplement. See “Description of the Debt Securities — General — Corrections” below.

Information concerning the current interest rate on an issue of Variable Rate Debt Securities will be available from us by contacting our Debt Securities Marketing Office as shown under “*Available Information*” and, if we are not the Calculation Agent, from the Calculation Agent. In addition, if required by any exchange where an issue of Variable Rate Debt Securities is listed, the Calculation Agent will provide the exchange with (1) the interest rate for the applicable Interest Reset Period, (2) the amount of interest on the minimum denomination for the issue that would accrue through the last day of the Interest Reset Period and (3) the last day of such Interest Reset Period, as required and in no event later than two Business Days after their determination. These interest amounts may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Reset Period.

Indices

We will specify the applicable interest rate index in the Pricing Supplement for an issue of Variable Rate Debt Securities. The provisions set forth below under the heading of the specific interest rate index will apply to the related Variable Rate Debt Securities.

LIBOR

“LIBOR” means the daily average of the London interbank offered rates for Deposits in the Index Currency having the Index Maturity, as determined by the Calculation Agent. If we specify LIBOR as the interest rate for Variable Rate Debt Securities, LIBOR for any Reset Date will be determined as follows (in the following order of priority):

(1) LIBOR will be the rate that appears, at 11:00 a.m. (London time) on the LIBOR Determination Date, on the Designated Telerate Page for Deposits in the Index Currency having the Index Maturity;

(2) if that rate is not displayed, LIBOR will be the rate that appears, at 11:00 a.m. (London Time) on the LIBOR Determination Date, on the Designated Reuters Page for Deposits in the Index Currency having the Index Maturity;

(3) if that rate is not displayed, 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 we are not then acting as Calculation Agent) to provide such banks’ offered quotations to prime banks in the London interbank market for Deposits in the Index Currency having the Index Maturity at 11:00 a.m. (London time) on the LIBOR 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 those quotations;

(4) if fewer than two quotations are provided, the Calculation Agent will request four major banks in the Principal Financial Center selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent) to provide such banks’ offered quotations to leading European banks for a loan in the Index Currency for a period of time corresponding to the Index Maturity, starting on the Reset Date, at approximately 11:00 a.m. in the Principal Financial Center on the LIBOR 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 those quotations; and

(5) if fewer than two quotations are provided, LIBOR will be LIBOR as determined for the immediately preceding Reset Date or, in the case of the first Reset Date, will be the rate for Deposits in the Index Currency having the Index Maturity at 11:00 a.m. (London time) on the most recent London Banking Day preceding the LIBOR Determination Date for which the rate was displayed on either the Designated Telerate Page or the Designated Reuters Page for deposits starting on the second London Banking Day following such date (or, if the Index Currency is Sterling, commencing on that date) (and if the rate appears on both screens on that London Banking Day, using the Designated Telerate Page).

The following definitions apply only to the preceding description of LIBOR (additional definitions on page 26 also apply):

- “Designated Reuters Page” means the display on the Reuters Page ISDA of interbank rates from London for Deposits in the Index Currency, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Pricing Supplement.
- “Designated Telerate Page” means the display of British Bankers’ Association interest settlement rates for Deposits in the Index Currency on the Bridge Telerate Capital Markets Report Page 3750 (or where the Index Currency is Australian dollars, Swiss francs or Yen, Page 3740), or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Pricing Supplement.
- “Index Currency” means the currency or currency unit specified in the related Pricing Supplement as to which LIBOR will be calculated; provided, however, that if euros are substituted for such currency or currency unit, the Index Currency will be euros and the determination provisions for EUR-LIBOR will apply. If no currency or currency unit is specified in the related Pricing Supplement, the Index Currency will be U.S. dollars.
- “LIBOR Determination Date” means the second London Banking Day preceding the applicable Reset Date unless the Index Currency is Sterling, in which case it means the applicable Reset Date.
- “London Banking Day” means any day on which commercial banks are open for business (including dealings in foreign exchange and deposits in the Index Currency) in London.
- “Principal Financial Center” means (1) with respect to U.S. dollars, Sterling, Yen and Swiss francs, the City of New York, London, Tokyo and Zurich, respectively, or (2) with respect to any other Index Currency, the city specified in the related Pricing Supplement.
- “Representative Amount” means a principal amount of not less than U.S. \$1,000,000 (or, if the Index Currency is other than U.S. dollars, a principal amount not less than the equivalent in such Index Currency) that, in the Calculation Agent’s sole judgment, is representative for a single transaction in the relevant market at the relevant time.

EUR-LIBOR

“EUR-LIBOR” means the daily average of the London interbank offered rates for Deposits in euros having the Index Maturity, as determined by the Calculation Agent. If we specify EUR-LIBOR as the interest rate for the Variable Rate Debt Securities, EUR-LIBOR for any Reset Date will be determined as follows (in the following order of priority):

(1) EUR-LIBOR will be the rate that appears at 11:00 a.m. (London time) on the EUR-LIBOR Determination Date, on the Designated EUR-LIBOR Telerate Page for Deposits in euros having the Index Maturity;

(2) if that rate is not displayed, 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 we are not then acting as Calculation Agent) to provide such banks’ offered quotations to prime banks in the London interbank market for Deposits in euros having the Index Maturity at 11:00 a.m. (London time) on the EUR-LIBOR Determination Date and in a Euro Representative Amount. If at least two quotations are provided, EUR-LIBOR will be the arithmetic mean (if necessary rounded upwards) of those quotations;

(3) if fewer than two quotations are provided, the Calculation Agent will request four major banks in London selected by the Calculation Agent (after consultation with Freddie Mac, if we

are not then acting as Calculation Agent) to provide such banks' offered quotations to leading European banks for loans in euros for a period of time corresponding to the Index Maturity, starting on such Reset Date, at approximately 11:00 a.m. (London time) on the EUR-LIBOR Determination Date and in a Euro Representative Amount. If at least two quotations are provided, EUR-LIBOR will be the arithmetic mean (if necessary rounded upwards) of those quotations; and

(4) if fewer than two quotations are provided, EUR-LIBOR will be EUR-LIBOR as determined for the immediately preceding Reset Date or, in the case of the first Reset Date, will be the rate for Deposits in euros having the Index Maturity at 11:00 a.m. (London time) on the most recent TARGET Business Day preceding the EUR-LIBOR Determination Date for which such rate was displayed on the Designated EUR-LIBOR Telerate Page for deposits starting on the second TARGET Business Day following such date.

The following definitions apply only to the preceding description of EUR-LIBOR (additional definitions on page 26 also apply):

- "Designated EUR-LIBOR Telerate Page" means the display of rates for deposits in euros on Bridge Telerate Capital Markets Report Page 3750, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Pricing Supplement.
- "EUR-LIBOR Determination Date" means the second TARGET Business Day preceding the applicable Reset Date, unless EUR-LIBOR is determined in accordance with paragraph (3) above, in which case it means the applicable Reset Date.

EURIBOR

"EURIBOR" means the rate for deposits in euros designated as such and sponsored jointly by the European Banking Federation and ACI — the Financial Market Association (or any company established by the joint sponsors for purposes of compiling and publishing such rates). If we specify EURIBOR as the interest rate for the Variable Rate Debt Securities, EURIBOR for any Reset Date will be determined as follows (in the following order of priority):

(1) EURIBOR will be the rate that appears, at 11:00 a.m. (Brussels time) on the EURIBOR Determination Date, on the Designated EURIBOR Telerate Page for Deposits in euros having the Index Maturity;

(2) if that rate is not displayed, the Calculation Agent will request the principal offices of four major banks in the Euro-Zone selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent) to provide such banks' offered quotations to prime banks in the Euro-Zone interbank market for Deposits in euros having the Index Maturity at 11:00 a.m. (Brussels time) on the EURIBOR Determination Date and in a Euro Representative Amount. If at least two quotations are provided, EURIBOR for that date will be the arithmetic mean (if necessary rounded upwards) of the quotations; and

(3) if fewer than two quotations are provided, EURIBOR will be the arithmetic mean (if necessary rounded upwards) of the rates quoted by major banks in the Euro-Zone, selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent), at approximately 11:00 a.m. (Brussels time) on the EURIBOR Determination Date for loans in euros to leading European banks for a period of time corresponding to the Index Maturity and in a Euro Representative Amount.

The following definitions apply only to the preceding description of EURIBOR (additional definitions on page 26 also apply):

- "Designated EURIBOR Telerate Page" means the display of rates for deposits in euros on Bridge Telerate Capital Markets Report Page 248, or any successor page or such

other page (or any successor page) on that service or any successor service specified in the applicable Pricing Supplement.

- “EURIBOR Determination Date” means the second TARGET Business Day preceding the applicable Reset Date, unless EURIBOR is determined in accordance with paragraph (3) above, in which case it means the applicable Reset Date.
- “Euro-Zone” means the region consisting of member states of the European Union that adopt the single currency in accordance with the Treaty.

For the preceding descriptions of EUR-LIBOR and EURIBOR:

- “Euro Representative Amount” means a principal amount of not less than the equivalent of U.S. \$1,000,000 in euros that, in the Calculation Agent’s sole judgment, is representative for a single transaction in the relevant market at the relevant time.
- “TARGET Business Day” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (“TARGET”) system is operating.

For the preceding descriptions of LIBOR, EUR-LIBOR and EURIBOR:

- “Deposits” means deposits commencing on the applicable Reset Date.
- “Determination Date” means the date as of which the rate of interest applicable to an Interest Reset Period is determined.
- “Index Maturity” means the maturity specified in the related Pricing Supplement as to which LIBOR, EUR-LIBOR or EURIBOR, as the case may be, will be calculated.
- All rates will be obtained from sources expressed as a percentage rate per annum.

Fixed/Variable Rate Debt Securities

Fixed/Variable Rate Debt Securities will bear interest at a fixed rate for one or more periods and at a variable rate for one or more other periods. Fixed/Variable Rate Debt Securities also may bear interest at a rate that we may elect to convert from a fixed rate to a variable rate or from a variable rate to a fixed rate, as further described in the applicable Pricing Supplement. See “Description of the Debt Securities — General — Interest Payments — Fixed Rate Debt Securities” as to fixed rates and “Description of the Debt Securities — General — Interest Payments — Variable Rate Debt Securities” as to variable rates.

If we can convert the interest rate on a Fixed/Variable Rate Debt Security from a fixed rate to a variable rate, or from a variable rate to a fixed rate, accrued interest for each Interest Payment Period generally will be calculated using an accrued interest factor in the manner described under “Description of the Debt Securities — General — Interest Payments — Variable Rate Debt Securities.”

Zero Coupon Debt Securities

Zero Coupon Debt Securities 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 Debt Securities are issued with original issue discount for U.S. federal income tax purposes. See “Certain United States Federal Tax Consequences — U.S. Owners — Debt Obligations with Original Issue Discount.” Some Zero Coupon Debt Securities may be redeemable. If an issue is subject to redemption, the Pricing Supplement will show, in percentage terms, the amount of principal that will be paid upon redemption at specific potential redemption dates.

Stripped Debt Securities

We may designate certain issues of Book-Entry Debt Securities (the “Eligible Securities”) as eligible to be stripped into their separate Interest Components and Principal Components (each, a

“Component”) on the book-entry records of the FRBNY. The Components of an Eligible Security are:

(i) each future interest payment, or portion of an interest payment (each, an “Interest Component”), due on or prior to the Maturity Date or, if the Eligible Security is subject to redemption or repayment prior to the Maturity Date, the first date on which the Eligible Security is subject to redemption or repayment (in either case, the “Cut-off Date”); and

(ii) the principal payment plus any interest payments that either are due after the Cut-off Date, or are specified as ineligible for stripping in the applicable Pricing Supplement (the “Principal Component”).

The initial or final interest payment on a Book-Entry Debt Security will not be an Interest Component if the applicable Interest Payment Period is shorter or longer than other Interest Payment Periods, based on a 360-day year consisting of twelve 30-day months. In such case, the initial or final interest payment will remain with the Principal Component. Each Component of an issue of Eligible Securities will receive a different CUSIP number and ISIN number.

We may designate an issue of Debt Securities as Eligible Securities either at the time of original issuance or at any later time prior to the Cut-off Date. We are under no obligation, however, to designate any issue of Debt Securities as Eligible Securities.

For an Eligible Security to be stripped into Components, its principal amount must produce an interest payment of \$1,000 or a multiple of \$1,000 on each Interest Payment Date, based on the stated interest rate of the Eligible Security. The minimum principal amount required to strip an Eligible Security at its original issuance will be specified in the related Pricing Supplement.

You may request that an Eligible Security be stripped into its Components at any time beginning on the date it becomes eligible for stripping until the Cut-off Date. You must make your request to the FRBNY and comply with any requirements and procedures, including payment of any fees, of the FRBNY.

If any modification, amendment or supplement of the terms of an issue of Eligible Securities requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent. See “Global Facility Agreement — Amendment.”

Currently, the FRBNY will restore (“reconstitute”) the Principal Components and unmatured Interest Components of a stripped Eligible Security at the request of a Holder holding a Principal Component and all applicable unmatured Interest Components. The Holder must pay a reconstitution fee (currently the FRBNY’s fee applicable to on-line book-entry securities transfers). Generally, the Principal Component of an issue of Eligible Securities may be combined with either Interest Components of the same issue or Interest Components from other issues of Eligible Securities that have the same CUSIP number. (Interest Components of two or more issues due on the same date sometimes have the same CUSIP number). Holders wishing to reconstitute Components into an Eligible Security must also comply with all applicable FRBNY requirements and procedures relating to the stripping and reconstitution of securities.

The preceding discussion is based on our understanding of the way the FRBNY currently strips and reconstitutes securities on the Fed Book-Entry System. The FRBNY may cease stripping or reconstituting Eligible Securities or may change the way this is done or the applicable requirements, procedures or charges at any time without notice.

Corrections

If a principal or interest payment error occurs, we may correct it by adjusting payments to be made on later Interest Payment Dates or Principal Payment Dates (as appropriate) or in any other manner we consider appropriate.

All index values used to determine principal or interest payments are subject to correction within 30 days from the applicable payment. The source of a corrected value must be the same source from which the original value was obtained. A correction might result in an adjustment on a later date to the amount paid to you or a subsequent investor.

For example, if the index value initially used for determining the rate of interest on an issue of Debt Securities is superseded by a corrected value from the original source, the Calculation Agent will use that corrected value to determine the rate of interest payable on such Debt Securities on the applicable Interest Payment Date. To illustrate, assume that LIBOR is the applicable interest rate index for determining the rate of interest payable on a Debt Security. If the Calculation Agent obtains LIBOR for a Reset Date from a Designated Telerate Page, only a corrected rate for that Reset Date obtained from the same Designated Telerate Page may supersede that rate. The Calculation Agent will use the corrected rate to determine the rate of interest payable on the Debt Security as of the applicable Interest Payment Date.

We will notify any exchange on which Debt Securities are listed if the Calculation Agent corrects an applicable rate for the Debt Securities.

Business Day Convention

Unless otherwise specified in the applicable Pricing Supplement, if the specified payment date is not a Business Day, we will pay interest on or the principal of the Debt Securities on the next Business Day with the same force and effect as if made on the applicable Interest Payment Date or Principal Payment Date. Unless otherwise specified in the applicable Pricing Supplement, no interest on such payment will accrue for the period from the specified payment date to the actual date of the payment.

As used in this Offering Circular, “Business Day” means, unless otherwise specified in the applicable Pricing Supplement:

(1) for Book-Entry Debt Securities, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the FRBNY is closed, (d) as to any Holder of a Book-Entry Debt Security, a day on which the Federal Reserve Bank that maintains the Holder’s account is closed or (e) a day on which our offices are closed; and

(2) for Registered Debt Securities, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions are closed in (1) the City of New York or (2) if the Specified Payment Currency is other than U.S. dollars or euros, the Principal Financial Center of the country of such Specified Payment Currency, (d) if the Specified Payment Currency is euros, a day on which the TARGET system is not open for settlements, or a day on which payments in euros cannot be settled in the international interbank market as determined by the Global Agent, (e) for any required payment, a day on which banking institutions are closed in the place of payment or (f) a day on which our offices are closed.

Subordinated Debt Securities

Certain issues of Debt Securities may be Subordinated Debt Securities. As used in this Offering Circular, Freddie SUBSSM refers to all Subordinated Debt Securities issued under the Global Debt Facility in the Freddie Mac SUBS program.

We expect to issue Freddie SUBS at least semiannually in an amount such that, following a three-year phase-in period, the sum of our core capital, loan loss reserves and outstanding Freddie SUBS will equal or exceed the sum of four percent (4%) of on-balance sheet assets and 0.45 percent (0.45%) of off-balance sheet mortgage-related securities.

Freddie SUBS will be issued as Fed Book-Entry Securities in book-entry form on the Fed Book-Entry System. Freddie SUBS may be held indirectly through the clearing systems operated by Euroclear and Clearstream, Luxembourg. Freddie SUBS will not be exchangeable for definitive

securities. Freddie SUBS are not eligible to be separated or “stripped” into their separate interest components and principal components.

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

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

Interest Payment Deferral

We will defer the payment of interest on all Freddie SUBS if, as of the fifth Business Day prior to any Interest Payment Date on any Freddie SUBS (each a “Deferral Determination Date”):

- our “core capital” is below 125% of our “critical capital” requirement, or
- (1) our “core capital” is below our “minimum capital” requirement *and* (2) the U.S. Secretary of the Treasury, acting on our request, exercises discretionary authority pursuant to Section 306(c) of the Freddie Mac Act to purchase our debt obligations.

See “Description of the Debt Securities — General — Subordinated Debt Securities — Regulatory Capital Requirements” below.

We will use the core, critical and minimum capital levels most recently announced by the Office of Federal Housing Enterprise Oversight (“OFHEO”), pursuant to its then current methodology for calculating those levels, prior to any such Deferral Determination Date to determine whether we must defer interest on all outstanding Freddie SUBS.

If legislation is enacted that revises the definition of core, critical or minimum capital, or if OFHEO ceases to announce any of these capital levels, we will calculate any revised or no longer announced capital levels in accordance with the most recent statutory definitions and OFHEO methodology and requirements. An independent third party will verify any capital levels that we are required to calculate. Upon such third party verification, we will publicly announce the results.

As most recently announced by OFHEO, at September 30, 2001, we had core capital of \$17.743 billion or approximately 201% of our critical capital requirement of \$8.832 billion and \$415 million above our minimum capital requirement of \$17.328 billion as of that date.

We may not defer interest on Freddie SUBS for more than five consecutive years or beyond their Maturity Date. If we defer the payment of interest on Freddie SUBS, interest will continue to accrue on the Freddie SUBS and will compound at the applicable per annum interest rate.

We will pay all deferred interest, and interest on that deferred interest, on Freddie SUBS as soon as, after giving effect to such payments, we no longer would be required to defer interest under the terms described above, and we have repaid all debt obligations, if any, purchased by the U.S. Secretary of the Treasury. We will make this payment in respect of all Freddie SUBS on the next scheduled Interest Payment Date for any issue of Freddie SUBS, unless we elect to make the payment earlier.

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

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

You should read “Certain United States Federal Tax Consequences — Subordinated Debt Obligations” in this Offering Circular for a discussion of certain United States federal income tax considerations in the event of a deferral of interest payments on Freddie SUBS.

Subordination

Freddie SUBS are unsecured subordinated debt obligations of Freddie Mac issued under Section 306(a) of the Freddie Mac Act. Freddie SUBS rank junior in priority of payment to our “Senior Obligations.” “Senior Obligations” include all existing and future liabilities of Freddie Mac, other than liabilities that by their terms expressly rank equally with or junior to Freddie SUBS. Senior Obligations include all of Freddie Mac’s debt obligations, liabilities in respect of Freddie Mac’s guarantees of mortgage-related securities, and Freddie Mac’s 8.25% Subordinated Capital Debentures due 2016 and Zero Coupon Subordinated Capital Debentures due 2019.

In the event and during the continuation of any default in the payment of any amount due in respect of Senior Obligations, unless and until the default has been cured or waived or has ceased to exist, we can pay no principal of or interest on Freddie SUBS, including by means of a redemption, unless we have made adequate provision for the payment in full of all amounts then due in respect of all Senior Obligations.

Upon any distribution of assets of Freddie Mac resulting from any dissolution, winding up, total or partial liquidation or reorganization (whether in bankruptcy, insolvency, reorganization or receivership proceedings), or upon an assignment for the benefit of creditors or any other marshalling of assets and liabilities of Freddie Mac, payments on Freddie SUBS will be subordinated in right of payment to the prior payment of amounts then due in respect of Senior Obligations, but the obligation of Freddie Mac to make payments on Freddie SUBS will not otherwise be affected. Because Freddie SUBS are subordinated in right of payment to Senior Obligations, in the event of a distribution of assets upon insolvency, Holders of Senior Obligations may recover more ratably than Holders of Freddie SUBS. Holders of Freddie SUBS will be subrogated to the rights of Holders of Senior Obligations subject to the payment in full of all Senior Obligations upon any distribution of assets in any proceedings in respect of Freddie SUBS.

At September 30, 2001, we had outstanding total liabilities (including outstanding Freddie SUBS) of \$557,401 million, all of which (other than outstanding Freddie SUBS) constituted Senior Obligations as of that date. Senior Obligations also include any liabilities related to \$927,490 million of Freddie Mac’s mortgage-related securities (including \$291,646 million held in our retained portfolio) as of that date on which Freddie Mac guarantees payment of principal and interest. Over time, as the result of portfolio growth, asset and liability management and other factors, we may issue substantial amounts of additional Senior Obligations and may sell guaranteed mortgage-related securities currently held in our portfolio. At September 30, 2001, we had \$3,000 million in principal amount of Freddie SUBS outstanding, and we expect to issue additional Freddie SUBS, all of which will rank equally with any outstanding Freddie SUBS.

Redemption

If we so provide in the Pricing Supplement, an issue of Freddie SUBS may be redeemable or repayable before maturity. See “Description of the Debt Securities — Maturity, Redemption and Optional Repayment.”

Regulatory Capital Requirements

Under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the “GSE Act”), we are required to maintain core capital at a level that meets or exceeds required critical and minimum capital standards.

“Core capital” is the sum of:

- the stated value of our outstanding common stock,
- the stated value of our non-cumulative perpetual preferred stock,
- paid in capital, and
- retained earnings.

“Critical capital” is the sum of:

- 1.25% of on-balance sheet assets,
- 0.25% of net outstanding mortgage-backed securities, and
- 0.25% of other off-balance sheet obligations, except as adjusted by the Director of OFHEO to reflect the credit risk of such obligations relative to that of mortgage-related securities.

“Minimum capital” is the sum of:

- 2.50% of on-balance sheet assets,
- 0.45% of net outstanding mortgage-backed securities, and
- 0.45% of other off-balance sheet obligations, except as adjusted by the Director of OFHEO to reflect the credit risk of such obligations relative to that of mortgage-related securities (see 12 CFR § 1750.4 for existing adjustments made by the Director of OFHEO).

We provide core, critical and minimum capital information to OFHEO on a monthly basis, and OFHEO classifies our capital adequacy on a quarterly basis. OFHEO typically releases our quarterly classification, as well as our core capital level and required critical and minimum capital levels, approximately 90 days after each quarter end.

The following table shows Freddie Mac’s minimum, critical and core capital as of the dates shown. Values for required minimum capital and core capital and, beginning December 31, 2000, for required critical capital are the values OFHEO has released in connection with its quarterly capital classifications. Values for required critical capital before December 31, 2000 are based on the minimum capital values and on the components of the calculation of minimum capital that OFHEO provided to us in connection with each classification, applying OFHEO’s interim methodology, as follows: one-half of the portion of the minimum capital requirement associated with on-balance sheet assets, plus five-ninths of the portion of the minimum capital requirement associated with off-balance sheet obligations.

	September 30, 2001	December 31,				
		2000	1999	1998	1997	1996
		(Dollars in millions)				
Core Capital	\$17,743	\$14,381	\$12,691	\$10,715	\$7,375	\$6,743
Required Critical Capital	8,832	7,240	6,291	5,294	3,664	3,380
Core Capital as a Percentage of Required Critical Capital	201%	199%	202%	202%	201%	199%
Required Minimum Capital	\$17,328	\$14,178	\$12,287	\$10,333	\$7,082	\$6,517

Targeted Registered Issues

Certain issues of Registered Debt Securities (“Targeted Registered Debt Securities”) may be “targeted to foreign markets” under U.S. tax regulations. These regulations generally do not allow Targeted Registered Debt Securities, in connection with their original issuance, to be offered or sold to persons who are within the United States or its territories or possessions or to or for the account of U.S. Persons. Such regulations also require Holders, and in certain cases Beneficial Owners, of Targeted Registered Debt Securities to comply with certain periodic certification requirements, including certification of non-U.S. beneficial ownership. In addition, these regulations generally prohibit the delivery of Registered Debt Securities representing Targeted Registered Debt Securities within the United States or its territories or possessions. Only Dealers that have represented and warranted as to those matters summarized under “Distribution Arrangements — Selling Restrictions — Targeted Registered Debt Securities” and certain other matters may offer or sell Targeted Registered Debt Securities.

If we issue Targeted Registered Debt Securities, special provisions applicable to them, including form, selling and transfer restrictions and tax considerations and certifications, will be described in the applicable Pricing Supplement. The applicable Pricing Supplement generally may not be distributed in the United States or to U.S. Persons. Targeted Registered Debt Securities will not be issued as Book-Entry Debt Securities.

Reopened Issues

In our discretion and at any time, we may “reopen” an issue by offering additional Debt Securities with terms identical (other than issue date, interest commencement date and issue price) to those of existing Debt Securities for which settlement has previously occurred or been scheduled. The additional and existing Debt Securities will be consolidated and will form a single series of Debt Securities as specified in the applicable Pricing Supplement.

Repurchase

We may purchase Debt Securities at any time and at any price or prices in the open market or otherwise. Such Debt Securities may be held, resold or cancelled by us.

Clearance and Settlement

General

Debt Securities may be held through organizations participating in one or more international and domestic clearing systems, principally the systems operated by the Federal Reserve Banks and DTC, in the United States, and the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), outside of the United States.

Fed Book-Entry System. The Federal Reserve Banks operate the Fed Book-Entry System that provides book-entry holding and settlement for U.S. dollar denominated securities issued by the U.S. Government, certain of its agencies, instrumentalities and government-sponsored enterprises and international organizations of which the United States is a member. The system enables Holding Institutions to hold, make payments and transfer securities and funds through the Federal Reserve Banks’ Fedwire System.

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, and is a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities for DTC participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants.

Euroclear. Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions for its participants through simultaneous electronic book-entry delivery against payment. Euroclear is operated by Euroclear Bank, S.A./N.V. and all Euroclear securities clearance and cash accounts are with Euroclear Bank, S.A./N.V. They are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law. Euroclear Bank, S.A./N.V. acts only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Clearstream, Luxembourg. Clearstream, Luxembourg holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants. A participant's overall contractual relations with Clearstream, Luxembourg are governed by the General Terms and Conditions, operating rules and procedures and applicable Luxembourg law. Clearstream, Luxembourg acts only on behalf of its participants and has no record of or relationship with persons holding through its participants.

Other. Any other clearing system which we make available for a particular issue of Debt Securities will be described in the applicable Pricing Supplement.

Electronic notes and payment transfer, processing, depository and custodial arrangements among these systems and others, either directly or indirectly through custodians and depositories, may enable certain Debt Securities to be issued, held and transferred among the systems as described below. Special procedures among these systems allow clearance and settlement of certain Debt Securities traded across borders in the secondary market. Cross-market transfers of Debt Securities denominated in certain Specified Currencies may be cleared and settled using these procedures. However, there can be no assurance that cross-market transfers of any Debt Securities will be possible.

Each relevant system has its own separate operating procedures and arrangements with participants or accountholders that govern the relationship between them and such system and to which we are not and will not be a party. The clearing systems may impose fees for the maintenance and operation of the accounts in which beneficial interests in Debt Securities are maintained.

We expect that:

(1) most Debt Securities denominated and payable in U.S. dollars and distributed within the United States will clear and settle through the Fed Book-Entry System;

(2) most Debt Securities denominated and payable in U.S. dollars and distributed simultaneously within and outside of the United States, including all U.S. dollar denominated Reference Securities, will clear and settle, within the United States, through the Fed Book-Entry System and, outside of the United States, through the systems operated by Euroclear, Clearstream, Luxembourg or any other designated clearing system;

(3) Debt Securities denominated or payable in a Specified Currency other than U.S. dollars (and Debt Securities denominated and payable in U.S. dollars that are not cleared and settled in accordance with clauses (1) and (2) above) and distributed solely within the United States will clear and settle through the system operated by DTC;

(4) Debt Securities denominated or payable in a Specified Currency other than U.S. dollars (and Debt Securities denominated and payable in U.S. dollars that are not cleared and settled in accordance with clauses (1) and (2) above) and distributed simultaneously within and outside of the United States, including all €Reference Securities, will clear and settle through the systems operated by DTC, Euroclear, Clearstream, Luxembourg or any other designated clearing system; and

(5) Debt Securities, irrespective of the Specified Currency in which they are denominated or payable, distributed solely outside of the United States will clear and settle through the

systems operated by Euroclear, Clearstream, Luxembourg or any other designated clearing systems and, in some cases, DTC.

Clearance and Settlement Procedures—Primary Distribution

On initial issue, Debt Securities will be credited through one or more of the systems described above or any other system specified in the applicable Pricing Supplement. Payment from the applicable Dealer for Book-Entry Debt Securities will be on a delivery versus payment basis and for Registered Debt Securities will be on a delivery versus payment or free delivery basis, as agreed to by us. Clearance and settlement procedures may vary according to the Specified Currency in which such Debt Securities are denominated or payable. The customary clearance and settlement procedures of certain systems are described below. The clearance and settlement procedures of any other clearing system will be described in the applicable Pricing Supplement.

Federal Reserve Banks. Book-Entry Debt Securities will be issued and settled through the Fed Book-Entry System in same-day funds and will be held by designated Holding Institutions. After initial issue, these designated Holding Institutions will continue to hold all Book-Entry Debt Securities in the Fed Book-Entry System unless arrangements are made for their transfer to another Holding Institution.

DTC. DTC participants acting on behalf of investors holding DTC Registered Debt Securities through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement System. DTC Registered Debt Securities will be credited to DTC participants' securities accounts following confirmation of receipt of payment to Freddie Mac on the relevant issue date.

Euroclear and Clearstream, Luxembourg. Investors holding Other Registered Debt Securities through Euroclear or Clearstream, Luxembourg will follow the settlement procedures applicable to conventional Eurobonds in registered form. We understand that such Other Registered Debt Securities will be credited to Euroclear or Clearstream, Luxembourg participants' securities accounts either on the relevant Issue Date or on the settlement day following the relevant Issue Date against payment in same-day funds (for value on the relevant Issue Date).

Clearance and Settlement Procedures—Secondary Market Transfers

Book-Entry Debt Securities. Transfers of Book-Entry Debt Securities can take place only in book-entry form on the Fed Book-Entry System. Such transfers will occur between Holding Institutions in accordance with the rules of the Fed Book-Entry System.

Registered Debt Securities. Transfers of beneficial interests in Registered Debt Securities within the various systems that may be clearing and settling interests in those Debt Securities will be made in accordance with the usual rules and operating procedures of the relevant system applicable to the Specified Currency in which the Registered Debt Securities are denominated or payable and the nature of the transfer.

General. For issues of Debt Securities that are cleared and settled through more than one system, time zone differences may result in the securities account of an investor in one system being credited during the settlement processing day immediately following the settlement date of the other system. If the Debt Securities are to be settled on a delivery versus payment basis, this may also result in the cash account being credited for value on the settlement date but only being available as of the day following the settlement date.

Although the Fed Book-Entry System, DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system may have procedures to facilitate transfers of beneficial interests in Debt Securities among their respective Holding Institutions, participants and accountholders, they are under no obligation to perform or continue to perform such procedures, and these procedures may be modified or discontinued at any time. None of Freddie Mac, the Fiscal Agent, the Global Agent nor any other agent will have any responsibility for the performance by any system (other than the

Fiscal Agent for the Fed Book-Entry System) or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

Book-Entry Debt Securities

We will issue and maintain Book-Entry Debt Securities only on the Fed Book-Entry System. Book-Entry Debt Securities will not be exchangeable for definitive Debt Securities. Under the Fiscal Agency Agreement between Freddie Mac and the FRBNY, acting on behalf of the Federal Reserve Banks as fiscal agents for Freddie Mac, the Federal Reserve Banks will issue Book-Entry Debt Securities in book-entry form, maintain book-entry accounts for the Book-Entry Debt Securities and make payments, on our behalf, of principal and interest on the Book-Entry Debt Securities in U.S. dollars on the applicable payment dates by crediting Holders' accounts at the Federal Reserve Banks. Department of Housing and Urban Development regulations, 24 C.F.R. Part 81, Subpart H (the "Book-Entry Rules"), are applicable to Freddie Mac's book-entry securities, as are such other procedures as may be agreed upon from time to time by Freddie Mac and the FRBNY. The Book-Entry Rules relate primarily to the issuance and recordation of and transfers of interests (including security interests) in Freddie Mac's book-entry securities. The Book-Entry Rules may be amended, supplemented or otherwise altered without the consent of any Holder of Book-Entry Debt Securities.

The accounts of Holders of Book-Entry Debt Securities on the Fed Book-Entry System are governed by applicable operating circulars and letters of the Federal Reserve Banks.

Title

Book-Entry Debt Securities may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank (the "Holding Institutions"). The entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities to whose accounts Book-Entry Debt Securities have been deposited are referred to in this Offering Circular as "Holders" of such Book-Entry Debt Securities.

A Holder is not necessarily the Beneficial Owner of a Book-Entry Debt Security. Beneficial Owners of Book-Entry Debt Securities ordinarily hold Book-Entry Debt Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, an investor may hold a Book-Entry Debt Security through a brokerage firm which, in turn, holds the Book-Entry Debt Security through a Holding Institution. In that case, the investor would be the Beneficial Owner of the Debt 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 Book-Entry Debt 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. Beneficial Owners of a Book-Entry Debt Security may exercise their rights against Freddie Mac and the Federal Reserve Banks only through the Holder of the Book-Entry Debt Security. Freddie Mac and the Federal Reserve Banks will have no obligation to a Beneficial Owner of a Book-Entry Debt Security (unless the Beneficial Owner is also the Holder). The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a Debt Security maintained on the Fed Book-Entry System and will effect transfers of interests in Book-Entry Debt Securities only to Holding Institutions. We and the Federal Reserve Banks may treat the Holders as the absolute owners of Book-Entry Debt Securities for the purpose of making payments on Book-Entry Debt Securities and for all other purposes, whether or not the Book-Entry Debt Securities are overdue and notwithstanding any notice to the contrary.

Payments

We will make payments of any principal and interest on Book-Entry Debt Securities in U.S. dollars on the applicable payment dates to Holders as of the end of the day preceding such payment

dates. See also “Description of the Debt Securities — General — Business Day Convention.” Payments on Book-Entry Debt Securities will be made by credit of the payment amount to the Holders’ accounts at the relevant Federal Reserve Bank. 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 Agents. The Holders and each other financial intermediary holding the Book-Entry Debt Securities directly or indirectly on behalf of the Beneficial Owners are responsible for remitting payments for the accounts of their customers. All payments on Book-Entry Debt Securities are subject to any applicable law or regulation.

Fiscal Agents

The Federal Reserve Banks will be the Fiscal Agents for Book-Entry Debt Securities. Freddie Mac and the FRBNY may amend, modify or supplement in any respect, or may terminate, substitute or replace, the Fiscal Agency Agreement without the consent of any Holder of Book-Entry Debt Securities.

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

Registered Debt Securities

We will issue Registered Debt Securities that are either DTC Registered Debt Securities or Other Registered Debt Securities. “DTC Registered Debt Securities” are those registered in the name of a nominee of DTC in New York, New York, which will clear and settle through the system operated by DTC. “Other Registered Debt Securities” are those registered in the name of the common depository (or a nominee of the common depository) for one of the following:

- Euroclear Bank, S.A./N.V. as operator of Euroclear;
- Clearstream, Luxembourg; or
- another clearing system other than DTC, as specified in the applicable Pricing Supplement.

Citibank — London or another designated institution will act as the custodian for DTC Registered Debt Securities and as the “Common Depository” for Euroclear and Clearstream, Luxembourg for Other Registered Debt Securities. Registered Debt Securities will be exchangeable for definitive Debt Securities only under the limited circumstances described under “Description of the Debt Securities — Registered Debt Securities — Exchange for Definitive Debt Securities.” The Global Agency Agreement may be amended, supplemented or otherwise altered without the consent of any Holder of Registered Debt Securities if such amendment would not, in the reasonable opinions of Freddie Mac and the Global Agent, adversely affect your interests.

Title

The “Holder” of a Registered Debt Security will be the person in whose name the Registered Debt Security is registered in the register (the “Register”) maintained by the Global Agent as registrar (the “Registrar”). We will register DTC Registered Debt Securities in the name of Cede & Co. and Other Registered Debt Securities in the name of Citivic Nominees Limited, or other nominee of DTC or the Common Depository, as the case may be. Accordingly, Cede & Co. and Citivic Nominees Limited will be the Holders of the related Registered Debt Securities. Beneficial interests in a Registered Debt Security will be represented, and transfers of a Registered Debt Security will be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners of such Registered Debt Security, as a direct or indirect participant in the applicable clearing system for such Registered Debt Security. Investors may elect to hold interests in a Registered Debt Security through the applicable system for such Registered Debt Security if they are participants in such system, or indirectly through organizations that are participants in such system.

We and the Global Agent may treat the Holders as the absolute owners of Registered Debt Securities for the purpose of making payments and for all other purposes, whether or not the Registered Debt Securities are overdue and notwithstanding any notice to the contrary. Owners of beneficial interests in a Registered Debt Security are not the owners or Holders of that Registered Debt Security and, except under limited circumstances described under “Description of the Debt Securities — Registered Debt Securities — Exchange for Definitive Debt Securities,” will not be entitled to have Debt Securities registered in their names and will not receive or be entitled to receive definitive Debt Securities. Accordingly, any Beneficial Owner must rely on the procedures of the applicable clearing system and, if the Beneficial Owner is not a participant in the applicable clearing system, on the procedures of the participant through which such Beneficial Owner holds its interest, to exercise any rights of a Holder of such Registered Debt Securities.

We understand that, under existing industry practices, if Freddie Mac requests any action of Holders or if Beneficial Owners desire to give or take any action that a Holder is entitled to give or take, DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system, or their respective nominees, as the case may be, as the Holder of the related Registered Debt Security, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Registered Debt Securities through participants) to give or take such action, and such participants would authorize Beneficial Owners holding through such participants (or such persons holding beneficial interests in the Registered Debt Securities through participants) to give or take such action and would otherwise act upon the instructions given to such participants (or such persons) by such Beneficial Owners, in each case in accordance with the relevant rules and procedures of the applicable system.

DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system can act only on behalf of their respective participants, who in turn act on behalf of indirect participants. Therefore, the ability of a Beneficial Owner to pledge its interest in the Registered Debt Securities to persons or entities that do not participate in the applicable system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for the related Debt Security. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Registered Debt Security.

Payments

We will make payments on the Registered Debt Securities to DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system (or their nominees) as the Holders of those Debt Securities. We will make payments in the Specified Payment Currency (except as described under “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies,” or as otherwise described below). For certain currency conversion facilities for DTC Registered Debt Securities, see “Currency Conversions — Payment on DTC Registered Debt Securities.” All payments to or upon the order of the Holder of a Registered Debt Security will be valid and effective to discharge our liability in respect of such Registered Debt Security. Normal conventions observed by the system will determine ownership positions within each system. Neither we nor the Global Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Registered Debt Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC has advised us that, when DTC receives any payment of principal of or interest on a DTC Registered Debt Security, it will credit its participants’ accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of that DTC Registered Debt Security. Payments by such participants to owners of beneficial interests in a DTC Registered Debt Security held through those participants are the responsibility of those participants, as is now the case with securities held for the accounts of customers registered in “street name.” Euroclear and Clearstream, Luxembourg also have advised that payments on Other Registered Debt Securities

held through them will be credited to Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

We will pay interest on a Registered Debt Security on the applicable Interest Payment Date. We will make interest payments to the Holder of a Registered Debt Security as of the close of business on the fifteenth calendar day (each, a "Record Date") preceding the Interest Payment Date. (Owners of beneficial interests in a Registered Debt Security should be aware that the applicable clearing system may apply a different record date for the payment of interest on the Interest Payment Date.) We will make the first payment of interest on any Registered Debt Security originally issued between a Record Date and the related Interest Payment Date on the Interest Payment Date following the next Record Date to the Holder on such next Record Date. We will owe the principal of each Registered Debt Security, together with accrued and unpaid interest on it, on the Principal Payment Date for such Registered Debt Security (subject to the right of its Holder on the related Record Date to receive interest due on an Interest Payment Date that is on or prior to such Principal Payment Date) and will pay the Holder when the Holder presents and surrenders the Registered Debt Security. See "Description of the Debt Securities — General — Business Day Convention."

All payments on Registered Debt Securities are subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, we may make payments on the related Registered Debt Securities at the office of any paying agent in the United States.

Global Agent

We have appointed Citibank — London as the Global Agent for the Registered Debt Securities. Citibank — London has its corporate trust office at 5 Carmelite Street, London EC4Y 0PA and may have other business relationships with us through Citibank, N.A.'s principal office in New York.

In acting under the Global Agency Agreement, the Global Agent acts solely as our fiscal agent and does not assume any obligation or relationship of agency or trust for or with any Holder of a Registered Debt Security, except that any moneys held by the Global Agent for payment on a Registered Debt Security shall be held in trust for the Holder as provided in the Global Agency Agreement.

We have appointed the Global Agent as Registrar, transfer agent and paying agent for the Registered Debt Securities. For Registered Debt Securities listed on the Luxembourg Stock Exchange, we have appointed Banque Générale du Luxembourg, S.A. as paying and transfer agent in Luxembourg. We at any time may vary or terminate the appointment of the Global Agent as the Registrar, transfer agent or paying agent or appoint additional or other transfer agents or paying agents or approve any change in the office through which the Registrar or any transfer agent or paying agent acts.

Exchange for Definitive Debt Securities

If we issue definitive Debt Securities in exchange for Registered Debt Securities issued in global form under the limited circumstances described below, such definitive Debt Securities will have terms identical to the Registered Debt Securities for which they were exchanged, except as described below.

Issuance of Definitive Debt Securities. Unless we specify otherwise in the applicable Pricing Supplement, a Holder can exchange beneficial interests in Registered Debt Securities issued in global form for definitive Debt Securities only under the following circumstances:

- (a) the exchange is permitted by applicable law; and
- (b)(1) for a DTC Registered Debt Security, DTC notifies us that it is no longer willing or able to act as depository or ceases to be a "clearing agency" registered under the Securities

Exchange Act of 1934 and we cannot find a successor within 90 calendar days of receiving notice from DTC;

(2) for any Other Registered Debt Security, if all of the clearing systems for such Registered Debt Security are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or are permanently closed for business or have announced an intention permanently to cease business and we are unable to find a single successor within 90 calendar days of such closure;

(3) a Holder has instituted a judicial proceeding to enforce its rights under such Registered Debt Security and counsel has advised the Holder that in connection with such proceeding it is necessary for the Holder to have a definitive Debt Security; or

(4) we, either at a Holder's request and expense or in our own discretion, decide to issue definitive Debt Securities. We intend to grant such requests for definitive Debt Securities under this clause only in exceptional circumstances.

In any of the above circumstances, we will execute and deliver definitive Debt Securities to the Global Agent for delivery to the Holders as soon as practicable (and in any event within 45 calendar days of Freddie Mac's receiving notice of the occurrence of such circumstances). DTC, Euroclear, Clearstream, Luxembourg or another applicable clearing system, or their respective nominees, as the case may be, as Holders of the related Registered Debt Securities, must provide Freddie Mac or the Global Agent with a written order containing instructions and such other information as we or the Global Agent may require to complete, execute and deliver such definitive Debt Securities in authorized denominations.

Title. The person in whose name a definitive Debt Security is registered in the Register will be the "Holder" of the definitive Debt Security. We and the Global Agent may treat the Holders as the absolute owners of definitive Debt Securities for the purpose of making payments and for all other purposes, whether or not the definitive Debt Securities are overdue and notwithstanding any notice to the contrary.

Payments. We will pay interest on a definitive Debt Security on the applicable Interest Payment Date. We will pay by check mailed to the Holder as of the close of business on the Record Date preceding the Interest Payment Date at the Holder's address appearing in the Register. We will pay the principal of each definitive Debt Security, together with accrued and unpaid interest, on the Principal Payment Date (subject to the right of the Holder on the related Record Date to receive interest due on an Interest Payment Date that is on or prior to such Principal Payment Date) against presentation and surrender of the definitive Debt Security at the offices of the Global Agent or other paying agent. Payments on the Principal Payment Date will be made by check provided at the appropriate office of the Global Agent or other paying agent or mailed by the Global Agent to the Holder of such definitive Debt Security. We will use a United States bank for checks in U.S. dollars and a bank office located outside the United States for checks in other Specified Payment Currencies. We have appointed Banque Générale du Luxembourg, S.A. as paying agent in Luxembourg for any issue of Debt Securities listed on the Luxembourg Stock Exchange.

The Holder of an aggregate principal amount of at least \$10,000,000 (or its equivalent in the Specified Currency) of an issue of Debt Securities of which definitive Debt Securities form a part may elect to receive payments by wire transfer of immediately available funds in the Specified Payment Currency to an account with a bank the Holder designates, provided that:

- the bank is acceptable to us;
- the bank has appropriate facilities and accepts the transfer; and
- the transfer is permitted by any applicable law or regulation and will not subject us to any liability, requirement or unacceptable charge.

To receive such payments, the Holder must provide the following to the Global Agent or other paying agent at its office:

(1) for interest payments, a written request by the close of business on the related Record Date; or

(2) for payments on the Principal Payment Date, a written request by the close of business 15 days prior to the Principal Payment Date and the definitive Debt Security two Business Days prior to the Principal Payment Date.

The written request must be delivered to the Global Agent or other paying agent by mail, by hand delivery or by tested or authenticated telex. Any such request will remain in effect until the Global Agent or other paying agent receives written notice to the contrary.

All payments on definitive Debt Securities are subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or similar restrictions, payments on the related definitive Debt Securities may be made at the office of any paying agent in the United States.

Partial Redemption. If we redeem a portion of an issue of definitive Debt Securities, the Global Agent will select the Debt Securities for redemption by lot or in another manner that the Global Agent deems fair and appropriate to ensure that the principal amount of each outstanding definitive Debt Security after a redemption is in an authorized denomination.

Transfer and Exchange. Holders may present definitive Debt Securities for registration of transfer or exchange at the office of the Registrar or any other transfer agent, with transfer documentation completed and payment of any taxes and other governmental charges. We have appointed Banque Générale du Luxembourg, S.A. as transfer agent in Luxembourg for any issue of Debt Securities listed on the Luxembourg Stock Exchange.

A transfer or exchange of a definitive Debt Security will be effected upon satisfying the Registrar with regard to the documents and identity of the person making the request and subject to such reasonable regulations as we may from time to time agree with the Registrar. Holders may transfer or exchange definitive Debt Securities in whole or in part only in the authorized denominations of the DTC Registered Debt Securities or Other Registered Debt Securities issued in global form for which they were exchanged. See “Description of the Debt Securities — General — Denominations.” In the case of a transfer of a definitive Debt Security in part, the Registrar will issue a new definitive Debt Security for the balance not transferred. In addition, replacement of mutilated, destroyed, stolen or lost definitive Debt Securities also is subject to the conditions discussed above for transfers and exchanges generally. Each new definitive Debt Security to be issued upon transfer of such a definitive Debt Security, as well as the definitive Debt Security issued for the balance not transferred, will be mailed to the address specified in the form or instrument of transfer at the risk of the Holder entitled to it using the customary procedures of the Registrar.

CURRENCY CONVERSIONS

Payment for Debt Securities

Purchasers of Debt Securities must pay for them in the applicable Specified Currency. Each Dealer to whom or through whom Registered Debt Securities are sold may, under certain terms and conditions, arrange to convert the investor’s currency into the Specified Currency to enable purchasers to pay for those Registered Debt Securities if purchasers so request not later than the day determined by such Dealer. We will not be involved in any manner in, and will have no responsibility for, any such conversion. Each Dealer will make the conversion subject to the terms, conditions, limitations and charges that the Dealer establishes. The purchaser of the Registered Debt Securities will bear all costs of conversion.

Payment on DTC Registered Debt Securities

Except as described under “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability,” we will pay principal and any interest on all Debt Securities in the Specified Payment Currency. At the present time, there are limited facilities in the United States for the conversion of non-U.S. currencies or currency units into U.S. dollars, and commercial banks generally do not offer non-U.S. dollar checking or savings account facilities in the United States. Accordingly, in the case of DTC Registered Debt Securities whose Specified Payment Currency is other than U.S. dollars, the currency exchange bank specified in the applicable Pricing Supplement (the “Currency Exchange Bank”) will convert any amounts paid by us in such Specified Payment Currency into U.S. dollars, unless the Holders elect to receive payments in the Specified Payment Currency as described below in this section. Unless otherwise specified in the applicable Pricing Supplement, the Currency Exchange Bank for €Reference Securities held as Registered Debt Securities will be Citibank — London. We will not be involved in any manner in, and will have no responsibility for, the conversion of the Specified Payment Currency for DTC Registered Debt Securities into U.S. dollars.

For any DTC Registered Debt Security whose payments are to be converted from the Specified Payment Currency into U.S. dollars, the Currency Exchange Bank will determine the U.S. dollar amount the Holder will receive in the morning of the day that would be considered the date for “spot” settlement of the Specified Payment Currency on the applicable payment date in accordance with market convention (generally two New York business days prior to the payment date) at the market rate determined by the Currency Exchange Bank to accomplish the conversion on that payment date of the aggregate amount of the Specified Payment Currency payable on DTC Registered Debt Securities scheduled to receive payments converted into U.S. dollars. The Holders of these DTC Registered Debt Securities (and, accordingly, the related Beneficial Owners) will bear all currency exchange costs by deductions from these payments. Holders of DTC Registered Debt Securities are subject to the risk of market disruption and the risk that all or any portion of the Specified Payment Currency will not be convertible into U.S. dollars. In these cases, Holders of such DTC Registered Debt Securities will receive payments in the Specified Payment Currency.

The Holder of a DTC Registered Debt Security to be paid in a Specified Payment Currency other than U.S. dollars will have the option to receive payments of the principal of and any interest on that DTC Registered Debt Security in the Specified Payment Currency by notifying DTC:

- no later than the third New York business day after the related Record Date, in the case of payments on an Interest Payment Date; or
- the date 12 days prior to the Principal Payment Date, in the case of payments on the Principal Payment Date.

We understand that Euroclear and Clearstream, Luxembourg, unless specifically requested not to do so by a participant prior to the 15th day preceding the applicable Interest Payment Date or Principal Payment Date, will elect to receive all payments of principal and interest on DTC Registered Debt Securities held through them in the applicable Specified Payment Currency if it is other than U.S. dollars.

GLOBAL FACILITY AGREEMENT

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

Binding Effect of the Global Facility Agreement

You and any financial intermediary or Holder acting on your behalf agree that the receipt and acceptance of a Debt Security indicates acceptance of the terms and conditions of the Global Facility Agreement, as it may be supplemented or amended by its terms.

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

Various Matters Regarding Freddie Mac

The Global Facility Agreement provides that Freddie Mac and its directors, officers, employees and agents will not be liable for any action taken or omitted in good faith under the Global Facility Agreement or for errors in judgment. However, they will not be protected against any liability imposed by reason of willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of obligations and duties.

We may employ agents or independent contractors to perform our responsibilities under the Global Facility Agreement.

Except upon an Event of Default (as defined below), we will not be subject to the control of Holders in any manner in the discharge of our responsibilities under the Global Facility Agreement. Except with regard to our payment obligations, we will have no liability to you other than for any direct damage resulting from our failure to exercise that degree of ordinary care which we exercise in the conduct and management of our own affairs. We will have no liability of any nature for consequential damages.

In addition, the Global Facility Agreement provides that we need not appear in any legal action that is not incidental to our responsibilities under the Global Facility Agreement and that we believe may result in any expense or liability. However, we may undertake any legal action that we believe is necessary or desirable in the interests of the Holders in our discretion. We will bear the legal costs of any such action.

Events of Default

An “Event of Default” under the Global Facility Agreement will consist of:

- (1) any failure by us to pay principal or interest that continues unremedied for 30 days;
- (2) any failure by us to perform in any material way any other obligation under the Global Facility Agreement if the failure continues unremedied for 60 days after we receive notification by the Holders of at least 25% of the outstanding principal amount or notional principal amount of an issue of Debt Securities; or
- (3) specified events of bankruptcy, insolvency or similar proceedings involving us.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over us, whether or not we consent to such appointment, will not constitute an Event of Default. Any payment made in U.S. dollars or in euros as described under “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability” will not constitute an Event of Default.

The Pricing Supplement for any issue of Subordinated Debt Securities will specify the Events of Default that will apply to any such Subordinated Debt Securities.

Any event associated with EMU (an “EMU Event”) will not give rise to an Event of Default. An EMU Event may include one or more of the following:

- (1) the introduction of, changeover to or implementation of the euro;
- (2) the fixing of exchange rates between the currency of a member state of the European Union and euros or between the currencies of member states of the European Union;
- (3) the substitution of euros as the unit of account of the EC or the currency of the European Central Bank;
- (4) the introduction of euros as lawful currency in a member state of the European Union;

(5) the withdrawal from legal tender of any currency that, before the introduction of euros, was lawful currency in any of the member states of the European Union; or

(6) the disappearance or replacement of a relevant rate option or other price source for the national currency of any member state of the European Union, or the failure of the agreed sponsor (or a successor sponsor) to publish or display a relevant rate, index, price, page or screen.

Rights Upon Event of Default

If an Event of Default under the Global Facility Agreement continues unremedied, Holders of not less than 50% of the outstanding principal amount or notional principal amount of an issue of Debt Securities to which such Event of Default relates may, by written notice to us, declare such Debt Securities due and payable.

No Holder has any right under the Global Facility 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:

- (1) the Holder previously has given us written notice of an Event of Default;
- (2) the Holders of not less than 50% of the outstanding principal amount or notional principal amount of the same issue of Debt Securities have given us written notice of the Event of Default; and
- (3) the Event of Default continues uncured for 60 days following such notice.

You do not have any right under the Global Facility Agreement to disturb or prejudice the rights of any other investor, to obtain or seek to obtain preference or priority over any other investor or to enforce any right under the Global Facility Agreement, except as provided in the Global Facility Agreement and for the ratable and common benefit of all such Holders and except for the priority rights of Holders of Senior Obligations over the rights of Holders of Subordinated Debt Securities.

Events of Default that apply to an issue of Senior Obligations may not necessarily be Events of Default for an issue of Subordinated Debt Securities. As a result, the Holders of an issue of Subordinated Debt Securities may not have the same acceleration rights as Holders of other Debt Securities.

The Holders of not less than 50% of the outstanding principal amount or notional principal amount of an issue of Debt Securities may waive, rescind or annul an Event of Default at any time.

Where the Global Facility Agreement allows the Holders of a specified percentage of the outstanding balance of an issue of Debt Securities to take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the Holders of that specified percentage may evidence their joining together 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

We may amend the Global Facility Agreement and the terms of an issue of Debt Securities without your consent:

- to cure any ambiguity or to correct any provision in the Global Facility Agreement if the amendment does not materially and adversely affect any Holder;
- to add to our covenants for your benefit or surrender any right or power conferred upon us;
- to evidence the succession of another entity to us and its assumption of our covenants;
- to conform the terms of an issue of Debt Securities to, or cure any ambiguity or discrepancy resulting from any changes in, the Book-Entry Rules;

- to increase the amount of an issue of Debt Securities; or
- in any other manner we may determine that will not adversely affect your interests in any material way.

With (1) the written consent of the Holders of at least 50% of the aggregate outstanding principal amount or notional principal amount of an issue of Debt Securities or (2) the vote of the Holders of at least 50% of the aggregate outstanding principal amount or notional principal amount of an issue of Debt Securities represented at a meeting of Holders where a quorum was present, we may amend the terms of those Debt Securities, but that amendment may not, without the written consent or affirmative vote of each affected Holder of a Debt Security:

- change the Maturity Date or Interest Payment Date of the Debt Security;
- materially modify the redemption or repayment provisions, if any, relating to the redemption or repayment price of, or any redemption or repayment date or period for, the Debt Security;
- reduce the principal amount of, delay the principal payment of, or materially modify the rate of interest or the calculation of the rate of interest on, the Debt Security;
- in the case of Registered Debt Securities only, change the Specified Payment Currency of the Registered Debt Security; or
- reduce the percentage of Holders whose consent or affirmative vote is necessary to amend the terms of the relevant issue of Debt Securities.

A quorum at any meeting of Holders called to adopt a resolution will be Holders entitled to vote a majority of the aggregate principal amount or notional principal amount of an issue of such Debt Securities at the time outstanding, and called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the aggregate principal amount or notional principal amount of such issue of Debt Securities at the time outstanding, in both cases excluding any such Debt Securities owned by us. Holders do not have to approve the particular form of any proposed amendment, as long as they approve the substance of such change. Special rules for determining the “principal amount” of certain Debt Securities are described below.

The “principal amount,” for purposes of this section, for a Debt Security that is a Zero Coupon Debt Security or for a Debt Security issued at an “offering price” of 80% or less of its principal amount will be equal to:

- (1) the issue price of the Debt Security; plus
- (2) the original issue discount that has accrued from the Issue Date of the Debt Security to the OID Determination Date (as defined below); minus
- (3) any amount considered as part of the “stated redemption price at maturity” of such Debt Security that has been paid from the Issue Date of the Debt Security to the OID Determination Date.

The “OID Determination Date” is the last day of the last accrual period ending prior to the date of the meeting of Holders (or, for consents not at a meeting, prior to a date that we establish). The accrual period will be the same as the accrual period used by us to determine our deduction for accrued original issue discount under the Code. For a description of original issue discount and definitions of “offering price” and “stated redemption price at maturity,” see “Certain United States Federal Tax Consequences — U.S. Owners — Debt Obligations with Original Issue Discount.”

If the Specified Principal Currency of a Debt Security is other than U.S. dollars, the “principal amount” will be the U.S. dollar equivalent, determined on the Issue Date, of the principal amount (or, in the case of the Debt Securities referred to in the preceding paragraph, the amount determined in accordance with the provisions described in that paragraph) of that Debt Security. The “principal amount” of a Debt Security with principal determined by reference to an index, exchange rate or formula will be described in the applicable Pricing Supplement.

If any modification, amendment or supplement of the terms of an issue of Eligible Securities requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent.

As provided in the Global Facility Agreement, we may establish a record date for the determination of Holders entitled to vote at any meeting of Holders of Debt Securities, to grant any consent regarding Debt Securities and to notice of any such meeting or consent.

Any instrument given by a Holder on your behalf relating to a consent will be irrevocable once given and will be conclusive and binding on all subsequent Holders of that Debt Security or any substitute or replacement Debt Security, and whether or not notation of any amendment is made upon the Debt Securities. Any amendment of the Global Facility Agreement or of the terms of Debt Securities will be conclusive and binding on all Holders of those Debt Securities, whether or not they have given such consent or were present at any meeting (unless by the terms of the Global Facility Agreement a written consent or an affirmative vote of such Holders is required), and whether or not notation of any such amendment is made upon the Debt Securities.

Replacement

We will replace Registered Debt Securities in definitive form that are mutilated, destroyed, stolen or lost at the Holder's expense when the Holder provides evidence of the destruction, theft or loss of the Registered Debt Securities to the Global Agent as well as an indemnity, satisfactory to us and the Global Agent.

Debt Securities Acquired by Freddie Mac

We may, from time to time, repurchase or otherwise acquire (either for cash or in exchange for newly-issued Debt Securities) some or all of any issue of Debt Securities at any price or prices, in the open market or otherwise. We may hold, sell or cancel any Debt Securities that we repurchase. Any Debt Securities we own will have an equal and proportionate benefit under the provisions of the Global Facility Agreement, without preference, priority or distinction as among those Debt Securities. However, in determining whether the required percentage of Holders of an issue of Debt Securities have given any required demand, authorization, notice, consent or waiver, Debt Securities we own, directly or indirectly, will be deemed not to be outstanding.

Notice

Any notice, demand or other communication which is required or permitted to be given to a Holder may be given in writing by mail addressed to the Holder or, in the case of a Holder of a Debt Security maintained on the Fed Book-Entry System, by transmission through the communication system linking the Federal Reserve Banks. The communication will be deemed to have been sufficiently given or made upon mailing or transmission.

Notices regarding any issue of Debt Securities listed on the Luxembourg Stock Exchange also will be published in a newspaper of general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*) or, if such publication is not practical, elsewhere in Europe if the rules of that exchange so require. Notices regarding any issue of Debt Securities listed on the Singapore Stock Exchange will be published in a newspaper of general circulation in Singapore (which is expected to be *The Business Times*) or, if such publication is not practical, elsewhere in Asia if the rules of that exchange so require. Notice by publication will be deemed to have been given on the date of publication or, if published more than once, on the date of first publication.

Any notice, demand or other communication which is required or permitted to be delivered to us must be given in writing addressed as follows: Freddie Mac, 8200 Jones Branch Drive, McLean, Virginia 22102 Attention: Executive Vice President — General Counsel and Secretary. The commu-

nication will be deemed to have been sufficiently given or made only upon actual receipt of the writing by us.

Governing Law

The Global Facility Agreement and the rights and obligations of the Holders and Freddie Mac with respect to the Debt Securities each are to be interpreted under the federal laws of the United States. If there is no applicable U.S. federal law precedent, and if the application of New York law would not frustrate the purposes of the Freddie Mac Act or any provision of the Global Facility Agreement or the transactions governed by the Global Facility Agreement, then the local laws of the State of New York will be deemed to reflect the federal laws of the United States.

A judgment that may be granted in an action commenced in a United States court based on Debt Securities payable in a Specified Payment Currency other than U.S. dollars may be denominated in U.S. dollars. It is not clear whether, in granting such judgment, the court would use the rate of exchange of the Specified Payment Currency into U.S. dollars in effect on the date of breach, on the date judgment is rendered or on another date.

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES

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

The following summary addresses certain U.S. federal tax consequences of an investment in those Debt Securities (referred to as “Debt Obligations” in this section) that do not have a Variable Principal Repayment Amount and are not Targeted Registered Debt Securities. The summary is based upon U.S. laws, regulations and decisions now in effect, all of which are subject to change, potentially with retroactive effect, or differing interpretations.

This summary discusses only Debt Obligations held by Beneficial Owners as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended to the date of this Offering Circular (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, Beneficial Owners holding Debt Obligations as part of a hedging transaction or straddle, or Beneficial Owners who are U.S. Owners (as defined below) and whose functional currency (as defined in Section 985 of the Code) is not the U.S. dollar. Moreover, this summary does not address Debt Obligations held by a foreign partnership or other foreign flow-through entities. Further, the tax consequences arising from the ownership of any Debt Obligations with special characteristics (*e.g.*, Debt Obligations involving multiple currencies or subordinated Debt Obligations providing for deferral of, limitation on or suspension of payments of principal or interest in some circumstances) may be set forth in the related Pricing Supplement. In all cases, you are advised to consult your own tax advisor regarding the U.S. federal tax consequences to you of purchasing, 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 summary, “U.S. Person” means:

- an individual who, for U.S. federal income tax purposes, is 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, other than a partnership that is not treated as a U.S. Person under any applicable U.S. Treasury regulations (“Regulations”);

- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Certain trusts in existence on or before August 20, 1996, that were treated as U.S. persons under the law in effect on such date but fail to qualify as U.S. persons under current law, may elect to continue to be treated as U.S. persons to the extent prescribed in the Regulations.

“Beneficial Owner” means the entity or individual that beneficially owns a Debt Obligation. “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.

U.S. tax authorities have issued Regulations which provide that the conversion of the national currency of participating members of the European Union (“legacy currencies”) into euros will not result in the realization of gain or loss for federal income tax purposes. If we issue Debt Securities denominated in a legacy currency, conversion of the amount payable into euros will not cause gain or loss to be realized. Similarly, no gain or loss will be realized upon the conversion of an amount paid on the Debt Securities from a legacy currency to euros.

If we issue Debt Securities having a Variable Principal Repayment Amount or Targeted Registered Debt Securities, the U.S. federal tax treatment of Beneficial Owners of such Debt Securities will be described in the related Pricing Supplement.

U.S. Owners

In General

Income derived from a Debt Obligation by a U.S. Owner is subject to U.S. 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 U.S. federal estate tax.

The U.S. 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 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. Furthermore, Debt Obligations held by a real estate investment trust will constitute “Government securities” within the meaning of Section 856(c) (4) (A) of the Code, and Debt Obligations held by a regulated investment company will constitute “Government securities” within the meaning of Section 851 (b) (3) of the Code.

The Freddie Mac Act does not contain any specific exemption for any taxes on the principal of or interest on obligations issued by us 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 advisors as to the status of the Debt Obligations and interest paid on them 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 U.S. federal income tax purposes. Special rules governing the treatment of interest paid on Debt Obligations having original issue discount are described below.

If an interest payment is payable in or determined by reference to a Specified Currency other than U.S. dollars (a “Non-U.S. Currency”), the amount of interest income recognized by a cash method U.S. Owner will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted to U.S.

dollars. Accrual method U.S. Owners may determine the amount of the income recognized on such interest payments in accordance with either of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars. Under the first method, the amount of interest income recognized will be based on the average exchange rate in effect during the interest accrual period (or, for an accrual period that spans two taxable years, the partial period within the taxable year). Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Debt Obligation) payable in or determined by reference to a Non-U.S. Currency, an accrual method U.S. Owner will recognize ordinary exchange gain or loss measured by the difference between the U.S. dollar value of such payment at the exchange rate in effect on the date of receipt and the amount of interest accrued during the payment period at the average exchange rate.

Under the second method, an accrual method U.S. Owner may elect to translate interest income into U.S. dollars at the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within the taxable year). Additionally, if a payment of interest is received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. Owner instead may translate such accrued interest into U.S. dollars at the exchange rate in effect on the day the payment is received. Any election to use the second method will apply to all debt instruments held by the U.S. Owner at the beginning of the first taxable year to which the election applied or thereafter acquired by such U.S. Owner, and will be irrevocable without the consent of the IRS.

If interest on a Debt Obligation is payable in a Non-U.S. Currency, but a U.S. Owner thereof receives payment in U.S. dollars as a result of a currency conversion, then the U.S. dollar amount so received might not be the same as the U.S. dollar amount required to be recognized as interest income under the rules described above. See “Description of the Debt Securities — Currency Conversions.”

Debt Obligations with Original Issue Discount

Debt Obligations that are Zero Coupon Debt Securities will, and other Debt Obligations may, be issued with original issue discount. The Code and Regulations concerning the tax treatment of debt instruments issued with original issue discount (the “OID Regulations”) provide that the excess of the “stated redemption price at maturity” of a Debt Obligation over its “issue price” will be original issue discount unless such excess is *de minimis* (defined below). 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 a related Pricing Supplement states otherwise) and payable unconditionally at least annually. The “issue price” of a Debt Obligation is the first price at which a substantial amount of the issue of which the Debt Obligation is a part is sold to persons other than those acting as placement agents, underwriters, brokers or wholesalers. The issue price of a Debt Obligation generally includes any pre-issuance accrued interest unless a U.S. Owner excludes such amount from the issue price and treats a portion of the stated interest payable on the first interest payment date as a return of that accrued interest rather than as an amount payable under the Debt Obligation. Original issue discount is considered to be *de minimis* if it is less than one-quarter of one percent of a Debt Obligation’s stated redemption price at maturity multiplied by the number of complete years to its maturity (weighted average maturity if principal is payable in installments). A Debt Obligation having original issue discount is referred to as an “OID Debt Obligation.” A U.S. Owner of a Debt Obligation with *de minimis* 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.

Special rules apply to Debt Obligations that are callable by us, including Debt Obligations that are Step Debt Securities and that have an initial fixed interest rate that will change to a different fixed rate on the first day on which such Debt Obligation may be redeemed (“Step Debt Obligations”). See “Certain United States Federal Tax Consequences — U.S. Owners — Callable Debt Obligations.” Other special rules may apply to Debt Obligations that are Variable Rate Debt Securities,

Debt Obligations that provide for a fixed rate and a variable rate in different periods, Debt Obligations with a zero or reduced interest rate for certain periods, and certain other situations.

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 on OID Debt Obligations 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 when originally issued). Under these rules, the portion of the original issue discount includible in income is lowest in the first accrual period and increases in each successive accrual period. 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.

If all the payments on an OID Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, the accruals of original issue discount are computed in that Non-U.S. Currency. The accruals are then translated into U.S. dollars under the rules described above for accrual method U.S. Owners in “Certain United States Federal Tax Consequences — U.S. Owners — Payments of Interest.” These rules are applicable to original issue discount regardless of the U.S. Owner’s regular method of accounting.

Callable Debt Obligations

The OID Regulations provide special rules for determining the yield and maturity of debt instruments that are unconditionally callable prior to their final maturity date. Under these rules, we will be presumed to exercise a call right if such exercise would minimize the yield to maturity of the Debt Obligation. If a call right with respect to an OID Debt Obligation is presumed to be exercised but we do not in fact exercise the call right, the Debt Obligation will be treated as reissued at the “adjusted issue price” on the call date solely for purposes of determining future accruals of interest and original issue discount. 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 (determined without regard to the acquisition premium rules), less any prior payments of amounts included in its stated redemption price at maturity.

For example, a fixed rate Debt Obligation that is issued at a discount and is callable at par will not be deemed to be called because exercise of the call right will not minimize the yield of such Debt Obligation. A Step Debt Obligation that is issued at par and is callable at par on the dates specified for increases in interest rates will be deemed to be called on the first step date because the yield to maturity on such Debt Obligation would be lower than if the interest rate were stepped up. If such Step Debt Obligation is not called on that date, or is called only in part, the Step Debt Obligation (to the extent of its remaining outstanding principal amount) will be deemed to be called and reissued at par. As a result of these special rules, such Step Debt Obligation will not have any original issue discount and stated interest is taken into account by a U.S. Owner under its regular method 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 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. We intend 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

A Debt Obligation that matures one year or less from the date of its issuance is referred to as a “Short-Term Debt Obligation.” For purposes of determining whether a Debt Obligation is a Short-Term Debt Obligation, the maturity date of the Debt Obligation is the last possible date it could be

outstanding under its terms. For example, a Step Debt Obligation that has a maturity of more than one year but, under the rules described in the previous section, is presumed to be called on a date that is one year or less from the issue date, will not constitute a Short-Term Debt Obligation.

Accrual method U.S. Owners and certain other U.S. Owners described in Section 1281(b) of the Code, regardless of their method of accounting, are required to include original issue discount and stated interest (if any) with respect to a Short-Term Debt Obligation in income as it accrues. Original issue discount and stated interest must be accrued on a straight-line basis unless the U.S. Owner makes an irrevocable election to accrue such amounts on the basis of the Short-Term Debt Obligation's yield to maturity and daily compounding. U.S. Owners described in this paragraph may irrevocably elect to accrue "acquisition discount" (*i.e.*, the excess of the stated redemption price at maturity over the U.S. Owner's basis in the Short-Term Debt Obligation) rather than original issue discount. Such U.S. Owners should consult their tax advisors before making this election.

Cash method U.S. Owners of a Short-Term Debt Obligation generally include original issue discount and stated interest (if any) in income as payments are received. A cash method U.S. Owner of a Short-Term Debt Obligation described in Section 1281(b) of the Code, however, is subject to the rules described in the preceding paragraph. In addition, 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.

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), an adjustment must be made to the amount includible in income in each taxable year as original issue discount. Unless a U.S. Owner makes the accrual method election described below, the original issue discount includible for any taxable year is reduced by the product of the amount of original issue discount otherwise accruing during that taxable year under the rules described above and a constant fraction, the numerator of which is the excess of the purchase price of the Debt Obligation over the adjusted issue price of the Debt Obligation as of the acquisition date and the denominator of which is the remaining original issue discount on the Debt Obligation as of the acquisition date.

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 a *de minimis* amount) to treat any principal payments on, or any gain realized in a taxable disposition or retirement of, such Debt Obligation as ordinary 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 the Debt Obligation's stated redemption price at maturity multiplied by the number of complete years to maturity (weighted average maturity if principal is payable in installments) 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 transaction that is nontaxable in whole or in part (other than certain transactions 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. Generally, market discount accrues ratably over the number of days from the date of acquisition to the maturity date of the Debt Obligation. A U.S. Owner may, however, irrevocably elect with respect to any Debt Obligation to use a constant interest method. A U.S. Owner of a Debt Obligation that acquired it at a market discount and that does not elect under Section 1278(b) of the Code 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.

If all payments on a Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, the amount of market discount includible in income will generally be determined by translating the market discount determined in the Non-U.S. Currency into U.S. dollars at the spot rate on the date the Debt Obligation is retired or otherwise disposed of. If the U.S. Owner has elected to accrue market discount currently, then the amount which accrues is determined in the Non-U.S. Currency and then translated into U.S. dollars on the basis of the average rate in effect during such accrual period. A U.S. Owner will recognize ordinary exchange gain or loss with respect to market discount which is accrued currently using the approach described in “Certain United States Federal Tax Consequences — U.S. Owners — Payments of Interest.”

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 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 on a Debt Obligation 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 (but not below zero) 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) of the Code, the election also shall apply to all bonds the interest on which is not excludable from gross income (“Fully Taxable Bonds”) held by the U.S. Owner at the beginning of, or acquired during, the first taxable year to which the election applies and to all Fully Taxable Bonds thereafter acquired by it. This election 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 take the premium into account in computing its gain or loss upon the sale or other disposition or retirement of the Debt Obligation. Thus, the premium may reduce capital gain or increase capital loss realized on the disposition or retirement. See “Certain United States Federal Tax Consequences — U.S. Owners — Disposition or Retirement of Debt Obligations.”

If all payments on a Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, amortizable premium will, if the U.S. Owner so elects, reduce the amount of foreign currency interest income on such Debt Obligation. Such electing U.S. Owner is required to recognize ordinary exchange gain or loss attributable to movements in exchange rates between the time premium is paid to acquire the Debt Obligation and the time it offsets interest income by treating the amount of premium amortized as a return of principal.

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. If the U.S. Owner has not made an election under Section 171(c)(2) of the Code to amortize bond premium, an accrual method election for a Debt Obligation with amortizable bond premium will result in a deemed election under Section 171(c)(2) of the Code for all of the U.S. Owner's debt instruments with amortizable bond premium acquired during the current year and all subsequent years. Similarly, an accrual method election for a Debt Obligation with market discount by a U.S. Owner that has not made an election under Section 1278(b) of the Code to include market discount in income on a current basis will result in a deemed election under Section 1278(b) of the Code. Such a deemed election will apply to all debt instruments with market discount acquired by the U.S. Owner during the current year and all subsequent years. Neither the bond premium election under Section 171(c)(2) of the Code nor the market discount election under Section 1278(b) of the Code may be revoked without 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 (not including any amount attributable to accrued but unpaid interest) and the U.S. Owner's tax basis in the Debt Obligation. The amount realized on a disposition or retirement of a Debt Obligation in exchange for an amount payable in a Non-U.S. Currency (whether or not the U.S. Owner elects to receive payment in the Non-U.S. Currency) is the U.S. dollar value of such amount on the date of disposition or retirement or, in the case of Debt Obligations traded on an established securities market (within the meaning of Treasury Regulation Section 1.988-2(a)(2)(iv)) sold by a cash basis U.S. Owner (or an electing accrual basis U.S. Owner), on the settlement date for the sale. A U.S. Owner's tax basis for determining gain or loss on the disposition or retirement of a Debt Obligation is the U.S. dollar 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 (i) the amount of any payments under the Debt Obligation that are part of its stated redemption price at maturity and (ii) the portion of any premium applied to reduce interest payments as described above. The U.S. dollar cost of Debt Obligations purchased with Non-U.S. Currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Debt Obligations traded on an established securities market (within the meaning of Treasury Regulation Section 1.988-2(a)(2)(iv)) purchased by a cash basis U.S. Owner (or an electing accrual basis U.S. Owner), on the settlement date for the purchase. If a U.S. Owner purchases a Debt Obligation that is payable in a Non-U.S. Currency by converting U.S. dollars to the Non-U.S. Currency, the U.S. dollar value of the purchase price on the date of the purchase or settlement, as the case may be, may not be the same amount as the U.S. dollar amount converted to the Non-U.S. Currency for that purpose. See "Certain United States Federal Tax Consequences — U.S. Owners— Exchange of Amounts in Non-U.S. Currency."

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, or to the extent the gain or loss is attributable to changes in exchange rates, 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.

Exchange of Amounts in Non-U.S. Currency

Non-U.S. Currency received as interest on a Debt Obligation or on disposition or retirement of a Debt Obligation will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such disposition or retirement. Non-U.S. Currency that is purchased generally will have a tax basis equal to the U.S. dollar value of its cost. Any gain or loss recognized on a sale or other disposition of a Non-U.S. Currency (including its use to purchase Debt Obligations or upon exchange for U.S. dollars) will be ordinary income or loss.

Stripped Debt Obligations

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

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

If a U.S. Owner purchases in one transaction a pro rata share of the Principal Component and applicable unmatured Interest Components relating to the same Debt Obligation, then, while the matter is not free from doubt, such U.S. Owner should be treated as purchasing an undivided interest in the Debt Obligation rather than the separate Components. If such Components are purchased in separate transactions, then the U.S. Owner should be treated as purchasing the separate Components for U.S. federal income tax purposes. Such a U.S. Owner must account for taxable income with respect to such Components as described in the preceding paragraph.

Tax Treatment of Person That Strips the Debt Obligation and Disposes of Some of the Components. A U.S. Owner of a Debt Obligation that strips the Debt Obligation into its related Components and disposes of some of such Components will also be subject to the rules of Section 1286 of the Code. On the date of disposition, the U.S. Owner must (1) include in income all interest and market discount accrued on the Debt Obligation and not previously included in income, (2) increase its basis in the Debt Obligation by the same amount, (3) allocate its basis in the Debt Obligation among the Principal Component and Interest Components retained and disposed of according to their respective fair market values and (4) recognize gain or loss with respect to the Principal Component and Interest Components disposed of. Such U.S. Owner will be treated as having purchased the retained Components for an amount equal to the basis allocable to such Components.

Tax Treatment of Stripping and Reconstitution Transactions. An exchange by a U.S. Owner of a Debt Obligation for the related Components will not constitute a taxable exchange to the U.S. Owner. Similarly, a reconstitution of Components into a single instrument will not constitute a taxable exchange. In either case, the U.S. Owner will be treated as continuing to own for U.S. federal income tax purposes the property that it owned prior to the exchange.

Subordinated Debt Obligations

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

In the event that, at the time of issuance of Freddie SUBS, the stated interest was not treated as unconditionally payable, Freddie SUBS would be treated as issued with original issue discount. In that case, a U.S. Owner, regardless of such U.S. Owner’s regular method of accounting, would be required to include the stated interest in income as it accrues, which may be before any receipt of the cash attributable to such income.

Non-U.S. Owners

Interest

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

Exemption for Certain Short-Term Obligations. Interest on a Debt Obligation held by 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 U.S. federal income and withholding taxes if the Debt Obligation is payable in full within 183 days after the date of original issue.

Exemption for Portfolio Interest. Interest on a Debt Obligation held by 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 generally will be exempt from U.S. federal income and withholding taxes if the person otherwise required to withhold receives, in the manner provided by U.S. tax authorities, a certification that the Non-U.S. Owner is not a U.S. Person. A Non-U.S. Owner may provide this certification by providing a properly completed Form W-8BEN or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change within 30 days and provide new documentation.

The portfolio interest exemption will not apply if: (i) the interest is determined by reference to any receipts, sales or other cash flow of Freddie Mac or a related person, the income or profits of Freddie Mac or a related person, a change in value of any property of Freddie Mac or a related person, or any other item specified in Section 871(h)(4)(A) of the Code, (ii) the Non-U.S. Owner is a bank that receives payments on the Debt Obligations that are described in Section 881(c)(3)(A) of the Code, (iii) the Non-U.S. Owner is a 10-percent shareholder of Freddie Mac within the meaning of Section 871(h)(3)(B) of the Code or (iv) the Non-U.S. Owner is a “controlled foreign corporation” related to Freddie Mac within the meaning of Section 881(c)(3)(C) of the Code.

Exemption or Reduced Rate for Non-U.S. Owners Entitled to the Benefits of a Treaty. Interest on a Debt Obligation held by a Non-U.S. Owner may be exempt from U.S. federal income and withholding taxes (or subject to such tax at a reduced rate) under an income tax treaty between the United States and a foreign jurisdiction. In general, the exemption (or reduced rate) applies only if

the Non-U.S. Owner provides a properly completed Form W-8BEN or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change, generally within 30 days, and provide new documentation.

A treaty exemption (or reduced rate of tax) generally will not apply if the Non-U.S. Owner holds the Debt Obligation through an entity that is “fiscally transparent” for U.S. federal income tax purposes but not fiscally transparent under the laws of the Non-U.S. Owner’s jurisdiction of residence. An entity is considered fiscally transparent if its interest holders currently take into account their respective shares of the entity’s income and determine the character of such income as if they realized it directly.

Exemption for Non-U.S. Owners with Effectively Connected Income. Interest on a Debt Obligation held by a Non-U.S. Owner will be exempt from the 30-percent U.S. federal withholding tax if it is effectively connected with the conduct of a trade or business within the United States and the Non-U.S. Owner establishes this exemption by providing a properly completed Form W-8ECI or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change, generally within 30 days, and provide new documentation. Interest on a Debt Obligation that is, or is deemed to be, 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, generally will be subject to U.S. federal income tax at graduated rates and, in the case of a foreign corporation, U.S. federal branch profits tax.

Disposition or Retirement of Debt Obligations

Except as provided in the discussion of backup withholding below, a Non-U.S. Owner of a Debt Obligation will not be subject to U.S. federal income and withholding taxes on any gain realized on the sale, exchange, retirement or other disposition of a Debt Obligation unless (i) such gain is, or is deemed to be, effectively connected with a trade or business in the United States of the Non-U.S. Owner or (ii) such Non-U.S. Owner is an individual who is present in the U.S. for 183 days or more in the taxable year of sale, exchange, retirement or other disposition and certain conditions are met.

U.S. Federal Estate and Gift Taxes

Debt Obligations owned by an individual who is not a citizen or domiciliary of the United States will not be subject to U.S. 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 U.S. federal income and withholding taxes as described above under either “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest — Exemption for Portfolio Interest” (without regard to the requirement that a non-U.S. beneficial ownership statement be received) or “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest — Exemption for Certain Short-Term Obligations.” A Non-U.S. Owner of a Debt Obligation will not be subject to U.S. federal gift tax on a transfer of the Debt Obligation, unless the Non-U.S. Owner is an expatriate subject to Section 2501(a)(3) of the Code.

Information Reporting and Backup Withholding

Payments of interest on a Debt Obligation to a U.S. Owner (other than a corporation or other exempt recipient) are required to be reported to the IRS and the U.S. Owner. Payments of interest on a Debt Obligation to a Non-U.S. Owner (other than interest described above under “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest — Exemption for Certain Short-Term Obligations”) generally will be reported to U.S. tax authorities and the Non-U.S. Owner.

Form W-8BEN, Form W-8ECI, or other documentation or information about the Non-U.S. Owner may be provided to U.S. tax authorities.

Backup withholding of U.S. federal income tax at a rate of 30% (subject to periodic reductions through 2006) may apply to a payment made in respect of a Debt Obligation, as well as a payment of proceeds from the sale of a Debt Obligation, to a Beneficial Owner (other than a corporation or other exempt recipient), unless the Beneficial Owner provides certain information.

If a Beneficial Owner (other than a corporation or other exempt person) sells a Debt Obligation before the stated maturity to (or through) certain brokers, the broker must report the sale to the IRS and the Beneficial Owner unless, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. Person (and certain other conditions are met). The broker may be required to withhold U.S. federal income tax at a rate of 30% (subject to periodic reductions through 2006) of the entire sale price unless such Beneficial Owner provides certain information and, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. Person (and certain other conditions are met).

THE U.S. 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 REGARDING 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

We will use the net proceeds from sales of the Debt Securities for general corporate purposes, including the purchase and financing of mortgages.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether the Debt Securities constitute legal investments for you and whether the Debt Securities can be used as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators to determine the appropriate treatment of the Debt Securities under risk-based capital and similar rules.

If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in certain types of Debt Securities generally. Institutions regulated by 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 applicable regulations, policy statements and guidelines before purchasing or pledging Securities.

DISTRIBUTION ARRANGEMENTS

Distribution

We will offer the Debt Securities to or through Dealers under the terms and conditions set forth in a Master Dealer Agreement, dated as of January 31, 2001 and as further amended, supplemented or modified or replaced from time to time (the "Dealer Agreement"), between us and certain Dealers. "Dealers" are firms that engage in the business of dealing or trading in debt securities as agents, brokers or principals. Under the terms of the Dealer Agreement, we may add other securities dealers or banks in connection with the distribution of the Debt Securities or any particular issue of Debt Securities. These securities dealers or banks, together with the initial Dealers with

whom Freddie Mac executed the Dealer Agreement, are referred to in this Offering Circular collectively as the “Dealers.” The Dealer Agreement also provides that Dealers may be removed from the Facility from time to time.

Sales to Dealers as Principal

We will sell Debt Securities primarily to Dealers as principals, either individually or as part of a syndicate. These sales may be by auction or other methods. Dealers will resell Debt Securities 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 Dealers. Offering prices may be established through negotiations with dealers, auctions (which may include standard auctions, Dutch auctions or other formats) or otherwise. The Dealer Agreement entitles the Dealers or us to terminate such sale in certain circumstances before payment for the Debt Securities is made to us. Except as noted below for Targeted Registered Debt Securities and under certain other circumstances, any Dealer may sell the Debt Securities it has purchased as principal to other dealers at a concession, in the form of a discount that other Dealers receive. The concession may be all or a portion of the underwriting compensation. There will be no underwriting compensation where such sales are by auction. Dealers will advise us whether an offering is on a fixed price or variable price basis and of any concessions or reallowances that they will provide to other dealers. We will include this information that the Dealers provide in the applicable Pricing Supplement. After the initial offering of any issue of Debt Securities, the offering price (in the case of a fixed price offering), the concession and the reallowance may be changed.

Non-Underwritten Sales

We may authorize some Dealers to solicit customer offers to purchase Debt Securities on a non-underwritten basis as our agents on terms we determine. The Dealer Agreement requires each Dealer severally and not jointly to solicit purchases of the Debt Securities for which it is authorized to solicit offers as agent. Dealers have agreed to use their best efforts when soliciting non-underwritten sales. Dealers also may approach us on behalf of investors and other purchasers with offers to purchase Debt Securities on a non-underwritten basis. We will sell Debt Securities on a non-underwritten basis at 100% of the principal amount, unless we specify otherwise in the applicable Pricing Supplement. These sales may be by auction or other methods. We will pay the Dealers through whom a Debt Security is sold a commission in an amount specified in the applicable Pricing Supplement, except that no commission will be paid where such sales are by auction. The commission will be expressed as a percentage of the principal amount of the Debt Securities (or the initial offering price for Zero Coupon Debt Securities and certain other Debt Securities sold at a discount). We will have the sole right to accept offers to purchase Debt Securities and may reject all or a portion of any offer. Each Dealer will have the right, using reasonable discretion, to reject all or a portion of any offer to purchase Debt Securities solicited on a non-underwritten basis. Each Dealer is acting solely as our agent in soliciting offers to purchase Debt Securities as agent and not as principal, and does not assume any obligation towards or relationship of agency or trust with any purchaser of Debt Securities.

Targeted Registered Debt Securities

No Dealer participating in the distribution of Targeted Registered Debt Securities (whether as principal or agent) may allow any person (including an affiliate) to participate in the distribution of Targeted Registered Debt Securities without our prior written consent and that person having entered into an agreement with us as we may require.

Sales Directly to Investors

We also may sell Debt Securities directly to investors on our own behalf. We will not pay a commission to any Dealer on these direct sales. These sales may be by auction or other methods.

Stabilization and Other Market Transactions

A Dealer acting as a principal for a fixed price offering may, for a limited period, engage in certain transactions that stabilize, maintain or otherwise affect the market price, or that support the market price at a level higher than that which might otherwise prevail, in connection with any offering of Debt Securities. A Dealer will be identified in the Pricing Supplement as the “Stabilizing Manager” for the syndicate in each syndicated fixed price offering that is underwritten. These transactions may include stabilizing bids or purchases for the purpose of pegging, fixing or maintaining the market price of the Debt Securities and the purchase of Debt Securities to cover syndicate short positions created in connection with an offering of Debt Securities. Any such transactions will be conducted in compliance with all applicable laws, regulations and rules.

A Dealer may create a short position in the Debt Securities in connection with the offering by selling Debt Securities with a principal amount greater than that set forth on the cover of the applicable Pricing Supplement, and may reduce that short position by purchasing Debt Securities in the open market.

The Stabilizing Manager may also impose a penalty bid on the other Dealers. This means that if the Stabilizing Manager purchases Debt Securities in the open market to reduce a Dealer’s short position or to stabilize the price of the Debt Securities, it may reclaim the amount of the selling concession from the Dealer who sold those Debt Securities as part of the offering.

In general, purchases of a Debt Security for the purpose of stabilization or to reduce a short position could cause the price of the Debt Security to be higher than it might be in the absence of such purchases. We and the Dealers make no representation that the Dealers will engage in such transactions or that such transactions, once commenced, will be continued. Any such transactions must be brought to an end after a limited period of time. A Dealer that engages in such transactions does so on its own behalf and not as our agent. If Dealers commence these transactions, they may discontinue them at any time.

In connection with any particular issue of Debt Securities, we may enter into forwards, futures, options, swaps, or other hedging transactions, or repurchase or reverse repurchase transactions with, or arranged by, the applicable Dealer or an affiliate. The Dealer or other parties may receive compensation, trading gain, temporary funding or other benefits from these transactions. We also may from time to time engage in other hedging activities or repurchase or reverse repurchase transactions involving Debt Securities, in the open market or otherwise. We are not required to engage in any of these transactions. If we commence these transactions, we may discontinue them at any time. Counterparties to these hedging activities also may engage in market transactions involving Debt Securities.

Neither we nor the Dealers make any representation or prediction as to the direction or magnitude of any effect that the transactions described in this section may have on the price of Debt Securities.

Additional Information

Unless we specify otherwise in the applicable Pricing Supplement, you must pay the purchase price of Debt Securities to us in immediately available funds. Your payment will be effective only when we receive the funds.

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

Purchasers of the Debt Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase. Neither we nor any Dealer represent that the Debt 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 under any available exemption, nor do we or any Dealer assume any responsibility for facilitating these sales.

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

You can obtain lists of Dealers for Debt Securities by contacting our Debt Securities Marketing Office. See “Available Information” in this Offering Circular.

We may request the Dealers to provide us with information relating to the Debt Securities that they sell, including the identities of investors that have made purchases of Debt Securities.

Trading Markets

We have applied to list certain Debt Securities to be issued under the Facility on the Luxembourg Stock Exchange and the Singapore Stock Exchange. We also may issue unlisted Debt Securities and Debt Securities listed on other or additional exchanges. The Pricing Supplement will identify any exchange to which an initial listing application will be made.

When issued, the Debt Securities generally will have no established trading market. We have been advised that certain Dealers for the Debt Securities intend to make a secondary market in the Debt Securities offered by or through them, but, in general, 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 Debt Securities will develop or of the liquidity of such a market if it develops.

We understand that the Board of Directors of the EuroMTS System (“EuroMTS”), pursuant to its rules, as amended, may select €Reference Securities for trading on such system. We understand that EuroMTS is a privately owned and operated electronic trading system for euro denominated government securities and certain euro denominated government-related enterprise securities. We further understand that certain Dealers may be requested to apply and be selected by the EuroMTS Board of Directors to publish on EuroMTS bids to buy and offers to sell €Reference Securities at stated prices, in accordance with EuroMTS rules which include the requirement to maintain certain specified maximum bid/offer spreads for such securities.

Selling Restrictions

General

The Debt Securities may be offered and sold from time to time in one or more issues outside of the United States, within the United States or simultaneously outside of and within the United States, only where it is legal to make such offers and sales.

The Dealers have represented and agreed that they have complied and will comply with all applicable laws and regulations in each jurisdiction in which or from which they may purchase, offer, sell or deliver any Debt Securities or distribute this Offering Circular, any Pricing Supplement or any other offering material. The Dealers also have agreed to comply with certain selling restrictions relating to certain countries.

We may modify the selling restrictions described below following a change in any relevant law, regulation, government policy or directive, or otherwise. Freddie Mac also may add selling and other restrictions to reflect requirements relating to Specified Currencies or Specified Payment Currencies. Any such modified or added selling or other restrictions will be reflected in the applicable Pricing Supplement.

United Kingdom

The Dealers have represented and agreed as follows:

(i) they have not offered or sold Debt Securities that have an original maturity of one year or more and, prior to six months after the Issue Date of such Debt Securities, will not offer or sell any such Debt Securities to persons in the United Kingdom except to persons whose

ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended);

(ii) they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Debt Securities in, from or otherwise involving the United Kingdom;

(iii) they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by them in connection with the issue or sale of any Debt Securities in circumstances in which section 21(1) of the FSMA does not apply to us; and

(iv) in relation to any Debt Securities which must be redeemed before the first anniversary of the date of their issue:

(a) they are persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business; and

(b) they have not offered or sold and will not offer or sell any Debt Securities other than to persons:

(1) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business; or

(2) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their business,

where the issue of the Debt Securities would otherwise constitute a contravention of section 19 of the FSMA by us.

Japan

The Debt Securities have not been and will not be registered under the Securities and Exchange Law. The Dealers have represented and agreed that they have not offered or sold, and will not offer or sell, directly or indirectly, any of the Debt Securities in Japan or to or for the benefit of any resident of Japan (which term means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to any person for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except under an exemption from the registration requirements of and/or in compliance with the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

The Dealers also have represented and agreed to provide any necessary information regarding Yen denominated Debt Securities to us or the Global Agent so that we or the Global Agent may make any required or advisable reports to the Japanese Ministry of Finance.

France

The Dealers have represented and agreed that they have not offered or sold, and will not offer or sell, Debt Securities to the public in France during their initial distribution and have not distributed and will not distribute or cause to be distributed in France this Offering Circular or any other offering material relating to the Debt Securities, except to (1) qualified investors (*investisseurs qualifiés*) acting for their own account or (2) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in Article 6 of *Ordonnance* no. 67-833 dated September 28, 1967 (as amended) and *Decret* no. 98-880 dated October 1, 1998.

Germany

In connection with the initial placement of the Debt Securities in Germany, the Dealers have represented and agreed that they will offer and sell Debt Securities (1) unless otherwise provided in the applicable Pricing Supplement, only for an aggregate purchase price per purchaser of such amount as may be stipulated from time to time by applicable German law and (2) as may otherwise be permitted in accordance with the provisions of the German Securities Prospectus Act of 13th December, 1990, as amended, or other applicable German law.

Hong Kong

The Dealers have represented and agreed that they have not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in Hong Kong, by means of any document, any Debt Securities other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. The Dealers have further represented and agreed that, unless they are persons who are permitted to do so under the securities laws of Hong Kong, they have not issued, or had in their possession for the purpose of issuing, and they will not issue, or have in their possession for the purposes of issuing, any advertisement, invitation or document relating to the Debt Securities other than for Debt Securities intended to be disposed of to persons outside Hong Kong or to persons in Hong Kong whose business involves the acquisition, disposal or holding of securities, whether as principal or as agent.

Singapore

Under Section 106B(2)(a) of the Companies Act, Chapter 50 of Singapore (the “Singapore Companies Act”), exemption has been obtained from the Minister for Finance of Singapore from compliance with Divisions 1 and 5 of Part IV of the Singapore Companies Act in relation to the issue and offering of the Debt Securities under the Facility.

The Dealers have acknowledged that this Offering Circular has not been registered as a prospectus with the Registrar of Companies and Businesses in Singapore. Accordingly, the Dealers have represented, warranted and agreed that they have not offered or sold, and will not offer or sell, any Debt Securities, nor will they circulate or distribute this Offering Circular or any other offering document or material relating to the Debt Securities, directly or indirectly, to the public or any member of the public in Singapore other than (1) to an institutional investor or other person specified in Section 106C of the Singapore Companies Act, (2) to a sophisticated investor, and in accordance with the conditions, specified in Section 106D of the Singapore Companies Act or (3) otherwise under, and in accordance with the conditions of, any other applicable provision of the Singapore Companies Act.

Targeted Registered Debt Securities

If we issue Targeted Registered Debt Securities, the applicable Pricing Supplement will describe the selling restrictions that apply to the Targeted Registered Debt Securities. Each Dealer has represented and agreed, and each Dealer identified in the applicable Pricing Supplement will have represented and agreed as follows:

(1) each Dealer will not offer or sell Targeted Registered Debt Securities during a “restricted period,” as defined in U.S. tax regulations, to persons who are within the United States or its territories or possessions (with certain exceptions) or to or for the account of U.S. Persons (with certain exceptions) and

(2) each Dealer has in effect procedures reasonably designed to ensure that its employees and agents who will be directly engaged in offering or selling the Targeted Registered Debt Securities are aware of these selling restrictions. See “Description of the Debt Securities — General — Targeted Registered Issues.”

LEGALITY OF THE DEBT SECURITIES

Maud Mater, Esq., Executive Vice President — General Counsel and Secretary of Freddie Mac, will pass upon the legality of the Debt Securities for us. Sidley Austin Brown & Wood LLP, New York, New York, will pass upon certain legal matters relating to the Debt Securities for the Dealers.

GENERAL INFORMATION

We have applied to list the Debt Securities issued under this Facility that are agreed at the time of issue to be so listed on the Luxembourg Stock Exchange and the Singapore Stock Exchange. As of the date of the Offering Circular, Debt Securities with maturities of less than seven days may not be listed on the Luxembourg Stock Exchange and Debt Securities with maturities of less than one month may not be listed on the Singapore Stock Exchange.

In connection with the application to list the Debt Securities issued under this Facility on the Luxembourg Stock Exchange, the Freddie Mac Act and Bylaws of Freddie Mac and a legal notice relating to the issuance of Debt Securities have been deposited with the Chief Registrar of the District Court of Luxembourg, where copies may be inspected or obtained upon request. You may obtain, free of charge, copies of Freddie Mac's most recent Information Statement and all Information Statement Supplements to such Information Statement from the Luxembourg Listing Agent so long as any Debt Securities issued under this Offering Circular are listed on the Luxembourg Stock Exchange. You may also obtain, free of charge, from the Luxembourg Listing Agent, this Offering Circular, any documents we incorporate by reference in this Offering Circular and Pricing Supplements applicable to Debt Securities listed on the Luxembourg Stock Exchange. You may inspect copies of the Fiscal Agency Agreement and the Global Agency Agreement at the Office of the Luxembourg Listing Agent during the term of the Debt Securities. The Luxembourg Stock Exchange has allocated to the Facility the number 9574 for listing purposes.

So long as Debt Securities are listed on the Luxembourg Stock Exchange, Freddie Mac will maintain in Luxembourg a transfer agent and paying agent to respond to your inquiries. Banque Générale du Luxembourg, S.A. initially has been appointed as the transfer agent and paying agent.

So long as Debt Securities are listed on the Singapore Stock Exchange, copies of the Freddie Mac Act and Bylaws of Freddie Mac, the Fiscal Agency Agreement, the Global Agency Agreement, the Global Facility Agreement and the documents incorporated in this Offering Circular by reference will be available for your inspection during usual business hours at the office of Allen & Gledhill in Singapore.

As of the date of this Offering Circular, there is no litigation, actual or pending, that relates to Freddie Mac and to which we are a party or of which we have been notified that we will be made a party that is material in the context of the issuance of the Debt Securities.

As of the date of this Offering Circular, there has been no material adverse change in our financial position since September 30, 2001.

We have given an undertaking in connection with the listing of the Debt Securities issued under this Facility on the Luxembourg Stock Exchange and have agreed in connection with the listing of the Debt Securities on the Singapore Stock Exchange, to the effect that, so long as any Debt Securities remain outstanding and listed on the Luxembourg Stock Exchange and the Singapore Stock Exchange, respectively, in the event of any material adverse change in our business or financial position that is not reflected in this Offering Circular as then amended or supplemented (including the documents incorporated by reference), we will prepare an amendment or supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent offering and listing by Freddie Mac of the Debt Securities. If the terms of the Facility are modified or amended in a manner which would make this Offering Circular, as amended or supplemented, inaccurate or misleading, a further amendment to this Offering Circular or a new Offering Circular will be prepared.

CAPITALIZATION

The Information Statement and Information Statement Supplements include capitalization tables as of the end of the related annual and quarterly periods.

The following table sets forth Freddie Mac's capitalization at September 30, 2001. Dollars are in millions.

Debt securities:	
Due within one year:	
Discount notes, medium-term notes and securities sold under agreements to repurchase	\$225,554
Current portion of long-term debt	19,085
Total due within one year	244,639
Due after one year	286,673
Total debt securities, net	531,312
Subordinated borrowings	3,122
Stockholders' equity	14,506
Total capitalization	<u>\$548,940</u>

Freddie Mac engages in transactions affecting stockholders' equity from time to time and issues or retires debentures, notes and other debt obligations on an ongoing basis. Accordingly, on any date subsequent to September 30, 2001, stockholders' equity may differ, and the amount of debt obligations outstanding will differ, and may differ substantially, from the figures contained in this capitalization table.

OPERATING EARNINGS

Operating earnings, along with corresponding ratios, reflect adjustments to reported results to exclude certain accounting effects associated with Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS 133"). These adjustments include the elimination of the "Cumulative change in accounting principle, net of taxes" and "Fair value gains (losses)," which are included in earnings prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), as well as the recognition of straight-line amortization expense on purchased option premiums, which differs from how these premiums are amortized for reported earnings. Management believes that results presented on an operating basis are beneficial in understanding and analyzing Freddie Mac's financial performance because they better reflect the economic impact of the corporation's risk management activities. Results presented on an operating basis are also useful because they are comparable with reported results for periods prior to the adoption of SFAS 133. Freddie Mac's operating earnings may not be comparable to supplemental performance measures that are used by other companies and which may have similar titles.

SELECTED FINANCIAL INFORMATION

We have summarized or derived the reported data on the following table for the years 1996 through 2000 from our audited consolidated financial statements or our internal accounting records. These data should be read in conjunction with the audited consolidated financial statements and notes to consolidated financial statements that are presented in our Information Statement. We have summarized or derived the reported data on the following table for the nine months ended September 30, 2001 and September 30, 2000 from our unaudited condensed consolidated financial statements or from internal accounting records. Operating data on the following table are unaudited for all periods presented and is derived from the sources noted previously. In management's opinion, these data include all adjustments necessary for a fair presentation. Adjustments included in the table are of a normal, recurring nature, other than the cumulative effect of change in accounting principle as a result of the adoption of SFAS No. 133, which required us to recognize all derivatives on our balance sheet as either assets or liabilities measured at their fair value beginning on January 1, 2001.

At or for the Nine Months Ended September 30, (unaudited)		At or for the Year Ended December 31,					
2001	2000	2000	1999	1998	1997	1996	

(dollars in millions, except per share amounts)

Operating Data(1)

Operating earnings	\$ 2,301	\$ 1,884	\$ 2,547	\$ 2,223	\$ 1,700	\$ 1,395	\$ 1,243
Operating earnings per common share — diluted	\$ 3.07	\$ 2.51	\$ 3.40	\$ 2.96	\$ 2.31	\$ 1.88	\$ 1.63
Operating return on realized common equity(2)	23.4%	23.1%	22.9%	23.8%	24.6%	23.4%	22.7%
Operating revenues	\$ 4,125	\$ 3,298	\$ 4,457	\$ 4,055	\$ 3,337	\$ 3,029	\$ 2,875

Reported Data(3)

Balance Sheet

Retained portfolio(4)	\$ 470,850	\$361,624	\$ 385,693	\$ 324,443	\$ 255,009	\$ 164,421	\$ 137,755
Total assets	\$ 571,907	\$433,346	\$ 459,297	\$ 386,684	\$ 321,421	\$ 194,597	\$ 173,866
Debt securities, net	\$ 531,312	\$406,794	\$ 426,754	\$ 360,581	\$ 287,234	\$ 172,321	\$ 156,491
Total liabilities(5)	\$ 553,812	\$419,566	\$ 443,865	\$ 374,602	\$ 309,978	\$ 186,154	\$ 166,271
Summary of Capital Measures:							
Core capital(6)	\$ 17,743	\$ 13,866	\$ 14,381	\$ 12,691	\$ 10,715	\$ 7,375	\$ 6,743
Reserve for mortgage losses(7)	794	780	784	772	768	694	680
Total capital	18,537	14,646	15,165	13,463	11,483	8,069	7,423
Subordinated borrowings	3,122	142	145	130	162	521	490
Adjusted total capital	\$ 21,659	\$ 14,788	\$ 15,310	\$ 13,593	\$ 11,645	\$ 8,590	\$ 7,913
Total PCs	\$ 927,490	\$790,891	\$ 822,310	\$ 749,081	\$ 646,459	\$ 579,385	\$ 554,260
Freddie Mac PCs held in the retained portfolio	\$ 291,646	\$231,649	\$ 246,209	\$ 211,198	\$ 168,108	\$ 103,400	\$ 81,195
Total mortgage portfolio	\$1,106,694	\$920,866	\$ 961,794	\$ 862,326	\$ 733,360	\$ 640,406	\$ 610,820

New Business Purchase and Financing Activities

New business purchases	\$ 332,609	\$137,035	\$ 207,423	\$ 272,472	\$ 288,338	\$ 121,490	\$ 128,565
Number of new business purchases (# of loans)	2,005,129	989,705	1,465,280	2,058,330	2,396,651	1,085,046	1,232,540
PC issuances	\$ 268,475	\$110,187	\$ 166,901	\$ 233,031	\$ 250,564	\$ 114,258	\$ 119,702
Structured securitizations(8)	\$ 122,363	\$ 34,271	\$ 48,202	\$ 119,565	\$ 135,162	\$ 84,366	\$ 34,145

Income Statement and Ratios

Net interest income on earning assets	\$ 3,400	\$ 2,100	\$ 2,838	\$ 2,540	\$ 1,927	\$ 1,631	\$ 1,542
Management and guarantee income	\$ 1,206	\$ 1,106	\$ 1,489	\$ 1,405	\$ 1,307	\$ 1,298	\$ 1,249
Total revenues	\$ 4,859	\$ 3,298	\$ 4,457	\$ 4,055	\$ 3,337	\$ 3,029	\$ 2,875
Income before income taxes, extraordinary items and cumulative effect of change in accounting principle	\$ 4,116	\$ 2,610	\$ 3,534	\$ 3,161	\$ 2,356	\$ 1,964	\$ 1,797
Net income	\$ 2,783	\$ 1,884	\$ 2,547	\$ 2,223	\$ 1,700	\$ 1,395	\$ 1,243
Earnings per common share:(9)							
Basic	\$ 3.78	\$ 2.52	\$ 3.41	\$ 2.97	\$ 2.32	\$ 1.90	\$ 1.65
Diluted	\$ 3.77	\$ 2.51	\$ 3.40	\$ 2.96	\$ 2.31	\$ 1.88	\$ 1.63
Dividends per common share	\$ 0.60	\$ 0.51	\$ 0.68	\$ 0.60	\$ 0.48	\$ 0.40	\$ 0.35
Dividend payout ratio on common stock(10)	15.97%	20.30%	20.03%	20.14%	20.65%	21.08%	21.26%
Return on total equity(11)	26.8%	20.7%	20.2%	20.3%	19.4%	19.5%	19.7%
Return on average assets(12)	0.72%	0.61%	0.61%	0.64%	0.70%	0.77%	0.80%
Equity to assets ratio(13)	2.68%	2.97%	3.01%	3.16%	3.60%	3.93%	4.05%
Ratio of earnings to fixed charges(14)	1.19:1	1.14:1	1.14:1	1.16:1	1.16:1	1.17:1	1.19:1
Ratio of earnings to combined fixed charges and preferred stock dividends(14)	1.18:1	1.13:1	1.13:1	1.14:1	1.15:1	1.16:1	1.18:1

- (1) Based on Freddie Mac's supplemental performance measure. For more information, see *OPERATING EARNINGS* on the previous page and in the Information Statement Supplements.
- (2) Calculated quarterly as annualized operating net income less preferred stock dividends divided by average realized common stockholders' equity (common stockholders' equity excluding "Accumulated Other Comprehensive Income, Net of Taxes" ("AOCI")). Year-to-date and annual computations reflect the simple average of quarterly returns. 1997 and 1996 ratios are calculated on an annualized basis.
- (3) Based on GAAP.
- (4) Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.
- (5) Excludes "Reserve for losses on Mortgage Participation Certificates" and "Subordinated borrowings."
- (6) "Stockholders' Equity" excluding AOCI.
- (7) "Reserve for losses on retained mortgages" plus the "Reserve for losses on Mortgage Participation Certificates."
- (8) Includes issuances of mortgage-related securities in which the cash flows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.
- (9) "Earnings per common share-basic" are computed based on weighted average common shares outstanding. "Earnings per common share-diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.
- (10) Year-to-date and annual computations reflect the simple average of quarterly ratios. Quarterly ratios are computed as dividends paid divided by "Net income available to common stockholders."
- (11) Year-to-date and annual computations reflect the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" divided by the simple average of the beginning and ending balances of "Stockholders' equity."
- (12) Year-to-date and annual computations reflect the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" divided by the simple average of the beginning and ending balances of "Total assets."
- (13) Year-to-date and annual computations reflect the simple average of quarterly ratios. Quarterly ratios are computed as the simple average of the beginning and ending "Stockholders' equity" divided by the simple average of the beginning and ending "Total assets."
- (14) Earnings consist of "Income before taxes, extraordinary items and cumulative effect of change in accounting principle" plus fixed charges. Fixed charges include interest (including amounts capitalized) and the portion of net rental expense deemed representative of interest. The ratios of Freddie Mac's earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends were 1.22:1 and 1.20:1, respectively, for the quarter ended September 30, 2001.

FORM OF PRICING SUPPLEMENT

This is a form of Pricing Supplement for Debt Securities. This form is provided for illustrative purposes only. This form of Pricing Supplement is subject to completion, amendment or supplementation as we in our discretion may determine for any and all issues, types or categories of Debt Securities. Investors should review the Pricing Supplement relating to a particular issue of Debt Securities.

PRICING SUPPLEMENT DATED
(To Offering Circular dated January 4, 2002)

Freddie Mac

GLOBAL DEBT FACILITY

This Pricing Supplement relates to the Debt Securities of the Federal Home Loan Mortgage Corporation ("Freddie Mac") described below and should be read in conjunction with the Offering Circular dated January 4, 2002 (the "Offering Circular") and all documents incorporated by reference in the Offering Circular including Freddie Mac's Information Statement dated _____ and any supplements to such Information Statement. Capitalized terms used in this Pricing Supplement and not otherwise defined in this Pricing Supplement have the meanings given to them in the Offering Circular.

The Debt Securities are not suitable investments for all investors. In particular, no investor should purchase the Debt Securities unless the investor understands and is able to bear the yield, market and liquidity risks associated with the Debt Securities. See "Risk Factors — The Debt Securities May Not Be Suitable For You" in the Offering Circular.

The Debt Securities are obligations of Freddie Mac only. The Debt Securities, including any interest or return of discount on the Debt Securities, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac. The Debt Securities are not tax-exempt. Non-U.S. owners generally will be subject to United States federal income and withholding tax unless they establish an exemption. Because of applicable U.S. securities law exemptions, we have not registered the Debt Securities with any U.S. federal or state securities commission. No U.S. securities commission has reviewed the Offering Circular or this Pricing Supplement.

Certain Debt Securities Terms

1. Title:

2. Form:
 - Book-Entry
 - Registered
 - DTC Registered Debt Securities
 - Global Registered Debt Securities

3. Specified Payment Currency:
 - a. Specified Interest Currency: _____
 - b. Specified Principal Currency: _____

4. Aggregate Original Principal Amount: _____

5. Issue Date: _____

6. Denominations:

7. Maturity Date: _____

a. Amount Payable on the Maturity Date

- Fixed Principal Repayment Amount
 - 100% of principal amount
 - % of principal amount
- Variable Principal Repayment Amount

8. Subject to Redemption or Repayment Prior to Maturity Date:

- No
- Yes
 - Mandatory
 - Redemption at Option of Freddie Mac
 - In whole or in part at any time (and from time to time) on or after _____, upon notice to Holders not less than 5 calendar days nor more than 60 calendar days prior to redemption, at a redemption price of 100% of the principal amount redeemed, plus accrued interest on the Debt Securities to the date of redemption
 - Repayment at Option of Holders

9. Payment Terms of the Debt Securities:

- Fixed Rate Debt Securities
- Step Debt Securities
- Variable Rate Debt Securities
- Fixed/Variable Rate Debt Securities
- Zero Coupon Debt Securities

10. Interest:

a. Frequency of Interest Payments

- Annually
- Semiannually
- Quarterly
- Monthly
- Other: _____

b. Interest Payment Dates: _____

c. Interest rate per annum: _____%

d. Accrual method (*i.e.*, day count convention)

- 30/360
- Actual/360
- Actual/365 (fixed)
- Actual/Actual
- Actual/Actual (ISMA)

Additional Information Relating to the Debt Securities

1. Identification Number(s)

- a. CUSIP: _____
- b. ISIN: _____
- c. Common Code: _____
- d. Other: _____

2. Listing Application

- No
- Yes
 - Luxembourg Stock Exchange
 - Singapore Exchange Securities Trading Limited
 - Other: _____

3. Eligibility for Stripping

- Yes
- No

4. Governing Law

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

Offering

1. Pricing Date: _____

2. Method of Distribution: Principal Agent

3. Dealer

Underwriting Commitment

Total

Representatives:

Stabilizing Manager:

4. Offering Price:

Fixed Price Offering: ___% of principal amount, plus accrued interest, if any, from the Issue Date

Variable Price Offering

5. Purchase Price to Applicable Dealer: ___% of principal amount

Concession: ___%

Reallowance: ___%

Settlement

1. Settlement Date: _____

2. Settlement Basis

Delivery versus payment

Free delivery

3. Settlement Clearing System

Federal Reserve Banks

DTC

Euroclear

Clearstream, Luxembourg

Other

Other

LOCATION OF DEFINED TERMS

Each term listed below is defined or explained in the Offering Circular on the page indicated opposite such term. This reference guide is intended merely as a convenience and may not be complete. Certain other terms not listed below may be defined in the Offering Circular.

acquisition discount	50
Actual /360	21
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Variable Principal Repayment Amount	19
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Federal Reserve Bank of New York

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New York, New York 10045

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Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

LUXEMBOURG TRANSFER AGENT, PAYING AGENT AND LISTING AGENT

Banque Générale du Luxembourg, S.A.
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L-2951 Luxembourg

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City House
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875 Third Avenue
New York, New York 10022

INDEPENDENT PUBLIC ACCOUNTANTS TO FREDDIE MAC

Arthur Andersen LLP
1666 K Street, N.W.
Washington, D.C. 20006

Any questions or requests for assistance or additional copies of the Exchange Supplement may be directed to the Information Agent at the address and telephone number set forth below. Beneficial owners may also contact the Dealer Manager or the Settlement Agent at the respective telephone numbers set forth below for assistance concerning the Exchange Offer.

The Dealer Manager for the Exchange Offer is:

Goldman, Sachs & Co.

E-mail Address:

freddiemac__exchange@gs.com

*To Confirm by Telephone or
for Information Call:*

(800) 828-3182

or Call Collect (212) 357-0336

The Information Agent for the Exchange Offer is:

D.F. King & Co., Inc.

New York, New York

(800) 431-9646

Banks and Brokers Call Collect (212) 269-5550

The Settlement Agent for the Exchange Offer is:

Goldman, Sachs & Co.

(212) 902-1041

ABA Account #: 021000018

Account Name: BK OF NYC/GOLDMAN

Attn: Exchange Offer

The Luxembourg Exchange Agent for the Exchange Offer is:

Banque Generale Du Luxembourg S.A.

50, AV. J.F. Kennedy

L-2951

Luxembourg

352-4242-2686