

Federal Home Loan Mortgage Corporation**Global Debt Facility****For issuances of Notes with maturities of one day or longer****Freddie
Mac**

The Federal Home Loan Mortgage Corporation ("Freddie Mac") intends to issue notes and other debt securities (collectively, the "Notes") from time to time under the Global Debt Facility (the "Facility"). There is no specific limit on the aggregate principal amount of Notes that may be issued under the Facility provided that the aggregate principal amount of Notes outstanding at any time may not exceed U.S. \$15,000,000,000 (or the U.S. dollar equivalent in other currencies or currency units). The maximum aggregate principal amount of Notes that may be outstanding under the Facility may be increased at any time. Notes may be denominated or payable in the Specified Currencies referred to in this Offering Circular or as may otherwise be designated by Freddie Mac at the time of issue, as specified in a Pricing Supplement that will contain the terms of, and pricing details for, each particular issue of Notes. Capitalized terms used in this Offering Circular have the meanings given to such terms in the text of this Offering Circular or in the Glossary.

The Notes will be unsecured general obligations of Freddie Mac. Notes may be interest bearing at fixed or variable rates or may be non-interest bearing. Notes will have maturities of one day or longer. Certain Notes may be subject to redemption, in whole or in part, prior to maturity. The principal amount payable at maturity or earlier redemption may be at par, a specified amount above or below par, an amount determined by reference to one or more interest rate or exchange rate indices, or otherwise, as specified in the applicable Pricing Supplement. Certain Notes may be separated ("stripped") into interest and principal components. All Notes having identical terms (other than issue date, interest commencement date and issue price) and that are intended to form a single series as specified in an applicable Pricing Supplement will constitute such a series. Freddie Mac may issue Notes having terms other than those described herein if so provided in the applicable Pricing Supplement.

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

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

Notes of any issue will be in book-entry, global registered or definitive registered form. The U.S. Federal Reserve Banks will act as fiscal agents for U.S. dollar denominated Notes issued in book-entry form ("Book-Entry Notes"). Morgan Guaranty Trust Company of New York, London office, will act as global agent for all other Notes ("Registered Notes").

The Notes and income derived therefrom are not generally exempt from taxation. Non-U.S. Owners generally will be subject to United States federal income and withholding tax unless they establish an exemption by providing a certificate on IRS Form W-8 or qualify for another exemption. In the event that any withholding or other tax should be imposed by any jurisdiction, Freddie Mac will not pay additional interest or other amounts, or redeem the Notes prior to maturity, in consequence thereof.

Application has been made for the Notes to be issued under the Facility, and which are agreed at the time of issue to be so listed, to be listed on the Luxembourg Stock Exchange and the Stock Exchange of Singapore Limited (the "Singapore Stock Exchange"). Unlisted Notes and Notes listed on other or additional stock exchanges also may be issued under the Facility. Application will be made, in certain circumstances (as described herein), to list Notes that are denominated in French francs or denominated in another currency but linked directly or indirectly to the French franc ("FF Notes") on the Paris Stock Exchange. FF Notes shall not be offered or sold (during initial distribution) under any circumstance, directly or indirectly, to the public in the Republic of France.

The Notes are obligations of Freddie Mac only. The Notes, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. The Notes are exempt from the registration requirements of the Securities Act of 1933 and are "exempted securities" within the meaning of the Securities Exchange Act of 1934.

The Notes 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. Notes generally will be sold to one or more Dealers as principal. Notes also may be sold through certain Dealers, as agents of Freddie Mac, or directly by Freddie Mac. In addition to the Dealers named below, Freddie Mac may add other Dealers under the Facility.

For the sole purpose of listing FF Notes on the Paris Stock Exchange, the Offering Circular has been submitted to the clearance procedures of the *Commissions des Opérations de Bourse* (the "COB") and have been registered by the COB under visa No. 95-190 on May 18, 1995.

Arranger

Lehman Brothers

DM Arranger

Lehman Brothers Bankhaus AG

FF Arranger

Morgan Stanley S.A.

Dealers

Bear, Stearns International Limited

Fuji International Finance PLC

Lehman Brothers

J.P. Morgan Securities Ltd.

Morgan Stanley S.A.

CS First Boston

Goldman Sachs International

Merrill Lynch International Limited

Morgan Stanley & Co.

International

Nomura Securities

Salomon Brothers International Limited

The date of this Offering Circular is May 19, 1995

IN CONNECTION WITH ANY ISSUE OF NOTES ISSUED UNDER THE FACILITY, A DEALER IDENTIFIED AS STABILIZING MANAGER IN THE APPLICABLE PRICING SUPPLEMENT MAY, SUBJECT TO APPLICABLE LAWS AND REGULATIONS, OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE NOTES OF SUCH ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE LUXEMBOURG STOCK EXCHANGE, IN AN OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. SUCH TRANSACTIONS SHALL BE CARRIED OUT IN ACCORDANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

Neither the Luxembourg Stock Exchange nor 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 and/or the Singapore Stock Exchange is not to be taken as an indication of the merits of Freddie Mac or the Notes.

This Offering Circular and any Pricing Supplement may not be issued or passed on in the United Kingdom to any person unless that person is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment exemptions) Order 1988 or is a person to whom this Offering Circular and the Pricing Supplement may otherwise lawfully be issued or passed on. The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"), and offers and sales, direct or indirect, of Notes may not be made 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 pursuant to an exemption from the registration requirements of the Securities and Exchange Law available thereunder and in compliance with other relevant laws of Japan. The minimum aggregate principal amount for an issue of FF Notes that may be listed on the Paris Stock Exchange is FF300,000,000, in the case of a public issue. FF Notes will comply with the rules of and regulations relating to the *marché de l'eurofranc* from time to time of the *Comité des Emissions* ("French EuroFranc Regulations"). For a further description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular and any Pricing Supplement, see "Plan of Distribution — Selling Restrictions."

This Offering Circular, together with any Pricing Supplement, constitutes an offer to sell only the Notes offered thereby. Freddie Mac has not authorized any broker, dealer or salesperson, or anyone else, to make any statements, written or oral, in connection with such offer, except for those contained in this Offering Circular, together with any Pricing Supplement, and in the other documents and sources of information prepared by Freddie Mac that are listed under "Availability of Information and Incorporation by Reference." Investors must not rely on any other statements as having been authorized by either Freddie Mac or the Dealers. This Offering Circular, together with any Pricing Supplement, does not constitute an offer to sell or a solicitation of an offer to buy Notes by anyone in any jurisdiction where such an offer or solicitation would be unlawful, or where the person making such an offer or solicitation would not be qualified to do so, or to anyone to whom it would be unlawful to make such an offer or solicitation. Freddie Mac makes no representation that the statements in this Offering Circular, together with any Pricing Supplement, or any other document, will be correct at any time after the date of such Offering Circular, Pricing Supplement or other document.

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

NO ISSUE OF NOTES WILL HAVE AN ESTABLISHED TRADING MARKET WHEN ISSUED. THERE CAN BE NO ASSURANCE THAT NOTES WILL HAVE SECONDARY MARKET LIQUIDITY. THE SECONDARY MARKET OBLIGATIONS OF THE DEALERS REFERRED TO HEREIN COULD BE DISCONTINUED AT ANY TIME WITHOUT NOTICE TO HOLDERS OF NOTES. SEE "PLAN OF DISTRIBUTION."

Freddie Mac, having made all reasonable inquiries as of the date hereof, confirms that this Offering Circular contains all information with regard to the Notes to be issued hereunder which, when read together with the applicable Pricing Supplement, is material, in the context of an initial issue of Notes; that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading and that there are no other facts the omission of which makes this Offering Circular as a whole or any such information misleading in any material respect.

INVESTORS SHOULD HAVE THE FINANCIAL STATUS AND THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SUFFICIENT TO EVALUATE THE MERITS AND RISKS OF INVESTING IN A PARTICULAR ISSUE OF NOTES. NEITHER THIS OFFERING CIRCULAR NOR ANY PRICING SUPPLEMENT DESCRIBES ALL OF THE RISKS AND INVESTMENT CONSIDERATIONS OF AN INVESTMENT IN NOTES RESULTING FROM PRINCIPAL OR INTEREST BEING PAYABLE IN OR DETERMINED BY REFERENCE TO ONE OR MORE CURRENCIES OR CURRENCY UNITS OR TO ONE OR MORE INTEREST RATE, CURRENCY OR OTHER INDICES OR FORMULAS. FREDDIE MAC AND THE DEALERS DISCLAIM ANY RESPONSIBILITY TO ADVISE PROSPECTIVE INVESTORS OF SUCH RISKS AND INVESTMENT CONSIDERATIONS AS THEY EXIST AT THE DATE OF THIS OFFERING CIRCULAR OR ANY PRICING SUPPLEMENT OR AS SUCH 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 NOTES. SUCH NOTES ARE NOT AN APPROPRIATE INVESTMENT FOR INVESTORS WHO ARE UNSOPHISTICATED WITH RESPECT TO CURRENCY TRANSACTIONS OR TRANSACTIONS INVOLVING THE APPLICABLE INTEREST RATE, CURRENCY OF OTHER INDICES OR FORMULAS. SEE "CERTAIN INVESTMENT CONSIDERATIONS."

This Offering Circular relates to Notes issued under the Facility and not to any other securities of Freddie Mac, including Debentures, Medium-Term Notes and Discount Notes issued under Freddie Mac's U.S. Debenture, Medium-Term Note and Discount Note programs. Such other securities will be offered by Freddie Mac pursuant to a separate offering circular.

In this Offering Circular, references to "U.S. dollars," "dollars" and "\$" are to United States dollars, references to "Yen" and "¥" are to Japanese yen, references to "Sterling" and "£" are to British pounds sterling, references to "DM" are to Deutsche marks, references to "ECU" are to European Currency Units and references to "FF" are to French francs.

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AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

Freddie Mac prepares an annual Information Statement that describes Freddie Mac, its business and operations and contains Freddie Mac's audited financial statements. From time to time, Freddie Mac prepares Information Statement Supplements that include unaudited financial data and other information concerning its business and operations. As of the date hereof, Freddie Mac's current Information Statement is dated March 31, 1995 and its current Information Statement Supplement is dated May 18, 1995. Investors can obtain any of these documents and any other documents prepared and made available by Freddie Mac by writing or calling the Investor Inquiry Department at Freddie Mac at 8200 Jones Branch Drive, McLean, Virginia U.S.A. 22102 (telephoning from within the United States but outside the Washington, D.C. metropolitan area, phone 800/336-3672; telephoning from outside the United States or from within the Washington, D.C. metropolitan area, phone 703/759-8160).

The Information Statement incorporated by reference in this Offering Circular has not been submitted to the clearance procedures of the COB.

This Offering Circular should be read in conjunction with Freddie Mac's most recent Information Statement and any supplement thereto (collectively, the "Information Statement"), each of which is incorporated by reference in this Offering Circular. References to "this Offering Circular" shall mean this document, any supplements (other than Pricing Supplements) or amendments to this document and any documents incorporated by reference in this document, except, and to the extent, any such document is superseded or modified by any subsequent document incorporated by reference in this Offering Circular.

In connection with the application to list the Notes to be issued under the Facility on the Luxembourg Stock Exchange, the Freddie Mac Act and Bylaws of Freddie Mac and a legal notice relating to the issuance of the Notes will be deposited with the Chief Registrar of the District Court of Luxembourg, where copies thereof may be inspected upon request. Copies of the Global Debt Facility Agreement, this Offering Circular and any applicable Pricing Supplements, the Fiscal Agency Agreement and Freddie Mac's Proxy Statement dated April 1, 1995 will be available for inspection at the office of Banque Générale du Luxembourg, S.A., as listing agent (the "Luxembourg Listing Agent"), in Luxembourg during the term of any Notes issued hereunder. In addition, copies of this Offering Circular, Pricing Supplements applicable to Notes listed on the Luxembourg Stock Exchange, Freddie Mac's most recently published Proxy Statement, any statements to the Holders of any Notes listed on the Luxembourg Stock Exchange and the most recent Information Statement and all Information Statement Supplements thereto may be obtained at the office of the Luxembourg Listing Agent in Luxembourg. So long as any Notes are listed on the Paris Stock Exchange, copies of the Offering Circular (and all documents forming a part thereof) will be available from the principal office of the listing agent for such Notes.

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

Freddie Mac has given an undertaking in connection with the listing of the Notes on the Luxembourg Stock Exchange, and has agreed in connection with the listing of the Notes on the Singapore Stock Exchange, that, so long as any Notes remain outstanding and listed on the Luxembourg Stock Exchange and the Singapore Stock Exchange, respectively, 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), Freddie Mac will prepare an amendment or supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent offering or listing by Freddie Mac of the Notes. 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.

SUMMARY

The following summary does not purport to be complete and is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Circular and, in relation to any particular issue of Notes, the applicable Pricing Supplement.

Issuer	Federal Home Loan Mortgage Corporation.
Arranger	Lehman Brothers International (Europe).
DM Arranger	Lehman Brothers Bankhaus Aktiengesellschaft.
FF Arranger	Morgan Stanley S.A.
Dealers	Bear, Stearns International Limited, CS First Boston Limited, Fuji International Finance PLC, Goldman Sachs International, Lehman Brothers International (Europe), Merrill Lynch International Limited, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Morgan Stanley S.A., Nomura International plc and Salomon Brothers International Limited. At the date of this Offering Circular only French credit institutions (which term includes French subsidiaries of non-French banks) may act as Dealers with respect to issues of FF Notes (except for issues of FF Notes distributed on a syndicated basis, which must be lead managed by a credit institution authorized to act as lead manager of EuroFranc debt instrument issues).
Fiscal Agent	The U.S. Federal Reserve Banks will act as fiscal agents for Book-Entry Notes denominated in U.S. dollars pursuant to a Fiscal Agency Agreement (the "Fiscal Agency Agreement").
Global Agent	Morgan Guaranty Trust Company of New York, London office ("Morgan-London"), will act as Global Agent for Registered Notes pursuant to a Global Agency Agreement (the "Global Agency Agreement").
Global Debt Facility Agreement ...	The Notes will be issued pursuant to the Global Debt Facility Agreement dated as of May 19, 1995 (the "Global Facility Agreement").
Specified Currencies	Notes may be denominated in, and payments of principal of and any interest on Notes may be made in, one or more of the following Specified Currencies: Australian dollars, Austrian schillings, British pounds sterling, Canadian dollars, Danish kroner, Deutsche marks, Dutch guilders, ECU, Finnish markkas, French francs, Hong Kong dollars, Irish punts, Italian lire, Japanese yen, Luxembourg francs, New Zealand dollars, Portuguese escudos, Swedish kronor, Swiss francs, U.S. dollars and such other currencies or currency units as Freddie Mac may determine. Government or monetary authorities may require that debt securities denominated in certain currencies or currency units have certain denominations or have minimum or maximum maturities. Notes denominated in Deutsche marks will comply with the regulations of the <i>Deutsche Bundesbank</i> . FF Notes will comply with the French EuroFranc Regulations.
Amount	The aggregate principal amount of Notes outstanding at any time may not exceed U.S. \$15,000,000,000 (or the U.S. dollar equivalent thereof in other currencies or currency units). Freddie Mac may increase the maximum aggregate principal amount of Notes that may be outstanding under the Facility from time to time without the consent of any Holder of Notes. If the maximum aggregate principal amount of Notes that may be outstanding under the Facility is increased, Freddie Mac will prepare an amendment to this Offering Circular or will prepare a new Offering Circular.
Status of Notes	The Notes will be unsecured general obligations of Freddie Mac. The Notes will be obligations of Freddie Mac only. The Notes, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.

Maturities	Notes may have maturities of one day or longer, except that, as of the date hereof, the minimum maturity for Notes listed on the Luxembourg Stock Exchange is seven days, for Notes listed on the Singapore Stock Exchange is one month and for FF Notes is one year. Notes may be issued with such minimum or maximum maturities or variable maturities as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.
Redemption	The Pricing Supplement relating to any particular issue of Notes will specify whether such Notes may be redeemed, in whole or in part, prior to their Maturity Date (including redemption by installment) at the option of Freddie Mac and, if redeemable, will describe the terms applicable to such redemption. Freddie Mac may also issue Notes that are redeemable at the option of the relevant Holders thereof, upon terms and procedures described in the applicable Pricing Supplement. As of the date hereof, FF Notes may not be redeemed (other than following an event of default) prior to one year from their issue date.
Fixed Principal Repayment Amount	Notes that have a Fixed Principal Repayment Amount will be payable at par or at a specified amount above or below par, in each case as specified in the applicable Pricing Supplement.
Variable Principal Repayment Amount	Notes that have a Variable Principal Repayment Amount will be payable at a principal amount determined by reference to one or more interest rate or exchange rate indices or otherwise, in each case as specified in the applicable Pricing Supplement.
Payment Terms	Notes may be interest bearing or non-interest bearing. The principal thereof may be repayable at par, a specified amount above or below par, an amount determined by reference to one or more interest rate or exchange rate indices, or otherwise, as specified in the applicable Pricing Supplement. Certain Notes may be stripped into interest and principal components, as specified in the applicable Pricing Supplement.
Fixed Rate Notes	Notes that bear interest at the fixed rate specified in the applicable Pricing Supplement.
Step Notes	Notes that bear interest at specified fixed rates for specified periods, as specified in the applicable Pricing Supplement.
Variable Rate Notes	Notes that have a variable interest rate determined on the basis of a direct or inverse relationship to one or more specified interest or exchange rate indices, or otherwise, in each case as specified in the applicable Pricing Supplement. As of the date of this Offering Circular, each issue of variable rate FF Notes which is to be listed on the Paris Stock Exchange must comply with the regulations of the COB and the <i>Conseil des Bourses de Valeurs</i> published in the COB Bulletin No. 281 of June 1994. Deutsche mark denominated Notes with interest determined by reference to one or more indices or formulas are to be issued in compliance with the policy of the <i>Deutsche Bundesbank</i> regarding the indexation of Deutsche mark denominated debt obligations of non-German issuers.
Fixed/Variable Rate Notes	Notes that bear interest at a fixed rate for one or more specified periods and at a variable rate determined by reference to one or more interest rate or exchange rate indices, or otherwise, for one or more other specified periods, in each case as specified in the applicable Pricing Supplement.
Zero Coupon Notes	Notes that do not bear interest and are issued at a discount to their principal amount.
Offering Price	At fixed prices equal to par, or at a discount to or premium over par, or at varying prices to be determined, in each case, at the time of sale.
Pricing Supplements	A Pricing Supplement will describe certain terms of, and pricing and other information for, each issue of Notes.

Tax Status	The Notes and income derived therefrom are not generally exempt from taxation by the United States or other U.S. or non-U.S. taxing jurisdictions. Unless otherwise specified in the applicable Pricing Supplement, Non-U.S. Owners generally will be subject to United States federal income and withholding tax unless they establish an exemption by providing a certificate on IRS Form W-8 or qualify for another exemption. See "Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest." If any withholding or other tax is imposed by any jurisdiction in respect of payments on the Notes, Freddie Mac will not pay additional interest or other amounts in consequence thereof or redeem the Notes prior to maturity. If any particular issue of Notes is "targeted to foreign markets" under U.S. tax regulations, such Notes will be offered by a Pricing Supplement describing the terms thereof and special tax considerations relating thereto.
Clearance and Settlement	Depending on the terms of the Notes of any particular issue and where such Notes are to be offered, such Notes may clear and settle through one or more of the following: the U.S. Federal Reserve Banks, DTC, Euroclear, Cedel or other designated clearing systems. Most issues of Notes denominated and payable in U.S. dollars and distributed within the United States or simultaneously within and outside the United States are expected to clear and settle, within the United States, through the Fed Book-Entry System and, if applicable, outside the United States through the systems operated by Euroclear, Cedel and/or any other relevant clearing system. Issues of Notes denominated or payable in a Specified Currency other than U.S. dollars (and Notes denominated and payable in U.S. dollars not cleared and settled through the Fed Book-Entry System) and distributed solely within the United States or simultaneously within and outside the United States are expected to clear and settle through the systems operated by DTC and, if applicable, Euroclear, Cedel and/or any other relevant clearing system. Issues of Notes, irrespective of the Specified Currency in which such Notes are denominated or payable, distributed solely outside the United States are expected to clear and settle through the systems operated by Euroclear, Cedel and/or any other relevant clearing system or, in certain cases, DTC.
Form of Notes	The Notes generally will be issued in either book-entry form or global registered form. Notes will not be issued in bearer form.
Book-Entry Notes	Notes denominated and payable in U.S. dollars that are issued in book-entry form on the Fed Book-Entry System. Book-Entry Notes will not be exchangeable for definitive Notes.
Registered Notes	Notes that are not Book-Entry Notes. Registered Notes will be represented by Notes in global registered form although, if specified in an applicable Pricing Supplement, Notes in definitive registered form may also be issued. Registered Notes issued in global registered form will be exchangeable for definitive Notes only in the limited circumstances described herein.
Denominations	The Notes will be issued and maintained in the minimum denominations specified in the applicable Pricing Supplement and as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.
Governing Law	The Notes will be governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Freddie Mac Act or the Global Facility Agreement, the local laws of the State of New York will be deemed reflective of the laws of the United States.

- Listing** Application has been made to list the Notes to be issued under the Facility, and which are agreed at the time of issue to be so listed, on the Luxembourg Stock Exchange and the Singapore Stock Exchange. Any issue of Notes may be listed on either the Luxembourg Stock Exchange or the Singapore Stock Exchange, on both of such exchanges or on neither of such exchanges. Unlisted Notes and Notes listed on other or additional stock exchanges also may be issued under the Facility. Any issue of FF Notes must also be listed on the Paris Stock Exchange, if (i) such Notes are, or are intended to be, listed on any other stock exchange or (ii) such Notes are, or are intended to be, distributed as a public issue (within the meaning of the French EuroFranc Regulations).
- Method of Distribution** Notes generally will be purchased by the Dealers acting as principals, whether individually or in a syndicate. The names of the Dealers acting as principals, whether individually or in a syndicate, will be specified in the applicable Pricing Supplement. Alternatively, if Freddie Mac agrees, certain Dealers will solicit purchases of Notes on an agency basis. Notes also may be sold directly by Freddie Mac.
- Selling Restrictions** Offers and sales of Notes and the distribution of offering material will be restricted in various jurisdictions, including the United Kingdom, Japan, France, Germany, Hong Kong, Singapore and Taiwan. See "Plan of Distribution — Selling Restrictions."
- Secondary Market Information** Unless otherwise specified in the applicable Pricing Supplement, each Dealer, or the lead Dealer on a syndicated offering, for each issue of \$250 million (or the equivalent thereof in one or more other currencies or currency units) or more in aggregate principal amount of Fixed Rate Notes, Step Notes and Zero Coupon Notes, has agreed to provide for such issue certain indicative pricing information for posting on a designated screen page.

FEDERAL HOME LOAN MORTGAGE CORPORATION

Freddie Mac is a shareholder owned United States government-sponsored enterprise chartered on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459 (the "Freddie Mac Act"). Freddie Mac's statutory purpose is, in the United States, (i) to provide stability in the secondary market for residential mortgages, (ii) to respond appropriately to the private capital market, (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing. The principal activity of Freddie Mac consists of the purchase of first lien, conventional, residential mortgages from mortgage lending institutions. Freddie Mac finances its purchases of mortgages principally by sales of guaranteed mortgage securities. Freddie Mac also finances mortgage purchases with debt securities, other liabilities (primarily cash temporarily held pending disbursement to securities holders) and equity capital. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac.

CAPITALIZATION

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

CERTAIN INVESTMENT CONSIDERATIONS

The following section does not describe all of the risks and other ramifications of an investment in the Notes. Prospective investors should consult their own financial and legal advisors about risks associated with investment in a particular issue of Notes and the suitability of investing in such Notes in light of their particular circumstances.

Structure Risks

An investment in Notes with principal or interest determined by reference to one or more interest rates, currencies (including exchange rates and swap indices between currencies or currency units), or other indices, either directly or inversely, entails significant risks not associated with an investment in a conventional fixed rate debt security. Such risks may include, without limitation, the possibility that such index or indices may be subject to significant changes, that the resulting interest rate will be less than that payable on a conventional fixed rate debt security issued by Freddie Mac at the same time or that no interest will be payable, that the repayment of principal can occur at times other than expected by the investor, and that the investor could lose all or a substantial portion of the principal of its Note (whether payable at maturity or upon redemption). Such risks may depend on a number of interrelated factors, including financial, economic and political events, over which Freddie Mac has no control. In addition, if the formula used to determine the amount of principal or interest payable with respect to a Note contains a leverage factor, the effect of any change in such index or indices will be magnified, while, if the formula contains a deleverage factor, the effect of any such change will be diminished. In

recent years, certain interest rates and other indices have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular interest rate or other index that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

Exchange Rate Risks and Exchange Controls

As described in this Offering Circular and the applicable Pricing Supplement, the principal of or any interest on Notes may be payable in, or determined by reference or indexed to, one or more Specified Currencies (including exchange rates and swap indices between currencies or currency units). For investors whose financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency in which the related Notes are denominated, or where principal or interest in respect of Notes is payable by reference to the value of one or more Specified Currencies other than by reference solely to the Investor's Currency, an investment in such Notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in such Investor's Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the applicable Specified Currency and the Investor's Currency (including changes as a result of devaluation of the Specified Currency) and the possibility of the imposition or modification of exchange controls by authorities with jurisdiction over such Specified Currency or the Investor's Currency. Such risks may depend on a number of interrelated factors, including financial, economic and political events, over which Freddie Mac has no control. If the formula used to determine the amount of principal or interest payable with respect to a Note contains a leverage factor, the effect of any change in the applicable Specified Currency, index or formula will be magnified, while, if the formula contains a deleverage factor, the effect of any such change will be diminished.

In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. An appreciation in the value of the Investor's Currency relative to the value of the applicable Specified Currency would result in a decrease in the Investor's Currency-equivalent yield on a Note denominated or the principal or interest of which is payable in such Specified Currency, in the Investor's Currency-equivalent value of the principal of such Note payable at maturity and generally in the Investor's Currency-equivalent market value of such Note. A depreciation in the value of the Investor's Currency relative to the value of the applicable Specified Currency would have the opposite effect. Depending on the specific terms of a Note denominated in, or the payment of which is determined by reference to the value of, one or more Specified Currencies (other than solely the Investor's Currency), indices (including exchange rates and swap indices between currencies or currency units) or formulas, changes in exchange rates relating to any of the currencies or currency units involved may result in a decrease in the effective yield on such Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of such Note to the investor.

Government or monetary authorities have imposed from time to time, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of the Specified Currency at the time of payment of the principal or interest in respect of a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note may no longer be used by the government issuing such Specified Currency or used for settlement of transactions by public institutions of or within the international banking community, or that such Specified Currency is not expected to be available for any other reason, when payments on such Note are due. In such cases, Freddie Mac will be entitled to satisfy its obligations in respect of such Note in U.S. dollars. See "Description of the Notes — General — Specified Currencies and Specified Payment Currencies."

Suitability

Investors should have the financial status and the knowledge and experience in financial and business matters sufficient to evaluate the merits and risks of investing in a particular issue of Notes. The Notes are not suitable investments for all investors. No investor should purchase any Notes unless

the investor understands and is able to bear the associated yield, market and liquidity risks and any other applicable risks (including, if applicable, those associated with redemption provisions, periodic interest rate adjustments and exchange rates and controls). Certain Notes are complex financial instruments. It is important that an investor in any Notes possess, either alone or with an investment advisor, the expertise necessary to evaluate, in the context of that investor's financial situation, such Notes, the associated risks and benefits, and the information contained or incorporated in this Offering Circular and any applicable Pricing Supplements. An investor should make a decision whether to invest in any Note based on the investor's own financial needs and the anticipated performance of that Note under a variety of economic and interest rate scenarios.

Market, Liquidity and Yield Considerations

Secondary Markets and Market Values

The Notes have no established trading market. Freddie Mac has been advised that certain Dealers for the Notes intend to make a secondary market in the Notes offered by or through them, but such Dealers are not obligated to do so and may discontinue any such secondary market making at any time without notice. There is no assurance that a secondary market for any of the Notes will develop or that such a market will be, or continue to be, liquid if it develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realize a yield comparable to that of similar instruments with a developed secondary market. The market values of the Notes are likely to fluctuate; such fluctuations may be significant and, in the case of certain types of Notes, could result in significant losses to investors.

Any secondary market for an issue of Notes will be affected by a number of factors independent of the creditworthiness of Freddie Mac and the value of any applicable index or indices, which may include the complexity and volatility of such index or indices, the method of calculating the principal or any interest to be paid in respect of such Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any redemption features of such Notes, the amount of other securities linked to such index or indices, and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of such Notes. In addition, certain Notes may be structured to meet the investment requirements of limited categories of investors and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities. Investors may not be able to sell Notes readily or at prices that will result in a realization of their anticipated yield.

The prices at which zero coupon instruments, such as Zero Coupon Notes, as well as other instruments issued at a substantial discount from their principal amount payable at maturity or upon redemption, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest-bearing securities with comparable maturities. Likewise, the market prices of instruments issued at a substantial premium to their principal amount payable at maturity or upon redemption, such as Notes issued with significantly above-market interest rates, tend to fluctuate more in relation to general changes in interest rates than do the prices of conventional securities with comparable maturities.

The secondary markets for securities similar to certain types of Notes have experienced periods of illiquidity and may do so in the future. Illiquidity can have a severely adverse effect on the prices of Notes that are especially sensitive to interest or exchange rate or market risks or that have been structured to meet the investment requirements of limited categories of investors.

Redeemable Notes

Certain Notes, as described in the applicable Pricing Supplement, may be redeemed by Freddie Mac from and after a specified date, typically at 100% of their principal amount plus accrued interest. Optional redemption provisions are likely to restrict the market values that such Notes would otherwise have. In general, Notes redeemable by Freddie Mac are most likely to be redeemed when prevailing interest rates and Freddie Mac's costs of borrowing are low and are least likely to be redeemed when such rates and costs are high. If Freddie Mac redeems Notes when prevailing interest rates are relatively low, an investor may not be able to reinvest the redemption proceeds in comparable securities with similar yields.

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

Fixed Rate and Zero Coupon Notes

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

Step Notes

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

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

Variable Rate Notes

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

The interest rate formula for a Variable Rate Note may include a multiplier by which an applicable index is multiplied in determining the applicable interest rate. In general, a multiplier of greater than one will cause changes in the interest rate of the Note to be more pronounced than changes in the value of the applicable index, while a multiplier of less than one will have the converse effect. Variable Rate Notes with multipliers of greater than one are referred to as "leveraged," and those with multipliers of less than one are referred to as "deleveraged." In general, the volatility associated with the level of an applicable index is higher for leveraged Notes and lower for deleveraged Notes. For example, a leveraged Variable Rate Note with an interest rate determined on the basis of an inverse relationship to a specified index generally will experience an accentuated decline in its interest rate as the value of the applicable index increases. By contrast, the interest rate of a deleveraged Variable Rate Note with an interest rate determined on the basis of an inverse relationship to a specified index generally will decline more slowly as the value of the applicable index increases. In addition, investors in Variable Rate Notes should consider the effects on interest rates and yields of any applicable maximum interest rates ("Caps") or minimum interest rates ("Floors") and of any delays in periodic interest rate adjustments.

The indices applicable to Variable Rate Notes are not likely to remain constant at any level. The timing of changes in the level of an applicable index may affect the actual yield to an investor, even if the average level is consistent with the investor's expectation. In general, the earlier a change in the level of an applicable index, the greater the effect on an investor's yield, especially in the case of Notes providing for repayment of principal at one or more times prior to maturity. As a result, the effect on an

investor's yield of an index level that is higher (or lower) than the rate anticipated by the investor during earlier periods is not likely to be offset by a later equivalent reduction (or increase). Moreover, changes in the index applicable to a particular Variable Rate Note may not correlate with changes in interest rates generally or with changes in other indices. An investor's yield could be either adversely or positively affected if changes in the index applicable to that investor's Note do not reflect changes in interest rates generally.

DESCRIPTION OF THE NOTES

The Notes will be issued pursuant to authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act and pursuant to the Global Facility Agreement. Copies of the Global Facility Agreement are available from Freddie Mac's Investor Inquiry Department upon request. By receiving and accepting a Note, or an interest in a Note, each Holder, financial intermediary for the Note and Beneficial Owner agrees to be bound by the terms and conditions of the Global Facility Agreement, as supplemented, modified or amended, pursuant to its terms, from time to time. Certain capitalized terms used and not otherwise defined in this Offering Circular are defined in the Glossary.

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

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

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

General

Freddie Mac may issue from time to time under the Facility Notes having an aggregate principal amount outstanding at any time up to U.S. \$15,000,000,000 (or (i) with respect to Notes payable in Specified Payment Currencies other than U.S. dollars, the U.S. dollar equivalent thereof at the time Freddie Mac determines the terms of such Notes or (ii) with respect to Zero Coupon Notes, the gross proceeds from the sale thereof). Freddie Mac may increase from time to time the aggregate principal amount of the Notes that may be outstanding under the Facility without the consent of any Holder of Notes. The Notes will be unsecured general obligations of Freddie Mac.

Freddie Mac will prepare a Pricing Supplement in respect of each issue of Notes that describes certain terms of, and pricing information for, the Notes of such issue and includes any other information and disclosure Freddie Mac considers appropriate.

Notes of any issue will be in book-entry, global registered or definitive registered form. The U.S. Federal Reserve Banks will act as fiscal agents for U.S. dollar denominated Notes issued in book-entry form pursuant to the Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York acting on behalf of the U.S. Federal Reserve Banks. Morgan—London will act as Global Agent for all other Notes pursuant to the Global Agency Agreement between Freddie Mac and Morgan Guaranty Trust Company of New York. Most issues of Notes denominated in U.S. dollars and distributed both inside and outside the United States are expected to clear and settle, inside the United States, through the Fed Book-Entry System and, if applicable, outside the United States, through the clearing systems operated by Euroclear, Cedel and/or any other relevant clearing system. An issue of Notes not denominated in U.S. dollars (and an issue of Notes denominated and payable in U.S. dollars not cleared and settled through the Fed Book-Entry System) and distributed solely within the United

States or simultaneously inside and outside the United States is expected to clear and settle through the clearing systems operated by DTC, and, if applicable, Euroclear, Cedel and/or any other relevant clearing system. Any issue of Notes, irrespective of currency, that is intended to be distributed solely outside the United States is expected to clear and settle through Euroclear, Cedel and/or any other relevant clearing system or, in certain cases, DTC.

Specified Currencies and Specified Payment Currencies

Each Note will be denominated and payable in such currency or currency unit (each, a “Specified Currency”) as determined by Freddie Mac, including Australian dollars, Austrian schillings, British pounds sterling, Canadian dollars, Danish kroner, Deutsche marks, Dutch guilders, ECU, Finnish markkas, French francs, Hong Kong dollars, Irish punts, Italian lire, Japanese yen, Luxembourg francs, New Zealand dollars, Portuguese escudos, Swedish kronor, Swiss francs and U.S. dollars. Book-Entry Notes will be denominated and payable in U.S. dollars only.

Except under the limited circumstances referred to in the following paragraph, Freddie Mac will make payments of any interest on Notes in the Specified Currency provided for the payment of interest (the “Specified Interest Currency”) and will make payments of the principal of Notes in the Specified Currency provided for the payment of principal (the “Specified Principal Currency”). The Specified Currency for the payment of interest and principal with respect to any Note will be set forth in the applicable Pricing Supplement. Such Specified Interest Currency and Specified Principal Currency are referred to herein collectively as the “Specified Payment Currency.” See “— Book-Entry Notes — Payments” and “— Registered Notes — Payments” herein. However, any amounts paid to Holders in the United States by Freddie Mac in respect of DTC Registered Notes in a Specified Payment Currency other than U.S. dollars will be converted into U.S. dollars for payment to Holders thereof as described under “Currency Conversions — Payment on DTC Registered Notes,” unless such Holders elect to receive payments in such Specified Payment Currency.

If the principal of or any interest on an issue of Notes is payable in a Specified Payment Currency that, when payments on such Notes are due, is no longer considered legal tender for the payment of public and private debts in the country of the government issuing such Specified Payment Currency, then Freddie Mac will be entitled to make such payments in such other coin or currency as at the time of such payments is legal tender for the payment of such debts in such country (or, if the Specified Payment Currency is ECU, as described under “— Registered Notes — Payments — Payment in a Component Currency” herein). In addition, if the principal of or any interest on an issue of Notes is payable in a Specified Payment Currency other than U.S. dollars that is no longer used by the government issuing such Specified Payment Currency or used for settlement of transactions by public institutions of or within the international banking community, or in a Specified Payment Currency that is not expected to be available, when payments on such Notes are due as a result of the imposition of exchange controls or other circumstances beyond the control of Freddie Mac, Freddie Mac will be entitled to satisfy its obligations to the relevant Holders of the Notes by making such payments in U.S. dollars on the basis of the noon buying rate in U.S. dollars in the City of New York for cable transfers for such Specified Payment Currency as certified for customs purposes by the Federal Reserve Bank of New York on the second Business Day prior to such payments or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day. Any payment made under such circumstances in such other coin or currency or U.S. dollars, as the case may be, will constitute valid payment, and will not constitute a default, in respect of such Notes.

Government or monetary authorities or laws or regulations applicable to currencies or currency units in which Notes are denominated or payable may require from time to time certain denominations or minimum or maximum maturities for Notes denominated in such currencies or currency units. Certain current requirements with respect to such denominations and maturities are described herein.

Denominations

The Notes will be issued and maintained in the minimum denominations specified in the applicable Pricing Supplement and as may be allowed or required from time to time by the relevant regulatory authority or any laws or regulations applicable to the relevant Specified Currency.

Status of Notes

The Notes will be unsecured general obligations of Freddie Mac. The Global Facility Agreement will not limit other indebtedness or securities that may be incurred or issued by Freddie Mac and will not contain any financial or similar restrictions on Freddie Mac or any restrictions on its ability to secure indebtedness.

Maturity and Redemption

Each Note 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 prior thereto. As of the date hereof, the minimum maturity for Notes listed on the Luxembourg Stock Exchange is seven days, for Notes listed on the Singapore Stock Exchange is one month and for FF Notes is one year. Notes may be issued with such minimum or maximum maturities or variable maturities as may be allowed or required from time to time by the relevant regulatory or stock exchange authority or any laws or regulations applicable to the Specified Currency.

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

Notice of optional redemption will be given to Holders of the related Notes not less than 10 calendar days nor more than 60 calendar days prior to the date of redemption in the manner described under “Global Facility Agreement — Notice.”

In the case of a partial redemption of an issue of Book-Entry Notes by Freddie Mac, such Book-Entry Notes will be redeemed pro rata. In the case of a partial redemption of an issue of Registered Notes by Freddie Mac, such Registered Notes will be reduced by the Global Agent in the amount of such redemption, subject to the principal amount of such Registered Notes remaining after redemption being in authorized denominations. The effect of any partial redemption of an issue of Registered Notes on the Beneficial Owners of such Registered Notes will depend on the procedures of the applicable clearing system and, if such Beneficial Owner is not a participant therein, on the procedures of the participant through which such Beneficial Owner owns its interest.

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

In the case of a Registered Note, to exercise such option, the Holder must deposit with the Global Agent (i) such Registered Note and (ii) a duly completed notice of redemption in the form obtainable from the Global Agent, in each case not more than the number of days nor less than the number of days specified on such Note prior to the date fixed for redemption. Unless otherwise specified in such Registered Note, no such Registered Note (or notice of redemption) so deposited may be withdrawn without the prior consent of Freddie Mac or the Global Agent. In the case of a Book-Entry Note, if the Beneficial Owner wishes to exercise such option, then the Beneficial Owner must give notice thereof to Freddie Mac through the relevant Holding Institution.

As of the date hereof, FF Notes may not be issued if redeemable prior to one year from their issue date (other than following an event of default); such limitation may be changed or additional limitations in respect of other currencies imposed from time to time as may be allowed or required by the relevant central bank or equivalent body (however called) or any laws or regulations applicable to the Specified Currency.

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

Payment Terms of the Notes

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

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

If so provided in the applicable Pricing Supplement, Notes may be separated by a Holder into an interest component that includes the right to receive all interest payments, or specified portions thereof, and a principal component that includes the right to receive principal payments only or payments of principal and specified portions of interest.

The applicable Pricing Supplement will specify the frequency with which interest is payable on the related Notes. Interest on Notes will be payable in arrears on the Interest Payment Dates specified in the applicable Pricing Supplement and on the Principal Payment Date.

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

Payments on Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a Specified Payment Currency other than U.S. dollars, to the nearest smallest transferable unit (with one-half cent or unit being rounded upwards).

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

Fixed Rate Notes

The applicable Pricing Supplement will specify the fixed interest rate per annum on a Fixed Rate Note. Interest on a Fixed Rate Note will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Step Notes

Each Step Note will bear interest from its issue date to a specified date at its initial fixed interest rate and from that date to its Maturity Date at one or more different interest rates that are prescribed as of the issue date. A Step Note can have one or more step periods. Step Notes may contain provisions

giving Freddie Mac the option to redeem such Notes at the beginning of a step period or at any time after a step period has begun. The applicable Pricing Supplement will specify the fixed interest rate per annum payable on Step Notes for each related period from issuance to maturity. Interest on a Step Note will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Variable Rate Notes

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

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

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

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

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

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

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

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

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

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

Information concerning the current interest rate on Variable Rate Notes is expected to be available from Freddie Mac, by writing or calling the Investor Inquiry Department at Freddie Mac at the address and telephone numbers shown on page 4, and, if Freddie Mac is not the Calculation Agent, from the Calculation Agent. In addition, if and so long as an issue of Variable Rate Notes is listed on the Luxembourg Stock Exchange and/or the Singapore Stock Exchange and the rules of such Exchange or Exchanges so require, the Calculation Agent will cause the interest rate for the applicable Interest Reset Period and the amount of interest on the minimum denomination in respect of such issue that would accrue through the last day of such Interest Reset Period, as well as the last day of such Interest Reset Period, to be provided to such Exchange or Exchanges as soon as practicable, but in no event later than the applicable Reset Date. For each issue of Variable Rate Notes, the Calculation Agent will also cause the interest rate for the applicable Interest Reset Period and the amount of interest accrued on the minimum denomination specified for such issue to be made available to Holders as soon as practicable after its determination but in no event later than two Business Days thereafter. Such interest amounts so made available 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.

LIBOR. If the applicable Pricing Supplement specifies LIBOR as the applicable interest rate index for determining the rate of interest for the related Variable Rate Note, the following provisions will apply:

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

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

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

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

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

(v) if fewer than two such quotations are provided as requested in clause (iv) above, LIBOR will be LIBOR determined with respect to the Reset Date immediately preceding such Reset Date

(or, in the case of the first Reset Date, will be the rate for deposits in the Index Currency having the Index Maturity as of 11:00 a.m. (London time) on the most recent London Banking Day preceding the related Determination Date for which such rate shall have been displayed on either the Designated Telerate Page or the Designated Reuters Page with respect to deposits commencing on the second London Banking Day following such date (or, if the Index Currency is Sterling, commencing on such date) (and if such rate appears on both such screens on such London Banking Day, using the Designated Telerate Page)).

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

“Deposits” means deposits commencing on the applicable Reset Date.

“Designated Reuters Page” means the display on the Reuters Monitor Money Rates Service for the purpose of displaying interbank rates from London in the Index Currency, which will be the page opposite the Index Currency set forth below (or such other page as may replace such page on that service for the purpose of displaying interbank rates from London in the Index Currency):

<u>Index Currency</u>	<u>Page</u>
British pounds sterling	ISDA
Deutsche marks	ISDA
ECU	ISDA
French francs	FRBF
Italian lire	FRBG
Japanese yen	ISDA
Luxembourg francs	ISDB page for Belgian francs
Swiss francs	ISDA
U.S. dollars	ISDA

“Designated Telerate Page” means the display on the Dow Jones Telerate Service for the purpose of displaying the London interbank rates for deposits in the Index Currency, which will be the page opposite the Index Currency set forth below (or such other page as may replace such page on that service or such other service as may be nominated by the British Bankers’ Association as the information vendor for the purpose of displaying British Bankers’ Association Interest Settlement Rates for deposits in the Index Currency):

<u>Index Currency</u>	<u>Page</u>
British pounds sterling	3750
Deutsche marks	3750
ECU	3750
French francs	3740
Italian lire	3740
Japanese yen	3750
Luxembourg francs	ISDB page for Belgian francs
Swiss francs	3750
U.S. dollars	3750

“Index Currency” means the currency or currency unit specified in the applicable Pricing Supplement with respect to which LIBOR will be calculated. If no such currency or currency unit is specified in the applicable Pricing Supplement, the Index Currency will be U.S. dollars.

“Index Maturity” means the period with respect to which LIBOR will be calculated that is specified in the applicable Pricing Supplement.

“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 the capital city of the country of the Specified Payment Currency, or solely with respect to the calculation of LIBOR, the Index Currency, as the case may be,

except that with respect to U.S. dollars, Australian dollars, Deutsche marks, Italian lire and Swiss francs, the Principal Financial Center shall be the City of New York, Sydney, Frankfurt, Milan and Zurich, respectively. With respect to ECU, the Principal Financial Center shall be The City of London or such other city or cities as may be specified in the applicable 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 thereof 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.

As of the date of this Offering Circular, each issue of variable rate FF Notes which is to be listed on the Paris Stock Exchange must comply with the regulations of the COB and the *Conseil des Bourses de Valeurs* published in the COB Bulletin No. 281 of June 1994. Deutsche mark denominated Notes with interest determined by reference to one or more indices or formulas are to be issued in compliance with the policy of the *Deutsche Bundesbank* regarding the indexation of Deutsche mark denominated debt obligations of non-German issuers.

Fixed/Variable Rate Notes

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

Zero Coupon Notes

Zero Coupon Notes will not bear interest and will be issued at a price that is less than the principal amount payable on the Maturity Date. As a result, Zero Coupon Notes 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.”

Business Day Convention

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

As used herein, “Business Day” means:

- (i) with respect to Book-Entry Notes, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed or (d) as to any Holder of a Book-Entry Note, a day on which the U.S. Federal Reserve Bank at which such Holder’s account is maintained is authorized or obligated by law or executive order to remain closed; and

(ii) with respect to Registered Notes, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions are required or permitted by law or governmental action to close in (1) the City of New York or (2) if the Specified Payment Currency is other than U.S. dollars or ECU, the Principal Financial Center of the country of such Specified Payment Currency, (d) if the Specified Payment Currency is ECU, a day which appears as an ECU non-settlement day on the display designated as "ISDE" on the Reuters Monitor Money Rates Service (or such other page as may replace such page on such service for the purpose of displaying information related to ECU non-settlement days) (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), a day on which payments in ECU cannot be settled in the international interbank market as determined by the Global Agent or (e) with respect to any required payment, a day on which banking institutions are required or permitted by law or governmental action to close in the place of payment.

Targeted Registered Issues

Certain issues of Registered Notes ("Targeted Registered Notes") may be "targeted to foreign markets" under U.S. tax regulations. These regulations generally do not allow Targeted Registered Notes, in connection with their original issuance, to be offered or sold to persons who are within the United States or its 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 Notes 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 Notes representing Targeted Registered Notes within the United States or its possessions. Only the Dealers named herein (and those Dealers identified in the applicable Pricing Supplement that have represented and warranted as to those matters summarized under "Plan of Distribution — Selling Restrictions — Targeted Registered Notes" and certain other matters) may offer or sell Targeted Registered Notes. If Freddie Mac issues Targeted Registered Notes, special provisions applicable to such Targeted Registered Notes, 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.

Further Issues

In its discretion and at any time, Freddie Mac may offer additional Notes which have the same terms (other than issue date, interest commencement date and issue price) and conditions as Notes for which settlement has previously occurred so as to form a single series of Notes as specified in the applicable Pricing Supplement.

Repurchase

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

Clearance and Settlement

General

Notes may be held through organizations participating in one or more international and domestic clearing systems, principally the systems operated by the U.S. Federal Reserve Banks and DTC, in the United States, and Euroclear and Cedel, in Europe. Electronic notes and payment transfer, processing, depositary and custodial arrangements among these systems and others, either directly or indirectly through custodians and depositaries, may enable certain Notes to be issued, held and transferred among the systems as described below. Special procedures among these systems allow clearance and settlement of certain Notes traded across borders in the secondary market. Cross-market transfers of Notes 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 Notes will be possible.

Each relevant system has its own separate operating procedures and arrangements with participants or account holders that govern the relationship between them and such system and to which Freddie Mac is not and will not be a party. The clearing systems may impose fees in respect of the maintenance and operation of the accounts in which beneficial interests in such Notes are maintained.

It is expected that (i) most Notes denominated and payable in U.S. dollars and distributed within the United States will clear and settle through the Fed Book-Entry System, (ii) most Notes denominated and payable in U.S. dollars and distributed simultaneously within and outside of the United States 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, Cedel and/or any other relevant clearing system, (iii) Notes denominated or payable in a Specified Currency other than U.S. dollars (and Notes denominated and payable in U.S. dollars that are not cleared and settled in accordance with clauses (i) and (ii) above) and distributed solely within the United States will clear and settle through the system operated by DTC, (iv) Notes denominated or payable in a Specified Currency other than U.S. dollars (and Notes denominated and payable in U.S. dollars that are not cleared and settled in accordance with clauses (i) and (ii) above) and distributed simultaneously within and outside of the United States will clear and settle through the systems operated by DTC, Euroclear, Cedel and/or any other relevant clearing system and (v) Notes, irrespective of the Specified Currency in which such Notes are denominated or payable, distributed solely outside of the United States will clear and settle through the systems operated by Euroclear, Cedel and/or any other relevant clearing system or, in certain cases, DTC.

Clearing Systems

Freddie Mac understands the following:

Fed Book-Entry System. The U.S. Federal Reserve Banks operate a book-entry system (the “Fed Book-Entry System”) which provides book-entry holding and settlement for U.S. dollar denominated securities issued by the U.S. Government, certain of its agencies, instrumentalities, government-sponsored enterprises and international organizations of which the United States is a member. The system enables Holding Institutions to hold, make payments and transfer securities and funds through the Fed Book-Entry 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 pursuant to 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 between its participants through simultaneous electronic book-entry delivery against payment. Euroclear is operated by Morgan — Brussels, and all Euroclear securities clearance and cash accounts are with Morgan — Brussels. 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. Morgan — Brussels acts only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Cedel. Cedel is incorporated under the laws of Luxembourg as a professional depository. Cedel 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 Cedel are governed by the General Terms and Conditions, operating rules and procedures and applicable Luxembourg law. Cedel 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 Freddie Mac makes available for a particular issue of Notes will be described in the applicable Pricing Supplement.

Clearance and Settlement Procedures—Primary Distribution

On initial issue, global Notes 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 Notes will be on a delivery versus payment basis and for Registered Notes will be on a delivery versus payment or free delivery basis, as agreed to by Freddie Mac. Clearance and settlement procedures may vary according to the Specified Currency in which such Notes 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.

U.S. Federal Reserve Banks. Book-Entry Notes 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, all Book-Entry Notes will continue to be held by such Holding Institutions in the Fed Book-Entry System unless arrangements are made for the transfer thereof to another Holding Institution.

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

Euroclear and Cedel. Investors holding Other Registered Notes through Euroclear, Cedel or such other clearing system will follow the settlement procedures applicable to conventional Eurobonds in registered form. Freddie Mac understands that such Other Registered Notes will be credited to Euroclear, Cedel or such other clearing system participants' securities custody 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 Notes. Transfers of Book-Entry Notes 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 Notes. Transfers of beneficial interests in Registered Notes within the various systems that may be clearing and settling interests therein will be made in accordance with the usual rules and operating procedures of the relevant system applicable to the Specified Currency in which such Registered Notes are denominated or payable and the nature of the transfer.

General. For issues of Notes 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 and, if the Notes 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 such settlement date.

Although the Fed Book-Entry System, DTC, Euroclear, Cedel and/or any other applicable clearing system have procedures to facilitate transfers of beneficial interests in Notes among their respective Holding Institutions, participants and accountholders, they are under no obligation to perform or continue to perform such procedures, and such procedures may be modified or discontinued at any time. Neither 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 with respect to 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 Notes

Book-Entry Notes will be issued and maintained only on the Fed Book-Entry System. Book-Entry Notes will not be exchangeable for definitive Notes. The Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York, acting on behalf of the U.S. Federal Reserve Banks as Freddie Mac's fiscal agent for Notes issued in book-entry form, makes generally applicable to the Notes (i) the Freddie Mac book-entry regulations (1 C.F.R. Part 462), (ii) the procedures, insofar as applicable, established from time to time by U.S. Treasury Department regulations governing obligations of the United States, as now contained in U.S. Treasury Department Circular No. 300, and (iii) such other procedures as may be agreed upon from time to time by Freddie Mac and the Federal Reserve Bank of New York. These regulations and procedures relate primarily to the registration, transfer and pledge of Freddie Mac's book-entry securities. A copy of Circular No. 300 may be obtained upon request from any U.S. Federal Reserve Bank, the U.S. Treasury Department or Freddie Mac.

Title

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

Payments

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

Fiscal Agent

The U.S. Federal Reserve Banks will be the fiscal agent for Book-Entry Notes. Freddie Mac and the U.S. Federal Reserve Banks may amend, modify or supplement in any respect, or may terminate, substitute or replace, the Fiscal Agency Agreement.

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

Registered Notes

Registered Notes will be deposited with (i) a custodian for, and registered in the name of a nominee of, DTC (such Registered Notes are referred to herein as the “DTC Registered Notes”) or (ii) a common depositary for, and registered in the name of such common depositary or a nominee of such common depositary for Euroclear, Cedel, and/or any other relevant clearing system, as specified in the applicable Pricing Supplement (Registered Notes that are not DTC Registered Notes are referred to herein as “Other Registered Notes”). Morgan — London or another designated institution will act as custodian for DTC and as common depositary for Euroclear, Cedel and/or any other relevant clearing system (in the latter capacity, the “Common Depositary”). Registered Notes will be exchangeable for definitive Notes only under the limited circumstances described under “— Exchange for Definitive Notes” herein.

Title

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

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

Freddie Mac understands 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, Cedel or any other applicable clearing system, or their respective nominees, as the case may be, as the Holder of the related Registered Note, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Registered Notes through participants) to give or take such action, and such participants would authorize Beneficial Owners owning through such participants (or such persons holding beneficial interests in the Registered Notes 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, Cedel 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 Notes 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 Note. 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 Note.

Payments

Payments in respect of the Registered Notes will be made to DTC, Euroclear, Cedel or any other applicable clearing system, or their respective nominees, as the case may be, as the Holders thereof. Such payments will be made in the Specified Payment Currency (except as described under “—General — Specified Currencies and Specified Payment Currencies” herein, or as otherwise described below). For certain currency conversion facilities with respect to DTC Registered Notes, see “Currency Conversions — Payment on DTC Registered Notes.” All payments to or upon the order of the Holder of a Registered Note will be valid and effective to discharge the liability of Freddie Mac in respect of such Registered Note. Ownership positions within each system will be determined in accordance with the normal conventions observed by such system. Neither Freddie Mac 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 Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Freddie Mac has been advised that, upon receipt of any payment of principal or interest on a DTC Registered Note, DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of such DTC Registered Note. Payments by such participants to owners of beneficial interests in such DTC Registered Note held through such participants will be the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in “street name.” Freddie Mac also has been advised that payments with respect to Other Registered Notes held through Euroclear, Cedel or any other applicable clearing system will be credited to Euroclear participants, Cedel participants or participants of any other applicable clearing system in accordance with the relevant system's rules and procedures.

Interest on a Registered Note will be paid on the applicable Interest Payment Date. Such interest payment will be made to the Holder of such Registered Note as of the close of business on the fifteenth calendar day (each, a “Record Date”) preceding such Interest Payment Date. (Owners of beneficial interests in such Registered Note should be aware that the applicable clearing system may apply a different record date for the payment of interest on such Interest Payment Date.) The first payment of interest on any Registered Note originally issued between a Record Date and the related Interest Payment Date will be made on the Interest Payment Date following the next Record Date to the Holder on such next Record Date. The principal of each Registered Note, together with accrued and unpaid interest thereon, is due on the Principal Payment Date for such Registered Note (subject to the right of the Holder thereof 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 be paid to the Holder thereof against presentation and surrender of such Registered Note. See “— General — Business Day Convention” herein.

All payments on Registered Notes 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, payments in respect of the related Registered Notes may be made at the office of any paying agent in the United States.

Payment in a Component Currency. Subject to the provisions described below, if Registered Notes are payable in ECU, the value and composition of the ECU in which the Registered Notes are payable shall be the same as the composition of the European Currency Unit that is from time to time used as the unit of account of the European Communities (the "EC") or as the currency of the European Union.

Pursuant to European Council Regulation (EEC) No. 3320/94 of December 22, 1994, the ECU, as of the date of this Offering Circular, is defined as the sum of the following component currencies:

0.6242	Deutsche mark
1.332	French francs
0.08784	British pound sterling
151.8	Italian lire
0.2198	Dutch guilder
3.301	Belgian francs
0.13	Luxembourg franc
6.885	Spanish pesetas
0.1976	Danish krone
0.008552	Irish punt
1.44	Greek drachmas
1.393	Portuguese escudos

Article 109g of the Treaty establishing the European Community as amended by the Treaty on European Union provides: "The currency composition of the ECU basket shall not be changed. From the start of the third stage, the value of the ECU shall be irrevocably fixed in accordance with article 109I(4)."

Certain changes as to the nature or composition of the ECU may be made by the EC in conformity with the provisions of the Treaty on European Union. References herein to the ECU shall be deemed to be references to the ECU as so changed.

If payment of the principal of or any interest on a Registered Note is to be made in ECU and, on the relevant payment date, the ECU is used neither as the unit of account of the EC nor as the currency of the European Union, the Global Agent shall, without liability on its part and after consultation with Freddie Mac, choose a currency, which either was a component currency of the last used ECU or is the U.S. dollar (the "Chosen Currency"), in which all payments due on that payment date with respect to such Registered Notes shall be made. Notice of the Chosen Currency selected by the Global Agent shall, where practicable, be given to the Holders of Registered Notes as described herein. The amount of each payment in such Chosen Currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as described below, as of the fourth London Trading Day prior to the date on which such payment is due. "London Trading Day" means any day on which commercial banks are open for business (including dealings in foreign exchange) in London.

On the first London Trading Day on which the ECU is used neither as the unit of account of the EC nor as the currency of the European Union, the Global Agent shall, without liability on its part and after consultation with Freddie Mac, choose a currency, which either was a component currency of the last used ECU or is the U.S. dollar (also the "Chosen Currency"), in which all payments are to be made with respect to the Registered Notes having a payment date prior thereto but not yet paid or presented for payment. The amount of each such payment in such Chosen Currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as described below, as of such first London Trading Day.

The equivalent of the ECU in the relevant Chosen Currency as of any date (the "Day of Valuation") shall be determined on the following basis by the ECU Computation Agent. The ECU Computation Agent will be Freddie Mac or an agent designated by Freddie Mac. The component currencies of the ECU for this purpose (the "Components") shall be the currency proportions of the component currencies of the last used ECU; *provided, however*, that if the ECU is still being used for the settlement of transactions by public institutions of or within the EC, the Components shall be the

currency proportions of the component currencies of the ECU as so used as of the Day of Valuation; *provided, further*, that if the ECU is not still being so used but was so used after its most recent use as the unit of account of the EC or as the currency of the European Union, the Components shall be the currency proportions of the component currencies of the ECU when it was last used.

The equivalent of the ECU in the Chosen Currency shall be calculated by, first, aggregating the U.S. dollar equivalents of the Components, and then, using the rate used for determining the U.S. dollar equivalents of the Components in the Chosen Currency as set forth below, calculating the equivalent in the Chosen Currency of such aggregate amount in U.S. dollars.

The U.S. dollar equivalent of each of the Components shall be determined by the ECU Computation Agent on the basis of the middle spot delivery quotations prevailing at 2:30 p.m. (London time) on the Day of Valuation, as obtained by the ECU Computation Agent from one or more leading banks selected by it in the country of issue of the Component in question.

If the official unit of any Component is altered by way of combination or subdivision, the number of units of that Component shall be divided or multiplied in the same proportion. If two or more Components are consolidated into a single currency, the amounts of those Components shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Components expressed in such single currency. If any Component is divided into two or more currencies, the amount of that Component shall be replaced by amounts of such two or more currencies (in appropriate proportions) the sum of which shall be equal to the amount of the former Component.

If no direct quotations are available for a Component as of a Day of Valuation from any of the banks selected by the ECU Computation Agent for this purpose because foreign exchange markets are closed in the country of issue of that Component or for any other reason, the most recent direct quotations for that Component obtainable from any of the banks selected by the ECU Computation Agent shall be used in computing the equivalents of the ECU on such Day of Valuation; *provided, however*, that such most recent direct quotations may be used only if they were prevailing in the country of issue of such Component not more than two London Trading Days before such Day of Valuation. If the most recent direct quotations obtained by the ECU Computation Agent are those that were so prevailing more than two London Trading Days before such Day of Valuation, the ECU Computation Agent shall determine the U.S. dollar equivalent of such Component on the basis of cross rates derived from the middle spot delivery quotations for such Component and for the U.S. dollar prevailing at 2:30 p.m. (London time) on such Day of Valuation, as obtained by the ECU Computation Agent from one or more leading banks selected by the ECU Computation Agent, in a country other than the country of issue of such Component. If such most recent direct quotations obtained by the ECU Computation Agent are those that were so prevailing not more than two London Trading Days before such Day of Valuation, the ECU Computation Agent shall determine the U.S. dollar equivalent of such Component on the basis of such cross rates if the ECU Computation Agent judges that the equivalent so calculated is more representative than the U.S. dollar equivalent calculated on the basis of such most recent direct quotations. If there is more than one market for dealing in any Component by reason of foreign exchange regulations or for any other reason, the market to be referred to with respect to such Component shall be selected by the ECU Computation Agent after consultation with Freddie Mac, if Freddie Mac is not the ECU Computation Agent.

All choices and determinations made by the ECU Computation Agent for the foregoing purposes shall be at its sole discretion (after consultation with Freddie Mac) and shall, in the absence of manifest error, be conclusive for all purposes and binding upon Freddie Mac and all Holders of Registered Notes.

Whenever a payment is to be made in a Chosen Currency as provided herein, such Chosen Currency shall be deemed to be the Specified Payment Currency for all other purposes related to such payment.

Global Agent

Freddie Mac has appointed Morgan — London as the Global Agent for the Registered Notes. Morgan — London has its corporate trust office at 60 Victoria Embankment, London EC4Y 0JP and

may have other business relationships with Freddie Mac through Morgan Guaranty Trust Company of New York's principal office in New York.

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

Freddie Mac has appointed initially the Global Agent as Registrar, transfer agent and paying agent for the Registered Notes. Freddie Mac 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 Notes

In the event that Freddie Mac issues definitive Notes in exchange for Registered Notes issued in global form under the limited circumstances described below, such definitive Notes will have terms identical to the Registered Notes for which they were exchanged except as described below.

Issuance of Definitive Notes. Unless otherwise specified in the applicable Pricing Supplement, beneficial interests in Registered Notes issued in global form will be subject to exchange for definitive Notes only if such exchange is permitted by applicable law and (i) in the case of a DTC Registered Note, DTC notifies Freddie Mac that it is no longer willing or able to discharge properly its responsibilities as depository with respect to such DTC Registered Note, or ceases to be a "clearing agency" registered under the Securities Exchange Act of 1934 (if so required), or is at any time no longer eligible to act as such, and in each case Freddie Mac is unable to locate a successor within 90 calendar days of receiving notice of such ineligibility on the part of DTC, (ii) in the case of any Other Registered Note, if all of the systems through which it is cleared or settled 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 in any such situations Freddie Mac is unable to locate a single successor within 90 calendar days of such closure, (iii) a Holder has instituted a judicial proceeding in a court to enforce its rights under such Registered Note and such Holder has been advised by counsel that in connection with such proceeding it is necessary for such Holder to obtain possession of definitive Notes, (iv) Freddie Mac (at its discretion), upon the request of a Holder and at such Holder's expense, elects to issue definitive Notes or (v) Freddie Mac (at its discretion) elects to issue definitive Notes. In such circumstances, Freddie Mac will cause sufficient definitive Notes to be executed and delivered as soon as practicable (and in any event within 45 calendar days of Freddie Mac's receiving notice of the occurrence of such circumstances) to the Global Agent or its agent for completion, authentication and delivery to the relevant registered holders of such definitive Notes. A person having an interest in a DTC Registered Note or Other Registered Note issued in global form must provide Freddie Mac or the Global Agent with a written order containing instructions and such other information as Freddie Mac or the Global Agent may require to complete, execute and deliver such definitive Notes in authorized denominations. With respect to (iv) above, Freddie Mac intends to grant requests for definitive Notes only in exceptional circumstances.

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

Payments. Interest on a definitive Note will be paid on the applicable Interest Payment Date. Such interest payments will be made by check mailed to the Holder thereof at the close of business on the Record Date preceding such Interest Payment Date at such Holder's address appearing in the Register. The principal of each definitive Note, together with accrued and unpaid interest thereon, will be due on

the Principal Payment Date (subject to the right of the Holder thereof 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 be paid against presentation and surrender of such definitive Note 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 Note. U.S. dollar checks will be drawn on a bank in the United States. Checks in a Specified Payment Currency other than U.S. dollars may be drawn on a bank office located outside the United States. If and so long as an issue of Notes of which definitive Notes form a part is listed on the Luxembourg Stock Exchange and the rules of such Exchange so require, Freddie Mac will maintain a paying agent in Luxembourg with respect to such issue of Notes. See "Global Facility Agreement — Notice" for a description of the manner in which Freddie Mac will notify the Holders of definitive Notes of the appointment of such paying agent as soon as practicable after such appointment and the location of the office through which such paying agent will act.

Notwithstanding the provisions described in the preceding paragraph relating to payments by check, the Holder of an aggregate principal amount of at least \$10,000,000 of an issue of Notes of which definitive Notes form a part (or, in the case of a definitive Note denominated in a Specified Currency other than U.S. dollars, the Specified Currency equivalent of at least \$10,000,000) may elect to receive payments thereon by wire transfer of immediately available funds in the Specified Payment Currency to an account in such Specified Payment Currency with a bank designated by such Holder that is acceptable to Freddie Mac, provided such bank has appropriate facilities therefor and accepts such transfer and such transfer is permitted by any applicable law or regulation and will not subject Freddie Mac to any liability, requirement or unacceptable charge. In order for such Holder to receive such payments, the relevant paying agent (including the Global Agent) must receive at its office (or, if Freddie Mac maintains a paying agent in Luxembourg pursuant to the rules of the Luxembourg Stock Exchange, such paying agent must receive at its specified office) from such Holder (i) in the case of payments on an Interest Payment Date, a written request therefor not later than the close of business on the related Record Date or (ii) in the case of payments on the Principal Payment Date, a written request therefor not later than the close of business on the date 15 days prior to such Principal Payment Date and the related definitive Note not later than two Business Days prior to such Principal Payment Date. Such written request must be delivered to the relevant paying agent (including the Global Agent) by mail, by hand delivery or by tested or authenticated telex. Any such request will remain in effect until the Global Agent receives written notice to the contrary.

All payments on definitive Notes 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 in respect of the related definitive Notes may be made at the office of any paying agent in the United States.

Partial Redemption. Definitive Notes subject to redemption in part by Freddie Mac will be selected by the Global Agent by lot or in such other manner as the Global Agent deems fair and appropriate, subject to the requirement that the principal amount of each outstanding definitive Note after such redemption is in an authorized denomination.

Transfer and Exchange. Definitive Notes may be presented for registration of transfer or exchange (with the form of transfer included thereon properly endorsed, or accompanied by a written instrument of transfer, with such evidence of due authorization and guaranty of signature as may be required by the Registrar, duly executed) at the office of the Registrar or any other transfer agent upon payment of any taxes and other governmental charges and other amounts, but without payment of any service charge to the Registrar or such transfer agent for such transfer or exchange. If and so long as an issue of Notes of which definitive Notes form a part is listed on the Luxembourg Stock Exchange and the rules of such Exchange so require, Freddie Mac will maintain a transfer agent in Luxembourg with respect to such issue of Notes.

A transfer or exchange of a definitive Note 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 Freddie Mac may from time to time agree with the Registrar. Definitive Notes may be transferred or exchanged in whole or in part only in the authorized denominations of the DTC Registered Notes or Other Registered Notes issued in global form for which they were exchanged. See “Description of the Notes — General — Denominations.” In the case of a transfer of a definitive Note in part, a new definitive Note in respect of the balance not transferred will be issued to the transferor. In addition, replacement of mutilated, destroyed, stolen or lost definitive Notes also is subject to the conditions discussed above with respect to transfers and exchanges generally. Each new definitive Note to be issued upon transfer of such a definitive Note, as well as the definitive Note issued in respect of the balance not transferred, will be mailed to such address as may be specified in the form or instrument of transfer at the risk of the Holder entitled thereto in accordance with the customary procedures of the Registrar.

CURRENCY CONVERSIONS

Payment for Notes

Purchasers of Notes will be required to pay for such Notes in the applicable Specified Currency. Each Dealer to whom or through whom Registered Notes are sold may, under certain terms and conditions, arrange for the conversion of the Investor’s Currency into such Specified Currency to enable purchasers to pay for such Registered Notes if purchasers so request not later than the day determined by such Dealer. Freddie Mac will not be involved in any manner in, and will have no responsibility for, any such conversion. Each such conversion will be made by a Dealer on such terms and subject to such conditions, limitations and charges as such Dealer may from time to time establish. All costs of conversion will be borne by the purchasers of such Registered Notes.

Payment on DTC Registered Notes

Except as described under “Description of the Notes,” Freddie Mac is obligated to make payments of principal of and any interest on all Notes in the Specified Payment Currency. At the present time, there are limited facilities in the United States for the conversion of foreign 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 Notes whose Specified Payment Currency is other than U.S. dollars, the currency exchange bank specified in the applicable Pricing Supplement (the “Currency Exchange Bank”), for U.S. Holders of such DTC Registered Notes, will convert any amounts paid by Freddie Mac in such Specified Payment Currency into U.S. dollars, unless such U.S. Holders elect to receive payments in such Specified Payment Currency as hereinafter described. Freddie Mac will not be involved in any manner in, and will have no responsibility for, the conversion of the Specified Payment Currency for such DTC Registered Notes into U.S. dollars. For non-U.S. Holders of such DTC Registered Notes the Currency Exchange Bank will not convert the amounts paid by Freddie Mac on such DTC Registered Notes in the Specified Payment Currency into U.S. dollars.

The U.S. dollar amount to be received by a U.S. Holder of a DTC Registered Note in respect of which payments are to be converted from the Specified Payment Currency into U.S. dollars will be determined by the Currency Exchange Bank 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 such payment date) at the market rate determined by the Currency Exchange Bank to accomplish the conversion on such payment date of the aggregate amount of the Specified Payment Currency payable in respect of DTC Registered Notes scheduled to receive payments converted into U.S. dollars. All currency exchange costs will be borne by the U.S. Holders of such DTC Registered Notes (and, accordingly, by the related Beneficial Owners) by deductions from such payments. U.S. Holders of DTC Registered Notes 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 such cases, U.S. Holders of such DTC Registered Notes will receive payment in the Specified Payment Currency.

The U.S. Holder of a DTC Registered Note 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 such DTC Registered Note 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.

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

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

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

Events of Default

Under the Agreement, an "Event of Default" with respect to a specific issue of Notes will consist of (i) any failure by Freddie Mac to pay to Holders of such Notes any required payment that continues unremedied for 30 days; (ii) any failure by Freddie Mac to perform in any material respect any other covenant or agreement in the Global Facility Agreement, which failure continues unremedied for 60 days after the giving of notice of such failure to Freddie Mac by the Holders of not less than 25% of the outstanding principal amount (or notional principal amount) of such Notes; or (iii) certain events of bankruptcy, insolvency or similar proceedings involving Freddie Mac.

Rights Upon Event of Default

As long as an Event of Default under the Global Facility Agreement remains unremedied, Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of an issue of Notes to which such Event of Default relates may, by written notice to Freddie Mac, declare such Notes 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 (i) such Holder previously has given to Freddie Mac written notice of an Event of Default and of the continuance thereof; (ii) the Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of an issue of Notes to which such Event of Default relates have given written notice to Freddie Mac of such Event of Default; and (iii) such Event of Default continues uncured for a period of 60 days following such notice. No Holder of an issue of Notes has any right in any manner whatsoever by virtue of or by availing itself of any provision of the Global Facility Agreement to affect, disturb or prejudice the rights of any other such Holder, or to obtain or seek to obtain preference or priority over any other such Holder or to enforce any right under the Global Facility Agreement, except in the manner provided in such Global Facility Agreement and for the ratable and common benefit of all such Holders.

Prior to or after the institution of any action or proceeding relating to an issue of Notes, the Holders of not less than 50% of the outstanding principal amount (or notional principal amount) of such

Notes may waive an Event of Default, whether or not it has resulted in a declaration of an acceleration of the maturity of such Notes, and may rescind and annul any previously declared acceleration.

Whenever in the Global Facility Agreement it is provided that the Holders of a specified percentage in outstanding principal amount (or notional principal amount) of an issue of Notes may take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced by a writing, or any number of writings of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing.

Amendment

Freddie Mac may modify, amend or supplement the Global Facility Agreement and the terms of an issue of Notes, without the consent of any Holder or Holders, (i) for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision or to make any other provision with respect to matters or questions arising under the Global Facility Agreement or the terms of any Note that are not inconsistent with any other provision of the Global Facility Agreement or the Note, (ii) to add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac, (iii) to evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac, (iv) in the case of Book-Entry Notes only, for the purpose of conforming the terms of such Book-Entry Notes to, or curing any ambiguity or discrepancy resulting from any changes in, the Freddie Mac book-entry regulations or any regulation or document that the Freddie Mac book-entry regulations make applicable to book-entry securities of Freddie Mac, (v) for the purpose of increasing the amount of an issue of Notes as contemplated under "Description of the Notes — Further Issues" or (vi) in any manner that Freddie Mac may determine and that will not adversely affect in any material respect the interests of Holders or Beneficial Owners at the time of such modification, amendment or supplement.

In addition, either (a) with the written consent of the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Notes affected thereby, excluding any such Notes owned by Freddie Mac, or (b) by the adoption of a resolution at a meeting of Holders at which a quorum is present, by the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Notes represented at such meeting, excluding any such Notes owned by Freddie Mac, Freddie Mac may from time to time and at any time modify, amend or supplement the terms of an issue of Notes for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of such Notes or modifying in any manner the rights of the Holders; *provided, however*, that no such modification, amendment or supplement may, without the written consent or affirmative vote of each Holder of a Note, (i) change the Maturity Date or Interest Payment Date of such Note, (ii) materially modify the redemption provisions, if any, relating to the redemption price of, or any redemption date or period for, such Note, (iii) reduce the principal amount of, or materially modify the rate of interest or the calculation of the rate of interest on, such Note, (iv) in the case of Registered Notes only, change the Specified Payment Currency of such Registered Note or (v) reduce the percentage of Holders whose consent or affirmative vote is necessary to modify, amend or supplement the terms of the relevant issue of Notes. A quorum at any meeting of Holders called to adopt a resolution will be Holders entitled to vote a majority of the then aggregate outstanding principal (or notional principal) amount of an issue of such Notes called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding principal (or notional principal) amount of such issue of Notes, in both cases excluding any such Notes owned by Freddie Mac. It shall not be necessary for the Holders to approve the particular form of any proposed amendment, but it shall be sufficient if such consent or resolution approves the substance of such change.

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

Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or supplement will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Note or any Note issued, directly or indirectly, in exchange or substitution therefor, irrespective of whether or not notation in regard thereto is made thereon. Any modification, amendment or supplement of the Global Facility Agreement or of the terms of Notes will be conclusive and binding on all Holders of Notes affected thereby, 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 such modification, amendment or supplement is made upon the Notes.

Replacement

Any Registered Note in definitive form that becomes mutilated, destroyed, stolen or lost will be replaced by Freddie Mac at the expense of the Holder upon delivery to the Global Agent of evidence of the destruction, theft or loss thereof, and an indemnity satisfactory to Freddie Mac and the Global Agent.

Securities Owned by Freddie Mac

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

Notice

Any notice, demand or other communication which by any provision of the Global Facility Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the mail, addressed to such Holder as such Holder's name and address may appear in the records of Freddie Mac, a U.S. Federal Reserve Bank or the Global Agent, as the case may be, or, in the case of a Holder of a Book-Entry Note, by transmission to such Holder through the communication system linking the U.S. Federal Reserve Banks. Such notice, demand or other communication to or upon any Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

If and so long as an issue of Notes is listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices with respect to such issue of Notes 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 and so long as an issue of Notes is listed on the Singapore Stock Exchange and the rules of that Exchange so require, notices with respect to such issue of Notes also 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 and so long as an issue of Notes is listed on the Paris Stock Exchange and the rules of that Exchange so require, notices with respect to such issue of Notes also will be published in a newspaper of general circulation in Paris (which is expected to be *l'Agence Economique et Financiere*). 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 by any provision of the Global Facility Agreement is required or permitted to be given to or served upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, 8200 Jones Branch Drive, McLean, Virginia 22012 Attention: Senior Vice President—General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

Governing Law

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

A judgment that may be granted in an action based on Notes payable in a Specified Payment Currency other than U.S. dollars, commenced in a court in the United States, may be denominated in U.S. dollars. It is not clear whether, in granting such judgment, such court would use the rate of exchange of such 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 Notes and payments thereon are not generally exempt from taxation by the United States or other U.S. or non-U.S. taxing jurisdictions.

In the opinion of Cadwalader, Wickersham & Taft, special tax counsel to Freddie Mac, the following discussion correctly describes the principal U.S. federal tax treatment of Beneficial Owners of Notes other than Notes having a Variable Principal Repayment Amount and Targeted Registered Notes (for purposes of this discussion, the “Debt Obligations”). This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”), revenue rulings, judicial decisions and existing and proposed Treasury regulations, including final regulations issued in January 1994 concerning the tax treatment of debt instruments issued with original issue discount (the “OID Regulations”), changes to any of which subsequent to the date of the Offering Circular may affect the tax consequences described herein.

This summary discusses only Debt Obligations held by Beneficial Owners as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to a Beneficial Owner in light of its particular circumstances or to Beneficial Owners subject to special rules, such as certain financial institutions, insurance companies, dealers in notes or foreign currencies, Beneficial Owners holding Debt Obligations as a hedge against, or which are hedged against, currency risks, or Beneficial Owners whose functional currency (as defined in Section 985 of the Code) is not the U.S. dollar. Further, the tax consequences arising from the ownership of any Debt Obligations with special characteristics (*e.g.*, Debt Obligations involving multiple currencies) may be set forth in the applicable Pricing Supplement. The discussion below does not deal with the tax consequences of separating the ownership rights to principal and interest payments on Debt Obligations or the purchase, ownership or disposition of such stripped payment rights. In all cases, prospective investors are advised to consult their own tax advisors regarding the U.S. federal tax consequences to them of holding, owning and disposing of Debt Obligations (or of stripped payment rights derived from such Debt Obligations), including the advisability of making any of the elections described below, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

For purposes of this discussion, “U.S. Person” means an individual who, for U.S. federal income tax purposes, is a citizen or resident of the United States or a corporation, partnership or other entity

created or organized in or under the laws of the United States, any state thereof, or the District of Columbia, or an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source. "U.S. Owner" means a Beneficial Owner that is a U.S. Person and "Non-U.S. Owner" means a Beneficial Owner that is not a U.S. Person.

If Freddie Mac issues Notes having a Variable Principal Repayment Amount or Targeted Registered Notes, the U.S. federal tax treatment of Beneficial Owners of such Notes will be described in the applicable 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 Freddie Mac's Debt Obligations to meet the percentage of total assets required to be invested in, among other things, "stock or obligations of a corporation which is an instrumentality of the United States." Further, Debt Obligations held by a real estate investment trust will constitute "Government securities" within the meaning of Section 856(c)(5)(A) of the Code, and Debt Obligations held by a regulated investment company will constitute "Government securities" within the meaning of Section 851(b)(4)(A)(i) of the Code.

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

Payments of Interest

Interest paid on a Debt Obligation generally will be taxable to a U.S. Owner as ordinary interest income at the time it accrues or is received in accordance with the U.S. Owner's method of accounting for federal income tax purposes. Special rules governing the treatment of interest paid with respect to 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 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 into U.S. dollars. Accrual method U.S. Owners may determine the amount of income recognized with respect to 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 income recognized will be based on the average exchange rate in effect during the interest accrual period (or, with respect to 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 income 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 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 "Currency Conversions."

Debt Obligations with Original Issue Discount

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

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

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

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

Debt Obligations with a Term of One Year or Less

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

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

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

Acquisition Premium and Market Discount

In the event that a U.S. Owner purchases an OID Debt Obligation at an acquisition premium (*i.e.*, at a price in excess of its "adjusted issue price" but less than its stated redemption price at maturity), the amount includible in income in each taxable year as original issue discount is reduced by that

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

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

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 exchange 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 “— Payments of Interest” herein.

Debt Obligations Purchased at a Premium

Except as noted below, a U.S. Owner that purchases a Debt Obligation for an amount in excess of its principal amount, or in the case of an OID Debt Obligation, its remaining stated redemption price at maturity, will be treated as having premium with respect to such Debt Obligation in the amount of such excess. A U.S. Owner that purchases an OID Debt Obligation at a premium is not required to include in income any original issue discount with respect to such Debt Obligation. If such a U.S. Owner makes an election under Section 171(c)(2) of the Code to treat such premium as “amortizable bond premium,” the amount of interest that must be included in such U.S. Owner’s income for each accrual period (where such Debt Obligation is not optionally redeemable prior to its maturity date) will be reduced by the portion of the premium allocable to such period based on the Debt Obligation’s yield to maturity. If such Debt Obligation may be called prior to maturity after the U.S. Owner has acquired it, the U.S. Owner generally may not assume that the call will be exercised and must amortize premium to the maturity date. If the Debt Obligation is in fact called, any unamortized premium may be deducted in the year of the call. If a U.S. Owner makes the election under Section 171(c)(2), the election also shall apply to all bonds the interest on which is not excludible from gross income (“Fully Taxable Bonds”) held by the U.S. Owner at the beginning of the first taxable year to which the election applies and to all such Fully Taxable Bonds thereafter acquired by it, and is irrevocable without the consent of the IRS. If such an election is not made, such a U.S. Owner must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale or other disposition or retirement of the Debt Obligation.

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 a 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. Such an election for a Debt Obligation with amortizable bond premium (or market discount) will result in a deemed election for all of the U.S. Owner's debt instruments with amortizable bond premium (or market discount) and may be revoked only with the permission of the IRS.

Disposition or Retirement of Debt Obligations

Upon the sale, exchange or other disposition of a Debt Obligation, or upon the retirement of a Debt Obligation (including by redemption), a U.S. Owner will recognize gain or loss equal to the difference, if any, between the amount realized upon the disposition or retirement and the U.S. Owner's tax basis in the Debt Obligation. 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 that Non-U.S. Currency) will be 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 will be 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 the amount of any payments under the Debt Obligation that are part of its stated redemption price at maturity and by the portion of any premium applied to reduce interest payments as described above. 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 purchase or settlement, as the case may be, may not be the same as the U.S. dollar amount converted to the Non-U.S. Currency for that purpose. See “—Exchange of Amounts in Non-U.S. Currency” herein.

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 the 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.

Non-U.S. Owners

Interest

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

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

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

- (1) the person that otherwise would be required to withhold from interest on the Debt Obligation (the "Withholding Agent") receives a statement effective as to such interest, which statement (a) is signed by the Non-U.S. Owner under penalties of perjury, (b) certifies that such Non-U.S. Owner is not a U.S. Person, (c) provides the name, address and taxpayer identification number, if any, of the Non-U.S. Owner and (d) is received within the calendar year in which the payment is made or either of the two preceding years;
- (2) the Non-U.S. Owner is not (a) a bank that receives payments on the Debt Obligations that are described in Section 881(c)(3)(A) of the Code, (b) a 10-percent shareholder of Freddie Mac within the meaning of Section 871(h)(3)(B) of the Code, or (c) a "controlled foreign corporation" related to Freddie Mac within the meaning of Section 881(c)(3)(C) of the Code;
- (3) the interest is not effectively connected with a trade or business of the Non-U.S. Owner within the United States; and
- (4) the interest is not determined by reference to the income or cash flow of Freddie Mac, a change in value of any property of Freddie Mac, or any other profit related item as specified in Section 871(h)(4)(A) of the Code. To the extent that a Debt Obligation is issued with interest that is so determined, the tax consequences will be specified in the applicable Pricing Supplement.

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

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

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

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

Disposition or Retirement of Debt Obligations

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

Federal Estate Tax

Debt Obligations owned by a person who is not a citizen or domiciliary of the United States will not be subject to 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 tax as described above under “ — Interest — Exemption for Non-U.S. Owners That Provide IRS Form W-8” herein (without regard to the requirement that a non-U.S. beneficial ownership statement has been received). However, Debt Obligations so owned that are payable 183 days or less from the date of original issue are subject to U.S. federal estate tax unless an exemption exists under an estate tax convention to which the United States is a party.

Information Reporting and Backup Withholding

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

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

In addition, if a Debt Obligation is sold before the stated maturity to (or through) a “broker,” the broker may be required to withhold 31 percent of the entire sale price, unless either (i) the broker determines that the seller is a corporation or other exempt recipient or (ii) the seller provides, in the required manner, certain identifying information and, in the case of a Non-U.S. Owner, certifies that such seller is not a U.S. Person (and certain other conditions are met). Such a sale also must be reported by the broker to the IRS, unless either (i) the broker determines that the seller is an exempt recipient or (ii) the seller certifies its non-U.S. status (and certain other conditions are met). Certification of the Owner's non-U.S. status normally would be made on IRS Form W-8 under penalties of perjury, although in certain cases it may be possible to submit certain other signed forms. The term “broker,” as defined by Treasury regulations, includes all persons who, in the ordinary course of business, stand ready to effect sales made by others. This information reporting requirement generally will apply to a U.S. office of a broker and to a foreign office of a U.S. broker, as well as to a foreign office of a foreign broker (i) that is a “controlled foreign corporation” within the meaning of Section 957(a) of the Code or (ii) 50 percent or more of whose gross income from all sources for the three-year period ending with the

close of its taxable year preceding the payment (or for such part of the period that the foreign broker has been in existence) was effectively connected with the conduct of a trade or business within the United States, unless such foreign office has documentary evidence that the seller is not a U.S. Person and has no actual knowledge that such evidence is false.

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

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

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

APPLICATION OF PROCEEDS

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

PLAN OF DISTRIBUTION

Distribution

The Notes will be offered to or through the Dealers subject to the terms and conditions set forth in the Dealer Agreement, dated as of May 19, 1995, as amended, supplemented or modified from time to time (the "Dealer Agreement"), among Freddie Mac and Lehman Brothers International (Europe), Bear, Stearns International Limited, CS First Boston Limited, Fuji International Finance PLC, Goldman Sachs International, Merrill Lynch International Limited, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Morgan Stanley S.A., Nomura International plc and Salomon Brothers International Limited. Under the terms of the Dealer Agreement, other securities dealers or banks may be added from time to time in connection with the distribution of the Notes or any particular issue of Notes. Such securities dealers or banks, together with the Dealers named above, are referred to herein collectively as the "Dealers." The Dealer Agreement also provides that Dealers may be removed from the Facility from time to time.

Freddie Mac intends to sell Notes primarily to Dealers as principal, either individually or as part of a syndicate, for resale to investors at a fixed offering price or at varying offering prices related to market prices prevailing at the time of resale as determined by such Dealer or Dealers. The Dealer Agreement entitles the Dealers or Freddie Mac to terminate such sale in certain circumstances prior to payment for the Notes being made to Freddie Mac. Except as noted below with respect to Targeted Registered Notes and in certain other circumstances, any such Dealer may sell the Notes it has purchased as principal to other dealers at a concession, which may be all or a portion of the discount to be received by such Dealer from Freddie Mac. The applicable Dealer or Dealers will advise Freddie Mac whether an offering is on a fixed price or variable price basis and of any concessions or reallowances that will be provided to other dealers in connection with such offering, and such information will be specified in the applicable Pricing Supplement. After the initial offering of any issue of Notes, the offering price (in the case of a fixed price offering), the concession and the reallowance may be changed.

If Freddie Mac agrees, Notes also may be offered through certain Dealers as agents of Freddie Mac. The Dealer Agreement requires each Dealer severally and not jointly to solicit purchases of the

Notes for which it is authorized to solicit offers as agent. Freddie Mac will have the sole right to accept offers to purchase such Notes and may reject any proposed purchase of such Notes in whole or in part. Each Dealer will have the right, in its discretion reasonably exercised, without notice to Freddie Mac, to reject in whole or in part any proposed purchase of the Notes through it as agent. In soliciting offers to purchase Notes as agent, each Dealer is acting solely as agent for Freddie Mac, and not as principal, and does not assume any obligation towards or relationship of agency or trust with any purchaser of Notes.

No Dealer participating in the distribution of Targeted Registered Notes (whether as principal or agent) may allow any person (including an affiliate) to participate in the distribution of Targeted Registered Notes without the prior written consent of Freddie Mac and such person having entered into such agreement with Freddie Mac as Freddie Mac may from time to time require.

Freddie Mac also may sell Notes directly to investors on its own behalf. No commission will be paid to any Dealer in respect of any such sales.

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

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

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

The Dealers and certain affiliates thereof engage in transactions with and perform services for Freddie Mac in the ordinary course of business. In connection with any particular issue of Notes, Freddie Mac may enter into hedging transactions with the applicable Dealer or an affiliate thereof.

Trading Markets

Application has been made for the Notes to be issued under the Facility, and which are agreed at the time of issue to be so listed, to be listed on the Luxembourg Stock Exchange and the Singapore Stock Exchange. Any issue of FF Notes must also be listed on the Paris Stock Exchange, if (i) such Notes are, or are intended to be, listed on any other stock exchange or (ii) such Notes are, or are intended to be, distributed as a public issue (within the meaning of the French EuroFranc Regulations). Unlisted Notes and Notes listed on other or additional stock exchanges determined by Freddie Mac also may be issued under the Facility. The Pricing Supplement will identify any stock exchange on which a particular issue of Notes will be listed.

The Notes have no established trading market. Freddie Mac has been advised that certain Dealers for the Notes intend to make a secondary market in the Notes offered by or through them, but 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 Notes will develop or of the continued liquidity of such a market if it develops.

Secondary Market Information

Unless otherwise determined by Freddie Mac, Dealers have agreed to provide certain indicative information to Bloomberg L.P. or, in lieu thereof, another information service designated by Freddie Mac with respect to certain Notes. Dealers will be solely responsible for such indicative information, which may not reflect actual secondary market prices.

Each Dealer, or the lead Dealer on a syndicated offering, for each issue of \$250 million (or the equivalent thereof in one or more other currencies or currency units) or more in aggregate principal amount of Fixed Rate Notes, Step Notes and Zero Coupon Notes, which in each case are payable on the Principal Payment Date at a fixed amount, has agreed to provide for display on a screen page, within two business days after the pricing of such issue of such Notes, the terms of such Notes and certain other information. Thereafter, each applicable Dealer will provide, twice each business day for three months and thereafter twice daily on the last London business day and last New York business day of

each week and month until the Principal Payment Date for such Notes, indicative bid and asked spread quotations over reference benchmark securities designated by the applicable Dealer.

Secondary market information is not expected to be provided with respect to certain issues of Notes. If secondary market information is provided, Freddie Mac reserves the right to discontinue such information.

Selling Restrictions

General

The Notes 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 (i) 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 Notes or distribute this Offering Circular or any other offering material and (ii) they have not directly or indirectly offered, sold or delivered, and will not directly or indirectly offer, sell or deliver, any Notes, and have not distributed and will not distribute this Offering Circular or any other offering material in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and regulations and that will not impose any obligations on Freddie Mac.

Freddie Mac also 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 that (i) they have not offered or sold and, for so long as Part III of the Companies Act 1985 remains in force in relation to the Notes, will not offer or sell in the United Kingdom, by means of any document, any Notes other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent (except in circumstances which do not constitute an offer to the public within the meaning of the Companies Act 1985), (ii) they have complied and will comply with all applicable provisions of the Financial Services Act 1986 (the "Financial Services Act") with respect to anything done by them in relation to the Notes in, from or otherwise involving the United Kingdom, (iii) they have only issued or passed on and will only issue or pass on to any person in the United Kingdom any document received by them in connection with the issue of the Notes if that person is of a kind described in Article 9(3) of the Financial Services Act (Investment Advertisements) (Exemptions) Order 1988 or is a person to whom the document may otherwise lawfully be issued or passed on, (iv) once provisions of law to replace Part III of the Companies Act 1985 in relation to offers of notes have come into force, they will not directly or indirectly, issue or cause to be issued in the United Kingdom any advertisement offering. Notes in circumstances which would require (for the avoidance of the contravention of those provisions) the publication of a prospectus in accordance with those provisions and (v) if they are not an authorized person within the meaning of the Financial Services Act, they are not carrying on investment business in the United Kingdom in contravention of section 3 of such Act.

Japan

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 Notes 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 pursuant to an exemption from the registration requirements of the Securities and Exchange Law available thereunder and in compliance with the other relevant laws of Japan.

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

France

Each Dealer has agreed and each further Dealer appointed under the Dealer Agreement will be required to agree that, in connection with an initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that it has not distributed and will not distribute or cause to be distributed to the public in the Republic of France this Offering Circular or any other offering material relating to the Notes.

Only French credit institutions (which expression includes French subsidiaries of non-French banks) may act as Dealers with respect to issues of FF Notes, except in the case of an issue of FF Notes distributed on a syndicated basis (in which case the lead manager must be a credit institution authorized to act as a lead manager of EuroFranc debt instrument issues). The Arranger for issues of FF Notes, the Dealers for issues of FF Notes and Freddie Mac undertake, in relation to issues of FF Notes whether issued by way of public offer or private placement, to comply with the French EuroFranc Regulations. The minimum aggregate principal amount for an issue of FF Notes that may be listed on the Paris Stock Exchange is FF300,000,000, in the case of a public issue. Variable rate FF Notes will be issued in compliance with the regulations of the COB and the *Conseil des Bourses de Valeurs* published in the COB bulletin No. 281 of June 1994.

Germany

In connection with the initial placement of the Notes in Germany, the Dealers have represented and agreed that they will offer and sell Notes (i) unless otherwise provided in the applicable Pricing Supplement, only for an aggregate purchase price per purchaser of at least DM 80,000 (or the foreign currency equivalent) or such other amount as may be stipulated from time to time by applicable German law and (ii) as may otherwise be permitted in accordance with 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 Notes 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 Notes other than with respect to Notes intended to be disposed of to persons outside Hong Kong or to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or as agent.

Singapore

Pursuant to 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 Notes pursuant to the Facility.

In addition, the Dealers have represented, warranted and agreed that they have not offered or sold, and will not offer or sell, any Notes, nor will they circulate or distribute this Offering Circular or any other offering document or material relating to the Notes, 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 Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act"), or (ii) to a sophisticated investor specified in Section 106D of the Singapore Companies Act, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the Singapore Companies Act.

Taiwan

The Dealers have acknowledged that the Notes have not and will not be registered under the Securities and Exchange Law of the Republic of China. Accordingly, the Dealers have represented and agreed that they have not made, and will not make, any offers, promotion, solicitation for sales and sales of any Notes in Taiwan.

Targeted Registered Notes

If Freddie Mac issues Targeted Registered Notes, the applicable Pricing Supplement will describe the selling restrictions that apply to the Targeted Registered Notes. Each Dealer named herein has represented and agreed, and each Dealer identified in the applicable Pricing Supplement will have represented and agreed, that it (i) will not offer or sell Targeted Registered Notes during a "restricted period," as defined in U.S. tax regulations, to persons who are within the United States or its possessions (with certain exceptions) or to or for the account of U.S. Persons (with certain exceptions) and (ii) 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 Notes are aware of these selling restrictions. See "Description of the Notes — General — Targeted Registered Issues."

LEGALITY OF THE NOTES

The legality of the Notes will be passed upon for Freddie Mac by Maud Mater, Esq., Senior Vice President — General Counsel and Secretary of Freddie Mac. Certain legal matters relating to the Notes will be passed upon for the Dealers by Brown & Wood, Washington, D.C. Certain U.S. federal income tax matters will be passed upon for Freddie Mac by Cadwalader, Wickersham & Taft, Washington, D.C.

GENERAL INFORMATION

Application has been made to list the Notes issued under the Facility on the Luxembourg Stock Exchange and the Singapore Stock Exchange. As of the date of the Offering Circular, Notes with maturities of less than seven days may not be listed on the Luxembourg Stock Exchange and Notes with maturities of less than one month may not be listed on the Singapore Stock Exchange. In connection with the listing of Notes on the Luxembourg Stock Exchange, the Freddie Mac Act and Bylaws of Freddie Mac and a legal notice relating to the issuance of Notes will be deposited with the Chief Registrar of the District Court of Luxembourg, where copies thereof may be inspected or obtained upon request. Holders of the Notes may obtain, free of charge, copies of Freddie Mac's most recent annual and quarterly reports from Banque Générale du Luxembourg, S.A., as Luxembourg Listing Agent, so long as Notes are listed on the Luxembourg Stock Exchange. Holders also may obtain, free of charge, the documents incorporated herein by reference from the Luxembourg Listing Agent. Copies of the Fiscal Agency Agreement, the Global Agency Agreement and the Global Facility Agreement will be available for inspection by Holders at the office of the Luxembourg Listing Agent during the term of the Notes.

So long as Notes are listed on the Luxembourg Stock Exchange, Freddie Mac will maintain in Luxembourg an intermediary to respond to inquiries from Holders of Notes. Banque Générale du Luxembourg S.A. initially has been appointed as such intermediary.

So long as Notes 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 herein by reference will be available for inspection by Holders during usual business hours at the office of Allen & Gledhill in Singapore.

Issues of Yen denominated Notes are subject to the prior approval of the Minister of Finance of Japan. The types of Yen denominated Notes to be issued under the Facility are limited to those that have been approved by the Japanese authorities.

Each issue of Deutsche mark denominated Notes is to take place only in compliance with the guidelines applicable for the time being of the *Deutsche Bundesbank* regarding the issue of Deutsche

mark denominated notes. In addition, Deutsche mark denominated Notes with principal or interest determined by reference to one or more indices or formulas are to be issued in compliance with the policy of the *Deutsche Bundesbank* regarding the indexation of Deutsche mark denominated debt obligations of non-German issuers.

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

As of the date of this Offering Circular, there has been no material adverse change in the financial position of Freddie Mac since March 31, 1995.

Freddie Mac has given an undertaking in connection with the listing of the Notes on the Luxembourg Stock Exchange, and has agreed in connection with the listing of the Notes on the Singapore Stock Exchange, to the effect that, so long as any Notes remain outstanding and listed on the Luxembourg Stock Exchange and the Singapore Stock Exchange, respectively, 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), Freddie Mac 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 Notes. 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.

Under regulations made by the French *Trésor*, FF Notes are required to be listed on the Paris Stock Exchange if either (a) such FF Notes are, or are intended to be, listed on any other stock exchange or (b) such FF Notes are, or are intended to be, distributed as a public offer (within the meaning of the French EuroFranc Regulations). The following procedures, *inter alia*, will apply to the FF Notes which are to be so listed.

Commission des Opérations de Bourse (COB)

Prior to listing of any Notes (including FF Notes) on the Paris Stock Exchange, the COB is required to approve the Offering Circular. In addition, the Pricing Supplement applicable to each issue of Notes to be listed on the Paris Stock Exchange is currently required to be approved at the time of the relevant issue. The relevant approval in relation to the Facility and each such issue will each be evidenced by the issue of a *visa* by the COB. The *visa* numbers will be disclosed in the Pricing Supplement applicable to the relevant Notes.

Conseil des Bourse de Valeurs (CBV)

The listing of Notes (including FF Notes) on the Paris Stock Exchange is subject to approval by the CBV. Such approval will be evidenced by publication in the *Bulletin Officiel de la Cote*. At the option of the Issuer, publication may be made in one notice published in connection with a particular issue of Notes, or in two notices, the first published in relation to the Facility generally and the second published in connection with a particular issue of FF Notes incorporated by reference to the contents of the first notice (to the extent not modified in the second notice).

Bulletin des Annonces Légales Obligatoires (BALO)

Notes to be listed on the Paris Stock Exchange may not be offered in France, and the publication of the Pricing Supplement applicable thereto must not be made before such listing becomes effective and details of the relevant Notes (in the form of a *notice légale*) have been published in the BALO.

Documents Available for Inspection

In the case of Notes (including FF Notes) listed on the Paris Stock Exchange, the applicable Pricing Supplement will specify the additional places in Paris at which documents incorporated herein by reference (or otherwise required to be made available for inspection) may be inspected during normal business hours. Freddie Mac has undertaken to make such documents available as so required.

Responsibility Statement

**PERSONNES QUI ASSUMENT
LA RESPONSABILITÉ DE L'“OFFERING CIRCULAR”
EN CE QUI CONCERNE LES INSTRUMENTS QUI SONT ADMIS À LA COTE
OFFICIELLE (COMPARTIMENT INTERNATIONAL) DE LA BOURSE DE PARIS**

1. Au nom de Federal Home Loan Mortgage Corporation

À la connaissance de Federal Home Loan Mortgage Corporation, les données du présent document dénommé “Offering Circular” sont conformes à la réalité et ne comportent pas d'omission de nature à en altérer la portée.

/S/

Victoria Whitenton
Vice President — Treasurer
Federal Home Loan Mortgage Corporation

2. Au nom de la banque présentatrice

À la connaissance de la banque présentatrice, les données du présent document dénommé “Offering Circular” sont conformes à la réalité et ne comportent pas d'omissions de nature à en altérer la portée.

/S/

Valérie Blin
Financing Manager, Attorney in Fact
Morgan Stanley S.A.

VISA DE LA COMMISSION DES OPÉRATIONS DE BOURSE

En vue de la cotation à Paris des titres éventuellement émis dans le cadre de ce présent Programme, et par application des articles 6 et 7 de l'ordonnance No. 67-833 du 28 septembre 1976, la Commission des Opérations de Bourse a enregistré le présent document dénommé “Offering Circular” sous le visa No. 95-190 du 18 mai, 1995.

CAPITALIZATION TABLE

The following table sets forth Freddie Mac's capitalization as of March 31, 1995. Dollars are in millions.

Debt securities, net:	
Notes and bonds payable due within one year:	
Discount notes, mortgage securities sold under agreements to repurchase and medium-term notes	\$ 47,064
Current portion of long-term debt	3,977
Multiclass debt securities due within one year	<u>52</u>
	51,093
Notes and bonds payable due after one year:	
Debentures	48,065
Medium-term notes	788
Multiclass debt securities due after one year	<u>493</u>
	49,346
Total debt securities, net	100,439
Subordinated borrowings due after one year, net	1,234
Stockholders' equity	<u>5,351</u>
Total capitalization	<u><u>\$107,024</u></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 March 31, 1995, stockholders' equity may differ, and the amount of debt obligations outstanding will differ, and may differ substantially, from the figures contained in the capitalization table set forth above.

GLOSSARY

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

Book-Entry Notes: U.S. dollar denominated Notes issued and maintained in book-entry form on the Fed Book-Entry System.

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

Business Day: (i) with respect to Book-Entry Notes, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the Federal Reserve Bank of New York is authorized or obligated by law or executive order to remain closed or (d) as to any Holder of a Book-Entry Note, a day on which the U.S. Federal Reserve Bank at which such Holder's account is maintained is authorized or obligated by law or executive order to remain closed; and (ii) with respect to Registered Notes, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions are required or permitted by law or governmental action to close in (1) the City of New York or (2) if the Specified Payment Currency is other than U.S. dollars or ECU, the Principal Financial Center of the country of such Specified Payment Currency, (d) if the Specified Payment Currency is ECU, a day which appears as an ECU non-settlement day on the display designated as "ISDE" on the Reuters Monitor Money Rates Service (or such other page as may replace such page on such service for the purpose of displaying information related to ECU non-settlement days) (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), a day on which payments in ECU cannot be settled in the international interbank market as determined by the Global Agent or (e) with respect to any required payment, a day on which banking institutions are required or permitted by law or governmental action to close in the place of payment.

Calculation Agent: Freddie Mac or a bank or broker-dealer designated by Freddie Mac; the entity responsible for determining the interest rate on a Variable Rate Note.

Cap: A maximum interest rate at which interest may accrue on a Note during any Interest Reset Period.

Cedel: Cedel Bank, *société anonyme*, a professional depository incorporated under the laws of Luxembourg. Cedel 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.

Chosen Currency: The currency, which either was a component currency of the last used ECU or is the U.S. dollar, in which payments due on a Registered Note will be made in the event ECU is no longer used as the currency of the European Union or the unit of account of the EC.

COB: *Commissions des Opérations de Bourse.*

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

Common Depository: The common depository for Euroclear, Cedel and/or any other applicable clearing system, which will hold Other Registered Notes on behalf of Euroclear, Cedel and/or any such other applicable clearing system.

Components: The currency proportions of the component currencies of the ECU on the last day on which the ECU was used as the currency of the European Union or as the unit of account of the EC.

Currency Exchange Bank: The currency exchange bank specified in the applicable Pricing Supplement that will convert any amounts paid by Freddie Mac in a Specified Payment Currency on DTC Registered Notes to U.S. Holders into U.S. dollars.

Day of Valuation: The date on which the value of the ECU in a Chosen Currency is determined by the ECU Computation Agent.

Dealer Agreement: The agreement among Freddie Mac and certain securities dealers or banks,

dated as of May 19, 1995, as amended, supplemented or modified from time to time, pursuant to which the Notes will be offered.

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

Debt Obligations: Notes other than Notes with a Variable Principal Repayment Amount and Targeted Registered Notes.

Deposits: Deposits in the Index Currency commencing on the applicable Reset Date.

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

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

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

DM: Deutsche marks.

Dollars: U.S. dollars.

DTC: The Depository Trust Company of New York, a limited-purpose trust company, which 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.

DTC Registered Notes: Registered Notes deposited with a custodian for DTC, which will clear and settle through the system operated by DTC.

EC: The European Communities.

ECU: The European Currency Unit, which is the currency of the European Union and the unit of account of the EC. Certain changes as to the nature or composition of the ECU may be made by the EC in conformity with the provisions of the Treaty on European Union. References herein to the ECU shall be deemed to be references to the ECU as so changed.

ECU Computation Agent: Freddie Mac or the agent designated by Freddie Mac to determine the ECU-equivalent of a Chosen Currency as of a Day of Valuation.

Euroclear: Euroclear System, a depository which holds securities for its participants and clears and settles transactions between its participants through simultaneous electronic book-entry delivery against payment. Euroclear is operated by Morgan—Brussels.

Facility: The Global Debt Facility described in this Offering Circular under which Freddie Mac will issue the Notes.

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

FF Notes: Notes denominated in French francs or denominated in another currency but linked directly or indirectly to the French franc. FF Notes shall not be offered or sold (during initial distribution), under any circumstances, directly or indirectly, to the public in the Republic of France.

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

Fiscal Agent: The U.S. Federal Reserve Banks.

Fixed Principal Repayment Amount: An amount equal to 100% of the principal amount of a

Note, payable on the applicable Maturity Date or date of redemption or a specified amount above or below such principal amount, as specified in the applicable Pricing Supplement.

Fixed Rate Notes: Notes that bear interest at a fixed rate.

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

Floor: A minimum interest rate at which interest may accrue on a Note during any Interest Reset Period.

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

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

French EuroFranc Regulations: Rules and regulations relating to the *marché de l'eurofranc* from time to time of the *Comité des Emissions*.

Global Agency Agreement: Agreement between Freddie Mac and Morgan Guaranty Trust Company of New York acting as Freddie Mac's Global Agent for Registered Notes.

Global Agent: Morgan—London as the entity selected by Freddie Mac to act as its fiscal, transfer and paying agent for non-U.S. dollar denominated Notes.

Global Facility Agreement: The Global Debt Facility Agreement dated as of May 19, 1995 pursuant to which Freddie Mac will issue the Notes.

Holder: The entity whose name appears on the books and records of a U.S. Federal Reserve Bank or the Global Agent as the entity to whose account a Note has been deposited.

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

Index Currency: The currency or currency unit specified in the applicable Pricing Supplement with respect to which LIBOR will be calculated for a Variable Rate Note. If no such currency or currency unit is specified in the applicable Pricing Supplement, the Index Currency will be U.S. dollars.

Index Maturity: The period with respect to which LIBOR will be calculated for a Variable Rate Note that is specified in the applicable Pricing Supplement.

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

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

Interest Payment Date: The date or dates on which interest on Notes will be payable in arrears.

Interest Period: Unless otherwise described in the applicable Pricing Supplement, the period beginning on (and including) the issue date or an Interest Payment Date, as the case may be, and ending on (but excluding) the earlier of the next Interest Payment Date, the redemption date or the Maturity Date.

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

Investor's Currency: Currency or currency unit in which an investor's financial activities are principally denominated.

IRS: The U.S. Internal Revenue Service.

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

London Banking Day: Any day on which commercial banks are open for business (including dealings in foreign exchange and deposits in the Index Currency) in London.

London Trading Day: Any day on which commercial banks are open for business (including dealings in foreign exchange) in London.

Luxembourg Listing Agent: Banque Générale du Luxembourg, S.A.

Maturity Date: The date, one day or longer from the issue date, on which a Note will mature unless redeemed prior thereto.

Morgan—Brussels: Morgan Guaranty Trust Company of New York—Brussels office, the operator of Euroclear.

Morgan—London: Morgan Guaranty Trust Company of New York—London office, the Global Agent for Registered Notes.

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

Non-U.S. Currency: Specified Currency other than U.S. dollars.

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

Notes: Notes and other debt securities to be issued from time to time by Freddie Mac under the Facility.

Offering Circular: The Freddie Mac Global Debt Facility Offering Circular dated May 19, 1995. The Information Statement incorporated by reference in this Offering Circular has not been submitted to the clearance procedures of the COB.

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

OID Regulations: United States Treasury regulations issued in January 1994 concerning the tax treatment of debt instruments issued with original issue discount.

Other Registered Notes: Registered Notes that are not DTC Registered Notes, that are deposited with a common depository for Euroclear, Cedel and/or any other applicable clearing system, and that will clear and settle through the systems operated by Euroclear, Cedel and/or any such other applicable clearing system.

Pricing Supplement: A supplement to the Offering Circular which describes the terms of, and provides pricing and other information for, an issue of Notes.

Principal Financial Center: The capital city of the country of the Specified Payment Currency, or solely with respect to the calculation of LIBOR, the Index Currency, as the case may be, except that with respect to U.S. dollars, Australian dollars, Deutsche marks, Italian lire and Swiss francs, the Principal Financial Center shall be the City of New York, Sydney, Frankfurt, Milan and Zurich, respectively. With respect to ECU, the Principal Financial Center shall be The City of London or such other city or cities as may be specified in the applicable Pricing Supplement.

Principal Payment Date: The Maturity Date of a Note or the earlier date of redemption (whether such redemption is in whole or in part).

Record Date: As to Registered Notes, the fifteenth calendar day preceding an Interest Payment Date. Interest on a Registered Note will be paid to the Holder of such Registered Note as of the close of business on the Record Date.

Register: A register of the Holders of Registered Notes maintained by the Global Agent.

Registered Notes: Notes issued and maintained in global registered or definitive registered form on the books and records of the Global Agent.

Registrar: The Global Agent maintaining the Register.

Representative Amount: 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 thereof 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.

Reset Date: The date on which a new rate of interest on a Note becomes effective.

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

Singapore Stock Exchange: The Stock Exchange of Singapore Limited.

Specified Currency: The currency or currency unit in which a Note may be denominated and in which payments of principal of and interest on a Note may be made.

Specified Interest Currency: The Specified Currency provided for the payment of interest on Notes.

Specified Payment Currency: The term by which the Specified Interest Currency and Specified Principal Currency are referred to collectively.

Specified Principal Currency: The Specified Currency provided for the payment of principal on Notes.

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

Step Debt Obligations: Debt Obligations that are Step Notes and 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 unless the entire principal amount of such Debt Obligations is redeemed on that day.

Step Notes: Notes that bear interest at specified fixed rates for specified periods.

Sterling: British pounds sterling.

Targeted Registered Notes: Notes "targeted to foreign markets" under U.S. tax regulations and offered or sold solely to persons outside the United States or its possessions.

U.S. Federal Reserve Bank: Each U.S. Federal Reserve Bank that maintains Book-Entry Notes.

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

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

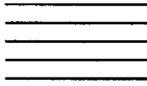
Variable Rate Notes: Notes that bear interest at a variable rate determined by reference to one or more interest rate or exchange rate indices or otherwise.

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

Yen: Japanese yen.

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

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