Offering Circular

Freddie Mac

$1,500,000,000

Federal Home Loan Mortgage Corporation

Medium-Term Notes

Due from Three Months to 30 Years from Date of Issuance

The Federal Home Loan Mortgage Corporation ("Freddie Mac") may offer from time to time up to $1,500,000,000 aggregate principal amount (or the equivalent thereof in foreign currencies) of its Medium-Term Notes (the "Notes") . The Notes will have the characteristics described in this Offering Circular and in any term sheet, confirmation or supplement hereto (each, a "Supplement") relating to the specific Notes being issued. The Notes will constitute unsecured general obligations of Freddie Mac or, if so provided in the related Supplement, unsecured subordinated obligations of Freddie Mac.

The Notes will be issued with varying maturities ranging from three months to 30 years. The Notes may bear interest at a fixed rate ("Fixed Rate Notes") or at a floating rate ("Floating Rate Notes") or may provide for no payments of interest ("Zero Coupon Notes"). The interest payable on a Floating Rate Note will be determined by a formula based on LIBOR (as defined herein), the Treasury Rate (as defined herein) or another index specified in a related Supplement. Principal on the Notes may be payable periodically ("Amortizing Notes") or only at maturity ("Non-amortizing Notes"). Certain Notes may be subject to redemption at the option of Freddie Mac or the Holder. Certain Notes may be denominated in a currency other than the U.S. dollar and/or may be Notes for which a foreign currency or foreign exchange rate applies in determining payments of principal, interest or both ("Currency Related Notes"). Freddie Mac may offer Notes having terms other than those described herein if so provided in the related Supplement.

Unless otherwise provided in the related Supplement, interest on Fixed Rate Notes will be payable semiannually on April 10 and October 10 and at maturity. Interest payments on other Notes will be made quarterly, semiannually or annually, and at maturity, as set forth in a related Supplement. Interest payment dates for the Notes will be January 10, April 10, July 10 and/or October 10, unless otherwise provided in a related Supplement.

The Notes will be issued in book-entry form only, except that Currency Related Notes will be issued in registered, certificated form only and Amortizing Notes will be issued in either book-entry form or registered, certificated form. Notes in book-entry form will be issued in minimum principal amounts of $10,000 and additional increments of $5,000.

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

The Notes will be obligations of Freddie Mac only and will not be backed by the full faith and credit of the United States. Income on the Notes has no exemption under federal law from federal, state or local taxation. 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.

Freddie Mac may offer the Notes for sale from time to time to Goldman, Sachs & Co., Merrill Lynch Government Securities, Inc., Shearson Lehman Hutton Inc., Bank of America NT&SA, The First Boston Corporation, Morgan Stanley & Co. Incorporated, Prudential-Bache Securities Inc. and Salomon Brothers Inc (the "Dealers") for resale to investors at varying prices to be determined at the time of sale. Freddie Mac will provide the Dealers a concession not to exceed .500% of the principal amount of such Notes, depending upon the maturities of the Notes. Freddie Mac may also offer the Notes to Dealers acting as agents for the sale of Notes. Freddie Mac will pay a commission to Dealers as agents in amounts to be agreed upon at the time of sale. In addition, Freddie Mac may sell the Notes directly to investors on its own behalf.

The Dealers have agreed to use their best efforts to make a secondary market in the Notes. There is no assurance that a secondary market will develop or, if it develops, that it will continue.

Freddie Mac reserves the right to withdraw, cancel or modify without notice any offer of the Notes. Freddie Mac or any of the Dealers that solicits any offer may reject such offer in whole or in part. See "Plan of Distribution."

Goldman, Sachs & Co.

Merrill Lynch Capital Markets

Shearson Lehman Hutton Inc.

Bank of America NT&SA

The First Boston Corporation

Morgan Stanley & Co.
Incorporated

Prudential-Bache Capital Funding

Salomon Brothers Inc

Offering Circular Dated September 25, 1989

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

TABLE OF CONTENTS

No dealer, salesperson or other person has been authorized to give any information or to make any representations on behalf of Freddie Mac other than those contained in this Offering Circular, Freddie Mac's current Information Statement, any subsequent Information Statement or any supplement to any of the foregoing and, if given or made, such information or representations must not be relied upon as having been authorized by Freddie Mac or any Dealer. Neither the delivery of this Offering Circular nor any sale of the Notes made hereunder shall under any circumstances create an implication that the information provided herein is correct at any time subsequent to the date hereof. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

OFFERING CIRCULAR SUMMARY

The information set forth below summarizes, and is qualified in its entirety by, the information appearing elsewhere in this Offering Circular.

Issuer . . . . Federal Home Loan Mortgage Corporation, a corporate instrumentality of the United States.

The Notes . . . . The Notes will be unsecured general obligations of Freddie Mac, or unsecured subordinated obligations of Freddie Mac if so provided in the related Supplement, issued from time to time in an aggregate principal amount of up to $1,500,000,000 (in U.S. dollars or the equivalent thereof in foreign currencies). The Notes will have varying maturities ranging from three months to 30 years from their respective dates of issuance. The Notes will be obligations of Freddie Mac only and will not be backed by the full faith and credit of the United States. The Notes will be issued under a Note Agreement dated as of September 25, 1989, a copy of which is attached hereto as Exhibit A, and, as to certain issuances of Notes, a related Supplemental Agreement (together, the "Agreement").

Book-Entry Form; Holders . . . The Notes will be issued in book-entry form only, except that Currency Related Notes will be issued in registered, certificated form only and Amortizing Notes will be issued either in book-entry form or in registered, certificated form. Notes in book-entry form will be issued and must be maintained and transferred by Holders (as defined below) only on the book-entry system of a Federal Reserve Bank. Such Notes may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank. In the case of Notes issued in registered, certificated form, the terms relating to registration, including the identity of Freddie Mac's fiscal agent for such Notes, will be set forth in a related Supplement. As used herein, the term "Holders" refers to (i) the entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts Notes in book-entry form have been deposited and (ii) the persons or entities whose names appear on the records of Freddie Mac's fiscal agent as the record holders of Notes in registered, certificated form.

A Holder is not necessarily the beneficial owner of a Note. Beneficial owners ordinarily hold Notes that are in book-entry form, and may hold Notes that are in registered, certificated form, through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. 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 have the responsibility of establishing and maintaining accounts for their customers. The rights of a beneficial owner of a Note with respect to Freddie Mac and a Federal Reserve Bank or other fiscal agent may be exercised only through the Holder of the Note. Freddie Mac and a Federal Reserve Bank or other fiscal agent will have no direct obligation to a beneficial owner of a Note that is not also the Holder of the Note. A Federal Reserve Bank or other fiscal agent will act only upon the instructions of the Holder in recording transfers of a Note.

Minimum Principal Amounts; Transfers	The Notes in book-entry form will be issued and must be maintained and transferred in minimum principal amounts of $10,000 and additional increments of $5,000. The Notes in registered, certificated form will be issued and must be maintained and transferred as provided in a related Supplement.
Payments of Interest and Principal; Method of Payment	The Notes may be: (i) Fixed Rate Notes, with interest payable at a fixed rate periodically and/or at maturity; (ii) Floating Rate Notes, with interest payable at a floating rate periodically and/or at maturity; or (iii) Zero Coupon Notes, which will not bear interest. Such Notes may be either (i) Amortizing Notes, with principal payable periodically and at maturity or (ii) Non-Amortizing Notes, with principal payable only at maturity. The interest payable on a Floating Rate Note will be determined by a formula based on: (i) London interbank offered quotations for deposits in U.S. dollars ("LIBOR") determined as provided herein; (ii) the Treasury Rate determined as provided herein; or (iii) another index specified in a related Supplement. Unless otherwise provided in a related Supplement, interest on Fixed Rate Notes will be payable semiannually on April 10 and October 10 and at maturity. Interest payments on other Notes will be made quarterly, semiannually or annually, and at maturity, as set forth in a related Supplement. Interest on the Notes will be paid on January 10, April 10, July 10 and/or October 10 unless otherwise provided in a related Supplement. Unless otherwise provided in a related Supplement, interest will accrue on the Notes from their respective dates of issuance. Except in the case of Amortizing Notes, principal will be payable only at maturity. In the case of Amortizing Notes, payments of principal and interest will be made periodically as set forth in a related Supplement. Payments on Notes in book-entry form will be credited on each applicable Payment Date (as defined herein) by a Federal Reserve Bank to the accounts of the Holders thereof. Payments on registered, certificated Notes will be made by check mailed by the fiscal agent designated by Freddie Mac for such Notes to the addresses of the Holders as they appear on the records maintained by the fiscal agent, not later than the applicable Payment Date or Maturity Date (as defined herein). The Holder and each financial intermediary in the chain to the beneficial owner will have the responsibility of remitting payments for the accounts of their customers.
Record Date	In the case of a Note in book-entry form, the Holder of such Note on the books and records of a Federal Reserve Bank as of the close of business on the Business Day (as defined in the Agreement) immediately preceding a Payment Date or Maturity Date of the Note will be entitled to the payment of the principal of and/or interest on such Note due and payable on such Payment Date or Maturity Date. In the case of a Note in registered, certificated form, the Holder of record of such Note on the books and records of the fiscal agent on the date specified in a related Supplement will be entitled to the payment of principal of and/or interest on such Note.

Subordination . . . . The Notes will be general, unsubordinated obligations of Freddie Mac unless a related Supplement provides for subordination. In such case, the Notes will be subordinated and junior in right of payment to all Senior Obligations (as defined herein) of Freddie Mac. See "Description of the Notes—Subordination."

Redemption . . . . The Notes will be subject to redemption prior to maturity at the option of Freddie Mac or the Holder only to the extent, if any, provided in a related Supplement.

Settlement . . . . Settlement of the Notes will occur on the settlement date selected by Freddie Mac, which will be at least five Business Days after Freddie Mac's acceptance of an offer to purchase Notes unless Freddie Mac and the purchaser agree on a different date. Payment for the Notes must be made in immediately available funds.

Tax Status . . . . Income from the Notes has no exemption under federal law from federal, state or local taxation. See "Certain Federal Income Tax Consequences."

Legality of Investment . . . . Unless otherwise provided in a related Supplement, the Notes described herein:

- are acceptable as security for the deposit of public monies subject to the control of the United States or any of its officers;
- are eligible as collateral for Treasury tax and loan accounts;
- are among those securities which national banks may deal in, underwrite and purchase for their own accounts without limitation;
- are eligible as collateral for advances by Federal Reserve Banks;
- are legal investments for federal savings and loan associations and federal savings banks;
- are "liquid assets" for federal savings and loan associations, federal savings banks and other Federal Home Loan Bank members, provided five years or less remains until maturity.
- are eligible as collateral for advances by Federal Home Loan Banks;
- are legal investments for surplus and reserve funds of Federal Home Loan Banks; and
- are legal investments for federal credit unions.

In addition, any person, trust or business entity created pursuant to or existing under the laws of the United States or any state is authorized to purchase, hold and invest in the Notes to the same extent that the investor is authorized to purchase, hold or invest in obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. See "Legality of Investment" and "Regulatory Constraints."

FEDERAL HOME LOAN MORTGAGE CORPORATION

Freddie Mac is a corporate instrumentality of the United States created 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"). The principal activity of Freddie Mac consists of the purchase of first lien, conventional, residential mortgages or participation interests in such mortgages from mortgage lending institutions and the resale of the whole loans and participations so purchased in the form of guaranteed mortgage securities. Freddie Mac generally matches its purchases of mortgages with sales of mortgage-related securities. Mortgages retained by Freddie Mac are financed with short-term and long-term debt and equity capital.

AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

Freddie Mac prepares an Information Statement annually which describes Freddie Mac, its business and operations and contains Freddie Mac's audited financial statements for the two most recent fiscal years ended prior to the date of such Information Statement. From time to time Freddie Mac prepares supplements to its Information Statement which include certain unaudited financial data and other information concerning the business and operations of Freddie Mac. Investors should purchase Notes only after reading this Offering Circular, Freddie Mac's current Information Statement and any supplements thereto. Such Information Statement and any supplements are incorporated herein by reference. Such documents can be obtained from Freddie Mac by writing or calling its Investor Inquiry Department at P.O. Box 4112, Reston, Virginia 22090 (outside Washington, D.C. metropolitan area, telephone 800/336-FMPC; within Washington, D.C. metropolitan area, telephone 703/759-8160).

APPLICATION OF PROCEEDS

The net proceeds received by Freddie Mac from the sale of the Notes will provide funds for Freddie Mac to engage in activities consistent with its statutory purposes, including the purchase of mortgages and interests in mortgages, repayment of borrowings and satisfaction of working capital needs.

DESCRIPTION OF THE NOTES

The Notes are to be issued pursuant to authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act and pursuant to the Agreement. The following summary of certain provisions of the Agreement is not complete and is qualified in its entirety by reference to all of the provisions of the Agreement, including any applicable Supplemental Agreement.

General

The Notes will be unsecured general obligations, or unsecured subordinated obligations if so provided in the related Supplement, which may be issued from time to time in an aggregate principal amount of up to $1,500,000,000 (in U.S. dollars or the equivalent thereof in foreign currencies). The Notes will have varying maturities ranging from three months to 30 years from their respective dates of issuance.

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

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

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

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

The Notes will be obligations of Freddie Mac only and will not be backed by the full faith and credit of the United States.

Payment Dates

Unless otherwise provided in a related Supplement, interest on Fixed Rate Notes will be payable semiannually on April 10 and October 10 and at maturity. Interest payments on other Notes will be made quarterly, semiannually or annually, and at maturity, as set forth in a related Supplement. Quarterly interest payments will be made on January 10, April 10, July 10, and October 10. Semiannual interest payments will be made on either January 10 and July 10 or on April 10 and October 10. Annual interest payments will be made on one of those four dates. The final installments of principal and interest on Amortizing Notes and final interest on, together with principal of, Non-amortizing Notes will be paid at maturity. Any date on which payment of principal and/or interest on a Note is required to be made is referred to herein as a "Payment Date." Any date on which the final payment of principal of a Note is required to be made is referred to herein as the "Maturity Date."

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

Interest on Fixed Rate Notes

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

Interest on LIBOR Notes

Unless otherwise provided in a related Supplement, each LIBOR Note will bear interest from its date of issuance to its Maturity Date. For the Initial Interest Period (as defined below), each such Note will bear interest at a specified Initial Interest Rate (as defined below) and, for each subsequent Reset Period (as defined below), at a rate of interest equal to the applicable LIBOR, (calculated as provided below under "Calculation of LIBOR"), plus or minus a specified number of basis points, if any (a "Spread"). The LIBOR Notes will have periodic Reset Periods which may begin and end on dates that do not correspond to the Payment Dates on such Notes. With respect to a LIBOR Note, the Initial Interest Period, the Initial Interest Rate, the Reset Period and the Spread will be set forth in a related Supplement. In the event a Reset Adjustment Date with respect to a LIBOR Note falls on any day within the period commencing on (and including) the sixth Business Day prior to a Payment Date with respect to such LIBOR Note and ending on (but excluding) such Payment Date, then (i) the interest rate applicable to the period beginning on (and including) the Reset Date related to such Reset Adjustment Date and ending on (but excluding) such Payment Date will be equal to the interest rate in effect prior to such period, and (ii) the interest rate applicable to the period beginning on (and including) such Payment Date and ending on (but excluding) the next succeeding Reset Date will be the interest rate as determined on such Reset Adjustment Date. Unless otherwise specified in a related Supplement, the maximum per annum interest rate will be 24 percent and the minimum per annum interest rate will be zero. Interest on LIBOR Notes will be computed on the basis of the actual number of days in the applicable period divided by 360. Interest payments on LIBOR Notes will include interest accrued to (but excluding) the Payment Date or Maturity Date on which such payment is made. A Reset Date means each of the dates specified as Reset Dates in a related Supplement. A Reset Period with respect to a LIBOR Note will mean a period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date or Maturity Date, as the case may be. The Initial Interest Period with respect to a LIBOR Note will mean the period from (and including) the date of issue to (but excluding) the initial Reset Date. The Initial Interest Rate will mean the annual interest rate specified as such with respect to the LIBOR Note.

Calculation of LIBOR

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

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

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

(ii) If on any Reset Adjustment Date Freddie Mac is unable to calculate LIBOR in accordance with the method set forth in paragraph (i) above, Freddie Mac will determine LIBOR based upon quotes for U.S. dollar deposits of the applicable maturity as of approximately 11:00 a.m. London time on the Reset Adjustment Date, as provided to Freddie Mac by four New York City banks having established places of business in London and engaging in transactions in U.S. dollar deposits in the international eurocurrency market ("Reference Banks"). LIBOR shall be equal to the arithmetic mean of such quotes (expressed as a percentage) carried out to six decimal places and rounded to five decimal places. If at least one but fewer than four Reference Banks are able to provide quotes in the manner described above, LIBOR shall equal the lowest quote, or the single quote, as the case may be, provided to Freddie Mac. In the event no Reference Bank is able to provide quotes on a Reset Adjustment Date, LIBOR for the related Reset Period shall be LIBOR as determined for the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate.

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

Interest on Treasury Rate Notes

Unless otherwise provided in a related Supplement, each Treasury Rate Note will bear interest from its date of issuance to its Maturity Date at a floating rate of interest equal to the "Treasury Rate," calculated as provided below under "Calculation of Treasury Rate," plus or minus a Spread, if any. The maximum and minimum, if any, per annum interest rate on a Treasury Rate Note will be set forth in the related Supplement. Unless otherwise specified in the related Supplement, the maximum interest rate will be 24% and the minimum interest rate will be zero. Interest on Treasury Rate Notes will be computed daily on the basis of (a) the actual number of days in the applicable Interest Period and (b) a year of 365 or 366 days, as applicable. Interest payments on the Treasury Rate Notes will include interest accrued to (but excluding) the respective Payment Date or Maturity Date on which such payment is made. An Interest Period means the period from and including the date of issuance of such Note to (but excluding) the initial Payment Date for such Note and thereafter each succeeding period from and including such Payment Date to (but excluding) the next succeeding Payment Date or Maturity Date, as the case may be.

Calculation of Treasury Rate

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

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

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

	Days Outstanding	Assumed Interest Rates on the Notes	Accrued Interest Factor
	0	9.50%	0.000000000
	1	9.50	0.000260274
	2	9.50	0.000520548
	3	9.50	0.000780822
First interest rate adjustment:	4	9.65	0.001041096
	5	9.65	0.001305480
	6	9.65	0.001569864
	7	9.65	0.001834248
	8	9.65	0.002098632
	9	9.65	0.002363016

The establishment of the Treasury Rate by Freddie Mac and Freddie Mac's subsequent calculation of the rate of interest applicable to the Treasury Rate Notes for the relevant period, in the absence of manifest error, will be final and binding. Information concerning the current Treasury Rate and the accrued interest factor will be available by calling Freddie Mac's Investor Inquiry Department at the telephone numbers set forth on page 6 hereof.

Payments on Amortizing Notes

Payments of principal and interest on the Amortizing Notes will generally be paid in equal installments, including interest and a partial repayment of principal, on Payment Dates specified in the related Supplement. Unless otherwise provided in the related Supplement, each Amortizing Note will bear interest from its date of issue to (but excluding) its Maturity Date at a fixed annual interest rate computed on the basis of a 360-day year of twelve 30-day months and applied to the declining amount of unpaid principal. Unless otherwise specified in a related Supplement, payments with respect to Amortizing Notes will be applied first to interest due and payable on the unpaid principal amount thereof and then to the reduction of such unpaid principal. An amortization schedule will be included in a related Supplement. The method of payment of principal and interest on Amortizing Notes will be specified in such Supplement.

Book-Entry System

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

A Holder of a Note on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding a Payment Date or Maturity Date of the Notes will be entitled to the payment on such Note due and payable on such date. If a Payment Date or Maturity Date with respect to Notes is not a Business Day, payment will be made on the next succeeding day which is a Business Day, with the same force and effect as if made on such Payment Date or Maturity Date.

The Fiscal Agency Agreement between Freddie Mac and the Federal Reserve Bank of New York, acting on behalf of the Federal Reserve Banks, Freddie Mac's fiscal agent for the Notes in book-entry form, makes generally applicable to the Notes the Freddie Mac book-entry regulations, 1 C.F.R. Part 462, and such procedures, insofar as applicable, as may from time to time be established by regulations of the United States Department of the Treasury governing United States Treasury securities, and such other procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Bank of New York. These regulations and procedures relate primarily to the registration, transfer and pledge of securities. Each issue of Notes will be assigned a unique nine-character designation (CUSIP number) used to identify the Notes on the records of the Federal Reserve Banks.

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

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

Subordination

If so provided in a related Supplement, the indebtedness represented by certain Notes and the payment of the principal of and interest on such Notes ("Subordinated Notes") may be subordinated to prior payment in full of all "Senior Obligations" of Freddie Mac which are due and payable. Unless otherwise provided in the related Supplement, "Senior Obligations" means the principal of, premium, if any, and interest on all other obligations and indebtedness of Freddie Mac, whether outstanding on the date of issuance of Subordinated Notes or thereafter incurred or created, and all direct or indirect guarantees or assurances of payment by Freddie Mac of the indebtedness of others, or any extension or renewal thereof, and all other liabilities of Freddie Mac existing on the date of issuance of Subordinated Notes or thereafter incurred except (i) Freddie Mac's Zero Coupon Subordinated Capital Debentures due November 29, 2019, Zero Coupon Subordinated Capital Debentures due November 30, 1994, Zero Coupon Capital Debentures due June 23, 1992, 8.25% Subordinated Capital Debentures due June 1, 2016, 7.95% Subordinated Capital Debentures due April 3, 1995, 11.40% Subordinated Capital Debentures due May 1, 1995, 8.125% Subordinated Capital Debentures due September 30, 1996, 8.65% Subordinated Capital Debentures due October 1, 1996 and 12.20% Capital Debentures due October 6, 1989 (collectively the "Subordinated Debentures"); and (ii) any indebtedness of Freddie Mac hereafter issued which, by the express terms of the instrument creating or evidencing such indebtedness, is subordinated to or ranked equally in right of payment with Subordinated Notes. Subordinated Notes will rank equally in right of payment with the Subordinated Debentures.

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

Redemption

The Notes will be subject to redemption prior to maturity at the option of Freddie Mac or the Holder only to the extent, if any, provided in a related Supplement.

Events of Default

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

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

No Holder shall have any right under the Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise with respect to the Notes unless written notice of an Event of Default shall have been given to Freddie Mac by such Holder and by the Holders of a majority in aggregate principal amount of the outstanding Notes to which such Event of Default relates, and such Event of Default continues uncured for sixty days after such notice. Notwithstanding the foregoing or any other provision of the Agreement, the right of any Holder to receive payment of the principal of or interest on a Note on or after the due date of such payment, or to institute suit for the enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

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

Modification

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

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

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

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

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

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

If the interval between the date on which the Notes are originally issued and the first Payment Date on such Notes is longer than the interval between subsequent Payment Dates, however, the Internal Revenue Service could contend that the initial interval should be divided into a short accrual period followed by a period corresponding to the interval between subsequent Payment Dates, and that because no distribution of interest is made on the date the short accrual period ends, all stated interest distributions on such Notes are included in the stated redemption price. Accordingly, such Notes may be considered to be issued with original issue discount. In general, such treatment would result in more interest on such a Note being allocated to this initial interval and less interest being allocated to all subsequent periods.

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

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

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

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

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

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

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

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

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

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

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

LEGALITY OF INVESTMENT

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

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

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

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

The Notes are "liquid assets" for federal savings and loan associations, federal savings banks and other Federal Home Loan Bank members, provided five years or less remains until maturity. 12 C.F.R. § 523.10(g)(3)(xii).

The Notes are eligible as security for advances by Federal Home Loan Banks to federal savings and loan associations, federal savings banks and other members for which the Notes are legal investments. 12 U.S.C. § 1430(a) and 12 C.F.R. § 525.7(b)(2).

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

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

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

In addition to the specific authorizations discussed above, pursuant to Section 106 of the Secondary Mortgage Market Enhancement Act of 1984, any person, trust, corporation, partnership, association, business trust or business entity created pursuant to or existing under the laws of the United States or any state (including the District of Columbia and Puerto Rico) is authorized to purchase, hold and invest in the Notes to the same extent that the investor is authorized to purchase, hold or invest in obligations issued or guaranteed as to principal and interest by the United States or any agency or instrumentality thereof. Prior to October 4, 1991, a state may enact legislation which specifically refers to Section 106 and either prohibits or limits an investor's authority to invest in the Notes. To Freddie Mac's knowledge, no state has enacted any such legislation. The enactment by any state of legislation which prohibits or limits authority to invest in the Notes will not affect the validity of any contractual commitment to purchase, hold or invest in the Notes made prior to the date of enactment and such legislation cannot require the sale or other disposition of any Notes acquired prior to the date of enactment.

REGULATORY CONSTRAINTS

Investors should consult with their own legal advisors in determining whether and to what extent the Notes constitute legal investments for such investors. The immediately preceding section does not take into consideration the applicability of statutes, rules, regulations, orders, guidelines or agreements generally governing investments made by any particular investor, including, but not limited to, "prudent investor" provisions, percentage-of-assets limits, limits on investments in securities that are not "interest-bearing" or "income-paying" and provisions which may restrict or prohibit investments in securities which are issued in book-entry form. Any financial institution which is subject to the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration or other agency with similar authority should review any applicable rules, guidelines and regulations prior to purchasing the Notes.

PLAN OF DISTRIBUTION

Under the terms of a Dealer Agreement dated as of September 25, 1989 (the "Dealer Agreement") among Goldman, Sachs & Co., Merrill Lynch Government Securities, Inc., Shearson Lehman Hutton Inc., Bank of America NT&SA, The First Boston Corporation, Morgan Stanley & Co. Incorporated, Prudential-Bache Securities Inc. and Salomon Brothers Inc, the Notes may be offered for sale from time to time by Freddie Mac to the Dealers for resale to investors. Freddie Mac will provide the Dealers a concession not to exceed .500% of the principal amount of such Notes, depending upon the maturities of the Notes. Freddie Mac may also offer the Notes to Dealers as agents for the sale of Notes. Freddie Mac will pay a commission to Dealers as agents in amounts to be agreed upon at the time of sale. In addition, Freddie Mac may sell the Notes directly to investors on its own behalf. The Notes may be offered from time to time at negotiated prices that may vary at any one time as among different purchasers. Freddie Mac has the right to accept or reject offers to purchase Notes and may reject any such offer, in whole or in part. Each Dealer, in its discretion reasonably exercised, without notice to Freddie Mac, may reject any offer to purchase Notes received by it, in whole or in part.

The Dealer Agreement provides that Freddie Mac will indemnify the Dealers against certain liabilities or contribute to payments the Dealers may be required to make in respect thereof.

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

EXHIBIT A

FEDERAL HOME LOAN MORTGAGE CORPORATION

NOTE AGREEMENT

Medium-Term Notes

Due from Three Months to 30 Years From Date of Issuance

NOTE AGREEMENT, dated as of September 25, 1989, by and among the Federal Home Loan Mortgage Corporation ("Freddie Mac") and each Holder (as hereinafter defined).

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

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

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

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

ARTICLE 1

DEFINITIONS

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

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

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

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

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

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

CUSIP Number: A unique nine-character designation assigned to Notes by the CUSIP Service Bureau and used to identify each issue of Notes on the records of the Federal Reserve Bank, in the case of Notes in Book-Entry Form, or the Fiscal agent, in the case of Notes in registered, certificated form.

Federal Reserve Bank: Any Federal Reserve Bank.

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

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

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

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

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

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

Payment Date: Any date on which Freddie Mac is required to make payment of principal and/or interest on a Note.

Supplemental Agreement: An agreement which, as to each related issuance of Notes, supplements the other provisions of this Agreement and identifies and establishes the particular offering of Notes issued in respect thereof. A Supplemental Agreement may be documented by a supplement to this Agreement, a confirmation, a term sheet or a recorded telephone call. A Supplemental Agreement may, as to any particular issuance of Notes, modify, amend or supplement the other provisions of this Agreement in any respect whatsoever.

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

ARTICLE II

AUTHORIZATION AND TERMS OF NOTES

SECTION 2.01. *Authorization and Certain Terms.* The Notes shall be issued by Freddie Mac in accordance with the authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act. The aggregate principal amount of Notes that may be issued pursuant to this Agreement is limited to $1,500,000,000 (in U.S. dollars or the equivalent thereof in foreign currencies). The Notes shall be issued from time to time. The Notes shall be known by the designation given them in the related Supplemental Agreement. The Notes shall have the maturity stated in the related Supplemental Agreement which shall be no less than three months and no greater than 30 years from their date of issuance. Except in the case of Currency-Related Notes and certain Amortizing Notes, as provided herein, the Notes shall be issued only in Book-Entry Form and shall at all times remain on deposit with the Federal Reserve Banks in accordance with the provisions of the Book-Entry Rules. The Notes in Book-Entry Form shall each be issued in minimum principal amounts of $10,000 and additional increments of $5,000. Currency Related Notes shall be issued in registered, certificated form only and Amortizing Notes shall be issued in either Book-Entry Form or registered, certificated form. The indebtedness represented by the Notes and payment of the principal of and interest on the Notes shall be unsecured, general obligations of Freddie Mac, or unsecured subordinated obligation's of Freddie Mac, if so provided in the related Supplemental Agreement. If the Notes are unsecured subordinated obligations of Freddie Mac the provisions of Article III hereof shall apply to such Notes.

SECTION 2.02. *Interest—General.* (a) The Notes may be: (i) Fixed Rate Notes, with interest payable at a fixed rate periodically and/or at maturity; (ii) Floating Rate Notes, with interest payable at a floating rate periodically and at maturity; or (iii) Zero Coupon Notes, which shall not bear interest and shall be sold at a discount. The interest payable on a Floating Rate Note shall be determined by a formula based on (x) London interbank offered rate quotations (any such Note, a "LIBOR Note"), (y) the Treasury Rate (a "Treasury Rate Note") or (z) another index specified in a related Supplemental Agreement hereto. Interest shall accrue on the Notes from their date of issuance.

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

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

SECTION 2.03. *Payment Dates.* Unless provided in the related Supplemental Agreement, interest on Fixed Rate Notes shall be paid semi-annually on April 10 and October 10 and on the applicable Maturity Date. Interest payments on other Notes shall be made quarterly, semi-annually or annually, and on the applicable Maturity Date as set forth in the related Supplemental Agreement. Quarterly interest payments shall be made on January 10, April 10, July 10, and October 10. Semi-annual interest payments shall be made either on January 10 and July 10 or on April 10 and October 10. Annual interest payments shall be made on one of those four dates. The final installment on Amortizing Notes and final interest on, together with principal of, Non-amortizing Notes will be paid on the applicable Maturity Date.

SECTION 2.04. *Interest on Fixed Rate Notes.* Unless otherwise provided in the related Supplemental Agreement, each Fixed Rate Note shall bear interest from its date of issue to its

Maturity Date at a specified annual interest rate. Interest payments on Fixed Rate Notes will include interest accrued to (but excluding) the respective Payment Date or the Maturity Date, as the case may be. Interest on Fixed Rate Notes shall be computed on the basis of a 360-day year of twelve 30-day months.

SECTION 2.05. *Interest on LIBOR Notes.* (a) Unless otherwise provided in the related Supplement, each LIBOR Note shall bear interest from its date of issue to its Maturity Date. For the Initial Interest Period (as defined below), each such Note will bear interest at a specified Initial Interest Rate (as defined below) and, for each subsequent Reset Period (as defined below), at a rate of interest equal to the applicable LIBOR, (calculated as provided in subsection (b) of this Section 2.05), plus or minus a specified number of basis points, if any (a "Spread"). The LIBOR Notes shall have periodic Reset Periods which may begin and end on dates that do not correspond to the Payment Dates on such Notes. With respect to a LIBOR Note, the Initial Interest Period, the Initial Interest Rate, the Reset Period and the Spread shall be set forth in the related Supplemental Agreement. In the event a Reset Adjustment Date (as defined below) with respect to a LIBOR Note falls on any day within the period commencing on (and including) the sixth Business Day prior to a Payment Date with respect to such LIBOR Note and ending on (but excluding) such Payment Date, then (i) the interest rate applicable to the period beginning on (and including) the Reset Date related to such Reset Adjustment Date and ending on (but excluding) such Payment Date shall be equal to the interest rate in effect prior to such period, and (ii) the interest rate applicable to the period beginning on (and including) such Payment Date and ending on (but excluding) the next succeeding Reset Date shall be the interest rate as determined on such Reset Adjustment Date. Unless otherwise specified in the related Supplemental Agreement, the maximum per annum interest rate shall be 24 percent and the minimum per annum interest rate shall be zero. Interest on LIBOR Notes will be computed on the basis of the actual number of days in the applicable period divided by 360. Interest payments on LIBOR Notes shall include interest accrued to (but excluding) the Payment Date or Maturity Date on which such payment is made. "Reset Date" means each of the dates specified as Reset Dates in the related Supplemental Agreement. A Reset Period with respect to a LIBOR Note shall mean a period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date or Maturity Date, as the case may be. The Initial Interest Period with respect to a LIBOR Note shall mean the period from (and including) the date of issue to (but excluding) the initial Reset Date specified in the related Supplemental Agreement. The Initial Interest Rate shall mean the annual interest rate specified as such with respect to the LIBOR Note in the related Supplemental Agreement.

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

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

(ii) If on any Reset Adjustment Date Freddie Mac is unable to calculate LIBOR in accordance with the method set forth in (i) above, Freddie Mac shall determine LIBOR based upon quotes for U.S. dollar deposits of the applicable maturity as of approximately 11:00 a.m. London time on the Reset Adjustment Date, as provided to Freddie Mac by four New York City banks having established places of business in London and engaging in transactions in U.S. dollar deposits in the international eurocurrency market ("Reference Banks"). LIBOR shall be equal to the arithmetic mean of such quotes carried out to six decimal places and rounded to five decimal places. If at least one but fewer than four Reference Banks are able to provide quotes in the manner described above, LIBOR shall equal the lowest quote, or the single quote, as the case may be, provided to Freddie Mac. In the event no Reference Bank is able to provide quotes on a Reset Adjustment Date, LIBOR for the related Reset Period shall be LIBOR as determined for the preceding Reset Period or, in the case of the initial Reset Adjustment Date, the Initial Interest Rate.

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

SECTION 2.06. *Interest on Treasury Rate Notes.* (a) Unless otherwise provided in the related Supplemental Agreement, each Treasury Rate Note shall bear interest from its date of issue to its Maturity Date at a floating rate of interest equal to the "Treasury Rate" (calculated as provided in subsection (b) of this Section 2.06) plus or minus a Spread, if any. Unless otherwise specified in the related Supplemental Agreement, the maximum interest rate shall be 24 percent and the minimum interest rate shall be zero. Interest on Treasury Rate Notes shall be computed daily on the basis of (a) the actual number of days in the applicable Interest Period and (b) a year of 365 days or 366 days, as applicable. Interest payments on the Treasury Rate Notes shall include interest accrued to (but excluding) the respective Payment Dates or the Maturity Date on which such payment is made. An Interest Period means the period from and including the issue date of such Note to (but excluding) the Initial Payment Date for such Note and thereafter each succeeding period from and including a Payment Date to (but excluding) the next succeeding Payment Date or Maturity Date, as the case may be.

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

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

Accrued interest from the last date through which interest has been paid to the current date is calculated by multiplying the principal amount of a Treasury Rate Note by an "accrued interest factor". This factor is computed by adding the interest rates applicable to each day on which such

Note has been outstanding since the last date through which interest has been paid and dividing the sum by the actual number of days in the year in which interest shall be paid.

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

SECTION 2.07. *Payment on Amortizing Notes.* Payments of principal and interest on the Amortizing Notes shall generally be paid in equal installments, including interest and a partial repayment of principal, on Payment Dates specified in the related Supplemental Agreement. Unless otherwise provided in the related Supplemental Agreement, each Amortizing Note shall bear interest from its date of issue to (but excluding) its Maturity Date at a fixed annual interest rate computed on the basis of a 360-day year of twelve 30-day months and applied to the declining amount of unpaid principal. Payments with respect to Amortizing Notes shall be applied first to interest due and payable on the unpaid principal amount thereof and then to the reduction of such unpaid principal. An amortization schedule shall be furnished to each purchaser of an Amortizing Note and shall be available from Freddie Mac upon request. Payments of principal and interest on Amortizing Notes shall be made as provided in the related Supplemental Agreement.

SECTION 2.08. *Medium and Manner of Payment.* The principal of and interest on the Notes shall be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts.

Payment of interest on and principal of each Note, other than Currency Related Notes and Amortizing Notes issued in registered, certificated form, shall be made to the Holder entitled thereto by the Federal Reserve Bank maintaining the book-entry account relating to such Note on the applicable Payment Date or Maturity Dates, as the case may be. A Holder of a Note on the books and records of a Federal Reserve Bank as of the close of business on the Business Day immediately preceding the applicable Payment Date or Maturity Date will be entitled to the payment of the principal of and interest on such Note made on such date. Payment of principal of and/or interest on the Currency Related Notes and Amortizing Notes issued in registered certificated form, shall be made to the Holder of record of such Note on the books and records of the fiscal agent by electronic transfer of funds or by check mailed by the fiscal agent to the address of the Holder as it appears on the records maintained by the fiscal agent not later than the applicable payment date.

SECTION 2.09. *Payments Due on Non-Business Days.* If the date fixed for payment of principal and interest on the Notes shall be a day which is not a Business Day, then payment need not be made on such date, but may be made on the next succeeding day which is a Business Day, with the same force and effect as though made on the date fixed for such payment, without any additional accrual of interest for the period after such date.

SECTION 2.10. *Transfer and Exchange.* The transfer, exchange or pledge of the Notes in Book-Entry Form shall be governed by the Book-Entry Rules and such procedures, insofar as applicable, as may from time to time be established by regulations of the Treasury Department governing obligations of the United States, and such other procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Banks. The transfer, exchange or pledge of the Currency Related Notes and Amortizing Notes issued in registered, certificated form, shall be pursuant to the requirements of the fiscal agent as provided in the related Supplemental Agreement.

SECTION 2.11. *Conditions to Payment, Transfer or Exchange.* Freddie Mac shall have the right to require a Holder of a Note, as a condition to the payment of principal of or interest on such Note, or as a condition to the transfer or exchange of such Note, to present at such place as Freddie

Mac shall designate a certificate in such form as Freddie Mac may from time to time prescribe, to enable Freddie Mac to determine its duties and liabilities with respect to (i) any taxes, assessments or governmental charges which Freddie Mac or any Federal Reserve Bank may be required to deduct or withhold from payments in respect of such Note under any present or future law of the United States or jurisdiction therein or any regulation or interpretation of any taxing authority thereof and (ii) any reporting or other requirements under such laws or regulations. Freddie Mac shall be entitled to determine its duties and liabilities with respect to such deduction, withholding, reporting or other requirements on the basis of information contained in such certificate or, if no certificate shall be presented, on the basis of any presumption created by any such law, regulation or interpretation, and shall be entitled to act in accordance with such determination.

SECTION 2.12. *Persons Deemed Owners.* Freddie Mac and the Federal Reserve Banks, or any agent of Freddie Mac or the Federal Reserve Banks, may deem and treat the Holder as the absolute owner of a Note for the purpose of receiving payment of principal of or interest on such Note and for all other purposes whatsoever, and neither Freddie Mac nor the Federal Reserve Banks, nor any agent of Freddie Mac or the Federal Reserve Banks, shall be affected by any notice to the contrary. All payments made to any such Holder, or upon such Holder's order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge liabilities for moneys payable by Freddie Mac on or with respect to any such Note.

SECTION 2.13. *Notes Owned by Freddie Mac.* Any Notes owned by Freddie Mac from time to time shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among such Notes except as otherwise expressly provided in Section 4.05 of this Agreement.

ARTICLE III

SUBORDINATION

SECTION 3.01. *Notes Subordinated to Senior Obligations.* If so provided in the related Supplement, the indebtedness represented by certain Notes ("Subordinated Notes") and the payment of the principal of and interest on such Notes shall be subordinated to prior payment in full of all "Senior Obligations" of Freddie Mac which are due and payable. "Senior Obligations" means the principal of, premium, if any, and interest on all other obligations and indebtedness of Freddie Mac, whether outstanding on the date of issuance of the Subordinated Notes or thereafter incurred or created, and all direct or indirect guarantees or assurances of payment by Freddie Mac of the indebtedness of others, or any extension or renewal thereof, and all other liabilities of Freddie Mac existing on the date of issuance of the Subordinated Notes or thereafter incurred except (i) Freddie Mac's Zero Coupon Subordinated Capital Debentures due November 29, 2019, Zero Coupon Subordinated Capital Debentures due November 30, 1994, Zero Coupon Capital Debentures due June 23, 1992, 8.25% Subordinated Capital Debentures due June 1, 2016, 7.95% Subordinated Capital Debentures due April 3, 1995, 11.40% Subordinated Capital Debentures due May 1, 1995, 8.125% Subordinated Capital Debentures due September 30, 1996, 8.65% Subordinated Capital Debentures due October 1, 1996 and 12.20% Capital Debentures due October 6, 1989 (collectively the "Subordinated Debentures"); and (ii) and indebtedness of Freddie Mac hereafter issued which, by the express terms of the instrument creating or evidencing such indebtedness, is subordinated to or ranked equally in right of payment with the Subordinated Notes. The Subordinated Notes described herein shall rank equally in right of payment with the Subordinated Debentures.

SECTION 3.02. *Distribution of Assets.* In the event of any distribution of assets of Freddie Mac upon any dissolution, winding-up, total or partial liquidation or reorganization of Freddie Mac, whether in bankruptcy, insolvency, reorganization or receivership proceedings, or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of Freddie Mac:

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

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

SECTION 3.03. *Default on Senior Obligations.* Upon maturity of any Senior Obligation by lapse of time, acceleration or otherwise, all principal thereof (and premium, if any) and interest due thereon shall first be paid in full, or such payment duly provided for in cash or in a manner satisfactory to the holder(s) of such Senior Obligations, before any payment is made on account of the principal of or interest on the Subordinated Notes.

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

SECTION 3.04. *Payments to Holders of Senior Obligations.* In the event that any payment by or distribution of assets of Freddie Mac of any kind or character, whether in cash, property or securities, shall be received by the Holders of the Subordinated Notes before all Senior Obligations which are due and payable have been paid in full, which payment or distribution such Holders are not entitled to receive under the provisions of Sections 3.01, 3.02 or 3.03, such payment or distribution shall be paid over to the holders of such Senior Obligations or their representative(s) or to the trustee(s) under any indenture or other instrument under which any of such Senior Obligations may have been issued, ratably as aforesaid, for application to the payment of all such Senior Obligations remaining unpaid until all such Senior Obligations shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Obligations.

SECTION 3.05. *Right of Payment.* Nothing contained in this Article III or elsewhere in this Agreement is intended to or shall impair, as between Freddie Mac, its creditors other than the holders of Senior Obligations and the Holders of the Subordinated Notes, the obligation of Freddie Mac, which is absolute and unconditional, to pay to the Holders of the Subordinated Notes the principal of and interest on the Subordinated Notes as and when the same shall become due and payable in accordance with their terms, or to affect the rights of the Holders of the Subordinated Notes and creditors of Freddie Mac, other than the holders of Senior Obligations.

SECTION 3.06. *No Waiver.* No right of any present or future holder of any Senior Obligation to enfore subordination as herein provided shall at any time be prejudiced or impaired by any act or failure to act on the part of Freddie Mac or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by Freddie Mac with the terms, provisions and undertakings of this Agreement regardless of any knowledge thereof any such holder may have or be otherwise charged with.

ARTICLE IV

REMEDIES

SECTION 4.01. *Events of Default.* An Event of Default (as hereinafter defined) in respect of a specific issuance of Notes will not be considered an Event of Default in respect of any other issuance of Notes . "Event of Default" whenever used herein in respect of any issuance of Notes means any one of the following events:

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

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

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

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

SECTION 4.02. *Acceleration of Maturity.* If an Event of Default occurs and is continuing, then, and in each and every such case, the Holders of not less than a majority in aggregate principal amount of a specific issuance of Notes to which such Event of Default relates may, by written notice to Freddie Mac, declare the principal amount of such Notes due and payable and accelerate the maturity of such Notes. Upon such acceleration, the principal amount of such Notes and the interest accrued thereon shall be due and payable.

SECTION 4.03. *Limitation on Suits.* No Holder shall have any right to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon, under or with respect to this Agreement, or for the appointment of a receiver or trustee, or for any other remedy whatsoever, unless such Holder previously shall have given to Freddie Mac written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of not less than a majority in aggregate principal amount of the outstanding Notes to which such Event of Default relates shall have given written notice to Freddie Mac of such Event of Default; and such Event of Default continues uncured for a period of 60 days following such notice. It is understood and intended that no one or more Holders of an issuance of Notes shall have any right in any manner whatsoever by virtue of or by availing themselves of any provision of this Agreement to affect, disturb or prejudice the rights of any other such Holder, or to obtain or seek to obtain preference or priority over any other such Holder or to enforce any right under this Agreement, except in the manner herein provided and for the ratable and common benefit of all such Holders. For the protection and enforcement of the provisions of this Section 3.03, each and every Holder shall be entitled to such relief as can be given either at law or in equity. Notwithstanding the foregoing or any other provision of this Agreement, the right of any Holder to receive payment of the principal of or interest on a Note on or after the due date of such payment, or to institute suit for the enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

SECTION 4.04. *Waiver.* Prior to or after the institution of any action or proceeding relating to Notes, the Holders of not less than a majority in aggregate principal amount of all outstanding Notes affected thereby may waive an Event of Default whether or not it has resulted in acceleration of the maturity of such Notes, and may rescind and annul any previously declared acceleration and its consequences.

SECTION 4.05. *Evidence of Holders' Action; List of Holders.* Whenever in this Agreement it is provided that the Holders of a specified percentage in aggregate principal amount of an issuance of Notes may take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced by an instrument, or any number of instruments of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing. In determining whether the Holders of the required percentage of aggregate unpaid principal amount of an issuance of Notes have given any required demand, authorization, notice, consent or waiver hereunder, any Notes owned by Freddie Mac or any other obligor under the Notes or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac or any other obligor on the Notes shall be disregarded and deemed not to be outstanding for the purposes of such determination. Upon the written request of Holders of at least 10% in aggregate principal amount of an outstanding issuance of Notes, Freddie Mac shall furnish to such Holders the most recent list of Holders of such Notes, in the possession of Freddie Mac.

ARTICLE V

AMENDMENTS

SECTION 5.01. *Amendment Without Consent of Holders.* This Agreement may be amended from time to time by Freddie Mac, without the consent of any Holder or Holders:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement which shall not be inconsistent with the other provisions of this Agreement, provided that any such amendment shall not adversely affect in any material respect the interest of the Holders;

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

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

SECTION 5.02. *Amendment With Consent of Holders.* With the written consent of the Holders of not less than a majority in aggregate principal amount of an outstanding issuance of Notes affected thereby, Freddie Mac may amend or supplement this Agreement for the purpose of adding provisions to or changing in any manner or eliminating any of the provisions of this Agreement, or of any amendment or supplement hereto, or of modifying in any manner the rights of the Holders under this Agreement, provided, however, that no such amendment or supplement shall

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

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

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

SECTION 5.03. *Effect of Amending or Supplemental Agreement.* Upon the execution of any amendment or Supplemental Agreement under this Article, this Agreement shall be modified in accordance therewith, and such amendment or Supplemental Agreement shall form a part of this Agreement for all purposes; and every Holder of a Note theretofore or thereafter issued shall be bound thereby.

ARTICLE VI

NOTICE

SECTION 6.01. *Notice to Freddie Mac.* Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, Lake Fairfax Business Center, 1759 Business Center Drive, Building 5, Reston, Virginia 22090, Attention: Senior Vice President — General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

SECTION 6.02. *Notice to Holders.* Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail, addressed to such Holder as such Holder's name and address may appear in the records of a Federal Reserve Bank, or the fiscal agent, as the case may be, or by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon a Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

ARTICLE VII

SATISFACTION AND DISCHARGE

SECTION 7.01. *Payment by Freddie Mac.* If the Notes shall have become due and payable and Freddie Mac shall have deposited with a Federal Reserve Bank funds or the fiscal agent, as the case may be, available for distribution to the Holders and sufficient to pay all of the principal of and interest due and payable on the Notes, then this Agreement shall cease to be of further effect and all obligations of Freddie Mac in respect of the Notes shall cease and be discharged, and the Holders shall thereafter be restricted exclusively to such funds for any and all claims of whatsoever nature on their part under this Agreement or with respect to the Notes.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

SECTION 8.01. *Governing Law.* This Agreement and the Holders' and Freddie Mac's rights and obligations 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 this Agreement or the transactions governed hereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States.

SECTION 8.02. *Successors.* This Agreement shall be binding upon and shall inure to the benefit of any successor to Freddie Mac, including any successor by operation of law.

SECTION 8.03. *Effect of Headings.* The Article and Section headings herein are for convenience only and shall not affect the construction of this Agreement.

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

FEDERAL HOME LOAN MORTGAGE
CORPORATION

Freddie Mac