

# FEDERAL HOME LOAN MORTGAGE CORPORATION

## DEBENTURE AND MEDIUM-TERM NOTE AGREEMENT

**AGREEMENT**, dated as of November 11, 2005, among the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and Holders of Debentures and Medium-Term Notes (each as hereinafter defined).

Whereas:

(a) Freddie Mac is a corporation duly organized and existing under and by virtue of the laws of the United States (Title III of the Emergency Home Finance Act of 1970, as amended (the “Freddie Mac Act”)) and has full corporate power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein;

(b) Pursuant to Section 306(a) of the Freddie Mac Act, Freddie Mac is authorized, 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

(c) 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, pursuant to this Agreement, of unsecured general obligations of Freddie Mac or, if so provided in the applicable Supplemental Agreement (as hereinafter defined), secured obligations or unsecured subordinated obligations of Freddie Mac (“Debentures” and “Medium-Term Notes”).

**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 issue of Debentures and Medium-Term Notes, the applicable Supplemental Agreement) shall govern the Debentures and Medium-Term Notes and the rights and obligations of Freddie Mac and Holders with respect to the Debentures and Medium-Term Notes.

### ARTICLE I

#### Definitions

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

*Additional Debentures and Medium-Term Notes:* Debentures and Medium-Term Notes issued by Freddie Mac with the same terms (other than Issue Date and issue price) and conditions as Debentures and Medium-Term Notes for which settlement has previously occurred so as to form a single series of Debentures and Medium-Term Notes as specified in the applicable Supplemental Agreement.

*Agreement:* This Debenture and Medium-Term Note Agreement dated as of November 11, 2005, as it may be amended or supplemented from time to time, and successors thereto.

*Beneficial Owner:* The entity or individual that beneficially owns a Debenture or Medium-Term Note.

*Book-Entry Rules:* The Department of Housing and Urban Development regulations (24 C.F.R. Part 81, Subpart H) applicable to Freddie Mac's book-entry securities and such procedures as to which Freddie Mac and a Federal Reserve Bank may agree.

*Business Day:* A day other than (a) a Saturday, (b) a Sunday, (c) as to any Debentures or Medium-Term Notes on the Fed Book-Entry System, a day on which the Federal Reserve Bank of New York is closed, (d) as to any Holder of a Debenture or Medium-Term Note on the Fed Book-Entry System, a day on which the Federal Reserve Bank that maintains the Holder's account is closed, or (e) as to any Debentures or Medium-Term Notes on the DTC Book-Entry System, a day on which the Depository is closed.

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

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

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

*CUSIP Number:* A unique nine-character designation assigned to Debentures and Medium-Term Notes by the CUSIP Service Bureau and used to identify each issuance of Debentures and Medium-Term Notes on the records of the Federal Reserve Banks or DTC, as applicable.

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

*Depository:* DTC or any successor.

*Deposits:* Deposits commencing on the applicable Reset Date.

*Designated Reuters Page:* The display on the Reuters Page ISDA, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Supplemental Agreement for the purpose of displaying interbank rates from London for Deposits in the Index Currency.

*Designated Telerate Page:* The display on the Moneyline Telerate Capital Markets Report Page 3750, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Supplemental Agreement for the

purpose of displaying British Bankers' Association interest settlement rates for Deposits in the Index Currency.

*DTC:* The Depository Trust Company, a limited-purpose trust company, which holds securities for DTC participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants.

*DTC Book-Entry System:* The book-entry system of DTC, which provides book-entry holding and settlement of securities.

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

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

*Fiscal Agent:* The Federal Reserve Banks.

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

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

*Fixed/Variable Rate Debentures and Medium-Term Notes:* Debentures and Medium-Term Notes that bear interest at a single fixed rate during one or more specified periods and at a variable rate determined by reference to one or more Indices, or otherwise, during one or more other periods. As to any such fixed rate period, the provisions of this Agreement relating to Fixed Rate Debentures and Medium-Term Notes shall apply, and, as to any such variable rate period, the provisions of this Agreement relating to Variable Rate Debentures and Medium-Term Notes shall apply.

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

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

*Holder:* The entity whose name appears on the book-entry records of a Federal Reserve Bank as the holder, in the case of an issue maintained on the Fed Book-Entry System, or the Depository or its nominee, in the case of an issue maintained on the DTC Book-Entry System.

*Index:* LIBOR, Prime Rate, Treasury Rate, or other specified index, as the case may be.

*Index Currency:* The currency or currency unit specified in the applicable Supplemental Agreement with respect to which an Index will be calculated. If no such currency or currency unit is specified in the applicable Supplemental Agreement, the Index Currency will be U.S. dollars.

*Index Maturity:* The period with respect to which an Index will be calculated that is specified in the applicable Supplemental Agreement.

*Interest Component:* Each future interest payment, or portion thereof, due on or prior to the Maturity Date, or if the Debenture or Medium-Term Note is subject to redemption or repayment prior to the Maturity Date, the first date on which such Debenture or Medium-Term Note is subject to redemption or repayment.

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

*Interest Payment Period:* Unless otherwise provided in the applicable Supplemental Agreement, the period beginning on (and including) the Issue Date or the most recent Interest Payment Date, as the case may be, and ending on (but excluding) the next Interest Payment Date.

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

*Issue Date:* The date on which Freddie Mac wires an issue of Debentures or Medium-Term Notes to Holders or other date specified in the applicable Supplemental Agreement.

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

*LIBOR:* The daily average of the London interbank offered rates for Deposits in the Index Currency having the Index Maturity, as determined by the Calculation Agent in accordance with Section 2.05(i)(vi).

*LIBOR Determination Date:* The second London Banking Day preceding the applicable Reset Date unless the Index Currency is British pounds sterling, in which case it means the applicable Reset Date.

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

*Maturity Date:* The date, one day or longer from the Issue Date, on which a Debenture or Medium-Term Note will mature unless redeemed or repaid prior thereto.

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

*New York Banking Day:* Any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions in the City of New York are required or permitted by law or executive order to close, or (d) a day on which the Federal Reserve Bank of New York is closed.

*Offering Circular:* The Freddie Mac Debentures, Medium-Term Notes and Discount Notes Offering Circular dated November 11, 2005 and successors thereto.

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

*Prime Rate:* The arithmetic mean of the U.S. dollar prime rates or base lending rates, as determined by the Calculation Agent in accordance with Section 2.05(i)(vii).

*Prime Rate Determination Date:* The New York Banking Day preceding the applicable Reset Date.

*Principal Component:* The principal payment plus any interest payments that are either due after the date specified in, or are specified as ineligible for stripping in, the applicable Supplemental Agreement.

*Principal Financial Center:* With respect to U.S. dollars, British pounds sterling, the euro, Japanese yen and Swiss francs, the City of New York, London, Brussels, Tokyo and Zurich, respectively, or with respect to any other Index Currency, the city specified in the applicable Supplemental Agreement.

*Principal Payment Date:* The Maturity Date, or the earlier date of redemption or repayment, if any, (whether such redemption or repayment is in whole or in part).

*Reference Treasury Bill Auction:* The most recent auction of Treasury Bills prior to a given Reset Date.

*Representative Amount:* A principal amount of not less than U.S. \$1,000,000 (or, if the Index Currency is other than U.S. dollars, a principal amount not less than the equivalent in the Index Currency).

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

*Reuters US PRIME1 Page:* The display designated as page ""USPRIME1" on Reuters, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Supplemental Agreement.

*Senior Obligations:* Unsecured general obligations of Freddie Mac having the same priority as all other unsecured and unsubordinated debt of Freddie Mac and ranking senior to any Subordinated Debentures and Medium-Term Notes. For any Subordinated Debentures or Medium-Term Notes offering, the Senior Obligations will be identified by category in the applicable Supplemental Agreement.

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

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

*Subordinated Debentures and Medium-Term Notes:* Unsecured subordinated obligations of Freddie Mac ranking junior to any Senior Obligations (as defined in the applicable Supplemental Agreement) and with such other terms, including but not limited to terms relating to payment priority or payment suspension, limitation or deferral (if any), as are set forth in the applicable Supplemental Agreement.

*Supplemental Agreement:* An agreement which, as to the related issue of Debentures or Medium-Term Notes, supplements the other provisions of this Agreement and identifies and establishes the particular offering of Debentures or Medium-Term Notes issued in respect thereof. A Supplemental Agreement may be documented by a supplement to this Agreement, a Pricing Supplement, a confirmation or a terms sheet. A Supplemental Agreement may, as to any particular issue of Debentures or Medium-Term Notes, modify, amend or supplement the provisions of this Agreement in any respect whatsoever. A Supplemental Agreement shall be effective and binding as of its publication, whether or not executed by Freddie Mac.

*Telerate Page 38:* The display designated as “Page 38” provided by Telerate Capital Markets, or any successor page or such other page (or any successor page) on that service or any successor service specified in the applicable Supplemental Agreement.

*Treasury Bills:* Direct obligations of the United States.

*Treasury Department:* United States Department of the Treasury.

*Treasury Rate:* The auction average rate for Treasury Bills, as determined by the Calculation Agent in accordance with Section 2.05(i)(viii).

*Variable Principal Repayment Amount:* The principal amount determined by reference to one or more Indices or otherwise, payable on the applicable Maturity Date or date of redemption or repayment of a Debenture or Medium-Term Note, as specified in the applicable Supplemental Agreement.

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

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

## **ARTICLE II**

### **Authorization; Certain Terms**

#### **Section 2.01 Authorization.**

Debentures and Medium-Term 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. Debentures and Medium-Term Notes shall be offered from time to time by Freddie Mac and shall be known by the designation given them, and have the Maturity Dates stated, in the applicable Supplemental Agreement. Freddie Mac, in its discretion and at any time, may offer Additional Debentures and Medium-Term Notes having the same terms and conditions as Debentures and Medium-Term Notes previously offered. The indebtedness represented by the Debentures and Medium-Term Notes shall be unsecured general obligations of Freddie Mac, or, if so provided in the applicable Supplemental Agreement, secured obligations or unsecured subordinated obligations of Freddie Mac. If the Debentures or Medium-Term Notes are secured obligations of Freddie Mac, the provisions of Article V hereof shall apply to such Debentures or Medium-Term Notes, and if the Debentures or Medium-Term Notes are unsecured subordinated obligations of Freddie Mac, the provisions of Article VI hereof shall apply to such Debentures or Medium-Term Notes.

#### **Section 2.02 Minimum Denominations.**

Debentures and Medium-Term Notes shall be issued and maintained in the minimum denominations of \$1,000 and additional increments of \$1,000, unless otherwise provided in the applicable Supplemental Agreement.

#### **Section 2.03 Maturity.**

(a) Each Debenture or Medium-Term Note shall mature on its Maturity Date, as provided in the applicable Supplemental Agreement, unless redeemed or repaid prior thereto in accordance with the provisions described under Section 2.04.

(b) The principal amount payable on the Maturity Date of a Debenture or Medium-Term Note shall be a Fixed Principal Repayment Amount or a Variable Principal Repayment Amount, in each case as provided in the applicable Supplemental Agreement.

#### **Section 2.04 Redemption; Repayment.**

(a) The Supplemental Agreement for any particular issue of Debentures or Medium-Term Notes shall provide whether such Debentures or Medium-Term Notes may be redeemed or repaid, in whole or in part, prior to their Maturity Date. If so provided in the applicable

Supplemental Agreement, an issue of Debentures or Medium-Term Notes shall be subject to redemption at the option of Freddie Mac, or repayable at the option of the Holders, in whole or in part, on one or more specified dates, at any time on or after a specified date, or during one or more specified periods of time. The redemption or repayment price for such Debentures or Medium-Term Notes (or such part of such Debentures or Medium-Term Notes as is redeemed or repaid) shall be an amount provided in, or determined in a manner provided in, the applicable Supplemental Agreement, together with accrued and unpaid interest to the date fixed for redemption or repayment.

(b) Notice of optional redemption shall be given to Holders of the related Debentures or Medium-Term Notes not less than 5 Business Days nor more than 60 calendar days prior to the date of redemption in the manner provided in Section 8.06.

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

(d) If provided in the applicable Supplemental Agreement, certain Debentures or Medium-Term Notes shall be repayable, in whole or in part, by Freddie Mac at the option of the Holders thereof, on one or more specified dates, at any time on or after a specified date, or during one or more specified periods of time, upon terms and procedures provided in the applicable Supplemental Agreement. If the Beneficial Owner wishes to exercise such option, then the Beneficial Owner shall give notice thereof to Freddie Mac as provided in the applicable Supplemental Agreement.

(e) The principal amount payable upon redemption or repayment of a Debenture or Medium-Term Note shall be a Fixed Principal Repayment Amount or a Variable Principal Repayment Amount, in each case as provided in the applicable Supplemental Agreement.

## **Section 2.05 Payment Terms of the Debentures and Medium-Term Notes.**

(a) Debentures and Medium-Term Notes shall bear interest at one or more fixed rates or variable rates or may not bear interest. If so provided in the applicable Supplemental Agreement, Debentures and Medium-Term Notes may be separated by a Holder into one or more Interest Components and a Principal Component. The applicable Supplemental Agreement for such Debentures and Medium-Term Notes shall specify the procedure for stripping such Debentures and Medium-Term Notes into such Interest and Principal Components.

(b) The applicable Supplemental Agreement shall specify the frequency with which interest is payable on the related Debentures and Medium-Term Notes. Interest on Debentures and Medium-Term Notes shall be payable in arrears on the Interest Payment Dates specified in the applicable Supplemental Agreement and on each Principal Payment Date.

(c) Each issue of interest-bearing Debentures and Medium-Term Notes shall bear interest during each Interest Payment Period. No interest on the principal of any Debenture or Medium-Term Note will accrue on or after the Principal Payment Date on which such principal is repaid.

(d) The determination of the interest rate on Variable Rate Debentures and Medium-Term Notes (or any interim calculation in the determination of such interest rate) by the Calculation Agent shall, absent manifest error, be final and binding on all parties. If the source of an Index changes in format, but the Calculation Agent determines that the Index source continues to disclose the information necessary to determine the related interest rate substantially as required, the Calculation Agent will amend the procedure for obtaining information from that source to reflect the changed format. All Index values used to determine principal or interest payments are subject to correction within 30 days from the applicable payment. The source of a corrected value must be the same source from which the original value was obtained. A correction might result in an adjustment on a later date to the amount paid to the Holder.

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

(f) In the event that any withholding or other tax should be imposed by any jurisdiction, Freddie Mac shall not be required to pay additional interest or other amounts, or redeem or repay the Debentures or Medium-Term Notes prior to maturity, as a result.

(g) *Fixed Rate Debentures and Medium-Term Notes*

Fixed Rate Debentures or Medium-Term Notes shall bear interest at a single fixed interest rate. The applicable Supplemental Agreement shall specify the single fixed per annum interest rate payable on a Fixed Rate Debenture or Medium-Term Note. Interest on a Fixed Rate Debenture or Medium-Term Note shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(h) *Step Debentures and Medium-Term Notes*

Step Debentures and Medium-Term Notes shall bear interest from their Issue Date to a specified date at their initial fixed interest rate and from that date to their Maturity Date at one or more different interest rates that shall be prescribed as of the Issue Date. A Step Debenture or Medium-Term Note will have one or more step periods. The applicable Supplemental Agreement shall specify the fixed per annum interest rate payable on Step Debentures and Medium-Term Notes for each related period from issuance to maturity. Interest on a Step Debenture or Medium-Term Note shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

(i) *Variable Rate Debentures and Medium-Term Notes*

(i) Variable Rate Debentures and Medium-Term Notes shall bear interest at a variable rate, reset periodically, determined on the basis of a direct or an inverse relationship to one or more specified Indices or otherwise, (x) plus or minus a Spread, if any, or (y) multiplied by one or more Leverage or Deleverage Factors, if any, as specified in the applicable Supplemental Agreement. Variable Rate Debentures and Medium-Term Notes also may bear interest in any other manner described in the applicable Supplemental Agreement.

(ii) Variable Rate Debentures and Medium-Term Notes may have a Cap and/or a Floor.

(iii) The applicable Supplemental Agreement shall specify the accrual method (i.e., the day count convention) for calculating interest or any relevant accrual factor on the related Variable Rate Debentures or Medium-Term Notes. The accrual method may incorporate one or more of the following defined terms:

“Actual/360” shall mean that interest or any other relevant accrual factor shall be calculated on the basis of the actual number of days elapsed in a year of 360 days.

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

“Actual/Actual” shall mean that interest or any other relevant accrual factor shall be calculated on the basis of (x) the actual number of days elapsed in the Interest Payment Period divided by 365, or (y) if any portion of the Interest Payment Period falls in a calendar leap year, (A) the actual number of days in that portion divided by 366 plus (B) the actual number of days in the remaining portion divided by 365.

(iv) The applicable Supplemental Agreement shall specify the frequency with which the rate of interest on the related Variable Rate Debentures or Medium-Term Notes shall reset. The applicable Supplemental Agreement also shall specify the Reset Date. If the interest rate will reset within an Interest Payment Period, then the interest rate in effect on the sixth Business Day preceding an Interest Payment Date will be the interest rate for the remainder of that Interest Payment Period and the first day of each Interest Payment Period also will be a Reset Date. Variable Rate Debentures and Medium-Term Notes may bear interest prior to the initial Reset Date at an initial interest rate, if any, specified in the applicable Supplemental Agreement. If so, then the first day of the first Interest Payment Period will not be a Reset Date. The rate of interest applicable to each Interest Reset Period shall be determined as provided below or in the applicable Supplemental Agreement.

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

(vi) If the applicable Supplemental Agreement specifies LIBOR as the applicable Index for determining the rate of interest for the related Variable Rate Debenture or Medium-Term Note, the following provisions shall apply:

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

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

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

(3) if such rate does not so appear, the Calculation Agent shall request the principal London offices of 4 leading banks in the London interbank market selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide such banks' offered quotations (expressed as a percentage per annum) to prime banks in the London interbank market for Deposits in the Index Currency having the Index Maturity at 11:00 a.m. (London time) on such LIBOR Determination Date and in a Representative Amount. If at least 2 quotations are provided, LIBOR shall be the arithmetic mean (if necessary rounded upwards) of such quotations;

(4) if fewer than 2 such quotations are provided as requested in clause (3) above, the Calculation Agent shall request 4 major banks in the Principal Financial Center selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide such banks' offered quotations (expressed as a percentage per annum) to leading European banks for loans in the Index Currency for a period of time corresponding to the Index Maturity, commencing on such Reset Date, at approximately 11:00 a.m. in the Principal Financial Center on such LIBOR Determination Date and in a Representative Amount. If at least 2 such quotations are provided, LIBOR shall be the arithmetic mean (if necessary rounded upwards) of such quotations; and

(5) if fewer than 2 such quotations are provided as requested in clause (4) above, LIBOR shall be LIBOR determined with respect to the Reset Date immediately preceding such Reset Date or, in the case of the first Reset Date, shall be the rate for Deposits in the Index Currency having the Index Maturity at 11:00 a.m. (London time) on the most recent London Banking Day preceding the related LIBOR Determination Date for which such rate shall have been displayed on either the Designated Telerate Page or the Designated Reuters Page with respect to Deposits commencing on the second London Banking Day following such date (and if such rate appears on both such screens on such London Banking Day, using the Designated Telerate Page).

(vii) If the applicable Supplemental Agreement specifies the Prime Rate as the applicable Index for determining the rate of interest for the related Variable Rate Debenture or Medium-Term Note, the following provisions shall apply:

The Prime Rate means, with respect to any Reset Date (in the following order of priority):

(1) the arithmetic mean, determined by the Calculation Agent, of the rates (after eliminating certain rates, as described below in this clause (1)) that appear, at 11:00 a.m. on the Prime Rate Determination Date, on Reuters USPRIME1 Page as the U.S. dollar prime rate or base lending rate of each bank appearing on that page; *provided*, that at least 3 rates appear. In determining the arithmetic mean:

- if 20 or more rates appear, the highest 5 rates (or in the event of equality, 5 of the highest) and the lowest 5 rates (or in the event of equality, 5 of the lowest) will be eliminated,
- if fewer than 20 but 10 or more rates appear, the highest 2 rates (or in the event of equality, 2 of the highest) and the lowest 2 rates (or in the event of equality, 2 of the lowest) will be eliminated, or
- if fewer than 10 but 5 or more rates appear, the highest rate (or in the event of equality, 1 of the highest) and the lowest rate (or in the event of equality, 1 of the lowest) will be eliminated;

(2) if fewer than 3 rates so appear, then the Prime Rate will be the arithmetic mean, determined by the Calculation Agent, of the rates (after eliminating certain rates, as described below in this clause(2)) that appear, at 11:00 a.m. on the Prime Rate Determination Date, on Telerate Page 38 as the U.S. dollar prime rate or base lending rate of each bank appearing on that page; *provided*, that at least 3 rates appear. In determining the arithmetic mean:

- if 20 or more rates appear, the highest 5 rates (or in the event of equality, 5 of the highest) and the lowest 5 rates (or in the event of equality, 5 of the lowest) will be eliminated,
- if fewer than 20 but 10 or more rates appear, the highest 2 rates (or in the event of equality, 2 of the highest) and the lowest 2 rates (or in the event of equality, 2 of the lowest) will be eliminated, or
- if fewer than 10 but 5 or more rates appear, the highest rate (or in the event of equality, 1 of the highest) and the lowest rate (or in the event of equality, 1 of the lowest) will be eliminated;

(3) if fewer than 3 rates so appear, then the Calculation Agent will request 5 major banks in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide a quotation of such banks' U.S. dollar prime rates or base lending rates on the basis of the actual number of days in the year divided by 360 as of the close of business on the Prime Rate Determination Date. If at least 3 quotations are provided, then the Prime Rate will be the arithmetic mean determined by the Calculation Agent of the quotations obtained (and, if 5 quotations are provided, eliminating the highest quotation (or in the event of equality, 1 of the highest) and the lowest quotation (or in the event of equality, 1 of the lowest));

(4) if fewer than 3 quotations are so provided, the Calculation Agent will request 5 banks or trust companies organized and doing business under the laws of the United States or any state, each having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by federal or state authority, selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent), to provide a quotation of such banks' or trust companies' U.S. dollar prime rates or base lending rates on the basis of the actual number of days in the year divided by 360 as of the close of business on the Prime Rate Determination Date. In making such selection of 5 banks or trust companies, the Calculation Agent will include each bank, if any, that provided a quotation as requested in clause (3) above and exclude each bank that failed to provide a quotation as requested in clause (3). If at least 3 quotations are provided, then the Prime Rate will be the arithmetic mean determined by the Calculation Agent of the quotations obtained; and

(5) if fewer than 3 quotations are so provided, then the Prime Rate will be the Prime Rate determined for the immediately preceding Reset Date. If the applicable Reset Date is the first Reset Date, then the Prime Rate will be the rate calculated pursuant to clause (1) or (2) for the most recent New York Banking Day preceding the Reset Date for which at least 3 rates appeared at 11:00 a.m. on either Reuters USPRIME1 Page or Telerate Page 38 (and, if rates appear on both screens on such New York Banking Day, using Reuters USPRIME1 Page).

(viii) If the applicable Supplemental Agreement specifies the Treasury Rate as the applicable Index for determining the rate of interest for the related Variable Rate Debenture or Medium-Term Note, the following provisions shall apply:

The Treasury Rate means, with respect to any Reset Date (in the following order of priority):

(1) the auction average rate for Treasury Bills having the Index Maturity obtained from the applicable Reference Treasury Bill Auction as announced by the Treasury Department in the form of a press release under the heading "Investment Rate" by 3:00 p.m. on such Reset Date;

(2) if such rate is not so announced, then the Treasury Rate will be the auction average rate for Treasury Bills having the Index Maturity obtained from the Reference Treasury Bill Auction as otherwise announced by the Treasury Department by 3:00 p.m. on the Reset Date as determined by the Calculation Agent;

(3) if such rate is not so announced, the Calculation Agent will request 5 leading primary United States government securities dealers in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) to provide a quotation of such dealers' secondary market bid yields, as of 3:00 p.m. on such Reset Date, for Treasury Bills with a remaining maturity closest to the Index Maturity (or, in the event that the remaining maturities are equally close, the longer remaining maturity). If at least 3 quotations are provided, then the Treasury Rate will be the arithmetic mean determined by the Calculation Agent of the quotations obtained; and

(4) if fewer than 3 quotations are so provided, the Treasury Rate will be the Treasury Rate for the immediately preceding Reset Date. If the applicable Reset Date is the first Reset Date, the Treasury Rate will be the auction average rate for Treasury Bills having the Index Maturity from the most recent auction of Treasury Bills prior to the Reset Date for which such rate was announced by the Treasury Department in the form of a press release under the heading "Investment Rate."

The auction average rate for Treasury Bills and the secondary market bid yield for Treasury Bills will be obtained expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable (or, if not so expressed, will be converted by the Calculation Agent to such a bond equivalent yield).

(j) *Fixed/Variable Rate Debentures and Medium-Term Notes*

Fixed/Variable Rate Debentures and Medium-Term Notes shall bear interest at a single fixed rate for one or more specified periods and at a rate determined by reference to one or more Indices, or otherwise, for one or more other specified periods. Fixed/Variable Rate Debentures and Medium-Term Notes also may bear interest at a rate that Freddie Mac may elect to convert from a fixed rate to a variable rate or from a variable rate to a fixed rate, if so provided in the applicable Supplemental Agreement.

If Freddie Mac may convert the interest rate on a Fixed/Variable Rate Debenture or Medium-Term Note from a fixed rate to a variable rate, or from a variable rate to a fixed rate, accrued interest for each Interest Payment Period may be calculated using an accrued interest factor in the manner described in Section 2.05(i)(v).

(k) *Zero Coupon Debentures and Medium-Term Notes*

Zero Coupon Debentures and Medium-Term Notes shall not bear interest.

## **Section 2.06 Business Day Convention.**

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

## **Section 2.07 Further Issues and Repurchase.**

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

Freddie Mac reserves the right, in its discretion and at any time, to purchase or otherwise acquire (either for cash or in exchange for securities) some or all of an issue of Debentures or Medium-Term Notes at any price or prices in the open market or otherwise. Such Debentures and Medium-Term Notes may be held, resold or canceled by Freddie Mac.

## **ARTICLE III**

### **Form; Clearance and Settlement Procedures**

#### **Section 3.01 Form.**

##### *(a) General*

Debentures and Medium-Term Notes shall be (i) issued and maintained on the Fed Book-Entry System, in accordance with the Book-Entry Rules; or (ii) represented by one or more Certificates held by, or on behalf of, the Depository. Debentures and Medium-Term Notes shall not be exchangeable for definitive Debentures and Medium-Term Notes.

##### *(b) Title*

Debentures and Medium-Term Notes shall be held of record only by Holders. The rights of the Beneficial Owner of a Debenture or Medium-Term Note with respect to Freddie Mac, the Depository and a Federal Reserve Bank may be exercised only through the Holder of the Debenture or Medium-Term Note. Freddie Mac, the Depository and the Federal Reserve Banks shall have no direct obligation to a Beneficial Owner of a Debenture or Medium-Term Note that

is not also the Holder of the Debenture or Medium-Term Note. A Federal Reserve Bank and the Depository shall act only upon the instructions of the Holder in recording transfers of a Debenture or Medium-Term Note maintained on the Fed Book-Entry System or the DTC Book-Entry System, as the case may be. Freddie Mac, the Depository and the Federal Reserve Banks may treat the Holders as the absolute owners of Debentures and Medium-Term Notes for the purpose of making payments in respect thereof and for all other purposes, whether or not such Debentures and Medium-Term Notes shall be overdue and notwithstanding any notice to the contrary.

The Holders and each other financial intermediary holding Debentures and Medium-Term Notes directly or indirectly on behalf of the Beneficial Owners shall have the responsibility of remitting payments for the accounts of their customers. All payments on Debentures and Medium-Term Notes shall be subject to any applicable law or regulation.

(c) *Fiscal Agent*

The Federal Reserve Banks shall be the Fiscal Agent for Debentures and Medium-Term Notes maintained on the Fed Book-Entry System.

In acting under the Fiscal Agency Agreement, the Federal Reserve Banks shall act solely as Fiscal Agent of Freddie Mac and do not assume any obligation or relationship of agency or trust for or with any Holder of a Debenture or Medium-Term Note.

**Section 3.02 Clearance and Settlement Procedures.**

(a) *General*

Debentures and Medium-Term Notes shall (i) clear and settle through the Fed Book-Entry System; or (ii) be represented by one or more Certificates held by, or on behalf of, the Depository and be maintained on the DTC Book-Entry System.

(b) *Primary Distribution*

Debentures and Medium-Term Notes issued and settled through the Fed-Book-Entry System shall settle in same-day funds and shall be held by designated Holders. After initial issue, all such Debentures and Medium-Term Notes shall continue to be held by such Holders on the Fed Book-Entry System unless arrangements are made for the transfer thereof to other Holders. Debentures and Medium-Term Notes shall not be exchangeable for definitive Debentures and Medium-Term Notes.

(c) *Secondary Market Transfers*

Transfers of Debentures and Medium-Term Notes shall take place only in book-entry form on the Fed Book-Entry System or the DTC Book-Entry System, as the case may be. Such transfers shall occur in accordance with the rules of the applicable book-entry system.

## **ARTICLE IV**

### **Payment**

Payments of principal of and any interest on Debentures and Medium-Term Notes shall be made in U.S. dollars (except as otherwise provided in the applicable Supplemental Agreement) on the applicable payment dates to Holders thereof as of the end of the Business Day preceding each such payment date. Payments on Debentures and Medium-Term Notes shall be made by credit of the payment amount to the Holders' accounts at the Federal Reserve Banks or to the Depository, as the case may be, in immediately available funds. All payments to or upon the order of a Holder shall be valid and effective to discharge the liability of Freddie Mac in respect of the related Debentures and Medium-Term Notes.

## **ARTICLE V**

### **Secured Debentures And Medium-Term Notes**

If so provided in the applicable Supplemental Agreement, the indebtedness represented by certain Debentures and Medium-Term Notes shall be secured obligations of Freddie Mac. In such event, the description of the security interest and the terms of the grant of the security interest shall be set forth in the applicable Supplemental Agreement.

## **ARTICLE VI**

### **Subordinated Debentures and Medium-Term Notes**

If so provided in the applicable Supplemental Agreement, the indebtedness represented by the Subordinated Debentures and Medium-Term Notes and the payment of principal of and interest on such Subordinated Debentures and Medium-Term Notes will be subordinated to prior payment in full of all Senior Obligations of Freddie Mac which are due and payable. Such Senior Obligations will be identified by category in the applicable Supplemental Agreement. In addition, there may be other terms applicable to specific offerings of Subordinated Debentures and Medium-Term Notes that would defer, limit or suspend Freddie Mac's obligation to make any payment of principal of or interest on such Subordinated Debentures and Medium-Term Notes under certain specified conditions. Any such terms and conditions will be specified in the Supplemental Agreement.

## **ARTICLE VII**

### **Events of Default and Remedies**

#### **Section 7.01 Events of Default.**

(a) An Event of Default with respect to a specific issue of Debentures or Medium-Term Notes (other than Subordinated Debentures or Medium-Term Notes) shall consist of (i) any failure by Freddie Mac to pay to Holders of such Debentures or Medium-Term Notes any required payment that continues unremedied for 30 days; (ii) any failure by Freddie Mac to perform in any material respect any other covenant or agreement in this Agreement, which failure continues unremedied for 60 days after the giving of notice of such failure to Freddie Mac by the Holders of not less than 25% of the outstanding principal amount (or notional principal amount) of such Debentures or Medium-Term Notes; (iii) 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 appoint 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 (iv) 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 shall 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 any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over Freddie Mac, whether or not Freddie Mac consents to such appointment, will not constitute an Event of Default.

(b) The Supplemental Agreement for any issue of Subordinated Debentures or Medium-Term Notes will specify the Events of Default that will apply to any such Subordinated Debentures or Medium-Term Notes.

#### **Section 7.02 Rights Upon Event of Default.**

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

principal amount of such Debentures or Medium-Term Notes and the interest accrued thereon shall be due and payable.

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

(c) Events of Default that apply to an issue of Senior Obligations may be not Events of Default for an issue of Subordinated Debentures or Medium-Term Notes. As a result, Holders of an issue of Subordinated Debentures or Medium-Term Notes may not have the same acceleration rights as Holders of other Debentures or Medium-Term Notes, as provided in the applicable Supplemental Agreement.

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

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

## **ARTICLE VIII**

### **Miscellaneous Provisions**

#### **Section 8.01 Limitations on Liability of Freddie Mac and Others.**

Neither Freddie Mac nor any of its directors, officers, employees or agents shall be under any liability to the Holders or Beneficial Owners for any action taken, or not taken, by them in good faith under this Agreement or for errors in judgment. This provision will not protect Freddie Mac or any related person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of obligations and duties under this Agreement. Freddie Mac and such related persons shall have no liability of whatever nature for special, indirect or consequential damages, lost profits or business, or any other liability or claim (other than for direct damages), even if reasonably foreseeable or Freddie Mac has been advised of the possibility of such loss, damage, liability or claim.

In performing its responsibilities under this Agreement, Freddie Mac may employ agents or independent contractors. Except as otherwise provided in Article VII, Freddie Mac shall not be subject to the control of Holders in any manner in the discharge of its responsibilities pursuant to this Agreement.

Freddie Mac shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its responsibilities under this Agreement and which in its opinion may involve it in any expense or liability. However, Freddie Mac may in its discretion undertake any such legal action which it may deem necessary or desirable in the interests of the Holders. In such event, the legal expenses and costs of such action shall be expenses and costs of Freddie Mac.

#### **Section 8.02 Binding Effect of this Agreement.**

(a) By receiving and accepting a Debenture or Medium-Term Note, each Holder, financial intermediary and Beneficial Owner of such Debenture or Medium-Term Note unconditionally agrees, without any signature or further manifestation of assent, to be bound by the terms and conditions of this Agreement, as supplemented, modified or amended pursuant to its terms.

(b) This Agreement shall be binding upon and inure to the benefit of any successor to Freddie Mac.

#### **Section 8.03 Conditions to Payment, Transfer or Exchange.**

Freddie Mac shall have the right to require a Holder of a Debenture or Medium-Term Note, as a condition to payment of principal of or interest on such Debenture or Medium-Term Note,

or as a condition to transfer or exchange of such Debenture or Medium-Term 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 Debenture or Medium-Term 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, regulations or interpretations. 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 8.04 Amendment.**

(a) Freddie Mac may modify, amend and supplement this Agreement and the terms of an issue of Debentures or Medium-Term Notes, without the consent of the Holders or Beneficial Owners, (i) to cure any ambiguity, or to correct or supplement any defective provision or to make any other provision with respect to matters or questions arising under this Agreement or the terms of any Debenture or Medium-Term Note that are not inconsistent with any other provision of this Agreement or such Debenture or Medium-Term Note; (ii) to add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac; (iii) to evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac; (iv) to conform the terms of an issue of Debentures or Medium-Term Notes to, or cure any ambiguity or discrepancy resulting from any changes in, the Book-Entry Rules or any regulation or document that the Book-Entry Rules make applicable to book-entry securities of Freddie Mac; (v) to increase the amount of an issue of Debentures or Medium-Term Notes as contemplated under Section 2.07; or (vi) in any other manner that Freddie Mac may determine and that will not adversely affect in any material respect the interest of Holders or Beneficial Owners at the time of such modification, amendment or supplement.

(b) In addition, either (i) with the written consent of the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Debentures or Medium-Term Notes affected thereby, excluding any such Debenture or Medium-Term Note owned by Freddie Mac; or (ii) by the adoption of a resolution at a meeting of Holders at which a quorum is present, by the Holders of at least a majority of the aggregate then outstanding principal amount of an issue of Debentures or Medium-Term Notes represented at such meeting, excluding any such Debentures or Medium-Term Notes owned by Freddie Mac, Freddie Mac may from time to time and at any time modify, amend or supplement the terms of an issue of Debentures or Medium-Term Notes for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of such Debentures or Medium-Term Notes or modifying in any manner the rights of the Holders; *provided, however*, that no such modification, amendment or supplement may, without the written consent or affirmative vote of each Holder of a Debenture or Medium-Term Note, (A) change the Maturity Date or any Interest Payment Date of such

Debenture or Medium-Term Note; (B) materially modify the redemption or repayment provisions, if any, relating to the redemption or repayment price of, or any redemption or repayment date or period for, such Debenture or Medium-Term Note; (C) reduce the principal amount of, delay the principal payment of, or materially modify the rate of interest or the calculation of the rate of interest on, such Debenture or Medium-Term Note; or (D) reduce the percentage of Holders whose consent or affirmative vote is necessary to modify, amend or supplement the terms of the relevant issue of Debenture or Medium-Term Notes. A quorum at any meeting of Holders called to adopt a resolution shall be Holders entitled to vote a majority of the then aggregate outstanding principal (or notional principal) amount of an issue of such Debentures or Medium-Term Notes called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding principal (or notional principal) amount of such issue of Debentures or Medium-Term Notes, in both cases excluding any such Debentures or Medium-Term Notes owned by Freddie Mac. It shall not be necessary for the Holders to approve the particular form of any proposed amendment, but it shall be sufficient if such consent or resolution approves the substance of such change. If any modification, amendment or supplement of the terms of an issue of Debentures or Medium-Term Notes that have been separated into Interest and Principal Components requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent.

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

(d) Any instrument given by or on behalf of any Holder of a Debenture or Medium-Term Note in connection with any consent to any such modification, amendment or supplement shall be irrevocable once given and shall be conclusive and binding on all subsequent Holders of such Debenture or Medium-Term Note or any Debenture or Medium-Term Note issued, directly or indirectly, in exchange or substitution thereof, irrespective of whether or not notation in regard thereto is made thereon. Any modification, amendment or supplement of this Agreement or of the terms of Debentures or Medium-Term Notes shall be conclusive and binding on all Holders of Debentures or Medium-Term Notes affected thereby, whether or not they have given such consent or were present at any meeting (unless by the terms of this Agreement a written consent or an affirmative vote of such Holders is required).

#### **Section 8.05 Securities Owned by Freddie Mac.**

Freddie Mac may, from time to time, repurchase or otherwise acquire all or a portion of any issue of Debentures or Medium-Term Notes. Any Debentures or Medium-Term Notes owned by Freddie Mac shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among such Debentures or Medium-Term Notes, except that in determining whether the Holders of the required percentage of the outstanding principal amount (or notional principal amount) of an issue of Debenture or Medium-Term Notes have given any required demand, authorization, notice, consent or waiver under this Agreement, any Debentures or Medium-Term Notes owned by Freddie Mac or any

person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac shall be disregarded and deemed not to be outstanding for the purpose of such determination.

#### **Section 8.06 Notice.**

(a) 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 mail, addressed to such Holder as such Holder's name and address may appear in the records of Freddie Mac, a Federal Reserve Bank or, in the case of a Holder of a Debenture or Medium-Term Note maintained on the Fed Book-Entry System, by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon any Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

(b) 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, 8200 Jones Branch Drive, McLean, Virginia 22012 Attention: 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 8.07 Governing Law.**

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE HOLDERS AND FREDDIE MAC WITH RESPECT TO THE DEBENTURES AND MEDIUM-TERM NOTES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE UNITED STATES. IN SO FAR AS THERE MAY BE NO APPLICABLE PRECEDENT, AND IN SO FAR AS TO DO SO WOULD NOT FRUSTRATE THE PURPOSES OF THE FREDDIE MAC ACT OR ANY PROVISION OF THIS AGREEMENT OR THE TRANSACTIONS GOVERNED THEREBY, THE LOCAL LAWS OF THE STATE OF NEW YORK SHALL BE DEEMED REFLECTIVE OF THE LAWS OF THE UNITED STATES.

#### **Section 8.08 Headings.**

The Article, Section and Subsection headings are for convenience only and shall not affect the construction of this Agreement.

**FEDERAL HOME LOAN MORTGAGE CORPORATION**