

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE
FEDERAL HOME LOAN MORTGAGE CORPORATION**

Adopted by the Board of Directors on March 18, 2011

Organization, Membership Requirements and Committee Processes

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of the Federal Home Loan Mortgage Corporation ("Freddie Mac") shall consist of at least three members appointed by the Board, following notice to the Federal Housing Finance Agency, as Conservator of Freddie Mac (the "Conservator"), including at least one "audit committee financial expert", as defined in the regulations of the Securities and Exchange Commission (the "SEC"). The membership of the Committee shall be independent and shall comply with all applicable laws, regulations and listing standards. One member of the Committee shall be designated by the Board as the Chairman of the Committee.

The Committee Chairman shall report regularly to the Board on the Committee's activities and minutes of the Committee's meetings shall be submitted to the Board.

Committee meetings shall include regular sessions with management, the internal auditors and the independent public accountants, and periodic separate executive sessions with the internal auditors, the independent public accountants, the Chief Compliance Officer, the Chief Financial Officer and the Chief Executive Officer.

The members of the Committee shall have access to any employee of Freddie Mac, and subject to the approval of the Conservator, to the extent set forth in Paragraph 19, shall have the authority to engage outside consultants or advisors including, but not limited to, attorneys, accountants, auditors and management consultants, as the Committee may deem appropriate to fulfill its responsibilities. Freddie Mac shall provide appropriate funding for the retention of the independent public accountants and any such consultants or advisors, and for other necessary and appropriate administrative expenses of the Committee, all as determined by the Committee.

To the extent consistent with applicable laws, regulations, listing standards and conservatorship orders, the Committee responsibilities listed below may, in the alternative, be satisfied by actions of the full Board or by another Board committee acting at the direction of the Board or the Board's Chairman.

Purposes, Powers, Duties and Responsibilities of the Committee

Pursuant to the authority granted to it by the Board, the Committee is hereby charged with the following authority and responsibilities:

1. Financial Statements and Disclosure: To oversee the integrity of Freddie Mac's financial statements and disclosures and related internal controls and processes, including:
 - (a) to review, with the independent public accountants and the Chief Financial Officer, the impact on financial reporting of any significant financial accounting, regulatory or

- federal income tax matters, changes or disputes affecting Freddie Mac's financial statements (including critical accounting policies and practices used, which include management judgments and estimates, and alternative accounting treatments), and to assure that Freddie Mac has policies in place to notify the Federal Housing Finance Agency ("FHFA") of any accounting treatments or policies identified as having a significant legal, reputational, or safety and soundness risk, with a focus on accounting treatments or policies that do not employ generally accepted accounting principles or preferred methods;
- (b) to review, with the independent public accountants and the Chief Financial Officer, drafts of Freddie Mac's quarterly condensed financial statements and annual financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, and the independent public accountants' reports on the financial statements and internal control over financial reporting and, if appropriate, to recommend to the Board that the audited annual financial statements be included in applicable securities disclosure filings;
 - (c) to review other significant Freddie Mac financial disclosure matters as identified by the Chief Financial Officer, the Disclosure Committee or the independent public accountants; and
 - (d) to review, with the Chief Financial Officer, drafts of Freddie Mac's earnings press releases and the types of information to be disclosed, and the types of presentations to be made, in any earnings guidance provided to analysts and rating agencies.
2. Committee Report: To oversee preparation of and to review and approve the report required by Item 407(d)(3)(i) of Regulation S-K for inclusion in Freddie Mac's securities disclosure filings, in accordance with applicable SEC requirements.
 3. Disclosure Controls and Procedures: To review, with the Chief Financial Officer, the adequacy of Freddie Mac's disclosure controls and procedures, including internal control over financial reporting; any significant findings or recommendations by the independent public accountants, the General Auditor or the Disclosure Committee with respect to those controls; and management's responses to any such findings or recommendations.
 4. Independent Public Accountants: To appoint and to oversee the performance of, and relationship with, the independent public accountants, who shall report directly to, and be ultimately accountable to, the Committee, including:
 - (a) subject to the approval of the Conservator to the extent set forth in Paragraph 19, to appoint, evaluate and, as the Committee may deem it appropriate, terminate and replace the independent public accountants, in accordance with applicable legal and supervisory requirements and written FHFA guidance, including as they relate to conflicts of interest, rotation of audit partners and consideration of periodic rotation of the independent public accountants;

- (b) to review and evaluate annually the performance of the lead engagement partner of the independent public accountants, and to oversee the rotation of audit engagement team lead partners as required by law, rules, regulations and written guidance of the SEC and FHFA;
 - (c) to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the independent public accountants and any affiliates, and the related amount of professional fees. (The Committee may designate one or more members of the Committee to pre-approve services below a predetermined authorization level and to report such pre-approval at the next scheduled Committee meeting);
 - (d) to approve the independent public accountants' proposed integrated audit scope and approach;
 - (e) to review with the independent public accountants and, as the Committee deems appropriate, with management, the conduct of the annual integrated audit, including any audit problems or difficulties and management's response, the management letter and management's responses to the letter, any other material communications between the independent public accountants and management, including any such communications required by applicable professional standards and written FHFA guidance, and any other matters the Committee may deem appropriate;
 - (f) to oversee the resolution of any disagreements between management and the independent public accountants concerning financial reporting;
 - (g) to obtain and review, at least annually, a formal written statement by the independent public accountants delineating all relationships between the independent public accountants and Freddie Mac, to discuss with the independent public accountants any disclosed relationships or services that may affect the objectivity and independence of the independent public accountants and to take appropriate action in response to the independent public accountants' statement to satisfy itself as to the continuing independence of the independent public accountants; and
 - (h) to obtain and review, at least annually, a report by the independent public accountants describing the firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry, investigation or inspection by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
5. Employees of Independent Public Accountants: To establish clear hiring policies for employees or former employees of the independent public accountants.

6. Consultation with Other Accounting Firms: To obtain and review reports from management and the independent public accountants, as required by applicable auditing standards, concerning any consultation by Freddie Mac with accounting firms other than the independent public accountants.

7. Internal Audit Division: To oversee the performance of the Internal Audit Division, including:
 - (a) to approve the Charter for the Internal Audit Division and any subsequent changes thereto;
 - (b) subject to the approval of the Conservator as set forth in Paragraph 19, to hire and decide whether to retain, the General Auditor;
 - (c) to approve the annual performance objectives for the Internal Audit Division, to evaluate the Internal Audit Division's performance in light of those objectives and to report to the Compensation Committee on such performance for incentive compensation purposes, as appropriate;
 - (d) at least annually, to evaluate the performance of the General Auditor and to provide input to the Compensation Committee on the General Auditor's compensation based on the Audit Committee's assessment of the General Auditor's performance;
 - (e) to approve and evaluate the annual plan, budget, organization and staffing for the Internal Audit Division for the upcoming year, including any amendments to such plan or budget;
 - (f) to review, with the General Auditor, the results of audits completed since the previous report and the status of the internal audit plan;
 - (g) to receive periodic reports from the General Auditor on Internal Audit's activities and performance, Internal Audit's assessment of significant risk exposures and control issues, corporate governance issues and other matters needed or requested by the Committee and senior management; and
 - (h) to assess, at least annually, the effectiveness of the Internal Audit Division in light of its Charter, its annual plan, and applicable professional standards.

8. Enterprise-Wide Technology: To review the application of technology on an enterprise-wide basis, other than technology specifically applicable to Freddie Mac's businesses, and Freddie Mac's information security program, including but not limited to:
 - (a) oversight of development, implementation, and maintenance of the enterprise-wide information security policy and program;
 - (b) review of the enterprise-wide business continuity and disaster / recovery program; and

- (c) review of technology applicable to internal control over financial reporting.
9. Compliance with Legal and Regulatory Requirements: To assist the Board in its oversight of Freddie Mac's compliance with legal and regulatory requirements and written supervisory guidance, including by:
- (a) reviewing with the Chief Compliance Officer Freddie Mac's compliance with legal and regulatory requirements and meeting at least annually with the Chief Compliance Officer in executive session;
 - (b) adopting and maintaining procedures for the submission, receipt, retention and treatment of complaints concerning accounting, internal accounting controls or auditing matters (including confidential, anonymous complaints by employees), or such other complaints as may come before the Committee, and overseeing the resolution of such complaints;
 - (c) taking action, as the Committee deems appropriate, to investigate and respond to any report of evidence of a material violation of federal or state securities law, material breach of fiduciary duty or other similar violation of federal or state law;
 - (d) obtaining from the Chief Compliance Officer, the internal auditors, outside counsel, or any other internal or external party who investigates any complaint or report as specified in (b) or (c) above, a report concerning the issues, status and resolution of the complaint or report;
 - (e) reviewing, at least annually, Freddie Mac's compliance with reporting requirements of FHFA; and
 - (f) meeting with representatives of FHFA as required.
10. Codes of Conduct: With respect to the Freddie Mac's Codes of Conduct:
- (a) to approve material amendments to the Code of Conduct for Freddie Mac Employees (the "Employee Code") and to report to the Board at least annually on such amendments;
 - (b) to recommend to the Board, as may be appropriate, material changes to the Code of Conduct for Members of Freddie Mac's Board of Directors (the "Director Code"); and
 - (c) to review any significant violations of the Employee Code and the Director Code that have been communicated to the Committee by the Chief Compliance Officer.
11. Litigation: To review with Freddie Mac's General Counsel, at least annually, the status of litigation in which Freddie Mac is involved, with such review to be more frequent in the case of litigation which is expected to have a significant impact on Freddie Mac's financial statements.

12. Risk Assessment and Risk Management: With respect to risk assessment and risk management, to review at least annually with the Chief Financial Officer, the Chief Enterprise Risk Officer, and other members of management, as appropriate:
 - (a) management's guidelines and policies governing the processes for assessing and managing Freddie Mac's risks; and
 - (b) Freddie Mac's major financial risk exposures (including but not limited to market, credit and operational risks) and the steps management has taken to monitor and control such exposures.
13. Detection and Prevention of Fraud: To oversee management's development and implementation of systems and programs for the detection and prevention of fraud, including the implementation of the FHFA Mortgage Fraud Policy Guidance and the submission of reports to FHFA concerning such implementation.
14. FHFA and Other Government Reports: To review the annual reports of examination of FHFA regarding the safety and soundness of Freddie Mac, and the findings and conclusions of any investigations of Freddie Mac or its operations produced by any governmental entity.
15. Capital Management: To oversee the management of Freddie Mac's capital, including:
 - (a) Reviewing, and making recommendations to the Board concerning, changes in Freddie Mac's capital structure, subject to the approval of the Conservator to the extent set forth in Paragraph 19, including, but not limited to:
 - (i) issuances of common stock, preferred stock, any other securities the proceeds of which qualify under applicable law for treatment as regulatory capital of Freddie Mac, and any securities or other instruments or transactions convertible into or exchangeable for such securities;
 - (ii) repurchases or redemptions of such stock or other instruments; stock splits; and
 - (iii) related matters;
 - (b) reviewing, and making recommendations to the Board concerning, Freddie Mac's annual dividend policy and the declaration and payment of dividends on common and preferred stock, subject to the approval of the Conservator to the extent set forth in Paragraph 19;
 - (c) reviewing the techniques employed by Freddie Mac to manage and allocate its capital, including, but not limited to, internal stress tests and other related management information and control systems;

- (d) reviewing the establishment of major regulatory capital requirements applicable to Freddie Mac; and
 - (e) reviewing the implementation of regulatory capital requirements, the results of compliance with such requirements and the implications of such requirements and capital allocations for Freddie Mac's business activities.
16. Investor Relations and Rating Agencies: To oversee investor relations activities relating to equity, debt and Mortgage-Related Securities and their strategic implications, and Freddie Mac's relationships with rating agencies.
17. Committee Operations and Charter: At least annually, to:
- (a) review, under the oversight of the Nominating and Governance Committee, this Committee's performance, including review of its structure and operations (including authority to delegate to subcommittees), its process for reporting to the Board, and the process for determining the membership of the Committee (including qualifications for Committee membership); and
 - (b) review and reassess the adequacy of the Committee's Charter on an annual basis and recommend any changes to the Board for approval.
18. Other Duties: To perform such other duties as may from time to time be assigned by the Conservator, the Board or requested by the Non-Executive Chairman.
19. FHFA Approval: Notwithstanding anything set forth above, by direction of the Conservator, prior approval by the Conservator shall be required for any committee actions involving:
- (a) appointment or termination of the independent public accountants or any law firm serving as a consultant to the Committee or the Board, consistent with the Committee's duties pursuant to 15 USC § 78j-1(m) and Section b of SEC Rule 10A-3;
 - (b) actions involving capital stock, dividends, or material changes in accounting policy;
or
 - (c) actions involving reasonably foreseeable material increases in operational risk.

Also notwithstanding anything set forth above, any proposed Committee actions that in the reasonable business judgment of the Committee are likely to cause significant reputation risk shall be referred to the Board for final action in light of the requirement that the Conservator approve any actions that in the reasonable business judgment of the Board at the time that the action is taken are likely to cause such risk.