

FREDDIE MAC
SUMMARY OF SELECTED FINANCIAL INFORMATION
TABLE 1
SECOND QUARTER 2007
(unaudited)

Line:		2006				2007		Six Months Ended June 30,	
		1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	2006	2007
	<u>Net Income (dollars in millions, except share-related amounts) :</u>								
1	Net interest income	\$ 1,131	\$ 1,172	\$ 959	\$ 973	\$ 978	\$ 973	\$ 2,303	\$ 1,951
2	Non-interest income (loss)	1,347	979	(868)	(543)	(554)	1,282	2,326	728
3	Non-interest expense	(584)	(714)	(827)	(922)	(1,074)	(1,378)	(1,298)	(2,452)
4	Income (loss) before income tax (expense) benefit	1,894	1,437	(736)	(492)	(650)	877	3,331	227
5	Income tax (expense) benefit ⁽¹⁾	115	(40)	21	12	439	(113)	75	326
6	Net income (loss)	\$ 2,009	\$ 1,397	\$ (715)	\$ (480)	\$ (211)	\$ 764	\$ 3,406	\$ 553
7	Net income (loss) available to common stockholders ⁽²⁾	\$ 1,949	\$ 1,335	\$ (787)	\$ (561)	\$ (306)	\$ 667	\$ 3,284	\$ 362
8	Weighted average common shares outstanding - Diluted (in thousands)	694,596	693,026	675,556	663,661	661,376	655,784	693,755	659,365
9	Diluted net income (loss) per common share ⁽²⁾	\$ 2.80	\$ 1.93	\$ (1.17)	\$ (0.85)	\$ (0.46)	\$ 1.02	\$ 4.73	\$ 0.55
10	Common stock dividends declared	\$ 328	\$ 329	\$ 318	\$ 335	\$ 335	\$ 328	\$ 657	\$ 663
11	Effective tax rate ⁽¹⁾	(6%)	3%	3%	2%	68%	13%	(2%)	(144%)
	<u>Regulatory Capital (period end, dollars in millions):</u>								
12	Total stockholders' equity	\$ 25,386	\$ 23,735	\$ 29,031	\$ 28,301	\$ 29,774	\$ 25,810		
13	Less: Accumulated other comprehensive income (loss), net of taxes	(12,205)	(14,388)	(8,004)	(7,869)	(6,456)	(10,524)		
14	Regulatory core capital ⁽³⁾	37,591	38,123	37,035	36,170	36,230	36,334		
15	Less: Estimated regulatory minimum capital requirement ⁽⁴⁾	25,488	26,485	25,979	25,844	26,304	26,580		
16	Estimated regulatory minimum capital surplus ⁽⁴⁾	\$ 12,103	\$ 11,638	\$ 11,056	\$ 10,326	\$ 9,926	\$ 9,754		

(1) For additional information about effective tax rates and our provision for income taxes see the "Consolidated Results of Operations" in our Information Statement Supplement, dated August 30, 2007.

(2) Net income (loss) available to common stockholders and diluted net income (loss) per common share are computed independently for each of the quarters presented; therefore, cumulative amounts will not equal the aggregate of quarterly amounts.

(3) Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), par value of outstanding noncumulative perpetual preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.

(4) In January 2004, OFHEO directed us to maintain a mandatory target capital surplus of 30 percent of our minimum capital requirement. At March 31, June 30, September 30, December 31, 2006, and March 31, June 30, 2007, our estimated surplus in excess of the mandatory target capital surplus was approximately \$4.5 billion, \$3.7 billion, \$3.3 billion, \$2.6 billion, \$2.0 billion and \$1.8 billion, respectively.

FREDDIE MAC
NET INTEREST YIELD ANALYSIS
TABLE 2A
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:

	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
							2006	2007
Net Interest Income:								
Interest income:								
1 Mortgage loans	\$ 1,040	\$ 1,040	\$ 1,012	\$ 1,060	\$ 1,061	\$ 1,079	\$ 2,080	\$ 2,140
2 Mortgage-related securities	8,245	8,878	8,782	8,768	8,763	8,960	17,123	17,723
3 Total Retained portfolio	9,285	9,918	9,794	9,828	9,824	10,039	19,203	19,863
4 Investments ⁽¹⁾	592	707	761	729	623	634	1,299	1,257
5 Securities purchased under agreements to resell and Federal funds sold	182	412	502	377	349	332	594	681
6 Total income on interest-earning assets	10,059	11,037	11,057	10,934	10,796	11,005	21,096	21,801
Interest expense:								
7 Short-term debt	(2,015)	(2,241)	(2,183)	(2,226)	(2,208)	(2,249)	(4,256)	(4,457)
8 Long-term debt	(6,433)	(7,110)	(7,418)	(7,257)	(7,176)	(7,331)	(13,543)	(14,507)
9 Total interest expense on debt securities	(8,448)	(9,351)	(9,601)	(9,483)	(9,384)	(9,580)	(17,799)	(18,964)
10 Due to Participation Certificate investors	(91)	(104)	(91)	(101)	(103)	(121)	(195)	(224)
11 Total expense on interest-bearing liabilities	(8,539)	(9,455)	(9,692)	(9,584)	(9,487)	(9,701)	(17,994)	(19,188)
12 Expense related to derivatives	(389)	(410)	(406)	(377)	(331)	(331)	(799)	(662)
13 Total funding of interest-earning assets	(8,928)	(9,865)	(10,098)	(9,961)	(9,818)	(10,032)	(18,793)	(19,850)
14 Net interest income	1,131	1,172	959	973	978	973	2,303	1,951
15 Fully taxable-equivalent adjustments ⁽²⁾	92	98	105	97	95	99	190	194
16 Net interest income (fully taxable-equivalent basis)	\$ 1,223	\$ 1,270	\$ 1,064	\$ 1,070	\$ 1,073	\$ 1,072	\$ 2,493	\$ 2,145
Average Balances:								
17 Mortgage loans ⁽³⁾	\$ 62,777	\$ 63,211	\$ 64,129	\$ 65,362	\$ 66,583	\$ 67,994	\$ 62,994	\$ 67,288
18 Mortgage-related securities ⁽⁴⁾	647,732	661,747	649,310	641,446	642,925	647,094	654,739	645,010
19 Total Retained portfolio	710,509	724,958	713,439	706,808	709,508	715,088	717,733	712,298
20 Investments ⁽¹⁾⁽⁴⁾	54,770	59,576	60,020	56,455	48,741	49,106	57,173	48,924
21 Securities purchased under agreements to resell and Federal funds sold	16,208	32,840	37,305	27,954	26,482	24,887	24,525	25,684
22 Total interest-earning assets	781,487	817,374	810,764	791,217	784,731	789,081	799,431	786,906
23 Short-term debt	188,758	189,120	171,331	170,319	171,249	172,592	188,939	171,921
24 Long-term debt	560,244	595,030	607,538	589,101	580,146	581,482	577,637	580,814
25 Total debt securities	749,002	784,150	778,869	759,420	751,395	754,074	766,576	752,735
26 Due to Participation Certificate investors	6,979	8,082	7,170	7,668	7,667	9,061	7,530	8,364
27 Total interest-bearing liabilities	755,981	792,232	786,039	767,088	759,062	763,135	774,106	761,099
28 Net non-interest-bearing funding	25,506	25,142	24,725	24,129	25,669	25,946	25,325	25,807
29 Total funding of interest-earning assets	\$ 781,487	\$ 817,374	\$ 810,764	\$ 791,217	\$ 784,731	\$ 789,081	\$ 799,431	\$ 786,906
Yield/Cost:								
30 Mortgage loans	6.62 %	6.58 %	6.31 %	6.49 %	6.37 %	6.35 %	6.60 %	6.36 %
31 Mortgage-related securities	5.09	5.37	5.41	5.47	5.45	5.54	5.23	5.50
32 Total Retained portfolio	5.23	5.47	5.49	5.56	5.54	5.62	5.35	5.58
33 Investments	4.32	4.69	4.96	5.05	5.11	5.11	4.52	5.11
34 Securities purchased under agreements to resell and Federal funds sold	4.49	5.02	5.38	5.39	5.28	5.33	4.85	5.30
35 Yield on total interest-earning assets	5.15	5.40	5.45	5.52	5.50	5.58	5.28	5.54
36 Short-term debt	(4.27)	(4.69)	(4.99)	(5.12)	(5.16)	(5.16)	(4.48)	(5.16)
37 Long-term debt	(4.59)	(4.78)	(4.87)	(4.92)	(4.95)	(5.04)	(4.69)	(4.99)
38 Total debt securities	(4.51)	(4.75)	(4.90)	(4.96)	(5.00)	(5.07)	(4.64)	(5.03)
39 Due to Participation Certificate investors	(5.19)	(5.13)	(5.10)	(5.30)	(5.37)	(5.32)	(5.16)	(5.35)
40 Cost of interest-bearing liabilities	(4.52)	(4.76)	(4.90)	(4.97)	(5.00)	(5.07)	(4.64)	(5.04)
41 Expense related to derivatives	(0.20)	(0.21)	(0.21)	(0.19)	(0.17)	(0.17)	(0.21)	(0.17)
42 Impact of net non-interest-bearing funding	0.15	0.15	0.16	0.16	0.17	0.17	0.15	0.17
43 Total funding of interest-earning assets	(4.57)	(4.82)	(4.95)	(5.00)	(5.00)	(5.07)	(4.70)	(5.04)
44 Net interest yield	0.58	0.58	0.50	0.52	0.50	0.51	0.58	0.50
45 Fully taxable-equivalent adjustments ⁽²⁾	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
46 Net interest yield (fully taxable-equivalent basis)	0.63 %	0.63 %	0.55 %	0.57 %	0.55 %	0.56 %	0.63 %	0.55 %

(1) Investments consist of Cash and cash equivalents and non-mortgage-related securities.

(2) The determination of Net interest income/yield (fully taxable-equivalent basis), which reflects fully taxable-equivalent adjustments to interest income, involves the conversion of tax-exempt sources of interest income to the equivalent amounts of interest income that would be necessary to derive the same net return if the investments had been subject to income taxes using our statutory tax rate of 35 percent.

(3) Non-performing loans, where interest income is recognized when collected, are included in average balances.

(4) For securities classified as available-for-sale, we calculate average balances based on their unpaid principal balance plus their associated deferred fees and costs (e.g., premiums and discounts), but exclude the effects of mark-to-fair-value changes. For securities in the Retained portfolio classified as trading, we calculate average balances excluding the effects of mark-to-fair-value adjustments.

FREDDIE MAC
NET INTEREST INCOME
TABLE 2B
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
							2006	2007
	Net Interest Income:							
1	\$ 2,155	\$ 2,078	\$ 1,983	\$ 1,843	\$ 1,722	\$ 1,640	\$ 4,233	\$ 3,362
	Amortization expense, net: ⁽¹⁾							
2	(270)	(64)	(196)	(109)	(90)	6	(334)	(84)
3	(365)	(432)	(422)	(384)	(323)	(342)	(797)	(665)
4	(635)	(496)	(618)	(493)	(413)	(336)	(1,131)	(749)
	Expense related to derivatives:							
5	(445)	(417)	(389)	(369)	(331)	(331)	(862)	(662)
	Accrual of periodic settlements of derivatives: ⁽³⁾							
6	191	138	116	57	-	-	329	-
7	(135)	(131)	(133)	(65)	-	-	(266)	-
8	56	7	(17)	(8)	-	-	63	-
9	(389)	(410)	(406)	(377)	(331)	(331)	(799)	(662)
10	1,131	1,172	959	973	978	973	2,303	1,951
11	92	98	105	97	95	99	190	194
12	\$ 1,223	\$ 1,270	\$ 1,064	\$ 1,070	\$ 1,073	\$ 1,072	\$ 2,493	\$ 2,145

- (1) Represents amortization related to premiums, discounts, deferred fees and other adjustments to the carrying value of our financial instruments and the reclassification of previously deferred balances from AOCI for certain derivatives in cash flow hedge relationships related to individual debt issuances and mortgage purchase transactions.
- (2) Represents changes in fair value of derivatives in cash flow hedge relationships that were previously deferred in AOCI and have been reclassified to earnings as the associated hedged forecasted issuance of debt and mortgage purchase transactions affect earnings.
- (3) Reflects the accrual of periodic cash settlements of all derivatives in qualifying hedge accounting relationships.
- (4) Includes imputed interest on zero-coupon swaps.

FREDDIE MAC
NON-INTEREST INCOME (LOSS)
TABLE 3
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
							2006	2007
	<u>Non-Interest Income (Loss):</u>							
1	\$ 413	\$ 389	\$ 427	\$ 443	\$ 460	\$ 474	\$ 802	\$ 934
2	160	61	(690)	(331)	(410)	739	221	329
3	195	217	217	238	212	281	412	493
4	273	355	(783)	(1,009)	(528)	281	628	(247)
	Gains (losses) on investment activity:							
5	(46)	(26)	31	38	31	62	(72)	93
6	186	103	(230)	(78)	(180)	114	289	(66)
7	21	13	36	16	20	2	34	22
8	146	(180)	(29)	85	51	(201)	(34)	(150)
9	(5)	(3)	(48)	(91)	(2)	(2)	(8)	(4)
10	(128)	(215)	(20)	(30)	(101)	(323)	(343)	(424)
11	(8)	(4)	3	(11)	(2)	(20)	(12)	(22)
12	166	(312)	(257)	(71)	(183)	(368)	(146)	(551)
13	64	244	155	3	7	89	308	96
14	48	31	30	20	19	35	79	54
15	(3)	(30)	8	121	(197)	(333)	(33)	(530)
16	31	24	25	43	66	84	55	150
17	\$ 1,347	\$ 979	\$ (868)	\$ (543)	\$ (554)	\$ 1,282	\$ 2,326	\$ 728

FREDDIE MAC
MANAGEMENT AND GUARANTEE INCOME & RELATED INFORMATION
TABLE 4
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
							2006	2007
<u>Management and guarantee income:</u> ⁽¹⁾								
1	\$ 387	\$ 393	\$ 406	\$ 427	\$ 451	\$ 483	\$ 780	\$ 934
2	26	(4)	21	16	9	(9)	22	-
3	\$ 413	\$ 389	\$ 427	\$ 443	\$ 460	\$ 474	\$ 802	\$ 934
4	15.5 bp	15.4 bp	15.3 bp	15.5 bp	15.8 bp	16.0 bp	15.5 bp	15.9 bp
5	1.0	(0.1)	0.8	0.6	0.3	(0.3)	0.4	-
6	16.5 bp	15.3 bp	16.1 bp	16.1 bp	16.1 bp	15.7 bp	15.9 bp	15.9 bp
7	\$ 176	\$ 172	\$ 151	\$ 136	\$ 128	\$ 138	\$ 172	\$ 138
<u>Gains (losses) on Guarantee asset:</u>								
8	\$ (351)	\$ (359)	\$ (372)	\$ (393)	\$ (419)	\$ (448)	\$ (710)	\$ (867)
9	107	125	115	119	107	111	232	218
10	(244)	(234)	(257)	(274)	(312)	(337)	(478)	(649)
11	364	295	(433)	(57)	(73)	1,021	659	948
12	40	-	-	-	(25)	55	40	30
13	\$ 160	\$ 61	\$ (690)	\$ (331)	\$ (410)	\$ 739	\$ 221	\$ 329
<u>Changes in Guarantee asset, at fair value:</u>								
14	\$ 5,083	\$ 5,660	\$ 6,089	\$ 5,860	\$ 6,070	\$ 6,280	\$ 5,083	\$ 6,070
15	417	368	461	541	620	758	785	1,378
16	160	61	(690)	(331)	(410)	739	221	329
17	\$ 5,660	\$ 6,089	\$ 5,860	\$ 6,070	\$ 6,280	\$ 7,777	\$ 6,089	\$ 7,777
<u>Guarantee obligation:</u>								
18	\$ 5,541	\$ 5,904	\$ 6,173	\$ 6,664	\$ 7,117	\$ 7,760	\$ 5,541	\$ 7,117
19	(3)	-	(2)	(4)	(2)	(14)	(3)	(16)
Additions, net of repurchases:								
20	277	353	542	547	649	847	630	1,496
21	284	133	168	148	208	262	417	470
Amortization income related to:								
22	(133)	(143)	(148)	(160)	(140)	(192)	(276)	(332)
23	(62)	(74)	(69)	(78)	(72)	(89)	(136)	(161)
24	(195)	(217)	(217)	(238)	(212)	(281)	(412)	(493)
25	\$ 5,904	\$ 6,173	\$ 6,664	\$ 7,117	\$ 7,760	\$ 8,574	\$ 6,173	\$ 8,574
Components of Guarantee obligation, at period end:								
26	\$ 3,885	\$ 4,094	\$ 4,486	\$ 4,869	\$ 5,376	\$ 6,016	\$ 4,094	\$ 6,016
27	2,019	2,079	2,178	2,248	2,384	2,558	2,079	2,558
28	\$ 5,904	\$ 6,173	\$ 6,664	\$ 7,117	\$ 7,760	\$ 8,574	\$ 6,173	\$ 8,574
29	89%	90%	90%	91%	91%	92%	90%	92%
30	94%	94%	95%	95%	96%	96%	94%	96%

(1) Excludes amounts related to PCs we held in our Retained Portfolio, which are reported in Net interest income.

(2) Credit and buy-down fees are amortized over the estimated lives of the underlying mortgages using the retrospective effective interest method. Amortization of credit and buy-down fees incurred since 2003 is recorded in Income on Guarantee obligation.

(3) Represent changes in estimates resulting from enhancing our approach for determining the fair value of the Guarantee asset for the six months ended June 30, 2006 and 2007.

(4) Represents transfers of a portion of the Guarantee obligation associated with credit losses reclassified to the Reserve for guarantee losses on PCs.

(5) Includes amortization related to deferred credit and buy-down fees received from counterparties in Guarantor Swap and similar transactions ("upfront fees") of \$43 million and \$53 million for the second quarters of 2006 and 2007, respectively. For the six months ended June 30, 2006 and 2007, amortization related to upfront fees were \$80 million and \$100 million, respectively.

(6) Includes unamortized upfront fees of \$1,303 million and \$1,533 million at June 30, 2006 and 2007, respectively.

FREDDIE MAC
DERIVATIVES NOT IN HEDGE ACCOUNTING RELATIONSHIPS
TABLE 5A
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:		2006				2007		Six Months Ended June 30,	
		1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	2006	2007
	<u>Derivative Gains (Losses):</u>								
1	Purchased call swaptions	\$ (1,313)	\$ (667)	\$ 1,376	\$ (524)	\$ (553)	\$ (1,168)	\$ (1,980)	\$ (1,721)
2	Written call swaptions	-	-	-	-	2	48	-	50
3	Purchased put swaptions	237	207	(398)	(146)	(8)	244	444	236
4	Written put swaptions	-	-	-	-	(2)	(144)	-	(146)
5	Receive-fixed swaps	(1,220)	(1,270)	2,545	(345)	259	(3,500)	(2,490)	(3,241)
6	Pay-fixed swaps	2,881	2,266	(4,551)	53	(478)	4,531	5,147	4,053
7	Futures	(266)	(212)	189	41	19	(70)	(478)	(51)
8	Foreign-currency swaps	4	30	(7)	(119)	198	332	34	530
9	Forward purchase and sale commitments	(82)	(71)	71	(4)	(9)	(103)	(153)	(112)
10	Other ⁽¹⁾	35	42	(54)	16	5	17	77	22
11	Subtotal	276	325	(829)	(1,028)	(567)	187	601	(380)
	Accrual of periodic settlements:								
12	Receive-fixed swaps ⁽²⁾	(6)	(73)	(189)	(150)	(58)	(37)	(79)	(95)
13	Pay-fixed swaps	3	106	238	194	148	155	109	303
14	Foreign-currency swaps	-	(4)	(4)	(26)	(52)	(25)	(4)	(77)
15	Other	-	1	1	1	1	1	1	2
16	Total accrual of periodic settlements	(3)	30	46	19	39	94	27	133
17	Total derivative gains (losses)	\$ 273	\$ 355	\$ (783)	\$ (1,009)	\$ (528)	\$ 281	\$ 628	\$ (247)
	<u>Notional Amounts (period end):</u>								
18	Purchased call swaptions	\$ 139,165	\$ 166,000	\$ 178,700	\$ 194,200	\$ 194,772	\$ 236,752		
19	Written call swaptions	-	-	-	-	7,500	3,400		
20	Purchased put swaptions	36,925	39,725	33,225	29,725	19,325	19,325		
21	Written put swaptions	-	-	-	-	500	2,600		
22	Receive-fixed swaps	134,830	179,076	179,689	222,631	270,053	214,657		
23	Pay-fixed swaps	175,005	206,305	200,297	217,565	251,391	284,927		
24	Futures	103,780	103,934	90,000	22,400	95,140	113,000		
25	Foreign-currency swaps	748	782	774	29,234	23,854	22,709		
26	Forward purchase and sale commitments	22,135	22,928	13,432	9,942	8,915	54,783		
27	Other ⁽¹⁾	27,084	38,762	30,115	31,430	33,751	34,749		
28	Total notional amounts	\$ 639,672	\$ 757,512	\$ 726,232	\$ 757,127	\$ 905,201	\$ 986,902		

(1) Consists of basis swaps, certain option-based contracts (including written options), interest-rate caps, swap guarantee derivatives and credit derivatives.

(2) Includes imputed interest on zero-coupon swaps.

FREDDIE MAC
TOTAL DERIVATIVE PORTFOLIO
TABLE 5B
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:	December 31, 2006		June 30, 2007	
	Notional	Fair Value ⁽¹⁾	Notional	Fair Value ⁽¹⁾
	Interest-rate swaps:			
1	\$ 222,631	\$ (334)	\$ 214,657	\$ (2,590)
2	217,565	(1,352)	284,927	2,405
3	683	-	473	(6)
4	<u>440,879</u>	<u>(1,686)</u>	<u>500,057</u>	<u>(191)</u>
	Option-based:			
5	194,200	4,034	236,752	2,354
6	-	-	3,400	(18)
7	29,725	958	19,325	895
8	-	-	2,600	(69)
9	27,185	(15)	30,268	(24)
10	<u>251,110</u>	<u>4,977</u>	<u>292,345</u>	<u>3,138</u>
11	22,400	28	113,000	(21)
12	29,234	4,399	22,709	3,921
13	<u>743,623</u>	<u>7,718</u>	<u>928,111</u>	<u>6,847</u>
14	10,012	15	59,281	22
15	2,605	(1)	2,936	-
16	957	(3)	1,072	(3)
17	<u>\$ 757,197</u>	<u>\$ 7,729</u>	<u>\$ 991,400</u>	<u>\$ 6,866</u>

(1) The fair value by derivative type presented on this table is shown prior to netting by counterparty. The fair value of derivatives presented on the consolidated balance sheets, however, is netted by counterparty, and is reported in the Derivative assets, at fair value and Derivative liabilities, at fair value captions. The fair values for futures are directly derived from quoted market prices. Fair values of other derivatives are derived primarily from valuation models using market data inputs.

FREDDIE MAC
NON-INTEREST EXPENSE
TABLE 6
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	<u>Six Months Ended June 30,</u>	
							2006	2007
	<u>Non-Interest Expense:</u>							
	Administrative expenses:							
1	\$ 191	\$ 203	\$ 207	\$ 229	\$ 228	\$ 243	\$ 394	\$ 471
2	100	118	120	122	108	117	218	225
3	14	15	15	17	14	16	29	30
4	<u>68</u>	<u>69</u>	<u>76</u>	<u>77</u>	<u>53</u>	<u>66</u>	<u>137</u>	<u>119</u>
5	373	405	418	445	403	442	778	845
6	(36)	56	93	102	179	320	20	499
7	12	7	19	22	14	16	19	30
8	46	52	103	149	144	187	98	331
9	21	21	30	54	170	205	42	375
10	115	104	98	90	108	135	219	243
11	18	16	13	11	9	8	34	17
12	<u>35</u>	<u>53</u>	<u>53</u>	<u>49</u>	<u>47</u>	<u>65</u>	<u>88</u>	<u>112</u>
13	\$ 584	\$ 714	\$ 827	\$ 922	\$ 1,074	\$ 1,378	\$ 1,298	\$ 2,452

(1) Other administrative expenses are presented net of deferred expenses, including those relating to capitalized software development activities.

(2) When the fair value of the Guarantee obligation for Participation Certificates exceeds the fair value of the Guarantee asset (including upfront fees paid or received), at the issuance of a guarantor PC swap, the excess is recorded as Losses on certain credit guarantees.

(3) This amount represents losses on non-performing loans purchased out of our guaranteed PC and Structured Securities, when the unpaid principal balance, net of specific loan loss reserve exceeds the estimated fair market value of the loan purchased.

FREDDIE MAC
CONSOLIDATED FAIR VALUE BALANCE SHEETS ⁽¹⁾
TABLE 7
SECOND QUARTER 2007
(unaudited)
(dollars in billions)

Line:	2006								2007			
	March 31,		June 30,		September 30,		December 31,		March 31,		June 30,	
	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾						
	Assets:											
1	\$ 62.8	\$ 62.3	\$ 63.6	\$ 62.1	\$ 63.9	\$ 63.8	\$ 65.6	\$ 65.4	\$ 66.7	\$ 65.6	\$ 68.4	\$ 66.1
2	644.7	644.7	646.0	646.0	635.0	635.0	634.3	634.3	645.0	645.0	634.4	634.4
3	0.8	0.8	1.0	1.0	0.8	0.8	0.6	0.6	0.3	0.3	0.5	0.5
4	708.3	707.8	710.6	709.1	699.7	699.6	700.5	700.3	712.0	710.9	703.3	701.0
5	8.5	8.5	12.5	12.5	12.2	12.2	11.4	11.4	10.0	10.0	11.8	11.8
6	47.0	47.0	49.5	49.5	47.5	47.5	45.6	45.6	31.9	31.9	41.7	41.7
7												
	23.4	23.4	45.8	45.8	35.5	35.5	23.0	23.0	34.2	34.2	27.5	27.5
8	7.3	7.3	9.8	9.8	8.5	8.5	7.9	7.9	6.2	6.2	7.2	7.2
9	5.7	6.1	6.1	6.5	5.9	6.2	6.1	6.4	6.3	6.6	7.8	8.1
10	18.9	15.2	21.4	15.6	17.9	15.7	18.6	16.7	19.2	18.4	22.4	19.2
11	\$ 819.1	\$ 815.3	\$ 855.7	\$ 848.8	\$ 827.2	\$ 825.2	\$ 813.1	\$ 811.3	\$ 819.8	\$ 818.2	\$ 821.7	\$ 816.5
	Liabilities and minority interests:											
12	\$ 765.3	\$ 758.3	\$ 801.4	\$ 790.1	\$ 769.9	\$ 768.4	\$ 753.9	\$ 752.3	\$ 758.1	\$ 757.8	\$ 760.5	\$ 753.5
13	5.9	3.7	6.2	3.5	6.7	4.2	7.1	4.7	7.8	5.7	8.6	6.0
14	0.7	0.7	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
15	0.2	-	0.2	-	0.3	-	0.4	-	0.5	-	0.7	-
16	20.8	20.1	23.2	22.1	20.5	19.6	22.7	21.8	22.9	22.1	25.5	24.6
17	0.8	0.9	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.3	0.2
18	793.7	783.7	832.0	816.7	798.2	793.0	784.8	779.5	790.0	786.3	795.9	784.6
	Net assets attributable to stockholders:											
19	4.6	4.2	4.6	4.0	5.6	5.2	6.1	5.8	6.6	6.5	7.1	6.8
20	20.8	27.4	19.1	28.1	23.4	27.0	22.2	26.0	23.2	25.4	18.7	25.1
21	25.4	31.6	23.7	32.1	29.0	32.2	28.3	31.8	29.8	31.9	25.8	31.9
22	\$ 819.1	\$ 815.3	\$ 855.7	\$ 848.8	\$ 827.2	\$ 825.2	\$ 813.1	\$ 811.3	\$ 819.8	\$ 818.2	\$ 821.7	\$ 816.5

- (1) The consolidated fair value balance sheets do not purport to present our net realizable, liquidation or market value as a whole. Furthermore, amounts we ultimately realize from the disposition of assets or settlement of liabilities may vary significantly from the fair values presented.
- (2) Carrying amounts equal the amounts reported on our GAAP consolidated balance sheets.
- (3) Methodologies employed to calculate fair values are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets of approximately \$0.1 billion at March 31, 2006. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets that rounded to zero at September 30, 2006 and December 31, 2006. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets of approximately \$0.1 billion and \$0.2 billion at March 31, 2007 and June 30, 2007, respectively.
- (4) The fair value of the Guarantee asset reported exceeds the carrying value primarily because the fair value includes the Guarantee asset related to some PCs held by third parties that are not recognized on our GAAP consolidated balance sheets because such PCs were issued prior to the implementation of FIN 45 in 2003.
- (5) Fair values include estimated income taxes calculated using the 35 percent statutory rate on the difference between the consolidated fair value balance sheets net assets, including deferred taxes from our GAAP consolidated balance sheets, and the GAAP consolidated balance sheets equity attributable to common stockholders.

FREDDIE MAC
MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES^{(1) (2)}
TABLE 8A
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:		1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
								2006	2007
	<u>Total Mortgage Portfolio:</u>								
1	Beginning balance	\$ 1,684,546	\$ 1,731,004	\$ 1,759,767	\$ 1,786,754	\$ 1,826,720	\$ 1,892,132	\$ 1,684,546	\$ 1,826,720
2	New business purchases	131,874	121,730	122,475	125,903	146,463	149,401	253,604	295,864
3	Sales and other activity	(8,401)	(5,442)	(6,041)	(110)	10	(893)	(13,843)	(883)
4	Liquidations	<u>(77,015)</u>	<u>(87,525)</u>	<u>(89,447)</u>	<u>(85,827)</u>	<u>(81,061)</u>	<u>(87,691)</u>	<u>(164,540)</u>	<u>(168,752)</u>
5	Net additions	46,458	28,763	26,987	39,966	65,412	60,817	75,221	126,229
6	Ending balance	\$ 1,731,004	\$ 1,759,767	\$ 1,786,754	\$ 1,826,720	\$ 1,892,132	\$ 1,952,949	\$ 1,759,767	\$ 1,952,949
7	Percent growth (annualized)	11%	7%	6%	9%	14%	13%	9%	14%
8	Liquidation rate (annualized)	18%	20%	20%	19%	18%	19%	20%	18%
	<u>Total Guaranteed PCs and Structured Securities Issued:</u>								
9	Beginning balance	\$ 1,335,524	\$ 1,379,877	\$ 1,405,684	\$ 1,441,254	\$ 1,477,023	\$ 1,536,525	\$ 1,335,524	\$ 1,477,023
10	Issuances	93,669	80,973	93,334	92,047	114,365	118,008	174,642	232,373
11	Liquidations	<u>(49,316)</u>	<u>(55,166)</u>	<u>(57,764)</u>	<u>(56,278)</u>	<u>(54,863)</u>	<u>(62,009)</u>	<u>(104,482)</u>	<u>(116,872)</u>
12	Net additions	44,353	25,807	35,570	35,769	59,502	55,999	70,160	115,501
13	Ending balance	\$ 1,379,877	\$ 1,405,684	\$ 1,441,254	\$ 1,477,023	\$ 1,536,525	\$ 1,592,524	\$ 1,405,684	\$ 1,592,524
14	Percent growth (annualized)	13%	7%	10%	10%	16%	15%	11%	16%
15	Liquidation rate (annualized)	15%	16%	16%	16%	15%	16%	16%	16%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. Also excludes credit-related impairments on mortgage-related securities within our Retained portfolio.

(2) See our Monthly Volume Summary, or MVS, in the Investor Relations section of our website for definitions of certain captions used in this table.

FREDDIE MAC
MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES ^{(1) (2)}

TABLE 8B
SECOND QUARTER 2007

(unaudited)

(dollars in millions)

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	<u>Six Months Ended June 30,</u>	
							2006	2007
<u>Retained Portfolio:</u>								
1	\$ 710,346	\$ 715,736	\$ 722,538	\$ 702,778	\$ 703,959	\$ 714,454	\$ 710,346	\$ 703,959
2	65,432	79,580	46,178	54,293	59,173	60,632	145,012	119,805
3	(17,876)	(24,317)	(19,441)	(7,440)	(8,255)	(19,490)	(42,193)	(27,745)
4	(42,166)	(48,461)	(46,497)	(45,672)	(40,423)	(43,460)	(90,627)	(83,883)
5	5,390	6,802	(19,760)	1,181	10,495	(2,318)	12,192	8,177
6	\$ 715,736	\$ 722,538	\$ 702,778	\$ 703,959	\$ 714,454	\$ 712,136	\$ 722,538	\$ 712,136
7	3%	4%	(11%)	1%	6%	(1%)	3%	2%
8	24%	27%	26%	26%	23%	24%	26%	24%
9	41%	41%	39%	39%	38%	36%	41%	36%
<u>Retained Portfolio Components (at period end):</u>								
10	\$ 364,609	\$ 368,455	\$ 357,278	\$ 354,262	\$ 358,847	\$ 351,711	\$ 368,455	\$ 351,711
11	288,192	290,379	281,423	283,850	288,471	291,382	290,379	291,382
12	62,935	63,704	64,077	65,847	67,136	69,043	63,704	69,043
13	\$ 715,736	\$ 722,538	\$ 702,778	\$ 703,959	\$ 714,454	\$ 712,136	\$ 722,538	\$ 712,136
<u>Outstanding Guaranteed PCs and Structured Securities:</u>								
14	\$ 974,200	\$ 1,015,268	\$ 1,037,229	\$ 1,083,976	\$ 1,122,761	\$ 1,177,678	\$ 974,200	\$ 1,122,761
15	93,669	80,973	93,334	92,047	114,365	118,008	174,642	232,373
16	(27,227)	(38,823)	(17,037)	(20,437)	(27,075)	(29,239)	(66,050)	(56,314)
17	10,712	19,819	14,613	8,986	9,638	20,565	30,531	30,203
18	(36,086)	(40,008)	(44,163)	(41,811)	(42,011)	(46,199)	(76,094)	(88,210)
19	41,068	21,961	46,747	38,785	54,917	63,135	63,029	118,052
20	\$ 1,015,268	\$ 1,037,229	\$ 1,083,976	\$ 1,122,761	\$ 1,177,678	\$ 1,240,813	\$ 1,037,229	\$ 1,240,813
21	17%	9%	18%	14%	20%	21%	13%	21%
22	15%	16%	17%	15%	15%	16%	16%	16%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. Also excludes credit-related impairments on mortgage-related securities within our Retained portfolio.

(2) See our MVS in the Investor Relations section of our website for definitions of certain captions used in this table.

FREDDIE MAC
CHARACTERISTICS OF MORTGAGE LOANS AND MORTGAGE-RELATED SECURITIES IN THE RETAINED PORTFOLIO
TABLE 9
SECOND QUARTER 2007
(unaudited)
(dollars in millions)

Line:		December 31, 2006			June 30, 2007		
		Fixed-Rate	Variable-Rate ⁽¹⁾	Total	Fixed-Rate	Variable-Rate ⁽¹⁾	Total
1	Mortgage loans	\$ 61,273	\$ 4,574	\$ 65,847	\$ 64,564	\$ 4,479	\$ 69,043
	Guaranteed PCs and Structured Securities: ⁽²⁾						
2	Single-family	282,052	71,828	353,880	269,378	81,954	351,332
3	Multifamily	241	141	382	240	139	379
4	Total Guaranteed PCs and Structured Securities	<u>282,293</u>	<u>71,969</u>	<u>354,262</u>	<u>269,618</u>	<u>82,093</u>	<u>351,711</u>
	Non-Freddie Mac mortgage-related securities:						
	Agency mortgage-related securities: ⁽³⁾						
	Fannie Mae:						
5	Single-family	25,805	17,640	43,445	23,859	19,175	43,034
6	Multifamily	987	2	989	834	170	1,004
	Ginnie Mae:						
7	Single-family	707	231	938	606	204	810
8	Multifamily	13	-	13	13	-	13
9	Total agency mortgage-related securities	<u>27,512</u>	<u>17,873</u>	<u>45,385</u>	<u>25,312</u>	<u>19,549</u>	<u>44,861</u>
	Non-agency mortgage-related securities:						
10	Single-family ⁽⁴⁾	4,280	174,081	178,361	3,954	170,376	174,330
11	Commercial mortgage backed securities	23,768	20,992	44,760	26,698	29,808	56,506
12	Mortgage revenue bonds ⁽⁵⁾	13,760	74	13,834	14,181	69	14,250
13	Manufactured housing ⁽⁶⁾	1,381	129	1,510	1,323	112	1,435
14	Total non-agency mortgage-related securities ⁽⁷⁾	<u>43,189</u>	<u>195,276</u>	<u>238,465</u>	<u>46,156</u>	<u>200,365</u>	<u>246,521</u>
15	Total unpaid principal balance of Retained portfolio	<u>\$ 414,267</u>	<u>\$ 289,692</u>	703,959	<u>\$ 405,650</u>	<u>\$ 306,486</u>	712,136
16	Premiums, discounts, deferred fees, impairments of unpaid principal balances and other basis adjustments			103			(558)
17	Net unrealized gains (losses) on mortgage-related securities, pre-tax			(4,046)			(8,681)
18	Participation Certificate residuals, at fair value			597			497
19	Reserve for losses on mortgage loans held-for-investment			(70)			(108)
20	Total Retained portfolio per consolidated balance sheets			<u>\$ 700,543</u>			<u>\$ 703,286</u>

- (1) Variable-rate mortgage loans and mortgage-related securities include those with a contractual coupon rate that, prior to contractual maturity, is either scheduled to change or is subject to change based on changes in the composition of the underlying collateral. Mortgage loans also include mortgages with balloon/reset provisions.
- (2) For Guaranteed PCs and Structured Securities we issue, we are subject to the credit risk associated with the underlying mortgage loan collateral.
- (3) Agency mortgage-related securities are generally not separately rated by nationally recognized statistical rating organizations, but are viewed as having a level of credit quality at least equivalent to non-agency mortgage-related securities rated AAA or equivalent.
- (4) At December 31, 2006 and June 30, 2007, we held investments of approximately \$124 billion and \$119 billion, respectively, of single-family non-agency mortgage-related securities backed by subprime loans. These securities backed by subprime loans include significant credit enhancements, particularly through subordination, and approximately 99.9 percent of these securities held at June 30, 2007 were rated AAA at August 27, 2007. At December 31, 2006 and June 30, 2007, we believe that \$54 billion and \$55 billion, respectively, of our single-family non-agency mortgage-related securities that are not backed by subprime loans are generally backed by Alt-A mortgage loans. These securities backed by Alt-A mortgage loans include significant credit enhancements, particularly through subordination, and approximately 99.9 percent of these securities held at June 30, 2007 were rated AAA at August 27, 2007.
- (5) Consist of obligations of states and political subdivisions. Approximately 67 percent of these securities were AAA-rated at both December 31, 2006 and June 30, 2007.
- (6) At December 31, 2006 and June 30, 2007, 38 percent and 37 percent, respectively, of mortgage-related securities backed by manufactured housing were rated BBB- or above. For the same dates, 97 percent of these securities were supported by third-party credit enhancements (e.g. bond insurance) and other credit enhancements (e.g., deal structure through subordination). Approximately 30 percent and 29 percent of these securities were AAA-rated at December 31, 2006 and June 30, 2007, respectively.
- (7) Credit ratings for most non-agency mortgage-related securities are designated by at least two nationally recognized statistical rating organizations. At December 31, 2006 and June 30, 2007, approximately 96 percent and 97 percent, respectively, of total non-agency mortgage-related securities were AAA-rated.

**FREDDIE MAC
CREDIT QUALITY INDICATORS
TABLE 10
SECOND QUARTER 2007
(unaudited)
(dollars in millions)**

Line:	1Q 2006	2Q 2006	3Q 2006	4Q 2006	1Q 2007	2Q 2007	Six Months Ended June 30,	
							2006	2007
<u>Credit Enhancements:</u>								
1	17 %	15 %	18 %	17 %	14 %	18 %	16 %	16 %
2	17 %	17 %	16 %	16 %	16 %	16 %	17 %	16 %
<u>Delinquencies (at period end):</u>⁽¹⁾								
Single-family: ⁽²⁾								
<i>Non-credit-enhanced portfolio</i>								
3	0.25 %	0.22 %	0.23 %	0.25 %	0.25 %	0.27 %	0.22 %	0.27 %
4	22,315	19,824	20,543	22,854	23,511	25,740	19,824	25,740
<i>Credit-enhanced portfolio</i>								
5	2.16 %	1.90 %	1.87 %	1.86 %	1.69 %	1.63 %	1.90 %	1.63 %
6	41,399	36,096	35,914	36,008	33,030	32,675	36,096	32,675
7	0.59 %	0.52 %	0.51 %	0.53 %	0.50 %	0.50 %	0.52 %	0.50 %
Multifamily: ⁽²⁾								
8	- %	0.01 %	- %	0.05 %	0.06 %	0.05 %	0.01 %	0.05 %
9	\$ 3	\$ 5	\$ 1	\$ 30	\$ 32	\$ 30	\$ 5	\$ 30
<u>REO Balances (at period end):</u>								
10	\$ 636	\$ 646	\$ 665	\$ 734	\$ 871	\$ 1,014	\$ 646	\$ 1,014
11	18	18	10	9	7	6	18	6
12	\$ 654	\$ 664	\$ 675	\$ 743	\$ 878	\$ 1,020	\$ 664	\$ 1,020
<u>REO Inventory (number of units):</u>								
13	8,070	8,263	8,302	8,333	8,785	9,650	8,070	8,785
14	4,051	4,163	4,007	4,166	4,638	5,013	8,214	9,651
15	(3,858)	(4,124)	(3,976)	(3,714)	(3,773)	(4,403)	(7,982)	(8,176)
16	8,263	8,302	8,333	8,785	9,650	10,260	8,302	10,260
<u>REO Operations Income (Expense):</u>								
17	\$ (12)	\$ (7)	\$ (20)	\$ (22)	\$ (14)	\$ (16)	\$ (19)	\$ (30)
18	-	-	1	-	-	-	-	-
19	\$ (12)	\$ (7)	\$ (19)	\$ (22)	\$ (14)	\$ (16)	\$ (19)	\$ (30)
<u>Loan Loss Reserves:</u>⁽³⁾								
20	\$ 414	\$ 345	\$ 351	\$ 389	\$ 420	\$ 545	\$ 414	\$ 420
21	(36)	56	93	102	179	320	20	499
22	(30)	(40)	(35)	(37)	(33)	(36)	(70)	(69)
23	-	-	(5)	-	-	-	-	-
24	(6)	(10)	(17)	(38)	(23)	(53)	(16)	(76)
25	3	-	2	4	2	14	3	16
26	\$ 345	\$ 351	\$ 389	\$ 420	\$ 545	\$ 790	\$ 351	\$ 790
<u>Total Credit Losses:</u>⁽⁶⁾								
27	\$ 42	\$ 47	\$ 59	\$ 59	\$ 58	\$ 79	\$ 89	\$ 137
28	1.2 bp	1.3 bp	1.6 bp	1.6 bp	1.5 bp	2.0 bp	1.2 bp	1.7 bp

(1) Based on the Total mortgage portfolio, excluding both non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

(2) Single-family delinquencies are based on the number of mortgages 90 days or more delinquent or in foreclosure while multifamily delinquencies are based on net carrying value of mortgages 60 days or more delinquent or in foreclosure. Includes delinquencies on mortgage loans where the lender or third party retains the largest portion of the default risk. Excludes mortgage loans whose original contractual terms have been modified under an agreement with the borrower as long as the borrower complies with the modified contractual terms.

(3) Loan loss reserves equals the sum of Reserve for losses on mortgage loans held-for-investment (consolidated balance sheets - Line 2) and Reserve for guarantee losses on Participation Certificates (consolidated balance sheets - Line 28).

(4) Provision (benefit) for credit losses includes our provision for losses incurred on our mortgage loans held for investment, which are a component of our Retained portfolio, and our provision for guarantee losses incurred on mortgage loans underlying PCs held by third parties.

(5) Represents transfers of a portion of the Guarantee obligation associated with credit losses reclassified to the Reserve for guaranteed losses on PCs.

(6) Equal to REO operations income (expense) (Line 19) plus Charge-offs, net (Lines 22 and 23) plus amounts previously transferred to reduce the carrying value of loans purchased under financial guarantees. The previously transferred reserves totaled \$- million and \$38 million for the six months ended June 30, 2006 and 2007, respectively.