

**FREDDIE MAC**  
**NET INTEREST YIELD ANALYSIS**  
**TABLE 1A**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Net Interest Income:</b>										
1	\$ 798	\$ 1,529	\$ 1,844	\$ 2,625	\$ 3,859	\$ 4,255	\$ 4,462	\$ 4,497	\$ 6,796	\$ 17,073
2	107	105	98	94	102	99	95	92	404	388
3	\$ 905	\$ 1,634	\$ 1,942	\$ 2,719	\$ 3,961	\$ 4,354	\$ 4,557	\$ 4,589	\$ 7,200	\$ 17,461
<b>Average Balances:</b>										
4	\$ 84,291	\$ 89,813	\$ 95,174	\$105,316	\$118,555	\$127,863	\$129,721	\$133,578	\$ 93,649	\$127,429
5	628,721	664,727	676,197	677,379	698,464	702,693	663,744	635,768	661,756	675,167
6	30,565	26,935	11,658	9,869	11,197	16,594	19,282	18,809	19,757	16,471
7	8,891	27,126	35,735	40,799	49,932	57,401	48,403	45,023	28,137	50,190
8	14,435	20,660	29,379	27,599	33,605	29,542	29,256	21,695	23,018	28,524
9	766,903	829,261	848,143	860,962	911,753	934,093	890,406	854,873	826,317	897,781
10	204,650	240,119	241,150	292,357	362,566	293,475	256,324	236,672	244,569	287,259
11	538,295	569,443	589,377	547,931	521,151	582,998	570,863	553,723	561,261	557,184
12	742,945	809,562	830,527	840,288	883,717	876,473	827,187	790,395	805,830	844,443
13	23,958	19,699	17,616	20,674	28,036	57,620	63,219	64,478	20,487	53,338
14	\$766,903	\$829,261	\$848,143	\$860,962	\$911,753	\$934,093	\$890,406	\$854,873	\$826,317	\$897,781
<b>Yield/Cost:</b>										
15	5.90%	5.88%	5.72%	5.49%	5.33%	5.38%	5.37%	5.31%	5.73%	5.35%
16	5.17	5.04	5.08	5.41	5.02	4.69	4.78	4.80	5.18	4.82
17	4.10	3.31	4.40	5.67	7.53	6.96	2.99	1.79	4.07	4.42
18	3.90	2.60	2.51	1.17	0.61	0.42	0.28	0.18	2.19	0.38
19	3.31	2.29	2.18	0.36	0.22	0.17	0.15	0.11	1.84	0.17
20	5.16	4.93	4.93	5.06	4.67	4.42	4.43	4.45	5.02	4.49
21	(3.95)	(2.70)	(2.38)	(2.21)	(1.24)	(0.77)	(0.51)	(0.34)	(2.78)	(0.78)
22	(4.99)	(4.71)	(4.60)	(4.59)	(4.12)	(3.57)	(3.35)	(3.28)	(4.73)	(3.57)
23	(4.70)	(4.11)	(3.96)	(3.76)	(2.94)	(2.63)	(2.48)	(2.40)	(4.14)	(2.62)
24	(0.18)	(0.17)	(0.18)	(0.15)	(0.13)	(0.13)	(0.13)	(0.13)	(0.17)	(0.13)
25	0.15	0.10	0.09	0.09	0.09	0.17	0.19	0.19	0.11	0.16
26	(4.73)	(4.18)	(4.05)	(3.82)	(2.98)	(2.59)	(2.42)	(2.34)	(4.20)	(2.59)
27	0.43	0.75	0.88	1.24	1.69	1.83	2.01	2.11	0.82	1.90
28	0.05	0.05	0.05	0.04	0.05	0.04	0.04	0.04	0.05	0.04
29	0.48%	0.80%	0.93%	1.28%	1.74%	1.87%	2.05%	2.15%	0.87%	1.94%

- (1) 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 federal statutory tax rate of 35%.
- (2) Non-performing loans, where interest income is recognized when collected, are included in average balances.
- (3) For securities, 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.

**FREDDIE MAC**  
**NET INTEREST INCOME**  
**TABLE 1B**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Net Interest Income:</b>										
1	\$1,511	\$2,267	\$2,529	\$2,694	\$4,046	\$4,874	\$4,990	\$4,997	\$ 9,001	\$18,907
2			81	470	715	254	122	89	551	1,180
3	(58)	(90)	(135)	24	(385)	(392)	(181)	(124)	(259)	(1,082)
4	(326)	(305)	(269)	(248)	(217)	(199)	(191)	(202)	(1,148)	(809)
5										
	(384)	(395)	(323)	246	113	(337)	(250)	(237)	(856)	(711)
6										
	(327)	(307)	(308)	(315)	(300)	(282)	(278)	(263)	(1,257)	(1,123)
7										
	(2)	(36)	(54)	—	—	—	—	—	(92)	—
8										
	(2)	(36)	(54)	—	—	—	—	—	(92)	—
9	(329)	(343)	(362)	(315)	(300)	(282)	(278)	(263)	(1,349)	(1,123)
10	798	1,529	1,844	2,625	3,859	4,255	4,462	4,497	6,796	17,073
11	107	105	98	94	102	99	95	92	404	388
12	\$ 905	\$1,634	\$1,942	\$2,719	\$3,961	\$4,354	\$4,557	\$4,589	\$ 7,200	\$17,461

- (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) The portion of the impairment charges recognized in earnings expected to be recovered is recognized as net interest income. Upon our adoption of an amendment to the accounting standards for investments in debt and equity securities on April 1, 2009, previously recognized non-credit-related other-than-temporary impairments are no longer accreted into net interest income.
- (3) 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.
- (4) Reflects the accrual of periodic cash settlements of all derivatives in qualifying hedge accounting relationships.

**FREDDIE MAC**  
**NON-INTEREST INCOME (LOSS)**  
**TABLE 2**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Non-Interest Income (Loss):</b>										
1	\$ 789	\$ 757	\$ 832	\$ 992	\$ 780	\$ 710	\$ 800	\$ 743	\$ 3,370	\$ 3,033
2	(1,394)	1,114	(1,722)	(5,089)	(156)	1,817	580	1,058	(7,091)	3,299
3	1,169	769	783	2,105	910	961	814	794	4,826	3,479
Derivative gains (losses):										
Foreign-currency denominated derivatives gains (losses):										
4	1,237	(48)	(1,578)	(195)	(573)	583	238	(110)	(584)	138
5	193	(490)	228	558	187	(63)	(2)	(58)	489	64
6	(1,330)	1,020	(1,448)	(11,806)	1,302	2,688	(2,880)	731	(13,564)	1,841
7	(345)	(367)	(282)	(301)	(735)	(847)	(1,131)	(1,230)	(1,295)	(3,943)
8	(245)	115	(3,080)	(11,744)	181	2,361	(3,775)	(667)	(14,954)	(1,900)
Gains (losses) on investments:										
9	971	(2,279)	(932)	3,195	2,131	622	2,211	(82)	955	4,882
10	71	(5)	31	20	151	143	282	169	117	745
11	215	38	287	6	51	205	473	354	546	1,083
Impairment-related: <sup>(1)</sup>										
12	(71)	(1,040)	(9,106)	(7,465)	(7,130)	(10,473)	(4,199)	(1,323)	(17,682)	(23,125)
13	—	—	—	—	—	8,260	3,012	656	—	11,928
14	(71)	(1,040)	(9,106)	(7,465)	(7,130)	(2,213)	(1,187)	(667)	(17,682)	(11,197)
15	33	(41)	(20)	(2)	(129)	(102)	(360)	(88)	(30)	(679)
16	—	—	(7)	(7)	(18)	(71)	(1)	(100)	(14)	(190)
17	1,219	(3,327)	(9,747)	(4,253)	(4,944)	(1,416)	1,418	(414)	(16,108)	(5,356)
Gains (losses) on debt recorded at fair value:										
18	(1,214)	88	1,665	171	580	(655)	(240)	106	710	(209)
19	(171)	481	(165)	(449)	(113)	(142)	2	58	(304)	(195)
20	(1,385)	569	1,500	(278)	467	(797)	(238)	164	406	(404)
21	305	(29)	36	(103)	(104)	(156)	(215)	(93)	209	(568)
22	226	121	91	57	50	70	109	150	495	379
23	(117)	(108)	(121)	(107)	(106)	(167)	(479)	(3,403)	(453)	(4,155)
24	3	(19)	4	(58)	(207)	(238)	(155)	(161)	(70)	(761)
25	44	94	21	36	41	70	59	52	195	222
26	\$ 614	\$ 56	\$(11,403)	\$(18,442)	\$(3,088)	\$ 3,215	\$(1,082)	\$(1,777)	\$(29,175)	\$ (2,732)

- (1) We adopted an amendment to the accounting standards for investments in debt and equity securities effective April 1, 2009. See “NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — Recently Adopted Accounting Standards” to our consolidated financial statements for further information.
- (2) During the fourth quarter of 2009, we determined that we are no longer able to realize any value from our LIHTC investments, and accordingly, wrote down the carrying value of these investments to zero as of December 31, 2009. See “NOTE 5: VARIABLE INTEREST ENTITIES” to our consolidated financial statements for further information.

**FREDDIE MAC**  
**MANAGEMENT AND GUARANTEE INCOME & RELATED INFORMATION**  
**TABLE 3**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Management and Guarantee Income:</b>										
1	\$ 757	\$ 778	\$ 796	\$ 793	\$ 782	\$ 776	\$ 765	\$ 761	\$ 3,124	\$ 3,084
2	32	(21)	36	199	(2)	(66)	35	(18)	246	(51)
3	\$ 789	\$ 757	\$ 832	\$ 992	\$ 780	\$ 710	\$ 800	\$ 743	\$ 3,370	\$ 3,033
4	17.4 bp	17.5 bp	17.6 bp	17.5 bp	17.4 bp	17.3 bp	16.8 bp	16.6 bp	17.5 bp	17.0 bp
5	0.8	(0.5)	0.8	4.4	0.0	(1.5)	0.8	(0.4)	1.4	(0.3)
6	18.2 bp	17.0 bp	18.4 bp	21.9 bp	17.4 bp	15.8 bp	17.6 bp	16.2 bp	18.9 bp	16.7 bp
7	\$ 379	\$ 403	\$ 371	\$ 176	\$ 181	\$ 250	\$ 218	\$ 238	\$ 176	\$ 238
<b>Gains (Losses) on Guarantee Asset:</b>										
8	\$ (689)	\$ (720)	\$ (730)	\$ (732)	\$ (733)	\$ (731)	\$ (729)	\$ (729)	\$ (2,871)	\$ (2,922)
9	215	243	299	364	249	251	235	188	1,121	923
10	(474)	(477)	(431)	(368)	(484)	(480)	(494)	(541)	(1,750)	(1,999)
11	(920)	1,591	(1,291)	(4,721)	328	2,297	1,074	1,599	(5,341)	5,298
12	\$ (1,394)	\$ 1,114	\$ (1,722)	\$ (5,089)	\$ (156)	\$ 1,817	\$ 580	\$ 1,058	\$ (7,091)	\$ 3,299
<b>Changes in Guarantee Asset:</b>										
13	\$ 9,591	\$ 9,134	\$ 11,019	\$ 9,679	\$ 4,847	\$ 5,026	\$ 7,576	\$ 8,722	\$ 9,591	\$ 4,847
14	937	858	382	262	339	741	566	664	2,439	2,310
15	—	(87)	—	(5)	(4)	(8)	—	—	(92)	(12)
16	(1,394)	1,114	(1,722)	(5,089)	(156)	1,817	580	1,058	(7,091)	3,299
17	\$ 9,134	\$ 11,019	\$ 9,679	\$ 4,847	\$ 5,026	\$ 7,576	\$ 8,722	\$ 10,444	\$ 4,847	\$ 10,444
<b>Changes in Guarantee Obligation:</b>										
18	\$ 13,712	\$ 13,669	\$ 14,022	\$ 13,874	\$ 12,098	\$ 11,759	\$ 11,956	\$ 12,215	\$ 13,712	\$ 12,098
19	1,132	1,255	638	341	584	1,177	1,075	1,045	3,366	3,881
20	(6)	(133)	(3)	(12)	(13)	(19)	(2)	(1)	(154)	(35)
21	(1,169)	(769)	(783)	(2,105)	(910)	(961)	(814)	(794)	(4,826)	(3,479)
22	\$ 13,669	\$ 14,022	\$ 13,874	\$ 12,098	\$ 11,759	\$ 11,956	\$ 12,215	\$ 12,465	\$ 12,098	\$ 12,465

(1) Amortization of deferred fees for guarantees issued after 2002 is recorded in income on guarantee obligation.

(2) Represents (a) portions of the guarantee obligation that correspond to incurred credit losses reclassified to reserve for guarantee losses on PCs, and (b) reductions associated with the extinguishment of our previously issued long-term credit guarantees.

**FREDDIE MAC**  
**DERIVATIVES NOT IN HEDGE ACCOUNTING RELATIONSHIPS**  
**TABLE 4**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Derivative Gains (Losses):</b>										
Interest rate swaps:										
Receive-fixed swaps										
1	\$ 193	\$ (490)	\$ 228	\$ 558	\$ 187	\$ (63)	\$ (2)	\$ (58)	\$ 489	\$ 64
2	9,503	(7,204)	2,101	25,332	(1,803)	(10,187)	4,539	(5,886)	29,732	(13,337)
3	9,696	(7,694)	2,329	25,890	(1,616)	(10,250)	4,537	(5,944)	30,221	(13,273)
4	(15,133)	11,259	(5,296)	(49,125)	6,705	18,524	(8,223)	10,072	(58,295)	27,078
5	2	(23)	(54)	184	1	(116)	(59)	(20)	109	(194)
6	(5,435)	3,542	(3,021)	(23,051)	5,090	8,158	(3,745)	4,108	(27,965)	13,611
Option-based:										
Call swaptions										
7	3,240	(2,542)	1,824	14,720	(3,387)	(5,910)	2,285	(3,554)	17,242	(10,566)
8	(6)	27	(7)	—	117	94	(59)	96	14	248
Put swaptions										
9	(125)	72	22	(1,064)	45	1,002	(1,087)	363	(1,095)	323
10	3	(93)	154	92	13	(370)	107	(71)	156	(321)
11	24	(88)	95	732	25	(240)	13	(168)	763	(370)
12	3,136	(2,624)	2,088	14,480	(3,187)	(5,424)	1,259	(3,334)	17,080	(10,686)
13	647	(154)	(534)	(2,033)	28	(252)	(11)	(65)	(2,074)	(300)
14	1,237	(48)	(1,578)	(195)	(573)	583	238	(110)	(584)	138
15	511	(243)	280	(660)	(412)	140	(385)	(51)	(112)	(708)
16	4	10	(2)	15	1	(6)	—	1	27	(4)
17	—	(1)	(4)	1	(31)	9	—	2	(4)	(20)
18	—	—	(27)	—	—	—	—	12	(27)	12
19	100	482	(2,798)	(11,443)	916	3,208	(2,644)	563	(13,659)	2,043
Accrual of periodic settlements:										
Receive-fixed interest rate swaps <sup>(4)</sup>										
20	73	648	753	454	1,088	1,380	1,684	1,665	1,928	5,817
21	(477)	(1,118)	(1,128)	(759)	(1,942)	(2,269)	(2,847)	(2,906)	(3,482)	(9,964)
22	57	101	105	56	49	22	10	8	319	89
23	2	2	(12)	(52)	70	20	22	3	(60)	115
24	(345)	(367)	(282)	(301)	(735)	(847)	(1,131)	(1,230)	(1,295)	(3,943)
25	\$ (245)	\$ 115	\$(3,080)	\$(11,744)	\$ 181	\$ 2,361	\$(3,775)	\$ (667)	\$(14,954)	\$ (1,900)

- (1) Primarily represents purchased interest rate caps and floors, purchased put options on agency mortgage-related securities, as well as certain written options, including guarantees of stated final maturity of issued Structured Securities and written call options on agency mortgage-related securities.
- (2) Foreign-currency swaps are defined as swaps in which the net settlement is based on one leg calculated in a foreign-currency and the other leg calculated in U.S. dollars.
- (3) Relates to the bankruptcy of Lehman Brothers Holdings, Inc.
- (4) Includes imputed interest on zero-coupon swaps.

**FREDDIE MAC**  
**NON-INTEREST EXPENSE**  
**TABLE 5**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year	
									2008	2009
<b>Non-Interest Expense:</b>										
Administrative expenses:										
1	\$ 231	\$ 241	\$ 133	\$ 223	\$ 207	\$ 221	\$ 230	\$ 254	\$ 828	\$ 912
2	72	55	61	74	60	64	91	95	262	310
3	15	18	16	18	18	15	16	19	67	68
4	79	90	98	81	87	83	96	95	348	361
5	397	404	308	396	372	383	433	463	1,505	1,651
6	1,240	2,537	5,702	6,953	8,915	5,665	7,973	6,977	16,432	29,530
7	208	265	333	291	306	9	(96)	88	1,097	307
8	51	120	252	1,211	2,012	1,199	531	1,012	1,634	4,754
9	—	—	1,082	—	—	—	—	—	1,082	—
10	87	108	89	151	78	97	97	211	435	483
11	\$1,983	\$3,434	\$7,766	\$9,002	\$11,683	\$7,353	\$8,938	\$8,751	\$22,185	\$36,725

(1) In the third quarter of 2008, we partially reversed our short-term performance compensation that had been previously accrued during 2008.

(2) During the fourth quarter of 2009, we identified two errors in loss severity rate inputs used by our models to estimate our single-family loan loss reserves. These errors affected amounts previously reported. We have concluded that while these errors are not material to our previously issued consolidated financial statements for the first three quarters of 2009 or to our consolidated financial statements for the full year 2009, the cumulative impact of correcting these errors in the fourth quarter would have been material to the fourth quarter of 2009. We revised our previously reported results for the first three quarters of 2009 to correct these errors in the appropriate quarterly period. These revisions resulted in a net increase to the provision for credit losses in the amounts of \$124 million, \$466 million and \$396 million for the first, second and third quarters of 2009, respectively. Previously reported provision for credit losses were \$8,791 million, \$5,199 million and \$7,577 million for the first, second and third quarters of 2009, respectively. We will appropriately revise the 2009 results in each of our quarterly filings on Form 10-Q when next presented throughout 2010.

(3) In accordance with PC trust agreements, we manage the funds of the securitization trusts created for administration of remittances on our PCs. To the extent there is an investment loss related to these funds, we, as the administrator, make up the shortfall. We recognized losses during the third quarter of 2008 on investments made by Freddie Mac in Lehman Brothers Holdings, Inc., on the trusts' behalf.

**FREDDIE MAC**  
**CREDIT QUALITY INDICATORS**  
**TABLE 6**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year		
									2008	2009	
<b>Credit Enhancements:</b>											
1	Credit-enhanced percentage of new business purchases	25%	19%	23%	16%	8%	6%	7%	11%	21%	8%
2	Credit-enhanced percentage of total mortgage portfolio <sup>(1)</sup> (period end)	17%	18%	18%	18%	17%	17%	16%	16%	18%	16%
<b>Delinquencies (at period end):<sup>(2)(3)</sup></b>											
Single-family:											
<i>Non-credit-enhanced portfolio</i>											
3	Delinquency rate	0.54%	0.67%	0.87%	1.26%	1.73%	2.13%	2.57%	3.00%	1.26%	3.00%
4	Total number of delinquent loans	54,923	68,080	88,786	127,569	174,350	215,078	261,612	305,840	127,569	305,840
<i>Credit-enhanced portfolio</i>											
5	Delinquency rate	1.81%	2.10%	2.75%	3.79%	4.85%	5.82%	6.98%	8.17%	3.79%	8.17%
6	Total number of delinquent loans	39,942	47,216	62,729	85,719	107,427	125,257	147,637	168,903	85,719	168,903
<i>Total single-family portfolio</i>											
7	Delinquency rate	0.77%	0.93%	1.22%	1.72%	2.29%	2.78%	3.33%	3.87%	1.72%	3.87%
8	Total number of delinquent loans	94,865	115,296	151,515	213,288	281,777	340,335	409,249	474,743	213,288	474,743
Multifamily:											
9	Delinquency rate	0.01%	0.04%	0.01%	0.01%	0.09%	0.11%	0.11%	0.15%	0.01%	0.15%
10	Net carrying value of delinquent loans	\$ 7	\$ 34	\$ 12	\$ 12	\$ 81	\$ 102	\$ 104	\$ 147	\$ 12	\$ 147
<b>Foreclosure alternatives<sup>(3)(4)</sup> (number of units):</b>											
11	Repayment plans	12,387	10,691	10,270	8,714	10,459	7,409	7,728	8,129	42,062	33,725
12	Loan modifications <sup>(5)</sup>	4,246	4,687	8,456	17,695	24,623	15,603	9,013	15,805	35,084	65,044
13	Forbearance agreements	817	785	828	1,762	1,853	1,564	3,469	14,469	4,192	21,355
14	Pre-foreclosure sales	831	1,252	1,911	2,375	3,093	4,821	6,628	8,049	6,369	22,591
15	Total foreclosure alternatives <sup>(5)</sup>	18,281	17,415	21,465	30,546	40,028	29,397	26,838	46,452	87,707	142,715
<b>Non-performing assets<sup>(3)(6)</sup> (at period end):</b>											
16	Non-performing mortgage loans	\$ 20,485	\$ 25,234	\$ 32,628	\$ 45,087	\$ 60,795	\$ 73,951	\$ 87,991	\$ 100,896	\$ 45,087	\$ 100,896
17	REO assets, net	2,214	2,580	3,224	3,255	2,948	3,416	4,234	4,692	3,255	4,692
18	Total non-performing assets	\$ 22,699	\$ 27,814	\$ 35,852	\$ 48,342	\$ 63,743	\$ 77,367	\$ 92,225	\$ 105,588	\$ 48,342	\$ 105,588
<b>REO Operations Income (Expense):</b>											
19	Single-family	\$ (208)	\$ (265)	\$ (333)	\$ (291)	\$ (306)	\$ (1)	\$ 98	\$ (78)	\$ (1,097)	\$ (287)
20	Multifamily	—	—	—	—	—	(8)	(2)	(10)	—	(20)
21	Total	\$ (208)	\$ (265)	\$ (333)	\$ (291)	\$ (306)	\$ (9)	\$ 96	\$ (88)	\$ (1,097)	\$ (307)
<b>Loan Loss Reserves:<sup>(7)</sup></b>											
22	Beginning balance	\$ 2,822	\$ 3,872	\$ 5,813	\$ 10,220	\$ 15,618	\$ 22,802	\$ 25,787	\$ 30,564	\$ 2,822	\$ 15,618
23	Provision for credit losses <sup>(8)(9)</sup>	1,240	2,537	5,702	6,953	8,915	5,665	7,973	6,977	16,432	29,530
24	Charge-offs — single-family, net	(163)	(451)	(856)	(815)	(972)	(1,840)	(2,155)	(2,326)	(2,285)	(7,293)
25	Charge-offs — multifamily, net	—	—	(5)	(3)	(2)	(2)	(15)	(2)	(8)	(21)
26	Transfers, net	(27)	(145)	(434)	(737)	(757)	(838)	(1,026)	(1,356)	(1,343)	(3,977)
27	Ending balance <sup>(9)</sup>	\$ 3,872	\$ 5,813	\$ 10,220	\$ 15,618	\$ 22,802	\$ 25,787	\$ 30,564	\$ 33,857	\$ 15,618	\$ 33,857
<b>Total Credit Losses:<sup>(10)</sup></b>											
28	Total credit losses	\$ 528	\$ 810	\$ 1,275	\$ 1,154	\$ 1,320	\$ 1,916	\$ 2,156	\$ 2,509	\$ 3,767	\$ 7,901
29	Annualized credit losses / average total mortgage portfolio <sup>(11)</sup>	11.6 bp	17.3 bp	26.8 bp	24.1 bp	27.7 bp	39.8 bp	44.3 bp	51.1 bp	20.1 bp	40.8 bp

- (1) Based on the total mortgage portfolio, excluding 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 90 days or more delinquent or in foreclosure. Delinquencies exclude 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) Based on loans held by us on our consolidated balance sheet as well as those underlying our PCs, Structured Securities and other mortgage guarantees and excludes Structured Transactions and that portion of Structured Securities that is backed by Ginnie Mae Certificates. Also excludes securities and guarantees backed by state and local housing finance agencies.
- (4) For more information on our foreclosure alternatives and loss mitigation activities see "Item 7. — CREDIT RISKS — Loss Mitigation Activities" in our Form 10-K filed February 24, 2010.
- (5) Excludes 129,380 loans at December 31, 2009, that were in the trial period based on information provided by our servicers to the MHA Program administrator. See "Item 7. — CREDIT RISKS — Loss Mitigation Activities," in our Form 10-K filed February 24, 2010.
- (6) For more information on our non-performing assets see "Item 7. — CREDIT RISKS — Non-Performing Assets" in our Form 10-K filed February 24, 2010.
- (7) Loan loss reserves equals the sum of allowance for loan losses (consolidated balance sheets — Line 8) and reserve for guarantee losses on Participation Certificates (consolidated balance sheets — Line 24).
- (8) Provision for credit losses includes our provision for losses incurred on our mortgage loans held for investment, which are a component of our consolidated balance sheets, and our provision for guarantee losses incurred on mortgage loans underlying our issued PCs, Structured Securities and other mortgage-related financial guarantees.
- (9) During the fourth quarter of 2009, we identified two errors in loss severity rate inputs used by our models to estimate our single-family loan loss reserves. These errors affected amounts previously reported. We have concluded that while these errors are not material to our previously issued consolidated financial statements for the first three quarters of 2009 or to our consolidated financial statements for the full year 2009, the cumulative impact of correcting these errors in the fourth quarter would have been material to the fourth quarter of 2009. We revised our previously reported results for the first three quarters of 2009 to correct these errors in the appropriate quarterly period. These revisions resulted in a net increase to the provision for credit losses in the amounts of \$124 million, \$466 million and \$396 million for the first, second and third quarters of 2009, respectively, and a corresponding cumulative net increase to our loan loss reserves of \$124 million, \$590 million and \$986 million for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009, respectively. Previously reported provision for credit losses were \$8,791 million, \$5,199 million and \$7,577 million for the first, second and third quarters of 2009, respectively. We will appropriately revise the 2009 results in each of our quarterly filings on Form 10-Q when next presented throughout 2010.
- (10) Equal to REO operations income (expense) (Line 21) plus Charge-offs, net (Lines 24 and 25) plus amounts previously transferred to reduce the carrying value of loans purchased under financial guarantees. The previously transferred reserves totaled \$280 million and \$377 million for the twelve months ended December 31, 2009 and 2008, respectively. Excludes other market-based credit losses recognized on our consolidated statements of operations, including losses on loans purchased, losses on certain credit guarantees, securities administrator loss on investment activity and other-than-temporary impairments on our mortgage-related investments portfolio.
- (11) Calculated based on the average balance of mortgage loans in our mortgage-related investments portfolio and mortgage loans underlying our PCs and Structured Securities, excluding that portion of Structured Securities that is backed by Ginnie Mae Certificates.

**FREDDIE MAC**  
**SINGLE-FAMILY NON-CREDIT-ENHANCED DELINQUENCY AND FORECLOSURE ACTIVITY BY REGION<sup>(1)</sup>**

**TABLE 7**  
**(unaudited)**

Line:	4Q 2008		1Q 2009		2Q 2009		3Q 2009		4Q 2009		
	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	Number of Loans (in thousands)	Percent <sup>(3)</sup>	
<u>Northeast<sup>(2)</sup></u>											
1	Total number of loans	2,332	2,320	2,289	2,326	2,331					
2	Delinquent three or more payments	12	0.53%	16	0.69%	19	0.83%	25	1.06%	31	1.32%
3	Foreclosures approved and in-process	10	0.43%	14	0.60%	18	0.80%	22	0.94%	25	1.05%
4	Total delinquent loans	<u>22</u>	<u>0.96%</u>	<u>30</u>	<u>1.29%</u>	<u>37</u>	<u>1.63%</u>	<u>47</u>	<u>2.00%</u>	<u>56</u>	<u>2.37%</u>
<u>Southeast<sup>(2)</sup></u>											
5	Total number of loans	1,950	1,939	1,940	1,956	1,957					
6	Delinquent three or more payments	16	0.82%	20	1.03%	22	1.16%	28	1.42%	34	1.75%
7	Foreclosures approved and in-process	21	1.04%	28	1.46%	36	1.84%	42	2.14%	47	2.40%
8	Total delinquent loans	<u>37</u>	<u>1.86%</u>	<u>48</u>	<u>2.49%</u>	<u>58</u>	<u>3.00%</u>	<u>70</u>	<u>3.56%</u>	<u>81</u>	<u>4.15%</u>
<u>North Central<sup>(2)</sup></u>											
9	Total number of loans	2,289	2,270	2,268	2,281	2,274					
10	Delinquent three or more payments	11	0.49%	14	0.59%	17	0.74%	21	0.94%	25	1.11%
11	Foreclosures approved and in-process	11	0.49%	16	0.71%	18	0.81%	22	0.95%	25	1.10%
12	Total delinquent loans	<u>22</u>	<u>0.98%</u>	<u>30</u>	<u>1.30%</u>	<u>35</u>	<u>1.55%</u>	<u>43</u>	<u>1.89%</u>	<u>50</u>	<u>2.21%</u>
<u>Southwest<sup>(2)</sup></u>											
13	Total number of loans	1,361	1,351	1,349	1,363	1,367					
14	Delinquent three or more payments	5	0.40%	6	0.44%	7	0.51%	8	0.63%	10	0.76%
15	Foreclosures approved and in-process	4	0.28%	5	0.38%	6	0.45%	7	0.50%	8	0.57%
16	Total delinquent loans	<u>9</u>	<u>0.68%</u>	<u>11</u>	<u>0.82%</u>	<u>13</u>	<u>0.96%</u>	<u>15</u>	<u>1.13%</u>	<u>18</u>	<u>1.33%</u>
<u>West<sup>(2)</sup></u>											
17	Total number of loans	2,218	2,218	2,232	2,265	2,271					
18	Delinquent three or more payments	19	0.86%	26	1.16%	33	1.47%	43	1.92%	55	2.40%
19	Foreclosures approved and in-process	18	0.81%	29	1.34%	39	1.72%	44	1.93%	46	2.04%
20	Total delinquent loans	<u>37</u>	<u>1.67%</u>	<u>55</u>	<u>2.50%</u>	<u>72</u>	<u>3.19%</u>	<u>87</u>	<u>3.85%</u>	<u>101</u>	<u>4.44%</u>
<u>Total</u>											
21	Total number of loans	10,150	10,098	10,078	10,191	10,200					
22	Delinquent three or more payments	64	0.64%	82	0.80%	98	0.97%	126	1.24%	155	1.52%
23	Foreclosures approved and in-process	64	0.62%	92	0.93%	117	1.16%	136	1.33%	151	1.48%
24	Total delinquent loans	<u>128</u>	<u>1.26%</u>	<u>174</u>	<u>1.73%</u>	<u>215</u>	<u>2.13%</u>	<u>262</u>	<u>2.57%</u>	<u>306</u>	<u>3.00%</u>
25	90-day or more delinquency to REO, transition rate <sup>(4)</sup>		25.5%		24.8%		24.7%		20.0%		16.4%

(1) Includes single-family non-credit-enhanced mortgage loans in our mortgage-related investments portfolio and those underlying our guaranteed PCs and Structured Securities issued, but excluding Structured Transactions and that portion of Structured Securities backed by Ginnie Mae Certificates. Also excludes securities and guarantees backed by state and local housing finance agencies.

(2) Region Designation: Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA).

(3) Percentages are calculated based on loan counts.

(4) Calculated based on all loans that have been reported as 90 days or more delinquent or in foreclosure in the same quarter of the preceding year that have transitioned to REO. The rate excludes pre-foreclosure sale transactions.

**FREDDIE MAC**  
**REAL ESTATE OWNED (REO) ACTIVITY**  
**TABLE 8**  
**(unaudited)**

Line:	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	Full Year		
									2008	2009	
<b>Property Units, by Region:<sup>(1)</sup></b>											
Northeast											
1	Beginning Balance	1,474	2,119	2,429	2,793	2,753	2,636	3,180	3,832	1,474	2,753
2	Properties Acquired	1,267	1,310	1,485	1,063	1,123	1,827	2,103	2,476	5,125	7,529
3	Properties Disposed	(622)	(1,000)	(1,121)	(1,103)	(1,240)	(1,283)	(1,451)	(1,689)	(3,846)	(5,663)
4	Ending Property Inventory	<u>2,119</u>	<u>2,429</u>	<u>2,793</u>	<u>2,753</u>	<u>2,636</u>	<u>3,180</u>	<u>3,832</u>	<u>4,619</u>	<u>2,753</u>	<u>4,619</u>
Southeast											
5	Beginning Balance	2,686	3,259	3,924	4,851	5,172	5,689	6,496	7,660	2,686	5,172
6	Properties Acquired	1,983	2,614	3,231	2,897	3,555	4,441	5,332	5,927	10,725	19,255
7	Properties Disposed	(1,410)	(1,949)	(2,304)	(2,576)	(3,038)	(3,634)	(4,168)	(4,838)	(8,239)	(15,678)
8	Ending Property Inventory	<u>3,259</u>	<u>3,924</u>	<u>4,851</u>	<u>5,172</u>	<u>5,689</u>	<u>6,496</u>	<u>7,660</u>	<u>8,749</u>	<u>5,172</u>	<u>8,749</u>
North Central											
9	Beginning Balance	6,121	7,113	7,763	9,050	9,251	8,527	10,901	12,915	6,121	9,251
10	Properties Acquired	3,137	3,445	3,995	3,101	2,754	6,143	5,743	5,306	13,678	19,946
11	Properties Disposed	(2,145)	(2,795)	(2,708)	(2,900)	(3,478)	(3,769)	(3,729)	(4,573)	(10,548)	(15,549)
12	Ending Property Inventory	<u>7,113</u>	<u>7,763</u>	<u>9,050</u>	<u>9,251</u>	<u>8,527</u>	<u>10,901</u>	<u>12,915</u>	<u>13,648</u>	<u>9,251</u>	<u>13,648</u>
Southwest											
13	Beginning Balance	2,230	2,545	2,651	2,924	2,761	2,875	3,329	4,063	2,230	2,761
14	Properties Acquired	1,370	1,465	1,616	1,235	1,659	2,094	2,540	2,649	5,686	8,942
15	Properties Disposed	(1,055)	(1,359)	(1,343)	(1,398)	(1,545)	(1,640)	(1,806)	(2,151)	(5,155)	(7,142)
16	Ending Property Inventory	<u>2,545</u>	<u>2,651</u>	<u>2,924</u>	<u>2,761</u>	<u>2,875</u>	<u>3,329</u>	<u>4,063</u>	<u>4,561</u>	<u>2,761</u>	<u>4,561</u>
West											
17	Beginning Balance	1,883	3,383	5,262	8,474	9,409	9,424	10,800	12,670	1,883	9,409
18	Properties Acquired	2,182	3,576	5,556	4,003	4,898	7,493	8,657	8,392	15,317	29,440
19	Properties Disposed	(682)	(1,697)	(2,344)	(3,068)	(4,883)	(6,117)	(6,787)	(7,587)	(7,791)	(25,374)
20	Ending Property Inventory	<u>3,383</u>	<u>5,262</u>	<u>8,474</u>	<u>9,409</u>	<u>9,424</u>	<u>10,800</u>	<u>12,670</u>	<u>13,475</u>	<u>9,409</u>	<u>13,475</u>
Total											
21	Beginning Balance	14,394	18,419	22,029	28,092	29,346	29,151	34,706	41,140	14,394	29,346
22	Properties Acquired	9,939	12,410	15,883	12,299	13,989	21,998	24,375	24,750	50,531	85,112
23	Properties Disposed	(5,914)	(8,800)	(9,820)	(11,045)	(14,184)	(16,443)	(17,941)	(20,838)	(35,579)	(69,406)
24	Ending Property Inventory	<u>18,419</u>	<u>22,029</u>	<u>28,092</u>	<u>29,346</u>	<u>29,151</u>	<u>34,706</u>	<u>41,140</u>	<u>45,052</u>	<u>29,346</u>	<u>45,052</u>
<b>REO Balance, net (dollars in millions)</b>											
Single-family property, by region <sup>(1)</sup> :											
25	Northeast	\$ 358	\$ 381	\$ 402	\$ 374	\$ 337	\$ 400	\$ 495	\$ 598	\$ 374	\$ 598
26	Southeast	330	373	451	460	459	521	668	771	460	771
27	North Central	619	636	715	720	634	796	980	1,041	720	1,041
28	Southwest	253	253	266	255	261	307	392	449	255	449
29	West	654	937	1,365	1,399	1,217	1,357	1,654	1,802	1,399	1,802
30	Total single-family property	<u>2,214</u>	<u>2,580</u>	<u>3,199</u>	<u>3,208</u>	<u>2,908</u>	<u>3,381</u>	<u>4,189</u>	<u>4,661</u>	<u>3,208</u>	<u>4,661</u>
31	Total multifamily property	<u>—</u>	<u>—</u>	<u>24</u>	<u>47</u>	<u>40</u>	<u>35</u>	<u>45</u>	<u>31</u>	<u>47</u>	<u>31</u>
32	Total REO Balance, net	<u>\$ 2,214</u>	<u>\$ 2,580</u>	<u>\$ 3,223</u>	<u>\$ 3,255</u>	<u>\$ 2,948</u>	<u>\$ 3,416</u>	<u>\$ 4,234</u>	<u>\$ 4,692</u>	<u>\$ 3,255</u>	<u>\$ 4,692</u>

(1) Region Designation: Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY); West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA).