

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

Line:								Nine Months Ended September 30,	
	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	2008	2009
<b>Net Interest Income:</b>									
1	\$ 798	\$ 1,529	\$ 1,844	\$ 2,625	\$ 3,859	\$ 4,255	\$ 4,462	\$ 4,171	\$ 12,576
2	107	105	98	94	102	99	95	310	296
3	\$ 905	\$ 1,634	\$ 1,942	\$ 2,719	\$ 3,961	\$ 4,354	\$ 4,557	\$ 4,481	\$ 12,872
<b>Average Balances:</b>									
4	\$ 84,291	\$ 89,813	\$ 95,174	\$105,316	\$118,555	\$127,863	\$129,721	\$ 89,760	\$125,379
5	628,721	664,727	676,197	677,379	698,464	702,693	663,744	656,548	688,301
6	713,012	754,540	771,371	782,695	817,019	830,556	793,465	746,308	813,680
7	30,565	26,935	11,658	9,869	11,197	16,594	19,282	23,053	15,691
8	8,891	27,126	35,735	40,799	49,932	57,401	48,403	23,917	51,912
9	14,435	20,660	29,379	27,599	33,605	29,542	29,256	21,491	30,801
10	766,903	829,261	848,143	860,962	911,753	934,093	890,406	814,769	912,084
11	204,650	240,119	241,150	292,357	362,566	293,475	256,324	228,640	304,122
12	538,295	569,443	589,377	547,931	521,151	582,998	570,863	565,705	558,337
13	742,945	809,562	830,527	840,288	883,717	876,473	827,187	794,345	862,459
14	23,958	19,699	17,616	20,674	28,036	57,620	63,219	20,424	49,625
15	\$766,903	\$829,261	\$848,143	\$860,962	\$911,753	\$934,093	\$890,406	\$814,769	\$912,084
<b>Yield/Cost:</b>									
16	5.90%	5.88%	5.72%	5.49%	5.33%	5.38%	5.37%	5.83%	5.36%
17	5.17	5.04	5.08	5.41	5.02	4.69	4.78	5.10	4.83
18	5.26	5.14	5.16	5.42	5.06	4.79	4.88	5.19	4.91
19	4.10	3.31	4.40	5.67	7.53	6.96	2.99	3.84	5.47
20	3.90	2.60	2.51	1.17	0.61	0.42	0.28	2.72	0.44
21	3.31	2.29	2.18	0.36	0.22	0.17	0.15	2.47	0.18
22	5.16	4.93	4.93	5.06	4.67	4.42	4.43	5.00	4.51
23	(3.95)	(2.70)	(2.38)	(2.21)	(1.24)	(0.77)	(0.51)	(2.96)	(0.88)
24	(4.99)	(4.71)	(4.60)	(4.59)	(4.12)	(3.57)	(3.35)	(4.76)	(3.67)
25	(4.70)	(4.11)	(3.96)	(3.76)	(2.94)	(2.63)	(2.48)	(4.24)	(2.68)
26	(0.18)	(0.17)	(0.18)	(0.15)	(0.13)	(0.13)	(0.13)	(0.17)	(0.13)
27	0.15	0.10	0.09	0.09	0.09	0.17	0.19	0.11	0.15
28	(4.73)	(4.18)	(4.05)	(3.82)	(2.98)	(2.59)	(2.42)	(4.30)	(2.66)
29	0.43	0.75	0.88	1.24	1.69	1.83	2.01	0.70	1.85
30	0.05	0.05	0.05	0.04	0.05	0.04	0.04	0.05	0.04
31	0.48%	0.80%	0.93%	1.28%	1.74%	1.87%	2.05%	0.75%	1.89%

- (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	Nine Months Ended September 30,	
								2008	2009
<b>Net Interest Income:</b>									
1	\$1,511	\$2,267	\$2,529	\$2,694	\$4,046	\$4,874	\$4,990	\$ 6,307	\$13,910
2									
3	—	—	81	470	715	253	114	81	1,082
4	(58)	(90)	(135)	24	(385)	(391)	(173)	(283)	(949)
5	(326)	(305)	(269)	(248)	(217)	(199)	(191)	(900)	(607)
6	(384)	(395)	(323)	246	113	(337)	(250)	(1,102)	(474)
7									
8	(327)	(307)	(308)	(315)	(300)	(282)	(278)	(942)	(860)
9	(2)	(36)	(54)	—	—	—	—	(92)	—
10	(2)	(36)	(54)	—	—	—	—	(92)	—
11	(329)	(343)	(362)	(315)	(300)	(282)	(278)	(1,034)	(860)
12	798	1,529	1,844	2,625	3,859	4,255	4,462	4,171	12,576
	107	105	98	94	102	99	95	310	296
	\$ 905	\$1,634	\$1,942	\$2,719	\$3,961	\$4,354	\$4,557	\$ 4,481	\$12,872

- (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.
- (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	Nine Months Ended September 30,	
								2008	2009
<b>Non-Interest Income (Loss):</b>									
1 Management and guarantee income	\$ 789	\$ 757	\$ 832	\$ 992	\$ 780	\$ 710	\$ 800	\$ 2,378	\$ 2,290
2 Gains (losses) on guarantee asset	(1,394)	1,114	(1,722)	(5,089)	(156)	1,817	580	(2,002)	2,241
3 Income on guarantee obligation	1,169	769	783	2,105	910	961	814	2,721	2,685
Derivative gains (losses):									
Foreign-currency denominated derivatives gains (losses): <sup>(1)</sup>									
4 Foreign-currency swaps gains (losses)	1,237	(48)	(1,578)	(195)	(573)	583	238	(389)	248
5 Receive-fixed swaps — foreign-currency denominated gains (losses)	193	(490)	228	558	187	(63)	(2)	(69)	122
6 U.S. dollar denominated derivatives gains (losses)	(1,330)	1,020	(1,448)	(11,806)	1,302	2,688	(2,880)	(1,758)	1,110
7 Accrual of periodic settlements	(345)	(367)	(282)	(301)	(735)	(847)	(1,131)	(994)	(2,713)
8 Total derivative gains (losses)	(245)	115	(3,080)	(11,744)	181	2,361	(3,775)	(3,210)	(1,233)
Gains (losses) on investments:									
9 Gains (losses) on trading securities	971	(2,279)	(932)	3,195	2,131	622	2,211	(2,240)	4,964
10 Gains (losses) on sale of mortgage loans	71	(5)	31	20	151	143	282	97	576
11 Gains (losses) on sale of available-for-sale securities	215	38	287	6	51	205	473	540	729
Impairment-related <sup>(2)</sup> :									
12 Total other-than-temporary impairment of available-for-sale securities	(71)	(1,040)	(9,106)	(7,465)	(7,130)	(10,473)	(4,199)	(10,217)	(21,802)
13 Portion of other-than-temporary impairment recognized in AOCI	—	—	—	—	—	8,260	3,012	—	11,272
14 Net impairment of available-for-sale securities recognized in earnings	(71)	(1,040)	(9,106)	(7,465)	(7,130)	(2,213)	(1,187)	(10,217)	(10,530)
15 Lower-of-cost-or-fair-value adjustments	33	(41)	(20)	(2)	(129)	(102)	(360)	(28)	(591)
16 Gains (losses) on mortgage loans elected at fair value	—	—	(7)	(7)	(18)	(71)	(1)	(7)	(90)
17 Total gains (losses) on investments	1,219	(3,327)	(9,747)	(4,253)	(4,944)	(1,416)	1,418	(11,855)	(4,942)
Gains (losses) on debt recorded at fair value: <sup>(1)</sup>									
18 Translation gains (losses)	(1,214)	88	1,665	171	580	(655)	(240)	539	(315)
19 Market value adjustments	(171)	481	(165)	(449)	(113)	(142)	2	145	(253)
20 Total gains (losses) on debt recorded at fair value	(1,385)	569	1,500	(278)	467	(797)	(238)	684	(568)
21 Gains (losses) on debt retirement	305	(29)	36	(103)	(104)	(156)	(215)	312	(475)
22 Recoveries on loans impaired upon purchase	226	121	91	57	50	70	109	438	229
23 Low-income housing tax credit partnerships	(117)	(108)	(121)	(107)	(106)	(167)	(479)	(346)	(752)
24 Trust management income (expense)	3	(19)	4	(58)	(207)	(238)	(155)	(12)	(600)
25 Other income	44	94	21	36	41	70	59	159	170
26 Total non-interest income (loss)	\$ 614	\$ 56	\$(11,403)	\$(18,442)	\$(3,088)	\$ 3,215	\$(1,082)	\$(10,733)	\$ (955)

- (1) On January 1, 2008 we adopted the accounting standards on the fair value option for financial assets and financial liabilities (FASB ASC 825-10-15-4). We initially elected the fair value option for our foreign-currency denominated debt. Due to this election, foreign currency exposure is a component of gains (losses) on debt recorded at fair value. We use a combination of foreign-currency swaps and foreign-currency denominated receive-fixed swaps to hedge the changes in fair value of our foreign-currency denominated debt related to fluctuations in exchange rates and interest rates.
- (2) We adopted an amendment to the accounting standards for investments in debt and equity securities (FASB ASC 320-10-65-1) effective April 1, 2009. See "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — Change in Accounting Principles" 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	Nine Months Ended September 30,	
								2008	2009
<b>Management and Guarantee Income:</b>									
1	\$ 757	\$ 778	\$ 796	\$ 793	\$ 782	\$ 776	\$ 765	\$ 2,331	\$ 2,323
2	32	(21)	36	199	(2)	(66)	35	47	(33)
3	\$ 789	\$ 757	\$ 832	\$ 992	\$ 780	\$ 710	\$ 800	\$ 2,378	\$ 2,290
4	17.4 bp	17.5 bp	17.6 bp	17.5 bp	17.4 bp	17.3 bp	16.8 bp	17.5 bp	17.2 bp
5	0.8	(0.5)	0.8	4.4	0.0	(1.5)	0.8	0.4	(0.3)
6	18.2 bp	17.0 bp	18.4 bp	21.9 bp	17.4 bp	15.8 bp	17.6 bp	17.9 bp	16.9 bp
7	\$ 379	\$ 403	\$ 371	\$ 176	\$ 181	\$ 250	\$ 218	\$ 371	\$ 218
<b>Gains (Losses) on Guarantee Asset:</b>									
8	\$ (689)	\$ (720)	\$ (730)	\$ (732)	\$ (733)	\$ (731)	\$ (729)	\$ (2,139)	\$ (2,193)
9	215	243	299	364	249	251	235	757	735
10	(474)	(477)	(431)	(368)	(484)	(480)	(494)	(1,382)	(1,458)
11	(920)	1,591	(1,291)	(4,721)	328	2,297	1,074	(620)	3,699
12	\$ (1,394)	\$ 1,114	\$ (1,722)	\$ (5,089)	\$ (156)	\$ 1,817	\$ 580	\$ (2,002)	\$ 2,241
<b>Changes in Guarantee Asset:</b>									
13	\$ 9,591	\$ 9,134	\$ 11,019	\$ 9,679	\$ 4,847	\$ 5,026	\$ 7,576	\$ 9,591	\$ 4,847
14	937	858	382	262	339	741	566	2,177	1,646
15	—	(87)	—	(5)	(4)	(8)	—	(87)	(12)
16	(1,394)	1,114	(1,722)	(5,089)	(156)	1,817	580	(2,002)	2,241
17	\$ 9,134	\$ 11,019	\$ 9,679	\$ 4,847	\$ 5,026	\$ 7,576	\$ 8,722	\$ 9,679	\$ 8,722
<b>Changes in Guarantee Obligation:</b>									
18	\$ 13,712	\$ 13,669	\$ 14,022	\$ 13,874	\$ 12,098	\$ 11,759	\$ 11,956	\$ 13,712	\$ 12,098
19	1,132	1,255	638	341	584	1,177	1,075	3,025	2,836
20	(6)	(133)	(3)	(12)	(13)	(19)	(2)	(142)	(34)
21	(1,169)	(769)	(783)	(2,105)	(910)	(961)	(814)	(2,721)	(2,685)
22	\$ 13,669	\$ 14,022	\$ 13,874	\$ 12,098	\$ 11,759	\$ 11,956	\$ 12,215	\$ 13,874	\$ 12,215

(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	Nine Months Ended September 30,	
								2008	2009
<b>Derivative Gains (Losses):</b>									
Interest rate swaps:									
Receive-fixed swaps									
1	\$ 193	\$ (490)	\$ 228	\$ 558	\$ 187	\$ (63)	\$ (2)	\$ (69)	\$ 122
2	9,503	(7,204)	2,101	25,332	(1,803)	(10,187)	4,539	4,400	(7,451)
3	9,696	(7,694)	2,329	25,890	(1,616)	(10,250)	4,537	4,331	(7,329)
4	(15,133)	11,259	(5,296)	(49,125)	6,705	18,524	(8,223)	(9,170)	17,006
5	2	(23)	(54)	184	1	(116)	(59)	(75)	(174)
6	(5,435)	3,542	(3,021)	(23,051)	5,090	8,158	(3,745)	(4,914)	9,503
Option-based:									
Call swaptions									
7	3,240	(2,542)	1,824	14,720	(3,387)	(5,910)	2,285	2,522	(7,012)
8	(6)	27	(7)	—	117	94	(59)	14	152
Put swaptions									
9	(125)	72	22	(1,064)	45	1,002	(1,087)	(31)	(40)
10	3	(93)	154	92	13	(370)	107	64	(250)
11	24	(88)	95	732	25	(240)	13	31	(202)
12	3,136	(2,624)	2,088	14,480	(3,187)	(5,424)	1,259	2,600	(7,352)
13	647	(154)	(534)	(2,033)	28	(252)	(11)	(41)	(235)
14	1,237	(48)	(1,578)	(195)	(573)	583	238	(389)	248
15	511	(243)	280	(660)	(412)	140	(385)	548	(657)
16	4	10	(2)	15	1	(6)	—	12	(5)
17	—	(1)	(4)	1	(31)	9	—	(5)	(22)
18	—	—	(27)	—	—	—	—	(27)	—
19	100	482	(2,798)	(11,443)	916	3,208	(2,644)	(2,216)	1,480
Accrual of periodic settlements:									
20	73	648	753	454	1,088	1,380	1,684	1,474	4,152
21	(477)	(1,118)	(1,128)	(759)	(1,942)	(2,269)	(2,847)	(2,723)	(7,058)
22	57	101	105	56	49	22	10	263	81
23	2	2	(12)	(52)	70	20	22	(8)	112
24	(345)	(367)	(282)	(301)	(735)	(847)	(1,131)	(994)	(2,713)
25	\$ (245)	\$ 115	\$(3,080)	\$(11,744)	\$ 181	\$ 2,361	\$(3,775)	\$(3,210)	\$ (1,233)

(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. for both the three and nine months ended September 30, 2008.

(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	Nine Months Ended September 30,	
								2008	2009
<b>Non-Interest Expense:</b>									
	Administrative expenses:								
1	\$ 231	\$ 241	\$ 133	\$ 223	\$ 207	\$ 221	\$ 230	\$ 605	\$ 658
2	72	55	61	74	60	64	91	188	215
3	15	18	16	18	18	15	16	49	49
4	79	90	98	81	87	83	96	267	266
5	397	404	308	396	372	383	433	1,109	1,188
6	1,240	2,537	5,702	6,953	8,791	5,199	7,577	9,479	21,567
7									
8	208	265	333	291	306	9	(96)	806	219
9	51	120	252	1,211	2,012	1,199	531	423	3,742
10	—	—	1,082	—	—	—	—	1,082	—
11	87	108	89	151	78	97	97	284	272
	\$1,983	\$3,434	\$7,766	\$9,002	\$11,559	\$6,887	\$8,542	\$13,183	\$26,988

(1) In the third quarter of 2008, we partially reversed our short-term performance compensation that had been previously accrued. Thereafter, we incurred short-term compensation at a reduced rate.

(2) 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 loans made to 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	Nine Months Ended September 30,	
								2008	2009
<b>Credit Enhancements:</b>									
1	25%	19%	23%	16%	8%	6%	7%	22%	7%
2	17%	18%	18%	18%	17%	17%	16%	18%	16%
<b>Delinquencies (at period end):<sup>(2)(3)</sup></b>									
<i>Single-family:</i>									
<i>Non-credit-enhanced portfolio</i>									
3	0.54%	0.67%	0.87%	1.26%	1.73%	2.13%	2.57%	0.87%	2.57%
4	54,923	68,080	88,786	127,569	174,350	215,078	261,612	88,786	261,612
<i>Credit-enhanced portfolio</i>									
5	1.81%	2.10%	2.75%	3.79%	4.85%	5.82%	6.98%	2.75%	6.98%
6	39,942	47,216	62,729	85,719	107,427	125,257	147,637	62,729	147,637
<i>Total single-family portfolio</i>									
7	0.77%	0.93%	1.22%	1.72%	2.29%	2.78%	3.33%	1.22%	3.33%
8	94,865	115,296	151,515	213,288	281,777	340,335	409,249	151,515	409,249
<i>Multifamily:</i>									
9	0.01%	0.04%	0.01%	0.01%	0.09%	0.11%	0.11%	0.01%	0.11%
10	\$ 7	\$ 34	\$ 12	\$ 12	\$ 81	\$ 102	\$ 104	\$ 12	\$ 104
<b>Foreclosure alternatives<sup>(3)(4)</sup> (number of units):</b>									
11	12,387	10,691	10,270	8,714	10,459	7,409	7,728	33,348	25,596
12	4,246	4,687	8,456	17,695	24,623	15,603	9,013	17,389	49,239
13	817	785	828	1,762	1,853	1,564	3,469	2,430	6,886
14	831	1,252	1,911	2,375	3,093	4,821	6,628	3,994	14,542
15	18,281	17,415	21,465	30,546	40,028	29,397	26,838	57,161	96,263
<b>Non-performing assets<sup>(3)(6)</sup> (at period end):</b>									
16	\$ 20,485	\$ 25,234	\$ 32,628	\$ 45,087	\$ 60,795	\$ 73,951	\$ 87,991	\$ 32,628	\$ 87,991
17	2,214	2,580	3,224	3,255	2,948	3,416	4,234	3,224	4,234
18	\$ 22,699	\$ 27,814	\$ 35,852	\$ 48,342	\$ 63,743	\$ 77,367	\$ 92,225	\$ 35,852	\$ 92,225
<b>REO Operations Income (Expense):</b>									
19	\$ (208)	\$ (265)	\$ (333)	\$ (291)	\$ (306)	\$ (1)	\$ 98	\$ (806)	\$ (209)
20	—	—	—	—	—	(8)	(2)	—	(10)
21	\$ (208)	\$ (265)	\$ (333)	\$ (291)	\$ (306)	\$ (9)	\$ 96	\$ (806)	\$ (219)
<b>Loan Loss Reserves:<sup>(7)</sup></b>									
22	\$ 2,822	\$ 3,872	\$ 5,813	\$ 10,220	\$ 15,618	\$ 22,678	\$ 25,197	\$ 2,822	\$ 15,618
23	1,240	2,537	5,702	6,953	8,791	5,199	7,577	9,479	21,567
24	(163)	(451)	(856)	(815)	(972)	(1,840)	(2,155)	(1,470)	(4,967)
25	—	—	(5)	(3)	(2)	(2)	(15)	(5)	(19)
26	(27)	(145)	(434)	(737)	(757)	(838)	(1,026)	(606)	(2,621)
27	\$ 3,872	\$ 5,813	\$ 10,220	\$ 15,618	\$ 22,678	\$ 25,197	\$ 29,578	\$ 10,220	\$ 29,578
<b>Total Credit Losses:<sup>(9)</sup></b>									
28	\$ 528	\$ 810	\$ 1,275	\$ 1,154	\$ 1,320	\$ 1,916	\$ 2,156	\$ 2,613	\$ 5,392
29	11.6 bp	17.3 bp	26.8 bp	24.1 bp	27.7 bp	39.8 bp	44.3 bp	18.7 bp	37.3 bp

- (1) Based on the total mortgage portfolio, excluding Freddie Mac Structured Transactions, 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. Foreclosure alternative information excludes Structured Transactions and that portion of Structured Securities that is backed by Ginnie Mae Certificates.
- (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 March 11, 2009.
- (5) Excludes 88,668 loans at September 30, 2009, that were in the trial period based on information provided by our servicers to the MHA Program administrator. See "Item 2. — CREDIT RISKS — Loss Mitigation Activities," in our Form 10-Q filed November 6, 2009.
- (6) For more information on our non-performing assets see "Item 7. — CREDIT RISKS — Non-Performing Assets" in our Form 10-K filed March 11, 2009.
- (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 mortgage-related investments portfolio, and our provision for guarantee losses incurred on mortgage loans underlying our issued PCs, Structured Securities and other mortgage-related financial guarantees.
- (9) 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 \$187 million and \$332 million for the nine months ended September 30, 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.
- (10) 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:	3Q 2008		4Q 2008		1Q 2009		2Q 2009		3Q 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>
<b>Northeast<sup>(2)</sup></b>										
1	Total number of loans		2,341	2,332	2,320	2,289	2,326			
2	8	0.35%	12	0.53%	16	0.69%	19	0.83%	25	1.06%
3	8	0.34%	10	0.43%	14	0.60%	18	0.80%	22	0.94%
4	<u>16</u>	<u>0.69%</u>	<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>
<b>Southeast<sup>(2)</sup></b>										
5	Total number of loans		1,955	1,950	1,939	1,940	1,956			
6	10	0.50%	16	0.82%	20	1.03%	22	1.16%	28	1.42%
7	16	0.81%	21	1.04%	28	1.46%	36	1.84%	42	2.14%
8	<u>26</u>	<u>1.31%</u>	<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>
<b>North Central<sup>(2)</sup></b>										
9	Total number of loans		2,305	2,289	2,270	2,268	2,281			
10	8	0.32%	11	0.49%	14	0.59%	17	0.74%	21	0.94%
11	9	0.40%	11	0.49%	16	0.71%	18	0.81%	22	0.95%
12	<u>17</u>	<u>0.72%</u>	<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>
<b>Southwest<sup>(2)</sup></b>										
13	Total number of loans		1,364	1,361	1,351	1,349	1,363			
14	3	0.24%	5	0.40%	6	0.44%	7	0.51%	8	0.63%
15	3	0.22%	4	0.28%	5	0.38%	6	0.45%	7	0.50%
16	<u>6</u>	<u>0.46%</u>	<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>
<b>West<sup>(2)</sup></b>										
17	Total number of loans		2,212	2,218	2,218	2,232	2,265			
18	11	0.50%	19	0.86%	26	1.16%	33	1.47%	43	1.92%
19	13	0.58%	18	0.81%	29	1.34%	39	1.72%	44	1.93%
20	<u>24</u>	<u>1.08%</u>	<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>
<b>Total</b>										
21	Total number of loans		10,177	10,150	10,098	10,078	10,191			
22	40	0.39%	64	0.64%	82	0.80%	98	0.97%	126	1.24%
23	49	0.48%	64	0.62%	92	0.93%	117	1.16%	136	1.33%
24	<u>89</u>	<u>0.87%</u>	<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>
25	90-day or more delinquency to REO, transition rate <sup>(4)</sup>		25.4%	25.5%	24.8%	24.7%	20.0%			

- (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.
- (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 other dispositions that can result in a loss, such as short-sales and deed-in-lieu 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	Nine Months Ended September 30,		
								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	1,474	2,753
2	Properties Acquired	1,267	1,310	1,485	1,063	1,123	1,827	2,103	4,062	5,053
3	Properties Disposed	(622)	(1,000)	(1,121)	(1,103)	(1,240)	(1,283)	(1,451)	(2,743)	(3,974)
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>2,793</u>	<u>3,832</u>
Southeast										
5	Beginning Balance	2,686	3,259	3,924	4,851	5,172	5,689	6,496	2,686	5,172
6	Properties Acquired	1,983	2,614	3,231	2,897	3,555	4,441	5,332	7,828	13,328
7	Properties Disposed	(1,410)	(1,949)	(2,304)	(2,576)	(3,038)	(3,634)	(4,168)	(5,663)	(10,840)
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>4,851</u>	<u>7,660</u>
North Central										
9	Beginning Balance	6,121	7,113	7,763	9,050	9,251	8,527	10,901	6,121	9,251
10	Properties Acquired	3,137	3,445	3,995	3,101	2,754	6,143	5,743	10,577	14,640
11	Properties Disposed	(2,145)	(2,795)	(2,708)	(2,900)	(3,478)	(3,769)	(3,729)	(7,648)	(10,976)
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>9,050</u>	<u>12,915</u>
Southwest										
13	Beginning Balance	2,230	2,545	2,651	2,924	2,761	2,875	3,329	2,230	2,761
14	Properties Acquired	1,370	1,465	1,616	1,235	1,659	2,094	2,540	4,451	6,293
15	Properties Disposed	(1,055)	(1,359)	(1,343)	(1,398)	(1,545)	(1,640)	(1,806)	(3,757)	(4,991)
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>2,924</u>	<u>4,063</u>
West										
17	Beginning Balance	1,883	3,383	5,262	8,474	9,409	9,424	10,800	1,883	9,409
18	Properties Acquired	2,182	3,576	5,556	4,003	4,898	7,493	8,657	11,314	21,048
19	Properties Disposed	(682)	(1,697)	(2,344)	(3,068)	(4,883)	(6,117)	(6,787)	(4,723)	(17,787)
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>8,474</u>	<u>12,670</u>
Total										
21	Beginning Balance	14,394	18,419	22,029	28,092	29,346	29,151	34,706	14,394	29,346
22	Properties Acquired	9,939	12,410	15,883	12,299	13,989	21,998	24,375	38,232	60,362
23	Properties Disposed	(5,914)	(8,800)	(9,820)	(11,045)	(14,184)	(16,443)	(17,941)	(24,534)	(48,568)
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>28,092</u>	<u>41,140</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	\$ 402	\$ 495
26	Southeast	330	373	451	460	459	521	668	451	668
27	North Central	619	636	715	720	634	796	980	715	980
28	Southwest	253	253	266	255	261	307	392	266	392
29	West	654	937	1,365	1,399	1,217	1,357	1,654	1,365	1,654
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>3,199</u>	<u>4,189</u>
31	Total multifamily property	—	—	24	47	40	35	45	24	45
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>\$ 3,223</u>	<u>\$ 4,234</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).