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**FREDDIE MAC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

| Line: | Three Months Ended<br>September 30,                               |             | Nine Months Ended<br>September 30, |             |
|-------|---|-------------|------------------------------------|-------------|
|       | 2009  | 2008        | 2009                               | 2008        |
|       | (dollars in millions, except<br>share-related amounts)            |             |                                    |             |
|       | <i>Interest income</i>  |             |                                    |             |
| 1     | \$ 8,080  | \$ 8,718    | \$ 25,574                          | \$ 25,767   |
| 2     | 1,740   | 1,361       | 5,041                              | 3,924       |
| 3     | 45  | 390         | 214                                | 894         |
| 4     | <i>Total interest income</i>                                      | 10,469      | 30,829                             | 30,585      |
|       | <i>Interest expense</i>   |             |                                    |             |
| 5     | (333)   | (1,468)     | (2,026)                            | (5,149)     |
| 6     | (4,792)   | (6,795)     | (15,367)                           | (20,231)    |
| 7     | (5,125)   | (8,263)     | (17,393)                           | (25,380)    |
| 8     | (278)   | (362)       | (860)                              | (1,034)     |
| 9     | <i>Net interest income</i>  | 1,844       | 12,576                             | 4,171       |
|       | <i>Non-interest income (loss)</i>                                 |             |                                    |             |
| 10    | 800   | 832         | 2,290                              | 2,378       |
| 11    | 580   | (1,722)     | 2,241                              | (2,002)     |
| 12    | 814   | 783         | 2,685                              | 2,721       |
| 13    | (3,775)   | (3,080)     | (1,233)                            | (3,210)     |
|       | <i>Gains (losses) on investments:</i>                             |             |                                    |             |
|       | <i>Impairment-related:</i>  |             |                                    |             |
| 14    | (4,199)   | (9,106)     | (21,802)                           | (10,217)    |
| 15    | 3,012   | —           | 11,272                             | —           |
| 16    | (1,187)   | (9,106)     | (10,530)                           | (10,217)    |
| 17    | 2,605   | (641)       | 5,588                              | (1,638)     |
| 18    | 1,418   | (9,747)     | (4,942)                            | (11,855)    |
| 19    | (238)   | 1,500       | (568)                              | 684         |
| 20    | (215)   | 36          | (475)                              | 312         |
| 21    | 109   | 91          | 229                                | 438         |
| 22    | (479)   | (121)       | (752)                              | (346)       |
| 23    | (155)   | 4           | (600)                              | (12)        |
| 24    | 59  | 21          | 170                                | 159         |
| 25    | <i>Non-interest income (loss)</i>                                 | (11,403)    | (955)                              | (10,733)    |
|       | <i>Non-interest expense</i>                                       |             |                                    |             |
| 26    | (230)   | (133)       | (658)                              | (605)       |
| 27    | (91)  | (61)        | (215)                              | (188)       |
| 28    | (16)  | (16)        | (49)                               | (49)        |
| 29    | (96)  | (98)        | (266)                              | (267)       |
| 30    | (433)   | (308)       | (1,188)                            | (1,109)     |
| 31    | (7,577)   | (5,702)     | (21,567)                           | (9,479)     |
| 32    | 96  | (333)       | (219)                              | (806)       |
| 33    | (531)   | (252)       | (3,742)                            | (423)       |
| 34    | —   | (1,082)     | —                                  | (1,082)     |
| 35    | (97)  | (89)        | (272)                              | (284)       |
| 36    | <i>Non-interest expense</i>                                       | (7,766)     | (26,988)                           | (13,183)    |
| 37    | (5,162)   | (17,325)    | (15,367)                           | (19,745)    |
| 38    | 149   | (7,970)     | 1,270                              | (6,518)     |
| 39    | <i>Net (loss)</i>   | \$ (25,295) | \$ (14,097)                        | \$ (26,263) |
| 40    | 1   | —           | 2                                  | (4)         |
| 41    | <i>Net (loss) attributable to Freddie Mac</i>                     | \$ (25,295) | \$ (14,095)                        | \$ (26,267) |
| 42    | (1,293)   | (6)         | (2,813)                            | (509)       |
| 43    | —   | —           | —                                  | (1)         |
| 44    | <i>Net loss attributable to common stockholders</i>               | \$ (25,301) | \$ (16,908)                        | \$ (26,777) |
|       | <i>Loss per common share:</i>                                     |             |                                    |             |
| 45    | \$ (1.94)   | \$ (19.44)  | \$ (5.20)                          | \$ (30.90)  |
| 46    | \$ (1.94)   | \$ (19.44)  | \$ (5.20)                          | \$ (30.90)  |
|       | <i>Weighted average common shares outstanding (in thousands):</i> |             |                                    |             |
| 47    | 3,253,172   | 1,301,430   | 3,254,261                          | 866,472     |
| 48    | 3,253,172   | 1,301,430   | 3,254,261                          | 866,472     |
| 49    | \$ —  | \$ —        | \$ —                               | \$ 0.50     |

**FREDDIE MAC**  
**CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

| Line:  | September 30,<br>2009                                  | December 31,<br>2008 |
|--|--|----------------------|
|  | (dollars in millions, except<br>share-related amounts) |                      |
| <b>Assets</b>  |  |                      |
| 1  | \$ 55,620  | \$ 45,326            |
| 2  | 1,698  | 953                  |
| 3  | 9,550  | 10,150               |
| <i>Investments in securities:</i>  |  |                      |
| 4  | 402,774  | 458,898              |
| 5  | 235,859  | 190,361              |
| 6  | 638,633  | 649,259              |
| <i>Mortgage loans:</i>   |  |                      |
| 7  | 12,801   | 16,247               |
| 8  | 109,990  | 91,344               |
| 9  | 122,791  | 107,591              |
| 10   | 6,070  | 6,337                |
| 11   | 162  | 955                  |
| 12   | 8,722  | 4,847                |
| 13   | 4,234  | 3,255                |
| 14   | 12,443   | 15,351               |
| 15   | 3,402  | 4,145                |
| 16   | 3,276  | 2,794                |
| 17   | <u>\$866,601</u>                                       | <u>\$850,963</u>     |
| <b>Liabilities and equity (deficit)</b>  |  |                      |
| <i>Liabilities</i>   |  |                      |
| 18   | \$ 4,341   | \$ 6,504             |
| <i>Debt, net:</i>  |  |                      |
| 19   | 365,414  | 435,114              |
| 20   | 438,367  | 407,907              |
| 21   | 803,781  | 843,021              |
| 22   | 12,215   | 12,098               |
| 23   | 949  | 2,277                |
| 24   | 28,604   | 14,928               |
| 25   | 6,305  | 2,769                |
| 26   | <u>856,195</u>   | <u>881,597</u>       |
| 27   | Commitments and contingencies                          |                      |
| <i>Equity (deficit)</i>  |  |                      |
| <i>Freddie Mac stockholders' equity (deficit)</i>  |  |                      |
| 28   | 51,700   | 14,800               |
| 29   | 14,109   | 14,109               |
| 30   | —  | —                    |
| 31   | 50   | 19                   |
| 32   | (25,171)   | (23,191)             |
| <i>Accumulated other comprehensive income (loss), or AOCI, net of taxes, related to:</i> |  |                      |
| 33   | (23,108)   | (28,510)             |
| 34   | (3,084)  | (3,678)              |
| 35   | (163)  | (169)                |
| 36   | (26,355)   | (32,357)             |
| 37   | (4,022)  | (4,111)              |
| 38   | 10,311   | (30,731)             |
| 39   | 95   | 97                   |
| 40   | <u>10,406</u>  | <u>(30,634)</u>      |
| 41   | <u>\$866,601</u>                                       | <u>\$850,963</u>     |

**FREDDIE MAC**  
**CONSOLIDATED STATEMENTS OF EQUITY (DEFICIT)**  
**(unaudited)**

| Line: | Nine Months Ended September 30,                    |            |        |            |
|-------|--|------------|--------|------------|
|       | 2009   |            | 2008   |            |
|       | Shares   | Amount     | Shares | Amount     |
|       | (in millions)                                      |            |        |            |
|       | <i>Senior preferred stock, at redemption value</i> |            |        |            |
| 1     | 1  | \$ 14,800  | —      | \$ —       |
| 2     | —  | —          | 1      | 1,000      |
| 3     | —  | 36,900     | —      | —          |
| 4     | 1  | 51,700     | 1      | 1,000      |
|       | <i>Preferred stock, at redemption value</i>        |            |        |            |
| 5     | 464  | 14,109     | 464    | 14,109     |
| 6     | 464  | 14,109     | 464    | 14,109     |
|       | <i>Common stock, at par value</i>                  |            |        |            |
| 7     | 726  | —          | 726    | 152        |
| 8     | —  | —          | —      | (152)      |
| 9     | 726  | —          | 726    | —          |
|       | <i>Additional paid-in capital</i>                  |            |        |            |
| 10    |  | 19         |        | 871        |
| 11    |  | 49         |        | 60         |
| 12    |  | 7          |        | (13)       |
| 13    |  | (88)       |        | (60)       |
| 14    |  | —          |        | 4          |
| 15    |  | —          |        | 152        |
| 16    |  | —          |        | 2,304      |
| 17    |  | —          |        | (3,304)    |
| 18    |  | 63         |        | —          |
| 19    |  | 50         |        | 14         |
|       | <i>Retained earnings (accumulated deficit)</i>     |            |        |            |
| 20    |  | (23,191)   |        | 26,909     |
| 21    |  | —          |        | 1,023      |
| 22    |  | (23,191)   |        | 27,932     |
| 23    |  | 14,996     |        | —          |
| 24    |  | (14,095)   |        | (26,267)   |
| 25    |  | (2,813)    |        | —          |
| 26    |  | —          |        | (503)      |
| 27    |  | —          |        | (323)      |
| 28    |  | (5)        |        | (6)        |
| 29    |  | (63)       |        | —          |
| 30    |  | (25,171)   |        | 833        |
|       | <i>AOI, net of taxes</i>                           |            |        |            |
| 31    |  | (32,357)   |        | (11,143)   |
| 32    |  | —          |        | (850)      |
| 33    |  | (32,357)   |        | (11,993)   |
| 34    |  | (9,931)    |        | —          |
| 35    |  | 15,333     |        | (14,143)   |
| 36    |  | 594        |        | 501        |
| 37    |  | 6          |        | 1          |
| 38    |  | (26,355)   |        | (25,634)   |
|       | <i>Treasury stock, at cost</i>                     |            |        |            |
| 39    | 79   | (4,111)    | 80     | (4,174)    |
| 40    | (1)  | 89         | (1)    | 57         |
| 41    | 78   | (4,022)    | 79     | (4,117)    |
|       | <i>Noncontrolling interest</i>                     |            |        |            |
| 42    |  | 97         |        | 181        |
| 43    |  | (2)        |        | 4          |
| 44    |  | —          |        | (82)       |
| 45    |  | —          |        | (6)        |
| 46    |  | 95         |        | 97         |
| 47    |  | \$ 10,406  |        | \$(13,698) |
|       | <i>Comprehensive income (loss)</i>                 |            |        |            |
| 48    |  | \$(14,097) |        | \$(26,263) |
| 49    |  | 15,933     |        | (13,641)   |
| 50    |  | 1,836      |        | (39,904)   |
| 51    |  | 2          |        | (4)        |
| 52    |  | \$ 1,838   |        | \$(39,908) |

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

| Line:                       |           |           |           |           |           |           |           | Nine Months Ended<br>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<br>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<br>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:                                     |            |           |            |            |           |           |           | Nine Months Ended<br>September 30, |            |
|---|------------|-----------|------------|------------|-----------|-----------|-----------|------------------------------------|------------|
|   | 1Q 2008    | 2Q 2008   | 3Q 2008    | 4Q 2008    | 1Q 2009   | 2Q 2009   | 3Q 2009   | 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<br>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<br>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<br>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<br>(in thousands)                                 | Percent <sup>(3)</sup> | Number of Loans<br>(in thousands) | Percent <sup>(3)</sup> | Number of Loans<br>(in thousands) | Percent <sup>(3)</sup> | Number of Loans<br>(in thousands) | Percent <sup>(3)</sup> | Number of Loans<br>(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<br>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   | <u>—</u>        | <u>—</u>        | <u>24</u>       | <u>47</u>       | <u>40</u>       | <u>35</u>       | <u>45</u>                          | <u>24</u>       | <u>45</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>\$ 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).