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TABLE 1A — NET INTEREST YIELD ANALYSIS[1] (unaudited) (dollars in millions)

		Full-year 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Net Interest Income:					
1	Net interest income	$ 17,073	$ 4,125	$ 4,136	$ 8,114	$ 8,261
	Average Balances:					
2	Cash and cash equivalents	$ 50,190	$ 60,219	$ 37,391	$ 53,666	$ 48,805
3	Federal funds sold and securities purchased under agreements to resell	28,524	51,645	37,238	31,574	44,441
	Mortgage-related securities:					
4	Mortgage-related securities[2][3]	675,167	593,512	540,380	700,578	566,946
5	Extinguishment of PCs held by Freddie Mac	—	(256,951)	(220,350)	—	(238,651)
6	Total mortgage-related securities, net	675,167	336,561	320,030	700,578	328,295
7	Non-mortgage-related securities[2]	16,471	20,189	32,571	13,896	26,380
8	Mortgage loans held by consolidated trusts[3][4]	—	1,786,834	1,727,823	—	1,757,329
9	Unsecuritized mortgage loans[4]	127,429	160,688	213,704	123,209	187,196
10	Total interest-earning assets	897,781	2,416,136	2,368,757	922,923	2,392,446
	Debt securities of consolidated trusts:					
11	Debt securities of consolidated trusts including PCs held by Freddie Mac[3]	—	1,801,525	1,739,519	—	1,770,522
12	Extinguishment of PCs held by Freddie Mac	—	(256,951)	(220,350)	—	(238,651)
13	Total debt securities of consolidated trusts held by third parties	—	1,544,574	1,519,169	—	1,531,871
	Other debt:[3]					
14	Short-term debt	287,259	242,938	226,624	328,020	234,781
15	Long-term debt	557,184	556,907	561,353	552,075	559,130
16	Total other debt	844,443	799,845	787,977	880,095	793,911
17	Total interest-bearing liabilities	844,443	2,344,419	2,307,146	880,095	2,325,782
18	Net non-interest-bearing funding	53,338	71,717	61,611	42,828	66,664
19	Total funding of interest-earning assets	$897,781	$2,416,136	$2,368,757	$922,923	$2,392,446
	Yield/Cost:					
20	Cash and cash equivalents	0.38%	0.12%	0.19%	0.51%	0.14%
21	Federal funds sold and securities purchased under agreements to resell	0.17	0.12	0.18	0.20	0.14
	Mortgage-related securities:					
22	Mortgage-related securities	4.82	4.91	4.76	4.85	4.84
23	Extinguishment of PCs held by Freddie Mac	—	(5.36)	(5.29)	—	(5.32)
24	Total mortgage-related securities, net	4.82	4.56	4.40	4.85	4.48
25	Non-mortgage-related securities	4.42	1.21	0.67	7.19	0.88
26	Mortgage loans held by consolidated trusts	—	5.09	5.12	—	5.10
27	Unsecuritized mortgage loans	5.35	4.88	4.08	5.36	4.42
28	*Yield on total interest-earning assets*	4.49	4.74	4.71	4.54	4.73
	Debt securities of consolidated trusts:					
29	Debt securities of consolidated trusts including PCs held by Freddie Mac	—	(5.13)	(5.05)	—	(5.09)
30	Extinguishment of PCs held by Freddie Mac	—	5.36	5.29	—	5.32
31	Total debt securities of consolidated trusts held by third parties	—	(5.09)	(5.02)	—	(5.05)
	Other debt:					
32	Short-term debt	(0.78)	(0.23)	(0.24)	(1.03)	(0.24)
33	Long-term debt	(3.57)	(3.20)	(3.08)	(3.83)	(3.14)
34	Total other debt	(2.62)	(2.30)	(2.27)	(2.79)	(2.28)
35	*Cost of interest-bearing liabilities*	(2.62)	(4.14)	(4.08)	(2.79)	(4.11)
36	Income (expense) related to derivatives	(0.13)	(0.04)	(0.04)	(0.13)	(0.04)
37	Impact of net non-interest-bearing funding	0.16	0.12	0.11	0.14	0.11
38	Total funding of interest-earning assets	(2.59)	(4.06)	(4.01)	(2.78)	(4.04)
39	*Net interest yield*	1.90	0.68	0.70	1.76	0.69

(1) Our prospective adoption of the changes in the accounting standards related to transfers of financial assets and consolidation of VIEs significantly impacted the presentation of our financial results. Consequently, our financial results for 2010 are not directly comparable to our financial results for 2009. See "NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES" in our Form 10-Q dated August 9, 2010 for further information.
(2) For securities, we calculate average balances based on their amortized cost.
(3) When we purchase multi-class resecuritization securities, we record them as investments in debt securities. Interest income from the investments in debt securities is recognized as well as the interest income from the mortgage loans backing the PCs held by the trusts, which underlie multi-class Structured Securities. Additionally, the interest expense from the unsecured debt issued to purchase the security is recognized along with the interest expense of the debt issued to third parties of the PC trusts we consolidate which underlie multi-class Structured Securities.
(4) Non-performing loans, where interest income is generally recognized when collected, are included in average balances.

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TABLE 1B — NET INTEREST INCOME[1] (unaudited) (dollars in millions)

		Full-year 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Net Interest Income:					
1	Contractual amounts of net interest income	$ 19,257	$ 5,600	$ 5,807	$ 9,078	$ 11,407
2	Less: Contractual amounts of interest income related to non-accrual loans[2]	(350)	(1,143)	(1,273)	(158)	(2,416)
	Amortization income (expense), net:[3]					
3	Accretion of impairments on available-for-sale securities[4]	1,180	76	73	969	149
	Asset-related amortization expense, net:					
4	Mortgage loans held by consolidated trusts	—	(9)	(49)	—	(58)
5	Unsecured mortgage loans	233	75	85	87	160
6	Mortgage-related securities	(1,345)	(31)	(160)	(874)	(191)
7	Other assets	30	11	24	10	35
8	Asset-related amortization expense, net	(1,082)	46	(100)	(777)	(54)
	Debt-related amortization expense net:					
9	Debt securities of consolidated trust	—	13	97	—	110
10	Other long-term debt securities	(809)	(209)	(219)	(416)	(428)
11	Debt-related amortization expense, net	(809)	(196)	(122)	(416)	(318)
12	Total amortization income (expense), net	(711)	(74)	(149)	(224)	(223)
13	Expense related to derivatives[5]	(1,123)	(258)	(249)	(582)	(507)
14	Net interest income	17,073	4,125	4,136	8,114	8,261
15	Provision for credit losses[6]	(29,530)	(5,396)	(5,029)	(14,580)	(10,425)
16	Net interest income after provision for credit losses	$(12,457)	$(1,271)	$ (893)	$ (6,466)	$ (2,164)

(1) Our prospective adoption of the changes in accounting standards related to transfers of financial assets and consolidation of VIEs significantly impacted the presentation of our financial results. Consequently, our financial results for 2010 are not directly comparable to our financial results for 2009. See "NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES" in our Form 10-Q dated August 9, 2010 for further information.
(2) Includes the reversal of interest income accrued, net of interest received on a cash basis related to mortgage loans that are on non-accrual status.
(3) 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.
(4) The portion of the impairment charges recognized in earnings expected to be recovered is recognized as net interest income. Upon our adoption of an amendment to the accounting standards for investments in debt and equity securities on April 1, 2009, previously recognized non-credit-related other-than-temporary impairments are no longer accreted into net interest income.
(5) 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 affects earnings.
(6) Results for the three and six months periods ended June 30, 2010 include an out-of-period accounting adjustment which resulted in a $1.3 billion increase in our allowance for loan losses and consequently our provision for credit losses in the second quarter of 2010. For further details related to this out-of-period accounting adjustment, see "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" in our Form 10-Q dated August 9, 2010.

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TABLE 2 — NON-INTEREST INCOME (LOSS)[1] (unaudited) (dollars in millions)

		Full-year 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Non-Interest Income (Loss):					
1	Gains (losses) on extinguishment of debt securities of consolidated trusts	$ —	$ (98)	$ 4	$ —	$ (94)
2	Gains (losses) on retirement of other debt	(568)	(38)	(141)	(260)	(179)
	Gains (losses) on debt recorded at fair value:					
3	Translation gains (losses)	(209)	321	491	(75)	812
4	Market value adjustments	(195)	26	53	(255)	79
5	Total gains (losses) on debt recorded at fair value	(404)	347	544	(330)	891
	Derivative gains (losses):					
	Foreign-currency denominated derivatives gains (losses):					
6	Foreign-currency swaps gains (losses)	138	(331)	(484)	10	(815)
7	Receive-fixed swaps — foreign-currency denominated gains (losses)	64	(8)	(57)	124	(65)
8	U.S. dollar denominated derivative gains (losses):	1,841	(2,997)	(2,086)	3,990	(5,083)
9	Accrual of periodic settlements	(3,943)	(1,349)	(1,211)	(1,582)	(2,560)
10	Total derivative gains (losses)	(1,900)	(4,685)	(3,838)	2,542	(8,523)
11	Total other-than-temporary impairment of available-for-sale securities	(23,125)	(417)	(114)	(17,603)	(531)
12	Portion of other-than-temporary impairment recognized in AOCI	11,928	(93)	(314)	8,260	(407)
13	Net impairment of available-for-sale securities recognized in earnings	(11,197)	(510)	(428)	(9,343)	(938)
	Other gains (losses) on investment securities recognized in earnings:					
14	Gains (losses) on trading securities	4,882	(417)	(277)	2,753	(694)
15	Gains (losses) on sale of available-for-sale securities	1,083	1	20	256	21
16	Total other gains (losses) on investment securities recognized in earnings	5,965	(416)	(257)	3,009	(673)
	Other income (loss)					
17	Management and guarantee income	3,033	35	37	1,490	72
18	Gains (losses) on guarantee asset	3,299	(12)	(13)	1,661	(25)
19	Income on guarantee obligation	3,479	36	36	1,871	72
20	Gains (losses) on sale of mortgage loans	745	95	121	294	216
21	Lower-of-cost-or-fair-value adjustments on held-for-sale mortgage loans	(679)	—	—	(231)	—
22	Gains (losses) on mortgage loans elected at fair value	(190)	21	5	(89)	26
23	Recoveries on loans impaired upon purchase	379	169	227	120	396
24	Low-income housing tax credit partnerships	(4,155)	—	—	(273)	—
25	Trust management income (expense)	(761)	—	—	(445)	—
26	All other	222	202	76	111	278
27	Total other income (loss)	5,372	546	489	4,509	1,035
28	Total non-interest income (loss)	$ (2,732)	$(4,854)	$(3,627)	$ 127	$(8,481)

(1) Our prospective adoption of the changes in the accounting standards related to transfers of financial assets and consolidation of VIEs significantly impacted the presentation of our financial results. Consequently, our financial results for 2010 are not directly comparable to our financial results for 2009. See "NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES" within our Form 10-Q dated August 9, 2010 for further information.

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TABLE 3 — NON-INTEREST EXPENSE(1) (unaudited) (dollars in millions)

		Full-year 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Non-Interest Expense:					
	Administrative expenses:					
1	Salaries and employee benefits	$ 912	$234	$230	$ 428	$ 464
2	Professional services	310	71	50	124	121
3	Occupancy expense	68	16	15	33	31
4	Other administrative expenses	361	74	92	170	166
5	Total administrative expenses	1,651	395	387	755	782
6	Real estate owned, or REO, operations (income) expense	307	159	(40)	315	119
	Other expenses:					
7	Losses on loans purchased	4,754	17	3	3,211	20
8	All other	483	96	129	175	225
9	Total other expenses	5,237	113	132	3,386	245
10	Total non-interest expense	$7,195	$667	$479	$4,456	$1,146

(1) Our prospective adoption of the changes in the accounting standards related to transfers of financial assets and consolidation of VIEs significantly impacted the presentation of our financial results. Consequently, our financial results for 2010 are not directly comparable to our financial results for 2009. See “NOTE 2: CHANGE IN ACCOUNTING PRINCIPLES” within our Form 10-Q dated August 9, 2010 for further information.

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TABLE 4 — CREDIT QUALITY INDICATORS (unaudited) (dollars in millions)

		1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Credit Enhancements:								
1	Credit-enhanced percentage of mortgage loan portfolio purchases	8%	6%	7%	11%	13%	8%	7%	11%
2	Credit-enhanced percentage of mortgage loan portfolio[1] (period end)	17%	17%	16%	16%	16%	16%	17%	16%
	Delinquencies Rates: at period end[2][3]								
	Single-family:								
3	Non-credit-enhanced	1.75%	2.15%	2.58%	3.02%	3.18%	3.08%	2.15%	3.08%
4	Credit-enhanced	5.37%	6.33%	7.47%	8.68%	8.87%	8.50%	6.33%	8.50%
5	Total Single-family, including Structured Transactions	2.41%	2.89%	3.43%	3.98%	4.13%	3.96%	2.89%	3.96%
	Multifamily:								
6	Non-credit-enhanced	0.07%	0.05%	0.03%	0.07%	0.13%	0.10%	0.05%	0.10%
7	Credit enhanced	0.37%	0.91%	1.02%	1.13%	1.11%	1.66%	0.91%	1.66%
8	Total Multifamily, excluding Structured Transactions	0.10%	0.15%	0.14%	0.19%	0.24%	0.28%	0.15%	0.28%
9	Structured Transactions	1.35%	0.61%	0.93%	0.59%	0.41%	0.37%	0.61%	0.37%
10	Total Multifamily, including Structured Transactions	0.12%	0.16%	0.15%	0.20%	0.25%	0.28%	0.16%	0.28%
	Foreclosure alternatives[3][4] (number of units):								
11	Repayment plans	10,459	7,409	7,728	8,129	8,761	7,455	17,868	16,216
12	Loan modifications	24,623	15,603	9,013	15,805	44,076	49,492	40,226	93,568
13	Forbearance agreements	1,448	1,421	2,979	8,780	8,858	12,815	2,869	21,673
14	Short sales	3,093	4,821	6,628	8,049	9,619	12,498	7,914	22,117
15	Total foreclosure alternatives	39,623	29,254	26,348	40,763	71,314	82,260	68,877	153,574
	Non-performing assets[3][5] (at period end):								
16	Non-performing mortgage loans	$ 58,965	$ 72,171	$ 86,285	$ 99,227	$110,644	$112,411	$ 72,171	$112,411
17	REO assets, net	2,948	3,416	4,234	4,692	5,468	6,298	3,416	6,298
18	Total non-performing assets	$ 61,913	$ 75,587	$ 90,519	$103,919	$116,112	$118,709	$ 75,587	$118,709
	REO Operations Income (Expense):								
19	Single-family	$ (306)	$ (1)	$ 98	$ (78)	$ (156)	$ 41	$ (307)	$ (115)
20	Multifamily	—	(8)	(2)	(10)	(3)	(1)	(8)	(4)
21	Total	$ (306)	$ (9)	$ 96	$ (88)	$ (159)	$ 40	$ (315)	$ (119)
	Loan Loss Reserves:[6]								
22	Beginning balance	$ 15,618	$ 22,802	$ 25,787	$ 30,564	$ 33,857	$ 36,811	$ 15,618	$ 33,857
23	Adjustments to beginning balance[7]	—	—	—	—	(186)	—	—	(186)
24	Provision for credit losses[8]	8,915	5,665	7,973	6,977	5,396	5,029	14,580	10,425
25	Charge-offs — single-family, net	(972)	(1,840)	(2,155)	(2,326)	(2,634)	(3,748)	(2,812)	(6,382)
26	Charge-offs — multifamily, net	(2)	(2)	(15)	(2)	(18)	(27)	(4)	(45)
27	Transfers, net	(757)	(838)	(1,026)	(1,356)	396	254	(1,595)	650
28	Ending balance	$ 22,802	$ 25,787	$ 30,564	$ 33,857	$ 36,811	$ 38,319	$ 25,787	$ 38,319
	Total Credit Losses:[9]								
29	Total credit losses	$ 1,320	$ 1,916	$ 2,156	$ 2,509	$ 2,928	$ 3,879	$ 3,236	$ 6,807
30	Annualized credit losses / average mortgage loan portfolio[10]	27.7 bps	39.8 bps	44.3 bps	51.1 bps	59.5 bps	79.1 bps	33.8 bps	69.3 bps

(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 loans three monthly payments or more delinquent or in foreclosure while multifamily delinquencies are based on UPB of loans two monthly payments or more delinquent or in foreclosure. Delinquencies exclude 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. We have revised our presentation of single-family delinquency rates to include Structured Transactions and our multifamily delinquencies are reported at two monthly payments past due. Prior periods have been revised to conform to the current period presentation.
(3) Based on loans held by us on our consolidated balance sheet as well as those underlying our PCs, Structured Securities and other mortgage-related financial guarantees. Foreclosure alternative information excludes loans underlying 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 "MD&A — CREDIT RISKS — Loss Mitigation Activities" in our 2009 Form 10-K dated February 24, 2010.
(5) Represents completed activities and excludes those modification, repayment and forbearance activities for which the borrower has started the required process, but the actions have not been made permanent, or effective, such as loans in the trial period under HAMP. These categories are not mutually exclusive and a loan in the forbearance agreement category may also be included within another category. Many borrowers complete a forbearance agreement before beginning the trial period of HAMP or before one of the other foreclosure alternatives is pursued or completed. We only report activity for a single loan in one foreclosure alternative category during each quarterly period; however, a single loan may be reported under different foreclosure alternatives in separate periods. Prior periods have been revised to conform with the current period presentation. For more information on our non-performing assets see "MD&A — CREDIT RISKS — Non-Performing Assets" in our 2009 Form 10-K dated February 24, 2010.
(6) Loan loss reserves equals the sum of allowance for loan losses (consolidated balance sheets — Lines 7 and 8) and reserve for guarantee losses, which is now a component of Other liabilities (Line 23). See "NOTE 22: SELECTED FINANCIAL STATEMENT LINE ITEMS" in our Form 10-Q dated August 9, 2010 for additional information. Results for the three and six months periods ended June 30, 2010 include an out-of-period accounting adjustment which resulted in a $1.3 billion increase in our allowance for loan losses and consequently our provision for credit losses in the second quarter of 2010. For further details related to this out-of-period accounting adjustment, see "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" in our Form 10-Q dated August 9, 2010.
(7) Adjustments relate to the adoption of amendments to the accounting standards for transfers of financial assets and consolidation of VIEs, which we implemented on January 1, 2010.
(8) Provision for credit losses includes our provision for losses incurred on our loans held for investment, and our provision for guarantee losses incurred on loans underlying our non-consolidated PCs, Structured Securities and other mortgage-related financial guarantees.
(9) Equal to REO operations income (expense) (Line 21) plus Charge-offs, net (Lines 25 and 26) plus amounts previously transferred to reduce the carrying value of loans purchased under financial guarantees. The previously transferred reserves totaled $261 million and $105 million for the six months ended June 30, 2010 and 2009, respectively. Excludes other market-based credit losses recognized on our consolidated statements of operations, including losses on loans purchased and other than temporary impairments on our mortgage-related securities.
(10) Calculated based on the average total mortgage portfolio, excluding non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

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TABLE 5 — SINGLE-FAMILY NON-CREDIT-ENHANCED DELINQUENCY AND FORECLOSURE ACTIVITY BY REGION(1) (unaudited)

		2Q 2009		3Q 2009		4Q 2009		1Q 2010		2Q 2010	
		Number of Loans (in thousands)	Percentage(3)	Number of Loans (in thousands)	Percentage(3)	Number of Loans (in thousands)	Percentage(3)	Number of Loans (in thousands)	Percentage(3)	Number of Loans (in thousands)	Percentage(3)
	Northeast(2)										
1	Total number of loans	2,360		2,394		2,397		2,408		2,404	
2	Delinquent three or more payments	20	0.83%	25	1.05%	31	1.30%	34	1.39%	31	1.27%
3	Foreclosures approved and in-process	18	0.78%	22	0.93%	25	1.04%	27	1.13%	28	1.18%
4	Total delinquent loans	38	1.61%	47	1.98%	56	2.34%	61	2.52%	59	2.45%
	Southeast(2)										
5	Total number of loans	1,988		2,002		2,001		2,001		1,991	
6	Delinquent three or more payments	23	1.18%	28	1.42%	35	1.75%	35	1.73%	33	1.67%
7	Foreclosures approved and in-process	37	1.85%	43	2.16%	49	2.42%	53	2.67%	54	2.71%
8	Total delinquent loans	60	3.03%	71	3.58%	84	4.17%	88	4.40%	87	4.38%
	North Central(2)										
9	Total number of loans	2,274		2,287		2,280		2,284		2,271	
10	Delinquent three or more payments	17	0.74%	22	0.95%	26	1.13%	26	1.14%	24	1.03%
11	Foreclosures approved and in-process	19	0.82%	22	0.96%	25	1.11%	27	1.18%	27	1.21%
12	Total delinquent loans	36	1.56%	44	1.91%	51	2.24%	53	2.32%	51	2.24%
	Southwest(2)										
13	Total number of loans	1,386		1,398		1,401		1,407		1,400	
14	Delinquent three or more payments	7	0.51%	9	0.62%	11	0.76%	11	0.76%	9	0.69%
15	Foreclosures approved and in-process	6	0.44%	7	0.50%	8	0.56%	9	0.63%	9	0.62%
16	Total delinquent loans	13	0.95%	16	1.12%	19	1.32%	20	1.39%	18	1.31%
	West(2)										
17	Total number of loans	2,271		2,302		2,307		2,329		2,332	
18	Delinquent three or more payments	34	1.50%	45	1.94%	56	2.45%	60	2.60%	56	2.39%
19	Foreclosures approved and in-process	40	1.75%	45	1.96%	47	2.06%	50	2.13%	49	2.10%
20	Total delinquent loans	74	3.25%	90	3.90%	103	4.51%	110	4.73%	105	4.49%
	Total										
21	Total number of loans	10,279		10,383		10,386		10,429		10,398	
22	Delinquent three or more payments	101	0.98%	129	1.24%	159	1.53%	166	1.59%	153	1.47%
23	Foreclosures approved and in-process	120	1.17%	139	1.34%	154	1.49%	166	1.59%	167	1.61%
24	Total delinquent loans	221	2.15%	268	2.58%	313	3.02%	332	3.18%	320	3.08%

(1) Includes single-family non-credit-enhanced mortgage loans in our single-family credit guarantee portfolio, but excluding certain Structured Transactions for which regional data is not available. Structured Transactions for which regional information is not available are included in the totals. Beginning in the first quarter of 2010, we revised our presentation of single-family delinquency rates to include Structured Transactions. Prior periods have been revised to conform to current period presentation

(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; however, these may not recalculate since the number of loans presented on this table have been rounded, in thousands.

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TABLE 6 — REAL ESTATE OWNED (REO) ACTIVITY (unaudited)

		2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010
	Property Units, by Region:[1]					
	Northeast					
1	Beginning Balance	2,636	3,180	3,832	4,619	5,460
2	Adjustment to beginning balance[2]	—	—	—	109	—
3	Properties Acquired	1,827	2,103	2,476	2,644	3,086
4	Properties Disposed	(1,283)	(1,451)	(1,689)	(1,912)	(2,230)
5	Ending Property Inventory	3,180	3,832	4,619	5,460	6,316
	Southeast					
6	Beginning Balance	5,689	6,496	7,660	8,749	11,763
7	Adjustment to beginning balance[2]	—	—	—	242	—
8	Properties Acquired	4,441	5,332	5,927	8,034	9,594
9	Properties Disposed	(3,634)	(4,168)	(4,838)	(5,262)	(6,874)
10	Ending Property Inventory	6,496	7,660	8,749	11,763	14,483
	North Central					
11	Beginning Balance	8,527	10,901	12,915	13,648	16,212
12	Adjustment to beginning balance[2]	—	—	—	262	—
13	Properties Acquired	6,143	5,743	5,306	7,199	8,119
14	Properties Disposed	(3,769)	(3,729)	(4,573)	(4,897)	(5,938)
15	Ending Property Inventory	10,901	12,915	13,648	16,212	18,393
	Southwest					
16	Beginning Balance	2,875	3,329	4,063	4,561	5,367
17	Adjustment to beginning balance[2]	—	—	—	48	—
18	Properties Acquired	2,094	2,540	2,649	3,090	3,601
19	Properties Disposed	(1,640)	(1,806)	(2,151)	(2,332)	(2,812)
20	Ending Property Inventory	3,329	4,063	4,561	5,367	6,156
	West					
21	Beginning Balance	9,424	10,800	12,670	13,475	15,037
22	Adjustment to beginning balance[2]	—	—	—	679	—
23	Properties Acquired	7,493	8,657	8,392	8,449	10,267
24	Properties Disposed	(6,117)	(6,787)	(7,587)	(7,566)	(8,462)
25	Ending Property Inventory	10,800	12,670	13,475	15,037	16,842
	Total					
26	Beginning Balance	29,151	34,706	41,140	45,052	53,839
27	Adjustment to beginning balance[2]	—	—	—	1,340	—
28	Properties Acquired	21,998	24,375	24,750	29,416	34,667
29	Properties Disposed	(16,443)	(17,941)	(20,838)	(21,969)	(26,316)
30	Ending Property Inventory	34,706	41,140	45,052	53,839	62,190
	REO Balance, Net (dollars in millions)					
	Single-family property, by region[1]:					
31	Northeast	$ 400	$ 495	$ 598	$ 688	$ 794
32	Southeast	521	668	771	1,002	1,234
33	North Central	796	980	1,041	1,217	1,406
34	Southwest	307	392	449	520	609
35	West	1,357	1,654	1,802	1,984	2,185
36	Total single-family property	3,381	4,189	4,661	5,411	6,228
37	Total multifamily property	35	45	31	57	70
38	Total REO Balance, Net	$ 3,416	$ 4,234	$ 4,692	$ 5,468	$ 6,298

(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).

(2) Represents REO assets associated with previously non-consolidated trusts recognized upon the adoption of the amendment to the accounting standards for transfers of financial assets and consolidation of VIEs, which we implemented on January 1, 2010.

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TABLE 7A — SEGMENT EARNINGS — CONSOLIDATED(1)(2) (unaudited) (dollars in millions)

		1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Segment Earnings, net of taxes:								
1	Investments	$ 518	$ 3,108	$ 958	$ 1,892	$ (1,313)	$ (411)	$ 3,626	$ (1,724)
2	Single-family Guarantee	(10,291)	(4,494)	(6,494)	(5,864)	(5,596)	(4,505)	(14,785)	(10,101)
3	Multifamily	8	(12)	(83)	(424)	221	150	(4)	371
4	All Other	(567)	106	(627)	(3,152)	—	53	(461)	53
5	Total Segment Earnings (loss), net of taxes	(10,332)	(1,292)	(6,246)	(7,548)	(6,688)	(4,713)	(11,624)	(11,401)
	Reconciliation to GAAP net income (loss):								
6	Credit guarantee-related adjustments(3)	551	2,452	1,289	1,656	—	—	3,003	—
7	Tax-related adjustments	(194)	(858)	(451)	(580)	—	—	(1,052)	—
8	Total reconciling items, net of taxes	357	1,594	838	1,076	—	—	1,951	—
9	Total net income (loss) attributable to Freddie Mac	$ (9,975)	$ 302	$ (5,408)	$ (6,472)	$ (6,688)	$ (4,713)	$ (9,673)	$ (11,401)
	Net interest yield — Segment Earnings (annualized):								
10	Investments segment	103 bps	129 bps	86 bps	114 bps	74 bps	94 bps	116 bps	84 bps
11	Multifamily segment	56 bps	56 bps	63 bps	66 bps	65 bps	77 bps	56 bps	71 bps
	Management and guarantee income — Segment Earnings (annualized):								
12	Single-family Guarantee segment	19.1 bps	19.3 bps	18.1 bps	18.1 bps	18.1 bps	18.5 bps	19.2 bps	18.3 bps
13	Multifamily segment	52.7 bps	53.0 bps	53.7 bps	53.8 bps	52.8 bps	49.6 bps	52.8 bps	51.1 bps
	Credit losses — Segment Earnings (annualized):								
14	Single-family Guarantee segment	28.9 bps	41.7 bps	46.2 bps	53.6 bps	62.3 bps	82.8 bps	35.4 bps	72.5 bps
15	Multifamily segment	0.9 bps	4.3 bps	7.4 bps	4.6 bps	8.2 bps	10.4 bps	2.6 bps	9.2 bps

(1) See "NOTE 16: SEGMENT REPORTING" in our Form 10-Q dated August 9, 2010 for more information regarding Segment Earnings.
(2) Beginning January 1, 2010, under our revised method, the sum of Segment Earnings for each segment and All Other category equals GAAP net income (loss) attributable to Freddie Mac.
(3) Consists primarily of amortization and valuation adjustments related to the guarantee asset and guarantee obligation which are excluded from Segment Earnings and cash compensation exchanged at the time of securitization, excluding buy-up and buy-down fees, which is amortized into earnings. These reconciling items exist in periods prior to 2010 as the amendment to the accounting standards for transfers of financial assets and consolidation of VIEs was applied prospectively on January 1, 2010.

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TABLE 7B — SEGMENT EARNINGS — INVESTMENTS SEGMENT[1][2] (unaudited) (dollars in millions)

		1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Segment Earnings, net of taxes:								
1	Net interest income	$ 1,999	$ 2,529	$ 1,574	$ 1,988	$ 1,311	$ 1,509	$ 4,528	$ 2,820
	Non-interest income (loss):								
2	Net impairments of available-for-sale securities	(6,414)	(1,958)	(1,004)	(494)	(376)	(327)	(8,372)	(703)
3	Derivative gains (losses)	1,164	3,522	(1,374)	1,383	(2,702)	(2,193)	4,686	(4,895)
4	Other non-interest income (loss)	2,452	(260)	2,168	322	(22)	294	2,192	272
5	Total non-interest income (loss)	(2,798)	1,304	(210)	1,211	(3,100)	(2,226)	(1,494)	(5,326)
	Non-interest expense:								
6	Administrative expenses	(121)	(120)	(130)	(144)	(122)	(111)	(241)	(233)
7	Other non-interest expense	(7)	(8)	(11)	(7)	(7)	(6)	(15)	(13)
8	Total non-interest expense	(128)	(128)	(141)	(151)	(129)	(117)	(256)	(246)
9	Segment adjustments	—	—	—	—	510	294	—	804
10	Segment Earnings (loss) before income tax (expense) benefit	(927)	3,705	1,223	3,048	(1,408)	(540)	2,778	(1,948)
11	Income tax (expense) benefit	1,445	(597)	(265)	(1,155)	97	129	848	226
12	Less: Net (income) loss — noncontrolling interest	—	—	—	(1)	(2)	—	—	(2)
13	Segment Earnings (loss), net of taxes	$ 518	$ 3,108	$ 958	$ 1,892	$(1,313)	$ (411)	$ 3,626	$(1,724)
14	**Net interest yield — Segment Earnings (annualized)**	103 bps	129 bps	86 bps	114 bps	74 bps	94 bps	116 bps	84 bps

(1) See "NOTE 16: SEGMENT REPORTING" in our Form 10-Q dated August 9, 2010 for more information regarding Segment Earnings.
(2) Under our revised method, Segment Earnings for the Investments segment equals GAAP net income (loss) attributable to Freddie Mac for the Investments segment.

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TABLE 7C — SEGMENT EARNINGS — SINGLE-FAMILY GUARANTEE SEGMENT(1)(2) (unaudited) (dollars in millions)

		1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	Six Months Ended June 30, 2009	Six Months Ended June 30, 2010
	Segment Earnings, net of taxes:								
1	Net interest income	$ 54	$ 74	$ 86	$ 93	$ 59	$ 51	$ 128	$ 110
2	Provision for credit losses(3)	(8,963)	(5,626)	(7,922)	(6,591)	(6,041)	(5,294)	(14,589)	(11,335)
	Non-interest income:								
3	Management and guarantee income	873	888	840	847	848	865	1,761	1,713
4	Other non-interest income	134	161	198	228	210	268	295	478
5	Total non-interest income	1,007	1,049	1,038	1,075	1,058	1,133	2,056	2,191
	Non-interest expense:								
6	Administrative expenses	(201)	(211)	(246)	(257)	(219)	(225)	(412)	(444)
7	REO operations income (expense)	(306)	(1)	98	(78)	(156)	41	(307)	(115)
8	Other non-interest expense	(2,033)	(1,228)	(566)	(1,061)	(89)	(107)	(3,261)	(196)
9	Total non-interest expense	(2,540)	(1,440)	(714)	(1,396)	(464)	(291)	(3,980)	(755)
10	Segment adjustments	—	—	—	—	(213)	(208)	—	(421)
11	Segment Earnings (loss) before income tax (expense) benefit	(10,442)	(5,943)	(7,512)	(6,819)	(5,601)	(4,609)	(16,385)	(10,210)
12	Income tax (expense) benefit	151	1,449	1,018	955	5	104	1,600	109
13	Segment Earnings (loss), net of taxes	$ (10,291)	$ (4,494)	$ (6,494)	$ (5,864)	$ (5,596)	$ (4,505)	$ (14,785)	$ (10,101)
	Reconciliation to GAAP net income (loss):								
14	Credit guarantee-related adjustments(4)	$ 546	$ 2,455	$ 1,280	$ 1,660	$ —	$ —	$ 3,001	$ —
15	Tax-related adjustments	(192)	(859)	(448)	(581)	—	—	(1,051)	—
16	Total reconciling items, net of taxes	354	1,596	832	1,079	—	—	1,950	—
17	Net income (loss) attributable to Freddie Mac	$ (9,937)	$ (2,898)	$ (5,662)	$ (4,785)	$ (5,596)	$ (4,505)	$ (12,835)	$ (10,101)
	Management and guarantee income — Segment Earnings:								
18	Contractual management and guarantee fees (annualized rate)	14.4 bps	14.0 bps	13.6 bps	13.3 bps	13.3 bps	13.6 bps	14.2 bps	13.5 bps
19	Amortization of credit fees (annualized rate)	4.7 bps	5.3 bps	4.5 bps	4.8 bps	4.8 bps	4.9 bps	5.0 bps	4.8 bps
20	Segment Earnings management and guarantee income (annualized rate)	19.1 bps	19.3 bps	18.1 bps	18.1 bps	18.1 bps	18.5 bps	19.2 bps	18.3 bps
	Credit losses — Segment Earnings:								
21	Annualized credit losses/average single-family credit guarantee portfolio	28.9 bps	41.7 bps	46.2 bps	53.6 bps	62.3 bps	82.8 bps	35.4 bps	72.5 bps

(1) See "NOTE 16: SEGMENT REPORTING" in our Form 10-Q dated August 9, 2010 for more information regarding Segment Earnings.
(2) Beginning January 1, 2010, under our revised method, Segment Earnings for the Single-family Guarantee segment equals GAAP net income (loss) attributable to Freddie Mac for the Single-family Guarantee segment.
(3) Results for the three and six months periods ended June 30, 2010 include an out-of-period accounting adjustment which resulted in a $1.3 billion increase in our allowance for loan losses and consequently our provision for credit losses in the second quarter of 2010. For further details related to this out-of-period accounting adjustment, see "NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES" in our Form 10-Q dated August 9, 2010.
(4) Consists primarily of amortization and valuation adjustments related to the guarantee asset and guarantee obligation which are excluded from Segment Earnings and cash compensation exchanged at the time of securitization, excluding buy-up and buy-down fees, which is amortized into earnings. These reconciling items exist in periods prior to 2010 as the amendment to the accounting standards for transfers of financial assets and consolidation of VIEs was applied prospectively on January 1, 2010.

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TABLE 7D — SEGMENT EARNINGS — MULTIFAMILY SEGMENT(1)(2) (unaudited) (dollars in millions)

								Six Months Ended June 30,	
		1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010	2Q 2010	2009	2010
	Segment Earnings, net of taxes:								
1	Net interest income	$ 195	$ 198	$ 224	$ 239	$ 238	$ 278	$ 393	$ 516
2	Provision for credit losses	—	(57)	(89)	(428)	(29)	(119)	(57)	(148)
	Non-interest income (loss):								
3	Management and guarantee income	21	23	22	24	24	25	44	49
4	Security impairments	—	—	(54)	(83)	(55)	(17)	—	(72)
5	Derivative gains (losses)	(31)	—	—	4	5	(1)	(31)	4
6	Other non-interest income	(121)	(94)	(140)	(107)	108	55	(215)	163
7	Total non-interest income (loss)	(131)	(71)	(172)	(162)	82	62	(202)	144
	Non-interest expense:								
8	Administrative expenses	(50)	(52)	(57)	(62)	(54)	(51)	(102)	(105)
9	REO operations expense	—	(8)	(2)	(10)	(3)	(1)	(8)	(4)
10	Other non-interest expense	(5)	(7)	(5)	(1)	(17)	(19)	(12)	(36)
11	Total non-interest expense	(55)	(67)	(64)	(73)	(74)	(71)	(122)	(145)
12	Segment adjustments	—	—	—	—	—	—	—	—
13	Segment Earnings (loss) before income tax benefit	9	3	(101)	(424)	217	150	12	367
14	LIHTC partnerships tax benefit	151	148	148	147	147	146	299	293
15	Income tax benefit (expense)	(152)	(164)	(131)	(147)	(146)	(146)	(316)	(292)
16	Less: Net (income) loss — noncontrolling interest	—	1	1	—	3	—	1	3
17	Segment Earnings, net of taxes	8	(12)	(83)	(424)	221	150	(4)	371
	Reconciliation to GAAP net income (loss):								
18	Credit guarantee-related adjustments	5	(3)	9	(4)	—	—	2	—
19	Fair value-related adjustments(3)	—	—	(362)	(3,399)	—	—	—	—
20	Tax-related adjustments	(2)	1	123	1,191	—	—	(1)	—
21	Total reconciling items, net of taxes	3	(2)	(230)	(2,212)	—	—	1	—
22	Net income (loss) attributable to Freddie Mac	$ 11	$ (14)	$ (313)	$ (2,636)	$ 221	$ 150	$ (3)	$ 371
23	**Net interest yield — Segment Earnings (annualized)**	56 bps	56 bps	63 bps	66 bps	65 bps	77 bps	56 bps	71 bps
	Management and guarantee income — Segment Earnings:								
24	Average contractual rate (annualized)(4)	52.7 bps	53.0 bps	53.7 bps	53.8 bps	52.8 bps	49.6 bps	52.8 bps	51.1 bps
	Credit losses — Segment Earnings:								
25	Annualized credit losses/average multifamily mortgage portfolio	0.9 bps	4.3 bps	7.4 bps	4.6 bps	8.2 bps	10.4 bps	2.6 bps	9.2 bps

(1) See "NOTE 16: SEGMENT REPORTING" in our Form 10-Q dated August 9, 2010 for more information regarding Segment Earnings.
(2) Beginning January 1, 2010, under our revised method, Segment Earnings for the Multifamily segment equals GAAP net income (loss) attributable to Freddie Mac for the Multifamily segment.
(3) We wrote down the carrying value of our LIHTC investments to zero in our GAAP financial statements at December 31, 2009, as we will not be able to realize any value either though reductions to our taxable income and related tax liabilities or through a sale to a third party.
(4) There are no credit fees associated with our multifamily guarantees; however, this rate excludes prepayment and certain other fees.