

FREDDIE MAC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2009	2008	2007
	(in millions)		
Cash flows from operating activities			
Net loss	\$ (21,554)	\$ (50,116)	\$ (3,102)
Adjustments to reconcile net loss to net cash provided by (used for) operating activities:			
Derivative (gains) losses	(2,046)	13,650	2,231
Asset related amortization -- premiums, discounts and basis adjustments	163	(493)	(10)
Debt related amortization -- premiums and discounts on certain debt securities and basis adjustments	3,959	8,765	10,894
Net discounts paid on retirements of debt	(4,303)	(8,844)	(8,405)
Losses (gains) on debt retirement	568	(209)	(345)
Provision for credit losses	29,530	16,432	2,854
Low-income housing tax credit partnerships	4,155	453	469
Losses on loans purchased	4,754	1,634	1,865
Losses (gains) on investment activity	5,356	16,108	(294)
Foreign-currency losses, net	-	-	2,348
Losses (gains) on debt recorded at fair value	404	(406)	-
Deferred income tax (benefit) expense	(670)	5,507	(3,943)
Purchases of held-for-sale mortgages	(101,976)	(38,070)	(21,678)
Sales of held-for-sale mortgages	88,094	24,578	19,525
Repayments of held-for-sale mortgages	3,050	896	138
Change in:			
Due to Participation Certificates and Structured Securities Trust	250	(623)	946
Trading securities	-	-	(1,922)
Accounts and other receivables, net	(1,343)	(1,668)	(909)
Amounts due to Participation Certificate investors, net	-	-	(10,744)
Accrued interest payable	(1,324)	(786)	(263)
Income taxes payable	312	(1,185)	130
Guarantee asset, at fair value	(5,597)	4,744	(2,203)
Guarantee obligation	(183)	(1,470)	4,245
Other, net	(311)	944	503
<i>Net cash provided by (used for) operating activities</i>	<u>1,288</u>	<u>(10,159)</u>	<u>(7,670)</u>
Cash flows from investing activities			
Purchases of trading securities	(250,411)	(200,613)	-
Proceeds from sales of trading securities	153,093	94,764	-
Proceeds from maturities of trading securities	69,025	18,382	-
Purchases of available-for-sale securities	(15,346)	(174,968)	(319,213)
Proceeds from sales of available-for-sale securities	22,259	35,872	109,973
Proceeds from maturities of available-for-sale securities	86,702	193,573	219,047
Purchases of held-for-investment mortgages	(23,606)	(25,099)	(25,059)
Repayments of held-for-investment mortgages	6,862	6,516	9,571
Decrease (increase) in restricted cash	426	(857)	(96)
Net (payments) proceeds from mortgage insurance and acquisitions and dispositions of real estate owned	(4,690)	(2,573)	1,798
Net decrease (increase) in federal funds sold and securities purchased under agreements to resell	3,150	(3,588)	16,466
Derivative premiums and terminations and swap collateral, net	99	(12,829)	(2,484)
Investments in low-income housing tax credit partnerships	-	-	(158)
<i>Net cash provided by (used for) investing activities</i>	<u>47,563</u>	<u>(71,420)</u>	<u>9,845</u>
Cash flows from financing activities			
Proceeds from issuance of short-term debt	996,886	1,194,456	1,016,933
Repayments of short-term debt	(1,088,026)	(1,061,595)	(986,489)
Proceeds from issuance of long-term debt	336,973	241,222	183,161
Repayments of long-term debt	(307,780)	(267,732)	(222,541)
Increase in liquidation preference of senior preferred stock	36,900	13,800	-
Proceeds from issuance of preferred stock	-	-	8,484
Redemption of preferred stock	-	-	(600)
Repurchases of common stock	-	-	(1,000)
Payment of cash dividends on senior preferred stock, preferred stock and common stock	(4,105)	(998)	(1,539)
Excess tax benefits associated with stock-based awards	1	3	5
Payments of low-income housing tax credit partnerships notes payable	(343)	(742)	(1,068)
Other, net	-	(83)	(306)
<i>Net cash (used for) provided by financing activities</i>	<u>(29,494)</u>	<u>118,331</u>	<u>(4,960)</u>
Net increase (decrease) in cash and cash equivalents	19,357	36,752	(2,785)
Cash and cash equivalents at beginning of period	45,326	8,574	11,359
<i>Cash and cash equivalents at end of period</i>	<u>\$ 64,683</u>	<u>\$ 45,326</u>	<u>\$ 8,574</u>
Supplemental cash flow information			
Cash paid (received) for:			
Debt interest	\$ 25,169	\$ 35,664	\$ 37,473
Swap collateral interest	6	149	445
Derivative interest carry, net	2,268	804	(1,070)
Income taxes	(472)	1,230	927
Non-cash investing and financing activities:			
Held-for-sale mortgages securitized and retained as available-for-sale securities	1,088	-	169
Investments in low-income housing tax credit partnerships financed by notes payable	-	-	286
Transfers from held-for-sale mortgages to held-for-investment mortgages	10,336	-	41
Transfers from held-for-investment mortgages to held-for-sale mortgages	435	-	-
Transfers from Participation Certificates recognized on our consolidated balance sheets to held-for-investment mortgages	-	-	2,229
Transfers from available-for-sale securities to trading securities	-	87,281	-
Issuance of senior preferred stock and warrant to purchase common stock to U.S. Department of the Treasury	-	3,304	-

The Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K dated February 24, 2010 are an integral part of these consolidated financial statements.