



Freddie Mac's First Quarter 2007 Financial Results

June 14, 2007

First quarter 2007 financial summary

- Widening credit spreads produced mark-to-market losses on GAAP and Fair Value results
- Net interest income declined year-over-year, but appears to be stabilizing
- Management and guarantee income continued to show good growth
- Reclaimed share from the private label market
- Interest rate risk stayed low
- Credit risk measures ticked up
- Made progress on controls
- Initiated preferred-for-common stock swap
- Resumed quarterly financial reporting

GAAP financial results

	(\$ Millions)	1Q 2007	1Q 2006	Change
1	Net interest income	\$ 978	\$ 1,131	\$ (153)
2	Management and guarantee income	460	413	47
3	Non-interest income (loss) - mark-to-market	(1,200)	742	(1,942)
4	Non-interest income (loss) - other	186	192	(6)
5	Total revenues	424	2,478	(2,054)
6	Administrative expenses	(403)	(373)	(30)
7	Credit-related benefits (expenses)	(193)	24	(217)
8	Non-interest expense - mark-to-market	(314)	(67)	(247)
9	Non-interest expense - other	(164)	(168)	4
10	Total expenses	(1,074)	(584)	(490)
11	Net income (loss) before taxes	(650)	1,894	(2,544)
12	Income tax benefit	439	115	324
13	Net income (loss)	\$ (211)	\$ 2,009	\$ (2,220)

Mark-to-market items

(\$ Millions)	1Q 2007	1Q 2006	Change
1 Gains (losses) on derivatives excluding accrual of periodic settlements and foreign-currency swaps	\$ (765)	\$ 272	\$ (1,037)
2 Mark-to-market on Guarantee asset	(98)	404	(502)
3 Mark-to-market on PC Residual ¹ (includes net GA and GO mark-to-market)	<u>-</u>	<u>206</u>	<u>(206)</u>
4 Subtotal interest-rate related items (Lines 1, 2, 3)	(863)	882	(1,745)
5 Losses on certain credit guarantees	(144)	(46)	(98)
6 Losses on loans purchased	(170)	(21)	(149)
7 Mark-to-market on PC Residual ² (includes net GA and GO mark-to-market)	<u>(233)</u>	<u>-</u>	<u>(233)</u>
8 Subtotal credit-related items (Lines 5, 6, 7)	(547)	(67)	(480)
9 Other	<u>(104)</u>	<u>(140)</u>	<u>36</u>
10 Total mark-to-market items	\$ (1,514)	\$ 675	\$ (2,189)

¹Primarily interest-rate related.

²Primarily credit related.

Fair value attributable to common stockholders

(\$ Billions)		1Q 2007	1Q 2006	Change
1	Investment activities	\$ 0.4	\$ (0.1)	\$ 0.5
2	<i>Impact of OAS</i>	(0.3)	(0.7)	0.4
3	Guarantee activities	(1.2)	1.1	(2.3)
4	<i>Change in value of GA¹</i>	0.2	0.8	(0.6)
5	<i>Change in value of GO and LIA portfolio, net of credit enhancements¹</i>	(2.0)	(0.1)	(1.9)
6	Administrative expenses and other	(0.4)	(0.2)	(0.2)
7	Taxes and returns on capital	0.9	0.2	0.7
8	Increase (decrease) in fair value before capital transactions² (Lines 1, 3, 6, 7)	\$ (0.3)	\$ 1.0	\$ (1.3)
9	Fair value ROE before capital transactions	(4.4%)	14.8%	(19.2%)
10	Common dividends and repurchases	\$ (0.3)	\$ (0.3)	\$ (0.0)
11	Common fair value	\$ 25.4	\$ 27.4	\$ (2.0)

¹Line 4 and line 5 include amounts related to the GA and GO components of the PCR, respectively. Loans in acceleration (LIA) represent non-performing loans Freddie Mac purchased from PC pools.



Appendix

Net interest income (NII) and net interest yield (NIY)

(\$ Millions)	1Q 2007		1Q 2006		Change	
	\$	%	\$	%	\$	%
1 Contractual amounts of NII	\$ 1,722		\$ 2,155		\$ (433)	
2 Debt and mortgage and mortgage-related amortization, net	(413)		(635)		222	
3 NII (excluding effect of derivatives)	\$ 1,309	0.67%	\$ 1,520	0.78%	\$ (211)	(0.11%)
4 Effect of derivatives on NII	(331)	(0.17%)	(389)	(0.20%)	58	0.03%
5 NII / NIY	\$ 978	0.50%	\$ 1,131	0.58%	\$ (153)	(0.08%)
6 Fully taxable-equivalent adjustments	95	0.05%	92	0.05%	3	-
7 NII / NIY (FTE)	\$ 1,073	0.55%	\$ 1,223	0.63%	\$ (150)	(0.08%)
8 Accrual of periodic settlements on NHD derivatives	\$ 39	0.02%	\$ (3)	0.00%	\$ 42	0.02%

Detail of change in net interest yield

1	NIY (FTE) - First quarter 2006	0.63%
	Estimated impact of:	
2	Expense related to derivatives	0.03%
3	Retained portfolio asset spread compression due to refunding of long-term debt	<u>(0.11%)</u>
4	NIY (FTE) - First quarter 2007	0.55%
5	Accrual of periodic settlements on NHD derivatives (recorded in non-interest income)	0.02%

Guarantee fee analysis

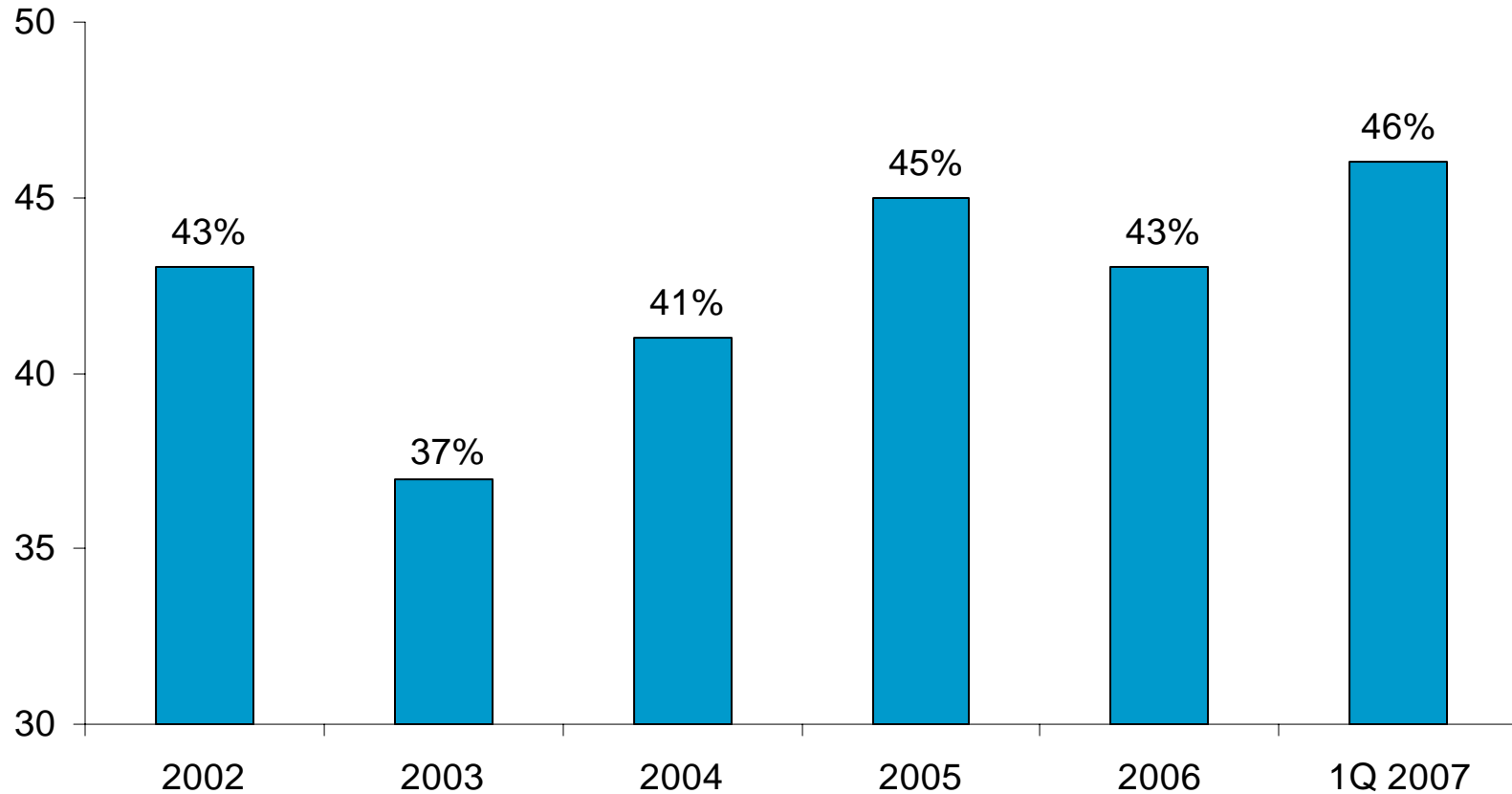
(\$ Millions, Rates in Basis Points)					
	1Q 2007	Rate	1Q 2006	Rate	
1 Contractual management and guarantee fees	\$ 451	15.8 bps	\$ 387	15.5 bps	
2 Amortization of pre-2003 deferred fees	9	0.3	26	1.0	
3 Total (Line 1 + Line 2)	\$ 460	16.1 bps	\$ 413	16.5 bps	
4 Amortization of deferred fees ¹	47	1.6	37	1.5	
5 Total (Line 3 + Line 4)	\$ 507	17.7 bps	\$ 450	18.0 bps	
6 Average outstanding PCs	\$ 1,144,993		\$ 1,001,417		

¹Recognized in "Income on Guarantee obligation" on the income statement.

Our market share has increased

Freddie Mac share
of PC/MBS issues¹
(Percent)

Freddie Mac's GSE market share



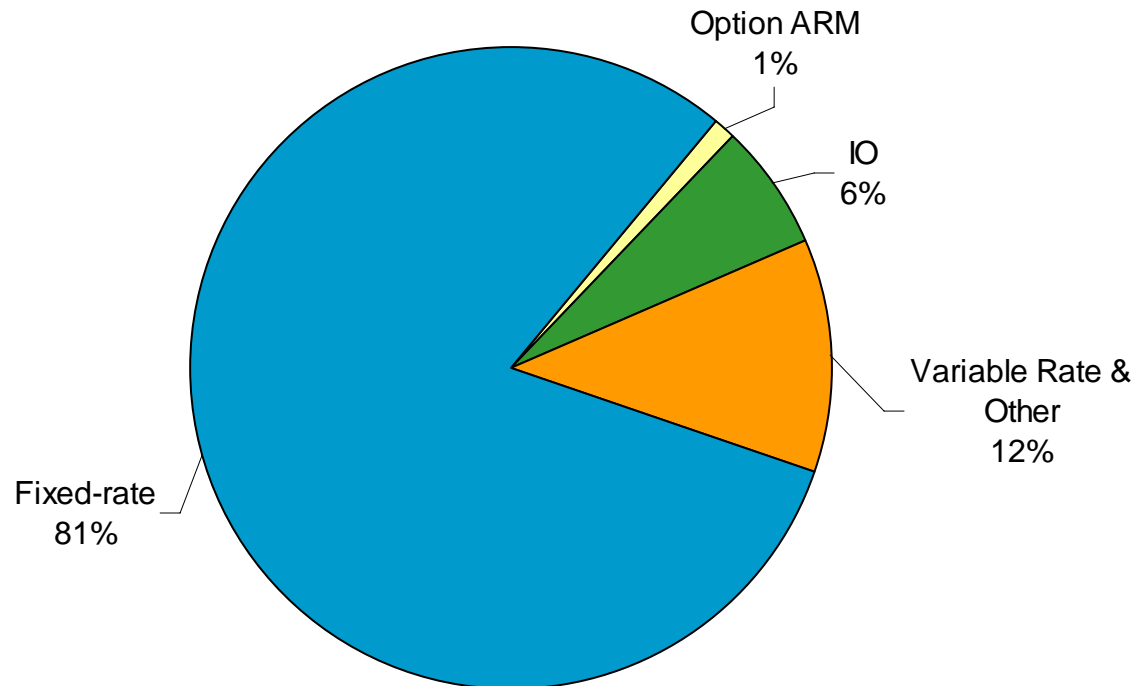
¹ In 2006 and 2007, Freddie Mac's share of PC/MBS issues is calculated as Freddie Mac's issuance activities for Total Guaranteed PCs and Structured Securities Issued divided by the sum of such issuances and Fannie Mae's Total MBS Issuances.

Source: Freddie Mac and Fannie Mae Monthly Summaries. 2007 data as of March 31, 2007.

Asset quality is high

Total mortgage portfolio As of March 31, 2007

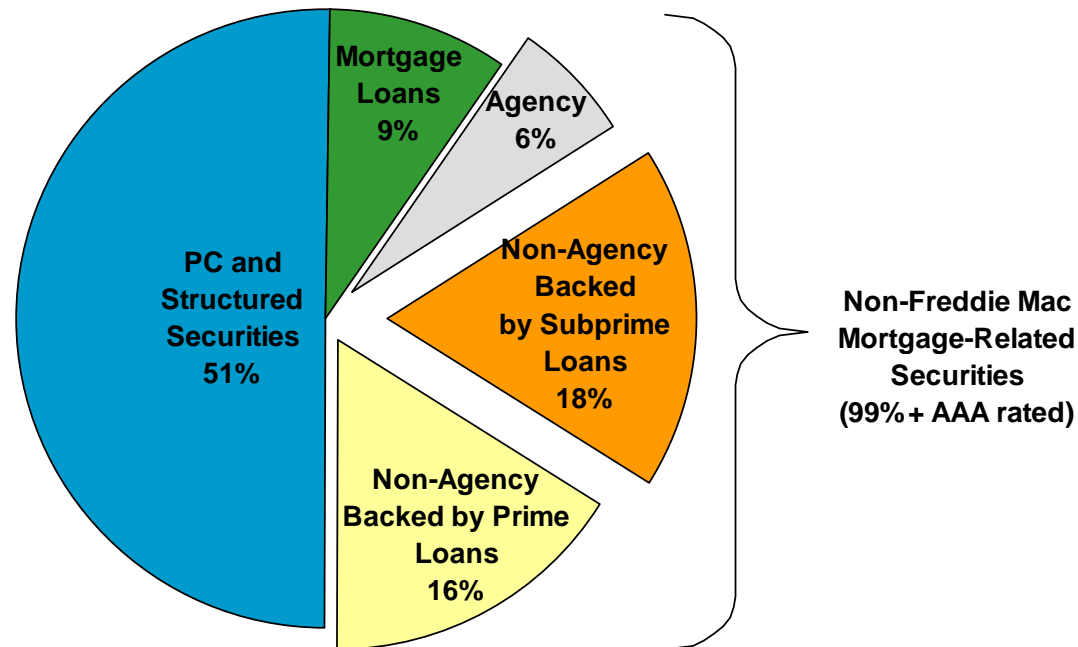
\$1.6 Trillion



Note: Excludes non-Freddie Mac mortgage-related securities.

Retained portfolio composition

Retained portfolio

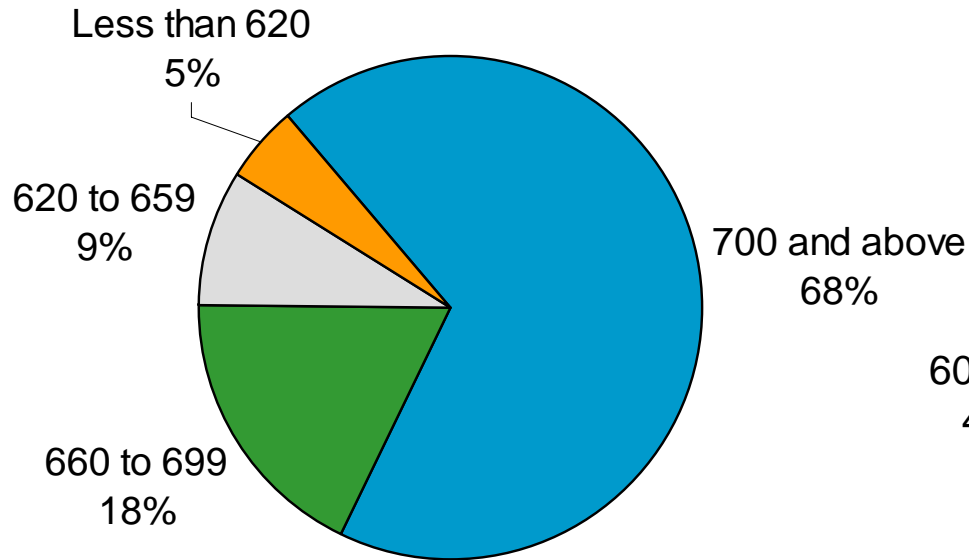


Note: Non-agency mortgage-related securities backed by subprime loans include significant credit enhancements based on their structure and more than 99.9 percent of these securities were rated AAA at December 31, 2006.

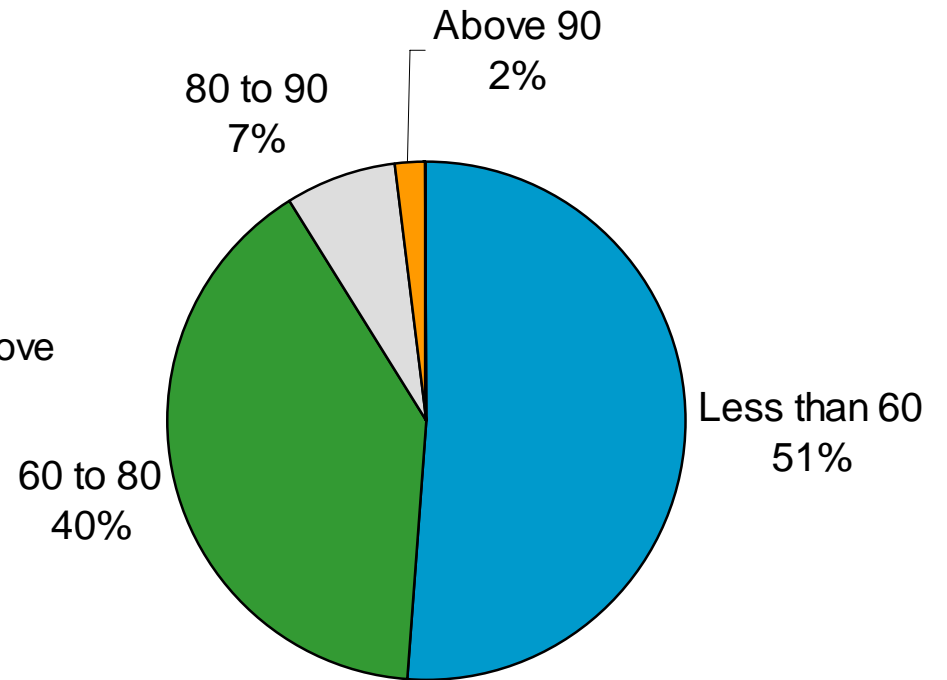
Source: Freddie Mac's Information Statement dated March 23, 2007. Data based on unpaid principal balances as of December 31, 2006.

Portfolio characteristics demonstrate relatively low inherent risk

FICO score

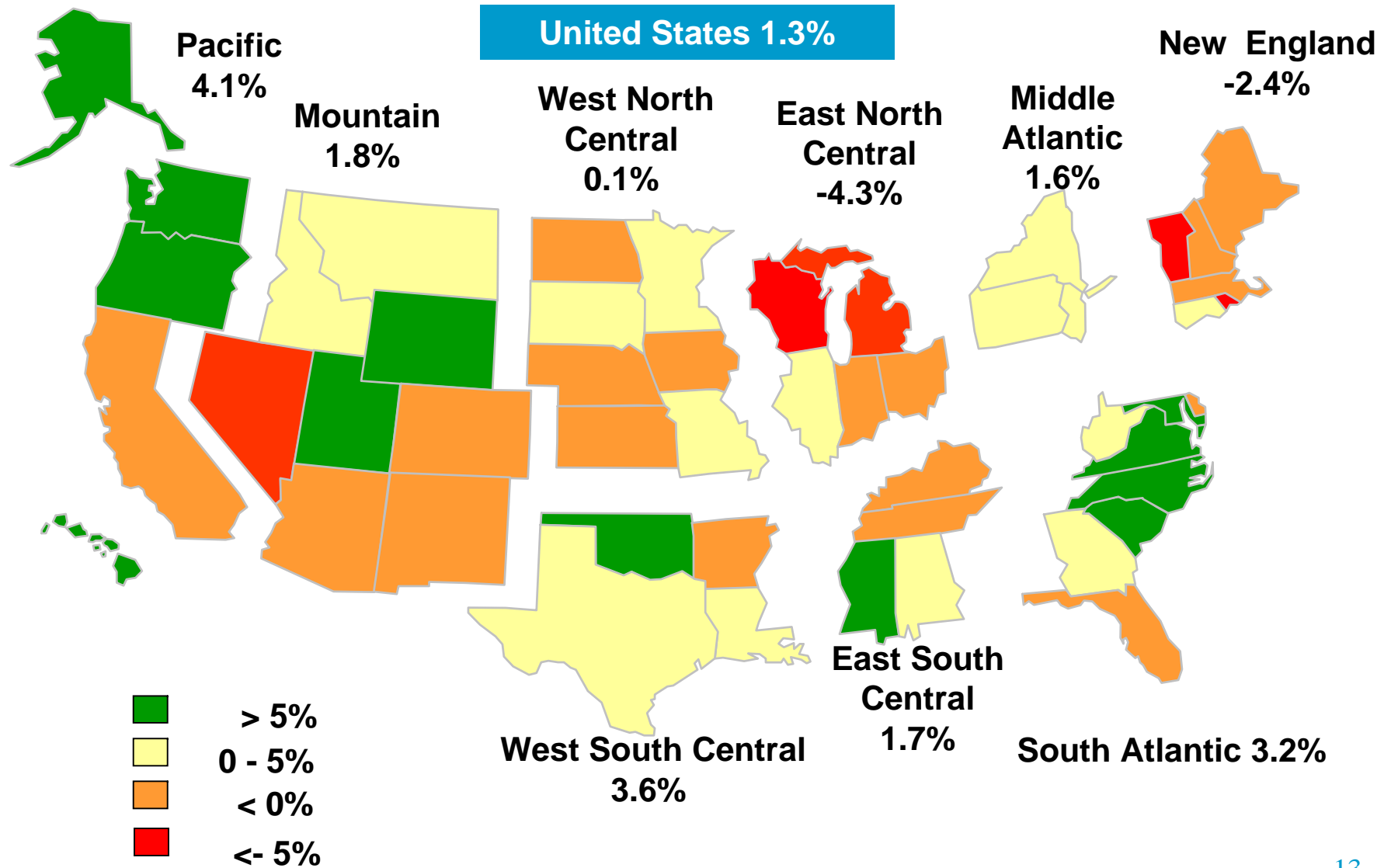


Current loan-to-value (Percent)



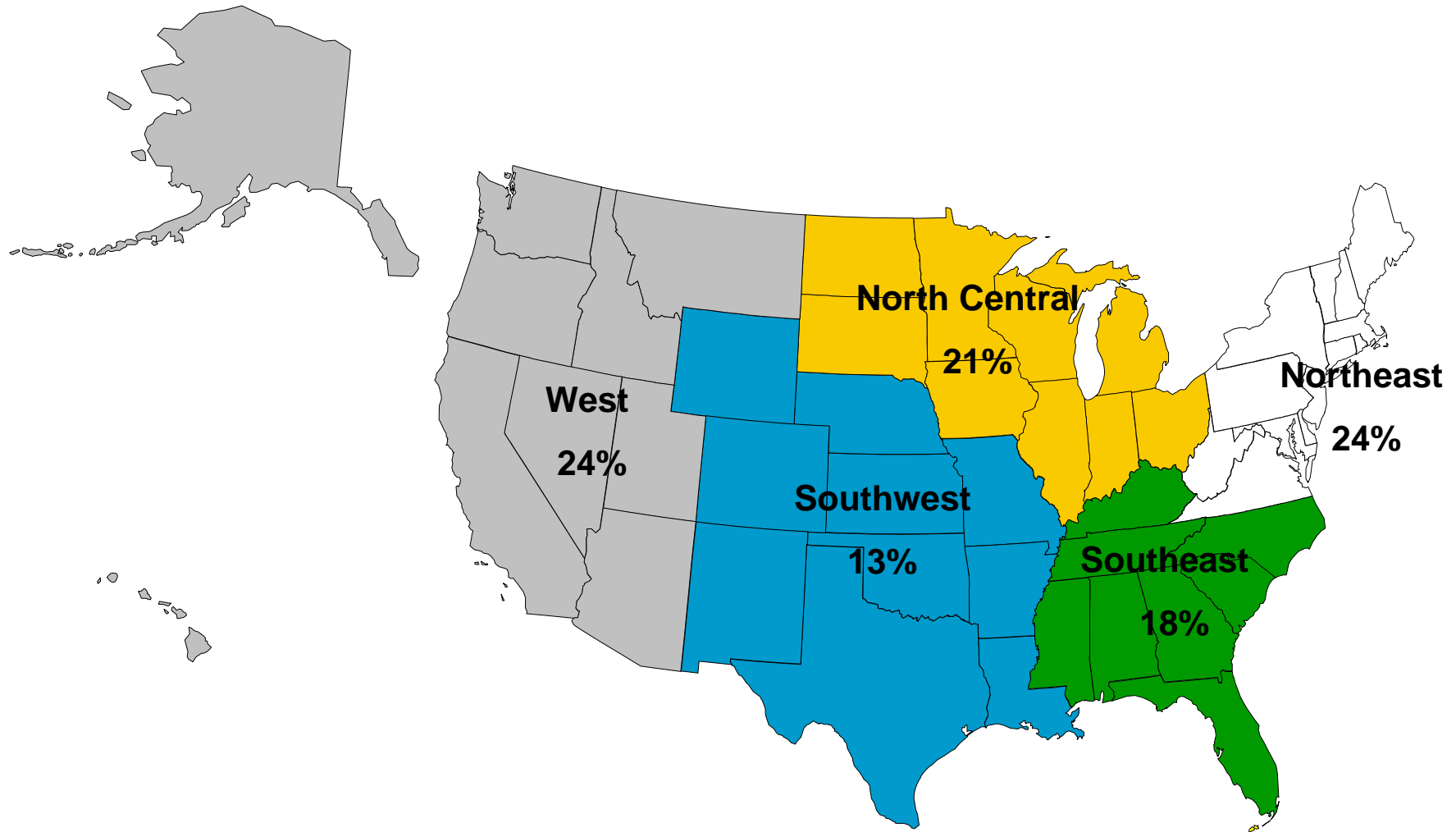
Source: Freddie Mac's Information Statement Supplement dated June 14, 2007. Data as of March 31, 2007.

Annualized house price growth for first quarter 2007



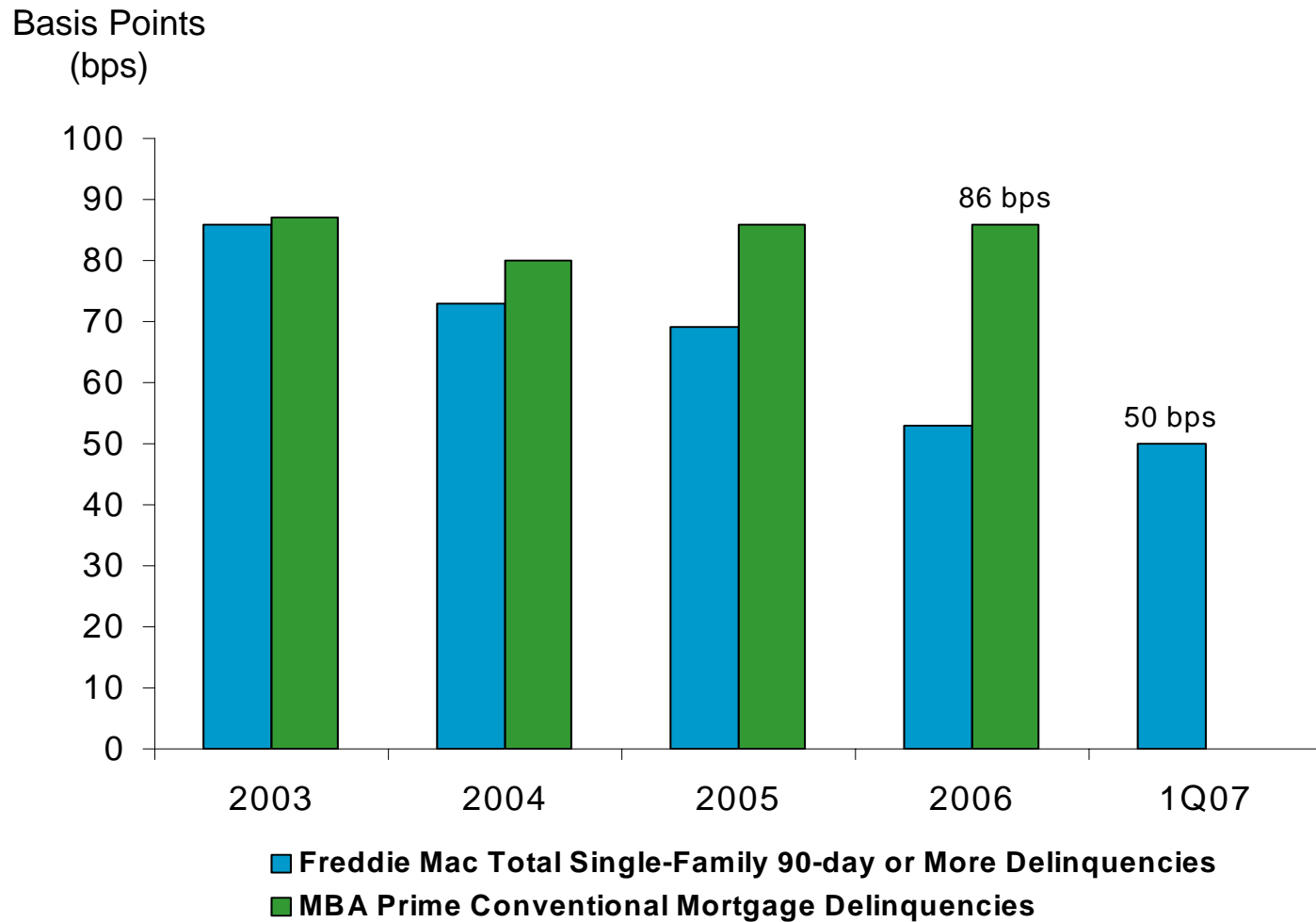
Source: Freddie Mac Purchase-only Conventional Mortgage Home Price Index Annualized Quarterly Change (Q4 2006 – Q1 2007).

Freddie Mac's portfolio is well diversified



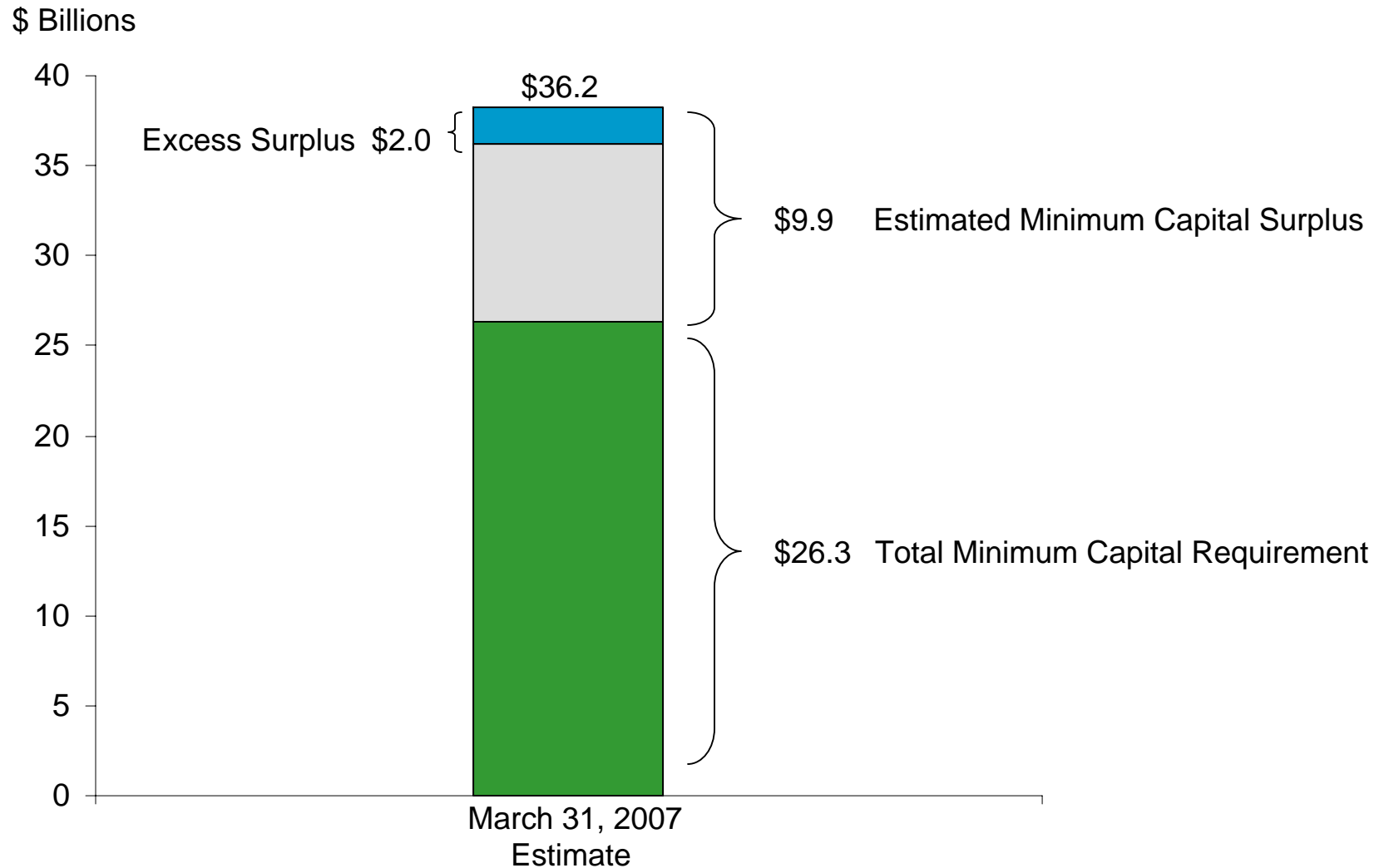
Our mortgage credit remains very strong

90-day or more delinquencies



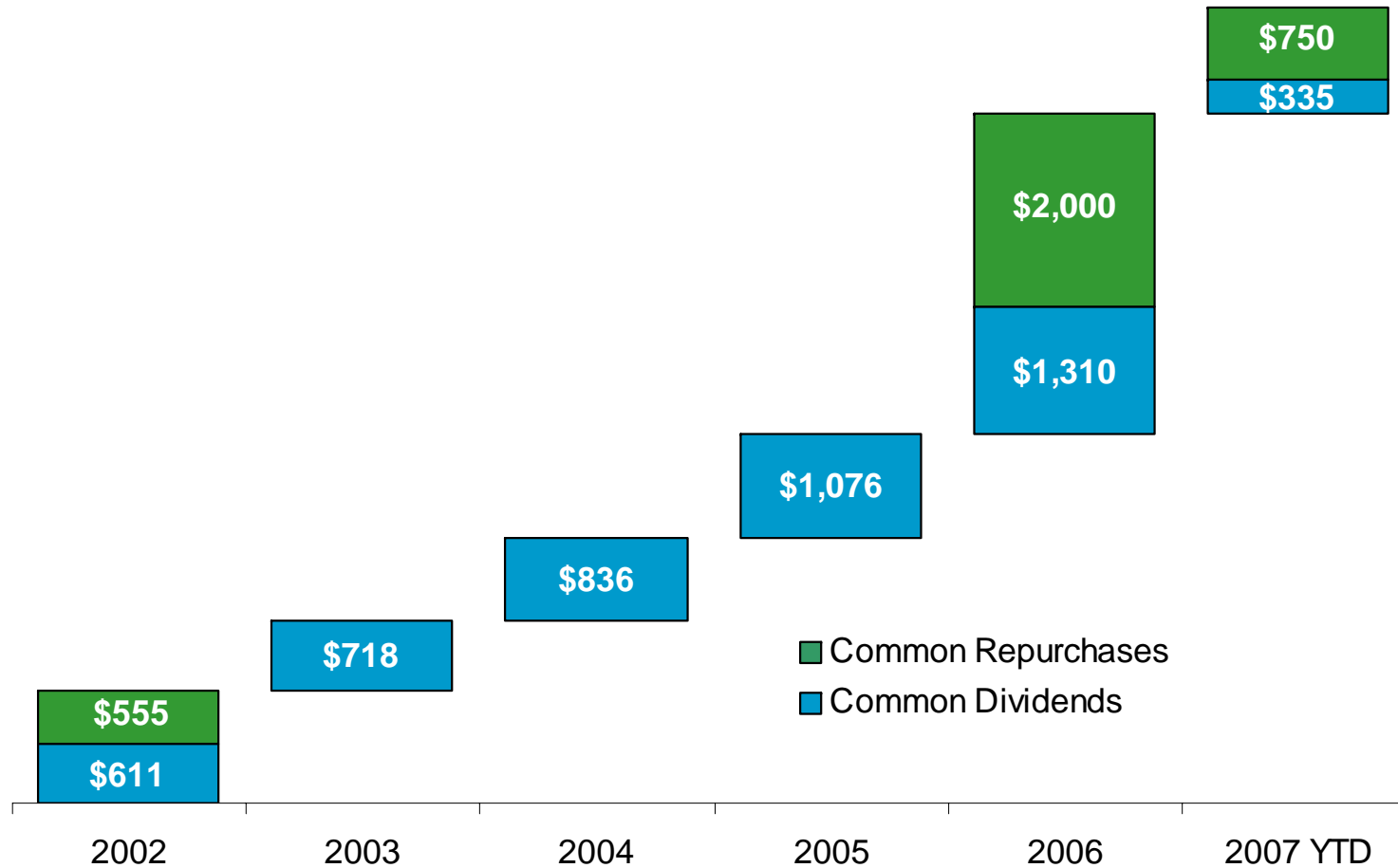
Source: Lehman Live and Freddie Mac. Annual numbers taken at end of fourth quarter.

Regulatory capital adequacy



We have a record of returning capital to shareholders

\$ Millions



Note: Excludes issuance of common stock for employee programs. 2007 common repurchases data as of May 31, 2007; 2007 common dividends data as of March 31, 2007.

Source: Freddie Mac.

Safe Harbor Statements

Freddie Mac obligations

Freddie Mac's securities are obligations of Freddie Mac only. The securities, including any interest or return of discount on the securities, are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

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