



**Supplement dated March 4, 2008 to  
Information Statement dated February 28, 2008**

**LEGAL PROCEEDINGS**

**The New York Attorney General's Investigation**

On March 3, 2008, Freddie Mac entered into an agreement with the New York Attorney General's Office and the Office of Federal Housing Enterprise Oversight under which we agreed to adopt a Home Valuation Protection Code (the "Code"). The Code establishes requirements governing appraisal selection, solicitation, compensation, conflicts of interest and corporate independence, among other things.

Beginning January 1, 2009, Freddie Mac will require that lenders represent and warrant that appraisals conducted in connection with single-family mortgage loans, other than government-insured loans, originated on or after January 1, 2009 that are delivered to Freddie Mac conform to the Code. After January 1, 2009, Freddie Mac will not purchase loans from originators that do not agree to adopt the Code. Freddie Mac will provide the opportunity for comments from market participants on its implementation and deployment of the Code.

The agreement also provides for the establishment of the Independent Valuation Protection Institute (the "Institute") to monitor and study home valuation processes and market practices. The Institute will establish a hotline for consumers to contact if they believe the appraisal process has been tainted or if they have been harmed by appraisal fraud. Appraisers will also be able to contact the Institute if they believe their independence has been threatened in any way. Freddie Mac has agreed to help fund the Institute through contributions totaling \$12 million over a five-year period.

Under the agreement, Freddie Mac has agreed to cooperate in the New York Attorney General's Office's ongoing investigation into the mortgage industry and the New York Attorney General's Office has agreed to terminate its current investigation of Freddie Mac.