



**Supplement dated March 19, 2008 to
Information Statement dated February 28, 2008**

RECENT EVENTS

**OFHEO, FANNIE MAE AND FREDDIE MAC ANNOUNCE INITIATIVE TO
INCREASE MORTGAGE MARKET LIQUIDITY**

OFHEO, Fannie Mae and Freddie Mac today announced a major initiative to increase liquidity in support of the U.S. mortgage market. The initiative is expected to provide up to \$200 billion of immediate liquidity to the mortgage-backed securities market.

OFHEO estimates that Fannie Mae's and Freddie Mac's existing capabilities, combined with this new initiative and the release of the portfolio caps announced in February, should allow the GSEs to purchase or guarantee about \$2 trillion in mortgages this year. This capacity will permit them to do more in the jumbo temporary conforming market, subprime refinancing and loan modifications areas.

To support growth and further restore market liquidity, OFHEO announced that it would begin to permit a significant portion of the GSEs' 30 percent OFHEO-directed capital surplus to be invested in mortgages and MBS. As a key part of this initiative, both companies announced that they will begin the process to raise significant capital. Both companies also said they would maintain overall capital levels well in excess of requirements while the mortgage market recovers in order to ensure market confidence and fulfill their public mission.

OFHEO announced that Fannie Mae is in full compliance with its Consent Order and that Freddie Mac has one remaining requirement relating to the separation of the Chairman and CEO positions. OFHEO expects to lift these Consent Orders in the near term. In view of this progress, the public purpose of the two companies, and ongoing market conditions, OFHEO concludes that it is appropriate to reduce immediately the existing 30 percent OFHEO-directed capital requirement to a 20 percent level, and will consider further reductions in the future.

Additionally, all parties recognize the need for a world class regulatory structure and have renewed a shared commitment to work for comprehensive GSE reform legislation.

"Fannie Mae and Freddie Mac have played a very important and beneficial role in the mortgage markets over the last year," stated OFHEO Director James Lockhart. "Let me be clear – both companies have prudent cushions above the OFHEO directed capital requirements and have increased their reserves. We believe they can play an even more positive role in providing the stability and liquidity the markets need right now. OFHEO will remain vigilant in supervising the safe and sound operations of these companies, and will act quickly to address any

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deficiencies that may arise. Furthermore, we recognize the need to ensure that their capital levels are strong, protecting them from unforeseen risks as the market recovers.”

Fannie Mae President and Chief Executive Officer Dan Mudd added that, “We are working with our customers, regulators and policy makers to minimize foreclosures, increase affordability – and as of today – to restore liquidity in the market. This progressive, sustainable plan will help bring the stability the market needs.”

Freddie Mac Chairman and Chief Executive Officer Dick Syron said, “The recent environment demonstrates the benefits of the GSEs to the U.S. economy. This approach allows us to continue to create these benefits in a way that balances our mission to provide stability, liquidity, and affordability consistent with safety and soundness while enhancing the interests of shareholders.”

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Freddie Mac’s press releases and Information Statement Supplements sometimes contain forward-looking statements pertaining to management’s current beliefs, expectations and estimates as to our future: business plans; capital management plans; compliance with regulatory requirements, including the OFHEO consent order; and/or impact of any of our efforts on the stability or liquidity of the markets. These statements involve known and unknown risks, uncertainties, assumptions, estimates, and other factors and can often be identified by the words “initiative,” “estimates,” “over time,” “will permit,” and other expressions which are predictions of or indicate future events and trends. Our expectations for the company’s future necessarily involve a number of assumptions and estimates, and various factors could cause actual results to differ materially from these expectations, including: actions by governmental entities, securities agencies or others that adversely affect the supply or cost of equity capital or debt financing available to us; our ability to identify, manage, mitigate and remediate internal control weaknesses and deficiencies and other risks; our ability to effectively implement our business strategies and manage the risks in our business; changes in estimates, methodologies, models or other measurement techniques we use; general business, economic, market and political conditions, including changes in levels and volatilities of interest rates and other market factors, housing prices, credit losses, and employment rates; our ability to complete additional capital transactions; changes in applicable legislative or regulatory requirements, including required capital levels, or changes in interpretations of such requirements; and the reactions of the marketplace to the foregoing. Additional assumptions and factors are also discussed in our Information Statement dated February 28, 2008, and subsequent Information Statement Supplements, which are available on the Investor Relations page of our website at www.FreddieMac.com/investors. We undertake no obligation to publicly update forward-looking statements we make in light of new information or future events.