



**Supplement dated March 22, 2006 to  
Information Statement dated June 14, 2005**

**RECENT EVENTS**

**FREDDIE MAC ANNOUNCES RESIGNATION OF MARTIN F. BAUMANN,  
CHIEF FINANCIAL OFFICER**

On March 22, 2006, Freddie Mac said that Martin F. Baumann, executive vice president of Finance and chief financial officer, has announced his resignation. Freddie Mac's President and Chief Operating Officer, Eugene McQuade, will assume the responsibilities of the chief financial officer effective immediately while the company conducts a search for Baumann's successor.

"Marty Baumann has been a key contributor to the turnaround currently underway at Freddie Mac," said Richard Syron, Freddie Mac's chairman and chief executive officer. "Since joining the company in 2003, Marty has helped Freddie Mac complete its earnings restatement, release its 2003 and 2004 financial results on an improving timeline, develop a talented and dedicated accounting policy team, resolve an extraordinary number of accounting policy issues, and improve the transparency of the financial data we provide to investors. Marty has also been a valuable member of our management team. On behalf of Freddie Mac, I want to thank Marty for his tireless service and wish him well."

"We have made great progress over the past three years, including completing the restatement of prior years' earnings and rebuilding the company's accounting policy function," Baumann said. "This was challenging work, and we accomplished a great deal. I am equally proud of the dedicated and talented team we have assembled to help guide the Finance function into the future."

Baumann's resignation is not expected to affect the company's announced plan to release its quarterly and full-year 2005 financial results in May 2006. The company will hold its quarterly market update call next week. During the conference call, management will discuss the company's business and preliminary financial performance for 2005 and its expected financial reporting schedule and business outlook for 2006.

Baumann joined Freddie Mac in March 2003 as the company's executive vice president for Finance with responsibility for accounting, corporate planning, taxation and capital management. He was named chief financial officer in June 2003. Baumann joined Freddie Mac after a 30-year-career at PricewaterhouseCoopers, where he served as partner, deputy chairman of the World Financial Services Practice, and as global banking leader.

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Freddie Mac said it has retained an executive recruiting firm to assist in its search for Baumann's successor.

The company has entered into a separation agreement with Mr. Baumann dated March 21, 2006 providing for the following:

- Mr. Baumann's continued service to Freddie Mac as Executive Vice President – Special Advisor to the President and Chief Operating Officer until May 31, 2006, at his current base salary, together with a bonus of \$750,000 for his service in 2005.
- Mr. Baumann's availability to advise and consult with the company on an as-needed basis until December 31, 2008.
- Severance in the amount of \$540,000 payable over one year in semi-monthly installments commencing six months after May 31, 2006.
- A cash payment of \$1,000,000 and vesting of restricted stock units with a value of \$1,000,000 on December 31, 2007.
- Forfeiture of all unvested stock options and restricted stock units as of May 31, 2006, other than restricted stock units awarded in 2003, 2004 and 2005, which will continue to vest until December 31, 2008.
- Forfeiture of any remaining payments and the prompt return to the company of certain compensation provided under the separation agreement in the event that Mr. Baumann materially breaches specified provisions of its terms.

Under applicable law, the agreement will not become effective or enforceable until the eighth calendar day after its signature by Mr. Baumann, and is subject to revocation by him prior to that day. The agreement is subject to the approval of the Office of Federal Housing Enterprise Oversight and the Compensation and Human Resources Committee of Freddie Mac's Board of Directors.