



FREDDIE MAC RESTATEMENT PROCESS ON TRACK

Corporation Continues to Expect the Likely Cumulative Effect to Materially Increase Past Earnings First Quarter 2003 Earnings to be Released After Restatements Are Complete

McLean, VA - Freddie Mac (NYSE:FRE) today reported that the previously announced restatements of its financial results are progressing well. The restatement process is expected to be completed by the end of second quarter 2003, with results released shortly afterward. The restatements will include annual financial results for 2002, 2001 and 2000 and quarterly financial results for 2002 and 2001. Freddie Mac will provide a further update on the restatement process in late April.

In order to report first quarter 2003 results on a consistent basis with restated prior periods, the corporation will delay release of its first quarter earnings until after completion of the restatement process. Freddie Mac will publish other information about the corporation's first quarter 2003 business performance in late April. The information will include business volume (retained portfolio volume, total PC volume, liquidations, net growth and market share) as well as credit and interest-rate risk management results (delinquency rate, real estate owned (REO) activity, portfolio market value sensitivity (PMVS) and duration gap).

The restatements and related re-audit result from the corporation's re-evaluation, in conjunction with its new auditor, PricewaterhouseCoopers, of certain accounting policies previously used by Freddie Mac and concurred with by the corporation's prior auditor. Freddie Mac continues to expect that the likely cumulative effect of the restatements will be to materially increase reported earnings for prior periods. In addition, the corporation expects significant volatility in reported quarterly earnings for those periods. The corporation expects the effect of these adjustments to be limited almost entirely to changes in the timing of the recognition of income and associated balance sheet effects, and as a result cumulative increases in prior periods will have offsetting effects in future periods. Freddie Mac also expects that the cumulative adjustments will increase the corporation's capital surplus under its regulatory minimum capital requirement.

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The corporation's business strategies, low risk profile and economics are unaffected by the restatements. As disclosed in the corporation's February 2003 Monthly Volume Summary, its PMVS was 2.72 percent and its duration gap averaged a negative one month in February, reflecting Freddie Mac's consistently low level of interest-rate risk. In addition, Freddie Mac's single-family delinquency rate was a low 0.43 percent for January 2003, the most recent reporting period.

Additional information about the restatements and related re-audit is available in Freddie Mac's press release and Information Statement Supplement dated January 27, 2003.

Freddie Mac's press releases sometimes contain forward-looking statements pertaining to management's current expectations as to Freddie Mac's future business plans, results of operations and/or financial condition. Management's expectations for the corporation's future necessarily involve a number of assumptions and estimates, and various factors could cause actual results to differ materially from these expectations. These assumptions and factors are discussed in the corporation's Annual Report to Shareholders and its Information Statement and quarterly Information Statement Supplements.

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage securities and debt instruments in the capital markets. Over the years, Freddie Mac has opened doors for one in six homebuyers and more than two million renters in America.

Freddie Mac's earnings releases and other financial disclosures are available on the Investors' page of its website at www.freddiemac.com.

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