



**Supplement dated May 30, 2006 to
Information Statement dated June 14, 2005**

On May 30, 2006, Freddie Mac announced its 2005 financial results. This Information Statement Supplement includes the content of that announcement and provides additional detail as follows:

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FOR IMMEDIATE RELEASE

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FREDDIE MAC REPORTS 2005 FINANCIAL RESULTS

Company reports market share growth and continued solid risk management performance

McLean, VA—Freddie Mac (NYSE:FRE) today reported GAAP net income of \$2.1 billion for 2005. The decline in net income from \$2.9 billion for 2004 was due primarily to approximately \$600 million of costs associated with the recent agreement to settle the securities class action and shareholder derivative litigation, charges related to Hurricane Katrina and the net impact of certain accounting changes. Freddie Mac's regulatory core capital is estimated to have grown to \$36.0 billion at December 31, 2005, with an estimated \$3.5 billion in excess of the 30-percent target surplus. The company's interest-rate and credit risks remain near historic lows.

“Freddie Mac made continued progress throughout 2005, delivering long-term value to the nation's homeowners and to our stockholders as we've strived to fulfill our mission and solidify business execution,” said Chairman and CEO Richard F. Syron. “We provided more support for low- and moderate-income homebuyers, increased our market share, streamlined our business operations and added key talent to our senior management team. With the release today of our 2005 results, we are positioned to initiate the capital management activities we announced last year.”

In 2005, Freddie Mac financed homes for more than four million families. In addition, while the final determination will be made by the Secretary of HUD, we reported that we met all of our regulatory affordable housing goals for 2005. We estimate our share of government-sponsored enterprise mortgage securitizations was 45 percent in 2005, compared to 41 percent in 2004, as we improved service quality and products and forged new and stronger relationships with mortgage lenders and other key business partners.

“2005 was a year of continued investment in the business capabilities, infrastructure and management team here at Freddie Mac,” said Eugene M. McQuade, president and chief operating officer. “These investments position our company to achieve our long-term growth and return objectives, and to deliver long-term value to the market and our stockholders. As we execute on our 2006 priorities, we have a strong capital position, growing business momentum and a determination to resolve remaining financial infrastructure challenges. Dick and I feel very good about the long-term prospects of this franchise.”

2005 RESULTS

GAAP Financial Results

Net income was \$2.1 billion for 2005, down from \$2.9 billion for 2004. Diluted earnings per common share were \$2.75 for 2005, down from \$3.94 for 2004. GAAP return on common equity was 7.72 percent for 2005, down from 10.16 percent for 2004. Consistent with management's previous guidance, year-over-year total revenue was lower in 2005 as a result of lower net interest income from narrowing spreads on fixed-rate assets and a greater proportion of floating-rate assets purchased in 2005.

2005 net income also was adversely affected by approximately \$600 million as a result of the following:

- The agreement to settle securities class action and shareholder derivative litigation of approximately \$220 million,
- Charges related to Hurricane Katrina of approximately \$133 million, and
- The cumulative impact of a change in accounting principle and significant changes in estimate adopted in 2005 totaling approximately \$265 million.

Net income was \$226 million, \$340 million, \$880 million and \$684 million for the first, second, third and fourth quarters of 2005, respectively, compared to \$1,312 million, \$2,754 million, (\$1,506) million and \$377 million for the comparable quarters of 2004. Our quarterly results reflect the impact of accounting corrections and changes (*e.g.*, the new valuation methodology for guarantee assets and obligations) and subsequent events (*e.g.*, the recent litigation settlement) occurring after our initial release of first and second quarter information in August 2005. Going forward, as interest rates change, our period-to-period results are likely to continue to exhibit earnings volatility primarily as a result of the asymmetric mark-to-market accounting treatment of certain assets and liabilities on our balance sheet that is reflected in our income statement.

Regulatory core capital was \$36.0 billion at December 31, 2005, with a regulatory minimum capital surplus estimated at \$11.0 billion, and an estimated \$3.5 billion in excess of the 30-percent target surplus set by the Office of Federal Housing Enterprise Oversight (OFHEO), as reported in our amended capital report filed with OFHEO in conjunction with the issuance of this earnings release.

Fair Value Results

During 2005, the fair value of net assets attributable to common stockholders, before capital transactions, increased by \$0.9 billion, which represents a return on the average fair value of net assets attributable to common stockholders of approximately 3.3 percent. The fair value of net assets attributable to common stockholders as of December 31, 2005 was \$26.7 billion, a \$0.1 billion decrease from December 31, 2004.

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The primary drivers of our fair value results during 2005 were income from the retained portfolio (defined as the net revenue resulting from the option-adjusted spread (OAS) between mortgage-related investments and debt) and fee-based income (including guarantee fees and credit fees related to our guaranteed mortgage-related securities), substantially offset by a decrease from wider mortgage-to-debt OAS, which we estimate reduced fair value by approximately \$1.4 billion (after-tax). We believe disclosing the estimated impact of changes in OAS on the fair value of net assets is helpful to understanding our current-period fair value results in the context of management's long-term fair value return expectations. A more complete discussion of how we derived our estimates of OAS impacts and the limitations that apply to their use are included in the Information Statement Supplement dated as of today and available on our Web site.

Our fair value results also were affected by the cumulative net effect of valuation methodology changes implemented as of the first quarter 2005, which we estimate reduced fair value by approximately \$0.5 billion (after-tax). This includes the net effect of changes in our improved methodology for valuing guarantee assets and obligations, which we estimate reduced fair value by approximately \$0.8 billion (after-tax). As part of our process for producing 2005 financial reports, we improved our fair value estimation methodologies, including implementing a new market-based methodology that uses more direct capital markets information for determining the estimated fair values of our guarantee assets and guarantee obligations. A more complete discussion of the methodology changes is included in the Information Statement Supplement dated as of today and available on our Web site.

In addition, our fair value results were affected by the agreement to settle securities class action and shareholder derivative litigation, the effect of which reduced fair value by approximately \$0.2 billion (after-tax), and the effect of charges related to Hurricane Katrina, which we estimate reduced fair value by approximately \$0.2 billion (after-tax).

Looking beyond 2005, management continues to believe the company will achieve long-term returns on the average fair value of net assets attributable to common stockholders, before capital transactions, in the low- to mid-teens, although period-to-period returns may fluctuate substantially due to market conditions.

2005 AND YEAR-TO-DATE 2006 BUSINESS RESULTS

Portfolio Growth

We continue to deliver on our charter responsibility to be a provider of secondary mortgage market liquidity through both investment and securitization activities. The unpaid principal balance (UPB) of our retained portfolio grew 8.7 percent in 2005, to \$710 billion, and grew to \$724 billion as of April 30, 2006, an annualized growth rate of approximately 5.8 percent. The UPB of our portfolio of PCs and structured mortgage securities issued grew 10.5 percent in 2005, to approximately \$1,336 billion, and grew to \$1,390 billion as of April 30, 2006, an annualized growth rate of approximately 12.1 percent. The growth in 2005 was due in part to the company's successful efforts to increase market share. We estimate our share of government-

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sponsored enterprise mortgage securitizations was 45 percent in 2005, compared to 41 percent in 2004 and 46 percent year-to-date through March.

As a result of these activities, during 2005 and continuing through the first quarter of 2006, we believe that we have increased our penetration of the total conventional conforming mortgage market. This increase was largely a result of our improvement in GSE market share and retained portfolio purchases of non-agency mortgage-related securities.

Interest-Rate Risk Management

The company's interest-rate risk remains low. For 2005 and the first four months of 2006, Portfolio Market Value Sensitivity (PMVS) and duration gap have averaged one percent and zero months, respectively.

Credit-Risk Management

The company's credit risk also remains low. As of March 31, 2006, the total single-family delinquency rate was 59 basis points, compared to 69 basis points as of December 31, 2005 and 73 basis points as of December 31, 2004.

Expenses

Non-interest expense was \$3.0 billion in 2005, up from \$2.4 billion in 2004, primarily due to the agreement to settle the securities class action and shareholder derivative litigation and charges related to Hurricane Katrina. We met our objective in 2005 of keeping administrative expenses, which are the most controllable component of non-interest expense, flat compared to 2004, at approximately \$1.5 billion. Going forward, our intent is to manage administrative expenses as a declining percentage of our total mortgage portfolio while at the same time providing the resources needed to support our internal control and financial reporting infrastructure initiatives.

FINANCIAL REPORTING UPDATE

During 2006, the company will provide quarterly market updates that will include estimates of net income derived from capital reports submitted to OFHEO, information and analysis on key drivers of current financial and business performance, and updates to the market on our business outlook and progress on financial infrastructure and control remediation initiatives. Our objective is to return to quarterly reporting, and file timely, GAAP-compliant capital reports with OFHEO, with our release of full-year 2006 results. After we resume regular quarterly reporting, we will begin the process of registering the company's common stock with the Securities and Exchange Commission.

INTERNAL CONTROLS UPDATE

Improving internal control over financial reporting and addressing the risks of material weaknesses and other control deficiencies have been priorities for us and will continue to be so in 2006. The company is pursuing a series of initiatives to improve our financial reporting infrastructure and remediate material weaknesses and other deficiencies in our internal control environment. Most significantly, these initiatives include an end-to-end assessment of the design and effectiveness of the company's internal control over financial reporting, and an initiative to improve information technology-related controls, together with remedial actions needed to address any issues identified in the course of these reviews. Additionally, we are scheduled to implement several planned system enhancements later in the year. A more complete discussion of the status of our remediation efforts is included in the Information Statement Supplement dated as of today and available on our Web site.

Despite our ongoing challenges in these areas, we believe our interest-rate and credit risks remain well managed, as demonstrated by our reported risk metrics and results.

Additional Information

For more information, see the Consolidated Financial Statements accompanying this release, and the company's Information Statement Supplement, including Core Tables, dated May 30, 2006, available on the Investor Relations page of our Web site at www.FreddieMac.com/investors.

Additional information about Freddie Mac and our business is also set forth in the company's Information Statement dated June 14, 2005 and related Information Statement Supplements, available on the Investor Relations page of the company's Web site at www.FreddieMac.com/investors. We encourage all investors and interested members of the public to review these materials for a more complete understanding of our financial results and related company disclosures.

Announcement of Conference Call and Webcast

Management will host a conference call discussing today's announcement at 5:00 p.m. Eastern Time today. Domestic investors should call 1-800-230-1074 and international investors can access the call at 612-234-9960. The conference call will be webcast live on the company's Web site. During the call, Freddie Mac's President and Chief Operating Officer, Eugene M. McQuade, will be referring to a slide presentation posted on the company's Web site. You can find a link to these slides at the end of the press release on the company's Web site. We encourage you to have this presentation available so that you can better follow Mr. McQuade's remarks during the call. A telephone recording of this conference call will be available continuously beginning at approximately 10:00 p.m. Eastern Time on May 30, 2006 until midnight on June 13, 2006. To access this recording in the United States, call 1-800-475-6701 and use access code 831166. Outside of the United States, call 320-365-3844 and use access code 831166.

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The information in this press release and accompanying Consolidated Financial Statements and Core Tables will be included in the company's Information Statement Supplement dated May 30, 2006, which will be posted on the Investor Relations page of the company's Web site.

* * * *

This press release contains forward-looking statements pertaining to management's current expectations as to the company's future business plans, results of operations and/or financial condition. Management's 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. These assumptions and factors are discussed in the company's Information Statement dated June 14, 2005, and our Information Statement Supplements dated August 31, 2005, October 4, 2005, November 8, 2005, December 1, 2005, March 31, 2006, April 20, 2006, and May 30, 2006, which are available on the Investor Relations page of the company's Web site at www.FreddieMac.com/investors.

Freddie Mac is a stockholder-owned company established by Congress in 1970 to support homeownership and rental housing. Freddie Mac fulfills its mission by purchasing residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage-related securities and debt instruments in the capital markets. Over the years, Freddie Mac has made home possible for one in six homebuyers and more than four million renters in America.

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FREDDIE MAC
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

Line:	Year Ended December 31,		
	2005	2004	2003
	(dollars in millions, except share-related amounts)		
	<i>Interest income</i>		
1	\$ 4,037	\$ 4,007	\$ 4,251
2	29,684	28,460	29,051
3	2,606	3,136	3,796
4	<u>36,327</u>	<u>35,603</u>	<u>37,098</u>
	<i>Interest expense</i>		
5	(6,102)	(2,908)	(2,785)
6	(23,246)	(22,950)	(22,083)
7	<u>(29,348)</u>	<u>(25,858)</u>	<u>(24,868)</u>
8	(551)	(708)	(1,641)
9	<u>(29,899)</u>	<u>(26,566)</u>	<u>(26,509)</u>
10	(1,058)	100	(1,091)
11	<u>5,370</u>	<u>9,137</u>	<u>9,498</u>
	<i>Non-interest income (loss)</i>		
12	1,450	1,382	1,653
13	(1,064)	(1,135)	(1,461)
14	920	732	925
15	(1,357)	(4,475)	39
16	22	743	644
17	(127)	(348)	(1,114)
18	206	(327)	(1,775)
19	125	159	352
20	24	230	493
21	<u>199</u>	<u>(3,039)</u>	<u>(244)</u>
	<i>Non-interest expense</i>		
22	(805)	(758)	(624)
23	(386)	(588)	(311)
24	(58)	(60)	(52)
25	(286)	(144)	(194)
26	<u>(1,535)</u>	<u>(1,550)</u>	<u>(1,181)</u>
27	(251)	(143)	5
28	(40)	3	(7)
29	(320)	(281)	(200)
30	(96)	(129)	(157)
31	(771)	(271)	(696)
32	<u>(3,013)</u>	<u>(2,371)</u>	<u>(2,236)</u>
33	2,556	3,727	7,018
34	<u>(367)</u>	<u>(790)</u>	<u>(2,202)</u>
35	2,189	2,937	4,816
36	(59)	-	-
37	<u>\$ 2,130</u>	<u>\$ 2,937</u>	<u>\$ 4,816</u>
38	(223)	(210)	(216)
39	<u>\$ 1,907</u>	<u>\$ 2,727</u>	<u>\$ 4,600</u>
	Basic net income (loss) per common share:		
40	\$ 2.84	\$ 3.96	\$ 6.69
41	\$ (0.09)	\$ -	\$ -
42	\$ 2.76	\$ 3.96	\$ 6.69
	Diluted net income (loss) per common share:		
43	\$ 2.83	\$ 3.94	\$ 6.68
44	\$ (0.08)	\$ -	\$ -
45	\$ 2.75	\$ 3.94	\$ 6.68
	Weighted average common shares outstanding (thousands)		
46	691,582	689,282	687,094
47	693,511	691,521	688,675
48	<u>\$ 1.52</u>	<u>\$ 1.20</u>	<u>\$ 1.04</u>

FREDDIE MAC
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

Line:	December 31, 2005	December 31, 2004	
	(dollars in millions)		
	Assets		
	<i>Retained portfolio</i>		
	Mortgage loans:		
1	Held-for-investment, at amortized cost	\$ 60,009	\$ 58,852
2	Reserve for losses on mortgage loans held-for-investment	(119)	(114)
3	Held-for-sale, at lower of cost or market value	1,538	2,582
4	Mortgage loans, net of reserve	61,428	61,320
	Mortgage-related securities:		
5	Available-for-sale, at fair value (includes \$168 and \$194, respectively, pledged as collateral that may be repledged)	638,465	590,461
6	Trading, at fair value	8,894	11,842
7	Participation Certificate residuals, at fair value	597	845
8	Total mortgage-related securities	647,956	603,148
9	<i>Retained portfolio</i>	709,384	664,468
	<i>Cash and investments</i>		
10	Cash and cash equivalents	10,468	35,253
	Investments:		
	Non-mortgage-related securities:		
11	Available-for-sale, at fair value	42,165	29,830
12	Securities purchased under agreements to resell and Federal funds sold	15,159	32,197
13	<i>Cash and investments</i>	67,792	97,280
14	Accounts and other receivables, net	6,373	7,286
15	Derivative assets, at fair value	7,097	15,257
16	Guarantee asset for Participation Certificates, at fair value	5,083	4,516
17	Real estate owned, net	629	741
18	Other assets	9,864	5,736
19	<i>Total assets</i>	\$ 806,222	\$ 795,284
	Liabilities and stockholders' equity		
	<i>Debt securities, net</i>		
	Senior debt:		
20	Due within one year	\$ 288,532	\$ 282,303
21	Due after one year	454,627	443,772
22	Subordinated debt, due after one year	5,633	5,622
23	<i>Total debt securities, net</i>	748,792	731,697
24	Due to Participation Certificate investors	10,607	13,654
25	Accrued interest payable	7,611	7,329
26	Guarantee obligation for Participation Certificates	5,541	4,065
27	Derivative liabilities, at fair value	590	226
28	Reserve for guarantee losses on Participation Certificates	295	150
29	Other liabilities	4,646	5,238
30	<i>Total liabilities</i>	778,082	762,359
31	Commitments and contingencies		
32	<i>Minority interests in consolidated subsidiaries</i>	949	1,509
	<i>Stockholders' equity</i>		
33	Preferred stock, at redemption value	4,609	4,609
34	Common stock, \$0.21 par value, 726,000,000 shares authorized, 725,882,280 shares issued and 692,717,422 shares and 690,606,185 shares outstanding, respectively	152	152
35	Additional paid-in capital	924	873
36	Retained earnings	31,559	30,728
	Accumulated other comprehensive income (loss) (AOCT), net of taxes, related to:		
37	Available-for-sale securities	(2,485)	4,339
38	Cash flow hedge relationships	(6,287)	(7,924)
39	Minimum pension liability	(1)	(8)
40	Total accumulated other comprehensive income (loss), net of taxes	(8,773)	(3,593)
41	Treasury stock, at cost, 33,164,858 shares and 35,276,095 shares, respectively	(1,280)	(1,353)
42	<i>Total stockholders' equity</i>	27,191	31,416
43	<i>Total liabilities and stockholders' equity</i>	\$ 806,222	\$ 795,284

FREDDIE MAC
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

Line:	Year Ended December 31,					
	2005		2004		2003	
	Shares	Amount	Shares	Amount	Shares	Amount
	(dollars and shares in millions)					
	<i>Preferred stock, at redemption value</i>					
1						
2						
	<i>Common stock, par value</i>					
3						
4						
	<i>Additional paid-in capital</i>					
5						
6						
7						
8						
9						
10						
	<i>Retained earnings</i>					
11						
12						
13						
14						
15						
	<i>AOCI, net of taxes</i>					
16						
17						
18						
19						
20						
	<i>Treasury stock, at cost</i>					
21						
22						
23						
24						
	<i>Comprehensive income (loss)</i>					
25						
26						
27						

FREDDIE MAC
SUMMARY OF SELECTED FINANCIAL INFORMATION
TABLE 1
(unaudited)

Line:		1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
										2004	2005
	Net Income (dollars in millions, except share-related amounts): ⁽¹⁾										
1	Net interest income	\$ 2,126	\$ 2,625	\$ 2,321	\$ 2,065	\$ 1,501	\$ 1,269	\$ 1,363	\$ 1,237	\$ 9,137	\$ 5,370
2	Non-interest income (loss)	(26)	1,532	(3,691)	(854)	(292)	(278)	423	346	(3,039)	199
3	Non-interest expense	(503)	(548)	(603)	(717)	(940)	(583)	(729)	(761)	(2,371)	(3,013)
4	Income (loss) before income tax expense and cumulative effect of change in accounting principle	1,597	3,609	(1,973)	494	269	408	1,057	822	3,727	2,556
5	Income tax (expense) benefit	(285)	(855)	467	(117)	16	(68)	(177)	(138)	(790)	(367)
6	Income (loss) before cumulative effect of change in accounting principle, net of taxes	\$ 1,312	\$ 2,754	\$ (1,506)	\$ 377	\$ 285	\$ 340	\$ 880	\$ 684	\$ 2,937	\$ 2,189
7	Cumulative effect of change in accounting principle, net of taxes	-	-	-	-	(59)	-	-	-	-	(59)
8	Net income (loss)	\$ 1,312	\$ 2,754	\$ (1,506)	\$ 377	\$ 226	\$ 340	\$ 880	\$ 684	\$ 2,937	\$ 2,130
9	Preferred stock dividends	(52)	(52)	(53)	(53)	(53)	(56)	(57)	(57)	(210)	(223)
10	Net income (loss) available to common stockholders	\$ 1,260	\$ 2,702	\$ (1,559)	\$ 324	\$ 173	\$ 284	\$ 823	\$ 627	\$ 2,727	\$ 1,907
11	Weighted average common shares outstanding - diluted (thousands)	690,868	690,757	689,510	693,027	693,008	692,968	693,642	693,924	691,521	693,511
12	Diluted net income (loss) per common share ⁽²⁾	\$ 1.82	\$ 3.91	\$ (2.26)	\$ 0.47	\$ 0.25	\$ 0.41	\$ 1.19	\$ 0.90	\$ 3.94	\$ 2.75
13	Common stock dividends	\$ 207	\$ 208	\$ 210	\$ 211	\$ 245	\$ 246	\$ 245	\$ 340	\$ 836	\$ 1,076
14	Effective tax rate	18%	24%	24%	24%	(6%)	17%	17%	17%	21%	14%
	Regulatory Capital (period end, dollars in millions):										
15	Total stockholders' equity	\$ 33,880	\$ 28,653	\$ 31,672	\$ 31,416	\$ 27,381	\$ 30,868	\$ 27,722	\$ 27,191		
16	Less: Accumulated other comprehensive income (loss), net of taxes	(178)	(7,924)	(3,199)	(3,593)	(7,584)	(4,194)	(7,943)	(8,773)		
17	Regulatory core capital ⁽³⁾	34,058	36,577	34,871	35,009	34,965	35,062	35,665	35,964		
18	Less: Estimated regulatory minimum capital requirement ⁽⁴⁾	24,029	24,134	24,274	24,131	23,740	24,065	24,284	25,010		
19	Estimated regulatory minimum capital surplus ⁽⁴⁾	\$ 10,029	\$ 12,443	\$ 10,597	\$ 10,878	\$ 11,225	\$ 10,997	\$ 11,381	\$ 10,954		

- (1) Effective January 1, 2005, we changed our method of accounting for interest expense related to callable debt instruments to recognize interest expense using an effective interest method of the contractual life of the debt. The cumulative effect of the change was a (\$59) million (after-tax) (\$0.08 per diluted common share) reduction in Net income for 2005. Also, during the first quarter of 2005, we implemented certain changes in estimates under generally accepted accounting principles, or GAAP, primarily with respect to (a) our methodologies for determining the fair values of our guarantee-related assets and liabilities, (b) our methodology for estimating uncollectible interest on single-family loans greater than 90 days delinquent, and (c) enhancements to certain models used to estimate prepayment speeds on mortgage-related securities. As a result of these changes, which were all recorded in the first quarter of 2005, Net income for the full year decreased by approximately (\$206) million (\$0.30 per diluted common share), after-tax. On a pre-tax basis, these changes resulted in net losses included in (a) Net interest income of (\$166) million, (b) Management and guarantee income of (\$17) million, (c) Gains (losses) on "Guarantee asset for Participation Certificates, at fair value" of (\$27) million, (d) Gains (losses) on investment activity of (\$78) million, and (e) Other income of (\$27) million.
- (2) Earnings per share is computed independently for each of the quarters presented. Earnings per share amounts may not recalculate due to rounding.
- (3) Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), par value of outstanding perpetual noncumulative preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.
- (4) We have submitted to the Office of Federal Housing Enterprise Oversight, or OFHEO, amended minimum capital reports for March 31, June 30, September 30 and December 31, 2005, including estimates of our capital surpluses. In January 2004, OFHEO directed us to maintain a target capital surplus of 30 percent of our minimum capital requirement. At March 31, June 30, September 30 and December 31, 2005, our estimated surplus in excess of the target surplus was approximately \$4.1 billion, \$3.8 billion, \$4.1 billion and \$3.5 billion, respectively.

FREDDIE MAC
NET INTEREST YIELD ANALYSIS
TABLE 2A
(unaudited)
(dollars in millions)

Line:	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year		
									2004 ⁽¹⁾	2005	
Net Interest Income:											
Interest income:											
1	Mortgage loans ⁽²⁾	\$ 978	\$ 1,008	\$ 992	\$ 1,029	\$ 906	\$ 1,026	\$ 1,064	\$ 1,041	\$ 4,007	\$ 4,037
2	Mortgage-related securities in the Retained portfolio ⁽²⁾	6,956	7,285	7,027	7,192	7,106	7,122	7,491	7,965	28,460	29,684
3	Total Retained portfolio	7,934	8,293	8,019	8,221	8,012	8,148	8,555	9,006	32,467	33,721
4	Investments ⁽³⁾	743	673	766	534	380	419	432	542	2,716	1,773
5	Securities purchased under agreements to resell and Federal funds sold	82	75	107	156	154	206	194	279	420	833
6	Total income on interest-earning assets	8,759	9,041	8,892	8,911	8,546	8,773	9,181	9,827	35,603	36,327
Interest expense:											
7	Short-term debt	(588)	(523)	(826)	(971)	(1,143)	(1,483)	(1,557)	(1,919)	(2,908)	(6,102)
8	Long-term debt	(5,737)	(5,770)	(5,728)	(5,715)	(5,636)	(5,646)	(5,802)	(6,162)	(22,950)	(23,246)
9	Total interest expense on debt securities	(6,325)	(6,293)	(6,554)	(6,686)	(6,779)	(7,129)	(7,359)	(8,081)	(25,858)	(29,348)
10	Due to Participation Certificate investors	(178)	(235)	(142)	(153)	(130)	(141)	(159)	(121)	(708)	(551)
11	Total expense on interest-bearing liabilities	(6,503)	(6,528)	(6,696)	(6,839)	(6,909)	(7,270)	(7,518)	(8,202)	(26,566)	(29,899)
12	Income (expense) related to derivatives	(130)	112	125	(7)	(136)	(234)	(300)	(388)	100	(1,058)
13	Total funding of interest-earning assets	(6,633)	(6,416)	(6,571)	(6,846)	(7,045)	(7,504)	(7,818)	(8,590)	(26,466)	(30,957)
14	Net interest income	2,126	2,625	2,321	2,065	1,501	1,269	1,363	1,237	9,137	5,370
15	Fully taxable-equivalent adjustment ⁽⁴⁾	63	63	67	74	76	84	86	93	267	339
16	Net interest income (fully taxable-equivalent basis)	\$ 2,189	\$ 2,688	\$ 2,388	\$ 2,139	\$ 1,577	\$ 1,353	\$ 1,449	\$ 1,330	\$ 9,404	\$ 5,709
Average Balances:											
17	Mortgage loans ⁽⁵⁾	\$ 60,718	\$ 60,436	\$ 62,739	\$ 62,410	\$ 61,717	\$ 61,008	\$ 61,428	\$ 60,841	\$ 61,576	\$ 61,248
18	Mortgage-related securities in the Retained portfolio ⁽⁶⁾	583,769	579,252	596,705	601,131	594,338	606,029	612,847	632,592	590,213	611,452
19	Total Retained portfolio	644,487	639,688	659,444	663,541	656,055	667,037	674,275	693,433	651,789	672,700
20	Investments ⁽³⁾⁽⁶⁾	90,657	81,391	86,765	68,517	56,195	52,967	48,864	54,982	81,833	53,252
21	Securities purchased under agreements to resell and Federal funds sold	31,258	28,831	29,043	30,851	24,737	27,338	22,062	27,241	29,996	25,344
22	Total interest-earning assets	766,402	749,910	775,252	762,909	736,987	747,342	745,201	775,656	763,618	751,296
23	Short-term debt	210,320	183,408	222,503	204,056	190,206	201,905	181,543	196,332	205,072	192,497
24	Long-term debt	534,183	532,649	524,909	531,524	517,432	512,908	524,509	542,233	530,816	524,270
25	Total debt securities	744,503	716,057	747,412	735,580	707,638	714,813	706,052	738,565	735,888	716,767
26	Due to Participation Certificate investors	12,020	16,408	10,125	11,052	9,602	10,593	12,082	9,318	12,401	10,399
27	Total interest-bearing liabilities	756,523	732,465	757,537	746,632	717,240	725,406	718,134	747,883	748,289	727,166
28	Net non-interest-bearing funding	9,879	17,445	17,715	16,277	19,747	21,936	27,067	27,773	15,329	24,130
29	Total funding of interest-earning assets	\$ 766,402	\$ 749,910	\$ 775,252	\$ 762,909	\$ 736,987	\$ 747,342	\$ 745,201	\$ 775,656	\$ 763,618	\$ 751,296
Yield/Cost:											
30	Mortgage loans	6.44 %	6.67 %	6.33 %	6.59 %	5.87 %	6.73 %	6.93 %	6.84 %	6.51 %	6.59 %
31	Mortgage-related securities in the Retained portfolio	4.77	5.03	4.71	4.79	4.78	4.70	4.89	5.04	4.82	4.85
32	Total Retained portfolio	4.92	5.19	4.86	4.96	4.89	4.89	5.08	5.20	4.98	5.01
33	Investments	3.26	3.30	3.50	3.07	2.71	3.13	3.46	3.86	3.32	3.33
34	Securities purchased under agreements to resell and Federal funds sold	1.05	1.04	1.47	2.03	2.48	3.01	3.51	4.10	1.40	3.28
35	Yield on total interest-earning assets	4.57	4.82	4.58	4.67	4.64	4.69	4.92	5.06	4.66	4.83
36	Short-term debt	(1.11)	(1.13)	(1.45)	(1.86)	(2.40)	(2.91)	(3.35)	(3.83)	(1.42)	(3.17)
37	Long-term debt	(4.29)	(4.33)	(4.36)	(4.29)	(4.36)	(4.40)	(4.42)	(4.54)	(4.32)	(4.43)
38	Total debt securities	(3.39)	(3.51)	(3.49)	(3.62)	(3.83)	(3.98)	(4.14)	(4.35)	(3.51)	(4.09)
39	Due to Participation Certificate investors	(5.92)	(5.73)	(5.61)	(5.54)	(5.43)	(5.30)	(5.27)	(5.21)	(5.71)	(5.30)
40	Cost of interest-bearing liabilities	(3.43)	(3.56)	(3.52)	(3.65)	(3.86)	(3.99)	(4.16)	(4.35)	(3.55)	(4.11)
41	Income (expense) related to derivatives	(0.07)	0.06	0.06	-	(0.08)	(0.13)	(0.17)	(0.21)	0.01	(0.15)
42	Impact of net non-interest-bearing funding	0.05	0.08	0.08	0.08	0.11	0.12	0.16	0.16	0.07	0.14
43	Total funding of interest-earning assets ⁽⁷⁾	(3.46)	(3.42)	(3.38)	(3.57)	(3.83)	(4.00)	(4.17)	(4.40)	(3.47)	(4.12)
44	Net interest yield ⁽⁷⁾	1.11	1.40	1.21	1.09	0.81	0.69	0.75	0.66	1.20	0.71
45	Fully taxable-equivalent adjustment ⁽⁴⁾	0.03	0.03	0.03	0.04	0.05	0.04	0.05	0.04	0.03	0.05
46	Net interest yield (fully taxable-equivalent basis) ⁽⁷⁾	1.15 %	1.44 %	1.24 %	1.13 %	0.86 %	0.73 %	0.80 %	0.70 %	1.23 %	0.76 %

(1) Certain amounts for 2004 have been revised to conform with the 2005 presentation.

(2) As discussed in Table 1, footnote 1, a change in estimate resulted in a net pre-tax reduction in Net interest income of (\$166) million in the first quarter of 2005. Of this amount, (\$92) million relates to Mortgage interest income and (\$74) million relates to mortgage-related securities interest income.

(3) Investments consists of Cash and cash equivalents, as well as mortgage-related and non-mortgage-related securities in the Cash and investments portfolio.

(4) Represents the adjustment necessary to calculate the tax-exempt income and yield on a tax equivalent basis. We analyze Net interest income and yield on a taxable-equivalent basis, which allows for the comparison of tax-exempt or tax-advantaged securities to those of fully taxable securities.

(5) Non-accrual loans are included in average balances.

(6) For all securities in the Retained portfolio, as well as securities in the Cash and investments portfolio classified as available-for-sale, we calculate average balances excluding their mark-to-fair value adjustments and the effects of other-than-temporary impairments on the unpaid principal balances of impaired securities. For securities in the Cash and investments portfolio classified as trading, we calculate average balances based on their fair values.

(7) May not sum due to rounding.

FREDDIE MAC
NET INTEREST INCOME
TABLE 2B
(unaudited)
(dollars in millions)

Line:	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
									2004	2005
	Net Interest Income:									
1	\$ 3,146	\$ 2,897	\$ 3,008	\$ 2,695	\$ 2,210	\$ 2,219	\$ 2,233	\$ 2,215	\$ 11,746	\$ 8,877
	Deferred item amortization expense, net: ⁽¹⁾									
2	(592)	(62)	(446)	(308)	(244)	(392)	(202)	(165)	(1,408)	(1,003)
3	(298)	(322)	(366)	(315)	(329)	(324)	(368)	(425)	(1,301)	(1,446)
4	(890)	(384)	(812)	(623)	(573)	(716)	(570)	(590)	(2,709)	(2,449)
	Income (expense) related to derivatives:									
5	(367)	(482)	(481)	(484)	(473)	(489)	(492)	(512)	(1,814)	(1,966)
	Accrual of periodic settlements of derivatives: ⁽³⁾									
6	(427)	-	-	-	-	-	-	-	(427)	-
7	527	494	525	422	329	303	288	265	1,968	1,185
8	138	101	82	55	8	(48)	(96)	(141)	376	(277)
9	(1)	(1)	(1)	-	-	-	-	-	(3)	-
10	237	594	606	477	337	255	192	124	1,914	908
11	(130)	112	125	(7)	(136)	(234)	(300)	(388)	100	(1,058)
12	2,126	2,625	2,321	2,065	1,501	1,269	1,363	1,237	9,137	5,370
13	63	63	67	74	76	84	86	93	267	339
14	\$ 2,189	\$ 2,688	\$ 2,388	\$ 2,139	\$ 1,577	\$ 1,353	\$ 1,449	\$ 1,330	\$ 9,404	\$ 5,709

(1) Amortization relates to premiums, discounts, deferred fees and other adjustments to the carrying value of our financial instruments.

(2) Represents changes in fair values of derivatives in cash flow hedge relationships that were previously deferred in AOCI and have been reclassified to earnings as the associated hedged forecasted issuances of debt and mortgage purchase transactions affect earnings.

(3) Reflects the accrual of periodic cash settlements of all derivatives in qualifying hedge accounting relationships.

FREDDIE MAC
MANAGEMENT AND GUARANTEE INCOME & RELATED INFORMATION
TABLE 4
(unaudited)
(dollars in millions)

Line:

	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
									2004	2005
Management and guarantee income: (1)										
1 Contractual management and guarantee fees	\$ 320	\$ 322	\$ 324	\$ 337	\$ 345	\$ 350	\$ 365	\$ 371	\$ 1,303	\$ 1,431
2 Amortization of credit and buy-down fees included in Other liabilities (2)	64	(71)	56	30	(24)	39	8	(4)	79	19
3 Total management and guarantee income from the consolidated statements of income	\$ 384	\$ 251	\$ 380	\$ 367	\$ 321	\$ 389	\$ 373	\$ 367	\$ 1,382	\$ 1,450
4 Contractual management and guarantee fees (annualized)	16.7 bp	16.6 bp	16.3 bp	16.3 bp	16.0 bp	15.7 bp	15.8 bp	15.5 bp	16.5 bp	15.7 bp
5 Amortization of credit and buy-down fees included in Other liabilities (annualized)	3.4	(3.7)	2.8	1.4	(1.1)	1.8	0.4	(0.2)	1.0	0.2
6 Total management and guarantee rate (in basis points)	20.1 bp	12.9 bp	19.1 bp	17.7 bp	14.9 bp	17.5 bp	16.2 bp	15.3 bp	17.5 bp	15.9 bp
7 Unamortized balance of credit and buy-down fees received included in Other liabilities, at period end (3)	\$ 395	\$ 456	\$ 393	\$ 323	\$ 232	\$ 199	\$ 183	\$ 186	\$ 323	\$ 186
Gains (losses) on "Guarantee asset for Participation Certificates, at fair value": (4)										
8 Total cash flows received (5)	\$ (258)	\$ (268)	\$ (274)	\$ (286)	\$ (302)	\$ (310)	\$ (323)	\$ (335)	\$ (1,086)	\$ (1,270)
9 Portion of cash flows received related to imputed interest	59	68	67	63	94	86	85	106	257	371
10 Return of investment in guarantee assets	(199)	(200)	(207)	(223)	(208)	(224)	(238)	(229)	(829)	(899)
11 Change in fair value of future cash flows	(444)	771	(639)	6	(14)	(765)	478	163	(306)	(138)
12 Change in estimate (6)	-	-	-	-	(27)	-	-	-	-	(27)
13 Total gains (losses) on "Guarantee asset for Participation Certificates, at fair value"	\$ (643)	\$ 571	\$ (846)	\$ (217)	\$ (249)	\$ (989)	\$ 240	\$ (66)	\$ (1,135)	\$ (1,064)
Guarantee asset for Participation Certificates, at fair value:										
14 Beginning balance	\$ 3,686	\$ 3,583	\$ 4,724	\$ 4,184	\$ 4,516	\$ 4,584	\$ 4,038	\$ 4,765	\$ 3,686	\$ 4,516
15 Additions, net of repurchases	540	570	306	549	317	443	487	384	1,965	1,631
16 Gains (losses) on "Guarantee asset for Participation Certificates, at fair value"	(643)	571	(846)	(217)	(249)	(989)	240	(66)	(1,135)	(1,064)
17 Ending balance	\$ 3,583	\$ 4,724	\$ 4,184	\$ 4,516	\$ 4,584	\$ 4,038	\$ 4,765	\$ 5,083	\$ 4,516	\$ 5,083
Guarantee obligation for Participation Certificates:										
18 Beginning balance	\$ 2,904	\$ 3,241	\$ 3,557	\$ 3,727	\$ 4,065	\$ 4,401	\$ 4,801	\$ 5,137	\$ 2,904	\$ 4,065
19 Transfer-out to the loan loss reserve during the period (7)	(2)	(3)	(3)	(5)	(1)	(1)	(6)	(2)	(13)	(10)
Additions, net of repurchases:										
20 Fair value of newly-issued guarantee obligations (8)	286	322	224	342	348	416	451	414	1,174	1,629
21 Deferred gains on newly-executed guarantees (9)	204	228	106	194	187	214	163	213	732	777
Amortization income related to:										
22 Credit and buy-down fees received in FIN 45 transactions (10)	(23)	(37)	(28)	(40)	(41)	(50)	(61)	(45)	(128)	(197)
23 Other components of recognized guarantee obligations (11)	(128)	(194)	(129)	(153)	(157)	(179)	(211)	(176)	(604)	(723)
24 Income on "Guarantee obligation for Participation Certificates"	(151)	(231)	(157)	(193)	(198)	(229)	(272)	(221)	(732)	(920)
25 Ending balance	\$ 3,241	\$ 3,557	\$ 3,727	\$ 4,065	\$ 4,401	\$ 4,801	\$ 5,137	\$ 5,541	\$ 4,065	\$ 5,541
Components of Guarantee obligation for Participation Certificates, at period end:										
26 Unamortized balance that is attributable to credit and buy-down fees received in FIN 45 transactions (10)	\$ 711	\$ 798	\$ 857	\$ 940	\$ 1,032	\$ 1,123	\$ 1,155	\$ 1,167	\$ 940	\$ 1,167
27 Unamortized balance that is attributable to the other components of recognized guarantee obligations (11)	2,530	2,759	2,870	3,125	3,369	3,678	3,982	4,374	3,125	4,374
28 Ending balance	\$ 3,241	\$ 3,557	\$ 3,727	\$ 4,065	\$ 4,401	\$ 4,801	\$ 5,137	\$ 5,541	\$ 4,065	\$ 5,541
29 Percentage of PCs and Structured Securities held by Freddie Mac with a recognized PC residuals (3)(12)	78%	81%	83%	84%	84%	85%	86%	89%	84%	89%
30 Percentage of outstanding PCs for which a guarantee asset and obligation have been established (3)(12)	83%	86%	87%	89%	90%	92%	93%	93%	89%	93%

(1) Excludes amounts related to PCs held by us that are reported in Net interest income.

(2) In accordance with Statement of Financial Accounting Standards, or SFAS, No. 91, "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases," credit and buy-down fees are amortized over the estimated lives of the underlying securities using the retrospective effective interest method. Catch-up adjustments are made to the unamortized balances of the deferred items to reflect the application of the updated effective yield as if it had been in effect since acquisition.

(3) 2004 quarterly balances and full year balance have been revised to conform with the 2005 presentation.

(4) Represents the change in fair value of the Guarantee asset for Participation Certificates, at fair value, related to PCs held by third parties that have previously been sold pursuant to SFAS 140 and PCs issued through our Guarantor Program.

(5) Represents guarantee fees on PCs and Structured Securities held by third parties for which a recognized guarantee asset exists.

(6) As discussed in Table 1, footnote 1, amount represents a change in estimate under GAAP resulting from enhanced methodology for determining the fair values of guarantee-related assets and liabilities.

(7) Represents the portion of the initial guarantee obligation recognized upon the sale of PCs or Structured Securities that correspond to incurred credit losses inherent in the underlying mortgage loans at the time of sale that are reclassified to Reserve for guarantee losses on Participation Certificates.

(8) Includes the fair value of guarantee obligations that were recognized in connection with transfers of PCs and Structured Securities that qualified as sales, as well as the fair value of guarantee obligations recognized that related to PCs and Structured Securities in Guarantor swaps and other similar transactions subject to Financial Accounting Standards Board Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," or FIN 45. The amount is presented net of reductions attributable to purchases of PCs or Structured Securities.

(9) Represents the excess of recognized consideration received on guarantee transactions that are accounted for pursuant to the requirements of FIN 45 over the recognized fair value of corresponding guarantee obligations. Consideration received includes the contractual right to receive guarantee fees, various credit enhancements for which we are the named beneficiary and upfront cash payments that relate to credit and buy-down fees.

(10) Relates to upfront cash payments in the form of credit fees and buy-down payments that are received from counterparties to guarantee transactions that are accounted for pursuant to FIN 45 (e.g., Guarantor swaps).

(11) Represents that portion of recognized guarantee obligations that is unrelated to credit fees and buy-down payments that are received in transactions that are accounted for pursuant to FIN 45.

(12) Based on end-of-period balances.

FREDDIE MAC
DERIVATIVES NOT IN HEDGE ACCOUNTING RELATIONSHIPS
TABLE 5A
(unaudited)
(dollars in millions)

Line:		1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
										2004	2005
	<u>Derivative Gains (Losses):</u>										
1	Call swaptions	\$ 2,691	\$ (5,021)	\$ 3,087	\$ (371)	\$ (942)	\$ 2,203	\$ (1,421)	\$ (242)	\$ 386	\$ (402)
2	Put swaptions	(1,194)	975	(1,096)	(108)	273	(348)	208	69	(1,423)	202
3	Pay-fixed swaps	(1,239)	5,788	(4,974)	(368)	1,142	(3,792)	2,467	795	(793)	612
4	Receive-fixed swaps	(58)	(59)	31	(310)	(715)	1,295	(1,517)	(598)	(396)	(1,535)
5	Futures	84	(144)	(163)	10	(188)	480	(225)	(4)	(213)	63
6	Commitments	79	(500)	116	29	(31)	128	22	(45)	(276)	74
7	Prepayment management agreement ⁽¹⁾	-	-	-	-	-	-	-	-	-	-
8	Other ⁽²⁾	(27)	-	(17)	-	(4)	(10)	(21)	1	(44)	(34)
9	Subtotal	336	1,039	(3,016)	(1,118)	(465)	(44)	(487)	(24)	(2,759)	(1,020)
	Accrual of periodic settlements:										
10	Pay-fixed swaps	(267)	(628)	(562)	(369)	(244)	(254)	(164)	(101)	(1,826)	(763)
11	Receive-fixed swaps	30	7	6	61	129	140	107	50	104	426
12	Other	2	2	1	1	-	-	-	-	6	-
13	Total accrual of periodic settlements	(235)	(619)	(555)	(307)	(115)	(114)	(57)	(51)	(1,716)	(337)
14	Total derivative gains (losses)	\$ 101	\$ 420	\$ (3,571)	\$ (1,425)	\$ (580)	\$ (158)	\$ (544)	\$ (75)	\$ (4,475)	\$ (1,357)
	<u>Notional Amounts (period end):</u>										
15	Call swaptions	\$ 223,505	\$ 226,420	\$ 207,095	\$ 189,945	\$ 152,190	\$ 138,140	\$ 131,340	\$ 146,615		
16	Put swaptions	128,675	88,715	70,815	25,175	31,985	39,785	37,310	34,675		
17	Pay-fixed swaps	29,649	156,133	150,129	95,043	128,988	125,219	142,396	181,562		
18	Receive-fixed swaps	835	702	2,702	25,572	40,064	62,227	75,919	81,185		
19	Futures	137,860	125,704	149,390	129,110	78,471	59,212	69,117	86,252		
20	Commitments	116,310	83,996	131,875	13,314	35,034	55,329	42,739	21,827		
21	Prepayment management agreement ⁽¹⁾	142,179	128,236	119,977	113,692	99,335	94,000	84,997	-		
22	Other ⁽²⁾	46,231	41,819	35,063	30,612	29,141	27,926	26,302	15,442		
23	Total notional amounts	\$ 825,244	\$ 851,725	\$ 867,046	\$ 622,463	\$ 595,208	\$ 601,838	\$ 610,120	\$ 567,558		

(1) Effective December 31, 2005, we agreed to an early termination of the prepayment management agreement.

(2) Consists of basis swaps, certain option-based contracts, foreign-currency swaps, interest-rate caps, swap guarantee derivatives, credit derivatives and, in 2004, derivatives held as part of our external Money Manager program.

FREDDIE MAC
TOTAL DERIVATIVE PORTFOLIO
TABLE 5B
(unaudited)
(dollars in millions)

Line:	December 31, 2004		December 31, 2005	
	Notional	Fair Value ⁽¹⁾	Notional	Fair Value ⁽¹⁾
	Interest-rate swaps:			
1	\$ 95,043	\$ (2,879)	\$ 181,562	\$ (991)
2	83,602	2,394	159,212	756
3	94	1	234	-
4	<u>178,739</u>	<u>(484)</u>	<u>341,008</u>	<u>(235)</u>
	Option-based:			
5	189,945	4,988	146,615	3,453
6	25,175	267	34,675	1,200
7	9,084	(3)	11,814	(7)
8	<u>224,204</u>	<u>5,252</u>	<u>193,104</u>	<u>4,646</u>
9	129,110	(33)	86,252	19
10	56,850	10,303	37,850	2,124
11	9,897	5	45	-
12	<u>598,800</u>	<u>15,043</u>	<u>658,259</u>	<u>6,554</u>
13	32,952	(9)	21,961	(44)
14	10,926	(2)	2,414	(1)
15	408	(1)	738	(2)
16	113,692	-	-	-
17	<u>\$ 756,778</u>	<u>\$ 15,031</u>	<u>\$ 683,372</u>	<u>\$ 6,507</u>

(1) The fair value by derivative type presented on this table is shown prior to netting by counterparty. The fair value of derivatives presented on the consolidated balance sheets, however, is netted by counterparty as permitted by GAAP, and is reported in the Derivative assets, at fair value and Derivative liabilities, at fair value captions. The fair values for futures are directly derived from quoted market prices. Fair values of other derivatives are derived primarily from valuation models using market data inputs.

FREDDIE MAC
NON-INTEREST EXPENSE
TABLE 6
(unaudited)
(dollars in millions)

Line:		1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
										2004	2005
	Non-Interest Expense:										
	Administrative expenses:										
1	Salaries and employee benefits	\$ 169	\$ 176	\$ 191	\$ 222	\$ 197	\$ 200	\$ 197	\$ 211	\$ 758	\$ 805
2	Professional services	99	158	149	182	114	74	82	116	588	386
3	Occupancy expense	12	15	16	17	14	14	16	14	60	58
4	Other administrative expenses ⁽¹⁾	<u>25</u>	<u>19</u>	<u>27</u>	<u>73</u>	<u>49</u>	<u>65</u>	<u>67</u>	<u>105</u>	<u>144</u>	<u>286</u>
5	Total administrative expenses	305	368	383	494	374	353	362	446	1,550	1,535
6	Provision (benefit) for credit losses	2	27	56	58	37	16	146	52	143	251
7	REO operations (income) expense	(3)	-	(1)	1	8	5	7	20	(3)	40
8	Housing tax credit partnerships	62	61	75	83	75	81	80	84	281	320
9	Minority interests in earnings of consolidated subsidiaries	35	34	31	29	27	26	24	19	129	96
	Other expenses:										
10	Legal settlements ⁽²⁾	-	-	-	-	339	-	-	-	-	339
11	Selected affordable housing transaction fees ⁽³⁾	41	-	-	-	-	-	-	-	41	-
12	Amortization of credit enhancements ⁽⁴⁾	21	25	19	21	20	21	27	31	86	99
13	Realized losses on certain guarantees ⁽⁵⁾	10	6	11	6	30	56	51	97	33	234
14	Loan Prospector [®] -related expenses	16	16	12	12	16	13	12	10	56	51
15	Other	<u>14</u>	<u>11</u>	<u>17</u>	<u>13</u>	<u>14</u>	<u>12</u>	<u>20</u>	<u>2</u>	<u>55</u>	<u>48</u>
16	Total other expenses	<u>102</u>	<u>58</u>	<u>59</u>	<u>52</u>	<u>419</u>	<u>102</u>	<u>110</u>	<u>140</u>	<u>271</u>	<u>771</u>
17	Total non-interest expense	\$ 503	\$ 548	\$ 603	\$ 717	\$ 940	\$ 583	\$ 729	\$ 761	\$ 2,371	\$ 3,013

- (1) Other administrative expenses are presented net of deferred expenses, including Salaries and employee benefits, Professional services and certain other expenses, relating to capitalized software development activities. The reduction to Other administrative expenses with respect to capitalized software development, net of impairments, was \$157 million and \$99 million for full-year 2004 and 2005, respectively. These amounts were offset by related amortization expenses previously deferred of \$63 million and \$128 million for full-year 2004 and 2005, respectively, which were also recorded in Other administrative expenses. Capitalized software development costs are amortized over periods of three years or less based upon useful life.
- (2) Represents the settlement of the securities class action and shareholder derivative lawsuits filed following restatement of our financial results for full-year 2002 and prior periods, including expected net insurance proceeds and the civil penalty paid to the Federal Election Commission.
- (3) Represents the payment of fees totaling \$41 million in the first quarter of 2004, for contractual incentives associated with certain affordable housing transactions. We also incur economic costs, in addition to transaction fees, to support our housing mission that are not reflected in this line item, such as accepting reduced Management and guarantee income to encourage originators to sell certain mortgage loans to us.
- (4) Credit enhancements are amortized into Other expenses over the shorter of the credit enhancement's contractual term or the period the related mortgage loan remains outstanding.
- (5) When the Guarantee obligation for Participation Certificates exceeds the Guarantee asset for Participation Certificates, at fair value at the inception of a particular transaction, the excess is recorded as a loss in Other expenses.

FREDDIE MAC
CONSOLIDATED FAIR VALUE BALANCE SHEETS ⁽¹⁾
TABLE 7
(unaudited)
(dollars in billions)

Line:	2004								2005							
	March 31,		June 30,		September 30,		December 31,		March 31, (Revised)		June 30, (Revised)		September 30,		December 31,	
	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾	Carrying Amount ⁽²⁾	Fair Value ⁽³⁾
	Assets:															
1	\$ 60.7	\$ 64.1	\$ 59.8	\$ 61.3	\$ 60.7	\$ 63.1	\$ 61.3	\$ 63.3	\$ 61.6	\$ 63.5	\$ 60.9	\$ 63.8	\$ 61.1	\$ 62.6	\$ 61.4	\$ 62.3
2	594.6	594.9	590.8	591.1	611.9	612.2	603.2	603.4	599.6	599.6	612.8	612.8	625.4	625.4	648.0	648.0
3	655.3	659.0	650.6	652.4	672.6	675.3	664.5	666.7	661.2	663.1	673.7	676.6	686.5	688.0	709.4	710.3
4	21.9	21.9	19.1	19.1	11.6	11.6	35.3	35.3	19.7	19.7	9.2	9.2	10.4	10.4	10.5	10.5
5	71.3	71.3	69.3	69.3	72.9	72.9	29.8	29.8	37.9	37.9	40.9	40.9	38.0	38.0	42.2	42.2
6																
	25.8	25.8	34.2	34.2	18.3	18.3	32.2	32.2	25.4	25.4	29.1	29.1	18.9	18.9	15.2	15.2
7	14.9	14.9	12.5	12.5	11.0	11.0	15.3	15.3	12.4	12.4	8.6	8.6	8.2	8.2	7.1	7.1
8	3.6	4.2	4.7	5.4	4.2	4.8	4.5	5.0	4.6	5.2	4.0	4.5	4.8	5.3	5.1	5.6
9	14.8	14.1	15.0	14.1	17.2	16.2	13.7	13.3	14.0	12.8	13.7	13.6	15.4	13.7	16.7	14.4
10	\$ 807.6	\$ 811.2	\$ 805.4	\$ 807.0	\$ 807.8	\$ 810.1	\$ 795.3	\$ 797.6	\$ 775.2	\$ 776.5	\$ 779.2	\$ 782.5	\$ 782.2	\$ 782.5	\$ 806.2	\$ 805.3
	Liabilities and minority interests:															
11	\$ 737.7	\$ 751.7	\$ 744.3	\$ 746.7	\$ 747.2	\$ 755.1	\$ 731.7	\$ 737.0	\$ 717.6	\$ 717.6	\$ 715.8	\$ 722.0	\$ 723.0	\$ 723.5	\$ 748.8	\$ 747.1
12	3.3	2.2	3.6	2.5	3.7	2.2	4.1	2.1	4.4	3.1	4.8	3.2	5.1	3.7	5.5	3.7
13	0.3	0.3	0.7	0.7	0.5	0.5	0.2	0.2	0.4	0.4	0.2	0.2	0.6	0.6	0.6	0.6
14	0.1	-	0.1	-	0.1	-	0.2	-	0.2	-	0.2	-	0.3	-	0.3	-
15	30.5	27.0	26.4	26.0	23.0	21.1	26.2	25.7	23.8	23.8	26.0	25.5	24.3	23.5	22.9	22.1
16	1.8	2.0	1.7	1.9	1.6	1.8	1.5	1.7	1.4	1.5	1.3	1.4	1.2	1.2	0.9	1.0
17	773.7	783.2	776.8	777.8	776.1	780.7	763.9	766.7	747.8	746.4	748.3	752.3	754.5	752.5	779.0	774.5
	Net assets attributable to stockholders															
18	4.6	4.4	4.6	4.2	4.6	4.2	4.6	4.1	4.6	4.2	4.6	4.1	4.6	4.1	4.6	4.1
19	29.3	23.6	24.0	25.0	27.1	25.2	26.8	26.8	22.8	25.9	26.3	26.1	23.1	25.9	22.6	26.7
20	33.9	28.0	28.6	29.2	31.7	29.4	31.4	30.9	27.4	30.1	30.9	30.2	27.7	30.0	27.2	30.8
21	\$ 807.6	\$ 811.2	\$ 805.4	\$ 807.0	\$ 807.8	\$ 810.1	\$ 795.3	\$ 797.6	\$ 775.2	\$ 776.5	\$ 779.2	\$ 782.5	\$ 782.2	\$ 782.5	\$ 806.2	\$ 805.3

- (1) The consolidated fair value balance sheets do not purport to present our net realizable, liquidation or market value as a whole. Furthermore, amounts we ultimately realize from the disposition of assets or settlement of liabilities may vary significantly from the fair values presented.
- (2) Carrying amounts equal the amounts reported on our consolidated balance sheets prepared in accordance with GAAP.
- (3) Methodologies employed to calculate fair values are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets of approximately \$0.1 billion at June 30, 2004, \$(0.1) billion at September 30, 2004, \$0.6 billion at December 31, 2004, \$(0.5) billion at March 31, 2005, \$0.1 billion at June 30, 2005. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets that rounded to zero at March 31, 2004, September 30, 2005 and December 31, 2005.
- (4) The fair value of Mortgage-related securities reported in this table exceeds the carrying value because the fair value includes PC residuals related to some PCs held in the Retained portfolio that are not recognized under GAAP because such PCs were issued prior to the implementation of FIN 45 in 2003.
- (5) The fair value of Guarantee asset for Participation Certificates reported in this table exceeds the carrying value because the fair value includes guarantee assets related to some PCs held by third parties that are not recognized under GAAP because such PCs were issued prior to the implementation of FIN 45 in 2003.
- (6) Fair values include estimated income taxes calculated using the 35 percent statutory rate on the difference between the consolidated fair value balance sheets pre-tax net assets and the consolidated balance sheets pre-tax net assets prepared in accordance with GAAP.
- (7) The estimated impact of changes in option-adjusted spreads, or OAS, increased (decreased) the fair value of net assets (after tax) by approximately \$(0.8) billion, \$0.5 billion, \$(1.0) billion and \$(0.1) billion during the first, second, third and fourth quarters of 2005, respectively. For the full-year 2005, the impact of changes in OAS on the change in fair value of net assets was a net decrease of \$(1.4) billion.

FREDDIE MAC
MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES ^{(1) (2)}
TABLE 8A
(unaudited)
(dollars in millions)

Line:	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005	2Q 2005	3Q 2005	4Q 2005	Full-Year	
									2004	2005
<u>Total Mortgage Portfolio:</u>										
1	\$ 1,414,399	\$ 1,431,511	\$ 1,460,204	\$ 1,489,092	\$ 1,505,206	\$ 1,530,037	\$ 1,579,429	\$ 1,627,418	\$ 1,414,399	\$ 1,505,206
2	113,869	152,123	117,761	110,835	111,566	146,520	166,711	157,136	494,588	581,933
3	(264)	(771)	(1,323)	(394)	(2,024)	(1,291)	(7,896)	(7,037)	(2,752)	(18,248)
4	(96,493)	(122,659)	(87,550)	(94,327)	(84,711)	(95,837)	(110,826)	(93,300)	(401,029)	(384,674)
5	17,112	28,693	28,888	16,114	24,831	49,392	47,989	56,799	90,807	179,011
6	\$ 1,431,511	\$ 1,460,204	\$ 1,489,092	\$ 1,505,206	\$ 1,530,037	\$ 1,579,429	\$ 1,627,418	\$ 1,684,217	\$ 1,505,206	\$ 1,684,217
7	5%	8%	8%	4%	7%	13%	12%	14%	6%	12%
8	27%	34%	24%	25%	23%	25%	28%	23%	28%	26%
<u>Total Guaranteed PCs and Structured Securities Issued:</u>										
9	\$ 1,162,068	\$ 1,171,453	\$ 1,189,467	\$ 1,201,903	\$ 1,208,968	\$ 1,223,707	\$ 1,250,659	\$ 1,284,393	\$ 1,162,068	\$ 1,208,968
10	90,763	118,888	77,756	77,701	77,128	95,614	112,518	112,607	365,108	397,867
11	(81,378)	(100,874)	(65,320)	(70,636)	(62,389)	(68,662)	(78,784)	(61,476)	(318,208)	(271,311)
12	9,385	18,014	12,436	7,065	14,739	26,952	33,734	51,131	46,900	126,556
13	\$ 1,171,453	\$ 1,189,467	\$ 1,201,903	\$ 1,208,968	\$ 1,223,707	\$ 1,250,659	\$ 1,284,393	\$ 1,335,524	\$ 1,208,968	\$ 1,335,524
14	3%	6%	4%	2%	5%	9%	11%	16%	4%	10%
15	28%	34%	22%	24%	21%	22%	25%	19%	27%	22%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled.

(2) See our Monthly Volume Summary, or MVS, in the Investor Relations section of our Web site for definitions of certain captions used in this table.

(3) Includes certain mortgage-related securities that have been transferred from the Investments caption on the consolidated balance sheets during 2004.

FREDDIE MAC
MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES ^{(1) (2)}
TABLE 8B
(unaudited)
(dollars in millions)

Line:	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005	2Q 2005	3Q 2005	4Q 2005	Full-Year	
									2004	2005
Retained Portfolio:										
1	\$ 645,466	\$ 636,172	\$ 644,417	\$ 659,949	\$ 652,936	\$ 656,720	\$ 665,003	\$ 684,530	\$ 645,466	\$ 652,936
2	37,879	68,925	67,284	51,627	57,684	75,828	97,978	89,063	225,715	320,553
3	(6,079)	(7,818)	(8,517)	(14,101)	(13,867)	(21,645)	(26,254)	(14,632)	(36,515)	(76,398)
4	(41,094)	(52,862)	(43,235)	(44,539)	(40,033)	(45,900)	(52,197)	(48,944)	(181,730)	(187,074)
5	(9,294)	8,245	15,532	(7,013)	3,784	8,283	19,527	25,487	7,470	57,081
6	\$ 636,172	\$ 644,417	\$ 659,949	\$ 652,936	\$ 656,720	\$ 665,003	\$ 684,530	\$ 710,017	\$ 652,936	\$ 710,017
7	(6%)	5%	10%	(4%)	2%	5%	12%	15%	1%	9%
8	25%	33%	27%	27%	25%	28%	31%	29%	28%	29%
9	44%	44%	44%	43%	43%	42%	42%	42%	43%	42%
Retained Portfolio Components (at period end): ⁽³⁾										
10	\$ 376,114	\$ 373,680	\$ 372,760	\$ 356,698	\$ 350,390	\$ 336,233	\$ 341,505	\$ 361,324	\$ 356,698	\$ 361,324
11	199,334	210,920	226,381	234,878	244,594	267,784	281,818	287,212	234,878	287,212
12	60,724	59,817	60,808	61,360	61,736	60,986	61,207	61,481	61,360	61,481
13	\$ 636,172	\$ 644,417	\$ 659,949	\$ 652,936	\$ 656,720	\$ 665,003	\$ 684,530	\$ 710,017	\$ 652,936	\$ 710,017
Outstanding Guaranteed PCs and Structured Securities:										
14	\$ 768,933	\$ 795,339	\$ 815,787	\$ 829,143	\$ 852,270	\$ 873,317	\$ 914,426	\$ 942,888	\$ 768,933	\$ 852,270
15	90,763	118,888	77,756	77,701	77,128	95,614	112,518	112,607	365,108	397,867
16	(14,773)	(35,690)	(27,279)	(18,493)	(23,246)	(24,922)	(43,785)	(44,534)	(96,235)	(136,487)
17	7,220	8,119	8,301	14,961	13,072	21,231	19,406	8,916	38,601	62,625
18	(56,804)	(70,869)	(45,422)	(51,042)	(45,907)	(50,814)	(59,677)	(45,677)	(224,137)	(202,075)
19	26,406	20,448	13,356	23,127	21,047	41,109	28,462	31,312	83,337	121,930
20	\$ 795,339	\$ 815,787	\$ 829,143	\$ 852,270	\$ 873,317	\$ 914,426	\$ 942,888	\$ 974,200	\$ 852,270	\$ 974,200
21	20,155	20,741	20,279	-	-	-	-	-	-	-
22	\$ 775,184	\$ 795,046	\$ 808,864	\$ 852,270	\$ 873,317	\$ 914,426	\$ 942,888	\$ 974,200	\$ 852,270	\$ 974,200
23	12%	10%	7%	21%	10%	19%	12%	13%	13%	14%
24	30%	36%	22%	25%	22%	23%	26%	19%	29%	24%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled.

(2) See our Monthly Volume Summary, or MVS, in the Investor Relations section of our Web site for definitions of certain captions used in this table.

(3) The Retained portfolio presented in this table differs from the Retained portfolio presented on our consolidated balance sheets because the consolidated balance sheets caption includes valuation adjustments (e.g., fair value adjustments for securities classified as available-for-sale and trading and the Reserve for losses on mortgage loans held-for-investment) and deferred balances (e.g., premiums and discounts).

(4) Represents the ending balance of PCs and Structured Securities held by us in connection with our PC market-making and support activities that historically have been reflected in the Investments caption on the consolidated balance sheets. As previously disclosed in our Information Statement dated June 14, 2005, we ceased our PC market-making and support activities accomplished through our Securities Sales & Trading Group and our external Money Manager program during the fourth quarter of 2004.

(5) Calculated based on the ending balance of Outstanding Guaranteed PCs and Structured Securities (Table 8B-line 22).

(6) Calculated based on Subtotal (includes Other PCs and Structured Securities held by Freddie Mac) (Table 8B-line 20) because Liquidations (Table 8B-line 18) excludes liquidations of Other PCs and Structured Securities held by Freddie Mac.

FREDDIE MAC
CHARACTERISTICS OF MORTGAGES AND MORTGAGE-RELATED SECURITIES IN THE RETAINED PORTFOLIO
TABLE 9
(unaudited)
(dollars in millions)

Line:	December 31, 2004				December 31, 2005			
	Fixed Rate ⁽¹⁾	Variable Rate ^{(1) (2)}	Total	% AAA Rated	Fixed Rate	Variable Rate ⁽²⁾	Total	% AAA Rated
1	\$ 56,530	\$ 4,830	\$ 61,360	N/A	\$ 56,458	\$ 5,023	\$ 61,481	N/A
	Guaranteed PCs and Structured Securities: ⁽³⁾							
2	304,555	51,882	356,437	N/A	299,188	61,889	361,077	N/A
3	261	-	261	N/A	247	-	247	N/A
4	304,816	51,882	356,698	N/A	299,435	61,889	361,324	N/A
	Non-Freddie Mac mortgage-related securities:							
	Agency mortgage-related securities: ⁽⁴⁾							
	Fannie Mae:							
5	41,828	14,504	56,332	N/A	28,818	13,180	41,998	N/A
6	1,589	83	1,672	N/A	1,294	41	1,335	N/A
7	1,630	81	1,711	N/A	1,075	218	1,293	N/A
8	45,047	14,668	59,715	N/A	31,187	13,439	44,626	N/A
	Non-agency mortgage-related securities: ⁽⁵⁾							
9	8,243	115,168	123,411	99.2 %	5,795	180,632	186,427	99.7 %
10	36,791	4,393	41,184	100.0	35,860	7,627	43,487	100.0
11	8,945	132	9,077	71.5	11,171	150	11,321	66.2
12	1,289	202	1,491	33.4	1,183	168	1,351	32.6
13	55,268	119,895	175,163	97.4 %	54,009	188,577	242,586	98.0 %
14	\$ 461,661	\$ 191,275	652,936		\$ 441,089	\$ 268,928	710,017	
15			4,039				2,440	
16			6,762				(3,551)	
17			845				597	
18			(114)				(119)	
19			\$ 664,468				\$ 709,384	

(1) Amounts for 2004 have been revised to conform with the 2005 presentation.

(2) Variable rate mortgages include mortgages with a current contractual coupon that is scheduled to change prior to contractual maturity, ARMs, and mortgage-related securities backed by ARMs with 1-, 3-, 5-, 7- and 10-year initial fixed-rate periods. Mortgage loans also include mortgages with balloon/reset provisions.

(3) We guarantee the payment of principal and interest on our Guaranteed PCs and Structured Securities and are subject to the credit risk associated with the underlying mortgage loan collateral.

(4) Agency mortgage-related securities are generally not separately rated by credit rating agencies, but are viewed as having a level of credit quality at least equivalent to non-agency mortgage securities rated "AAA" or equivalent.

(5) Credit rating of most non-agency mortgage-related securities is designated by at least two nationally recognized credit rating agencies.

(6) Consists of obligations of states and political subdivisions.

(7) At December 31, 2004 and 2005, 43 percent and 51 percent, respectively, of mortgage-related securities backed by manufactured housing were rated BBB- or above. For the same dates, 96 percent and 75 percent of these securities are supported by third-party credit-enhancements (e.g. bond insurance) and other credit enhancements (e.g. deal structure through subordination).

FREDDIE MAC
CREDIT QUALITY INDICATORS
TABLE 10
(unaudited)
(dollars in millions)

Line:	1Q 2004	2Q 2004	3Q 2004	4Q 2004	1Q 2005 (Revised)	2Q 2005 (Revised)	3Q 2005	4Q 2005	Full-Year	
									2004	2005
Credit Enhancements:										
1	22 %	17 %	22 %	19 %	17 %	17 %	18 %	17 %	19 %	17 %
2	21 %	20 %	20 %	19 %	18 %	18 %	18 %	17 %	19 %	17 %
Delinquencies (at period end):⁽¹⁾										
Single-family: ⁽²⁾										
Non-credit-enhanced portfolio										
3	0.25 %	0.23 %	0.23 %	0.24 %	0.22 %	0.21 %	0.22 %	0.30 %	0.24 %	0.30 %
4	19,850	18,387	18,666	19,691	18,464	17,579	18,643	26,037	19,691	26,037
Credit-enhanced portfolio										
5	2.97 %	2.67 %	2.67 %	2.75 %	2.56 %	2.37 %	2.26 %	2.46 %	2.75 %	2.46 %
6	65,014	56,781	55,710	54,913	49,929	45,527	42,845	47,000	54,913	47,000
7	0.83 %	0.74 %	0.73 %	0.73 %	0.67 %	0.61 %	0.59 %	0.69 %	0.73 %	0.69 %
Multifamily: ⁽²⁾										
8	0.06 %	0.05 %	0.05 %	0.06 %	0.05 %	0.01 %	- %	- %	0.06 %	- %
9	\$ 32	\$ 29	\$ 29	\$ 35	\$ 27	\$ 4	\$ 2	\$ 2	\$ 35	\$ 2
REO Balances (at period end):										
10	\$ 791	\$ 762	\$ 775	\$ 740	\$ 735	\$ 678	\$ 647	\$ 611	\$ 740	\$ 611
11	37	39	39	1	8	8	8	18	1	18
12	\$ 828	\$ 801	\$ 814	\$ 741	\$ 743	\$ 686	\$ 655	\$ 629	\$ 741	\$ 629
REO Inventory (number of units):										
13	9,170	9,530	9,482	9,702	9,604	9,602	8,914	8,531	9,170	9,604
14	4,809	4,731	4,564	4,385	4,372	4,114	3,915	3,460	18,489	15,861
15	(4,449)	(4,779)	(4,344)	(4,483)	(4,374)	(4,802)	(4,298)	(3,921)	(18,055)	(17,395)
16	9,530	9,482	9,702	9,604	9,602	8,914	8,531	8,070	9,604	8,070
REO Operations Income (Expense):										
17	\$ 5	\$ -	\$ 2	\$ (8)	\$ (8)	\$ (5)	\$ (7)	\$ (20)	\$ (1)	\$ (40)
18	(2)	-	(1)	7	-	-	-	-	4	-
19	\$ 3	\$ -	\$ 1	\$ (1)	\$ (8)	\$ (5)	\$ (7)	\$ (20)	\$ 3	\$ (40)
Loan Loss Reserves:⁽³⁾										
20	\$ 299	\$ 239	\$ 231	\$ 248	\$ 264	\$ 280	\$ 271	\$ 391	\$ 299	\$ 264
21	2	27	56	58	36	17	146	52	143	251
22	(27)	(35)	(36)	(42)	(30)	(22)	(25)	(24)	(140)	(101)
23	-	-	-	-	-	(3)	(2)	(3)	-	(8)
24	(6)	(3)	(6)	(5)	-	(2)	(5)	(4)	(20)	(11)
25	(29)	3	3	5	10	1	6	2	(18)	19
26	\$ 239	\$ 231	\$ 248	\$ 264	\$ 280	\$ 271	\$ 391	\$ 414	\$ 264	\$ 414
27	0.9 bp	1.1 bp	1.1 bp	1.3 bp	0.9 bp	0.8 bp	0.8 bp	0.8 bp	1.1 bp	0.8 bp
Total Credit Losses (Gains):⁽⁷⁾										
28	\$ 24	\$ 35	\$ 35	\$ 43	\$ 38	\$ 30	\$ 34	\$ 47	\$ 137	\$ 149
29	0.8 bp	1.1 bp	1.1 bp	1.3 bp	1.2 bp	0.9 bp	1.0 bp	1.4 bp	1.1 bp	1.1 bp

(1) Based on the total mortgage portfolio, excluding both non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

(2) Single-family delinquencies are based on the number of mortgages 90 days or more delinquent or in foreclosure while multifamily delinquencies are based on net carrying value of mortgages 60 days or more delinquent or in foreclosure. Includes delinquencies on mortgage loans where the lender or third party retains the largest portion of the default risk as well as Structured Securities backed by alternative collateral deals. Excludes mortgage loans whose original contractual terms have been modified under an agreement with the borrower as long as the borrower complies with the modified contractual terms.

(3) Loan loss reserves equals the sum of Reserve for losses on mortgage loans held-for-investment (consolidated balance sheets - line 2) and Reserve for guarantee losses on Participation Certificates (consolidated balance sheets - line 28).

(4) Provision (benefit) for credit losses includes our provision for losses incurred on our mortgage loans held for investment, which are a component of our Retained portfolio, and our provision for guarantee losses incurred on loans underlying PCs held by third parties.

(5) Represents the reclassification of the reserve amount attributable to uncollectible interest on outstanding PCs and Structured Securities which is included as an offset to the related receivable balance within Accounts and other receivables, net on the consolidated balance sheets.

(6) Represents the portion of the initial guarantee obligation recognized upon the sale of PCs or Structured Securities that correspond to incurred credit losses inherent in the underlying mortgage loans at the time of sale that are reclassified from Guarantee obligation for Participation Certificates. In addition, the amount includes a reduction of loan loss reserves of \$31 million and \$9 million in first quarters of 2004 and 2005, respectively, related to prior period adjustments for which the related income was recorded in Other income.

(7) Equal to REO operations income (expense) (Line 19) plus Charge-offs, net (Lines 22 and 23).

SUPPLEMENTAL DISCLOSURES

The following provides supplemental disclosures to Freddie Mac's 2005 financial results as discussed in the above press release, consolidated financial statements and core tables.

Discussion of Fair Value Results

We believe fair value measures provide an important view of our business economics and risks because fair value takes a consistent approach to the representation of substantially all financial assets and liabilities, rather than an approach that combines historical cost and fair value measurements, as is the case with our GAAP-based consolidated financial statements. Management uses estimates of fair value on a routine basis to make decisions about our business activities. In addition, management uses fair-value derived performance measures to establish corporate objectives and set management compensation. The consolidated fair value balance sheet is an important component of our risk management processes, as we use estimates of the changes in fair value to calculate our PMVS and duration gap measures.

Discussion of the estimated impact of mortgage-to-debt OAS on fair value results

We believe disclosing the impact of changes in mortgage-to-debt option adjusted spreads (OAS) on the fair value of net assets is helpful to understanding our current-period fair value results in the context of our long-term fair value return expectation. Our long-term expectation is to generate returns over time on the average fair value of net assets attributable to common stockholders, before capital transactions, in the low- to mid-teens. In discussing this long-term expectation, we qualify it by noting that period-to-period returns may fluctuate substantially due to market conditions. These market conditions include changes in interest rates and other market factors that affect certain components of our fair value changes, including those which we do not attempt to hedge or actively manage — specifically, the change in mortgage-to-debt OAS with respect to our retained portfolio and the change in the fair value of the single-family guarantee portfolio.

Our estimate of the periodic increases or decreases in the fair value of net assets associated with fluctuations in OAS provides insight into a component of our fair value results that we do not believe will significantly affect the long-term fair value returns on the retained portfolio. This belief is based on our expectation that differences between the prepayments forecasted by our models and the actual prepayments we will experience are not likely to be significant.

During the year ended December 31, 2005, the fair value of net assets attributable to common stockholders, before capital transactions, increased by \$0.9 billion. We estimate that this \$0.9 billion is net of a decrease of approximately \$1.4 billion due to the net widening of mortgage-to-debt OAS. We estimate that changes in OAS increased/(decreased) the fair value of net assets by approximately \$(0.8) billion, \$0.5 billion, \$(1.0) billion and \$(0.1) billion during the first, second, third and fourth quarters of 2005, respectively.

How we estimate the impact of mortgage-to-debt OAS on fair value results

The method we have chosen to estimate the OAS impact is to fully revalue the fair value of identified financial instruments for a given period using the OAS level from the end of the previous period and subtract the revalued amount from the estimated fair value of those instruments. We make this calculation as of the end of each month and sum these monthly results into quarterly and annual estimates. To achieve consistency month-to-month, we use the smaller unpaid principal balance for a given instrument between months so that we are measuring OAS impact on constant positions, with newly acquired positions excluded entirely during the month of acquisition.

For certain financial instruments in the retained portfolio that affect our total change in fair value of net assets, we did not estimate the impact of changes in OAS on fair value. We did not estimate the impact of changes in OAS for single-family and multifamily whole loans because we do not have a reliable methodology for estimating OAS impacts on these loans at this time. We did not estimate the impact of changes in OAS for certain other instruments, including mortgage revenue bonds, other securities and LIBOR-based derivatives, because an OAS measured in relation to LIBOR is not relevant for these instruments. The retained portfolio instruments for which we did not estimate an impact of the changes in OAS represent approximately 17 percent of our total retained portfolio. The funding instruments (including preferred stock) for which we did not estimate an impact of the changes in OAS represent approximately 9 percent of our total debt and preferred stock securities. The majority of this 9 percent was short-term debt instruments with maturities less than 30 days. All of these calculation assumptions affect the accuracy of our OAS impact estimate.

The impact of changes in OAS on fair value should be understood as an estimate rather than a precise measurement. Our estimate relies on our methodology, use of models to interpret market data, our estimates of the fair value of financial instruments included in our consolidated fair value balance sheets and various other assumptions. To estimate the impact of OAS, we use models that involve the forecast of interest rates, prepayment behavior and other inputs made in our best judgment. We also make assumptions about a variety of factors, including macroeconomic and security-specific data, interest-rate paths, cash flow and prepayment rates. Management uses these models and assumptions in running our business, and we rely on many of the models in producing our financial statements and measuring, managing and reporting interest-rate and other market risks. The use of different estimation methods or the application of different assumptions could result in a materially different estimate. Other market participants using their own proprietary models could produce estimates of mortgage-to-debt OAS impact materially different than those we have reported for the same period.

Understanding our estimate of the impact of mortgage-to-debt OAS on fair value results

A number of important qualifications apply to our disclosed estimates. The estimated impact of the change in OAS on the fair value of our net assets in any given period does not depend on other components of the change in fair value. Although the net fair value of our financial

instruments will generally move toward their par value as the instruments approach maturity, investors should not expect that the effect of past changes in OAS will necessarily reverse through future changes in OAS. Such reversal could occur in the event that market price movements reverse, or the effect of historical changes in OAS could be substantially offset over time through other components of the change in fair value, namely, through income from the retained portfolio. On the other hand, to the extent that actual prepayment or interest rate distributions differ from the forecasts contemplated in our models, changes in values reflected in mortgage-to-debt OAS may not be recovered in fair value returns at a later date.

For example, when the OAS on a given asset widens, the fair value of that asset will typically decline, all other things being equal. However, we believe such OAS widening has the effect of increasing the likelihood that, in future periods, we will recognize income at a higher spread on this existing asset. The reverse is true when the OAS on a given asset tightens — current period fair values for that asset typically increase due to the tightening in OAS, while future income recognized on the asset is more likely to be earned at a reduced spread. Although a widening of OAS is generally accompanied by lower current period fair values, it can also provide us with greater opportunity to purchase new assets for our retained portfolio at the wider mortgage-to-debt OAS. (Again, the reverse can be true when OAS tightens.)

For these reasons, our estimate of the impact of the change in OAS provides information regarding one component of the change in fair value for the particular period being evaluated, but results for a single period should not be used to extrapolate long-term fair value returns. We believe the potential fair value return of our business over the long term depends primarily on our ability to add new assets at attractive mortgage-to-debt OAS and to effectively manage over time the risks associated with these assets, as well as those of our existing portfolio to ensure that we realize anticipated returns on our business. In other words, to capture the fair value returns we expect, we have to apply accurate estimates of future prepayment rates and other performance characteristics at the time we purchase assets, and then manage successfully the range of market risks associated with a debt-funded mortgage portfolio over the life of these assets.

Capital Market Update

Management intends to initiate our execution of the Board of Directors' authorization to repurchase up to \$2 billion of outstanding shares of Freddie Mac's common stock and issue up to \$2 billion of non-cumulative, perpetual preferred stock, in each case, from time to time depending on market conditions and other factors.

In addition, the company expects to issue subordinated debt in a principal amount in excess of \$1 billion from time to time during the remainder of 2006, subject to market conditions and other factors.

Changes in Accounting Estimates

Valuation of Guarantee Asset

Freddie Mac generally receives contractual rights to receive guarantee fees as consideration in connection with guarantee-related exchange transactions, and initially recognizes the fair value of those rights as a guarantee asset (GA). Changes in fair value on the GA are recognized in earnings as a component of Gains (losses) on “Guarantee asset for Participation Certificates, at fair value.” Following payment of up-front fees at the time of transaction, all guarantee-related cash compensation that is received over the life of the loan is reflected in earnings as a component of Management and guarantee income.

Effective January 1, 2005, Freddie Mac changed the methodology for estimating the fair value of the GA to make greater use of third-party market data. For approximately 70 percent of the total fair value of the GA, the new valuation methodology involves obtaining dealer quotes, effectively equating the GA with current market values for excess servicing interest-only (IO) securities, which trade at a discount to trust IO security prices. We consider excess servicing securities to be comparable to the GA, in that they represent an IO-like income stream, have less liquidity than trust IO securities and do not have matching principal-only securities. The remaining 30 percent of the total fair value of the GA, which relates to underlying loan products for which comparable market prices are not readily available, is valued using an expected cash flow approach with market input assumptions extracted from the dealer quotes provided on the more liquid products, reduced by an estimated liquidity discount. The models used for these more “illiquid” valuations are subject to model controls including performance testing and benchmarking to external models, when available.

For periods prior to 2005, the GA fair value was calculated using an expected cash flow approach. Specifically, Monte Carlo projections were used to forecast GA-related future cash flows. The forecasted cash flows were then discounted using factors that were derived from modeled forward interest rates for each scenario path, to which we then applied a trailing average option-adjusted spread of up to 24 months that was based on trust IO security prices.

Valuation of Guarantee Obligation

In connection with guarantee-related exchange transactions, Freddie Mac generally recognizes a guarantee obligation (GO) that represents the obligation to pay principal and interest, and in some cases, certain foreclosure costs in the event of borrower default. The GO is initially measured at fair value independent of the GA and is subsequently amortized into earnings in proportion to the rate of the unpaid principal balance decline of securitized mortgage loans.

Effective January 1, 2005, Freddie Mac changed the methodology for estimating the fair value of the GO to make greater use of third-party market data. We concluded that the structured credit market has evolved to the point where we can now look to that market for fair value discovery. We have divided our GO portfolio into three primary components: performing loans, non-

performing loans and manufactured housing. For each component, we have developed specific valuation methodologies to capture its unique characteristics.

For performing loans, our new methodology uses the capital markets to obtain estimated subordination levels based on rating agency models and dealer price quotes to value our guarantee portfolio (which is predominantly prime mortgages) to reduce our reliance on internal models. We segmented the portfolio into distinct loan cohorts to differentiate between product types, coupon rate, seasoning, and interests retained by us versus those held by third parties.

Since typical structured securitizations of single-family collateral only include performing loans, we developed a separate method for estimating the fair value of the GOs for non-performing loans. For loans that are extremely delinquent and have been purchased out of pools, we obtained dealer indications that reflect their non-performing status. To value delinquent loans remaining in PCs, we start with the market driven performing loan and non-performing whole loan values and use empirically observed delinquency transition rates to interpolate the appropriate values in each phase of delinquency (30 days, 60 days, 90 days).

We evaluated market sources to determine the appropriate credit costs associated with the GO for the manufactured housing portfolio, which we estimated for purposes of our valuation methodology to be approximately two percent of our total guarantee portfolio, but approximately 20 percent of the fair value of the GO, and determined that there is limited price discovery in the market. As a result, we used our judgment to develop an alternative methodology to estimate incremental credit costs associated with the manufactured housing portfolio. Specifically, we calculated the ratio of realized credit losses for performing loans and manufactured housing loans to determine a loss history ratio. We then applied the loss history ratio to market implied performing loan GO fair value estimates to calculate the implied credit costs for the manufactured housing portfolio. This approach grounds the GO related to manufactured housing in performing loan market prices, while adjusting for the loss history reflected in empirical data. We undertook a similar process for estimating the fair value of seriously delinquent manufactured housing loans. We then benchmarked our performing loan GO fair value estimate by obtaining a range of price indications that corroborated the reasonableness of our estimate through discussions with leading market participants, including Wall Street dealers and mortgage insurance companies.

The changes to the credit components of the GO necessitated a change to the methods used to estimate the costs associated with administering the collection and distribution of payments on the mortgage loans underlying a PC.

For periods prior to 2005, the GO fair value was calculated using internal models to estimate future cash flows using a Monte Carlo simulation. The components of estimated cash flows associated with the GO included estimates of expected future credit losses using statistically based models that were benchmarked periodically to the non-conforming loan (“jumbo”) securitization market. The estimate also included costs to administer the collection and distribution of payments on the mortgage loans underlying a PC and considered net cash flows due to security program cycles.

We estimate that the net impact of the change in valuation methodology for our guarantee assets and guarantee obligations in January 2005 affected our guarantee asset for participation certificates and participation certificate residuals, which are carried at fair value for GAAP, and reduced GAAP net income by a total of \$85 million (after-tax).

Lost Interest Reserve

Effective January 1, 2005, we changed our estimate for reserving for uncollectible interest on single-family loans greater than 90 days delinquent. Our new estimation methodology establishes reserves for accrued interest income on all single-family loans that are greater than 90 days delinquent. Prior to this change, we accrued interest income on all single-family loans and established reserves for all accrued interest income we deemed uncollectible using internal statistically based models. The effect of this change was a \$77 million (after-tax) reduction in net income for 2005.

Prepayment Model Change and Effects on Amortization

Effective January 1, 2005, we implemented refinements to our prepayment model that is used to evaluate prepayment behavior for assets in our retained portfolio. As a result, prepayment speeds used in our amortization model generally increased, reflecting better estimates of the effects of recent market conditions on expected prepayments. The effect of this change was a \$44 million (after-tax) reduction in net income in the first quarter of 2005.

Change in Accounting Principle

Change in Accounting for Amortization and Interest Expense On Callable Debt

Effective January 1, 2005, we changed our method of accounting for interest expense related to callable debt instruments to recognize interest expense using an effective interest method over the contractual life of the debt.

For periods prior to 2005, we amortized premiums, discounts and deferred issuance costs in interest expense using an effective interest method over the estimated life of the debt.

The cumulative effect of this change was a \$59 million (after-tax) reduction in net income for 2005.

Subsequent Events

Legal Settlements

Securities Class Action and Shareholder Derivative Lawsuits. On April 20, 2006, we announced that we reached an agreement in principle to settle the securities class action and shareholder derivative lawsuits that were filed following the company's restatement of financial

results for the years 2000 through 2002. The parties have completed the necessary settlement documents, including the Stipulations of Settlement dated May 24, 2006, filed them with the court and are awaiting preliminary approval of the settlement by the court. However, no assurances can be made that the court will in fact approve the agreement in the form and substance negotiated among the parties. The settlement of these actions includes a cash payment of \$410 million, which reduced first quarter and full-year 2005 net income by approximately \$220 million (after tax), including the application of expected insurance proceeds.

Additional information regarding the securities class action and shareholder derivative lawsuits is provided in Freddie Mac's Information Statement dated June 14, 2005 and Information Statement Supplement dated April 20, 2006.

Hurricane Katrina

The company previously disclosed that it estimated after-tax losses of approximately \$190 million related to Hurricane Katrina. However, based on our recent experience related to properties in the hurricane area, we have reduced our preliminary provision for credit losses related to the hurricane. We now estimate after-tax losses related to Hurricane Katrina of approximately \$133 million.

Disposal of Certain CMBS Investments

Within "Gains (losses) on Investment Activity" on our consolidated statements of income, total non-IO security impairments for 2005 were approximately \$300 million. Of that amount, approximately \$185 million related to impairments of certain commercial mortgage-backed securities (CMBS), which involved cash flows from mixed pools (*i.e.*, mortgage loan pools containing both multifamily residential loans and non-residential commercial loans). In December 2005, HUD determined that such mixed-pool investments are not authorized under our charter. OFHEO concurred with HUD's determination and subsequently directed us to provide a written plan for the divestiture of these assets, which we have done. Accordingly, management determined that we no longer had the ability or intent to hold these investments and, pursuant to relevant accounting guidance, recognized impairments on affected CMBS investments with an unrealized loss at December 31, 2005. Accounting guidance does not permit the recognition of unrealized gains on other affected CMBS until such securities are sold. As such, we anticipate that the sale of the related assets in 2006 would result in a net gain, absent significant changes in market prices.

Internal Controls and Risk Management

Internal Control Over Financial Reporting

Improving internal control over financial reporting and mitigating the risks presented by material weaknesses and other control deficiencies in our financial reporting processes continue to be top priorities in 2006. Many of the previously identified material weaknesses and other control

deficiencies continue to persist and will continue to present challenges for us in 2006. We also identified additional control deficiencies in 2005.

The material weaknesses and significant deficiencies in our internal control over financial reporting adversely affect our ability to record, process, summarize and report financial data timely. Based on the continued existence of material weaknesses in internal control at December 31, 2005, our Chief Executive Officer and President and Chief Operating Officer have concluded that our internal control over financial reporting was not effective at December 31, 2005. In order to compensate for the material weaknesses and other deficiencies in our internal controls, we continue to perform extensive verification and validation procedures to provide assurance that our consolidated financial statements are prepared in accordance with GAAP. Therefore, in view of the alternative procedures we performed, we believe that these weaknesses and deficiencies do not prevent us from preparing and issuing our consolidated financial statements in accordance with GAAP.

While we believe we have made progress in the remediation of certain material weaknesses and other control deficiencies that have been identified, the material weaknesses and deficiencies that remain will continue to represent a significant risk to our financial reporting process until fully remediated. For example, in the course of our financial reporting processes for 2005, we discovered a number of internal control issues that resulted in adjustments to our 2005 financial results. Moreover, our employee attrition rates have been high recently, which strains existing resources and increases the risk of errors and internal fraud.

A number of the material weaknesses that affected us throughout 2005 and at the end of the year include:

- Monitoring controls within financial operations and reporting functions — Monitoring controls are designed to evaluate how other controls are working, such as the performance of financial analytics and the completion of account reconciliations. Despite the progress made in the identification, documentation, and enhancement of monitoring controls during 2005, there were several instances where these controls did not identify issues that ultimately led to accounting adjustments.
- Integration between our operational transaction systems and financial accounting systems — Integration issues among the systems and processes related to our operational transaction systems and financial accounting systems increase the risk of error in our financial reporting due to the potential failure to correctly pass information between systems and processes, incompatible data between systems, or a lack of clarity in process ownership. To compensate for this weakness, we have implemented compensating controls, including the performance of significant data validation and financial analytics, which contribute to our delayed financial reporting timeline.
- Information technology general controls as they relate to change management — Our controls over managing changes related to the development and implementation of new

and enhanced business processes and systems need improvement in order to achieve industry standards.

- Information technology general controls as they relate to security administration, management and technology — Our controls over information systems security management and administration functions, as well as information technology currently in use, need improvement in a number of critical areas.
- Management risk and control self-assessment process — Our process to identify deficiencies in key financial reporting controls, prior to testing, does not provide reliable information on our risk and control environment.

In addition to material weaknesses, there are also various significant deficiencies in our internal control over financial reporting that, although not determined to be material at this time, still present risks of error in our financial reporting. As we complete our work toward our 2005 Annual Report and continue the remediation activities noted below throughout 2006, we may identify additional material weaknesses and significant deficiencies in our internal controls or conclude that significant deficiencies we have already identified should be regarded as material weaknesses, either individually or in the aggregate.

Risk Management

While we believe that both our day-to-day and long-term management of interest-rate and other market risks and credit risks are satisfactory, weaknesses in our overall risk governance framework exist. We are focused on strengthening our capacity in four important areas: risk governance, risk identification, risk measurement and assessment, and related education and communication. Our risk management framework is being reviewed under a new leadership team in our Enterprise Risk Oversight division to address these issues and to establish clear lines of authority, define roles and responsibilities, and to improve the overall effectiveness of the risk oversight function.

Remediation

During 2005, we implemented an internal control testing and evaluation program designed to evaluate the significant components of our internal control over financial reporting and to identify whether deficiencies exist within our internal control environment. Upon discovering the need for several adjustments to our 2005 financial results in the course of completing our financial reporting processes for 2005, we began a more comprehensive review of our internal control environment. This comprehensive review includes an end-to-end assessment of the design and effectiveness of our internal control environment, an initiative to improve information technology-related controls, and taking remedial actions needed to address any issues identified in the course of these reviews.

Our end-to-end review begins with the assessment of the design and effectiveness of our internal controls environment related to the initial recording of transactions, continues this assessment

through our operational and accounting processes, and concludes with an evaluation of financial reporting and disclosure controls. This comprehensive review is expected to continue throughout 2006. In addition, we are in the process of implementing several planned system enhancements to our accounting, financial reporting and operational infrastructure later in the year. As this review progresses, we may discover additional material weaknesses or other control deficiencies or conclude that existing deficiencies are more significant or material than originally assessed. Upon discovery, if necessary, we anticipate developing a plan to remediate or mitigate any additional weaknesses and deficiencies.

In order to devote the resources needed to complete the end-to-end review effectively and return to timely reporting as soon as possible, we have decided to delay our interim financial reporting for 2006. We have also decided to limit the number of initiatives we plan to undertake in 2006 and defer lower priority systems efforts until we have progressed further with our internal controls. It is our objective to return to quarterly reporting with our release of full-year 2006 financial results. After we resume regular quarterly reporting, we will begin the process of registering our common stock with the Securities and Exchange Commission.

Our comprehensive review of the internal control environment, which began in 2005, and our ongoing control remediation activities are intended to provide a basis for our reliance on our internal control over financial reporting. Our ability to rely on such internal controls is essential to our return to timely reporting, because it will alleviate the need to perform substantive procedures to compensate for our material weaknesses and other control deficiencies.

This Information Statement Supplement contains forward-looking statements. Statements that are not historical facts are forward-looking statements, including statements about our beliefs, expectations and estimates as to our future business plans and timelines, results of operations, financial condition or outlook. These statements involve known and unknown risks, uncertainties, assumptions, estimates, and other factors and can often be identified by the words “will,” “currently,” “estimate,” “priorities,” “plan,” “long-term,” “likely,” “intent,” “could,” “remain,” “anticipate,” “expectation,” “continue,” “believe,” “may,” “initiative,” “objective,” “preliminary,” “forecast,” “future” and other expressions which are predictions of or indicate future events and trends. 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; our ability to implement changes, developments or impacts of accounting standards and interpretations; changes in estimates, methodologies or models we use; the outcome of pending legal proceedings; general business, economic, market and political conditions, including changes in levels and volatilities of interest rates and other market factors, changes in mortgage-to-debt option-adjusted spreads, prepayment behavior, housing prices and employment rates; cash flows; security-specific data; competitive developments in the mortgage market; the rate of growth in total outstanding U.S. residential mortgage debt; changes in applicable

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legislative or regulatory requirements; the other factors discussed in this Information Statement Supplement; and the reactions of the marketplace to the foregoing. Additional assumptions and factors are also discussed in the company's Information Statement dated June 14, 2005, and subsequent Information Statement Supplements, which are available on the Investor Relations page of the company's Web site 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.