



**Supplement dated December 7, 2004 to  
Information Statement dated September 24, 2004**

**RECENT EVENTS**

**Board Compensation**

On December 3, 2004, the Board of Directors of Freddie Mac approved changes to the cash and stock compensation paid to directors who are not employees of the company (“outside directors”) for their services as directors, effective January 1, 2005. The chart below shows the cash compensation levels currently in effect and the levels that will be effective for 2005.

**Cash Compensation**

|  | <b>Current</b> | <b>2005</b> |
|--|----------------|-------------|
| <b>Board Service</b>                                   |                |             |
| Annual Retainer for Lead Director                      | \$100,000      | \$100,000   |
| Annual Retainer for Other Directors                    | \$50,000       | \$60,000    |
| Per Meeting Fee  | \$1,000        | \$1,500     |
| <b>Committee Service</b>                               |                |             |
| Annual Retainer for Committee Chair (other than Audit) | \$5,000        | \$10,000    |
| Annual Retainer for Audit Committee Chair              | \$10,000       | \$20,000    |
| Per Meeting Fee (other than Audit)                     | \$1,000        | \$1,500     |
| Per Meeting Fee for Audit Committee Members            | \$2,000        | \$2,500     |
| Per Interview Fee for Director Recruiting              | \$1,000        | \$1,500     |

The Board of Directors also approved a revised policy under the 1995 Directors’ Stock Compensation Plan (the “Directors’ Plan”) effective January 1, 2005. Under the revised policy, future awards of stock options and restricted stock units will vest at the rate of 25% over four terms, instead of at the rate of 20% over five terms. In addition, the allocation of awards under the Directors’ Plan for newly elected and newly appointed outside directors during their first two terms will be modified. Prior to the revision, newly elected and newly appointed outside directors during their first term received initial grants of options to purchase Freddie Mac common stock with a value of approximately \$300,000 and restricted stock units with a value of approximately \$130,000, but during their second term were not eligible to receive any grants. Under the revised policy, newly elected and newly appointed outside directors during their first term will receive initial grants of options to purchase Freddie Mac common stock with a value of approximately \$150,000 and restricted stock units with a value of approximately \$65,000 (the same values as for other outside directors) and will be eligible to receive the same grants in their second and each subsequent term.

**Supplement dated December 7, 2004 to  
Information Statement dated September 24, 2004  
Page 2**

In addition, the Board modified the terms of all outstanding nonqualified stock option agreements under the Directors' Plan. The modification permits outside directors to pay the exercise price of an option by delivering shares of Freddie Mac common stock acquired through the exercise of an option during the preceding six months. Previously, shares acquired by exercising options had to be held at least six months before they could be delivered to pay the exercise price for an option. The modification permits vested options to be exercised on a net share basis, through which the person exercising options receives Freddie Mac common stock with a dollar value equal to the difference between (i) the exercise price of the options plus tax withholdings, if any, and (ii) the market price of the common stock.