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**TIMEFRAMES, PROCEDURAL REQUIREMENTS, AND PROCESS FOR
SUBMITTING STOCKHOLDER PROPOSALS AND NOMINATIONS FOR DIRECTOR
FOR FREDDIE MAC'S ANNUAL MEETING**

As previously announced, Freddie Mac expects to publish an annual report for 2003 in late September 2004 and to hold Freddie Mac's related annual stockholders' meeting in November 2004. Proxy materials and Freddie Mac's 2003 annual report will be mailed to stockholders by the company's transfer agent in accordance with Freddie Mac's bylaws and NYSE rules.

Stockholder Proposals

To be considered for inclusion in the proxy statement, stockholder proposals must be submitted in writing to Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive MS 200, McLean, Virginia 22102, and be received by Freddie Mac by August 27, 2004.

Process for Stockholder Proposals to be Included in Freddie Mac's Proxy Statement

Freddie Mac will review stockholder proposals received by the above date in order to determine whether to include the proposals in the proxy statement. If Freddie Mac determines not to include the proposal, Freddie Mac will submit the proposal to Edward H. Fleischman, a former Commissioner of the Securities and Exchange Commission ("SEC") and currently Senior Counsel at the Linklaters law firm. Mr. Fleischman will act as an outside official to determine whether any particular stockholder proposal that has been submitted on time, but that Freddie Mac has decided should be omitted from the proxy statement, would most probably be determined to be excludable if considered by the SEC or its staff under Rule 14a-8, the SEC's rule on shareholder proposals. Freddie Mac has for several years retained Mr. Fleischman in this capacity in order to provide Freddie Mac stockholders with a process for fairly determining whether certain proposals may be excluded from its proxy statements. Freddie Mac has no other ties with Mr. Fleischman or with Linklaters.

Freddie Mac has implemented this process because the company will not be subject to SEC review of the reasons for exclusion of stockholder proposals until the registration of the company's common stock with the SEC under the Securities Exchange Act of 1934 (the "Exchange Act").

If Freddie Mac intends to exclude a proposal from its proxy statement, it will simultaneously provide the proponent with a copy of Freddie Mac's submission to Mr. Fleischman. Additionally, if Freddie Mac intends to include a Statement in Opposition to a proposal included in the proxy statement, Freddie Mac will provide the proponent a copy of the Statement in Opposition prior to mailing the proxy statement.

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In order to expedite the process of addressing stockholder proposals, stockholders should include contact information such as name, address, phone and/or fax number, and an email address to Freddie Mac at the time of submitting a stockholder proposal.

Procedural Requirements for Submitting Stockholder Proposals

1. In order to be eligible to submit a proposal, a stockholder must have continuously held at least \$2,000 in market value of Freddie Mac common stock for at least one year by the date the stockholder submits the proposal. The stockholder must continue to hold those shares through the date of the annual meeting.
 - If the stockholder is the registered holder of the shares, meaning the stockholder's name appears in Freddie Mac's records as a stockholder, Freddie Mac will verify eligibility. The stockholder also must provide Freddie Mac with a written statement that the stockholder intends to hold the securities through the date of the annual meeting at the time of submitting the proposal.
 - If the stockholder is not the registered holder of the shares, at the time of submitting the proposal, the stockholder must provide Freddie Mac with a written statement that the stockholder owns the requisite number of shares, that the stockholder has continuously held the shares for at least one year, and that the stockholder intends to hold the shares through the date of the annual meeting.
2. Each stockholder may submit no more than one proposal for the annual meeting.
3. The proposal, including any accompanying supporting statement, may not exceed 500 words.
4. Either the stockholder, or his or her representative who is qualified under state law to present the proposal on the stockholder's behalf, must attend the meeting to present the proposal.

Stockholder Proposals to be Introduced from the Floor of the Annual Meeting

As required by the company's bylaws, stockholder proposals to be introduced from the floor during the annual meeting must be submitted in writing to Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive MS 200 McLean, Virginia 22102 by a date to be announced by Freddie Mac at the time that it announces the date of the annual meeting.

Stockholder proposals must include:

1. A brief description of the business the stockholder desires to bring before the meeting and the reasons for conducting such business at the meeting;

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2. The name and address of the stockholder proposing such business;
3. The number of shares of the Corporation's common stock that are beneficially owned by the stockholder; and
4. Any material interest of the stockholder in such business.

Director Nominations

As required by the company's bylaws, stockholder nominations of candidates for election as directors must be submitted in writing to Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive MS 200 McLean, Virginia 22102 by a date to be announced by Freddie Mac at the time that it announces the date of the annual meeting.

The written notice must include:

1. The name, age, business address and residential address of the nominee;
2. The principal occupation or employment of the nominee;
3. A description of all arrangements or understandings between the stockholder and the nominee and any other person relating to the nomination; and
4. All other information about the nominee that would be required to be included in a proxy statement soliciting proxies for the election of directors under Exchange Act rules, as well as a written consent from the nominee to being named in the proxy statement to serve if elected.

The stockholder also must provide his, her or its (1) name and record address, (2) the number of shares beneficially owned, and (3) a representation that the stockholder intends to appear in person or by proxy at the meeting to make the nomination. If the stockholder does not comply with Section 3.03 of the company's bylaws, the chair of the 2004 annual meeting may declare the nomination not properly brought before the meeting.