

FOURTH QUARTER 1999

(\$ in millions except per share and as otherwise noted)

	12/31/98	3/31/99	6/30/99	9/30/99	12/31/99
Net Income	\$ 468	\$ 513	\$ 552	\$ 564	\$ 594
Earnings per Common Share ⁽¹⁾					
Basic	\$ 0.63	\$ 0.69	\$ 0.74	\$ 0.75	\$ 0.79
Diluted	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.75	\$ 0.79
Dividends per Common Share	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Return on Realized Common Equity ⁽²⁾	23.7%	23.6%	24.3%	23.5%	23.7%
Return on Common Equity ⁽³⁾	23.4%	23.5%	25.6%	26.0%	26.7%
Net Interest Income on Earning Assets	\$ 537	\$ 626	\$ 640	\$ 610	\$ 664
Net Interest Yield on Earning Assets (fully taxable equivalent)	0.84%	0.82%	0.83%	0.76%	0.80%
Management and Guarantee Income	\$ 329	\$ 338	\$ 349	\$ 356	\$ 362
New Business Purchases	\$ 89,459	\$ 91,353	\$ 77,810	\$ 61,634	\$ 41,675
Liquidation Rate (annualized)	35.8%	25.8%	20.8%	15.3%	11.6%
PC Issuances	\$ 70,156	\$ 84,401	\$ 67,785	\$ 48,456	\$ 32,389
Structured Securitizations ⁽⁴⁾	\$ 27,118	\$ 56,565	\$ 28,617	\$ 18,635	\$ 15,748
Single-family Delinquency Rate - At-Risk Portfolio	0.50%	0.46%	0.41%	0.40%	0.39%
Single-family Delinquency Rate - Total Portfolio	0.49%	0.46%	0.41%	0.42%	0.43%
Multifamily Delinquency Rate	0.37%	0.29%	0.16%	0.17%	0.14%
Charge-offs	\$ 18	\$ 13	\$ 17	\$ 16	\$ 10
REO Operations Expense	\$ 29	\$ 35	\$ 18	\$ 21	\$ 25
End-of-Period Balances					
Total Mortgage Portfolio (\$ billions)	\$ 733	\$ 777	\$ 815	\$ 845	\$ 862
Retained Portfolio (\$ billions)	\$ 255	\$ 278	\$ 299	\$ 316	\$ 324
Total PCs (\$ billions)	\$ 646	\$ 687	\$ 718	\$ 739	\$ 749
Stockholders' Equity	\$ 10,835	\$ 10,886	\$ 10,555	\$ 11,140	\$ 11,525
Common Shares Outstanding	695,179,129	695,594,173	695,978,759	696,650,412	695,091,006

⁽¹⁾ "Earnings per Common Share-Basic" are computed based on weighted average common shares outstanding. "Earnings per Common Share-Diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.

⁽²⁾ Annualized net income less preferred stock dividends divided by average realized common stockholders' equity (common stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽³⁾ Annualized net income less preferred stock dividends divided by average common stockholders' equity.

⁽⁴⁾ Includes issuances of mortgage-related securities in which the cashflows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.

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**FREDDIE MAC
INVESTOR/ANALYST REPORT
FOURTH QUARTER 1999
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Information contained in this report is unaudited unless otherwise indicated.

**FREDDIE MAC
SUMMARY OF RESULTS
TABLE 1**

FOURTH QUARTER 1999

Line:	4Q 1998	3Q 1999	4Q 1999	4Q 1999 vs 4Q 1998	1998	1999	1999 vs 1998
<u>Mortgage Portfolio at Period End (\$ Billions)</u> ⁽¹⁾							
1 Total Mortgage Portfolio ⁽²⁾	\$ 733	\$ 845	\$ 862	18%	\$ 733	\$ 862	18%
2 Mortgages and Non-Freddie Mac Securities	\$ 87	\$ 106	\$ 113	30%	\$ 87	\$ 113	30%
3 Freddie Mac PCs Held in Retained Portfolio	168	210	211	26%	168	211	26%
4 Total Retained Portfolio	\$ 255	\$ 316	\$ 324	27%	\$ 255	\$ 324	27%
5 Total PCs	\$ 646	\$ 739	\$ 749	16%	\$ 646	\$ 749	16%
<u>Income Statement (\$ Millions)</u>							
6 Net Interest Income on Earning Assets	\$ 537	\$ 610	\$ 664	24%	\$ 1,927	\$ 2,540	32%
7 Guarantee Fees	329	356	362	10%	1,307	1,405	7%
8 Other Income, Net	36	34	23	(36%)	103	110	7%
9 Total Revenues	902	1,000	1,049	16%	3,337	4,055	22%
10 Credit-Related Expenses	(69)	(36)	(40)	(42%)	(342)	(159)	(54%)
11 Administrative Expenses	(169)	(164)	(167)	(1%)	(578)	(655)	13%
12 Housing Tax Credit Partnerships ⁽³⁾	(15)	(22)	(18)	20%	(61)	(80)	31%
13 Total Non-Interest Expense	(253)	(222)	(225)	(11%)	(981)	(894)	(9%)
14 Income Before Income Taxes and Extraordinary Item	649	778	824	27%	2,356	3,161	34%
15 Income Taxes	(181)	(223)	(238)	31%	(656)	(943)	44%
16 Extraordinary Gain on Retirement of Debt, Net of Tax	0	9	8		0	5	
17 Net Income	\$ 468	\$ 564	\$ 594	27%	\$ 1,700	\$ 2,223	31%
<u>Earnings Per Common Share</u>							
18 Basic	\$ 0.63	\$ 0.75	\$ 0.79	25%	\$ 2.32	\$ 2.97	28%
19 Diluted	\$ 0.62	\$ 0.75	\$ 0.79	27%	\$ 2.31	\$ 2.96	28%
20 <u>Effective Federal Income Tax Rate</u>	27.9%	28.7%	28.9%		27.8%	29.8%	

Note: Columns may not add due to rounding.

⁽¹⁾ Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages, and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.

⁽²⁾ Sum of "Mortgages and Non-Freddie Mac Securities" (Line 2) and "Total PCs" (Line 5).

⁽³⁾ Represents costs associated with Freddie Mac's investment in housing tax credit partnerships. Tax credits generated by these investments reduce the corporation's tax liability.

**FREDDIE MAC
PORTFOLIO ACTIVITY
TABLE 2
FOURTH QUARTER 1999
(\$ Billions)**

Line:	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999	1998	1999	1999 vs. 1998
Total Mortgage Portfolio⁽¹⁾								
1 New Business Purchases	\$ 89	\$ 91	\$ 78	\$ 62	\$ 42	\$ 288	\$ 273	(5%)
2 Liquidations	(64)	(47)	(40)	(32)	(25)	(195)	(144)	(26%)
3 Net Additions	25	44	38	30	17	93	129	39%
4 Ending Balance	\$ 733	\$ 777	\$ 815	\$ 845	\$ 862	\$ 733	\$ 862	18%
5 Percent Growth (annualized)	14%	24%	20%	15%	8%	15%	18%	
6 Liquidation Rate (annualized)	35.8%	25.8%	20.8%	15.3%	11.6%	30.5%	19.6%	
Retained Portfolio⁽²⁾								
7 Mortgage Purchases	\$ 9	\$ 2	\$ 3	\$ 3	\$ 3	\$ 17	\$ 11	(35%)
8 PC Repurchases	37	26	24	13	6	107	69	(36%)
9 Non-Freddie Mac Securities	10	9	7	10	7	21	33	57%
10 Other ⁽³⁾	2	0	0	1	1	5	2	(60%)
11 Liquidations	(20)	(14)	(13)	(10)	(9)	(59)	(46)	(22%)
12 Net Additions	38	23	21	17	8	91	69	(24%)
13 Ending Balance	\$ 255	\$ 278	\$ 299	\$ 316	\$ 324	\$ 255	\$ 324	27%
14 Percent Growth (annualized)	70%	36%	30%	23%	10%	55%	27%	
15 Forward Retained Purchases, Net of Forward Sales	\$ 1.8	\$ 5.4	\$ 0.6	\$ 3.9	\$ 0.9	\$ 1.8	\$ 0.9	(50%)
16 Retained/Total Portfolio (Excludes Net Forward Purchases)	35%	36%	37%	37%	38%	35%	38%	
Total PCs								
17 PC Issuances	\$ 70	\$ 84	\$ 68	\$ 49	\$ 32	\$ 250	\$ 233	(7%)
18 Liquidations	(60)	(43)	(37)	(28)	(22)	(183)	(130)	(29%)
19 Net Additions	10	41	31	21	10	67	103	54%
20 Ending Balance	\$ 646	\$ 687	\$ 718	\$ 739	\$ 749	\$ 646	\$ 749	16%
21 Percent Growth (annualized)	6%	25%	18%	12%	5%	12%	16%	
22 Freddie Mac PCs Held in Retained Portfolio	\$ 168	\$ 188	\$ 202	\$ 210	\$ 211	\$ 168	\$ 211	26%
23 Structured Securitizations ⁽⁴⁾	\$ 27	\$ 57	\$ 29	\$ 19	\$ 15	\$ 135	\$ 120	(11%)

Note: Columns may not add due to rounding.

⁽¹⁾ Net of balances and activity related to "Freddie Mac PCs Held in Retained Portfolio" (Line 22).

⁽²⁾ Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages, and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.

⁽³⁾ Includes balloon/reset mortgages and delinquent mortgages required to be repurchased from Total PCs pursuant to the terms of such securities, net of Freddie Mac securities held in the retained portfolio that have been called by a third party. These transactions do not affect the size of the Total Mortgage Portfolio.

⁽⁴⁾ Includes issuances of mortgage-related securities in which the cashflows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.

**FREDDIE MAC
REVENUE ANALYSIS
TABLE 3**

FOURTH QUARTER 1999

Line:	Revenues (\$ Millions)				4Q 1999	1999 vs. 1998		
	4Q 1998	1Q 1999	2Q 1999	3Q 1999		1998	1999	1998
1	\$ 537	\$ 626	\$ 640	\$ 610	\$ 664	\$ 1,927	\$ 2,540	32%
2	329	338	349	356	362	1,307	1,405	7%
3	19	30	16	9	9	68	64	(6%)
4	17	3	4	25	14	35	46	31%
5	<u>\$ 902</u>	<u>\$ 997</u>	<u>\$ 1,009</u>	<u>\$ 1,000</u>	<u>\$ 1,049</u>	<u>\$ 3,337</u>	<u>\$ 4,055</u>	22%
	Tax Equivalent Revenues (\$ Millions)							
6	\$ 586	\$ 673	\$ 686	\$ 653	\$ 709	\$ 2,091	\$ 2,721	30%
7	\$ 951	\$ 1,044	\$ 1,055	\$ 1,043	\$ 1,094	\$ 3,501	\$ 4,236	21%
	Average Balances (\$ Billions)							
8	\$ 239.0	\$ 264.0	\$ 286.4	\$ 304.2	\$ 320.9	\$ 203.1	\$ 293.9	45%
9	57.3	65.6	52.6	58.0	56.9	42.4	58.3	38%
10	<u>\$ 296.3</u>	<u>\$ 329.6</u>	<u>\$ 339.0</u>	<u>\$ 362.2</u>	<u>\$ 377.8</u>	<u>\$ 245.5</u>	<u>\$ 352.2</u>	43%
11	\$ 640.0	\$ 666.7	\$ 703.0	\$ 726.8	\$ 743.4	\$ 609.9	\$ 710.0	16%
12	<u>\$ 716.5</u>	<u>\$ 755.5</u>	<u>\$ 800.4</u>	<u>\$ 829.6</u>	<u>\$ 853.4</u>	<u>\$ 678.4</u>	<u>\$ 809.7</u>	19%
	Yields							
13	0.77%	0.76%	0.77%	0.71%	0.75%	0.81%	0.75%	
14	0.84%	0.82%	0.83%	0.76%	0.80%	0.88%	0.80%	
15	20.6	20.3	19.9	19.6	19.5	21.4	19.8	

Note: Columns may not add due to rounding. Yields are calculated on a weighted average basis.

⁽¹⁾ Includes recognized gains on hedging transactions totaling \$4 million, \$0 million, \$0 million, \$17 million and \$5 million for 4Q 1998, 1Q 1999, 2Q 1999, 3Q 1999 and 4Q 1999, respectively.

⁽²⁾ Includes Total PCs and Mortgages and Non-Freddie Mac Securities held in the Retained Portfolio.

FREDDIE MAC
NET INTEREST YIELD ANALYSIS
TABLE 4

FOURTH QUARTER 1999

Line:	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999	1998	1999
Income (\$ Millions)							
Interest Income:							
1	\$ 964	\$ 985	\$ 972	\$ 995	\$ 1,015	\$ 3,736	\$ 3,967
2	3,144	3,454	3,819	4,120	4,354	10,533	15,747
3	4,108	4,439	4,791	5,115	5,369	14,269	19,714
4	770	817	658	764	800	2,369	3,039
5	4,878	5,256	5,449	5,879	6,169	16,638	22,753
Interest Expense:							
6	(1,223)	(924)	(473)	(338)	(464)	(4,037)	(2,199)
7	(2,851)	(3,463)	(4,146)	(4,793)	(4,949)	(9,754)	(17,351)
8	(4,074)	(4,387)	(4,619)	(5,131)	(5,413)	(13,791)	(19,550)
9	(262)	(239)	(188)	(137)	(94)	(913)	(658)
10	(5)	(4)	(2)	(1)	2	(7)	(5)
11	(4,341)	(4,630)	(4,809)	(5,269)	(5,505)	(14,711)	(20,213)
12	\$ 537	\$ 626	\$ 640	\$ 610	\$ 664	\$ 1,927	\$ 2,540
Average Balances (\$ Billions)							
13	\$ 52.1	\$ 54.3	\$ 53.6	\$ 54.6	\$ 55.9	\$ 50.4	\$ 54.6
14	186.9	209.7	232.8	249.6	265.0	152.7	239.3
15	239.0	264.0	286.4	304.2	320.9	203.1	293.9
16	57.3	65.6	52.6	58.0	56.9	42.4	58.3
17	\$ 296.3	\$ 329.6	\$ 339.0	\$ 362.2	\$ 377.8	\$ 245.5	\$ 352.2
18	\$ 92.3	\$ 77.3	\$ 39.7	\$ 28.0	\$ 33.4	\$ 74.0	\$ 44.6
19	176.0	225.5	274.4	312.0	324.2	148.2	284.0
20	268.3	302.8	314.1	340.0	357.6	222.2	328.6
21	15.1	13.6	10.5	7.8	5.4	12.7	9.4
22	283.4	316.4	324.6	347.8	363.0	234.9	338.0
23	12.9	13.2	14.4	14.4	14.8	10.6	14.2
24	\$ 296.3	\$ 329.6	\$ 339.0	\$ 362.2	\$ 377.8	\$ 245.5	\$ 352.2
Yield/Cost							
25	7.39%	7.26%	7.27%	7.29%	7.27%	7.41%	7.27%
26	6.73%	6.59%	6.56%	6.60%	6.57%	6.90%	6.58%
27	6.87%	6.73%	6.69%	6.73%	6.69%	7.03%	6.71%
28	5.27%	4.98%	4.97%	5.19%	5.54%	5.53%	5.17%
29	6.56%	6.38%	6.42%	6.48%	6.52%	6.77%	6.45%
30	5.18%	4.78%	4.70%	4.73%	5.43%	5.38%	4.87%
31	6.44%	6.14%	6.02%	6.09%	6.05%	6.56%	6.08%
32	6.01%	5.80%	5.86%	5.98%	5.99%	6.17%	5.91%
33	6.96%	7.04%	7.18%	7.05%	7.00%	7.23%	7.08%
34	---	---	---	---	---	---	---
35	7.07%	7.17%	7.26%	7.08%	6.83%	7.28%	7.13%
36	6.06%	5.85%	5.90%	6.01%	6.00%	6.23%	5.95%
37	5.79%	5.62%	5.65%	5.77%	5.77%	5.96%	5.70%
38	0.77%	0.76%	0.77%	0.71%	0.75%	0.81%	0.75%
39	0.84%	0.82%	0.83%	0.76%	0.80%	0.88%	0.80%

Note: Columns may not add due to rounding. Yields are calculated on a weighted average basis.

⁽¹⁾ Mortgage liquidations on which interest continues accruing to the security holder.

⁽²⁾ Rate changes on ARM/Floating Rate mortgages for which the related security rate changes one month later.

**FREDDIE MAC
FUNDING COMPOSITION
TABLE 5
FOURTH QUARTER 1999
(\$ Billions, at period end)**

Line:	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999
<u>Assets</u>					
Retained Portfolio:					
1	\$ 238	\$ 261	\$ 278	\$ 292	\$ 298
2	17	17	20	23	25
3	<u>255</u>	<u>278</u>	<u>298</u>	<u>315</u>	<u>323</u>
4	49	31	26	28	42
5	17	19	18	22	22
6	<u>\$ 321</u>	<u>\$ 328</u>	<u>\$ 342</u>	<u>\$ 365</u>	<u>\$ 387</u>
<u>Liabilities and Equity</u>					
7	\$ 84	\$ 50	\$ 10	\$ 24	\$ 27
8	203	249	304	317	334
9	19	14	11	8	7
10	4	4	6	5	7
11	11	11	11	11	12
12	<u>\$ 321</u>	<u>\$ 328</u>	<u>\$ 342</u>	<u>\$ 365</u>	<u>\$ 387</u>
<u>Analysis of Effective Debt Repricing</u>					
13	\$ 194	\$ 177	\$ 166	\$ 173	\$ 176
14	(11)	(9)	(10)	(8)	(9)
15	1	0	0	0	0
16	<u>(100)</u>	<u>(118)</u>	<u>(146)</u>	<u>(141)</u>	<u>(140)</u>
17	<u>\$ 84</u>	<u>\$ 50</u>	<u>\$ 10</u>	<u>\$ 24</u>	<u>\$ 27</u>
18	5.25%	5.02%	4.82%	5.24%	5.64%
19	\$ 93	\$ 122	\$ 148	\$ 168	\$ 185
20	11	9	10	8	9
21	(1)	0	0	0	0
22	<u>100</u>	<u>118</u>	<u>146</u>	<u>141</u>	<u>140</u>
23	<u>\$ 203</u>	<u>\$ 249</u>	<u>\$ 304</u>	<u>\$ 317</u>	<u>\$ 334</u>
24	6.22%	5.99%	5.82%	6.11%	6.11%
25	Percent of Effective Long-Term Debt with Call or Rate Adjustment Features ⁽³⁾				67%
	76%	71%	70%	67%	

Note: Columns may not add due to rounding.

⁽¹⁾ Includes both the interest-bearing and non-interest bearing components of PC variance funding. Prior to 1Q 1999, these components were reported separately.

⁽²⁾ Includes Debt Securities Due After One Year and Subordinated Borrowings.

⁽³⁾ Includes derivative financial instruments that provide interest-rate protection similar to callable debt. Certain derivative financial instruments (including caps, floors and swaptions) provide protection at specific interest rates that may differ from those currently prevailing (out-of-the-money options).

**FREDDIE MAC
CREDIT QUALITY INDICATORS
TABLE 6**

**FOURTH QUARTER 1999
(\$ Millions)**

Line:

Delinquencies⁽¹⁾

Single-family 90 days (% based on # of loans)

	4Q 1998	1Q 1999	2Q 1999	3Q 1999
1 At-Risk Portfolio ⁽²⁾	0.50 %	0.46 %	0.41 %	0.40 %
2 Total Portfolio	0.49 %	0.46 %	0.41 %	0.42 %
3 Multifamily 60 days (% based on \$ of loans)	0.37 %	0.29 %	0.16 %	0.17 %
4 Multifamily 60 days	\$ 40	\$ 35	\$ 23	\$ 26

4Q 1999
0.39 %
0.43 %
0.14 %
\$ 23

1998	1999	1999 vs. 1998
0.50 %	0.39 %	
0.49 %	0.43 %	
0.37 %	0.14 %	
\$ 40	\$ 23	(43%)

REO Balances

5 Single-family	\$ 569	\$ 545	\$ 505	\$ 469
6 Multifamily	<u>5</u>	<u>6</u>	<u>4</u>	<u>4</u>
7 Total	\$ 574	\$ 551	\$ 509	\$ 473

\$ 437
<u>1</u>
\$ 438

\$ 569	\$ 437	(23%)
<u>5</u>	<u>1</u>	(80%)
\$ 574	\$ 438	(24%)

REO Inventory

8 Properties Acquired	3,377	3,052	3,132	2,731
9 Properties Disposed	<u>(3,583)</u>	<u>(3,197)</u>	<u>(3,551)</u>	<u>(3,113)</u>
10 Ending Property Inventory	6,781	6,636	6,217	5,835

2,559
<u>(2,775)</u>
5,619

15,490	11,474	(26%)
<u>(17,111)</u>	<u>(12,636)</u>	(26%)
6,781	5,619	(17%)

Charge-Offs

11 Single-family	\$ 17	\$ 14	\$ 19	\$ 17
12 Multifamily	<u>1</u>	<u>(1)</u>	<u>(2)</u>	<u>(1)</u>
13 Total Charge-offs	\$ 18	\$ 13	\$ 17	\$ 16

\$ 9
<u>1</u>
\$ 10

\$ 119	\$ 59	(50%)
<u>(3)</u>	<u>(3)</u>	0%
\$ 116	\$ 56	(52%)

14 Annualized Charge-Offs/Average Total Mortgage Portfolio

1.0 bp	0.7 bp	0.8 bp	0.8 bp
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0.5 bp

1.7 bp 0.7 bp

15 Memo: Interest Recovered at Foreclosure⁽³⁾

\$ (29)	\$ (25)	\$ (23)	\$ (21)
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\$ (22)

\$ (89) \$ (91) 2%

Credit Losses⁽⁴⁾

16 Total Credit Losses

\$ 47	\$ 48	\$ 35	\$ 37
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\$ 35

\$ 268 \$ 155 (42%)

17 Annualized Credit Losses/Average Total Mortgage Portfolio

2.6 bp	2.5 bp	1.7 bp	1.8 bp
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1.6 bp

4.0 bp 1.9 bp

Loan Loss Reserves

18 Total Loan Loss Reserves

\$ 768	\$ 770	\$ 768	\$ 767
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\$ 772

\$ 768 \$ 772 1%

19 Reserves/Ending Total Mortgage Portfolio

10.5 bp	9.9 bp	9.4 bp	9.1 bp
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9.0 bp

10.5 bp 9.0 bp

Note: Columns may not add due to rounding.

⁽¹⁾ Includes mortgages purchased for Freddie Mac's Total Mortgage Portfolio. Excludes non-Freddie Mac securities held in the Total Mortgage Portfolio such as securities guaranteed by other agencies (e.g. Government National Mortgage Association), asset-backed securities and commercial mortgage-backed securities.

⁽²⁾ Includes only loans for which Freddie Mac has assumed primary default risk. Excludes loans for which the lender or a third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

⁽³⁾ Foreclosure settlement proceeds (including fair value of REO acquired) in excess of loan principal are applied as a recovery of interest deemed uncollectible.

⁽⁴⁾ Equal to charge-offs plus REO operations expense.

FREDDIE MAC
NON-INTEREST EXPENSE ANALYSIS
TABLE 7

FOURTH QUARTER 1999
(\$ Millions)

Line:	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999	1998	1999	1999 vs. 1998
<u>Non-Interest Expense</u>								
1	\$ 40	\$ 15	\$ 15	\$ 15	\$ 15	\$ 190	\$ 60	(68%)
2	29	35	19	21	24	151	99	(34%)
3	0	0	(1)	0	1	1	0	(100%)
4	<u>29</u>	<u>35</u>	<u>18</u>	<u>21</u>	<u>25</u>	<u>152</u>	<u>99</u>	(35%)
5	69	50	33	36	40	342	159	(54%)
6	169	163	161	164	167	578	655	13%
7	<u>15</u>	<u>20</u>	<u>20</u>	<u>22</u>	<u>18</u>	<u>61</u>	<u>80</u>	31%
8	\$ 253	\$ 233	\$ 214	\$ 222	\$ 225	\$ 981	\$ 894	(9%)
<u>Selected Expense Ratios</u>								
9	7%	5%	3%	3%	4%	10%	4%	
10	18%	16%	15%	16%	15%	17%	15%	
11	9.4 bp	8.6 bp	8.0 bp	7.9 bp	7.8 bp	8.5 bp	8.1 bp	

Note: Columns may not add due to rounding.

⁽¹⁾ Expenses as a percentage of revenues on a fully taxable equivalent basis.

⁽²⁾ Annualized expenses as a percentage of the average total mortgage portfolio.

**FREDDIE MAC
MORTGAGE PRODUCT DISTRIBUTION
TABLE 8**

**FOURTH QUARTER 1999
(\$ Billions)**

Line :	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999	1998	1999	1999 vs. 1998
<u>New Business Purchases by Product</u> ⁽¹⁾								
1	\$ 66.6	\$ 65.4	\$ 57.1	\$ 44.3	\$ 29.2	\$ 213.7	\$ 196.0	(8%)
2	18.4	20.4	14.8	8.7	4.4	58.9	48.3	(18%)
3	2.2	3.2	2.5	5.7	5.1	9.3	16.5	77%
4	0.5	0.9	1.3	1.4	0.9	2.5	4.5	80%
5	1.7	1.4	2.1	1.5	2.2	3.9	7.2	85%
6	\$ 89.4	\$ 91.3	\$ 77.8	\$ 61.6	\$ 41.8	\$ 288.3	\$ 272.5	(5%)
7	42%	42%	46%	42%	39%	42%	43%	
<u>New Business Purchase Characteristics</u>								
8	67%	71%	59%	40%	31%	64%	50%	
9	41%	32%	35%	39%	40%	40%	35%	
<u>Total Mortgage Portfolio by Product</u>								
10	\$ 505	\$ 539	\$ 570	\$ 596	\$ 609	\$ 505	\$ 609	21%
11	153	163	170	172	170	153	170	11%
12	45	45	44	46	50	45	50	11%
13	19	18	17	16	16	19	16	(16%)
14	11	12	14	15	17	11	17	55%
15	\$ 733	\$ 777	\$ 815	\$ 845	\$ 862	\$ 733	\$ 862	18%
16	27%	28%	29%	30%	30%	27%	30%	

Note: Columns may not add due to rounding.

⁽¹⁾ Excludes balances related to Freddie Mac PCs held in the Retained Portfolio.

⁽²⁾ Based on new business purchase activity relative to Fannie Mae.

⁽³⁾ Includes loans for which the lender or a third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. Also includes non-Freddie Mac securities held in the Total Mortgage Portfolio such as securities guaranteed by other agencies (e.g. Government National Mortgage Association), asset-backed securities and commercial mortgage-backed securities. In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

**FREDDIE MAC
SUMMARY OF EQUITY
TABLE 9**

FOURTH QUARTER 1999
(\$ millions, except per share amounts)

Line:	4Q 1998	1Q 1999	2Q 1999	3Q 1999	4Q 1999	1998	1999	1999 vs. 1998
<u>Summary of Changes in Equity</u>								
1 Net Income	\$ 468	\$ 513	\$ 552	\$ 564	\$ 594	\$ 1,700	\$ 2,223	31%
2 Change in Net Unrealized Gain/Loss on Certain Investments Reported at Fair Value, Net of Taxes	21	(175)	(748)	(104)	(259)	(26)	(1,286)	
3 Comprehensive Income ⁽¹⁾	489	338	(196)	460	335	1,674	937	(44%)
4 Dividends - Common Stock	(83)	(104)	(104)	(104)	(105)	(326)	(417)	28%
5 - Preferred Stock	(38)	(36)	(36)	(39)	(42)	(121)	(153)	26%
6 Common Stock Issuances (Repurchases), Net	979	3	5	18	(91)	867	(65)	
7 Preferred Stock Issuances (Redemptions), Net	200	(150)	0	250	288	1,220	388	(68%)
8 Net Change in Equity	1,547	51	(331)	585	385	3,314	690	
9 Total Equity at Period End	\$ 10,835	\$ 10,886	\$ 10,555	\$ 11,140	\$ 11,525	\$ 10,835	\$ 11,525	6%
<u>Analysis of Equity</u>								
10 Preferred Stock	\$ 2,807	\$ 2,657	\$ 2,657	\$ 2,907	\$ 3,195	\$ 2,807	\$ 3,195	14%
11 Common Stockholders' Equity	\$ 8,028	\$ 8,229	\$ 7,898	\$ 8,233	\$ 8,330	\$ 8,028	\$ 8,330	4%
12 Growth in Total Equity (annualized)	67%	2%	(12%)	22%	14%	44%	6%	
13 Return on Realized Common Equity ⁽²⁾⁽⁴⁾	23.7%	23.6%	24.3%	23.5%	23.7%	24.6%	23.8%	
14 Return on Common Equity ⁽³⁾⁽⁴⁾	23.4%	23.5%	25.6%	26.0%	26.7%	24.1%	25.5%	
15 Book Value per Common Share ⁽⁵⁾	\$ 11.55	\$ 11.83	\$ 11.35	\$ 11.82	\$ 11.98	\$ 11.55	\$ 11.98	4%
<u>Summary of Common Shares and Equivalents</u>								
16 Common Shares Outstanding at Period End	695,179,129	695,594,173	695,978,759	696,650,412	695,091,006	695,179,129	695,091,006	0%
17 Common Equivalent Shares Outstanding at Period End ⁽⁶⁾	10,639,637	11,271,719	10,919,582	10,628,086	10,278,443	10,639,637	10,278,443	(3%)
18 Weighted Average Exercise Price at Period End ⁽⁶⁾	\$ 19.69	\$ 22.92	\$ 23.51	\$ 23.76	\$ 23.83	\$ 19.69	\$ 23.83	21%

Note: Columns may not foot due to rounding.

⁽¹⁾ "Comprehensive Income," as defined by Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," represents net income plus those changes in the fair value of certain investments that are currently reported as a component of stockholders' equity.

⁽²⁾ Calculated quarterly as annualized net income less preferred stock dividends divided by average realized common stockholders' equity (common stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽³⁾ Calculated quarterly as annualized net income less preferred stock dividends divided by average common stockholders' equity.

⁽⁴⁾ Annual computations reflect the average of quarterly returns.

⁽⁵⁾ Stockholders' equity less preferred stock divided by number of common shares outstanding at period end.

⁽⁶⁾ Common equivalent shares outstanding and their respective weighted average exercise prices relate to stock options issued under Freddie Mac's stock-based compensation plans. Common equivalent shares outstanding are included in the computation of diluted earnings per share based on the treasury stock method. This method assumes the issuance of additional common shares from the exercise of dilutive common equivalent shares, less common shares that could be repurchased in the open market using the cash proceeds received from such exercise.

FREDDIE MAC
SELECTED FINANCIAL AND PERFORMANCE STATISTICS

	QUARTERLY TRENDS				
	12/31/98	3/31/99	6/30/99	9/30/99	12/31/99
<u>EARNINGS (For the Period)</u>					
Net Income (\$ millions)	\$ 468	\$ 513	\$ 552	\$ 564	\$ 594
Earnings per Common Share ⁽¹⁾					
Basic	\$ 0.63	\$ 0.69	\$ 0.74	\$ 0.75	\$ 0.79
Diluted	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.75	\$ 0.79
Dividends per Common Share	\$ 0.12	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Return on Realized Common Equity ⁽²⁾	23.7%	23.6%	24.3%	23.5%	23.7%
Return on Common Equity	23.4%	23.5%	25.6%	26.0%	26.7%
Return on Realized Total Equity ⁽³⁾	18.8%	18.9%	19.8%	19.3%	19.2%
Return on Total Equity	18.6%	18.9%	20.6%	20.8%	21.0%
Net Interest Yield on Earning Assets	0.77%	0.76%	0.77%	0.71%	0.75%
Net Interest Yield on Earning Assets (fully taxable equivalent)	0.84%	0.82%	0.83%	0.76%	0.80%
Average Guarantee Fee Rate (basis points)	20.6	20.3	19.9	19.6	19.5
<u>EQUITY (End of Period)</u>					
Preferred Stock (\$ millions)	\$ 2,807	\$ 2,657	\$ 2,657	\$ 2,907	\$ 3,195
Common Stockholders' Equity (\$ millions) ⁽⁴⁾	\$ 8,028	\$ 8,229	\$ 7,898	\$ 8,233	\$ 8,330
Total Equity (\$ millions)	\$ 10,835	\$ 10,886	\$ 10,555	\$ 11,140	\$ 11,525
Common Stock Closing Trading Price	\$ 64.44	\$ 57.31	\$ 58.00	\$ 52.00	\$ 47.06
Book Value per Common Share	\$ 11.55	\$ 11.83	\$ 11.35	\$ 11.82	\$ 11.98
Common Shares Outstanding	695,179,129	695,594,173	695,978,759	696,650,412	696,091,006
Primary Capital Ratio ⁽⁵⁾	1.45%	1.41%	1.32%	1.33%	1.33%
<u>ACTIVITY (For the Period)</u>					
New Business Purchases (\$ millions)	\$ 89,459	\$ 91,353	\$ 77,810	\$ 61,634	\$ 41,675
New Business Purchases (# of loans)	700,354	716,674	600,588	440,922	300,146
Mortgage Liquidations (\$ millions)	\$ 63,306	\$ 47,334	\$ 40,400	\$ 31,244	\$ 24,530
Number of Mortgage Payoffs	563,118	477,345	407,816	309,469	225,634
Liquidation Rate (annualized)	35.8%	25.8%	20.8%	15.3%	11.6%
PC Issuances (\$ millions)	\$ 70,156	\$ 84,401	\$ 67,785	\$ 48,456	\$ 32,389
Structured Securitizations (\$ millions)	\$ 27,118	\$ 56,565	\$ 28,617	\$ 18,635	\$ 15,748

⁽¹⁾ "Earnings per Common Share - Basic" are computed based on weighted average common shares outstanding. "Earnings per Common Share - Diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.

⁽²⁾ Computed quarterly as annualized net income less preferred stock dividends divided by average realized common stockholders' equity (common stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽³⁾ Computed quarterly as annualized net income divided by average realized stockholders' equity (stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽⁴⁾ Includes cost associated with the issuance of preferred stock.

⁽⁵⁾ Reserves and equity divided by total assets and PCs, net of PCs held in the retained portfolio.

FREDDIE MAC
SELECTED FINANCIAL AND PERFORMANCE STATISTICS

	ANNUAL TRENDS			
	1996	1997	1998	1999
<u>EARNINGS (For the Period)</u>				
Net Income (\$ millions)	\$ 1,243	\$ 1,395	\$ 1,700	\$ 2,223
Earnings per Common Share ⁽¹⁾				
Basic	\$ 1.65	\$ 1.90	\$ 2.32	\$ 2.97
Diluted	\$ 1.63	\$ 1.88	\$ 2.31	\$ 2.96
Dividends per Common Share	\$ 0.35	\$ 0.40	\$ 0.48	\$ 0.60
Return on Realized Common Equity ⁽²⁾⁽⁴⁾	22.1%	23.7%	24.6%	23.8%
Return on Common Equity ⁽⁴⁾	22.2%	23.3%	24.1%	25.5%
Return on Realized Total Equity ⁽³⁾⁽⁴⁾	19.7%	19.7%	19.8%	19.3%
Return on Total Equity ⁽⁴⁾	19.7%	19.5%	19.4%	20.3%
Net Interest Yield on Earning Assets	1.00%	0.89%	0.81%	0.75%
Net Interest Yield on Earning Assets (fully taxable equivalent)	1.05%	0.94%	0.88%	0.80%
Average Guarantee Fee Rate (basis points)	23.4	22.9	21.4	19.8
<u>EQUITY (End of Period)</u>				
Preferred Stock (\$ millions)	\$ 1,400	\$ 1,587	\$ 2,807	\$ 3,195
Common Stockholders' Equity (\$ millions) ⁽⁵⁾	\$ 5,331	\$ 5,934	\$ 8,028	\$ 8,330
Total Equity (\$ millions)	\$ 6,731	\$ 7,521	\$ 10,835	\$ 11,525
Common Stock Closing Trading Price	\$ 27.59	\$ 41.94	\$ 64.44	\$ 47.06
Book Value per Common Share	\$ 7.68	\$ 8.74	\$ 11.55	\$ 11.98
Common Shares Outstanding	694,479,932	678,612,146	695,179,129	695,091,006
Primary Capital Ratio ⁽⁶⁾	1.15%	1.23%	1.45%	1.33%
<u>ACTIVITY (For the Period)</u>				
New Business Purchases (\$ millions)	\$ 128,565	\$ 121,490	\$ 288,338	\$ 272,472
New Business Purchases (# of loans)	1,232,540	1,085,046	2,396,651	2,058,330
Mortgage Liquidations (\$ millions)	\$ 84,206	\$ 91,882	\$ 195,383	\$ 143,508
Number of Mortgage Payoffs	870,593	885,750	1,833,894	1,420,264
Liquidation Rate	14.7%	14.7%	30.5%	19.6%
PC Issuances (\$ millions)	\$ 119,702	\$ 114,258	\$ 250,564	\$ 233,031
Structured Securitizations (\$ millions)	\$ 34,145	\$ 84,366	\$ 135,162	\$ 119,565

⁽¹⁾ "Earnings per Common Share - Basic" are computed based on weighted average common shares outstanding. "Earnings per Common Share - Diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.

⁽²⁾ Computed quarterly as annualized net income less preferred stock dividends divided by average realized common stockholders' equity (common stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽³⁾ Computed quarterly as annualized net income divided by average realized stockholders' equity (stockholders' equity less net unrealized gain/loss on certain investments reported at fair value).

⁽⁴⁾ Annual computations reflect the average of quarterly returns.

⁽⁵⁾ Includes cost associated with the issuance of preferred stock.

⁽⁶⁾ Reserves and equity divided by total assets and PCs, net of PCs held in the retained portfolio.

FREDDIE MAC
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS ⁽¹⁾
(dollars in millions, except per share amounts)

	Quarter Ended					Twelve Months Ended	
	Dec 31, 1998	March 31, 1999	June 30, 1999	Sept 30, 1999	Dec 31, 1999	Dec 31, 1998	Dec 31, 1999
Interest income							
Mortgages	\$ 964	\$ 985	\$ 972	\$ 995	\$ 1,015	\$ 3,736	\$ 3,967
Guaranteed mortgage securities	3,144	3,454	3,819	4,120	4,354	10,533	15,747
Investments and securities purchased under agreements to resell	770	817	658	764	800	2,369	3,039
	<u>4,878</u>	<u>5,256</u>	<u>5,449</u>	<u>5,879</u>	<u>6,169</u>	<u>16,638</u>	<u>22,753</u>
Interest expense on debt securities							
Short-term debt	(1,223)	(924)	(473)	(338)	(464)	(4,037)	(2,199)
Long-term debt	(2,851)	(3,463)	(4,146)	(4,793)	(4,949)	(9,754)	(17,351)
	<u>(4,074)</u>	<u>(4,387)</u>	<u>(4,619)</u>	<u>(5,131)</u>	<u>(5,413)</u>	<u>(13,791)</u>	<u>(19,550)</u>
Interest expense due to security program cycles	(267)	(243)	(190)	(138)	(92)	(920)	(663)
	<u>(4,341)</u>	<u>(4,630)</u>	<u>(4,809)</u>	<u>(5,269)</u>	<u>(5,505)</u>	<u>(14,711)</u>	<u>(20,213)</u>
Net interest income on earning assets	537	626	640	610	664	1,927	2,540
Management and guarantee income	329	338	349	356	362	1,307	1,405
Other income, net	36	33	20	34	23	103	110
Total revenues	<u>902</u>	<u>997</u>	<u>1,009</u>	<u>1,000</u>	<u>1,049</u>	<u>3,337</u>	<u>4,055</u>
Provision for mortgage losses	(40)	(15)	(15)	(15)	(15)	(190)	(60)
REO operations expense	(29)	(35)	(18)	(21)	(25)	(152)	(99)
Administrative expenses	(169)	(163)	(161)	(164)	(167)	(578)	(655)
Housing tax credit partnerships	(15)	(20)	(20)	(22)	(18)	(61)	(80)
Total non-interest expense	<u>(253)</u>	<u>(233)</u>	<u>(214)</u>	<u>(222)</u>	<u>(225)</u>	<u>(981)</u>	<u>(894)</u>
Income before income taxes and extraordinary item	649	764	795	778	824	2,356	3,161
Income taxes	(181)	(244)	(238)	(223)	(238)	(656)	(943)
Income before extraordinary item, net of taxes	<u>468</u>	<u>520</u>	<u>557</u>	<u>555</u>	<u>586</u>	<u>1,700</u>	<u>2,218</u>
Extraordinary gain (loss) on retirement of debt, net of taxes	-	(7)	(5)	9	8	-	5
Net income	<u>\$ 468</u>	<u>\$ 513</u>	<u>\$ 552</u>	<u>\$ 564</u>	<u>\$ 594</u>	<u>\$ 1,700</u>	<u>\$ 2,223</u>
Preferred stock dividends	(38)	(36)	(36)	(39)	(42)	(121)	(153)
Net income available to common stockholders	<u>\$ 430</u>	<u>\$ 477</u>	<u>\$ 516</u>	<u>\$ 525</u>	<u>\$ 552</u>	<u>\$ 1,579</u>	<u>\$ 2,070</u>
Earnings per common share before extraordinary item							
Basic	\$ 0.63	\$ 0.70	\$ 0.75	\$ 0.74	\$ 0.78	\$ 2.32	\$ 2.97
Diluted	\$ 0.62	\$ 0.69	\$ 0.74	\$ 0.74	\$ 0.78	\$ 2.31	\$ 2.95
Earnings per common share							
Basic	\$ 0.63	\$ 0.69	\$ 0.74	\$ 0.75	\$ 0.79	\$ 2.32	\$ 2.97
Diluted	\$ 0.62	\$ 0.68	\$ 0.74	\$ 0.75	\$ 0.79	\$ 2.31	\$ 2.96
Weighted average common shares outstanding (thousands)							
Basic	685,580	695,340	695,839	696,410	696,560	679,790	696,042
Diluted	690,428	700,162	700,835	700,255	700,092	684,658	700,211
Retained earnings, beginning of period	\$ 7,736	\$ 8,083	\$ 8,456	\$ 8,868	\$ 9,289	\$ 6,830	\$ 8,083
Net income	468	513	552	564	594	1,700	2,223
Dividends declared - Common stock	(83)	(104)	(104)	(104)	(105)	(326)	(417)
Dividends declared - Preferred stock	(38)	(36)	(36)	(39)	(42)	(121)	(153)
Retained earnings, end of period	<u>\$ 8,083</u>	<u>\$ 8,456</u>	<u>\$ 8,868</u>	<u>\$ 9,289</u>	<u>\$ 9,736</u>	<u>\$ 8,083</u>	<u>\$ 9,736</u>

⁽¹⁾ Certain previously reported amounts have been reclassified to conform with the current presentation. A complete management's discussion and analysis of operating results, a summary of significant accounting policies, and detailed financial statement footnote disclosures for the year ended December 31, 1998 are available in Freddie Mac's Information Statement dated March 31, 1999.

FREDDIE MAC
CONSOLIDATED BALANCE SHEETS ⁽¹⁾
(dollars in millions)

	Dec 31, 1998	March 31, 1999	June 30, 1999	Sept 30, 1999	Dec 31, 1999
Assets					
Retained portfolio					
Mortgages	\$ 57,084	\$ 53,313	\$ 54,282	\$ 55,695	\$ 56,676
Reserve for losses on retained mortgages	(322)	(324)	(346)	(345)	(345)
	56,762	52,989	53,936	55,350	56,331
Guaranteed mortgage securities (GMS)	197,925	224,312	244,902	260,273	267,767
Purchase and sale premiums, discounts and deferred fees	525	370	52	(57)	51
Net unrealized (loss) gain on available-for-sale securities	136	(64)	(1,013)	(1,052)	(1,580)
Retained portfolio, net	255,348	277,607	297,877	314,514	322,569
Cash and cash equivalents	2,565	2,168	1,214	1,992	5,144
Investments	44,753	26,719	22,411	23,447	31,747
Securities purchased under agreements to resell	1,756	2,191	2,143	3,068	4,961
Accounts and trading receivables	14,580	16,562	14,846	18,643	18,635
Real estate owned (REO), net	574	551	509	473	438
Other assets	1,845	1,968	2,540	2,748	3,190
Total Assets	\$ 321,421	\$ 327,766	\$ 341,540	\$ 364,885	\$ 386,684
Liabilities and Stockholders' Equity					
Debt securities, net					
Due within one year	\$ 193,871	\$ 176,653	\$ 165,941	\$ 173,556	\$ 175,525
Due after one year	93,363	122,371	148,341	167,458	185,056
Total debt securities, net	287,234	299,024	314,282	341,014	360,581
Principal and interest due to Mortgage Participation					
Certificate (PC) investors	19,441	13,503	10,758	7,502	7,334
Other liabilities	3,303	3,735	5,393	4,675	6,687
	309,978	316,262	330,433	353,191	374,602
Reserve for losses on Mortgage Participation Certificates	446	446	422	422	427
Guarantees					
Total Mortgage Participation Certificates (Total PCs)	646,459	687,179	718,085	738,581	749,081
Less--Underlying mortgages	(646,459)	(687,179)	(718,085)	(738,581)	(749,081)
	--	--	--	--	--
Subordinated borrowings	162	172	130	132	130
Stockholders' equity	10,835	10,886	10,555	11,140	11,525
Total Liabilities and Stockholders' Equity	\$ 321,421	\$ 327,766	\$ 341,540	\$ 364,885	\$ 386,684

⁽¹⁾ Certain previously reported amounts have been reclassified to conform with the current presentation. A complete management's discussion and analysis of operating results, a summary of significant accounting policies, and detailed financial statement footnote disclosures for the year ended December 31, 1998 are available in Freddie Mac's Information Statement dated March 31, 1999.

FREDDIE MAC
CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾
(dollars in millions)

					Twelve Months Ended	
	Dec 31, 1998	March 31, 1999	June 30, 1999	Sept 30, 1999	Dec 31, 1999	Dec 31, 1999
Cash Flows From Operating Activities:						
Net income	\$ 468	\$ 513	\$ 552	\$ 564	\$ 594	\$ 1,700
Adjustments to reconcile net income to net cash provided by (used in) operating activities:						
Amortization of mortgage purchase and sale premiums, discounts and deferred fees	31	52	40	1	13	109
Amortization of discounts on short-term debt	1,787	1,967	1,589	2,971	2,320	6,710
Amortization of discounts on long-term debt	93	82	81	76	115	283
Extraordinary (gain) loss on debt retirement (pre-tax)	-	11	8	(14)	(13)	-
Provision for mortgage losses	40	15	15	15	15	190
Provision for REO disposition losses	24	19	18	14	15	90
Net change in payables and receivables	3,077	(7,463)	632	(7,925)	1,601	269
	<u>5,052</u>	<u>(5,317)</u>	<u>2,383</u>	<u>(4,862)</u>	<u>4,066</u>	<u>7,651</u>
Purchases of mortgages	(30,558)	(30,416)	(23,607)	(14,396)	(10,489)	(100,287)
PC issuances under Cash Program	21,802	27,857	20,466	11,338	8,351	83,452
Net cash provided by (used in) operating activities	<u>(3,236)</u>	<u>(7,363)</u>	<u>(206)</u>	<u>(7,356)</u>	<u>2,522</u>	<u>(7,484)</u>
Cash Flows From Investing Activities:						
Purchases of mortgage investments	(49,356)	(34,560)	(31,147)	(24,285)	(13,390)	(132,206)
Repayments of mortgage investments	19,209	14,219	12,424	10,300	7,460	56,970
Proceeds from sales of REO	379	287	328	281	215	1,541
Net (increase) decrease in investments	(17,522)	18,002	4,185	(1,063)	(8,354)	(31,329)
Net (increase) decrease in securities purchased under agreements to resell	1,776	(435)	48	(925)	(1,893)	5,226
Net cash used in investing activities	<u>(45,514)</u>	<u>(2,487)</u>	<u>(14,162)</u>	<u>(15,692)</u>	<u>(15,962)</u>	<u>(99,798)</u>
Cash Flows From Financing Activities:						
Proceeds from issuance of short-term debt	446,483	426,813	387,178	345,245	518,597	2,104,501
Repayments of short-term debt	(408,310)	(444,106)	(400,840)	(339,043)	(519,744)	(2,005,813)
Proceeds from issuance of long-term debt	22,202	38,604	32,485	22,395	20,116	63,789
Repayments of long-term debt	(11,404)	(11,571)	(5,274)	(4,896)	(1,827)	(54,708)
Proceeds from issuance of preferred stock	200	150	-	250	288	1,220
Redemption of preferred stock	-	(300)	-	-	-	-
Issuances of common stock, net of repurchases	979	3	5	18	(91)	867
Payment of cash dividends on preferred and common stock	(121)	(140)	(140)	(143)	(147)	(447)
Net cash provided by financing activities	<u>50,029</u>	<u>9,453</u>	<u>13,414</u>	<u>23,826</u>	<u>17,192</u>	<u>109,409</u>
Net increase (decrease) in cash and cash equivalents	1,279	(397)	(954)	778	3,152	2,127
Cash and cash equivalents at beginning of period	1,286	2,565	2,168	1,214	1,992	438
Cash and cash equivalents at end of period	<u>\$ 2,565</u>	<u>\$ 2,168</u>	<u>\$ 1,214</u>	<u>\$ 1,992</u>	<u>\$ 5,144</u>	<u>\$ 2,565</u>

⁽¹⁾ Certain previously reported amounts have been reclassified to conform with the current presentation. A complete management's discussion and analysis of operating results, a summary of significant accounting policies, and detailed financial statement footnote disclosures for the year ended December 31, 1998 are available in Freddie Mac's Information Statement dated March 31, 1999.

**FREDDIE MAC
LINE OF BUSINESS REPORTING**

Freddie Mac has two principal lines of business: mortgage securitization and portfolio investment. These lines of business provide different sources and types of revenue for the corporation and also expose Freddie Mac to different types and degrees of risk. Further information regarding the financial operating results for each of the corporation's two lines of business is presented in Note 12 to the Consolidated Financial Statements included in Freddie Mac's Information Statement dated March 31, 1999. Below is a brief description of the major income statement components as they relate to each line of business. See page 16 for the corporation's financial performance by line of business for the quarter ended December 31, 1999.

	MORTGAGE SECURITIZATION	PORTFOLIO INVESTMENT
• Net interest income	<ul style="list-style-type: none"> * Income generated from trading activities. * Interest earned on investment of required capital. * Interest income on float balances net of interest expense on PC variance balances. * Net interest income on multifamily investments. 	<ul style="list-style-type: none"> * Net interest income earned on unsecuritized single-family mortgages in the retained portfolio (reduced by the cost of the credit guarantee provided by the Mortgage Securitization line of business). * Net interest income earned on guaranteed mortgage securities in the retained portfolio. * Net interest income earned on the liquidity and contingency portfolio.
• Management and guarantee income	<ul style="list-style-type: none"> * Guarantee fees earned on Total PCs outstanding (includes fee charged to the Portfolio Investment business for the credit guarantee provided on unsecuritized single-family mortgages in the retained portfolio). 	<ul style="list-style-type: none"> * N/A
• Other income, net	<ul style="list-style-type: none"> * Fees earned from resecuritization activities. * Gains/losses generated from trading activities. * Fees earned from seller/servicers, primarily related to Loan Prospector[®] and GoldWorks[®]. 	<ul style="list-style-type: none"> * Gains/losses on sales of portfolio investments. * Gains/losses related to certain hedging transactions.
• Credit-related expenses	<ul style="list-style-type: none"> * Expenses resulting from the assumption of credit risk on the total mortgage portfolio (includes REO operations expense and the provision for mortgage losses). 	<ul style="list-style-type: none"> * N/A
• Administrative expenses	<ul style="list-style-type: none"> * Corporate overhead costs allocated to the Mortgage Securitization business. 	<ul style="list-style-type: none"> * Corporate overhead costs allocated to the Portfolio Investment business.
• Housing tax credit partnerships	<ul style="list-style-type: none"> * Costs associated with investments in housing tax credit partnerships. 	<ul style="list-style-type: none"> * N/A
• Income taxes	<ul style="list-style-type: none"> * Federal corporate tax rate less tax credits generated by investments in housing tax credit partnerships. 	<ul style="list-style-type: none"> * Federal corporate tax rate reduced by tax benefits related to tax-advantaged portfolio investments.

FREDDIE MAC
LINE OF BUSINESS REPORTING⁽¹⁾
(dollars in millions)

<u>Quarter Ended December 31, 1999</u>	<u>Mortgage Securitization</u>	<u>Portfolio Investment</u>	<u>Elimination⁽²⁾</u>	<u>Consolidated</u>
Net interest income ⁽³⁾	\$ 62	\$ 563	\$ 39	\$ 664
Management and guarantee income	401	-	(39)	362
Other income, net	21	2	-	23
Total revenues	484	565	-	1,049
Credit-related expenses	(40)	-	-	(40)
Administrative expenses	(137)	(30)	-	(167)
Housing tax credit partnerships	(18)	-	-	(18)
Income before income taxes and extraordinary item	289	535	-	824
Income taxes	(83)	(155)	-	(238)
Income before extraordinary item, net of taxes	206	380	-	586
Extraordinary gain on retirement of debt, net of taxes	-	8	-	8
Net income	\$ 206	\$ 388	\$ -	\$ 594

⁽¹⁾ Additional information regarding Freddie Mac's line of business reporting is available in the corporation's Information Statement dated March 31, 1999.

⁽²⁾ Reflects the elimination of fees earned by the mortgage securitization business for the credit guarantee it provides on unsecuritized mortgages retained by the portfolio investment business, and a corresponding elimination of the cost of this credit guarantee charged to the portfolio investment business for purposes of deriving consolidated amounts.

⁽³⁾ Net interest income for the portfolio investment business includes interest expense on debt securities and other liabilities that finance portfolio investments.

**FREDDIE MAC
MORTGAGE PORTFOLIO**
(dollars in millions)

	December 31, 1998	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
<u>Retained Portfolio</u> ⁽¹⁾					
30-year fixed-rate	\$ 191,770	\$ 207,862	\$ 223,403	\$ 235,965	\$ 242,763
15-year fixed-rate	43,276	47,502	51,580	51,886	50,989
Balloon/Resets	2,151	1,864	1,565	1,409	1,231
ARMs/Floating-Rate	9,834	11,223	11,928	15,023	17,105
Multifamily	7,978	9,173	10,708	11,685	12,355
Total	<u>\$ 255,009</u>	<u>\$ 277,624</u>	<u>\$ 299,184</u>	<u>\$ 315,968</u>	<u>\$ 324,443</u>
Retained portfolio as a % of Total Mortgage Portfolio	34.77%	35.71%	36.72%	37.38%	37.62%
Guaranteed mortgage securities (GMS) ⁽²⁾	\$ 197,925	\$ 224,312	\$ 244,902	\$ 260,273	\$ 267,767
Available-for-Sale securities at fair market value ⁽²⁾	\$ 23,951	\$ 30,080	\$ 35,223	\$ 39,018	\$ 43,814
<u>Total PCs</u> ⁽¹⁾					
30-year fixed-rate	\$ 448,688	\$ 478,138	\$ 505,494	\$ 524,892	\$ 534,919
15-year fixed-rate	139,366	154,060	160,232	161,813	160,117
Balloons/Resets	17,923	16,144	15,243	14,933	14,489
ARMs/Floating-Rate	37,488	35,898	33,875	33,450	35,094
Multifamily	2,994	2,939	3,241	3,493	4,462
Total	<u>\$ 646,459</u>	<u>\$ 687,179</u>	<u>\$ 718,085</u>	<u>\$ 738,581</u>	<u>\$ 749,081</u>
<u>Total Mortgage Portfolio</u> ⁽³⁾					
Freddie Mac at-risk ⁽⁴⁾	\$ 533,153	\$ 557,014	\$ 576,370	\$ 595,429	\$ 605,155
Credit-enhanced or guaranteed ⁽⁵⁾	200,207	220,366	238,420	249,752	257,171
Total	<u>\$ 733,360</u>	<u>\$ 777,380</u>	<u>\$ 814,790</u>	<u>\$ 845,181</u>	<u>\$ 862,326</u>
Percentage of total portfolio credit-enhanced or guaranteed ⁽⁵⁾	27%	28%	29%	30%	30%
Freddie Mac PCs Held in Retained Portfolio	\$ 168,108	\$ 187,423	\$ 202,478	\$ 209,368	\$ 211,198

⁽¹⁾ Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages, and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.

⁽²⁾ Included in the retained portfolio total and includes repurchased Freddie Mac PCs.

⁽³⁾ Net of Freddie Mac PCs held in the retained portfolio since these balances are also included in Total PCs.

⁽⁴⁾ Includes those loans for which Freddie Mac has assumed primary default risk.

⁽⁵⁾ Includes loans for which the lender or a third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. Also includes non-Freddie Mac securities held in the Total Mortgage Portfolio such as securities guaranteed by other agencies (e.g. Government National Mortgage Association), asset-backed securities and commercial mortgage-backed securities.

In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

FREDDIE MAC
LIQUIDITY AND CONTINGENCY INVESTMENT PORTFOLIO ⁽¹⁾
OUTSTANDING BALANCES
(dollars in millions)

	December 31, 1998	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
Obligations of states and municipalities	\$ 2,842	\$ 1,290	\$ 2,114	\$ 2,299	\$ 3,513
Asset-backed securities	7,124	9,372	8,925	9,234	10,305
Corporate debt securities	3,537	3,966	2,991	3,185	3,250
Treasury securities	357	-	-	-	-
Auction-rate preferred stock	1,479	1,292	1,166	765	628
Other available-for-sale securities	121	123	123	125	127
Total available-for-sale securities	<u>15,460</u>	<u>16,043</u>	<u>15,319</u>	<u>15,608</u>	<u>17,823</u>
Mortgage-related securities held for trading purposes	4,349	4,934	4,805	4,171	2,556
Federal funds sold	6,571	874	650	694	7,125
Eurodollar time deposits	13,953	1,150	225	1,250	3,420
Commercial paper	4,258	3,605	1,284	1,598	666
Accrued interest receivable	162	113	128	126	157
Total investments	<u>\$ 44,753</u>	<u>\$ 26,719</u>	<u>\$ 22,411</u>	<u>\$ 23,447</u>	<u>\$ 31,747</u>

⁽¹⁾ Excludes cash and cash equivalents and reverse repurchase agreements.

FREDDIE MAC
NEW BUSINESS PURCHASE COMMITMENTS
(dollars in millions)

	Origination Market								
	30-Year Fixed-Rate	15-Year Fixed-Rate	Balloon/ Resets	ARMs/ Floating-Rate	Multifamily	Non-Freddie Mac Securities ⁽¹⁾	Total ⁽²⁾	Masters Issued, Net	Outstanding Commitments
<u>1997</u>									
1st Quarter	\$ 17,297	\$ 4,097	\$ 1,549	\$ 968	\$ 243	\$ 1,058	\$ 25,212	\$ 35,386	\$39,560
2nd Quarter	17,011	3,380	1,383	3,702	777	578	26,831	26,915	\$41,886
3rd Quarter	22,080	4,470	1,131	1,920	243	294	30,138	19,066	\$31,176
4th Quarter	28,458	6,671	865	2,978	866	2,174	42,012	36,947	\$32,022
Total 1997	<u>\$ 84,846</u>	<u>\$ 18,618</u>	<u>\$ 4,928</u>	<u>\$ 9,568</u>	<u>\$ 2,129</u>	<u>\$ 4,104</u>	<u>\$ 124,193</u>	<u>\$ 118,314</u>	
<u>1998</u>									
1st Quarter	\$ 40,046	\$ 12,104	\$ 628	\$ 2,936	\$ 381	\$ 2,824	\$ 58,919	\$ 87,174	\$63,193
2nd Quarter	50,785	16,125	808	2,156	702	2,034	72,610	80,724	\$57,952
3rd Quarter	53,006	14,640	634	1,956	1,361	4,241	75,838	70,303	\$65,219
4th Quarter	61,557	19,317	546	440	1,770	10,965	94,595	102,420	\$79,911
Total 1998	<u>\$ 205,394</u>	<u>\$ 62,186</u>	<u>\$ 2,616</u>	<u>\$ 7,488</u>	<u>\$ 4,214</u>	<u>\$ 20,064</u>	<u>\$ 301,962</u>	<u>\$ 340,621</u>	
<u>1999</u>									
January	\$ 16,941	\$ 6,145	\$ 447	\$ 74	\$ 293	\$ 1,568	\$ 25,468	\$ 19,134	\$74,410
February	17,603	6,423	228	45	530	3,078	27,907	22,702	\$70,014
March	21,850	7,480	257	2,391	568	5,839	38,385	43,430	\$75,820
1st Quarter	<u>\$ 56,394</u>	<u>\$ 20,048</u>	<u>\$ 932</u>	<u>\$ 2,510</u>	<u>\$ 1,391</u>	<u>\$ 10,485</u>	<u>\$ 91,760</u>	<u>\$ 85,266</u>	
April	\$ 17,415	\$ 5,165	\$ 492	\$ 394	\$ 584	\$ 1,247	\$ 25,297	\$ 22,086	\$67,027
May	14,408	4,880	391	41	332	2,693	22,745	26,948	\$67,943
June	17,203	3,528	442	315	587	1,002	23,077	20,309	\$66,245
2nd Quarter	<u>\$ 49,026</u>	<u>\$ 13,573</u>	<u>\$ 1,325</u>	<u>\$ 750</u>	<u>\$ 1,503</u>	<u>\$ 4,942</u>	<u>\$ 71,119</u>	<u>\$ 69,343</u>	
July	\$ 10,542	\$ 2,554	\$ 582	\$ 713	\$ 597	\$ 5,387	\$ 20,375	\$ 26,539	\$74,005
August	13,400	4,523	511	226	291	3,548	22,499	18,313	\$74,599
September	10,448	1,863	354	1,685	258	2,919	17,527	8,287	\$66,990
3rd Quarter	<u>\$ 34,390</u>	<u>\$ 8,940</u>	<u>\$ 1,447</u>	<u>\$ 2,624</u>	<u>\$ 1,146</u>	<u>\$ 11,854</u>	<u>\$ 60,401</u>	<u>\$ 53,139</u>	
October	\$ 7,287	\$ 1,245	\$ 294	\$ 1,091	\$ 903	\$ 1,929	\$ 12,749	\$ 28,573	\$88,307
November	7,249	1,312	262	1,272	407	2,671	13,173	27,052	\$98,955
December	9,239	1,271	172	449	456	1,416	13,003	16,042	\$99,727
4th Quarter	<u>\$ 23,775</u>	<u>\$ 3,828</u>	<u>\$ 728</u>	<u>\$ 2,812</u>	<u>\$ 1,766</u>	<u>\$ 6,016</u>	<u>\$ 38,925</u>	<u>\$ 71,667</u>	
Total 1999	<u>\$ 163,585</u>	<u>\$ 46,389</u>	<u>\$ 4,432</u>	<u>\$ 8,696</u>	<u>\$ 5,806</u>	<u>\$ 33,297</u>	<u>\$ 262,205</u>	<u>\$ 279,415</u>	

⁽¹⁾ Includes securities guaranteed by other agencies (e.g. Government National Mortgage Association), asset-backed securities and commercial mortgage-backed securities. Excludes repurchased Freddie Mac PCs.

⁽²⁾ Does not include master commitments unless converted for delivery.

FREDDIE MAC
NEW BUSINESS PURCHASES
(dollars in millions)

	30-Year Fixed-Rate	15-Year Fixed-Rate	Balloon/ Resets	ARMs/ Floating-Rate	Multifamily	Total	Non-Freddie Mac Securities	Freddie Mac At-Risk	Additional Historical Data Total
1993	\$ 115,375	\$ 68,471	\$ 24,497	\$ 21,172	\$ 191	\$ 229,706	\$ 464	\$ 220,989	1970 \$ 326
1994	70,390	25,543	9,984	17,482	847	124,246	836	108,838	1971 778
1995	58,244	13,806	3,822	20,949	1,565	98,386	6,850	76,619	1972 1,265
1996	86,246	22,629	8,830	8,631	2,229	128,565	3,486	114,075	1973 1,334
1997	85,605	18,697	4,842	10,105	2,241	121,490	4,089	72,795	1974 2,185
									1975 1,716
									1976 1,129
<u>1998</u>									1977 4,124
1st Quarter	\$ 37,675	\$ 9,899	\$ 586	\$ 2,677	\$ 296	\$ 51,133	\$ 3,392	\$ 30,137	1978 6,524
2nd Quarter	53,433	16,340	815	2,589	552	73,729	2,460	44,974	1979 5,716
3rd Quarter	56,034	14,280	617	1,749	1,337	74,017	4,541	44,288	1980 3,690
4th Quarter	66,517	18,378	516	2,323	1,725	89,459	10,545	52,987	1981 3,744
Total 1998	<u>\$ 213,659</u>	<u>\$ 58,897</u>	<u>\$ 2,534</u>	<u>\$ 9,338</u>	<u>\$ 3,910</u>	<u>\$ 288,338</u>	<u>\$ 20,938</u>	<u>\$ 172,386</u>	1982 23,671
									1983 22,952
									1984 21,885
<u>1999</u>									1985 44,012
January	\$ 20,839	\$ 6,636	\$ 456	\$ 310	\$ 497	\$ 28,738	\$ 1,058	\$ 19,139	1986 103,474
February	19,361	6,317	227	551	553	27,009	1,784	19,371	1987 76,840
March	25,210	7,418	238	2,387	353	35,606	5,685	24,052	1988 44,075
1st Quarter	<u>\$ 65,410</u>	<u>\$ 20,371</u>	<u>\$ 921</u>	<u>\$ 3,248</u>	<u>\$ 1,403</u>	<u>\$ 91,353</u>	<u>\$ 8,527</u>	<u>\$ 62,562</u>	1989 78,589
April	\$ 21,701	\$ 5,617	\$ 487	\$ 599	\$ 532	\$ 28,936	\$ 2,463	\$ 20,463	1990 75,518
May	17,785	4,490	390	256	443	23,364	861	15,890	1991 99,965
June	17,626	4,748	415	1,618	1,103	25,510	3,560	13,886	1992 191,126
2nd Quarter	<u>\$ 57,112</u>	<u>\$ 14,855</u>	<u>\$ 1,292</u>	<u>\$ 2,473</u>	<u>\$ 2,078</u>	<u>\$ 77,810</u>	<u>\$ 6,884</u>	<u>\$ 50,239</u>	
July	\$ 14,430	\$ 2,665	\$ 590	\$ 1,036	\$ 318	\$ 19,039	\$ 1,437	\$ 12,294	
August	16,084	3,430	490	1,182	682	21,868	3,194	12,729	
September	13,712	2,650	351	3,500	514	20,727	5,489	12,825	
3rd Quarter	<u>\$ 44,226</u>	<u>\$ 8,745</u>	<u>\$ 1,431</u>	<u>\$ 5,718</u>	<u>\$ 1,514</u>	<u>\$ 61,634</u>	<u>\$ 10,120</u>	<u>\$ 37,848</u>	
October	\$ 10,032	\$ 1,611	\$ 303	\$ 2,538	\$ 1,141	\$ 15,625	\$ 2,302	\$ 9,667	
November	11,669	1,020	268	2,375	255	15,587	3,718	8,320	
December	7,525	1,718	258	172	790	10,463	1,128	7,206	
4th Quarter	<u>\$ 29,226</u>	<u>\$ 4,349</u>	<u>\$ 829</u>	<u>\$ 5,085</u>	<u>\$ 2,186</u>	<u>\$ 41,675</u>	<u>\$ 7,148</u>	<u>\$ 25,193</u>	
Total 1999	<u>\$ 195,974</u>	<u>\$ 48,320</u>	<u>\$ 4,473</u>	<u>\$ 16,524</u>	<u>\$ 7,181</u>	<u>\$ 272,472</u>	<u>\$ 32,679</u>	<u>\$ 175,842</u>	

**FREDDIE MAC
PC ISSUANCES
(dollars in millions)**

Original Issue Securities												
	30-Year Fixed Rate	15 Year Fixed Rate	Balloon/ Resets	ARMs/ Floating-Rate	Multifamily	Total	Giants	Structured Securitizations (1)	Additional Historical Data			
									PCs	CMOs/MCFs	Total	
1993	\$ 103,103	\$ 61,741	\$ 23,052	\$ 20,828	\$ -	\$ 208,724	\$ 41,321	\$ 143,336	1971	\$ 65	\$ -	\$ 65
1994	65,750	24,673	9,889	16,589	209	117,110	37,479	73,131	1972	494	-	494
1995	54,426	13,110	3,719	14,267	355	85,877	19,979	15,372	1973	323	-	323
1996	81,707	22,146	8,633	6,446	770	119,702	30,987	34,145	1974	46	-	46
1997	82,068	17,936	4,764	8,990	500	114,258	61,845	84,366	1975	950	-	950
									1976	1,360	-	1,360
									1977	4,657	-	4,657
1998									1978	6,412	-	6,412
1st Quarter	\$ 32,758	\$ 8,576	\$ 554	\$ 2,380	\$ -	\$ 44,268	\$ 12,325	\$ 26,559	1979	4,546	-	4,546
2nd Quarter	49,900	15,874	792	2,384	-	68,950	13,443	44,189	1980	2,526	-	2,526
3rd Quarter	50,615	13,817	595	1,748	415	67,190	10,104	37,296	1981	3,526	-	3,526
4th Quarter	54,901	13,610	483	640	522	70,156	10,836	27,118	1982	24,169	-	24,169
Total 1998	<u>\$ 188,174</u>	<u>\$ 51,877</u>	<u>\$ 2,424</u>	<u>\$ 7,152</u>	<u>\$ 937</u>	<u>\$ 250,564</u>	<u>\$ 46,708</u>	<u>\$ 135,162</u>	1983	19,691	1,685	21,376
									1984	18,684	1,805	20,489
									1985	38,829	2,625	41,453
1999									1986	100,198	2,233	102,431
January	\$ 20,745	\$ 10,160	\$ 450	\$ 66	\$ 9	\$ 31,430	\$ 2,678	\$ 22,031	1987	75,018	-	75,018
February	17,762	6,204	221	44	-	24,231	683	15,520	1988	39,777	-	39,777
March	19,879	7,005	215	1,641	-	28,740	605	19,014	1989	73,518	-	73,518
1st Quarter	<u>\$ 58,386</u>	<u>\$ 23,369</u>	<u>\$ 886</u>	<u>\$ 1,751</u>	<u>\$ 9</u>	<u>\$ 84,401</u>	<u>\$ 3,966</u>	<u>\$ 56,565</u>	1990	73,815	-	73,815
									1991	92,479	-	92,479
April	\$ 18,860	\$ 5,309	\$ 485	\$ 755	\$ 55	\$ 25,464	\$ 930	\$ 11,496	1992	179,207	-	179,207
May	17,221	4,337	380	34	-	21,972	1,810	11,237				
June	14,699	4,581	396	293	380	20,349	1,470	5,884				
2nd Quarter	<u>\$ 50,780</u>	<u>\$ 14,227</u>	<u>\$ 1,261</u>	<u>\$ 1,082</u>	<u>\$ 435</u>	<u>\$ 67,785</u>	<u>\$ 4,210</u>	<u>\$ 28,617</u>				
July	\$ 13,030	\$ 2,511	\$ 569	\$ 616	\$ 109	\$ 16,835	\$ 1,434	\$ 3,221				
August	13,177	3,344	487	271	189	17,468	842	6,256				
September	10,174	2,565	352	1,019	43	14,153	525	9,158				
3rd Quarter	<u>\$ 36,381</u>	<u>\$ 8,420</u>	<u>\$ 1,408</u>	<u>\$ 1,906</u>	<u>\$ 341</u>	<u>\$ 48,456</u>	<u>\$ 2,801</u>	<u>\$ 18,635</u>				
October	\$ 8,561	\$ 1,546	\$ 297	\$ 1,561	\$ 706	\$ 12,671	\$ 900	\$ 5,307				
November	8,904	963	260	963	39	11,129	1,246	6,818				
December	5,941	1,705	257	171	515	8,589	1,218	3,623				
4th Quarter	<u>\$ 23,406</u>	<u>\$ 4,214</u>	<u>\$ 814</u>	<u>\$ 2,695</u>	<u>\$ 1,260</u>	<u>\$ 32,389</u>	<u>\$ 3,364</u>	<u>\$ 15,748</u>				
Total 1999	<u>\$ 168,953</u>	<u>\$ 50,230</u>	<u>\$ 4,369</u>	<u>\$ 7,434</u>	<u>\$ 2,045</u>	<u>\$ 233,031</u>	<u>\$ 14,341</u>	<u>\$ 119,565</u>				

⁽¹⁾ Includes issuances of mortgage-related securities in which the cashflows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.

**FREDDIE MAC
TOTAL PCs
(dollars in millions)**

	Total PCs ⁽¹⁾⁽²⁾						PCs Held in		ADDITIONAL HISTORICAL DATA	
	30-Year Fixed-Rate	15-Year Fixed-Rate	Balloon/ Resets	ARMs/ Floating-Rate	Multifamily	Total	Retained Portfolio ⁽³⁾	Structured Securitizations ⁽⁴⁾	Total PCs ⁽²⁾	
1993	\$ 240,689	\$ 115,151	\$ 42,906	\$ 51,625	\$ 4,535	\$ 454,906	\$ 15,877	\$ 264,122	1971	\$ 64
1994	265,416	120,469	44,161	57,948	3,332	491,326	30,670	263,662	1972	444
1995	292,379	118,633	41,397	59,829	2,813	515,051	56,006	246,969	1973	791
1996	336,254	121,950	40,782	52,527	2,747	554,260	81,195	237,630	1974	780
1997	376,379	119,714	31,707	49,046	2,539	579,385	103,400	233,591	1975	1,643
									1976	2,765
									1977	6,765
<u>1998</u>									1978	12,017
March	\$ 384,059	\$ 121,437	\$ 28,335	\$ 46,884	\$ 2,429	\$ 583,144	\$ 120,379	\$ 214,330	1979	15,316
June	408,745	129,732	24,676	44,316	2,322	609,791	129,104	230,373	1980	16,962
September	434,149	136,143	21,259	41,573	2,602	635,726	145,039	236,202	1981	19,897
December	448,688	139,366	17,923	37,488	2,994	646,459	168,108	260,336	1982	42,952
									1983	57,720
<u>1999</u>									1984	70,026
January	\$ 459,953	\$ 146,720	\$ 17,481	\$ 36,443	\$ 2,980	\$ 663,577	\$ 173,953	\$ 267,272	1985	99,909
February	468,540	150,175	16,863	35,446	2,958	673,982	178,002	279,045	1986	169,186
March	478,138	154,060	16,144	35,898	2,939	687,179	187,423	286,802	1987	212,635
									1988	226,406
April	\$ 488,819	\$ 156,618	\$ 15,855	\$ 35,550	\$ 2,951	\$ 699,793	\$ 192,142	\$ 296,341	1989	272,870
May	498,476	158,358	15,546	34,595	2,921	709,896	193,145	300,809	1990	316,359
June	505,494	160,232	15,243	33,875	3,241	718,085	202,478	302,500	1991	359,163
									1992	413,908
July	\$ 512,250	\$ 160,320	\$ 15,221	\$ 33,618	\$ 3,334	\$ 724,743	\$ 202,597	\$ 313,955		
August	519,529	161,361	15,100	33,092	3,499	732,581	205,174	312,390		
September	524,892	161,813	14,933	33,450	3,493	738,581	209,368	313,385		
October	\$ 529,075	\$ 161,400	\$ 14,779	\$ 34,414	\$ 4,170	\$ 743,838	\$ 210,014	\$ 316,037		
November	533,695	160,422	14,635	34,794	4,162	747,708	210,775	315,579		
December	534,919	160,117	14,489	35,094	4,462	749,081	211,198	316,058		

⁽¹⁾ Original issue securities based on mortgage balances as of the end of the period. Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses, and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.

⁽²⁾ 1992-1995 data have been restated to reflect revised reporting, adopted in 1996, whereby Total PCs includes Freddie Mac securities held in the retained portfolio.

⁽³⁾ Included in Total PCs.

⁽⁴⁾ Includes issuances of mortgage-related securities in which the cashflows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.

FREDDIE MAC
TOTAL PORTFOLIO LIQUIDATION ACTIVITY
(annualized percent)

	<u>30-Year Fixed-Rate</u>	<u>15-Year Fixed-Rate</u>	<u>Balloon/ Resets</u>	<u>ARMs/ Floating-Rate</u>	<u>Multifamily</u>	<u>Total Portfolio Liquidation Rate</u>
1993	43.2%	36.1%	33.9%	20.6%	23.0%	38.0%
1994	15.8%	15.5%	18.7%	17.8%	31.1%	16.4%
1995	9.8%	12.6%	14.6%	18.3%	19.0%	12.2%
1996	11.8%	15.3%	19.4%	22.8%	22.4%	14.7%
1997	11.7%	16.1%	27.3%	23.7%	18.1%	14.7%
<u>1998</u>						
1st Quarter	26.4%	22.7%	34.9%	38.0%	14.9%	26.7%
2nd Quarter	25.5%	23.6%	47.1%	42.6%	14.8%	27.8%
3rd Quarter	27.2%	22.5%	55.1%	40.5%	16.9%	26.1%
4th Quarter	36.4%	30.1%	66.5%	45.3%	13.6%	35.8%
Total 1998	28.9%	24.7%	50.9%	41.6%	15.1%	30.5%
<u>1999</u>						
January	25.0%	23.5%	48.6%	35.1%	8.8%	25.2%
February	23.7%	22.3%	47.5%	33.6%	9.0%	23.8%
March	26.1%	24.8%	56.3%	39.4%	12.5%	27.1%
1st Quarter	25.5%	24.1%	49.2%	35.0%	10.6%	25.8%
April	20.6%	21.3%	49.7%	36.4%	7.6%	22.6%
May	18.6%	19.8%	45.2%	32.8%	7.8%	18.8%
June	18.7%	20.6%	49.1%	34.7%	8.6%	20.0%
2nd Quarter	19.7%	20.9%	46.9%	34.1%	8.3%	20.8%
July	15.1%	18.1%	41.6%	30.7%	8.5%	17.1%
August	13.7%	17.2%	39.9%	28.1%	7.0%	15.3%
September	11.2%	15.9%	34.0%	23.7%	9.6%	13.2%
3rd Quarter	13.5%	17.1%	38.4%	27.3%	8.5%	15.3%
October	10.0%	14.6%	29.5%	21.1%	4.9%	11.8%
November	9.7%	14.4%	27.3%	20.0%	7.1%	11.4%
December	10.0%	12.3%	59.7%	21.4%	3.0%	11.3%
4th Quarter	10.0%	13.7%	38.1%	21.4%	5.4%	11.6%
Total 1999	18.2%	20.2%	38.8%	27.8%	9.5%	19.6%

**FREDDIE MAC
SINGLE-FAMILY FIXED-RATE MORTGAGE PORTFOLIO ⁽¹⁾
DISTRIBUTION BY NOTE RATE**

Note Rate	December 31, 1998	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
Below 7.00%	23.5%	30.1%	33.2%	32.8%	32.3%
7.00 - 7.49%	31.9%	31.7%	33.0%	33.5%	32.6%
7.50 - 7.99%	22.4%	20.2%	18.6%	19.7%	20.6%
8.00 - 8.49%	12.4%	10.0%	8.4%	7.9%	8.5%
8.50 - 8.99%	5.8%	4.7%	3.9%	3.6%	3.6%
9.00 - 9.49%	1.7%	1.4%	1.2%	1.0%	1.0%
9.50 - 9.99%	0.9%	0.8%	0.7%	0.6%	0.6%
10.00% and Above	1.4%	1.1%	1.0%	0.9%	0.8%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
 Weighted Average Note Rate	 7.49%	 7.38%	 7.31%	 7.30%	 7.31%

⁽¹⁾ Does not include ARMs/Floating-Rate and Multifamily.

**FREDDIE MAC
SINGLE-FAMILY MORTGAGE PORTFOLIO
DISTRIBUTION BY ORIGINAL LOAN-TO-VALUE RATIO RANGE⁽¹⁾**

	<u>12/31/98</u>	<u>3/31/99</u>	<u>6/30/99</u>	<u>9/30/99</u>	<u>12/31/99</u>
0% to 70%	33%	33%	33%	33%	32%
Above 70% to 80%	42%	42%	42%	42%	42%
Above 80% to 90%	15%	15%	15%	14%	15%
Above 90% to 95%	10%	9%	9%	10%	10%
Above 95%	<u>0%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>	<u>1%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>

⁽¹⁾ Based on end of period UPB outstanding. Includes single-family loans in the retained portfolio and underlying Total PCs. Excludes multifamily loans and non-Freddie Mac securities held in the total mortgage portfolio such as securities guaranteed by other agencies (e.g. Government National Mortgage Association), asset-backed securities and commercial-backed securities.

FREDDIE MAC
SINGLE-FAMILY MORTGAGE PORTFOLIO AND AT-RISK DELINQUENCY AND FORECLOSURE DATA
BY YEAR OF ORIGINATION

Total Single-family Mortgage Portfolio (\$ in millions):

Year of Origination	12/31/98		3/31/99		6/30/99		9/30/99		12/31/99	
Pre-1992	\$ 49,773	7%	\$ 46,375	6%	\$ 42,685	5%	\$ 40,255	5%	\$ 38,471	5%
1992	53,023	7%	48,288	6%	44,207	6%	41,832	5%	40,162	5%
1993	122,517	17%	116,780	15%	110,516	14%	106,573	13%	103,913	12%
1994	51,434	7%	48,212	6%	44,927	6%	43,160	5%	42,106	5%
1995	47,172	7%	43,697	6%	40,683	5%	39,176	5%	38,217	5%
1996	74,839	10%	68,798	9%	63,987	8%	61,669	7%	60,285	7%
1997	91,021	13%	84,715	11%	80,324	10%	78,103	9%	76,857	9%
1998	232,609	32%	271,364	36%	269,323	33%	268,838	33%	266,504	31%
1999	-	-	37,039	5%	104,190	13%	150,397	18%	178,994	21%
Total	\$ 722,388	100%	\$ 765,268	100%	\$ 800,842	100%	\$ 830,003	100%	\$ 845,509	100%

Single-family At-Risk Mortgages - - Delinquent and in Foreclosure: ⁽¹⁾

Year of Origination	12/31/98		3/31/99		6/30/99		9/30/99		12/31/99	
	Percent of Total Delinquencies	Delinquency Rate	Percent of Total Delinquencies	Delinquency Rate	Percent of Total Delinquencies	Delinquency Rate	Percent of Total Delinquencies	Delinquency Rate	Percent of Total Delinquencies	Delinquency Rate
Pre-1992	35%	1.16%	34%	1.13%	33%	1.05%	31%	1.03%	30%	1.00%
1992	10%	0.49%	9%	0.47%	10%	0.45%	9%	0.46%	9%	0.45%
1993	15%	0.34%	15%	0.33%	14%	0.30%	14%	0.30%	13%	0.29%
1994	11%	0.70%	11%	0.69%	11%	0.68%	11%	0.69%	11%	0.66%
1995	13%	0.89%	13%	0.92%	13%	0.87%	13%	0.89%	12%	0.87%
1996	12%	0.76%	12%	0.78%	12%	0.75%	13%	0.75%	13%	0.77%
1997	3%	0.19%	4%	0.23%	4%	0.24%	5%	0.27%	5%	0.29%
1998	1%	0.02%	2%	0.03%	3%	0.05%	4%	0.07%	5%	0.09%
1999	-	-	-	-	-	0.01%	-	0.02%	2%	0.04%
Total Delinquent and in Foreclosure	100%	0.50%	100%	0.46%	100%	0.41%	100%	0.40%	100%	0.39%

⁽¹⁾ At-risk delinquency statistics are based on loans 90 days or more delinquent plus foreclosures in process and approved, as a percentage of the total number of loans in the year of origination. Includes only those loans for which Freddie Mac has assumed primary default risk. Excludes loans for which a lender or a third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

FREDDIE MAC
SINGLE-FAMILY AT-RISK DELINQUENCY AND FORECLOSURE ACTIVITY ⁽¹⁾⁽²⁾
(BASED ON NUMBER OF LOANS)

	<u>12/31/98</u>	<u>3/31/99</u>	<u>6/30/99</u>	<u>9/30/99</u>	<u>12/31/99</u>
SINGLE-FAMILY FIXED-RATE					
Total Number of Loans	6,162,739	6,339,996	6,477,207	6,587,791	6,618,384
Percent Delinquent Three or More Payments	0.22%	0.18%	0.15%	0.16%	0.15%
Percent Foreclosures Approved and In Process	<u>0.26%</u>	<u>0.26%</u>	<u>0.24%</u>	<u>0.22%</u>	<u>0.22%</u>
Total Percent Non-Performing	0.48%	0.44%	0.39%	0.38%	0.37%
CONVENTIONAL ARMs / FLOATING-RATE					
Total Number of Loans	258,176	246,920	233,821	243,134	261,236
Percent Delinquent Three or More Payments	0.46%	0.38%	0.33%	0.32%	0.28%
Percent Foreclosures Approved and In Process	<u>0.68%</u>	<u>0.69%</u>	<u>0.61%</u>	<u>0.55%</u>	<u>0.48%</u>
Total Percent Non-Performing	1.14%	1.07%	0.94%	0.87%	0.76%
TOTAL SINGLE-FAMILY					
Total Number of Loans	6,420,915	6,586,916	6,711,028	6,830,925	6,879,620
Percent Delinquent Three or More Payments	0.23%	0.18%	0.16%	0.17%	0.16%
Percent Foreclosures Approved and In Process	<u>0.27%</u>	<u>0.28%</u>	<u>0.25%</u>	<u>0.23%</u>	<u>0.23%</u>
Total Percent Non-Performing	0.50%	0.46%	0.41%	0.40%	0.39%

⁽¹⁾ Percentages may not add due to rounding.

⁽²⁾ Includes only those loans for which Freddie Mac has assumed primary default risk. Excludes loans for which the lender or third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

FREDDIE MAC
SINGLE-FAMILY AT-RISK DELINQUENCY AND FORECLOSURE ACTIVITY BY REGION ⁽¹⁾⁽²⁾
(BASED ON NUMBER OF LOANS)

	12/31/98		3/31/99		6/30/99		9/30/99		12/31/99	
	# Loans	Percent	# Loans	Percent	# Loans	Percent	# Loans	Percent	# Loans	Percent
Northeast										
Total Number of Loans	1,594,938		1,615,191		1,631,840		1,648,512		1,652,864	
Delinquent Three or More Payments	4,444	0.28%	3,794	0.24%	3,248	0.20%	3,393	0.21%	3,121	0.19%
Foreclosures Approved and In Process	<u>6,133</u>	<u>0.38%</u>	<u>6,176</u>	<u>0.38%</u>	<u>5,714</u>	<u>0.35%</u>	<u>5,429</u>	<u>0.33%</u>	<u>5,228</u>	<u>0.32%</u>
Total Delinquent and Foreclosed	10,577	0.66%	9,970	0.62%	8,962	0.55%	8,822	0.54%	8,349	0.51%
Southeast										
Total Number of Loans	1,088,522		1,151,649		1,184,180		1,201,653		1,219,180	
Delinquent Three or More Payments	2,635	0.24%	2,094	0.18%	1,928	0.16%	2,055	0.17%	2,213	0.18%
Foreclosures Approved and In Process	<u>2,541</u>	<u>0.23%</u>	<u>2,737</u>	<u>0.24%</u>	<u>2,452</u>	<u>0.21%</u>	<u>2,388</u>	<u>0.20%</u>	<u>2,491</u>	<u>0.21%</u>
Total Delinquent and Foreclosed	5,176	0.47%	4,831	0.42%	4,380	0.37%	4,443	0.37%	4,704	0.39%
North Central										
Total Number of Loans	1,444,347		1,473,201		1,499,218		1,515,787		1,528,530	
Delinquent Three or More Payments	2,173	0.15%	1,850	0.13%	1,702	0.11%	1,835	0.12%	1,757	0.11%
Foreclosures Approved and In Process	<u>2,471</u>	<u>0.17%</u>	<u>2,672</u>	<u>0.18%</u>	<u>2,525</u>	<u>0.17%</u>	<u>2,525</u>	<u>0.17%</u>	<u>2,572</u>	<u>0.17%</u>
Total Delinquent and Foreclosed	4,644	0.32%	4,522	0.31%	4,227	0.28%	4,360	0.29%	4,329	0.28%
Southwest										
Total Number of Loans	776,016		793,189		814,354		837,994		856,085	
Delinquent Three or More Payments	1,615	0.21%	1,334	0.17%	1,153	0.14%	1,195	0.14%	1,148	0.14%
Foreclosures Approved and In Process	<u>1,343</u>	<u>0.17%</u>	<u>1,556</u>	<u>0.19%</u>	<u>1,407</u>	<u>0.17%</u>	<u>1,343</u>	<u>0.16%</u>	<u>1,392</u>	<u>0.16%</u>
Total Delinquent and Foreclosed	2,958	0.38%	2,890	0.36%	2,560	0.31%	2,538	0.30%	2,540	0.30%
West										
Total Number of Loans	1,517,092		1,553,686		1,581,436		1,626,979		1,622,961	
Delinquent Three or More Payments	3,817	0.25%	3,153	0.20%	2,660	0.17%	2,696	0.17%	2,623	0.16%
Foreclosures Approved and In Process	<u>5,103</u>	<u>0.34%</u>	<u>5,091</u>	<u>0.33%</u>	<u>4,485</u>	<u>0.28%</u>	<u>4,129</u>	<u>0.25%</u>	<u>3,957</u>	<u>0.24%</u>
Total Delinquent and Foreclosed	8,920	0.59%	8,244	0.53%	7,145	0.45%	6,825	0.42%	6,580	0.40%
Corporate										
Total Number of Loans	6,420,915		6,586,916		6,711,028		6,830,925		6,879,620	
Delinquent Three or More Payments	14,684	0.23%	12,225	0.18%	10,691	0.16%	11,174	0.17%	10,862	0.16%
Foreclosures Approved and In Process	<u>17,591</u>	<u>0.27%</u>	<u>18,232</u>	<u>0.28%</u>	<u>16,583</u>	<u>0.25%</u>	<u>15,814</u>	<u>0.23%</u>	<u>15,640</u>	<u>0.23%</u>
Total Delinquent and Foreclosed	32,275	0.50%	30,457	0.46%	27,274	0.41%	26,988	0.40%	26,502	0.39%

⁽¹⁾ Percentages may not add due to rounding.

⁽²⁾ Includes only those loans for which Freddie Mac has assumed primary default risk. Excludes loans for which the lender or a third party has retained primary default risk by pledging collateral or agreeing to accept losses on loans that default. In some cases, the lender's or third party's risk is limited to a specific level of losses at the time the credit enhancement becomes effective.

FREDDIE MAC
MULTIFAMILY DELINQUENCY AND FORECLOSURE ACTIVITY

Based on Number of Loans:

	12/31/98		3/31/99		6/30/99		9/30/99		12/31/99	
	# Loans	Percent	# Loans	Percent	# Loans	Percent	# Loans	Percent	# Loans	Percent
Total Number of Loans	4,038		4,017		4,095		4,093		4,144	
Delinquent 60+ and Foreclosure	60	1.49%	53	1.32%	44	1.07%	33	0.81%	34	0.82%

Based on Net Carrying Value (NCV)
(dollars in thousands):

	12/31/98		3/31/99		6/30/99		9/30/99		12/31/99	
	NCV	Percent	NCV	Percent	NCV	Percent	NCV	Percent	NCV	Percent
NORTHEAST										
Total NCV of Loans	\$ 2,039,035		\$ 2,141,823		\$ 2,372,812		\$ 2,593,356		\$ 2,714,140	
Delinquent 60+ and Foreclosure	\$ 28,750	1.41%	\$ 26,130	1.22%	\$ 14,474	0.61%	\$ 7,192	0.28%	\$ 7,404	0.27%
SOUTHEAST										
Total NCV of Loans	\$ 3,596,835		\$ 4,037,690		\$ 4,756,941		\$ 5,077,109		\$ 5,625,345	
Delinquent 60+ and Foreclosure	\$ 6,474	0.18%	\$ 3,230	0.08%	\$ 2,378	0.05%	\$ 1,498	0.03%	\$ 2,434	0.04%
NORTH CENTRAL										
Total NCV of Loans	\$ 1,794,829		\$ 1,941,859		\$ 2,270,048		\$ 2,385,299		\$ 2,610,333	
Delinquent 60+ and Foreclosure	\$ 3,051	0.17%	\$ 5,049	0.26%	\$ 3,632	0.16%	\$ 4,709	0.20%	\$ 4,413	0.17%
WEST										
Total NCV of Loans	\$ 3,541,301		\$ 3,990,628		\$ 4,549,199		\$ 5,122,236		\$ 5,867,182	
Delinquent 60+ and Foreclosure	\$ 1,771	0.05%	\$ 798	0.02%	\$ 2,275	0.05%	\$ 12,792	0.25%	\$ 8,808	0.15%
CORPORATE										
Total NCV of Loans	\$10,972,000		\$12,112,000		\$13,949,000		\$15,178,000		\$16,817,000	
Delinquent 60+ and Foreclosure	\$ 40,046	0.37%	\$ 35,207	0.29%	\$ 22,759	0.16%	\$ 26,191	0.17%	\$ 23,059	0.14%

FREDDIE MAC
RESERVE FOR MORTGAGE LOSSES
(dollars in millions)

	Quarter Ended	Year Ended	Quarter Ended				Year Ended
	12/31/98	12/31/98	3/31/99	6/30/99	9/30/99	12/31/99	12/31/99
<u>Reserve for Mortgage Losses</u>							
Beginning Balance	\$ 746	\$ 694	\$ 768	\$ 770	\$ 768	\$ 767	\$ 768
Provision for Mortgage Losses	40	190	15	15	15	15	60
Charge-offs	(18)	(116)	(13)	(17)	(16)	(10)	(56)
Ending Balance	<u>\$ 768</u>	<u>\$ 768</u>	<u>\$ 770</u>	<u>\$ 768</u>	<u>\$ 767</u>	<u>\$ 772</u>	<u>\$ 772</u>
<u>Reserve Ratio (Basis Points of Ending Portfolio)</u>	10.5	10.5	9.9	9.4	9.1	9.0	9.0
<u>Charge-offs</u> ⁽¹⁾							
Single-family							
Northeast	\$ 23	\$ 70	\$ 17	\$ 13	\$ 9	\$ 7	\$ 46
Southeast	(5)	(27)	(2)	0	3	(1)	0
North Central	(5)	(9)	(2)	(2)	0	0	(4)
Southwest	(4)	(11)	(3)	0	(2)	(1)	(6)
West	8	96	4	8	7	4	23
Total Single-family	<u>17</u>	<u>119</u>	<u>14</u>	<u>19</u>	<u>17</u>	<u>9</u>	<u>59</u>
Multifamily	1	(3)	(1)	(2)	(1)	1	(3)
Total Charge-offs	<u>\$ 18</u>	<u>\$ 116</u>	<u>\$ 13</u>	<u>\$ 17</u>	<u>\$ 16</u>	<u>\$ 10</u>	<u>\$ 56</u>
<u>Charge-offs (Basis Points)</u> ⁽²⁾							
Single-Family	1.0	1.8	0.8	1.0	0.8	0.4	0.7
Multifamily	3.7	(3.3)	(3.4)	(5.9)	(2.7)	2.4	(2.1)
Total	1.0	1.7	0.7	0.8	0.8	0.5	0.7
<u>Coverage Ratio (Reserves to Charge-offs)</u> ⁽³⁾	10.7	6.6	14.8	11.3	12.0	19.3	13.8

⁽¹⁾ Negative amounts represent net market value gains on REO acquisitions and/or pre-foreclosure sales.

⁽²⁾ Annualized charge-offs by portfolio divided by average portfolio UPB.

⁽³⁾ Ending reserve balance divided by annualized charge-offs.

**FREDDIE MAC
REAL ESTATE OWNED**

	Quarter	Year Ended	Quarter Ended				Year Ended
	Ended		12/31/98	3/31/99	6/30/99	9/30/99	
Property Units	12/31/98	12/31/98	3/31/99	6/30/99	9/30/99	12/31/99	12/31/99
Northeast							
Properties Acquired	786	3,593	763	757	731	634	2,885
Properties Disposed	(841)	(3,851)	(814)	(881)	(761)	(727)	(3,183)
Ending Property Inventory	<u>1,720</u>	<u>1,720</u>	<u>1,669</u>	<u>1,545</u>	<u>1,515</u>	<u>1,422</u>	<u>1,422</u>
Southeast							
Properties Acquired	456	1,984	437	542	463	431	1,873
Properties Disposed	(510)	(1,893)	(414)	(499)	(542)	(442)	(1,897)
Ending Property Inventory	<u>783</u>	<u>783</u>	<u>806</u>	<u>849</u>	<u>770</u>	<u>759</u>	<u>759</u>
North Central							
Properties Acquired	318	1,143	303	305	327	351	1,286
Properties Disposed	(264)	(994)	(234)	(290)	(279)	(291)	(1,094)
Ending Property Inventory	<u>682</u>	<u>682</u>	<u>751</u>	<u>766</u>	<u>814</u>	<u>874</u>	<u>874</u>
Southwest							
Properties Acquired	295	1,112	267	327	271	294	1,159
Properties Disposed	(251)	(981)	(247)	(298)	(329)	(260)	(1,134)
Ending Property Inventory	<u>547</u>	<u>547</u>	<u>567</u>	<u>596</u>	<u>538</u>	<u>572</u>	<u>572</u>
Western							
Properties Acquired	1,522	7,658	1,282	1,201	939	849	4,271
Properties Disposed	(1,717)	(9,392)	(1,488)	(1,583)	(1,202)	(1,055)	(5,328)
Ending Property Inventory	<u>3,049</u>	<u>3,049</u>	<u>2,843</u>	<u>2,461</u>	<u>2,198</u>	<u>1,992</u>	<u>1,992</u>
Corporate Total							
Properties Acquired	3,377	15,490	3,052	3,132	2,731	2,559	11,474
Properties Disposed	(3,583)	(17,111)	(3,197)	(3,551)	(3,113)	(2,775)	(12,636)
Ending Property Inventory	<u>6,781</u>	<u>6,781</u>	<u>6,636</u>	<u>6,217</u>	<u>5,835</u>	<u>5,619</u>	<u>5,619</u>
Average Holding Period (# of days) ⁽¹⁾	164	174	183	188	189	193	188
REO Balance (dollars in millions)							
Single-family	\$ 569	\$ 569	\$ 545	\$ 505	\$ 469	\$ 437	\$ 437
Multifamily	5	5	6	4	4	1	1
Total	<u>\$ 574</u>	<u>\$ 574</u>	<u>\$ 551</u>	<u>\$ 509</u>	<u>\$ 473</u>	<u>\$ 438</u>	<u>\$ 438</u>

⁽¹⁾ Average holding period is calculated using number of properties disposed during the period.

**FREDDIE MAC
INTEREST RATES AND MORTGAGE MARKETS**

INTEREST RATES (percent)

	1998			1999											Yearly Averages						
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	1995	1996	1997	1998	1999	
PMMS ⁽¹⁾																					
Fixed-rate (30-year)	6.71	6.87	6.74	6.79	6.81	7.04	6.92	7.15	7.55	7.63	7.94	7.82	7.85	7.74	7.91	7.93	7.81	7.60	6.94	7.44	
ARM/ Floating-Rate (1-yr)	5.38	5.53	5.56	5.59	5.65	5.77	5.60	5.72	5.91	5.99	6.18	6.20	6.27	6.36	6.53	6.06	5.67	5.61	5.58	5.99	
1-year constant- maturity Treasury ⁽²⁾	4.12	4.53	4.52	4.51	4.70	4.78	4.69	4.85	5.10	5.03	5.20	5.25	5.43	5.55	5.84	5.95	5.51	5.63	5.05	5.08	
10-year constant- maturity Treasury ⁽²⁾	4.53	4.83	4.65	4.72	5.00	5.23	5.18	5.54	5.90	5.79	5.94	5.92	6.11	6.03	6.28	6.58	6.44	6.35	5.26	5.64	
11th District Cost of Funds ⁽³⁾	4.762	4.691	4.655	4.608	4.562	4.519	4.490	4.480	4.504	4.500	4.562	4.608	4.666	4.773	4.852	N/A	N/A	N/A	N/A	N/A	

HOUSING AND MORTGAGE MARKETS

	1997 Quarterly Data (Actual)				1998 Quarterly Data (Actual/Estimated)				1999 Quarterly Data (Actual/Estimated)				2000 Quarterly Data (Estimated)				Yearly Averages (Actual/Estimated)				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1995	1996	1997	1998	1999
Housing Starts ⁽⁴⁾⁽⁵⁾	1.46	1.47	1.46	1.52	1.58	1.57	1.64	1.70	1.77	1.62	1.66	1.65	1.55	1.55	1.55	1.55	1.35	1.48	1.47	1.62	1.66
Total home sales ⁽⁴⁾⁽⁵⁾	5.05	5.03	5.27	5.41	5.69	5.84	5.84	6.05	6.11	6.23	6.16	5.89	5.95	5.90	6.00	5.75	4.55	4.95	5.19	5.86	6.10
1-4 family mortgage originations ⁽⁶⁾	174	196	222	267	313	349	354	431	404	357	306	251	215	240	267	255	639	785	859	1,446	1,317

(1) Commitment rates from Freddie Mac's weekly Primary Mortgage Market Survey.

(2) Source: Federal Reserve Board.

(3) Source: San Francisco Federal Home Loan Bank. Weighted yearly averages are not published.

(4) Millions of units; quarterly data are seasonally-adjusted annual rates. Source of actual data: Census Bureau for housing starts and new-home sales; National Association of Realtors for existing home sales.

(5) Housing starts and total home sales for first quarter 2000 through fourth quarter 2000 have been estimated.

(6) Billions of dollars. Source of pre-1998 data: HUD Survey of Mortgage Lending Activity. 1-4 family mortgage originations for 1998 and 1999 data have been estimated by Freddie Mac's Financial

Research Department. Data for 2000 has been estimated.

N/A = Not available.

FREDDIE MAC Cumulative Repricing of Effective Long-Term Debt

Latest Repricing (Maturity) Date ⁽¹⁾

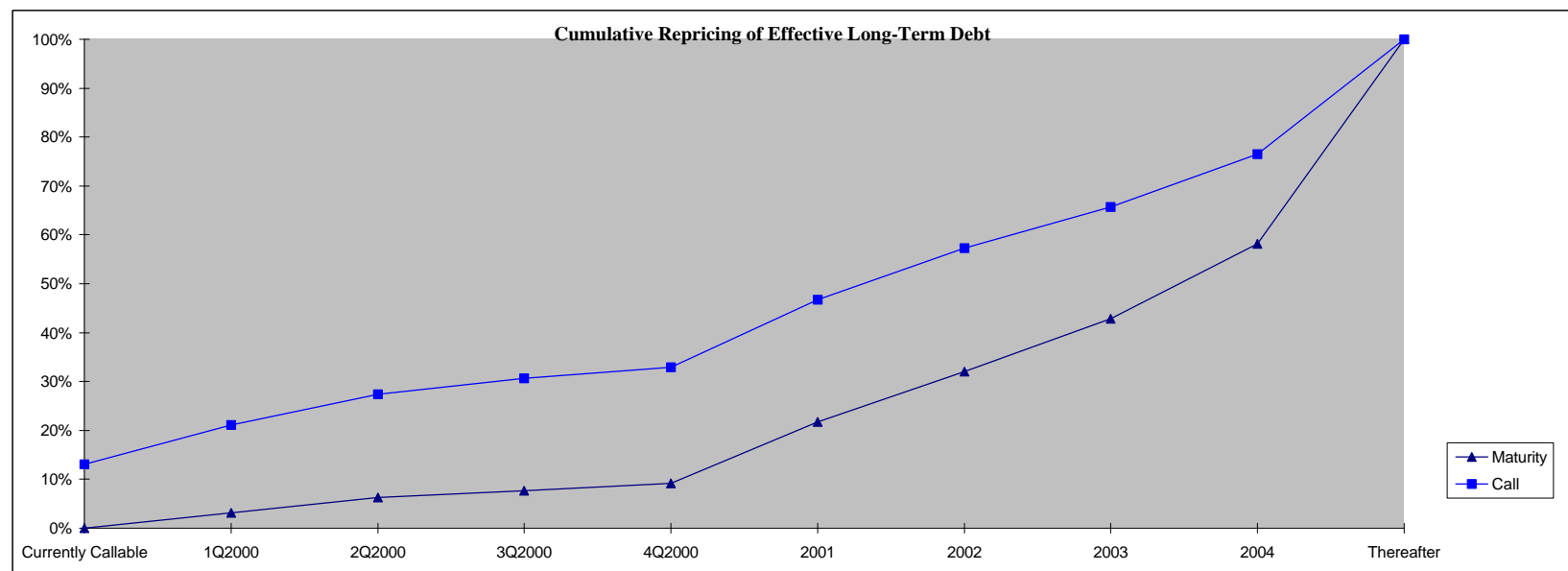
(dollars in millions)

	Callable (Rate Protected)		Non-Callable		Total	
	Amount	Eff. Rate (2)	Amount	Eff. Rate (2)	Amount	Eff. Rate (2)
	1Q2000	9,010	6.19%	1,527	5.70%	10,537
2Q2000	10,010	6.25%	555	5.53%	10,565	6.22%
3Q2000	3,995	6.22%	344	5.64%	4,339	6.18%
4Q2000	2,344	5.68%	3,004	5.52%	5,348	5.59%
2001	32,098	5.93%	9,853	5.61%	41,950	5.86%
2002	19,169	5.98%	14,966	5.84%	34,134	5.92%
2003	32,875	5.82%	3,352	5.80%	36,227	5.82%
2004	30,948	6.27%	20,039	5.54%	50,987	5.99%
Thereafter	83,048	6.57%	56,704	6.03%	139,752	6.35%
12/31/99 Balance	\$ 223,496	6.23%	\$ 110,344	5.85%	\$ 333,840	6.11%

Earliest Repricing (Call) Date ⁽¹⁾

(dollars in millions)

	Callable (Rate Protected)		Non-Callable		Total	
	Amount	Eff. Rate (2)	Amount	Eff. Rate (2)	Amount	Eff. Rate (2)
	Currently Callable	\$ 43,493	6.21%	\$ -	-	\$ 43,493
1Q2000	25,379	6.16%	1,527	5.70%	26,906	6.13%
2Q2000	20,638	6.39%	555	5.53%	21,193	6.36%
3Q2000	10,199	6.52%	344	5.64%	10,543	6.49%
4Q2000	4,782	6.69%	3,004	5.52%	7,786	6.24%
2001	36,084	6.40%	9,853	5.61%	45,937	6.23%
2002	20,584	6.30%	14,966	5.84%	35,550	6.10%
2003	24,624	5.82%	3,352	5.80%	27,977	5.81%
2004	15,820	6.21%	20,039	5.54%	35,859	5.84%
Thereafter	21,893	6.16%	56,704	6.03%	78,597	6.07%
12/31/99 Balance	\$ 223,496	6.23%	\$ 110,344	5.85%	\$ 333,840	6.11%



(1) This schedule illustrates the cumulative percentage of effective long-term debt outstanding as of December 31, 1999 that will reprice in future years assuming that (i) all effective callable debt is repriced at the earliest possible call date and (ii) no debt is repriced until its scheduled maturity.

The top line illustrates the cumulative amount of the corporation's effective long-term debt that is available for repricing either through maturity or exercise of the call option in each year. The bottom line shows the cumulative final maturity of the corporation's effective long-term debt, assuming that no debt is called, but rather each instrument remains outstanding until its final maturity.

(2) End-of-period effective rates include the effect of derivative financial instruments, as well as the amortization of discounts, hedging gains or losses and debt issuance costs.

FREDDIE MAC
EFFECTIVE LONG-TERM DEBT ROLLFORWARD ⁽¹⁾
(dollars in millions)

	Activity						End of Period	
	Beginning					Ending	Mix	Effective
	Balance	Issuances ⁽²⁾	Calls	Maturities	Other	Balance		Rate ⁽³⁾
TOTAL 1998								
Callable or Rate Protected ⁽⁴⁾	\$ 102,414	\$ 99,280	\$ (48,591)	\$ (13,902)	\$ 14,092	\$ 153,293	76%	
Non-callable	19,626	26,488	N/A	(8,307)	11,643	49,450	24%	
Total	<u>\$ 122,040</u>	<u>\$ 125,768</u>	<u>\$ (48,591)</u>	<u>\$ (22,209)</u>	<u>\$ 25,735</u>	<u>\$ 202,743</u>	100%	6.22%
FIRST QUARTER 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 153,293	\$ 32,343	\$ (9,428)	\$ (9,751)	\$ 11,693	\$ 178,150	71%	
Non-callable	49,450	11,500	N/A	(406)	10,816	71,360	29%	
Total	<u>\$ 202,743</u>	<u>\$ 43,843</u>	<u>\$ (9,428)</u>	<u>\$ (10,157)</u>	<u>\$ 22,509</u>	<u>\$ 249,510</u>	100%	5.99%
SECOND QUARTER 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 178,150	\$ 22,378	\$ (7,000)	\$ (2,490)	\$ 20,905	\$ 211,943	70%	
Non-callable	71,360	11,075	N/A	(250)	9,893	92,078	30%	
Total	<u>\$ 249,510</u>	<u>\$ 33,453</u>	<u>\$ (7,000)</u>	<u>\$ (2,740)</u>	<u>\$ 30,798</u>	<u>\$ 304,021</u>	100%	5.82%
THIRD QUARTER 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 211,943	\$ 6,968	\$ (3,777)	\$ (5,242)	\$ 3,736	\$ 213,628	67%	
Non-callable	92,078	16,233	N/A	(360)	(4,296)	103,655	33%	
Total	<u>\$ 304,021</u>	<u>\$ 23,201</u>	<u>\$ (3,777)</u>	<u>\$ (5,602)</u>	<u>\$ (560)</u>	<u>\$ 317,283</u>	100%	6.11%
October 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 213,628	\$ 1,805	\$ (1,593)	\$ (120)	\$ 6,824	\$ 220,544	67%	
Non-callable	103,655	6,498	N/A	(560)	(2,704)	106,889	33%	
Total	<u>\$ 317,283</u>	<u>\$ 8,303</u>	<u>\$ (1,593)</u>	<u>\$ (680)</u>	<u>\$ 4,120</u>	<u>\$ 327,433</u>	100%	5.98%
November 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 220,544	\$ 2,221	\$ (339)	\$ (100)	\$ 412	\$ 222,738	68%	
Non-callable	106,889	5,065	N/A	(301)	(5,967)	105,686	32%	
Total	<u>\$ 327,433</u>	<u>\$ 7,286</u>	<u>\$ (339)</u>	<u>\$ (401)</u>	<u>\$ (5,555)</u>	<u>\$ 328,424</u>	100%	5.98%
December 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 222,738	\$ 1,897	\$ (120)	\$ (100)	\$ (919)	\$ 223,496	67%	
Non-callable	105,686	3,050	N/A	(81)	1,689	110,344	33%	
Total	<u>\$ 328,424</u>	<u>\$ 4,947</u>	<u>\$ (120)</u>	<u>\$ (181)</u>	<u>\$ 770</u>	<u>\$ 333,840</u>	100%	6.11%
FOURTH QUARTER 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 213,628	\$ 5,923	\$ (2,052)	\$ (320)	\$ 6,317	\$ 223,496	67%	
Non-callable	103,655	14,613	N/A	(942)	(6,982)	110,344	33%	
Total	<u>\$ 317,283</u>	<u>\$ 20,536</u>	<u>\$ (2,052)</u>	<u>\$ (1,262)</u>	<u>\$ (665)</u>	<u>\$ 333,840</u>	100%	6.11%
TOTAL 1999								
Callable or Rate Protected ⁽⁴⁾	\$ 153,293	\$ 67,612	\$ (22,257)	\$ (17,803)	\$ 42,651	\$ 223,496	67%	
Non-callable	49,450	53,421	N/A	(1,958)	9,431	110,344	33%	
Total	<u>\$ 202,743</u>	<u>\$ 121,033</u>	<u>\$ (22,257)</u>	<u>\$ (19,761)</u>	<u>\$ 52,082</u>	<u>\$ 333,840</u>	100%	6.11%

⁽¹⁾ This schedule provides information on debt with an effective repricing date of more than one year, giving effect to derivative financial instruments.

Thus, effective long-term debt includes contractual short-term debt linked to derivative financial instruments which lengthen the repricing date to more than one year and excludes contractual long-term debt linked to derivative financial instruments which shorten the repricing date to one year or less.

⁽²⁾ Includes debt issuances and derivative financial instruments that effectively create long-term debt.

⁽³⁾ Includes the effect of derivative financial instruments, as well as the amortization of discounts, hedging gains or losses and debt issuance costs.

⁽⁴⁾ Includes derivative financial instruments that provide interest-rate protection similar to callable debt. Certain derivative financial instruments (including caps, floors and swaptions) provide protection at specific interest rates that may differ from those currently prevailing (out-of-the-money options).