

Monthly Volume Summary: FEBRUARY 2005

(unaudited & subject to change)

(dollars in millions)

Introductory Note:

When our financial results for 2004 are released, we will provide certain updated balance information reflected within Tables 1 through 6. These changes are not expected to significantly affect the overall growth trend reported for the retained portfolio. We also intend to re-estimate certain Interest-Rate Risk Sensitivity Disclosures in connection with the release of our 2004 results. We do not expect portfolio market value sensitivities to change by more than 2 percentage points and duration gap to change by more than 1 month and will report any changes that exceed these levels after the release of our 2004 results. Additional information concerning Interest-Rate Risk Sensitivity Disclosures can be found in our Information Statement dated September 24, 2004, available on our website, www.FreddieMac.com/investors.

TABLE 1 - TOTAL MORTGAGE PORTFOLIO ^{1, 2}

	New Business Purchases ³	Non-Freddie Mac Mortgage-Related Securities Sales and Other Activity ⁴	Liquidations ⁴	Net Increase/ (Decrease)	Ending Balance	Annualized Growth Rate	Annualized Liquidation Rate
Feb 2004	\$33,808	(\$5)	(\$31,089)	\$2,714	\$1,429,054	2.3%	26.2%
Mar	43,055	(6)	(40,480)	2,569	1,431,623	2.2%	34.0%
Apr	48,299	(732)	(50,130)	(2,563)	1,429,060	(2.1%)	42.0%
May	50,671	0	(38,745)	11,926	1,440,986	10.0%	32.5%
Jun	53,283	0	(33,617)	19,666	1,460,652	16.4%	28.0%
Jul	44,758	0	(28,935)	15,823	1,476,475	13.0%	23.8%
Aug	37,765	(1,321)	(29,357)	7,087	1,483,562	5.8%	23.9%
Sep	35,199	0	(29,299)	5,900	1,489,462	4.8%	23.7%
Oct	34,392	0	(30,630)	3,762	1,493,224	3.0%	24.7%
Nov	34,606	0	(31,119)	3,487	1,496,711	2.8%	25.0%
Dec	41,875 ⁵	(357)	(32,555) ⁵	8,963	1,505,674	7.2%	26.1%
Full Year 2004	\$494,627	(\$2,661)	(\$400,691)	\$91,275	\$1,505,674	6.5%	28.3%
Jan 2005	\$35,888	(\$59)	(\$26,033)	\$9,796	\$1,515,470	7.8%	20.7%
Feb	36,600	(1,742)	(25,940)	8,918	1,524,388	7.1%	20.5%
YTD 2005	\$72,488	(\$1,801)	(\$51,973)	\$18,714	\$1,524,388	7.5%	20.7%

TABLE 2 - RETAINED PORTFOLIO ^{1, 6}

	Retained Purchases	Sales, net of Other Activity ^{4, 7}	Liquidations ⁴	Net Increase/ (Decrease)	Ending Balance	Annualized Growth Rate	Annualized Liquidation Rate	Mortgage Purchase Agreements, net ⁸
Feb 2004	\$11,252	(\$1,164)	(\$12,714)	(\$2,626)	\$638,034	(4.9%)	23.8%	\$10,707
Mar	17,361	(2,532)	(16,268)	(1,439)	636,595	(2.7%)	30.6%	20,354
Apr	19,620	(4,173)	(19,560)	(4,113)	632,482	(7.8%)	36.9%	19,126
May	21,856	(1,698)	(17,745)	2,413	634,895	4.6%	33.7%	15,934
Jun	27,678	(1,636)	(15,752)	10,290	645,185	19.4%	29.8%	25,487
Jul	28,657	(3,060)	(14,440)	11,157	656,342	20.8%	26.9%	20,019
Aug	23,427	(4,047)	(14,364)	5,016	661,358	9.2%	26.3%	9,633
Sep	15,206	(1,397)	(14,454)	(645)	660,713	(1.2%)	26.2%	12,529
Oct	14,945	(747)	(14,610)	(412)	660,301	(0.7%)	26.5%	14,068
Nov	18,767	(7,294)	(14,792)	(3,319)	656,982	(6.0%)	26.9%	7,684
Dec	17,982 ⁵	(5,974)	(15,349) ⁵	(3,341)	653,641	(6.1%)	28.0%	17,078
Full Year 2004	\$226,153	(\$35,982)	(\$181,996)	\$8,175	\$653,641	1.3%	28.2%	\$187,190
Jan 2005	\$14,488	(\$7,042)	(\$13,509)	(\$6,063)	\$647,578	(11.1%)	24.8%	\$12,247
Feb	22,441	(2,730)	(12,454)	7,257	654,835	13.4%	23.1%	12,891
YTD 2005	\$36,929	(\$9,772)	(\$25,963)	\$1,194	\$654,835	1.1%	23.8%	\$25,138

TABLE 3 - TOTAL PCs and Structured Securities Issued ^{1, 9, 10}

	Issuances	Liquidations ¹¹	Net Increase/ (Decrease)	Ending Balance	Annualized Growth Rate
Feb 2004	\$26,368	(\$26,583) ¹²	(\$215)	\$1,173,936	(0.2%)
Mar	32,651	(34,996)	(2,345)	1,171,591	(2.4%)
Apr	38,219	(43,050)	(4,831)	1,166,760	(4.9%)
May	41,778	(31,208)	10,570	1,177,330	10.9%
Jun	39,022	(26,647)	12,375	1,189,705	12.6%
Jul	30,709	(21,592)	9,117	1,198,822	9.2%
Aug	23,461	(22,078)	1,383	1,200,205	1.4%
Sep	23,586	(21,650)	1,936	1,202,141	1.9%
Oct	26,541	(22,728) ¹²	3,813	1,205,954	3.8%
Nov	23,207	(23,651)	(444)	1,205,510	(0.4%)
Dec	27,953	(24,258)	3,695	1,209,205	3.7%
Full Year 2004	\$365,148	(\$318,011)	\$47,137	\$1,209,205	4.1%
Jan 2005	\$26,135	(\$17,850)	\$8,285	\$1,217,490	8.2%
Feb	25,081	(19,069)	6,012	1,223,502	5.9%
YTD 2005	\$51,216	(\$36,919)	\$14,297	\$1,223,502 ¹³	7.1%

February 2005 Highlights:

- ▶ Total mortgage portfolio grew at an annualized rate of 7.1% in February.
- ▶ Retained portfolio increased at an annualized rate of 13.4% in February.
- ▶ Retained portfolio purchases increased to \$22.4 billion in February, from \$14.5 billion in January.
- ▶ Retained portfolio mortgage purchase agreements, net were \$12.9 billion in February, up from \$12.2 billion in January.
- ▶ Total PCs and Structured Securities Issued increased at an annualized rate of 5.9% in February.
- ▶ Structured securitizations were \$23.0 billion in February, up from \$16.2 billion in January.
- ▶ Single-family non-credit enhanced delinquency rate was 24 basis points in January, unchanged from the prior month.
- ▶ Portfolio market value sensitivity (PMVS-L) averaged 1% in February, down from 2% in January; Freddie Mac's duration gap is 0 months in February, unchanged from January.

TABLE 4 - RETAINED PORTFOLIO COMPONENTS ¹

	Freddie Mac PCs	Non-Freddie Mac Mortgage- Related Securities	Mortgage Loans	Retained Portfolio Ending Balance
Feb 2004	\$382,916	\$194,603	\$60,515	\$638,034
Mar	376,563	199,213	60,819	636,595
Apr	370,182	201,408	60,892	632,482
May	371,239	202,950	60,706	634,895
Jun	374,238	210,632	60,315	645,185
Jul	378,689	217,105	60,548	656,342
Aug	378,001	222,205	61,152	661,358
Sep	373,392	226,014	61,307	660,713
Oct	373,031	226,074	61,196	660,301
Nov	365,781	229,870	61,331	656,982
Dec	357,172	234,557	61,912	653,641
Full Year 2004	\$357,172	\$234,557	\$61,912	\$653,641
Jan 2005	\$349,598	\$235,697	\$62,283	\$647,578
Feb	353,949	238,987	61,899	654,835
YTD 2005	\$353,949	\$238,987	\$61,899	\$654,835

TABLE 5 - Multi-Class Structured Securitization Activity ¹⁴

	Structured Securitized Activity
Feb 2004	\$16,967
Mar	21,855
Apr	27,728
May	16,740
Jun	16,771
Jul	19,652
Aug	19,428
Sep	13,500
Oct	18,477
Nov	18,541
Dec	11,828
Full Year 2004	\$215,430
Jan 2005	\$16,171
Feb	22,993
YTD 2005	\$39,164

TABLE 6 - OUTSTANDING PCs ^{1, 15}

	Total PCs Issued, net of Retained Portfolio PCs (Beginning Balance)					Total PCs Issued, net of Retained Portfolio PCs (Ending Balance) ¹⁸				PCs and Structured Securities in the Cash and Investment Portfolio ²¹		Annualized Growth Rate on Outstanding PCs ²²	
	PC Issuances	PC Purchases Into Retained Portfolio ¹⁶	PC Sales From Retained Portfolio	Liquidations ¹⁷	Retained Balance	Annualized Growth Rate on Total PCs, net ¹⁹	Annualized Liquidation Rate ²⁰	Outstanding	Outstanding	Outstanding	Outstanding		
Feb 2004	\$785,680	\$26,368	(\$3,812)	\$1,671	(\$18,887) ¹²	\$791,020	8.2%	28.8% ¹²	\$17,252	\$773,768	10.3%		
Mar	791,020	32,651	(6,957)	3,008	(24,694)	795,028	6.1%	37.5%	20,672	774,356	0.9%		
Apr	795,028	38,219	(9,540)	3,851	(30,980)	796,578	2.3%	46.8%	17,609	778,969	7.1%		
May	796,578	41,778	(12,963)	2,061	(21,363)	806,091	14.3%	32.2%	17,121	788,970	15.4%		
Jun	806,091	39,022	(13,417)	2,339	(18,568)	815,467	14.0%	27.6%	21,052	794,415	8.3%		
Jul	815,467	30,709	(14,608)	3,419	(14,854)	820,133	6.9%	21.9%	20,614	799,519	7.7%		
Aug	820,133	23,461	(9,123)	3,097	(15,364)	822,204	3.0%	22.5%	21,867	800,337	1.2%		
Sep	822,204	23,586	(3,593)	1,775	(15,223)	828,749	9.6%	22.2%	20,599	808,150	11.7%		
Oct	828,749	26,541	(7,094)	1,144	(16,417) ¹²	832,923	6.0%	23.8% ¹²	13,885	819,038	16.2%		
Nov	832,923	23,207	(7,368)	7,724	(16,757)	839,729	9.8%	24.1%	2,172	837,557	27.1%		
Dec	839,729	27,953	(4,060)	6,043	(17,632)	852,033	17.6%	25.2%	0	852,033	20.7%		
Full Year 2004	\$768,933	\$365,148	(\$96,674)	\$38,653	(\$224,027)	\$852,033	10.8%	29.1%	\$0	\$852,033	13.3%		
Jan 2005	\$852,033	\$26,135	(\$4,735)	\$7,390	(\$12,931)	\$867,892	22.3%	18.2%	\$0	\$867,892	22.3%		
Feb	867,892	25,081	(10,921)	1,401	(13,900)	869,553	2.3%	19.2%	0	869,553	2.3%		
YTD 2005	\$852,033	\$51,216	(\$15,656)	\$8,791	(\$26,831)	\$869,553	12.3%	18.9%	\$0	\$869,553	12.3%		

TABLE 7 - DELINQUENCIES ²⁴

	Single-Family (90 days or more delinquent)			Multifamily (60 days or more delinquent)
	Non Credit Enhanced	Credit Enhanced	All Loans	
Feb 2004	0.27%	3.00%	0.86%	0.07%
Mar	0.25%	2.97%	0.83%	0.06%
Apr	0.24%	2.77%	0.78%	0.06%
May	0.23%	2.78%	0.77%	0.06%
Jun	0.23%	2.67%	0.74%	0.05%
Jul	0.23%	2.68%	0.74%	0.05%
Aug	0.23%	2.70%	0.74%	0.05%
Sep	0.23%	2.67%	0.73%	0.05%
Oct	0.24%	2.70%	0.73%	0.05%
Nov	0.24%	2.76%	0.75%	0.06%
Dec	0.24%	2.75%	0.73%	0.06%
Jan 2005	0.24%	2.71%	0.72%	0.09%

TABLE 8 - INTEREST-RATE RISK SENSITIVITY DISCLOSURES ²⁵

	Portfolio Market Value Level (PMVS-L) (50bp) ²⁶		Portfolio Market Value Yield Curve (PMVS-YC) (25 bp) ²⁶		Duration Gap (in months) ²⁷	
	Monthly Average	Quarterly Average	Monthly Average	Quarterly Average	Monthly Average	Quarterly Average
	Feb 2004	3%	--	0%	--	0
Mar	3%	3%	0%	0%	0	0
Apr	2%	--	0%	--	0	--
May	1%	--	0%	--	0	--
Jun	1%	1%	0%	0%	0	0
Jul	1%	--	0%	--	0	--
Aug	2%	--	0%	--	0	--
Sep	2%	1%	0%	0%	0	0
Oct	2%	--	0%	--	0	--
Nov	2%	--	0%	--	0	--
Dec	2%	2%	0%	0%	(1)	0
Full Year 2004	2%	--	0%	--	0	--
Jan 2005	2%	--	0%	--	0	--
Feb	1%	--	0%	--	0	--
YTD 2005	1%	--	0%	--	0	--

Please see endnotes on page 3.

A glossary of selected Monthly Volume Summary terms is available on the Investor Relations page of our website, www.FreddieMac.com/investors.

The Monthly Volume Summary includes volume and statistical data pertaining to our portfolios. Inquiries should be addressed to our Investor Relations Department, which can be reached by calling (571) 382-4732 or writing to: 1551 Park Run Drive, Mailstop D40, McLean, VA 22102-3110.



ENDNOTES

- (1) Ending balances and activity are based on unpaid principal balances and exclude mortgage loans and mortgage-related securities traded, but not yet settled.
- (2) Total mortgage portfolio (Table 1) is defined as Total PCs issued (Table 3) plus the sum of mortgage loans (within Table 4) and non-Freddie Mac mortgage-related securities (within Table 4).
- (3) Total mortgage portfolio New Business Purchases (Table 1) is defined as Retained Portfolio Purchases (Table 2) plus PC Issuances (Table 3) less PC Purchases Into Retained Portfolio (Table 6).
- (4) In our February 2005 Monthly Volume Summary, we revised the presentation of our sales and other activity as well as liquidations on Table 1 and Table 2 for all periods presented for credit-related impairments, which reduce the fair value of a security below its unpaid principal balance, and securities that have been called. Credit-related impairments have been reclassified from liquidations to sales and other activity and securities that have been called have been reclassified from sales and other activity to liquidations.
- (5) In our previously released Monthly Volume Summary for January 2005, the December 2004 and the full year 2004 amounts reported for New Business Purchases and Liquidations on Table 1 were both overstated by approximately \$7 million. In addition, for the same periods, Retained Purchases and Liquidations on Table 2, were both overstated by approximately \$7 million. These overstatements have been corrected in the February 2005 Monthly Volume Summary.
- (6) Excludes mortgage-related securities held in connection with our PC market-making and support activities, which historically have been reflected in the "Investments" caption on our consolidated balance sheets.
- (7) Includes a reduction in the Retained portfolio for mortgage-related securities that have been sold and credit-related impairments net of additions to the Retained portfolio for delinquent mortgage loans and balloon reset mortgage loans that have been purchased out of PC pools.
- (8) Mortgage Purchase Agreements, net includes: a) monthly purchase commitments of mortgage-related securities for the Retained portfolio offset by monthly sales commitments of mortgage-related securities out of the Retained portfolio, b) mortgage-related securities that we expect to purchase pursuant to options written by us and held by certain counterparties, and c) the net amount of monthly mortgage loan purchases and sales. In some instances, commitments may settle during the same period in which we have entered into the related commitment. Substantially all of these commitments are settled by delivery of a mortgage-related security; the rest are net settled for cash. For all periods presented, we have purchased all of the mortgage-related securities associated with written options in accordance with their contractual terms. Monthly mortgage loan purchases and sales are presented based upon settlement date as opposed to trade date due to data constraints.
- (9) Represents (a) PCs, (b) Structured Securities backed by non-Freddie Mac mortgage-related securities and (c) other credit guarantees (as described in Endnote 13 below).
- (10) Total PCs issued and Structured Securities exclude Structured Securities where we have resecuritized PCs and other previously issued Structured Securities. These excluded Structured Securities do not increase our credit related exposure and consist of single class Structured Securities backed by PCs, Real Estate Mortgage Investment Conduit (REMIC) and principal-only strips. The notional balance of interest-only strips is excluded because this table is based on unpaid principal balance. Also excluded are modifiable and combinable REMIC tranches and Interest and Principal classes, where the holder has the option to exchange the security tranches for other pre-defined security tranches. Additional information concerning "Resecuritization" can be found in our Information Statement dated September 24, 2004.
- (11) Represents liquidations of all PCs and Structured Securities backed by non-Freddie Mac mortgage-related securities and other credit guarantees of mortgage loans held by third parties. Includes prepayment activity and delinquent mortgage loans and balloon reset mortgage loans purchased out of PC pools.
- (12) The liquidations reported in Table 3 and Table 6 for February 2004 and October 2004 include approximately \$735 million and \$785 million, respectively, related to the exchange with a third party of outstanding PCs for the related underlying mortgage loans. Absent these transactions, the February 2004 and October 2004 annualized liquidation rates in Table 6 would have been 27.7 percent and 22.6 percent, respectively.
- (13) Includes, as of February 28, 2005, a) \$6 billion that pertain to our guarantee of the payment of P&I on tax exempt multifamily housing revenue bonds that support pass-through certificates issued by third parties and multifamily mortgage loans that are originated and held by state and municipal agencies to support tax exempt multifamily housing revenue bonds and b) \$2 billion of single family mortgage loans held by third parties for which we provide a guarantee.
- (14) Includes activity where we have resecuritized PCs and other previously issued Structured Securities related to multi-class Structured Securities, primarily REMICs as well as principal-only stripped securities and other Structured Securities backed by non-Freddie Mac mortgage-related securities. These amounts exclude resecuritized PCs into single-class securities.
- (15) Represents (a) PCs, (b) Structured Securities backed by non-Freddie Mac mortgage-related securities and (c) other credit guarantees (as described in Endnote 13 above) held by third parties.
- (16) Excludes Freddie Mac securities purchased in connection with PC market making and support activities, which historically have been reflected in the "Investments" caption on our consolidated balance sheets.
- (17) Liquidations include prepayment activity and delinquent mortgage loans and balloon reset mortgage loans purchased out of PC pools and exclude liquidations on PCs and Structured Securities backed by non-Freddie Mac mortgage-related securities held in the Retained portfolio.
- (18) Total PCs Issued, net of Retained Portfolio PCs represents Total PCs and Structured Securities (as defined in Endnote 9) less PCs and Structured Securities held in the Retained portfolio.
- (19) Calculated based on the ending balance of Total PCs Issued, net of Retained Portfolio PCs.
- (20) We calculate the Annualized Liquidation Rate in Table 6 (Outstanding PCs), which is presented as a percentage of Total PCs Issued, net of Retained Portfolio PCs, to include both liquidations due to repayment activity and liquidations due to the purchase out of PC pools of delinquent loans and balloon reset mortgages.
- (21) Represents the ending balance of PCs and Structured Securities held in connection with our PC market-making and support activities that historically have been reflected in the "Investments" caption on our consolidated balance sheets. As previously announced in our Information Statement Supplement dated October 4, 2004, we ceased the operations of our PC market-making and support activities accomplished through our Securities Sales & Trading Group business unit and our external Money Manager program during the fourth quarter of 2004.
- (22) Represents the ending balance of PCs and Structured Securities held by third parties.
- (23) Calculated based on the ending balance of Outstanding PCs.
- (24) Includes delinquencies on mortgage loans where Freddie Mac has transferred primary or full default risk to various third parties, as well as Structured Securities backed by alternative collateral deals. Previously reported delinquency data is subject to change to reflect currently available information. For example, delinquency data reported for some Structured Securities may be omitted or subsequently revised by servicers of the underlying loans, which may require revision to previously reported numbers. For periods presented in this report, revisions to previously reported delinquency rates have not been significant nor have they significantly affected the overall trend of our Single-Family "Credit Enhanced" and "All Loans" delinquency rates. Delinquencies on mortgage loans underlying alternative collateral deals may be categorized as delinquent on a different schedule than other mortgage loans due to variances in industry practice.
- (25) Our PMVS and Duration Gap measures provide useful estimates of key interest-rate risk exposures. While we believe that PMVS and Duration Gap are useful risk management tools, they should be understood as estimates rather than precise measurements. Methodologies employed to calculate Interest-Rate Risk Sensitivity Disclosures are periodically changed on a prospective basis to reflect improvements in underlying estimation processes. In mid-February 2005, we implemented certain changes in prepayment models in order to better predict future prepayment rates. If these prepayment model changes had not been implemented, or if they had been implemented for the full month of February, PMVS-L for February 2005 would have been slightly higher, rounding to 2% rather than the reported 1%. PMVS-YC and Duration Gap would have been unchanged at 0% and 0 months, respectively.
- (26) Rounded to the nearest percent.
- (27) Rounded to the nearest month.