



\$1,092,787,562

Federal Home Loan Mortgage Corporation

Multiclass Mortgage Participation Certificates, Multiclass Mortgage Securities and Modifiable and Combinable REMIC Certificates, Series 1944

Offered Securities: Classes of Multiclass PCs and Multiclass Securities listed below; MACR Classes listed on Appendix 1 to this Supplement

Guarantee: Principal and interest guaranteed by Freddie Mac, as described in this Supplement

Tax Status: REMIC (Double-Tier, consisting of one Upper-Tier REMIC Pool and three Lower-Tier REMIC Pools)

Underlying Assets: Four Asset Groups, consisting of two Groups of Freddie Mac 7.5% PCs (Gold PCs and Gold Giant PCs), one Group of Freddie Mac 7.5% Callable Pass-Through Certificates (CPCs) and one Group of 7.5% GNMA-Related Securities (GNMA Certificates and Giant Securities)

Payment Dates: Monthly, beginning in April 1997, as described in this Supplement

Redemption of Callable Classes: CPCs underlying Callable Classes are redeemable beginning in March 1998; upon redemption the Callable Classes would be retired

Form of Securities: Regular Classes of Multiclass PCs (non-Retail) and related MACR Classes: Book-entry (Federal Reserve Banks) Regular Classes of Multiclass Securities and related MACR Class: Book-entry (Participants Trust Company) Retail Class (UU): Book-entry (Depository Trust Company); issued in \$1,000 Retail Class Units Residual Classes (R, RA, RB and RC): Certificated

Offering Terms: Classes offered in negotiated transactions at varying prices through Donaldson, Lufkin & Jenrette Securities Corporation (the "Underwriter")

Closing Date: March 27, 1997

The risks associated with the Securities may make them unsuitable for some investors. See "Certain Risk Considerations" and "Prepayment and Yield Analysis" in this Supplement.

Investors should read this Supplement in conjunction with the documents listed under "Available Information" in this Supplement.

The obligations of Freddie Mac under its guarantees of the Securities are obligations of Freddie Mac only. The Securities, including any interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. Income on the Securities has no exemption under federal law from federal, state or local taxation. The Securities are exempt from the registration requirements of the Securities Act of 1933 and are "exempted securities" within the meaning of the Securities Exchange Act of 1934.

Class of Multiclass PCs or Multiclass Securities				Class of Multiclass PCs				Class of Multiclass PCs						
Original Principal Amount(1)	Principal or Other Type(2)	Class Coupon	Interest Type(2)	CUSIP Number	Final Payment Date(3)	Weighted Average Life(4)	Original Principal Amount(1)	Principal or Other Type(2)	Class Coupon	Interest Type(2)	CUSIP Number	Final Payment Date(3)	Weighted Average Life(4)	
A	PAC	6.30%	FIX	3133T9KR5	October 15, 2018	4.5 Yrs	GJ(6) ...	SEQ	7.35%	FIX	3133T9LN3	March 17, 2027	19.6 Yrs	
B	PAC	6.50	FIX	3133T9KS3	May 15, 2021	6.0	GK(6) ...	SEQ	7.65	FIX	3133T9LP8	March 17, 2027	19.6	
BA	Callable/SEQ	7.50	FIX	3133T9KT1	June 15, 2023	4.5	HA	SEQ	10.00	FIX	3133T9LQ6	January 15, 2025	5.5	
BC	Callable/SEQ	7.50	FIX	3133T9KU8	April 15, 2024	10.2	HB	SEQ	7.00	FIX	3133T9LR4	June 15, 2023	4.5	
BE	Callable/SEQ	7.50	FIX	3133T9KV6	February 15, 2025	12.0	HC	SEQ	7.00	FIX	3133T9LS2	January 15, 2025	11.0	
BG	Callable/SEQ	7.50	FIX	3133T9KW4	March 15, 2027	18.6	HD	AD/SEQ/LIQ	7.50	FIX	3133T9LT0	March 15, 2002	2.7	
BH	Callable/SEQ	7.50	FIX	3133T9KX2	February 15, 2023	4.3	HE	AD/SEQ	7.50	FIX	3133T9LU7	March 15, 2007	7.7	
BJ	Callable/SEQ	0.00	PO	3133T9KY0	March 15, 2027	15.2	HF	AD/SEQ	7.50	FIX	3133T9LV5	December 15, 2009	11.4	
BK	Callable/SEQ	7.50	FIX	3133T9KZ7	December 15, 2022	4.2	HZ	SEQ	7.50	FIX/Z	3133T9LW3	March 15, 2027	18.3	
BL	Callable/SEQ	7.50	FIX	3133T9L29	June 15, 2025	11.1	J	CPT/SCH	9.00	FIX	3133T9LX1	March 15, 2027	4.0	
BM	Callable/SEQ	8.00	FIX	3133T9L37	March 15, 2027	19.3	K	CPT/SCH	7.25	FIX	3133T9LY9	March 15, 2027	4.0	
BN	Callable/SEQ	0.00	PO	3133T9L45	March 15, 2027	19.3	L	NTL(PAC)	7.50	FIX/IO	3133T9LZ6	March 15, 2027	—	
BO	Callable/SEQ	(5)	FIX	3133T9L52	March 15, 2027	18.6	M	SUP	7.50	FIX	3133T9M28	August 15, 2025	1.5	
BX	Callable/NTL(SEQ)	0.90	FIX/IO	3133T9L60	March 15, 1998	—	N	SUP	7.50	FIX	3133T9M36	October 15, 2025	3.0	
BY	Callable/SEQ	0.00	PO	3133T9L78	March 15, 2027	16.9	O	SUP	7.50	FIX	3133T9M44	December 15, 2025	5.0	
C	PAC	6.75	FIX	3133T9L86	December 15, 2023	8.0	P	SUP	517,000	FIX	3133T9M51	January 15, 2026	8.5	
D	PAC	6.90	FIX	3133T9L94	December 15, 2025	11.0	SB	SUP	3,001,667	(5)	INV	3133T9MD4	March 15, 2027	20.3
E	PAC	7.15	FIX	3133T9LA1	March 15, 2027	17.5	SC	Callable/SEQ	(5)	INV/DLY	3133T9ME2	March 15, 2027	16.9	
F(6)	SEQ	(5)	FLT	3133T9LB9	May 17, 2022	4.5	SD	Callable/NTL(SEQ)	(5)	INV/IO	3133T9MF9	March 15, 2027	—	
FB	SUP	(5)	FLT	3133T9LC7	March 15, 2027	20.3	SE	Callable/SEQ	(5)	INV/DLY	3133T9MG7	March 15, 2027	19.3	
FC	Callable/SEQ	(5)	FLT/DLY	3133T9LD5	March 15, 2027	16.9	SH	Callable/SEQ	(5)	INV/DLY	3133T9MH5	March 15, 2027	19.3	
FD	Callable/SEQ	(5)	FLT	3133T9LE3	March 15, 2027	15.2	SX(6)	NTL(SEQ)	(5)	INV/IO	3133T9MK8	May 17, 2022	—	
FE	Callable/SEQ	(5)	FLT	3133T9LF0	March 15, 2027	15.2	SY(6)	NTL(SEQ)	(5)	INV/IO	3133T9ML6	May 17, 2022	—	
FG	Callable/SEQ	(5)	FLT/DLY	3133T9LG8	March 15, 2027	19.3	U	Callable/SEQ/RTL	8.00	FIX	3133T9MM4	March 15, 2027	19.3	
GB(6)	SEQ	7.50	FIX	3133T9LH6	April 17, 2024	12.0	R(6)	0	NPR	0.00	NPR	3133T9M69	March 17, 2027	—
GC(6)	SEQ	7.50	FIX	3133T9LJ2	March 17, 2027	19.6	RA	0	NPR	0.00	NPR	3133T9M93	March 15, 2027	—
GD(6)	SEQ	6.75	FIX	3133T9LK9	February 17, 2003	0.5	RB	0	NPR	0.00(7)	NPR	3133T9MA0	March 15, 2027	—
GE(6)	SEQ	6.75	FIX	3133T9LL7	July 17, 2021	4.5	RC(6)	0	NPR	0.00	NPR	3133T9MB8	March 17, 2027	—
GH(6)	SEQ	6.75	FIX	3133T9LM5	May 17, 2022	9.7								

(1) The amount shown for a Notional Class is its original notional principal amount and does not represent principal that will be paid; see "Payments — Interest" in this Supplement.

(2) See "Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes" in the Multiclass PC Offering Circular and "Description of Multiclass Securities — Standard Definitions and Abbreviations for Classes" in the Multiclass Securities Offering Circular. The type of Class with which a Notional Class will reduce is indicated in parentheses.

(3) See "Final Payment Dates" in this Supplement.

(4) Determined as described under "Prepayment and Yield Analysis" in this Supplement, and subject to the assumptions and qualifications in that section. Weighted average lives are calculated at the "Prepayment Assumption" shown under "Certain Federal Income Tax Consequences — Regular Classes" in this Supplement. Prepayments will not occur at the rates assumed, and the actual weighted average lives of the Classes may differ significantly from those shown. Because Retail Class investors will receive principal payments subject to the priorities, limitations and allocations described in this Supplement, the weighted average lives of Retail Class Units will vary among different investors.

(5) Calculated as shown under "Terms Sheet — Class Coupons" in this Supplement.

(6) Classes of Multiclass Securities; other Classes shown are Multiclass PCs.

(7) Under certain circumstances, the RB Class could receive payments as described under "Payments — Interest — Fixed Rate Classes" in this Supplement.

Donaldson, Lufkin & Jenrette
Securities Corporation
 Offering Circular Supplement Dated February 11, 1997

CERTAIN RISK CONSIDERATIONS

THE SECURITIES ARE NOT SUITABLE INVESTMENTS FOR ALL INVESTORS. IN PARTICULAR, NO INVESTOR SHOULD PURCHASE SECURITIES OF ANY CLASS UNLESS THE INVESTOR UNDERSTANDS AND IS ABLE TO BEAR THE PREPAYMENT, REDEMPTION, YIELD, LIQUIDITY AND MARKET RISKS ASSOCIATED WITH THAT CLASS.

The Securities are complex securities and it is important that each investor in any Class possess, either alone or together with an investment advisor, the expertise necessary to evaluate the information contained and incorporated in this Supplement in the context of that investor's financial situation.

The yield of each Class will depend upon its purchase price, its sensitivity to the rate of principal payments on the related Mortgages, the actual characteristics of the related Mortgages and, in the case of the Callable Classes, whether a redemption of the Group 3 Asset occurs (as described under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement). In addition, the yields of the Floating Rate and Inverse Floating Rate Classes will be sensitive to the level of LIBOR or the Prime Rate, as applicable (each, an "Index"). The Mortgages are subject to prepayment at any time without penalty. Mortgage prepayment rates are likely to fluctuate significantly from time to time, as is the level of each Index. Investors should consider the associated risks, including:

- Fast prepayment rates on the related Mortgages or, in the case of the Callable Classes, a redemption of the Group 3 Asset can reduce the yields of the Interest Only Classes and any other Classes purchased at a premium over their principal amounts. Under some prepayment and redemption scenarios, investors in such Classes (especially Interest Only and Callable Classes) could fail to fully recover their investments.
- Slow prepayment rates on the related Mortgages and, in the case of the Callable Classes, the absence of a redemption of the Group 3 Asset, can reduce the yields of the Principal Only Classes and any other Classes purchased at a discount to their principal amounts.
- Small differences in the characteristics of the Mortgages can have a significant effect on the weighted average lives and yields of the related Classes.
- Low levels of the applicable Index can reduce the yields of the Floating Rate Classes.
- High levels of the applicable Index can significantly reduce the yields of the Inverse Floating Rate Classes and (especially in combination with fast Mortgage prepayment rates or, if applicable, a redemption of the Group 3 Asset) may result in the failure of investors in the S, SD, SX and SY Classes to fully recover their investments.
- Because Retail Class investors will receive principal payments subject to the priorities, limitations and allocations described in this Supplement, the weighted average lives of the Retail Class Units will vary among different investors.
- The Group 3 Asset consists of a Callable Class of Freddie Mac's CPCs, Series C039 ("Series C039"). As further described under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement, the Group 3 Asset may be redeemed on any Payment Date beginning in March 1998 at the direction of the holder of the related Call Class of Series C039. The holder of the related Call Class, which may include the Underwriter (or an affiliate), may also be a Holder of one or more Callable Classes of this Series, such as an Interest Only or a Principal Only Class, which may affect such holder's decision whether to direct a redemption of the Group 3 Asset. The redemption of the Group 3 Asset would result in the concurrent retirement of all Callable Classes then outstanding and would reduce the weighted average lives of such Classes, perhaps significantly.
- In general, principal payment rates on the Support and Sequential Pay Classes (other than the HD, HE and HG Classes, which are also Accretion Directed Classes) are likely to exhibit a higher sensitivity to prepayments on the related Mortgages than are principal payment rates on the PAC, Scheduled and Accretion Directed Classes.

See "Prepayment and Yield Analysis" in this Supplement.

The Underwriter intends to make a market for the purchase and sale of the Securities after their initial issuance but has no obligation to do so. There is no assurance that such a secondary market will develop or, if it develops, that it will continue. Consequently, investors may not be able to sell their Securities readily or at prices that will enable them to realize their desired yield. The market values of the Securities are likely to fluctuate; such fluctuations may be significant and could result in significant losses to investors. In addition, the redemption feature of the Group 3 Asset may affect the market values of the Callable Classes.

The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of Securities that are especially sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment requirements of limited categories of investors.

Freddie Mac's Multiclass Mortgage Participation Certificates Offering Circular dated January 1, 1997 (the "Multiclass PC Offering Circular") and its Multiclass Mortgage Securities Offering Circular dated January 1, 1997 (the "Multiclass Securities Offering Circular" and, together with the Multiclass PC Offering Circular, the "Multiclass Offering Circulars") accompany this Supplement. Capitalized terms that are used in this Supplement without further definition have the meanings given them in the Multiclass Offering Circulars. Investors should purchase Securities only if they have read and understood this Supplement, the Multiclass Offering Circulars and the documents listed under "Available Information" in this Supplement.

TERMS SHEET

This Terms Sheet contains selected information about this Series. Investors should refer to the remainder of this Supplement for further information.

MACR Certificates

This Series provides for the issuance of Classes (each, a “MACR Class”) of Modifiable and Combinable REMIC Certificates (“MACR Certificates”) in exchange for certain Classes of Multiclass PCs or Multiclass Securities. Holders of such Multiclass PCs or Multiclass Securities will be entitled to exchange all or a portion of their Multiclass PCs or Multiclass Securities for related MACR Certificates, and Holders of MACR Certificates will be entitled to exchange all or a portion of their MACR Certificates for related Multiclass PCs or Multiclass Securities. Appendix 1 to this Supplement shows the characteristics of the MACR Classes and the “Combinations” of Classes of Multiclass PCs or Multiclass Securities and related MACR Certificates. As used in this Supplement, unless the context requires otherwise, the term “Securities” includes Multiclass PCs, Multiclass Securities and MACR Certificates and the term “Classes” includes Classes of Multiclass PCs, Multiclass Securities and MACR Certificates.

See “MACR Certificates” in the Multiclass Offering Circulars for a description of MACR Certificates and procedures for effecting exchanges. The fee payable to Freddie Mac in connection with each exchange involving Combinations 2 or 3 will equal 2/32 of 1% of the outstanding principal amount (exclusive of any notional principal amount) of the Securities submitted for exchange (but not less than \$5,000). The fee payable to Freddie Mac in connection with an exchange involving Combination 1 will equal 2/32 of 1% of the outstanding notional principal amount of the Securities submitted for exchange (but not more than \$60,000).

Class Coupons

The Fixed Rate Classes (other than the BO Class) will bear interest at the Class Coupons shown on the cover page of this Supplement or on Appendix 1 to this Supplement.

The BO Class will bear interest during the first 12 Accrual Periods at a Class Coupon of 9.0% per annum and will bear interest thereafter at a Class Coupon of 7.5% per annum.

The BJ, BN and BY Classes are Principal Only Classes and will not bear interest.

The Floating Rate and Inverse Floating Rate Classes will bear interest as follows:

Multiclass PCs and Multiclass Securities

Class	Initial Rate(1)	Class Coupon	Class Coupon Subject to	
			Minimum Rate	Maximum Rate
F	5.675%	LIBOR + 0.30%	0.30%	9.5%
FB	6.575	LIBOR + 1.20%	1.20	9.0
FC(2)	6.6875	LIBOR + 1.25%	1.25	9.0
FD	6.5375	LIBOR + 1.10%	1.10	9.25
FG(2)	7.0	Prime Rate – 1.25%	0	9.0
SB	12.125	39.0% – (LIBOR × 4.999999)	0	39.0
SC(2)	18.5	62.0% – (LIBOR × 8)	0	62.0
SD	2.7125	8.15% – LIBOR	0	8.15
SG(2)	20.0	152.0% – (Prime Rate × 16)	0	132.0
SH(2)	12.0	164.0% – (Prime Rate × 16)	0	12.0
SX	2.125	7.5% – LIBOR	0	7.5
SY	1.7	9.2% – LIBOR	0	1.7

Class	Initial Rate(1)	Class Coupon	Minimum Rate	Maximum Rate
FE	5.6375%	Through March 15, 1998: LIBOR + 0.2% After March 15, 1998: LIBOR + 1.1%	0.2% 1.1	8.35% 9.25

(1) Initial Rate will be in effect during the first Accrual Period; Class Coupon will adjust monthly thereafter.
(2) Delay Classes.

MACR Classes

Class	Initial Rate(1)	Class Coupon	Class Coupon Subject to	
			Minimum Rate	Maximum Rate
S	3.825%	9.2% — LIBOR	0%	9.2%
SW	11.62499967	34.92857044% — (LIBOR × 4.285714164)	0	34.92857044

(1) Initial Rate will be in effect during the first Accrual Period; Class Coupon will adjust monthly thereafter.

See “Payments — Interest” in this Supplement, “Description of Multiclass PCs — Interest Rate Indices” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Interest Rate Indices” in the Multiclass Securities Offering Circular.

Notional Classes

Multiclass PCs and Multiclass Securities

Class	Original Notional Principal Amount	Reduces Proportionately With
BX*	\$36,104,459	FE (Callable/Sequential Pay Class)
L	\$ 1,825,920	A (PAC Class)
	1,753,867	B (PAC Class)
	1,637,300	C (PAC Class)
	1,354,000	D (PAC Class)
	571,153	E (PAC Class)
	<u>\$ 7,142,240</u>	
SD	\$86,104,459	FD and FE (Callable/Sequential Pay Classes)
SX and SY	44,074,364	F (Sequential Pay Class)

* The notional principal amount of the BX Class reduces proportionately with the FE Class through March 15, 1998, the Final Payment Date for the BX Class, and will be reduced to zero on that date.

MACR Class

Class	Original Notional Principal Amount	Reduces Proportionately With
S	\$44,074,364	F (Sequential Pay Class)

See “Payments — Interest — Notional Classes” in this Supplement.

Components

Designation	Original Principal Amount	Principal Type*
J-1	\$ 4,017,000	PAC
J-2	3,695,286	SCH
	<u>\$ 7,712,286</u>	
K-1	\$24,102,000	PAC
K-2	22,171,714	SCH
	<u>\$46,273,714</u>	

* See “Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes” in the Multiclass PC Offering Circular.

See “Payments — Principal — Component Classes” in this Supplement.

Allocation of Principal

On each Payment Date, Freddie Mac will pay:

Multiclass PCs

- The “Group 1 Asset Principal Amount” for that Payment Date to the Classes and Components shown below in the following order of priority:

- | | | |
|-----------|---|--|
| PAC | { | 1. To the PAC Classes and Components, until reduced to their “Targeted Balances” for that Payment Date, allocated: |
| | | (a) To J-1 and K-1, pro rata, and then |
| | | (b) To A, B, C, D and E, in that order |
| Scheduled | { | 2. To J-2 and K-2, pro rata, until reduced to their Targeted Balances for that Payment Date |
| Support | { | 3. To M, N, O and P, in that order, until retired |
| | | 4. To FB and SB, pro rata, until retired |
| Scheduled | { | 5. To J-2 and K-2, pro rata, until retired |
| PAC | { | 6. To the PAC Classes and Components as in Step 1, but without regard to their Targeted Balances, until retired |

- | | | |
|--------------------------------|---|---|
| Accretion Directed and Accrual | { | • The “Accrual Amount” for that Payment Date to HD, HE and HG, in that order, until retired, and then to HZ |
|--------------------------------|---|---|

- The “Group 2 Asset Principal Amount” for that Payment Date to the Classes shown below in the following order of priority:

- | | | |
|----------------|---|---|
| Sequential Pay | { | 1. Concurrently: |
| | | (a) 16.6666668777% to HA, until retired |
| | | (b) 83.3333331223% to HB and HC, in that order, until retired |
| | | 2. To HD, HE, HG and HZ, in that order, until retired |

- The “Group 3 Asset Principal Amount” for that Payment Date to the Classes shown below in the following order of priority:

- | | | |
|----------------|---|--|
| Sequential Pay | { | 1. Concurrently: |
| | | (a) 14.7705761291% as follows: |
| | | (i) To BA and BC, in that order, until retired, and then |
| | | (ii) 61.3751972190% to BY, FC and SC, pro rata, and 38.6248027810% to (A) BE, until retired, and then (B) BG and BO, pro rata, until retired |
| | | (b) 60.8781599078% as follows: |
| | | (i) To BH, until retired, and then |
| | | (ii) To BJ, FD and FE, pro rata, until retired |
| | | (c) 24.3512639631% as follows: |
| | | (i) To BK and BL, in that order, until retired, and then |
| | | (ii) To BM, BN, FG, SG, SH and UU, pro rata, until retired |

Multiclass Securities

- The “GNMA Principal Payment Amount” for that Payment Date to the Classes shown below in the following order of priority:

- Sequential Pay
1. Concurrently:
 - (a) 27.2727274977% to F, until retired
 - (b) 72.7272725023% to GD, GE and GH, in that order, until retired
 2. To GB, until retired
 3. To GC, GJ and GK, pro rata, until retired

The Targeted Balances (shown under “Payments — Principal — Targeted Balances Schedules” in this Supplement) were structured as follows:

<u>Class or Component</u>	<u>Structuring Range</u>
PAC Classes and Components	100% PSA – 285% PSA
Scheduled Components	150% PSA – 175% PSA

MACR Classes

On any Payment Date when payments of principal are to be allocated from Multiclass PCs or Multiclass Securities to related MACR Certificates, such payments will be allocated from the applicable Class or Classes of Multiclass PCs or Multiclass Securities to the related MACR Class.

See “Payments — Principal” and “Prepayment and Yield Analysis” in this Supplement.

Retail Class

The UU Class will be a Retail Class. Investors in the Retail Class will receive principal payments in \$1,000 “Retail Class Units,” subject to the priorities, limitations and allocations described under “Payments — Retail Class Principal Payments” in this Supplement. Also see “Prepayment and Yield Analysis — Prepayment and Weighted Average Life Considerations — Retail Class” in this Supplement.

Freddie Mac Guarantee

Freddie Mac guarantees to each Holder of a Security (i) the timely payment of interest at the applicable Class Coupon and (ii) the payment of the principal amount of the Holder’s Security as described in this Supplement. The Government National Mortgage Association (“GNMA”) guarantees the payment of interest and principal on GNMA Certificates.

REMIC Status

Freddie Mac will form an “Upper-Tier REMIC Pool” and three “Lower-Tier REMIC Pools” for this Series. Elections will be made to treat each REMIC Pool as a “real estate mortgage investment conduit” (“REMIC”) pursuant to the Internal Revenue Code. The R, RA, RB and RC Classes will be “Residual Classes” and the other Classes of Multiclass PCs and Multiclass Securities will be “Regular Classes.” The Residual Classes will be subject to transfer restrictions. See “Certain Federal Income Tax Consequences” in this Supplement and in the Multiclass Offering Circulars.

Weighted Average Lives (in years)*

Group 1

	PSA Prepayment Assumption				
	0%	100%	175%	285%	450%
A	14.7	4.5	4.5	4.5	3.7
B	17.5	6.0	6.0	6.0	4.4
C	20.2	8.0	8.0	8.0	5.4
D	22.7	11.0	11.0	11.0	7.2
E	24.6	17.5	17.5	17.5	11.7
FB and SB	29.1	26.1	20.3	2.7	1.6
J and K	16.7	8.5	4.0	3.1	2.3
M	27.8	20.3	1.5	0.5	0.3
N	28.0	21.1	3.0	1.1	0.6
O	28.2	22.0	5.0	1.4	0.9
P	28.4	22.5	8.5	1.6	1.0
Group 1 Assets	20.4	11.7	8.5	5.9	4.1

Group 2

	PSA Prepayment Assumption				
	0%	100%	185%	300%	450%
HA	18.3	8.4	5.5	3.8	2.8
HB	16.8	6.9	4.5	3.2	2.4
HC	26.4	16.9	11.0	7.3	5.1
HD	2.7	2.7	2.7	2.7	2.7
HE	7.7	7.7	7.7	7.4	6.1
HG	11.4	11.4	11.4	9.2	6.8
HZ	28.6	24.0	18.3	13.8	10.1
Group 2 Assets	20.4	11.7	8.2	5.7	4.1

Group 3

	PSA Prepayment Assumption				
	0%	100%	185%	300%	450%
Redemption on March 15, 1998					
BA	1.0	1.0	0.9	0.9	0.9
BC	1.0	1.0	1.0	1.0	1.0
BE	1.0	1.0	1.0	1.0	1.0
BG and BO	1.0	1.0	1.0	1.0	1.0
BH	1.0	1.0	0.9	0.9	0.9
BJ, FD, FE, SW and W	1.0	1.0	1.0	1.0	1.0
BK	1.0	1.0	0.9	0.9	0.9
BL	1.0	1.0	1.0	1.0	1.0
BM, BN, FG, SG, SH and UU**	1.0	1.0	1.0	1.0	1.0
BY, FC and SC	1.0	1.0	1.0	1.0	1.0
Group 3 Asset	1.0	1.0	1.0	0.9	0.9

* Determined as described under "Prepayment and Yield Analysis" in this Supplement, and subject to the assumptions and qualifications in that section. Prepayments will not occur at any assumed rate shown or any other constant rate, a redemption of the Group 3 Asset may occur on a date other than a date shown and the actual weighted average lives of any or all of the Classes and of the Assets are likely to differ from those shown, perhaps significantly.

** The weighted average lives shown in the table for the Retail Class apply to that Class as a whole and are not likely to reflect the experience of any Retail Class investor. Because Retail Class investors will receive principal payments subject to the priorities, limitations and allocations described under "Payments — Retail Class Principal Payments" in this Supplement, the weighted average lives of Retail Class Units will vary among different investors.

	PSA Prepayment Assumption				
	0%	100%	185%	300%	450%
Redemption on March 15, 2002					
BA	4.8	4.2	3.7	3.0	2.4
BC	5.0	5.0	5.0	5.0	4.8
BE	5.0	5.0	5.0	5.0	5.0
BG and BO	5.0	5.0	5.0	5.0	5.0
BH	4.8	4.1	3.6	3.0	2.3
BJ, FD, FE, SW and W	5.0	5.0	5.0	5.0	4.9
BK	4.8	4.1	3.6	2.9	2.3
BL	5.0	5.0	5.0	5.0	4.8
BM, BN, FG, SG, SH and UU**	5.0	5.0	5.0	5.0	5.0
BY, FC and SC	5.0	5.0	5.0	5.0	5.0
Group 3 Asset	4.9	4.4	4.1	3.7	3.2
No Redemption					
BA	16.8	6.9	4.5	3.2	2.4
BC	25.9	15.8	10.2	6.8	4.8
BE	26.9	18.2	12.0	8.0	5.6
BG and BO	28.7	24.3	18.6	13.1	9.1
BH	16.5	6.7	4.3	3.0	2.3
BJ, FD, FE, SW and W	27.6	20.9	15.2	10.5	7.3
BK	16.3	6.5	4.2	3.0	2.3
BL	26.3	16.9	11.1	7.4	5.2
BM, BN, FG, SG, SH and UU**	28.8	24.8	19.3	13.6	9.4
BY, FC and SC	28.2	22.7	16.9	11.7	8.1
Group 3 Asset	20.4	11.7	8.2	5.7	4.1

** The weighted average lives shown in the table for the Retail Class apply to that Class as a whole and are not likely to reflect the experience of any Retail Class investor. Because Retail Class investors will receive principal payments subject to the priorities, limitations and allocations described under “Payments — Retail Class Principal Payments” in this Supplement, the weighted average lives of Retail Class Units will vary among different investors.

Group 4

	PSA Prepayment Assumption				
	0%	75%	140%	250%	400%
F	15.3	7.2	4.5	2.7	1.7
GB	24.6	17.5	12.0	7.3	4.6
GC, GJ and GK	27.0	23.9	19.6	13.4	8.7
GD	2.8	0.7	0.5	0.3	0.2
GE	16.0	7.2	4.5	2.7	1.7
GH	23.3	14.8	9.7	5.8	3.7
Group 4 Assets	19.2	12.3	8.9	5.7	3.7

The Assets

The Assets will consist of:

- (i) \$150,000,000 of Freddie Mac 7.5% per annum PCs (the “Group 1 Assets”)
- (ii) \$200,000,000 of Freddie Mac 7.5% per annum PCs (the “Group 2 Assets”)
- (iii) \$492,787,562 of Freddie Mac 7.5% per annum CPCs, Series C039, Class A1 (the “Group 3 Asset”)
- (iv) \$250,000,000 of 7.5% per annum GNMA-Related Securities (the “Group 4 Assets”)

The Group 3 Asset will have the following characteristics:

Class	Percentage of Class in Related Lower-Tier REMIC Pool	Principal Amount in Related Lower-Tier REMIC Pool as of Closing Date	March 1997 Class Factor	Class Coupon	Principal Type/Interest Type(1)	Final Payment Date
C039-A1	100%	\$492,787,562	1.0000000	7.5%	Callable/FIX	March 15, 2027

(1) See “Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes” in the Multiclass PC Offering Circular.

The Group 3 Asset may be redeemed by Freddie Mac at the direction of the holder of the related Call Class of Series C039 on any Payment Date beginning in March 1998 if, as of the date Freddie Mac receives notice of intention to redeem, the underlying Giant PC has a market value:

- (i) for a redemption on any Payment Date through February 15, 2000, that is in excess of 102% of its principal amount, or
- (ii) for a redemption on any Payment Date thereafter, that is in excess of its principal amount.

A redemption is most likely to occur if prevailing interest rates have declined. Upon a redemption of the Group 3 Asset, investors in each Callable Class will receive the outstanding principal amount of the investor's Security, plus interest (if any), calculated as described under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement.

See "Payments — Redemption and Exchange" in the Series C039 Asset Offering Circular, "General Information — Structure of Transaction" and "Prepayment and Yield Analysis" in this Supplement and Exhibit I to this Supplement.

Assumed Mortgage Characteristics (as of March 1, 1997)

<u>Asset Group</u>	<u>Principal Balance</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Per Annum Interest Rate</u>	<u>Per Annum Interest Rate of Related PCs or GNMA-Related Securities</u>
1	\$150,000,000	358	2	8.15%	7.5%
2	\$200,000,000	358	2	8.15%	7.5%
3	\$492,787,562	358	2	8.15%	7.5%
4	\$250,000,000	341	17	8.00%	7.5%

The actual remaining terms to maturity, loan ages and (except in the case of Asset Group 4) interest rates of most of the Mortgages differ from those shown above, in some cases significantly. See "General Information — Structure of Transaction" and "— The Mortgages" in this Supplement.

AVAILABLE INFORMATION

Investors should purchase Securities only if they have read and understood this Supplement, the Multiclass Offering Circulars and the following documents:

- Freddie Mac's Offering Circular Supplement for its Series C039 CPCs, the cover page and Terms Sheet from which are attached to this Supplement (the "Series C039 Asset Offering Circular").
- Freddie Mac's Mortgage Participation Certificates Offering Circular dated September 1, 1995 (the "PC Offering Circular"), which describes Gold PCs generally.
- Freddie Mac's Giant Participation Certificates and Other Pass-Through Participation Certificates Offering Circular dated January 1, 1997 (the "Giant PC Offering Circular"), which describes Gold Giant PCs generally.
- Freddie Mac's Giant GNMA-Backed Securities and Other Pass-Through Securities Offering Circular dated January 1, 1997 (the "Giant Securities Offering Circular"), which describes Giant Securities generally.
- Freddie Mac's Information Statement dated March 29, 1996, its Information Statement Supplements dated May 15, 1996, August 14, 1996, November 14, 1996 and January 30, 1997 and any other Information Statement Supplements published by Freddie Mac through the time of purchase.

This Supplement incorporates by reference the documents listed above. Investors can order these documents: *from Freddie Mac*, by writing or calling its Investor Inquiry Department at 8200 Jones Branch Drive, McLean, Virginia 22102 (outside Washington, D.C. metropolitan area, phone 800/336-FMPC; within Washington, D.C. metropolitan area, phone 703/450-3777); or *from the Underwriter*, by writing or calling its Prospectus Department at 277 Park Avenue, 7th Floor, New York, New York 10172 (phone 212/892-4525).

Freddie Mac will publish a Supplemental Statement applicable to this Series (which will contain a schedule of the Assets and other information) shortly after the Closing Date. Investors can obtain the Supplemental Statement, any offering materials for specific PCs and Giant Securities and historic and current information concerning specific PCs and Giant Securities and concerning the Securities from Freddie Mac's Investor Inquiry Department.

Freddie Mac's Internet Web-Site (<http://www.freddiemac.com>) will display this Supplement, the Supplemental Statement, schedules of the PCs and GNMA-Related Securities and information, updated monthly, regarding each Class of this Series.

GENERAL INFORMATION

Multiclass Agreement

Freddie Mac will create the Securities under the Multiclass Mortgage Participation Certificate Agreement and the Multiclass Mortgage Security Agreement, each dated as of January 1, 1997, and a Terms Supplement, to be dated the Closing Date (collectively, the "Multiclass Agreement"). Investors can order copies of the Multiclass Agreement by writing or calling the Investor Inquiry Department at Freddie Mac at the address or phone numbers shown under "Available Information" in this Supplement. The Multiclass Agreement is incorporated by reference in this Supplement.

Holders and anyone having a beneficial interest in the Securities should refer to the Multiclass Agreement for a complete description of their rights and obligations and the rights and obligations of Freddie Mac. Holders and beneficial owners of Securities will acquire their Securities subject to all terms and conditions of the Multiclass Agreement, including the Terms Supplement.

Form of Securities

Non-Retail Classes

The Regular Classes of Multiclass PCs and the MACR Classes backed by the Group 1, Group 2 or Group 3 Assets (the “Group 1 Classes,” “Group 2 Classes” or “Group 3 Classes,” respectively), other than the Retail Class, will be issued and may be held of record and transferred only on the book-entry system of the Federal Reserve Banks by entities eligible to maintain book-entry accounts with a Federal Reserve Bank (“Fed Participants”).

The Regular Classes of Multiclass Securities and the MACR Class backed by the Group 4 Assets (the “Group 4 Classes”) will be maintained and transferred through the book-entry facilities of Participants Trust Company or its successor (the “Depository”) subject to the rules and procedures of the Depository in effect from time to time. The Depository is a New York-chartered limited purpose trust company registered with the Securities and Exchange Commission as a clearing agency pursuant to Section 17A of the Securities Exchange Act of 1934. The Depository performs services for its participants, principally brokerage firms and other financial institutions (“Depository Participants”), some of which own the Depository.

Each of the Group 4 Classes will be represented by one or more certificates held by or on behalf of the Depository. Neither Holders nor beneficial owners of such Classes will receive certificates. Beneficial ownership will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary where the beneficial owner maintains an account for that purpose. In turn, the financial intermediary’s interest in such a Class will be recorded on the records of the Depository (or of a Depository Participant that acts as agent for the financial intermediary, if the intermediary is not itself a Depository Participant).

The Residual Classes will be issued and may be held of record only in certificated form and will be transferable at Texas Commerce Bank National Association or its successor (the “Registrar”).

The Classes other than the Retail Class will be issued in the denominations specified under “Description of Multiclass PCs — Form of Multiclass PCs, Holders, Minimum Principal Amounts and Transfers” in the Multiclass PC Offering Circular or “Description of Multiclass Securities — Form of Multiclass Securities, Holders, Minimum Principal Amounts and Transfers” in the Multiclass Securities Offering Circular.

Retail Class

The UU Class will be represented by one or more certificates held by or on behalf of The Depository Trust Company or its successor (the “Retail Depository”). The Retail Depository is a New York-chartered limited purpose trust company that performs services for its participants (the “Retail Depository Participants”), principally brokerage firms and other financial institutions. The Retail Depository will maintain the Retail Class through its book-entry facilities in principal amounts of \$1,000 each (“Retail Class Units”). The Retail Depository will record the positions held by each Retail Depository Participant in Retail Class Units, whether held for the Retail Depository Participant’s own account or for another person.

Investors in the Retail Class will be subject to the rules and procedures of the Retail Depository and Retail Depository Participants in effect from time to time. Retail Class investors will not receive certificates. Rather, each investor’s ownership interest in the Retail Class will be recorded, in Retail Class Units, on the records of the brokerage firm, bank, thrift institution or other financial intermediary where the investor maintains an account for this purpose. In turn, the financial intermediary’s interest in the Retail Class will be recorded, in Retail Class Units, on the records of the Retail Depository (or of a Retail Depository Participant that acts as agent for the financial intermediary, if the intermediary is not itself a Retail Depository Participant). Investors may transfer their Retail Class Units only through their brokers or other financial intermediaries, in compliance with their procedures.

Holders

The term “Holders” means (i) in the case of a Group 1, Group 2 or Group 3 Class (other than the Retail Class), the Fed Participants that appear on the book-entry records of a Federal Reserve Bank as holders of

that Class, (ii) in the case of a Group 4 Class, the Depository Participants that appear on the book-entry records of the Depository as registered holders of that Class, (iii) in the case of the Retail Class, the Retail Depository or its nominee and (iv) in the case of a Residual Class, the entities or individuals that appear on the records of the Registrar as the registered holders of that Class. The beneficial owner of a Security is not necessarily the Holder.

Structure of Transaction

General

This Series will be a “Double-Tier Series.” The Regular Classes of Multiclass PCs and Multiclass Securities and the R Class will represent beneficial ownership interests in the Upper-Tier REMIC Pool. The Upper-Tier REMIC Pool will consist of (i) the classes of “regular interests” in three Lower-Tier REMIC Pools (the “Mortgage Securities”) and (ii) a non-interest bearing cash deposit of \$999.99 (the “Retail Rounding Account”), to be applied as described in this Supplement. The RA, RB and RC Classes will each represent the residual interest in a separate Lower-Tier REMIC Pool.

The first Lower-Tier REMIC Pool will contain the Group 1 and Group 2 Assets, the second Lower-Tier REMIC Pool will contain the Group 3 Asset, and the third Lower-Tier REMIC Pool will contain the Group 4 Assets.

The Lower-Tier REMIC Pool containing the Group 3 Asset will also include a non-interest bearing cash deposit of \$26,190.00 (the “Cash Deposit”) to be applied to the payment of interest on the BO Class (and its corresponding Mortgage Security) through the twelfth Payment Date. See “Payments — Interest — Fixed Rate Classes” in this Supplement.

The Lower-Tier REMIC Pool containing the Group 4 Assets will also include the rights of that Lower-Tier REMIC Pool under a Guaranteed Investment and Fee Contract (a “GIFC”) to be executed by Freddie Mac in its corporate capacity and dated the Closing Date, and pursuant to which payments on the Group 4 Assets are invested with Freddie Mac from the date of receipt by that Lower-Tier REMIC Pool at a rate of return guaranteed by Freddie Mac. Such investments will be at Freddie Mac’s discretion and for its own risk and benefit. See “Description of Multiclass Securities — General” and “— REMIC Pool Assets” in the Multiclass Securities Offering Circular.

The Underwriter intends to acquire the Assets in privately negotiated transactions before delivering them to Freddie Mac on the Closing Date. On the Closing Date, Freddie Mac expects to acquire the Assets from the Underwriter in exchange for the Multiclass PCs and the Multiclass Securities.

The Group 1 and Group 2 Assets

The Group 1 and Group 2 Assets are PCs, which may include Gold PCs and/or Gold Giant PCs. Gold PCs represent undivided interests in discrete pools consisting of specified Mortgages. Gold Giant PCs represent beneficial ownership interests in discrete pools consisting of specified Gold PCs (or, in some cases, other Gold Giant PCs).

The Group 3 Asset

The Group 3 Asset will represent an interest in a “Pass-Through Pool” consisting of a single Giant PC and the rights of such Pass-Through Pool under a GIFC, as described in the Series C039 Asset Offering Circular. The Giant PC will represent a pass-through interest in the cash flows provided by its underlying PCs. The PCs will include Gold PCs and/or Gold Giant PCs.

The Group 3 Asset is described generally under “Terms Sheet — The Assets” in this Supplement. For additional information about the Group 3 Asset, see the Series C039 Asset Offering Circular and “Prepayment and Yield Analysis — Prepayment and Weighted Average Life Considerations — The Group 3 Asset” in this Supplement. The cover page and terms sheet from the Series C039 Asset Offering Circular are reproduced as Exhibit I to this Supplement.

The Group 3 Asset may be redeemed by Freddie Mac at the direction of the holder of the related Call Class of Series C039 on any Payment Date beginning in March 1998 if, as of the date Freddie Mac receives notice of intention to redeem, the underlying Giant PC has a market value:

(i) for a redemption on any Payment Date through February 15, 2000, that is in excess of 102% of its principal amount, or

(ii) for a redemption on any Payment Date thereafter, that is in excess of its principal amount.

A redemption is most likely to occur if prevailing interest rates have declined. See “Prepayment and Yield Analysis — Yield Considerations” in this Supplement.

The holder of the related Call Class may exercise its option to cause a redemption of the Group 3 Asset upon payment to Freddie Mac of a fee equal to 1/32 of 1% of the first \$100,000,000 of the outstanding principal amount of the Group 3 Asset and 1/64 of 1% of the remainder of such outstanding principal amount (but not less than \$7,500). The redemption price of the Group 3 Asset will equal the sum of:

(a) its outstanding principal amount;

(b) 30 days’ interest on such principal amount at 7.5% per annum; and

(c) additional interest to the extent (and only to the extent) necessary to pay Holders of specified Classes of this Series the additional interest referred to in the next paragraph.

Payment of the redemption price will be in lieu of any payment of principal and interest that would otherwise be made on that Payment Date. Upon a redemption, the holder of the related Call Class will receive the Giant PC underlying the Group 3 Asset. See “Payments — Redemption and Exchange” in the Series C039 Asset Offering Circular.

Upon a redemption of the Group 3 Asset, each Holder of a Callable Class of this Series will receive the outstanding principal amount of that Holder’s Security plus 30 days’ interest at its applicable Class Coupon on such principal amount. In addition, each Holder of a related Fixed Rate Class (other than the BX and W Classes) or Delay Class will receive additional interest at the applicable Class Coupon (as adjusted, in the case of the Delay and BO Classes) for the period from the first day of the month of redemption to the redemption date, based on a principal amount equal to the principal amount of the Holder’s Security that would have remained outstanding immediately after such redemption date if no redemption were to occur (that is, approximately 14 days’ interest on such, possibly reduced, principal amount). As a result, if the Group 3 Asset is redeemed in March 1998, the BO Class will receive 30 days’ interest at its initial Class Coupon and approximately 14 days’ interest at its reduced Class Coupon. Such additional interest will not be payable on the BX and W Classes, nor on the Floating Rate and Inverse Floating Rate Classes that are not Delay Classes.

If the holder of the related Call Class notifies Freddie Mac that it intends to exercise its option to redeem the Group 3 Asset, Freddie Mac, prior to the last day of the calendar month preceding the month in which such redemption is to occur, will notify the Holders of any outstanding Callable Classes of this Series that such Classes will be retired on the next Payment Date. On the first business day of the month of redemption, Freddie Mac will reduce the Class Factor for each such outstanding Callable Class to zero.

The Group 4 Assets

The Group 4 Assets are GNMA-Related Securities, which may include GNMA Certificates and/or Giant Securities. GNMA Certificates represent ownership interests in pools consisting of specified Mortgages. Giant Securities represent beneficial ownership interests in discrete pools consisting of specified GNMA Certificates (or, in some cases, other Giant Securities). All of the GNMA-Related Securities included in the Group 4 Assets are “GNMA I Certificates” or Giant Securities that are backed by GNMA I Certificates. See “Description of Multiclass Securities — GNMA Certificates” in the Multiclass Securities Offering Circular.

The Mortgages

The Mortgages underlying the Assets are fixed-rate, first lien residential mortgages and mortgage participations. For purposes of this Supplement, Freddie Mac has made certain assumptions regarding the remaining terms to maturity, loan ages and interest rates of the Mortgages underlying the Assets. See “Terms Sheet — Assumed Mortgage Characteristics” in this Supplement. However, the characteristics of most of the Mortgages differ from those assumed, in some cases significantly. This is the case even if the *weighted average* characteristics of the Mortgages are the same as those of mortgages having the characteristics assumed. Small differences in the characteristics of the Mortgages can have a significant effect on the weighted average lives and yields of the related Classes. See “Prepayment and Yield Analysis” in this Supplement.

PAYMENTS

Payment Dates; Record Dates

Freddie Mac will make payments of principal and interest on the Securities to Holders entitled to such payments on each Payment Date, beginning in the month following the Closing Date. A “Payment Date” means (i) in the case of the Group 1, Group 2 and Group 3 Classes, the 15th of each month or, if the 15th is not a “Business Day” (as defined under “Offering Circular Summary — Payment Dates” in the Multiclass PC Offering Circular), the next Business Day or (ii) in the case of the Group 4 Classes, the second “Business Day” (as defined under “Offering Circular Summary — Payment Dates” in the Multiclass Securities Offering Circular) after the 15th calendar day of each month.

On each Payment Date, any payment on a Security will be made to the Holder of record as of the end of the preceding calendar month (each, a “Record Date”). On each Payment Date, the Retail Depository will remit payments on the Retail Class to those Retail Depository Participants that held Retail Class Units of record as of the related Record Date.

Method of Payment

Non-Retail Classes

A Federal Reserve Bank will credit payments on the Group 1, Group 2 and Group 3 Classes (other than the Retail Class) to the accounts of Holders of these Classes monthly on each Payment Date.

The Depository will act as Freddie Mac’s paying agent for the Group 4 Classes. The Depository will credit payments on such Classes in immediately available funds to the accounts of Holders of these Classes monthly on each Payment Date in accordance with the rules and procedures of the Depository.

The Registrar will mail any payments on the Residual Classes by check to the addresses of the Holders of these Classes as they appear on the Registrar’s records, not later than the applicable Payment Date. A Holder of a Residual Class will be required to present the Holder’s certificate to the Registrar for payment under the circumstances described under “Description of Multiclass PCs — Form of Multiclass PCs, Holders, Minimum Principal Amounts and Transfers” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Form of Multiclass Securities, Holders, Minimum Principal Amounts and Transfers” in the Multiclass Securities Offering Circular.

A Holder that is not also the beneficial owner of a Security, and each other financial intermediary in the chain to the beneficial owner, will be responsible for remitting payments to their customers.

Retail Class

The Registrar will act as Freddie Mac’s paying agent for the Retail Class. The Registrar will make payments on the Retail Class to the Retail Depository in immediately available funds. The Retail Depository will be responsible for crediting payments to the accounts of the appropriate Retail Depository Participants in accordance with the Retail Depository’s normal procedures. Each Retail Depository Participant, and each other financial intermediary in the chain to the beneficial owner, will be responsible for remitting payments to their customers. Thus, investors in the Retail Class may experience some delay in the receipt of payments.

Interest

Freddie Mac will pay interest on each Payment Date to the Holders of each Class of Securities on which interest has accrued, except in the case of the Accrual Class, which will receive payments as described under “Accrual Class” below.

Categories of Classes

For purposes of interest payments, the Classes of Multiclass PCs and Multiclass Securities will be categorized as shown under “Interest Type” on the cover page of this Supplement, and the MACR Classes will be categorized as shown under “Interest Type” on Appendix 1 to this Supplement. The abbreviations used on the cover page and Appendix 1 are explained under “Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Standard Definitions and Abbreviations for Classes” in the Multiclass Securities Offering Circular.

Accrual Periods

The Accrual Period for the Fixed Rate Classes (other than the BX Class) and the Delay Classes will be the calendar month preceding the related Payment Date. The Accrual Period for the Floating Rate and Inverse Floating Rate Classes other than the Delay Classes and for the BX Class (collectively, the “Non-Delay Classes”) will be from the 15th of the month preceding the related Payment Date to the 15th of the month of that Payment Date (or from the 17th of the month preceding the related Payment Date to the 17th of the month of that Payment Date, in the case of the F, S, SX and SY Classes). In each case, interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest payable on any Class on any Payment Date will consist of 30 days’ interest on its balance as of the related Record Date. In addition, upon a redemption of the Group 3 Asset, Holders of certain Callable Classes will receive additional interest as described under “General Information — Structure of Transaction — The Group 3 Asset” in this Supplement.

Fixed Rate Classes

The Fixed Rate Classes (other than the BO Class) will bear interest at the Class Coupons shown on the cover page of this Supplement or on Appendix 1 to this Supplement.

The BO Class will bear interest during the first 12 Accrual Periods at a Class Coupon of 9.0% per annum and will bear interest thereafter at a Class Coupon of 7.5% per annum. The Cash Deposit will be applied to the payment of interest on the BO Class (and its corresponding Mortgage Security) through the twelfth Payment Date. As of any Payment Date, to the extent that the balance remaining in the Cash Deposit exceeds the amount that may be necessary to pay interest on the BO Class on subsequent Payment Dates, such excess will be passed through to the Holders of the RB Class.

Principal Only Classes

The BJ, BN and BY Classes will be Principal Only Classes and will not bear interest.

Notional Classes

The Notional Classes will not receive principal payments. For convenience in describing interest payments, the Notional Classes will have notional principal amounts. The table under “Terms Sheet — Notional Classes” in this Supplement shows the original notional principal amounts of the Notional Classes and the Class or Classes with which their notional principal amounts (or portions thereof) will reduce proportionately.

Floating Rate and Inverse Floating Rate Classes

The Floating Rate and Inverse Floating Rate Classes will bear interest as shown under “Terms Sheet — Class Coupons” in this Supplement. The Class Coupons for the Floating Rate and Inverse Floating Rate Classes will be based on (i) the arithmetic mean of the London interbank offered quotations for one-month

Eurodollar deposits (“LIBOR”) or (ii) the prime lending rate of major banks as published in *The Wall Street Journal* (the “Prime Rate”).

For information regarding the manner in which Freddie Mac determines the Indices and calculates the Class Coupons for the Floating Rate and Inverse Floating Rate Classes, see “Description of Multiclass PCs — Interest Rate Indices” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Interest Rate Indices” in the Multiclass Securities Offering Circular.

Freddie Mac’s determination of each Index and its calculation of the Class Coupons will be final, except in the case of clear error. Investors can get the Index levels and the Class Coupons for the current and preceding Accrual Periods from Freddie Mac’s Internet Web-Site or by writing or calling Freddie Mac’s Investor Inquiry Department at the address or phone numbers shown under “Available Information” in this Supplement.

Accrual Class

The HZ Class will be an Accrual Class. No payments of interest will be made on the Accrual Class; rather, interest accrued on the Accrual Class during each Accrual Period will be added to its principal amount on the related Payment Date. Payments of principal on the Accrual Class (including accrued interest that has been added to its principal amount) will be made as described under “Terms Sheet — Allocation of Principal” in this Supplement.

Principal

Freddie Mac will pay principal on each applicable Payment Date to the Holders of the Classes on which principal is then due. The Holders of each such Class will receive principal payments on a pro rata basis among the Securities of that Class, subject to special allocation procedures for investors in the Retail Class.

Categories of Classes

For purposes of principal payments, the Classes of Multiclass PCs and Multiclass Securities will be categorized as shown under “Principal or Other Type” on the cover page of this Supplement, and the MACR Classes will be categorized as shown under “Principal or Other Type” on Appendix 1 to this Supplement. The abbreviations used on the cover page and Appendix 1 are explained under “Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Standard Definitions and Abbreviations for Classes” in the Multiclass Securities Offering Circular.

Component Classes

For convenience in describing principal payments, the J and K Classes will be “Component Classes.” Each will be deemed to consist of two “Components” having the designations and original principal amounts shown under “Terms Sheet — Components” in this Supplement. The Components of each Component Class, together, will constitute a single Class and will not be separately issued or transferable.

Amount of Payments

The total amount of principal payments that will be made on the Securities on each Payment Date will equal the sum of:

- the amount of interest, if any, accrued on the HZ Class during the related Accrual Period and not payable as interest on that Payment Date (the “Accrual Amount”);
- the amount of principal payments required to be made on that Payment Date on the Group 1 Assets (the “Group 1 Asset Principal Amount”);
- the amount of principal payments required to be made on that Payment Date on the Group 2 Assets (the “Group 2 Asset Principal Amount”);

- the amount of principal payments required to be made on that Payment Date on the Group 3 Asset (the “Group 3 Asset Principal Amount”); and
- the “GNMA Principal Payment Amount” (as defined under “Class Factors — Group 4 Classes” below) for that Payment Date.

Allocation of Payments

On each Payment Date, Freddie Mac will pay the Accrual Amount, the Group 1, Group 2 and Group 3 Asset Principal Amounts and the GNMA Principal Payment Amount, as described under “Terms Sheet — Allocation of Principal” in this Supplement. Principal that is allocable to the Classes receiving payments from a particular Asset Group will be allocated only to those Classes and will not be available for Classes receiving payments from the other Asset Groups.

Targeted Balances Schedules

The schedules of “Targeted Balances” are shown below.

Targeted Balances*
PAC Classes and Components

<u>Payment Date</u>			<u>Payment Date</u>		
	J-1	K-1		J-1 continued	K-1 continued
April 15, 1997	\$ 3,992,108.64	\$23,952,651.84	April 15, 1999	\$ 2,334,273.34	\$14,005,640.04
May 15, 1997	3,963,552.88	23,781,317.28	May 15, 1999	2,224,018.08	13,344,108.46
June 15, 1997	3,931,339.38	23,588,036.31	June 15, 1999	2,110,809.52	12,664,857.10
July 15, 1997	3,895,476.70	23,372,860.20	July 15, 1999	1,994,697.67	11,968,186.04
August 15, 1997	3,855,975.27	23,135,851.59	August 15, 1999	1,879,157.64	11,274,945.87
September 15, 1997 ..	3,812,847.40	22,877,084.40	September 15, 1999 ..	1,764,186.45	10,585,118.71
October 15, 1997	3,766,107.30	22,596,643.81	October 15, 1999	1,649,781.13	9,898,686.75
November 15, 1997 ..	3,715,771.04	22,294,626.27	November 15, 1999 ..	1,535,938.72	9,215,632.31
December 15, 1997 ..	3,661,856.57	21,971,139.43	December 15, 1999 ..	1,422,656.29	8,535,937.74
January 15, 1998	3,604,383.68	21,626,302.11	January 15, 2000	1,309,930.92	7,859,585.53
February 15, 1998	3,543,374.03	21,260,244.19	February 15, 2000	1,197,759.71	7,186,558.24
March 15, 1998	3,478,851.10	20,873,106.62	March 15, 2000	1,086,139.75	6,516,838.53
April 15, 1998	3,410,840.21	20,465,041.24	April 15, 2000	975,068.19	5,850,409.11
May 15, 1998	3,339,368.47	20,036,210.81	May 15, 2000	864,542.14	5,187,252.85
June 15, 1998	3,264,464.80	19,586,788.78	June 15, 2000	754,558.77	4,527,352.65
July 15, 1998	3,186,159.88	19,116,959.30	July 15, 2000	645,115.25	3,870,691.50
August 15, 1998	3,104,486.16	18,626,916.99	August 15, 2000	536,208.75	3,217,252.52
September 15, 1998 ..	3,019,477.82	18,116,866.92	September 15, 2000 ..	427,836.48	2,567,018.85
October 15, 1998	2,931,170.73	17,587,024.40	October 15, 2000	319,995.63	1,919,973.81
November 15, 1998 ..	2,839,602.48	17,037,614.86	November 15, 2000 ..	212,683.45	1,276,100.69
December 15, 1998 ..	2,744,812.28	16,468,873.71	December 15, 2000 ..	105,897.16	635,382.97
January 15, 1999	2,646,841.02	15,881,046.12	January 15, 2001		
February 15, 1999	2,545,731.15	15,274,386.93	and after	0.00	0.00
March 15, 1999	2,441,526.73	14,649,160.39			

<u>Payment Date</u>		<u>Payment Date</u>		<u>Payment Date</u>	
	A		A continued		A continued
December 15, 2000 and before	\$11,412,000.00	August 15, 2001	\$ 6,303,487.42	May 15, 2002 and after	\$ 0.00
January 15, 2001	11,409,438.16	September 15, 2001 ..	5,588,261.42		
February 15, 2001	10,669,239.13	October 15, 2001	4,876,528.81		
March 15, 2001	9,932,663.99	November 15, 2001 ..	4,168,271.31		B
April 15, 2001	9,199,693.81	December 15, 2001 ..	3,463,470.76	April 15, 2002 and before	\$13,154,000.00
May 15, 2001	8,470,309.75	January 15, 2002	2,762,109.08	May 15, 2002	13,144,692.64
June 15, 2001	7,744,493.08	February 15, 2002	2,064,168.27	June 15, 2002	12,460,257.32
July 15, 2001	7,022,225.15	March 15, 2002	1,369,630.45	July 15, 2002	11,779,154.32
		April 15, 2002	678,477.81		

* The Targeted Balances were calculated using, among other things, the applicable “structuring range” shown under “Terms Sheet — Allocation of Principal” in this Supplement. See “Prepayment and Yield Analysis” in this Supplement.

Payment Date

B
continued

August 15, 2002.....	\$11,101,366.20
September 15, 2002..	10,426,875.61
October 15, 2002....	9,755,665.28
November 15, 2002..	9,087,718.03
December 15, 2002..	8,423,016.79
January 15, 2003....	7,761,544.55
February 15, 2003...	7,103,284.40
March 15, 2003.....	6,448,219.51
April 15, 2003.....	5,796,333.15
May 15, 2003.....	5,147,608.65
June 15, 2003.....	4,502,029.45
July 15, 2003.....	3,859,579.07
August 15, 2003.....	3,220,241.10
September 15, 2003..	2,583,999.23
October 15, 2003....	1,950,837.22
November 15, 2003..	1,320,738.92
December 15, 2003..	693,688.27
January 15, 2004....	69,669.28
February 15, 2004	
and after.....	0.00

C

January 15, 2004	
and before.....	\$16,373,000.00
February 15, 2004...	15,821,666.05
March 15, 2004.....	15,203,662.75
April 15, 2004.....	14,588,643.64
May 15, 2004.....	13,976,593.07
June 15, 2004.....	13,367,495.44
July 15, 2004.....	12,761,335.27
August 15, 2004....	12,158,097.12
September 15, 2004..	11,557,765.66
October 15, 2004....	10,960,325.61
November 15, 2004..	10,365,761.80
December 15, 2004..	9,774,059.11
January 15, 2005....	9,185,202.50
February 15, 2005...	8,599,177.03
March 15, 2005.....	8,015,967.82
April 15, 2005.....	7,435,560.06
May 15, 2005.....	6,857,939.02
June 15, 2005.....	6,283,090.06
July 15, 2005.....	5,710,998.59
August 15, 2005....	5,141,650.11
September 15, 2005..	4,575,030.20
October 15, 2005....	4,011,124.49
November 15, 2005..	3,449,918.71
December 15, 2005..	2,896,568.95
January 15, 2006....	2,352,219.61
February 15, 2006...	1,816,727.42
March 15, 2006.....	1,289,951.36
April 15, 2006.....	771,752.64
May 15, 2006.....	261,994.66
June 15, 2006	
and after.....	0.00

D

May 15, 2006	
and before.....	\$16,925,000.00
June 15, 2006.....	16,685,542.94
July 15, 2006.....	16,192,265.15
August 15, 2006....	15,707,031.03
September 15, 2006..	15,229,712.36
October 15, 2006....	14,760,182.95
November 15, 2006..	14,298,318.60
December 15, 2006..	13,843,997.07
January 15, 2007....	13,397,098.03

Payment Date

D
continued

February 15, 2007 ...	\$12,957,503.05
March 15, 2007.....	12,525,095.57
April 15, 2007.....	12,099,760.88
May 15, 2007.....	11,681,386.04
June 15, 2007.....	11,269,859.93
July 15, 2007.....	10,865,073.16
August 15, 2007....	10,466,918.07
September 15, 2007..	10,075,288.69
October 15, 2007....	9,690,080.74
November 15, 2007..	9,311,191.55
December 15, 2007..	8,938,520.11
January 15, 2008....	8,571,966.98
February 15, 2008...	8,211,434.29
March 15, 2008.....	7,856,825.71
April 15, 2008.....	7,508,046.45
May 15, 2008.....	7,165,003.19
June 15, 2008.....	6,827,602.10
July 15, 2008.....	6,495,758.80
August 15, 2008....	6,169,378.31
September 15, 2008..	5,848,375.10
October 15, 2008....	5,532,662.99
November 15, 2008..	5,222,157.17
December 15, 2008..	4,916,774.16
January 15, 2009....	4,616,431.81
February 15, 2009...	4,321,049.28
March 15, 2009.....	4,030,546.97
April 15, 2009.....	3,744,846.57
May 15, 2009.....	3,463,871.00
June 15, 2009.....	3,187,544.40
July 15, 2009.....	2,915,792.09
August 15, 2009....	2,648,540.60
September 15, 2009..	2,385,717.60
October 15, 2009....	2,127,251.92
November 15, 2009..	1,873,073.50
December 15, 2009..	1,623,113.39
January 15, 2010....	1,377,303.75
February 15, 2010...	1,135,577.80
March 15, 2010.....	897,869.80
April 15, 2010.....	664,115.08
May 15, 2010.....	434,249.99
June 15, 2010.....	208,211.86
July 15, 2010	
and after.....	0.00

E

June 15, 2010	
and before.....	\$12,239,000.00
July 15, 2010.....	12,224,939.05
August 15, 2010....	12,006,370.86
September 15, 2010..	11,791,447.58
October 15, 2010....	11,580,110.43
November 15, 2010..	11,372,301.57
December 15, 2010..	11,167,964.08
January 15, 2011....	10,967,041.92
February 15, 2011...	10,769,479.97
March 15, 2011.....	10,575,223.95
April 15, 2011.....	10,384,220.47
May 15, 2011.....	10,196,416.97
June 15, 2011.....	10,011,761.74
July 15, 2011.....	9,830,203.86
August 15, 2011....	9,651,693.25
September 15, 2011..	9,476,180.61
October 15, 2011....	9,303,617.43
November 15, 2011..	9,133,955.95
December 15, 2011..	8,967,149.19
January 15, 2012....	8,803,150.92
February 15, 2012...	8,641,915.61

Payment Date

E
continued

March 15, 2012.....	\$ 8,483,398.50
April 15, 2012.....	8,327,555.50
May 15, 2012.....	8,174,343.25
June 15, 2012.....	8,023,719.06
July 15, 2012.....	7,875,640.93
August 15, 2012....	7,730,067.52
September 15, 2012..	7,586,958.15
October 15, 2012....	7,446,272.79
November 15, 2012..	7,307,972.06
December 15, 2012..	7,172,017.17
January 15, 2013....	7,038,369.97
February 15, 2013...	6,906,992.94
March 15, 2013.....	6,777,887.10
April 15, 2013.....	6,650,902.12
May 15, 2013.....	6,526,116.21
June 15, 2013.....	6,403,456.16
July 15, 2013.....	6,282,887.32
August 15, 2013....	6,164,375.59
September 15, 2013..	6,047,887.44
October 15, 2013....	5,933,389.83
November 15, 2013..	5,820,850.27
December 15, 2013..	5,710,236.80
January 15, 2014....	5,601,517.94
February 15, 2014...	5,494,662.75
March 15, 2014.....	5,389,640.75
April 15, 2014.....	5,286,421.95
May 15, 2014.....	5,184,976.87
June 15, 2014.....	5,085,276.46
July 15, 2014.....	4,987,292.16
August 15, 2014....	4,890,995.86
September 15, 2014..	4,796,359.90
October 15, 2014....	4,703,357.05
November 15, 2014..	4,611,960.53
December 15, 2014..	4,522,143.99
January 15, 2015....	4,433,881.49
February 15, 2015...	4,347,147.51
March 15, 2015.....	4,261,916.94
April 15, 2015.....	4,178,165.06
May 15, 2015.....	4,095,867.57
June 15, 2015.....	4,015,000.53
July 15, 2015.....	3,935,540.41
August 15, 2015....	3,857,464.04
September 15, 2015..	3,780,748.62
October 15, 2015....	3,705,371.72
November 15, 2015..	3,631,311.29
December 15, 2015..	3,558,545.59
January 15, 2016....	3,487,053.27
February 15, 2016...	3,416,813.30
March 15, 2016.....	3,347,804.99
April 15, 2016.....	3,280,007.98
May 15, 2016.....	3,213,402.26
June 15, 2016.....	3,147,968.10
July 15, 2016.....	3,083,686.12
August 15, 2016....	3,020,537.24
September 15, 2016..	2,958,502.69
October 15, 2016....	2,897,563.99
November 15, 2016..	2,837,702.98
December 15, 2016..	2,778,901.77
January 15, 2017....	2,721,142.76
February 15, 2017...	2,664,408.65
March 15, 2017.....	2,608,682.41
April 15, 2017.....	2,553,947.26
May 15, 2017.....	2,500,186.74
June 15, 2017.....	2,447,384.60
July 15, 2017.....	2,395,524.90
August 15, 2017....	2,344,591.92
September 15, 2017..	2,294,570.22
October 15, 2017....	2,245,444.59

<u>Payment Date</u>	<u>Payment Date</u>	<u>Payment Date</u>			
	E	E			
	continued	continued			
November 15, 2017 ..	\$ 2,197,200.08	January 15, 2021	\$ 890,861.29	February 15, 2024 ...	\$ 272,645.00
December 15, 2017 ..	2,149,821.97	February 15, 2021 ...	867,539.90	March 15, 2024	261,563.44
January 15, 2018	2,103,295.78	March 15, 2021	844,663.87	April 15, 2024	250,714.05
February 15, 2018 ...	2,057,607.27	April 15, 2021	822,225.57	May 15, 2024	240,092.69
March 15, 2018	2,012,742.43	May 15, 2021	800,217.48	June 15, 2024	229,695.32
April 15, 2018	1,968,687.45	June 15, 2021	778,632.20	July 15, 2024	219,517.92
May 15, 2018	1,925,428.79	July 15, 2021	757,462.45	August 15, 2024	209,556.57
June 15, 2018	1,882,953.09	August 15, 2021	736,701.09	September 15, 2024 ..	199,807.41
July 15, 2018	1,841,247.23	September 15, 2021 ..	716,341.06	October 15, 2024	190,266.63
August 15, 2018	1,800,298.28	October 15, 2021	696,375.45	November 15, 2024 ..	180,930.51
September 15, 2018 ..	1,760,093.54	November 15, 2021 ..	676,797.44	December 15, 2024 ..	171,795.36
October 15, 2018	1,720,620.50	December 15, 2021 ..	657,600.34	January 15, 2025	162,857.58
November 15, 2018 ..	1,681,866.86	January 15, 2022	638,777.56	February 15, 2025	154,113.62
December 15, 2018 ..	1,643,820.52	February 15, 2022 ...	620,322.62	March 15, 2025	145,559.97
January 15, 2019	1,606,469.57	March 15, 2022	602,229.14	April 15, 2025	137,193.21
February 15, 2019 ...	1,569,802.31	April 15, 2022	584,490.86	May 15, 2025	129,009.96
March 15, 2019	1,533,807.20	May 15, 2022	567,101.61	June 15, 2025	121,006.90
April 15, 2019	1,498,472.92	June 15, 2022	550,055.32	July 15, 2025	113,180.77
May 15, 2019	1,463,788.30	July 15, 2022	533,346.04	August 15, 2025	105,528.36
June 15, 2019	1,429,742.38	August 15, 2022	516,967.88	September 15, 2025 ..	98,046.50
July 15, 2019	1,396,324.37	September 15, 2022 ..	500,915.09	October 15, 2025	90,732.11
August 15, 2019	1,363,523.64	October 15, 2022	485,181.99	November 15, 2025 ..	83,582.12
September 15, 2019 ..	1,331,329.75	November 15, 2022 ..	469,762.99	December 15, 2025 ..	76,593.55
October 15, 2019	1,299,732.43	December 15, 2022 ..	454,652.62	January 15, 2026	69,763.43
November 15, 2019 ..	1,268,721.55	January 15, 2023	439,845.46	February 15, 2026	63,088.88
December 15, 2019 ..	1,238,287.19	February 15, 2023 ...	425,336.21	March 15, 2026	56,567.04
January 15, 2020	1,208,419.55	March 15, 2023	411,119.65	April 15, 2026	50,195.10
February 15, 2020 ...	1,179,109.02	April 15, 2023	397,190.63	May 15, 2026	43,970.33
March 15, 2020	1,150,346.12	May 15, 2023	383,544.12	June 15, 2026	37,889.99
April 15, 2020	1,122,121.54	June 15, 2023	370,175.15	July 15, 2026	31,951.45
May 15, 2020	1,094,426.12	July 15, 2023	357,078.82	August 15, 2026	26,152.07
June 15, 2020	1,067,250.85	August 15, 2023	344,250.34	September 15, 2026 ..	20,489.28
July 15, 2020	1,040,586.86	September 15, 2023 ..	331,684.97	October 15, 2026	14,960.56
August 15, 2020	1,014,425.43	October 15, 2023	319,378.08	November 15, 2026 ..	9,563.41
September 15, 2020 ..	988,757.99	November 15, 2023 ..	307,325.10	December 15, 2026 ..	4,295.39
October 15, 2020	963,576.08	December 15, 2023 ..	295,521.52	January 15, 2027	
November 15, 2020 ..	938,871.42	January 15, 2024	283,962.94	and after	0.00
December 15, 2020 ..	914,635.83				

Scheduled Components

<u>Payment Date</u>	<u>Payment Date</u>	<u>Payment Date</u>	<u>Payment Date</u>		
	J-2	K-2	J-2		
			continued		
April 15, 1997	\$ 3,689,895.32	\$22,139,369.92	February 15, 1999 ...	\$ 3,143,413.80	\$18,860,482.83
May 15, 1997	3,682,708.23	22,096,249.37	March 15, 1999	3,101,611.02	18,609,666.10
June 15, 1997	3,673,728.91	22,042,373.49	April 15, 1999	3,058,651.34	18,351,908.05
July 15, 1997	3,662,963.01	21,977,778.05	May 15, 1999	3,014,585.75	18,087,514.48
August 15, 1997	3,650,418.73	21,902,512.40	June 15, 1999	2,969,466.68	17,816,800.08
September 15, 1997 ..	3,636,106.62	21,816,639.70	July 15, 1999	2,923,347.98	17,540,087.85
October 15, 1997	3,620,039.49	21,720,236.93	August 15, 1999	2,877,943.90	17,267,663.43
November 15, 1997 ..	3,602,232.47	21,613,394.82	September 15, 1999 ..	2,833,247.36	16,999,484.15
December 15, 1997 ..	3,582,702.97	21,496,217.80	October 15, 1999	2,789,251.29	16,735,507.76
January 15, 1998	3,561,470.66	21,368,823.93	November 15, 1999 ..	2,745,948.73	16,475,692.38
February 15, 1998 ...	3,538,557.46	21,231,344.75	December 15, 1999 ..	2,703,332.75	16,219,996.51
March 15, 1998	3,513,987.53	21,083,925.16	January 15, 2000	2,661,396.50	15,968,379.01
April 15, 1998	3,487,787.21	20,926,723.27	February 15, 2000 ...	2,620,133.19	15,720,799.12
May 15, 1998	3,459,985.04	20,759,910.23	March 15, 2000	2,579,536.07	15,477,216.45
June 15, 1998	3,430,611.67	20,583,670.00	April 15, 2000	2,539,598.49	15,237,590.96
July 15, 1998	3,399,699.86	20,398,199.16	May 15, 2000	2,500,313.83	15,001,882.98
August 15, 1998	3,367,284.44	20,203,706.64	June 15, 2000	2,461,675.53	14,770,053.20
September 15, 1998 ..	3,333,402.25	20,000,413.47	July 15, 2000	2,423,677.11	14,542,062.64
October 15, 1998	3,298,092.08	19,788,552.50	August 15, 2000	2,386,312.12	14,317,872.72
November 15, 1998 ..	3,261,394.67	19,568,368.05	September 15, 2000 ..	2,349,574.19	14,097,445.16
December 15, 1998 ..	3,223,352.61	19,340,115.64	October 15, 2000	2,313,457.01	13,880,742.04
January 15, 1999	3,184,010.27	19,104,061.64	November 15, 2000 ..	2,277,954.30	13,667,725.80

Payment Date

	J-2 continued	K-2 continued
December 15, 2000 ..	\$ 2,243,059.87	\$13,458,359.19
January 15, 2001	2,208,767.55	13,252,605.33
February 15, 2001	2,175,071.27	13,050,427.64
March 15, 2001	2,141,964.98	12,851,789.89
April 15, 2001	2,109,442.70	12,656,656.17
May 15, 2001	2,077,498.49	12,464,990.91
June 15, 2001	2,046,126.48	12,276,758.85
July 15, 2001	2,015,320.84	12,091,925.05
August 15, 2001	1,985,075.81	11,910,454.89
September 15, 2001 ..	1,955,385.68	11,732,314.05
October 15, 2001	1,926,244.76	11,557,468.55
November 15, 2001 ..	1,897,647.45	11,385,884.69
December 15, 2001 ..	1,869,588.18	11,217,529.11
January 15, 2002	1,842,061.45	11,052,368.71
February 15, 2002 ..	1,815,061.79	10,890,370.72
March 15, 2002	1,788,583.78	10,731,502.67
April 15, 2002	1,762,622.06	10,575,622.38
May 15, 2002	1,737,171.33	10,423,027.95
June 15, 2002	1,712,226.30	10,273,357.80
July 15, 2002	1,687,781.77	10,126,690.60
August 15, 2002	1,663,832.56	9,982,935.35
September 15, 2002 ..	1,640,373.55	9,842,241.30
October 15, 2002	1,617,399.67	9,704,397.99
November 15, 2002 ..	1,594,905.87	9,569,435.25
December 15, 2002 ..	1,572,887.19	9,437,323.16
January 15, 2003	1,551,338.68	9,308,032.11
February 15, 2003 ..	1,530,255.45	9,181,532.73
March 15, 2003	1,509,632.66	9,057,795.93
April 15, 2003	1,489,465.48	8,936,792.91
May 15, 2003	1,469,749.18	8,818,495.09
June 15, 2003	1,450,479.03	8,702,874.19
July 15, 2003	1,431,650.36	8,589,902.17
August 15, 2003	1,413,258.54	8,479,551.25
September 15, 2003 ..	1,395,298.99	8,371,793.92
October 15, 2003	1,377,767.15	8,266,602.91
November 15, 2003 ..	1,360,658.53	8,163,951.21
December 15, 2003 ..	1,343,968.67	8,063,812.04
January 15, 2004	1,327,693.15	7,966,158.89
February 15, 2004 ..	1,311,827.58	7,870,965.49
March 15, 2004	1,296,367.63	7,778,205.80
April 15, 2004	1,281,309.01	7,687,854.03
May 15, 2004	1,266,647.44	7,599,884.64
June 15, 2004	1,252,378.72	7,514,272.31
July 15, 2004	1,238,498.66	7,430,991.95
August 15, 2004	1,225,003.12	7,350,018.72
September 15, 2004 ..	1,211,888.00	7,271,328.00
October 15, 2004	1,199,149.23	7,194,895.41
November 15, 2004 ..	1,186,782.80	7,120,696.77
December 15, 2004 ..	1,174,784.69	7,048,708.16
January 15, 2005	1,163,150.98	6,978,905.85
February 15, 2005 ..	1,151,877.73	6,911,266.36
March 15, 2005	1,140,961.07	6,845,766.41
April 15, 2005	1,130,397.16	6,782,382.94
May 15, 2005	1,120,182.18	6,721,093.11
June 15, 2005	1,110,312.38	6,661,874.28
July 15, 2005	1,100,784.01	6,604,704.04
August 15, 2005	1,091,593.37	6,549,560.19
September 15, 2005 ..	1,082,736.79	6,496,420.72
October 15, 2005	1,074,210.64	6,445,263.83
November 15, 2005 ..	1,066,011.32	6,396,067.94
December 15, 2005 ..	1,057,396.66	6,344,379.97
January 15, 2006	1,048,197.62	6,289,185.69

Payment Date

	J-2 continued	K-2 continued
February 15, 2006	\$ 1,038,429.15	\$ 6,230,574.88
March 15, 2006	1,028,105.94	6,168,635.61
April 15, 2006	1,017,242.39	6,103,454.33
May 15, 2006	1,005,852.64	6,035,115.85
June 15, 2006	993,950.57	5,963,703.40
July 15, 2006	981,549.78	5,889,298.66
August 15, 2006	968,731.81	5,812,390.85
September 15, 2006 ..	955,568.46	5,733,410.76
October 15, 2006	942,070.46	5,652,422.77
November 15, 2006 ..	928,248.32	5,569,489.93
December 15, 2006 ..	914,112.34	5,484,674.03
January 15, 2007	899,672.60	5,398,035.61
February 15, 2007	884,938.99	5,309,633.96
March 15, 2007	869,921.20	5,219,527.18
April 15, 2007	854,628.70	5,127,772.17
May 15, 2007	839,070.78	5,034,424.68
June 15, 2007	823,256.55	4,939,539.28
July 15, 2007	807,194.91	4,843,169.44
August 15, 2007	790,894.59	4,745,367.52
September 15, 2007 ..	774,364.13	4,646,184.80
October 15, 2007	757,611.91	4,545,671.47
November 15, 2007 ..	740,646.11	4,443,876.69
December 15, 2007 ..	723,474.76	4,340,848.59
January 15, 2008	706,105.71	4,236,634.28
February 15, 2008	688,546.65	4,131,279.89
March 15, 2008	670,805.09	4,024,830.57
April 15, 2008	652,888.42	3,917,330.49
May 15, 2008	634,803.82	3,808,822.94
June 15, 2008	616,558.37	3,699,350.22
July 15, 2008	598,158.96	3,588,953.75
August 15, 2008	579,612.35	3,477,674.07
September 15, 2008 ..	560,925.14	3,365,550.85
October 15, 2008	542,103.81	3,252,622.86
November 15, 2008 ..	523,154.68	3,138,928.07
December 15, 2008 ..	504,083.93	3,024,503.61
January 15, 2009	484,897.63	2,909,385.79
February 15, 2009	465,601.69	2,793,610.13
March 15, 2009	446,201.90	2,677,211.37
April 15, 2009	426,703.91	2,560,223.48
May 15, 2009	407,113.28	2,442,679.65
June 15, 2009	387,435.40	2,324,612.39
July 15, 2009	367,675.57	2,206,053.39
August 15, 2009	347,838.95	2,087,033.73
September 15, 2009 ..	327,930.62	1,967,583.69
October 15, 2009	307,955.49	1,847,732.96
November 15, 2009 ..	287,918.41	1,727,510.47
December 15, 2009 ..	267,824.09	1,606,944.52
January 15, 2010	247,677.13	1,486,062.79
February 15, 2010	227,482.04	1,364,892.27
March 15, 2010	207,243.23	1,243,459.35
April 15, 2010	186,964.97	1,121,789.80
May 15, 2010	166,651.47	999,908.79
June 15, 2010	146,306.82	877,840.90
July 15, 2010	125,935.02	755,610.12
August 15, 2010	105,539.98	633,239.85
September 15, 2010 ..	85,125.50	510,752.99
October 15, 2010	64,695.31	388,171.83
November 15, 2010 ..	44,253.03	265,518.15
December 15, 2010 ..	23,802.20	142,813.20
January 15, 2011	3,346.28	20,077.70
February 15, 2011 and after	0.00	0.00

Retail Class Principal Payments

General

The UU Class is a Retail Class. Freddie Mac has arranged to make principal payments on the Retail Class in \$1,000 increments. These arrangements are intended to accommodate retail investors who may not wish to receive their principal payments in amounts smaller than \$1,000, to give a limited payment priority to investors who request early payment, and to give the first limited payment priority to the requesting estates of deceased investors.

Principal payments on the Retail Class will be made as follows:

- Freddie Mac will determine the amount of principal, if any, payable on the Retail Class (as a whole) on each Payment Date as described above.
- The principal payment on the Retail Class will be rounded to a multiple of \$1,000 using the Retail Rounding Account, and the Registrar will pay the rounded amount to the Retail Depository.
- The Retail Depository will remit the principal payment for the Retail Class, in multiples of \$1,000, to the applicable Retail Depository Participants. The Retail Depository Participants and other financial intermediaries in turn will remit principal payments to investors in the Retail Class, also in multiples of \$1,000.
- Investors in the Retail Class who have properly requested early payment will be paid first, to the extent of available principal, with a first priority given to “Deceased Owners” of that Class and a second priority to “Living Owners” of that Class.
- If more principal is available for payment on the Retail Class than the amount covered by valid requests for early payment, non-requesting investors in that Class will receive principal payments in multiples of \$1,000 under procedures described below.

The rest of this section describes these procedures in more detail.

Rounding of Principal Payments

Whenever principal payments are to be made on the Retail Class, the amount allocable to that Class will be rounded to a multiple of \$1,000. On the first Payment Date when principal payments will be made on the Retail Class, the Registrar will withdraw from the Retail Rounding Account any funds needed to round the allocable amount upward to the next multiple of \$1,000 and will pay the rounded amount on that Class. On the next Payment Date when principal payments will be made on the Retail Class, the Registrar will apply the allocable amount first to repay any amount withdrawn from the Retail Rounding Account on the previous Payment Date; then it will round the remainder of such allocable amount upward to the next multiple of \$1,000, by making another withdrawal from the Retail Rounding Account, and will pay this amount to the Retail Class. This process will continue on subsequent Payment Dates until the Retail Class has been retired.

Principal Payment Requests and Withdrawals

Any beneficial owner of Retail Class Units may request that any or all of such Units be paid in full on the earliest possible Payment Date. The beneficial owner must submit any request for Retail Class principal payments to his or her broker or other financial intermediary, which must in turn make the request in writing to the Retail Depository. The Retail Depository will date and time stamp all requests in accordance with its established procedures and forward the requests to the Registrar. The Registrar will maintain a list of those Retail Depository Participants representing beneficial owners that have requested Retail Class principal payments, together with the order of receipt and the amounts of the requests. Investors can get information regarding the number of Retail Class Units for which requests have been made and the status of their own requests by writing the Registrar at Texas Commerce Bank National Association, 601 Travis, 8TCT39, Houston, TX 77002.

A beneficial owner may withdraw a request for a Retail Class principal payment by notifying his or her broker or other financial intermediary, which must in turn forward the notice of withdrawal in writing to the

Registrar. Any request for a Retail Class principal payment will be deemed withdrawn when the Registrar receives notice of the beneficial owner's transfer of the related Retail Class Units.

In order for a request or a notice of withdrawal to be effective for any Payment Date, it must be received by the Retail Depository (in the case of a request) or the Registrar (in the case of a withdrawal) by the last business day of the preceding calendar month. Once effective, a request will remain effective for all Payment Dates unless it is withdrawn.

The Retail Depository will honor requests for Retail Class principal payments to be made on any Payment Date in accordance with the procedures described below. The Registrar will notify the Retail Depository and the appropriate Retail Depository Participants which of the requests should be honored on each Payment Date. The decisions of the Registrar and the Retail Depository concerning these matters, and any related rules and procedures they establish, will be binding on all affected persons.

Principal Payment Allocations

Payments to Requesting Beneficial Owners. For any Payment Date, priority of payment on the Retail Class will be given to beneficial owners for whom principal payment requests are in effect. The Retail Depository will honor requests in the following order of priority:

First, the Retail Depository will honor requests submitted on behalf of Deceased Owners in the order of their receipt by the Retail Depository, until such requests have been honored in an amount up to \$100,000 for each requesting Deceased Owner; and

Second, the Retail Depository will honor requests submitted on behalf of Living Owners in the order of priority established by the random lot procedures of the Registrar, until such requests have been honored in an amount up to \$10,000 for each requesting Living Owner.

Thereafter, the Retail Depository will honor requests submitted on behalf of each Deceased Owner as provided in step *First* up to a second \$100,000, and requests submitted on behalf of each Living Owner as provided in step *Second* up to a second \$10,000. This sequence of priorities will be repeated until all principal payment requests have been honored.

If the amount of principal available for payment on the Retail Class on a given Payment Date is insufficient to honor all requests, such requests will be honored on succeeding Payment Dates as principal becomes available. In the case of requests on behalf of Living Owners, the Registrar will establish a new order of priority for each Payment Date by random lot. This order will apply both to previously unsatisfied payment requests and to newly submitted requests. A Retail Class principal payment request submitted on behalf of a Living Owner who later dies will become entitled to the priority of a newly submitted request on behalf of a Deceased Owner. Such priority will be effective for each subsequent Payment Date, if the Retail Depository has received appropriate evidence of death and any requested tax waivers by the last business day of the preceding calendar month.

Payments to Non-Requesting Beneficial Owners. If the amount of principal available for payments on the Retail Class on a given Payment Date exceeds the amount needed to honor all principal payment requests, the Retail Depository will determine which Retail Class Units will be paid, using its established random lot procedures. Each Retail Depository Participant receiving such payments, and each financial intermediary in the chain to the beneficial owners, will remit payments to their customers according to their own procedures, which may or may not be by random lot. A Retail Depository Participant or financial intermediary could decide to allot Retail Class principal payments to certain customers (which could include such Retail Depository Participant or intermediary) without allotting payments to others. Investors may ask their brokers or other intermediaries what allocation procedures they use.

Beneficial Owners

A "Deceased Owner" is the estate of an individual who beneficially owned one or more Retail Class Units at the time of death, provided the executor or other authorized representative of the estate furnishes to

the Retail Depository evidence of death satisfactory to the Registrar and any tax waivers requested by the Registrar. A “Living Owner” is any other beneficial owner of one or more Retail Class Units.

The following rules will apply to determine beneficial ownership in the case of Deceased Owners:

- Retail Class Units beneficially owned by tenants by the entirety, joint tenants or tenants in common will be regarded as beneficially owned by a single owner. The death of a tenant by the entirety, joint tenant or tenant in common will be deemed the death of the beneficial owner, and the Retail Class Units beneficially owned will become eligible for the principal payment priority described above.
- Retail Class Units beneficially owned by a trust will be regarded as beneficially owned by each beneficiary of the trust to the extent of that beneficiary’s interest in the trust (however, a trust’s beneficiaries collectively cannot be beneficial owners of more Retail Class Units than are owned by the trust). The death of a beneficiary of a trust will be deemed the death of a beneficial owner of the Retail Class Units beneficially owned by the trust to the extent of that beneficiary’s interest in the trust.
- The death of an individual who was a tenant by the entirety, joint tenant or tenant in common in a tenancy which is the beneficiary of the trust will be deemed the death of the beneficiary of the trust.
- The death of a person who, during his or her lifetime, was entitled to substantially all of the beneficial interest in a Retail Class Unit will be deemed the death of the beneficial owner of that Retail Class Unit, regardless of the registration of ownership, if such beneficial interest can be established to the satisfaction of the Registrar. Such beneficial interest will exist in many cases of street name or nominee ownership, ownership by a trustee, ownership under the Uniform Gifts to Minors Act and community property or other joint ownership arrangements between spouses. Beneficial interest will be evidenced by such factors as the power to sell or otherwise dispose of a Retail Class Unit, the right to receive the proceeds of sale or disposition and the right to receive interest and principal payments on a Retail Class Unit.

Class Factors

Description of Factors

On or about the first business day of each month after the Closing Date in the case of the Group 1, Group 2 and Group 3 Classes, and on or about the ninth business day of each month after the Closing Date in the case of the Group 4 Classes, Freddie Mac will make available (including on its Internet Web-Site) a Class Factor for each Class having a principal amount. The Class Factor for any Class for any month will be a truncated seven-digit decimal which, when multiplied by the original principal amount of a Security of that Class (assuming such Class was issued on the Closing Date), will equal its remaining principal amount, after giving effect to any principal payment to be made on the Payment Date in the same month. The Class Factor for the Accrual Class will also reflect any addition to its principal amount to be made on the same Payment Date. For example, the January Class Factor for any Class will reflect the remaining principal amount of a Security of that Class, after giving effect to any principal payment (or addition to principal) to be made on January 15 or January 17, as applicable. Freddie Mac will also make available a Class Factor for each Notional Class, which will reflect the remaining notional principal amount of a Security of that Class in an analogous manner. The Class Factor for the Retail Class will apply to that Class as a whole, not to individual Retail Class Units, and will disregard any rounding of principal payments. The Class Factor for each Class for the month of the Closing Date is 1.0000000.

Group 4 Classes

Freddie Mac will calculate the amount of principal to be paid on, and the Class Factor for, each Group 4 Class in each month based in part on GNMA Certificate “factors” reported on or about the sixth business day of the same month. Freddie Mac will determine the remaining principal balance to which each underlying

GNMA Certificate in the related Lower-Tier REMIC Pool would be reduced in that month on the basis of those reported factors.

Currently such reported factors are preliminary and subject to revision. In addition, there may not be reported factors for some GNMA Certificates. For any GNMA Certificate for which a factor has not been reported, Freddie Mac (or its agent) will calculate the remaining principal balance to which the applicable GNMA Certificate would be reduced on the basis of assumed Mortgage amortization schedules. Freddie Mac (or its agent) will create those schedules by using available remaining term to maturity and interest rate information and adjusting such remaining term to maturity to the current month. Such calculations will reflect payment factor information previously reported to Freddie Mac and estimated subsequent scheduled amortization (but not prepayments) on the related Mortgages. In the event that GNMA makes available additional information that may be useful in determining assumed Mortgage amortization schedules, Freddie Mac (or its agent) may create such schedules using that information.

In the case of Giant Securities, Freddie Mac will determine the applicable remaining principal balances using the published factors for those securities.

Freddie Mac will then calculate the aggregate of the remaining principal balances described above (the “Aggregate Remaining Balance”). Principal payments on the Group 4 Classes on any Payment Date will be based in part on the difference between (i) the Aggregate Remaining Balance of the underlying GNMA-Related Securities for the preceding month (or their aggregate principal balance on the Closing Date, in the case of the first Payment Date) and (ii) their Aggregate Remaining Balance for the current month. Such difference is called the “GNMA Principal Payment Amount.” See “Principal — Amount of Payments” above.

Because the Aggregate Remaining Balance is based on factors that may be preliminary, or on Freddie Mac’s (or its agent’s) calculations when reported factors are not available, there may be variances between the principal payments actually received by Freddie Mac in any month and the GNMA Principal Payment Amount for that month. However, the GNMA Principal Payment Amount for any month will reconcile any variances that occurred in the preceding month. Freddie Mac’s determination of the Class Factors and principal payments by the methodology described above will be final.

Use of Factors

For any Payment Date, investors can calculate the reduction (or for the Accrual Class, the increase) in the principal amount of a Security of any Class entitled to principal payments by multiplying the original principal amount of that Security by the difference between its Class Factors for the preceding and current months. The amount of interest to be paid on (or added to the principal amount of) a Security of any Class on each Payment Date will equal 30 days’ interest on its outstanding principal amount (or notional principal amount) as determined by its Class Factor for the preceding month, plus additional interest on certain Callable Classes in the case of a redemption of the Group 3 Asset. See “General Information — Structure of Transaction — The Group 3 Asset” in this Supplement.

For example, the reduction (or increase) in the principal amount of any Security entitled to principal payments on February 15 or February 17 will reflect the difference between its January and February Class Factors. The amount of interest to be paid on (or added to the principal amount of) any Security on February 15 or February 17 (other than upon a redemption of the Group 3 Asset) will equal 30 days’ interest at its Class Coupon, accrued during the month of January in the case of a Fixed Rate Class (other than the BX Class) or a Delay Class, or from January 15 (or January 17) to February 15 (or February 17) in the case of a Non-Delay Class, on the principal amount or notional principal amount of such Security determined by its January 1 Class Factor. If the outstanding balance of any Fixed Rate Class (other than the BX Class) or any Delay Class is reduced on the Payment Date that falls within an Accrual Period, that Class will accrue interest during such Accrual Period on its reduced balance, even though its balance had been higher for approximately the first 15 or 17 days of the Accrual Period. No interest at all will be paid on any Class (or any Retail Class Unit) after its balance has been reduced to zero.

Guarantees

Freddie Mac guarantees to each Holder of a Security (i) the timely payment of interest at the applicable Class Coupon and (ii) the payment of the principal amount of the Holder's Security as described in this Supplement. See "Description of Multiclass PCs — Guarantees" in the Multiclass PC Offering Circular and "Description of Multiclass Securities — Guarantees" in the Multiclass Securities Offering Circular.

Freddie Mac also guarantees the payment of interest and principal on the Group 3 Asset, Gold PCs, Gold Giant PCs and Giant Securities. See "PC Security Structure — Guarantees" in the PC Offering Circular, "Description of Pass-Through PCs — Guarantees" in the Giant PC Offering Circular and "Description of Pass-Through Securities — Guarantees" in the Giant Securities Offering Circular.

GNMA guarantees the timely payment of principal and interest on the GNMA Certificates. The obligations of GNMA under its guarantees of the GNMA Certificates are backed by the full faith and credit of the United States.

Optional Redemption

The Group 3 Asset may be redeemed on any Payment Date beginning in March 1998 at the option of the holder of the related Call Class of Series C039. The redemption of the Group 3 Asset would result in the concurrent retirement of all Callable Classes then outstanding and the RB Class. See "Payments — Redemption and Exchange" in the Series C039 Asset Offering Circular and "General Information — Structure of Transaction — The Group 3 Asset" and "Prepayment and Yield Analysis — Yield Considerations — Prepayments and Redemption: Effect on Yields" in this Supplement.

Freddie Mac may redeem the RA, RB or RC Class and its related Mortgage Securities, in whole but not in part, on any Payment Date when the aggregate outstanding principal amount of such Class and its related Mortgage Securities would be less than 1% of their aggregate original principal amount. Upon any redemption, the redemption price of such Mortgage Securities will be applied to retire the related Regular Classes that remain outstanding. Any outstanding MACR Classes will be retired from the proceeds of any redemption of their related Regular Classes. Freddie Mac will not exercise its right of redemption as to the Lower-Tier REMIC Pool containing the Group 3 Asset if the Group 3 Asset is to be redeemed. The PCs and GNMA-Related Securities are not redeemable. See "Description of Multiclass PCs — Optional Redemption" in the Multiclass PC Offering Circular and "Description of Multiclass Securities — Optional Redemption" in the Multiclass Securities Offering Circular.

Residual Proceeds

Upon surrender of their certificates to the Registrar, the Holders of the RA, RB or RC Class will receive the proceeds of the remaining assets of the related Lower-Tier REMIC Pool after all required principal and interest payments on the related Mortgage Securities and such Residual Class have been made. Any such remaining assets are not likely to be significant.

Upon like surrender, the Holders of the R Class will receive the proceeds of the remaining assets of the Upper-Tier REMIC Pool (including the Retail Rounding Account) after all required principal and interest payments on the Regular Classes and the R Class have been made. Any such remaining assets are not likely to be significant.

PREPAYMENT AND YIELD ANALYSIS

General

Mortgage Prepayments

The rates of principal payments on the Assets will depend directly, and the rates of principal payments on the Securities will depend indirectly, on the rates of principal payments on the related Mortgages. Mortgage principal payments may be in the form of scheduled amortization or partial or full prepayments. "Prepayments" include prepayments by the borrower, liquidations resulting from default, casualty or condemnation and payments made by Freddie Mac or GNMA, as applicable, pursuant to its guarantee of principal (other

than scheduled amortization) on PCs or GNMA Certificates. The Mortgages are subject to prepayment at any time without penalty.

Mortgage prepayment rates are likely to fluctuate significantly. In general, when prevailing mortgage interest rates decline significantly below the interest rates on the Mortgages, the prepayment rate on the Mortgages is likely to increase, although a number of other factors also may influence the prepayment rate. See “Prepayments, Yields and Suitability” in the PC Offering Circular.

Acceleration of mortgage payments as a result of transfers of mortgaged properties is an important factor affecting prepayment rates. The Mortgages underlying the Group 1, Group 2 and Group 3 Assets generally provide that, in the event of the transfer or prospective transfer of the underlying mortgaged property, the full unpaid principal balance is due and payable at the option of the holder. Freddie Mac, in most cases, requires mortgage servicers to enforce such “due-on-transfer” provisions where permitted by applicable law. See “The Mortgages — Mortgage Purchase and Servicing Standards — Mortgage Servicing — Assumption and Due-on-Transfer Policies” in the PC Offering Circular.

None of the Mortgages underlying the Group 4 Assets includes a “due-on-transfer” clause. Consequently, the holder of such a Mortgage generally may not demand the payment in full of the remaining principal balance of that Mortgage on the sale or other transfer of the mortgaged property to a creditworthy transferee.

Information on the principal payment history of PCs and Giant Securities is available from the Investor Inquiry Department at Freddie Mac at the address or phone numbers shown under “Available Information” in this Supplement. However, historical payment experience is not likely to be indicative of future payment experience on the PCs, Giant Securities and related Mortgages.

PSA Model

Prepayments on pools of mortgages are commonly measured relative to a variety of prepayment models. The particular model used in this Supplement is the Public Securities Association’s standard prepayment model, or “PSA.” This model assumes that mortgages will prepay at an annual rate of 0.2% in the first month after origination, that the prepayment rate increases at an annual rate of 0.2% per month up to the 30th month after origination and that the prepayment rate is constant at 6% per annum in the 30th and later months (this assumption is called “100% PSA”). For example, at 100% PSA, mortgages with a loan age of three months (*i.e.*, mortgages in their fourth month after origination) are assumed to prepay at an annual rate of 0.8%. “0% PSA” assumes no prepayments; “50% PSA” assumes prepayment rates equal to 0.50 times 100% PSA; “200% PSA” assumes prepayment rates equal to 2.00 times 100% PSA; and so forth. PSA is not a description of historical prepayment experience or a prediction of the rate of prepayment of the Mortgages.

Weighted Average Life

The weighted average life of a security refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal has been repaid to the investor. The weighted average lives of the Classes will depend primarily on the rates at which principal is paid on the related Mortgages and, in the case of the Callable Classes, whether a redemption of the Group 3 Asset occurs. This Supplement shows weighted average lives under various Mortgage prepayment assumptions and redemption assumptions, if applicable. In each case, Freddie Mac has calculated the weighted average life by (i) multiplying the assumed net reduction, if any, in the principal amount on each Payment Date by the number of years from the Closing Date to such Payment Date, (ii) summing the results and (iii) dividing the sum by the aggregate amount of the assumed net reductions in principal amount.

Yield

The yield of each Class will depend upon its purchase price, its sensitivity to the rate of principal payments on the related Mortgages, the actual characteristics of the related Mortgages and, in the case of the Callable Classes, whether a redemption of the Group 3 Asset occurs. In the case of the Retail Class, the yield of a particular Retail Class Unit will also depend upon the date on which it is retired as a result of the priorities, limitations and allocations described under “Payments — Retail Class Principal Payments” in this Supplement. The yield of each Floating Rate or Inverse Floating Rate Class will also depend on its sensitivity

to the level of the applicable Index. This Supplement shows pre-tax yields to maturity under various scenarios. In each case, Freddie Mac has calculated the pre-tax yield by (i) determining the monthly discount rate (whether positive or negative) that, when applied to an assumed stream of cash flows to be paid on the applicable Class, would cause the discounted present value of such assumed stream of cash flows to equal an assumed purchase price (including accrued interest, if any) of that Class and (ii) converting such monthly rate to a corporate bond equivalent (*i.e.*, semiannual payment) rate. The yield calculations do not take into account any variations in the interest rates at which investors may be able to reinvest payments received. Consequently, they do not reflect the return on any investment when reinvestment rates other than the discount rate are considered.

Modeling Assumptions

In order to prepare the various tables and other statistical information in this Supplement, Freddie Mac has made certain assumptions regarding the Assets and underlying Mortgages. Unless otherwise noted, each table is based on the following assumptions (the “Modeling Assumptions”), among others:

- The Mortgages have the assumed characteristics shown under “Terms Sheet — Assumed Mortgage Characteristics” in this Supplement;
- Payments on the Group 3 Asset are made as described in the Series C039 Asset Offering Circular;
- Payments on the Group 1, Group 2 and Group 3 Classes and their underlying Assets are always received on the 15th of the month, whether or not a Business Day;
- Payments on the Group 4 Classes and their underlying Assets are always received on the 17th of the month, whether or not a Business Day;
- Except as otherwise noted, no redemption of the Group 3 Asset occurs;
- Freddie Mac does not make an optional redemption;
- Principal payments on the Retail Class are not rounded to multiples of \$1,000; and
- Each Class is held from the Closing Date to retirement and is not exchanged in whole or in part.

When reading the tables and the related text, investors should bear in mind that the Modeling Assumptions, like any other stated assumptions, are unlikely to be entirely consistent with actual experience. For example, most of the Mortgages do not have the characteristics assumed, many Payment Dates will occur on a Business Day after the 15th or 17th of the month, a redemption of the Group 3 Asset may occur and Freddie Mac may make an optional redemption as described under “Payments — Optional Redemption” above.

In addition, payments on the Group 4 Classes will depend in part on preliminary GNMA Certificate factors and, in some cases, on Freddie Mac’s own calculations of assumed Mortgage amortization schedules, both of which may not reflect payments actually received on the GNMA Certificates in a given month. See “Payments — Class Factors — Group 4 Classes” in this Supplement and “Description of Multiclass Securities — Class Factors” in the Multiclass Securities Offering Circular.

Principal Payment Stability

Mortgages and mortgage securities, such as the Assets and Securities, are subject to prepayment uncertainty. The rates of principal payments on the Assets will depend directly, and the rates of principal payments on the Securities will depend indirectly, on the rates of principal payments on their related Mortgages. In addition, the redemption of the Group 3 Asset, which may occur on any Payment Date beginning March 1998, would result in the concurrent retirement of all the Callable Classes then outstanding. However, within certain limits, some Classes of Securities, such as the PAC and Accretion Directed Classes, are expected to exhibit a lower level of prepayment uncertainty than the related Mortgages and Assets. Such Classes are said to have a degree of “stability.” Stability in one Class or group of Classes is necessarily offset by instability in other Classes, such as the Support Classes, which are said to “support” the more stable Classes.

Suitability

The Securities, especially the Accrual, Inverse Floating Rate, Interest Only, Principal Only, Callable, Retail and Residual Classes, are not suitable investments for all investors. The Securities are not appropriate investments for any investor that requires a single lump sum payment on a predetermined date or an otherwise certain payment stream. In addition, although the Underwriter intends to make a market for the purchase and sale of the Securities after their initial issuance, it has no obligation to do so. There is no assurance that such a secondary market will develop, that any secondary market will continue, or that the price at which an investor can sell an investment in any Class will enable the investor to realize a desired yield on that investment. The market values of the Classes are likely to fluctuate; such fluctuations may be significant and could result in significant losses to investors. The secondary markets for mortgage-related securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of Classes that are especially sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment requirements of limited categories of investors. Investors are encouraged to consult their own advisors regarding the financial, legal, tax and other aspects of an investment in the Securities. The flexibility created by the ability to modify and combine certain Classes of Multiclass PCs or Multiclass Securities and related MACR Classes may affect the liquidity of the Classes and the prices that potential purchasers are willing to pay in the secondary market. In addition, the redemption feature of the Group 3 Asset may affect the market values of the Callable Classes. No investor should purchase Securities of any Class unless the investor understands and is able to bear the prepayment, redemption, yield, liquidity and market risks associated with that Class.

Prepayment and Weighted Average Life Considerations

Accretion Directed Classes

Payments of principal on the Accretion Directed Classes are likely to be stable, in varying degrees, under relatively slow prepayment scenarios because the Accrual Amount will be dedicated to making principal payments on those Classes, as described above, until they have been retired. The weighted average life of any Accretion Directed Class cannot exceed its weighted average life as shown in the following table under any prepayment scenario, even a scenario where there are no prepayments. Moreover, based on the Modeling Assumptions, each Accretion Directed Class would be retired on, but not before, its Final Payment Date if the related Mortgages prepay at any rate at or below the rate shown for that Class until its retirement.

Accretion Directed Classes

<u>Class</u>	<u>Maximum Weighted Average Life (in Years)</u>	<u>Final Payment Date</u>	<u>Prepayment Rate at or below</u>
HD	2.7	March 15, 2002	545% PSA
HE	7.7	March 15, 2007	245% PSA
HG	11.4	December 15, 2009	185% PSA

The Mortgages will have characteristics that differ from those of the Modeling Assumptions. Therefore, even if the Mortgages prepay at a rate at or somewhat below the rate shown for any Accretion Directed Class, that Class could be retired before its Final Payment Date and its weighted average life could be shortened.

The principal payment stability of the Accretion Directed Classes will be supported primarily by their receipt of the Accrual Amount. They will be protected against early retirement by the HA, HB and HC Classes. When those Classes are retired, however, any outstanding Accretion Directed Class will become sensitive to Mortgage prepayments and may be retired before its Final Payment Date.

PAC and Scheduled Classes and Components

Payments of principal on the PAC and Scheduled Classes and Components are likely to be relatively stable because they will receive principal payments in accordance with their schedules of Targeted Balances, so long as prepayments on the related Mortgages occur at rates that are neither too fast nor too slow to support their schedules. Moreover, the PAC and Scheduled Classes and Components will have cumulative priorities

for future payments if they fall behind their schedules. For each PAC or Scheduled Class or Component, there is a range of *constant* Mortgage prepayment rates (an “Effective Range”) at which such Class or Component would adhere to its schedule of Targeted Balances. The Effective Range at any time depends on the actual or assumed characteristics of the related Mortgages at that time. Based on the Modeling Assumptions, each PAC or Scheduled Class or Component would adhere to its Targeted Balances schedule if the related Mortgages were to prepay at any *constant* percentage of PSA within its initial Effective Range shown below, until that Class or Component has been retired.

Initial Effective Ranges

<u>Class or Component</u>	<u>Range*</u>
<i>PAC:</i>	
A.....	100% PSA through 325% PSA
B.....	100% PSA through 290% PSA
C and D.....	100% PSA through 285% PSA
E.....	85% PSA through 285% PSA
J-1 and K-1.....	100% PSA through 390% PSA
<i>Scheduled:</i>	
J-2, K-2, J (as a whole) and K (as a whole).....	150% PSA through 175% PSA

* The Targeted Balances schedules were prepared by calculating the amounts that would be available for payments of principal using, among other things, the Modeling Assumptions and the applicable “structuring range” shown under “Terms Sheet — Allocation of Principal” in this Supplement.

The underlying Mortgages will have characteristics that differ from those of the Modeling Assumptions. The initial Effective Ranges, if calculated using the actual characteristics of the Mortgages, could differ from those shown in the table. Therefore, even if the Mortgages were to prepay at a constant rate within the initial Effective Range shown for any PAC or Scheduled Class or Component, but near its upper or lower end, that Class or Component could fail to adhere to its Targeted Balances schedule.

Moreover, the Mortgages will not prepay at any constant rate. Non-constant prepayment rates can cause any PAC or Scheduled Class or Component not to adhere to its Targeted Balances schedule, even if such rates remain within its initial Effective Range. The Effective Range for any PAC or Scheduled Class or Component can narrow or “drift” upward or downward over time.

The principal payment stability of the PAC Classes and Components will be supported in part by the Support and Scheduled Classes and Components. The principal payment stability of the Scheduled Components will be supported in part by the Support Classes. When its supporting Classes and Components are retired, any outstanding PAC or Scheduled Class or Component will no longer have an Effective Range and will become more sensitive to Mortgage prepayments.

If the Mortgages prepay at rates that are generally below the Effective Range for any PAC or Scheduled Class or Component, the Group 1 Asset Principal Amount may be insufficient to reduce that Class or Component to its Targeted Balance and its weighted average life may be extended, perhaps significantly. If the Mortgages prepay at rates that are generally above the Effective Range for any PAC or Scheduled Class or Component, its weighted average life may be shortened, perhaps significantly. However, the weighted average lives of one or more of the PAC and Scheduled Classes and Components could be extended under certain scenarios involving Mortgage prepayments at rates that are generally above their Effective Ranges.

The entire Group 1 Asset Principal Amount will be distributed monthly on each Payment Date and will not be retained for distribution on subsequent Payment Dates. Thus, the likelihood that the PAC and Scheduled Classes and Components will adhere to their Targeted Balances schedules will not be enhanced by averaging high and low principal payments in different months.

Support Classes

The Support Classes will support the principal payment stability of the PAC and Scheduled Classes and Components. Thus, the Support Classes are likely to be much more sensitive to Mortgage prepayments than are the Group 1 Assets and the PAC and Scheduled Classes and Components. The Support Classes may

receive no principal payments for extended periods of time and may receive principal payments that vary widely from period to period. Relatively fast Mortgage prepayments may significantly shorten, and relatively slow Mortgage prepayments may significantly extend, the weighted average lives of the Support Classes.

Component (Scheduled) Classes

Each of the J and K Classes consists of a PAC Component and a Scheduled Component. The principal payment characteristics of the J and K Classes will represent a combination of the principal payment characteristics of their Components.

Sequential Pay Classes

As described above, the Sequential Pay Classes will receive payments of principal from their related Asset or Assets in a prescribed sequence. While it is receiving such principal payments, the sensitivity of each Sequential Pay Class (other than an Accretion Directed Class) to prepayments on the underlying Mortgages will be approximately the same as that of its related Asset or Assets. Certain of the Sequential Pay Classes are also Callable Classes; if any Callable Class is redeemed, its weighted average life will be reduced, perhaps significantly.

Retail Class

Principal payments on the Retail Class will depend upon the prepayment rate on the underlying Mortgages. As a result, it is uncertain at what rate principal payments on the Retail Class will be made and when the Retail Class will be retired. Under extremely fast and highly unlikely prepayment scenarios, some investors' Retail Class Units could be retired on the first Payment Date. On the other hand, some investors' Retail Class Units could be retired as late as the Final Payment Date for the Retail Class.

The amount of principal available for payment on the Retail Class on any given Payment Date will be limited. Thus, an investor's request for a Retail Class principal payment may not be honored until well after its submission. The likelihood that any Living Owner's request can be honored within any particular time after submission will depend in part on the number of Retail Class Units beneficially owned by investors who have a prior right of payment because they are Deceased Owners and on the number of Retail Class Units owned by other Living Owners who have submitted requests. Conversely, the amount of principal available for payment on the Retail Class on any given Payment Date could exceed the amount necessary to honor all requests. In that case, some investors will receive principal payments they did not request.

When prevailing interest rates are higher than the Class Coupon of the Retail Class, a greater number of investors in that Class can be expected to request Retail Class principal payments. At the same time, however, Mortgage prepayment rates are likely to decline (and a redemption of the Group 3 Asset is less likely to occur), reducing the funds available for Retail Class principal payments. Conversely, Mortgage prepayment rates are likely to accelerate (and a redemption of the Group 3 Asset will become more likely) when prevailing interest rates decline, while investors may be less likely to request Retail Class principal payments. Investors whose Retail Class Units are selected for payment under such conditions may not be able to reinvest their payments at rates as high as the Class Coupon of the Retail Class.

The following table shows the amounts that would be available for principal payments on the Retail Class during the twelve-month periods indicated at various *constant* percentages of PSA. Freddie Mac has prepared this table based on the Modeling Assumptions, including the assumption that no redemption of the Group 3 Asset occurs. *Because Retail Class investors will receive principal payments in multiples of \$1,000 subject to the priorities, limitations and allocations described above, there is no assurance that any investor will receive a principal payment on any particular date.*

Amounts Available for Payment of Principal

UU Class (Amounts in Thousands)

<u>Twelve Consecutive Months Through</u>	<u>PSA Prepayment Assumption</u>			
	<u>100%</u>	<u>185%</u>	<u>300%</u>	<u>450%</u>
March 15, 1998	\$ 0	\$ 0	\$ 0	\$ 0
March 15, 1999	0	0	0	0
March 15, 2000	0	0	0	0
March 15, 2001	0	0	0	0
March 15, 2002	0	0	0	0
March 15, 2003	0	0	0	0
March 15, 2004	0	0	0	845
March 15, 2005	0	0	0	1,169
March 15, 2006	0	0	0	844
March 15, 2007	0	0	711	608
March 15, 2008	0	0	846	438
March 15, 2009	0	0	686	315
March 15, 2010	0	0	555	226
March 15, 2011	0	35	449	162
March 15, 2012	0	694	362	116
March 15, 2013	0	612	292	82
March 15, 2014	0	539	235	59
March 15, 2015	0	474	188	42
March 15, 2016	0	417	151	29
March 15, 2017	0	366	120	21
March 15, 2018	318	321	96	15
March 15, 2019	636	282	76	10
March 15, 2020	605	246	60	7
March 15, 2021	575	215	47	5
March 15, 2022	548	188	37	3
March 15, 2023	523	163	29	2
March 15, 2024	499	142	22	1
March 15, 2025	476	123	17	1
March 15, 2026	456	106	13	1
March 15, 2027	365	77	8	0
Total*	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>

* Totals may not equal sums of columns due to rounding.

The Mortgages will not prepay at any constant rate until maturity. Moreover, the Mortgages have characteristics that differ from those of the Modeling Assumptions. Therefore, the amounts available for payments of principal on the Retail Class during any twelve-month period are likely to differ in many cases from the amounts shown in the table.

The weighted average lives of the Retail Class shown in the declining balances table below apply to that Class as a whole; as a result of the priorities, limitations and allocations described above, the weighted average lives of the Retail Class Units owned by individual investors will vary (and may vary significantly) from the weighted average life of the Retail Class. Freddie Mac can give no assurance regarding the weighted average life of the Retail Class as a whole, much less the weighted average life of any particular Retail Class Unit.

MACR Classes

The principal payment characteristics of a MACR Class will reflect the principal payment characteristics of the Classes of Multiclass PCs or Multiclass Securities which are combined to form such MACR Class.

The Group 3 Asset

The Group 3 Asset is a Callable Class entitled to receive all of the interest and principal payments on its underlying Giant PC. Unless it is redeemed, the sensitivity of the Group 3 Asset to Mortgage prepayments will be the same as that of its underlying PCs. The Group 3 Asset may be redeemed on any Payment Date beginning in March 1998, as described under “Payments — Redemption and Exchange” in the Series C039 Asset Offering Circular and “General Information — Structure of Transaction — The Group 3 Asset” in this Supplement.

See “Prepayment and Yield Analysis” in the Series C039 Asset Offering Circular.

Declining Balances Table

The following table shows, for the indicated Classes of Securities and the underlying Assets, (i) the percentages of their original principal amounts (or, in the case of the Assets, their outstanding principal amounts as of the Closing Date) that would be outstanding after each of the dates shown at various *constant* percentages of PSA and assuming, if applicable, that no redemption of the Group 3 Asset occurs and (ii) their corresponding weighted average lives, assuming, in the case of the Group 3 Classes, either that no redemption occurs or that a redemption occurs on one of the Payment Dates shown. Freddie Mac has prepared this table using the Modeling Assumptions. The Mortgages do not have the characteristics assumed, and Mortgage prepayment rates may differ from the constant rates shown. These differences may affect the actual payment behavior and weighted average life of any Class or Asset. For example, because of the diverse remaining terms to maturity, loan ages and interest rates of the Mortgages, principal payments on any Class or Asset may be faster or slower than indicated, even if the Mortgages were to prepay at the constant rates shown. This may be the case even if the *weighted average* remaining term to maturity, *weighted average* loan age and *weighted average* interest rate of the Mortgages are the same as those of mortgages having the characteristics assumed.

Percentages of Original Principal Amounts Outstanding* and Weighted Average Lives

Date	A					B					C					D				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1999	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 2000	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 2001	100	87	87	87	0	100	100	100	100	96	100	100	100	100	100	100	100	100	100	100
March 15, 2002	100	12	12	12	0	100	100	100	100	0	100	100	100	100	78	100	100	100	100	100
March 15, 2003	100	0	0	0	0	100	49	49	49	0	100	100	100	100	7	100	100	100	100	100
March 15, 2004	100	0	0	0	0	100	0	0	0	0	100	93	93	93	0	100	100	100	100	56
March 15, 2005	100	0	0	0	0	100	0	0	0	0	100	49	49	49	0	100	100	100	100	20
March 15, 2006	100	0	0	0	0	100	0	0	0	0	100	8	8	8	0	100	100	100	100	0
March 15, 2007	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	74	74	74	0
March 15, 2008	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	46	46	46	0
March 15, 2009	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	24	24	24	0
March 15, 2010	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	5	5	5	0
March 15, 2011	76	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2012	42	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2013	5	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2014	0	0	0	0	0	70	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2015	0	0	0	0	0	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2016	0	0	0	0	0	0	0	0	0	0	94	0	0	0	0	100	0	0	0	0
March 15, 2017	0	0	0	0	0	0	0	0	0	0	59	0	0	0	0	100	0	0	0	0
March 15, 2018	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	100	0	0	0	0
March 15, 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80	0	0	0	0
March 15, 2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36	0	0	0	0
March 15, 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	14.7	4.5	4.5	4.5	3.7	17.5	6.0	6.0	6.0	4.4	20.2	8.0	8.0	8.0	5.4	22.7	11.0	11.0	11.0	7.2

Date	E					FB and SB					HA					HB				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	100	100	100	100	100	100	100	100	100	100	99	97	95	93	89	99	96	94	91	87
March 15, 1999	100	100	100	100	100	100	100	100	83	11	98	91	85	77	67	97	89	82	73	61
March 15, 2000	100	100	100	100	100	100	100	100	35	0	97	83	72	58	41	96	80	67	50	31
March 15, 2001	100	100	100	100	100	100	100	100	0	0	95	75	60	42	23	94	71	53	31	9
March 15, 2002	100	100	100	100	100	100	100	100	0	0	94	68	49	29	9	93	62	40	16	0
March 15, 2003	100	100	100	100	100	100	100	100	0	0	92	61	40	18	0	91	54	29	4	0
March 15, 2004	100	100	100	100	100	100	100	100	0	0	91	55	32	10	0	89	46	20	0	0
March 15, 2005	100	100	100	100	100	100	100	100	0	0	89	48	24	3	0	87	39	11	0	0
March 15, 2006	100	100	100	100	92	100	100	100	0	0	87	43	18	0	0	84	33	3	0	0
March 15, 2007	100	100	100	100	66	100	100	100	0	0	85	37	12	0	0	82	26	0	0	0
March 15, 2008	100	100	100	100	47	100	100	100	0	0	82	32	7	0	0	79	20	0	0	0
March 15, 2009	100	100	100	100	33	100	100	100	0	0	80	27	3	0	0	76	14	0	0	0
March 15, 2010	100	100	100	100	24	100	100	100	0	0	77	23	0	0	0	73	9	0	0	0
March 15, 2011	100	86	86	86	17	100	100	99	0	0	74	19	0	0	0	69	4	0	0	0
March 15, 2012	100	69	69	69	12	100	100	89	0	0	71	14	0	0	0	65	0	0	0	0
March 15, 2013	100	55	55	55	8	100	100	80	0	0	67	11	0	0	0	61	0	0	0	0
March 15, 2014	100	44	44	44	6	100	100	71	0	0	63	7	0	0	0	57	0	0	0	0
March 15, 2015	100	35	35	35	4	100	100	63	0	0	59	3	0	0	0	52	0	0	0	0
March 15, 2016	100	27	27	27	3	100	100	55	0	0	55	0	0	0	0	47	0	0	0	0
March 15, 2017	100	21	21	21	2	100	100	47	0	0	50	0	0	0	0	41	0	0	0	0
March 15, 2018	100	16	16	16	1	100	100	40	0	0	45	0	0	0	0	35	0	0	0	0
March 15, 2019	100	13	13	13	1	100	100	34	0	0	39	0	0	0	0	28	0	0	0	0
March 15, 2020	100	9	9	9	1	100	94	28	0	0	33	0	0	0	0	21	0	0	0	0
March 15, 2021	84	7	7	7	0	100	79	22	0	0	26	0	0	0	0	13	0	0	0	0
March 15, 2022	14	5	5	5	0	100	64	18	0	0	18	0	0	0	0	4	0	0	0	0
March 15, 2023	3	3	3	3	0	100	50	13	0	0	11	0	0	0	0	0	0	0	0	0
March 15, 2024	2	2	2	2	0	100	36	9	0	0	2	0	0	0	0	0	0	0	0	0
March 15, 2025	1	1	1	1	0	100	23	6	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2026	0	0	0	0	0	59	10	2	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	24.6	17.5	17.5	17.5	11.7	29.1	26.1	20.3	2.7	1.6	18.3	8.4	5.5	3.8	2.8	16.8	6.9	4.5	3.2	2.4

* Rounded to nearest whole percentage. Percentages shown assume no redemption.

Date	HC					HD					HE					HG				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	100	100	100	100	100	83	83	83	83	83	100	100	100	100	100	100	100	100	100	100
March 15, 1999	100	100	100	100	100	64	64	64	64	64	100	100	100	100	100	100	100	100	100	100
March 15, 2000	100	100	100	100	100	45	45	45	45	45	100	100	100	100	100	100	100	100	100	100
March 15, 2001	100	100	100	100	100	23	23	23	23	23	100	100	100	100	100	100	100	100	100	100
March 15, 2002	100	100	100	100	58	0	0	0	0	0	100	100	100	100	100	100	100	100	100	100
March 15, 2003	100	100	100	100	0	0	0	0	0	0	83	83	83	83	67	100	100	100	100	100
March 15, 2004	100	100	100	64	0	0	0	0	0	0	64	64	64	64	0	100	100	100	100	20
March 15, 2005	100	100	100	18	0	0	0	0	0	0	45	45	45	45	0	100	100	100	100	0
March 15, 2006	100	100	100	0	0	0	0	0	0	0	23	23	23	0	0	100	100	100	70	0
March 15, 2007	100	100	81	0	0	0	0	0	0	0	0	0	0	0	0	100	100	100	0	0
March 15, 2008	100	100	48	0	0	0	0	0	0	0	0	0	0	0	0	65	65	65	0	0
March 15, 2009	100	100	18	0	0	0	0	0	0	0	0	0	0	0	0	27	27	27	0	0
March 15, 2010	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2011	100	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2012	100	96	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2013	100	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2014	100	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2015	100	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2016	100	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2017	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2018	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2019	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2020	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2021	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2022	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2023	70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2024	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	26.4	16.9	11.0	7.3	5.1	2.7	2.7	2.7	2.7	2.7	7.7	7.7	7.7	7.4	6.1	11.4	11.4	11.4	9.2	6.8

Date	HZ					J and K					M					N				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	300%	450%	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	108	108	108	108	108	98	93	91	91	91	100	100	77	0	0	100	100	100	66	0
March 15, 1999	116	116	116	116	116	95	80	72	72	72	100	100	25	0	0	100	100	100	0	0
March 15, 2000	125	125	125	125	125	93	62	48	48	20	100	100	0	0	0	100	100	48	0	0
March 15, 2001	135	135	135	135	135	90	48	28	28	0	100	100	0	0	0	100	100	0	0	0
March 15, 2002	145	145	145	145	145	86	48	23	16	0	100	100	0	0	0	100	100	0	0	0
March 15, 2003	157	157	157	157	157	83	48	20	8	0	100	100	0	0	0	100	100	0	0	0
March 15, 2004	169	169	169	169	169	79	48	17	3	0	100	100	0	0	0	100	100	0	0	0
March 15, 2005	182	182	182	182	128	75	48	15	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2006	196	196	196	196	92	71	48	13	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2007	211	211	211	184	66	66	46	11	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2008	228	228	228	147	47	61	44	9	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2009	245	245	245	118	33	55	40	6	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2010	258	258	246	94	24	49	36	3	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2011	258	258	213	75	17	48	31	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2012	258	258	183	60	12	48	26	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2013	258	258	157	47	8	48	21	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2014	258	258	134	37	6	48	16	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2015	258	258	113	29	4	48	10	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2016	258	258	96	23	3	48	5	0	0	0	100	100	0	0	0	100	100	0	0	0
March 15, 2017	258	229	80	17	2	48	0	0	0	0	100	83	0	0	0	100	100	0	0	0
March 15, 2018	258	201	66	13	1	48	0	0	0	0	100	0	0	0	0	100	69	0	0	0
March 15, 2019	258	173	54	10	1	48	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2020	258	147	43	7	1	48	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2021	258	123	34	5	0	48	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2022	258	99	26	4	0	48	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2023	258	77	19	3	0	33	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2024	258	56	13	2	0	14	0	0	0	0	100	0	0	0	0	100	0	0	0	0
March 15, 2025	186	35	8	1	0	0	0	0	0	0	0	0	0	0	0	74	0	0	0	0
March 15, 2026	88	16	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	28.6	24.0	18.3	13.8	10.1	16.7	8.5	4.0	3.1	2.3	27.8	20.3	1.5	0.5	0.3	28.0	21.1	3.0	1.1	0.6

Date	O					P					Group 1 Assets					Group 2 Assets					
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					
	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	175%	285%	450%	0%	100%	185%	300%	450%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	
March 15, 1998	100	100	100	100	0	100	100	100	100	100	47	99	97	96	94	92	99	97	96	94	92
March 15, 1999	100	100	100	0	0	100	100	100	0	0	98	93	89	83	74	98	93	88	82	74	
March 15, 2000	100	100	100	0	0	100	100	100	0	0	97	86	79	68	54	97	86	78	67	54	
March 15, 2001	100	100	84	0	0	100	100	100	0	0	96	80	70	56	39	96	80	68	54	39	
March 15, 2002	100	100	45	0	0	100	100	100	0	0	95	75	62	46	28	95	75	60	44	28	
March 15, 2003	100	100	17	0	0	100	100	100	0	0	94	69	54	37	20	94	69	53	35	20	
March 15, 2004	100	100	0	0	0	100	100	93	0	0	93	64	48	31	15	93	64	46	29	15	
March 15, 2005	100	100	0	0	0	100	100	37	0	0	91	59	42	25	10	91	59	40	23	10	
March 15, 2006	100	100	0	0	0	100	100	14	0	0	90	55	37	20	7	90	55	35	19	7	
March 15, 2007	100	100	0	0	0	100	100	13	0	0	88	51	33	17	5	88	51	31	15	5	
March 15, 2008	100	100	0	0	0	100	100	13	0	0	86	46	29	13	4	86	46	27	12	4	
March 15, 2009	100	100	0	0	0	100	100	13	0	0	84	43	25	11	3	84	43	23	10	3	
March 15, 2010	100	100	0	0	0	100	100	13	0	0	82	39	22	9	2	82	39	20	8	2	
March 15, 2011	100	100	0	0	0	100	100	0	0	0	79	36	19	7	1	79	36	17	6	1	
March 15, 2012	100	100	0	0	0	100	100	0	0	0	77	32	16	6	1	77	32	15	5	1	
March 15, 2013	100	100	0	0	0	100	100	0	0	0	74	29	14	5	1	74	29	13	4	1	
March 15, 2014	100	100	0	0	0	100	100	0	0	0	71	26	12	4	0	71	26	11	3	0	
March 15, 2015	100	100	0	0	0	100	100	0	0	0	68	24	10	3	0	68	24	9	2	0	
March 15, 2016	100	100	0	0	0	100	100	0	0	0	64	21	9	2	0	64	21	8	2	0	
March 15, 2017	100	100	0	0	0	100	100	0	0	0	60	19	7	2	0	60	19	7	1	0	
March 15, 2018	100	100	0	0	0	100	100	0	0	0	56	16	6	1	0	56	16	5	1	0	
March 15, 2019	100	44	0	0	0	100	100	0	0	0	52	14	5	1	0	52	14	4	1	0	
March 15, 2020	100	0	0	0	0	100	0	0	0	0	47	12	4	1	0	47	12	4	1	0	
March 15, 2021	100	0	0	0	0	100	0	0	0	0	41	10	3	1	0	41	10	3	0	0	
March 15, 2022	100	0	0	0	0	100	0	0	0	0	36	8	3	0	0	36	8	2	0	0	
March 15, 2023	100	0	0	0	0	100	0	0	0	0	29	6	2	0	0	29	6	2	0	0	
March 15, 2024	100	0	0	0	0	100	0	0	0	0	23	5	1	0	0	23	5	1	0	0	
March 15, 2025	100	0	0	0	0	100	0	0	0	0	15	3	1	0	0	15	3	1	0	0	
March 15, 2026	0	0	0	0	0	0	0	0	0	0	7	1	0	0	0	7	1	0	0	0	
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	28.2	22.0	5.0	1.4	0.9	28.4	22.5	8.5	1.6	1.0	20.4	11.7	8.5	5.9	4.1	20.4	11.7	8.2	5.7	4.1	

Date	BA					BC					BE					BG and BO				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	99	96	94	91	87	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1999	97	89	82	73	61	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 2000	96	80	67	50	31	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 2001	94	71	53	31	9	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 2002	93	62	40	16	0	100	100	100	100	19	100	100	100	100	100	100	100	100	100	100
March 15, 2003	91	54	29	4	0	100	100	100	100	0	100	100	100	100	6	100	100	100	100	100
March 15, 2004	89	46	20	0	0	100	100	100	29	0	100	100	100	100	0	100	100	100	100	74
March 15, 2005	87	39	11	0	0	100	100	100	0	0	100	100	100	47	0	100	100	100	100	53
March 15, 2006	84	33	3	0	0	100	100	100	0	0	100	100	100	0	0	100	100	100	94	38
March 15, 2007	82	26	0	0	0	100	100	63	0	0	100	100	100	0	0	100	100	100	76	27
March 15, 2008	79	20	0	0	0	100	100	0	0	0	100	100	98	0	0	100	100	100	61	19
March 15, 2009	76	14	0	0	0	100	100	0	0	0	100	100	49	0	0	100	100	100	49	14
March 15, 2010	73	9	0	0	0	100	100	0	0	0	100	100	5	0	0	100	100	100	39	10
March 15, 2011	69	4	0	0	0	100	100	0	0	0	100	100	0	0	0	100	100	88	31	7
March 15, 2012	65	0	0	0	0	100	91	0	0	0	100	100	0	0	0	100	100	76	25	5
March 15, 2013	61	0	0	0	0	100	41	0	0	0	100	100	0	0	0	100	100	65	19	3
March 15, 2014	57	0	0	0	0	100	0	0	0	0	100	95	0	0	0	100	100	55	15	2
March 15, 2015	52	0	0	0	0	100	0	0	0	0	100	56	0	0	0	100	100	47	12	2
March 15, 2016	47	0	0	0	0	100	0	0	0	0	100	20	0	0	0	100	100	39	9	1
March 15, 2017	41	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	95	33	7	1
March 15, 2018	35	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	83	27	5	1
March 15, 2019	28	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	72	22	4	0
March 15, 2020	21	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	61	18	3	0
March 15, 2021	13	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	51	14	2	0
March 15, 2022	4	0	0	0	0	100	0	0	0	0	100	0	0	0	0	100	41	11	2	0
March 15, 2023	0	0	0	0	0	41	0	0	0	0	100	0	0	0	0	100	32	8	1	0
March 15, 2024	0	0	0	0	0	0	0	0	0	0	39	0	0	0	0	100	23	5	1	0
March 15, 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	77	15	3	0	0
March 15, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36	6	1	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	1.0	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Redemption on March 15, 1998	4.8	4.2	3.7	3.0	2.4	5.0	5.0	5.0	5.0	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Redemption on March 15, 2002	16.8	6.9	4.5	3.2	2.4	25.9	15.8	10.2	6.8	4.8	26.9	18.2	12.0	8.0	5.6	28.7	24.3	18.6	13.1	9.1

Date	BH					BJ, FD, FE, SW and W					BK				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	99	96	94	91	87	100	100	100	100	100	99	96	94	91	87
March 15, 1999	97	89	81	72	60	100	100	100	100	100	97	88	81	71	59
March 15, 2000	96	79	65	48	28	100	100	100	100	100	96	78	65	47	27
March 15, 2001	94	69	51	29	5	100	100	100	100	100	94	69	50	27	3
March 15, 2002	92	61	38	13	0	100	100	100	100	79	92	60	37	11	0
March 15, 2003	91	52	27	0	0	100	100	100	100	57	90	51	25	0	0
March 15, 2004	88	44	17	0	0	100	100	100	81	41	88	43	15	0	0
March 15, 2005	86	37	8	0	0	100	100	100	65	29	86	36	6	0	0
March 15, 2006	84	30	0	0	0	100	100	100	53	21	83	29	0	0	0
March 15, 2007	81	23	0	0	0	100	100	87	42	15	81	22	0	0	0
March 15, 2008	78	17	0	0	0	100	100	76	34	11	78	16	0	0	0
March 15, 2009	75	11	0	0	0	100	100	66	27	8	75	10	0	0	0
March 15, 2010	72	6	0	0	0	100	100	57	22	5	71	4	0	0	0
March 15, 2011	68	0	0	0	0	100	100	49	17	4	67	0	0	0	0
March 15, 2012	64	0	0	0	0	100	92	42	14	3	63	0	0	0	0
March 15, 2013	60	0	0	0	0	100	83	36	11	2	59	0	0	0	0
March 15, 2014	55	0	0	0	0	100	75	31	9	1	54	0	0	0	0
March 15, 2015	50	0	0	0	0	100	67	26	7	1	49	0	0	0	0
March 15, 2016	45	0	0	0	0	100	60	22	5	1	44	0	0	0	0
March 15, 2017	39	0	0	0	0	100	53	18	4	0	37	0	0	0	0
March 15, 2018	32	0	0	0	0	100	46	15	3	0	31	0	0	0	0
March 15, 2019	25	0	0	0	0	100	40	12	2	0	24	0	0	0	0
March 15, 2020	18	0	0	0	0	100	34	10	2	0	16	0	0	0	0
March 15, 2021	9	0	0	0	0	100	28	8	1	0	8	0	0	0	0
March 15, 2022	0	0	0	0	0	100	23	6	1	0	0	0	0	0	0
March 15, 2023	0	0	0	0	0	83	18	4	1	0	0	0	0	0	0
March 15, 2024	0	0	0	0	0	64	13	3	0	0	0	0	0	0	0
March 15, 2025	0	0	0	0	0	43	8	2	0	0	0	0	0	0	0
March 15, 2026	0	0	0	0	0	20	4	1	0	0	0	0	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)															
Redemption on March 15, 1998	1.0	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9
Redemption on March 15, 2002	4.8	4.1	3.6	3.0	2.3	5.0	5.0	5.0	5.0	4.9	4.8	4.1	3.6	2.9	2.3
No Redemption	16.5	6.7	4.3	3.0	2.3	27.6	20.9	15.2	10.5	7.3	16.3	6.5	4.2	3.0	2.3

Date	BL					BM, BN, FG, SG, SH and UU**					BY, FC and SC					Group 3 Asset				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%	0%	100%	185%	300%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 15, 1998	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	99	97	96	94	92
March 15, 1999	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	98	93	88	82	74
March 15, 2000	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	97	86	78	67	54
March 15, 2001	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	96	80	68	54	39
March 15, 2002	100	100	100	100	55	100	100	100	100	100	100	100	100	100	100	95	75	60	44	28
March 15, 2003	100	100	100	94	14	100	100	100	100	100	100	100	100	100	75	94	69	53	35	20
March 15, 2004	100	100	100	58	0	100	100	100	83	100	100	100	100	54	93	64	46	29	15	
March 15, 2005	100	100	100	29	0	100	100	100	60	100	100	100	86	39	91	59	40	23	10	
March 15, 2006	100	100	93	6	0	100	100	100	43	100	100	100	69	28	90	55	35	19	7	
March 15, 2007	100	100	69	0	0	100	100	100	86	31	100	100	56	20	88	51	31	15	5	
March 15, 2008	100	100	48	0	0	100	100	100	69	22	100	100	45	14	86	46	27	12	4	
March 15, 2009	100	100	30	0	0	100	100	100	55	16	100	100	86	36	10	84	43	23	10	3
March 15, 2010	100	100	14	0	0	100	100	100	44	11	100	100	75	29	7	82	39	20	8	2
March 15, 2011	100	95	0	0	0	100	100	99	35	8	100	100	65	23	5	79	36	17	6	1
March 15, 2012	100	78	0	0	0	100	100	85	28	6	100	100	56	18	4	77	32	15	5	1
March 15, 2013	100	62	0	0	0	100	100	73	22	4	100	100	48	14	3	74	29	13	4	1
March 15, 2014	100	47	0	0	0	100	100	62	17	3	100	99	41	11	2	71	26	11	3	0
March 15, 2015	100	33	0	0	0	100	100	53	14	2	100	88	34	9	1	68	24	9	2	0
March 15, 2016	100	19	0	0	0	100	100	45	11	1	100	79	29	7	1	64	21	8	2	0
March 15, 2017	100	6	0	0	0	100	100	37	8	1	100	70	24	5	1	60	19	7	1	0
March 15, 2018	100	0	0	0	0	100	94	31	6	1	100	61	20	4	0	56	16	5	1	0
March 15, 2019	100	0	0	0	0	100	81	25	5	0	100	53	16	3	0	52	14	4	1	0
March 15, 2020	100	0	0	0	0	100	69	20	3	0	100	45	13	2	0	47	12	4	1	0
March 15, 2021	100	0	0	0	0	100	57	16	3	0	100	37	10	2	0	41	10	3	0	0
March 15, 2022	95	0	0	0	0	100	46	12	2	0	100	30	8	1	0	36	8	2	0	0
March 15, 2023	62	0	0	0	0	100	36	9	1	0	100	23	6	1	0	29	6	2	0	0
March 15, 2024	27	0	0	0	0	100	26	6	1	0	84	17	4	0	0	23	5	1	0	0
March 15, 2025	0	0	0	0	0	87	16	4	0	0	57	11	2	0	0	15	3	1	0	0
March 15, 2026	0	0	0	0	0	41	7	2	0	0	27	5	1	0	0	7	1	0	0	0
March 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)																				
Redemption on March 15, 1998	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9
Redemption on March 15, 2002	5.0	5.0	5.0	5.0	4.8	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.4	4.1	3.7	3.2	
No Redemption	26.3	16.9	11.1	7.4	5.2	28.8	24.8	19.3	13.6	9.4	28.2	22.7	16.9	11.7	8.1	20.4	11.7	8.2	5.7	4.1

** The figures shown in the table for the Retail Class apply to that Class as a whole and are not likely to reflect the experience of any Retail Class investor. Because Retail Class investors will receive principal payments subject to the priorities, limitations and allocation described above, the weighted average lives of Retail Class Units will vary among different investors.

Date	F					GB					GC, GJ and GK					GD				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	75%	140%	250%	400%	0%	75%	140%	250%	400%	0%	75%	140%	250%	400%	0%	75%	140%	250%	400%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 17, 1998	99	93	88	80	70	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 17, 1999	97	85	75	59	39	100	100	100	100	100	100	100	100	100	100	67	0	0	0	0
March 17, 2000	95	77	63	41	16	100	100	100	100	100	100	100	100	100	100	48	0	0	0	0
March 17, 2001	93	70	52	25	0	100	100	100	100	90	100	100	100	100	100	28	0	0	0	0
March 17, 2002	91	62	41	13	0	100	100	100	100	20	100	100	100	100	100	6	0	0	0	0
March 17, 2003	89	55	32	2	0	100	100	100	100	0	100	100	100	100	83	0	0	0	0	
March 17, 2004	87	49	23	0	0	100	100	100	60	0	100	100	100	100	62	0	0	0	0	
March 17, 2005	84	42	15	0	0	100	100	100	18	0	100	100	100	100	46	0	0	0	0	
March 17, 2006	81	36	8	0	0	100	100	100	0	0	100	100	100	91	34	0	0	0	0	
March 17, 2007	78	30	2	0	0	100	100	100	0	0	100	100	100	76	26	0	0	0	0	
March 17, 2008	75	24	0	0	0	100	100	77	0	0	100	100	100	63	19	0	0	0	0	
March 17, 2009	71	19	0	0	0	100	100	48	0	0	100	100	100	52	14	0	0	0	0	
March 17, 2010	67	13	0	0	0	100	100	21	0	0	100	100	100	43	10	0	0	0	0	
March 17, 2011	63	8	0	0	0	100	100	0	0	0	100	100	99	35	8	0	0	0	0	
March 17, 2012	59	3	0	0	0	100	100	0	0	0	100	100	87	29	6	0	0	0	0	
March 17, 2013	54	0	0	0	0	100	88	0	0	0	100	100	76	23	4	0	0	0	0	
March 17, 2014	48	0	0	0	0	100	63	0	0	0	100	100	66	19	3	0	0	0	0	
March 17, 2015	43	0	0	0	0	100	38	0	0	0	100	100	57	15	2	0	0	0	0	
March 17, 2016	36	0	0	0	0	100	14	0	0	0	100	100	49	12	1	0	0	0	0	
March 17, 2017	30	0	0	0	0	100	0	0	0	0	100	95	42	10	1	0	0	0	0	
March 17, 2018	22	0	0	0	0	100	0	0	0	0	100	83	35	7	1	0	0	0	0	
March 17, 2019	14	0	0	0	0	100	0	0	0	0	100	71	29	6	0	0	0	0	0	
March 17, 2020	6	0	0	0	0	100	0	0	0	0	100	59	23	4	0	0	0	0	0	
March 17, 2021	0	0	0	0	0	82	0	0	0	0	100	48	18	3	0	0	0	0	0	
March 17, 2022	0	0	0	0	0	29	0	0	0	0	100	37	13	2	0	0	0	0	0	
March 17, 2023	0	0	0	0	0	0	0	0	0	0	85	26	9	1	0	0	0	0	0	
March 17, 2024	0	0	0	0	0	0	0	0	0	0	52	15	5	1	0	0	0	0	0	
March 17, 2025	0	0	0	0	0	0	0	0	0	0	16	4	1	0	0	0	0	0	0	
March 17, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
March 17, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	15.3	7.2	4.5	2.7	1.7	24.6	17.5	12.0	7.3	4.6	27.0	23.9	19.6	13.4	8.7	2.8	0.7	0.5	0.3	0.2

Date	GE					GH					Group 4 Assets									
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption									
	0%	75%	140%	250%	400%	0%	75%	140%	250%	400%	0%	75%	140%	250%	400%					
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
March 17, 1998	100	100	97	88	75	100	100	100	100	100	100	100	100	100	99	96	93	87	80	80
March 17, 1999	100	93	81	62	38	100	100	100	100	100	100	100	100	100	98	90	84	73	60	60
March 17, 2000	100	84	67	40	10	100	100	100	100	100	100	100	100	97	85	76	62	45	45	45
March 17, 2001	100	75	53	22	0	100	100	100	100	0	100	100	100	96	80	69	52	34	34	34
March 17, 2002	100	66	41	6	0	100	100	100	100	0	100	100	100	94	76	62	43	26	26	26
March 17, 2003	98	58	29	0	0	100	100	100	21	0	100	100	100	93	71	56	36	19	19	19
March 17, 2004	95	50	19	0	0	100	100	100	0	0	100	100	100	91	67	50	30	14	14	14
March 17, 2005	92	42	10	0	0	100	100	100	0	0	100	100	100	90	63	45	25	11	11	11
March 17, 2006	89	34	1	0	0	100	100	100	0	0	100	100	100	88	59	41	21	8	8	8
March 17, 2007	85	27	0	0	0	100	100	22	0	0	100	100	100	86	55	36	18	6	6	6
March 17, 2008	81	20	0	0	0	100	100	0	0	0	100	100	0	84	51	33	15	4	4	4
March 17, 2009	77	13	0	0	0	100	100	0	0	0	100	100	0	81	47	29	12	3	3	3
March 17, 2010	72	7	0	0	0	100	100	0	0	0	100	100	0	79	44	26	10	2	2	2
March 17, 2011	67	1	0	0	0	100	100	0	0	0	100	100	0	76	40	23	8	2	2	2
March 17, 2012	62	0	0	0	0	100	37	0	0	0	100	37	20	7	3	7	1	1	1	1
March 17, 2013	56	0	0	0	0	100	0	0	0	0	100	0	18	5	1	1	1	1	1	1
March 17, 2014	49	0	0	0	0	100	0	0	0	0	100	0	15	4	1	1	1	1	1	1
March 17, 2015	42	0	0	0	0	100	0	0	0	0	100	0	13	4	0	0	0	0	0	0
March 17, 2016	35	0	0	0	0	100	0	0	0	0	100	0	11	3	0	0	0	0	0	0
March 17, 2017	27	0	0	0	0	100	0	0	0	0	100	0	10	2	0	0	0	0	0	0
March 17, 2018	18	0	0	0	0	100	0	0	0	0	100	0	8	2	0	0	0	0	0	0
March 17, 2019	8	0	0	0	0	100	0	0	0	0	100	0	7	1	0	0	0	0	0	0
March 17, 2020	0	0	0	0	0	79	0	0	0	0	39	14	5	1	0	0	0	0	0	0
March 17, 2021	0	0	0	0	0	0	0	0	0	0	33	11	4	1	0	0	0	0	0	0
March 17, 2022	0	0	0	0	0	0	0	0	0	0	27	9	3	0	0	0	0	0	0	0
March 17, 2023	0	0	0	0	0	0	0	0	0	0	20	6	2	0	0	0	0	0	0	0
March 17, 2024	0	0	0	0	0	0	0	0	0	0	12	3	1	0	0	0	0	0	0	0
March 17, 2025	0	0	0	0	0	0	0	0	0	0	4	1	0	0	0	0	0	0	0	0
March 17, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March 17, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	16.0	7.2	4.5	2.7	1.7	23.3	14.8	9.7	5.8	3.7	19.2	12.3	8.9	5.7	3.7					

Yield Considerations

An investor seeking to maximize yield should make a decision whether to invest in any Class based on the anticipated yield of that Class resulting from its purchase price, the investor's own projection of Mortgage prepayment rates under a variety of scenarios, the investor's own projection of the likelihood of a redemption of the Group 3 Asset, if applicable, under a variety of scenarios and, in the case of the Floating Rate and Inverse Floating Rate Classes, the investor's own projection of levels of the applicable Index under a variety of scenarios. Freddie Mac makes no representation regarding Mortgage prepayment rates, the likelihood of a redemption of the Group 3 Asset, the level of either Index or the yield of any Class.

Prepayments and Redemption: Effect on Yields

The yields to investors will be sensitive in varying degrees to the rates of prepayments on the underlying Mortgages and, in the case of the Callable Classes, to the occurrence of a redemption of the Group 3 Asset. In the case of the Interest Only Classes and any other Classes purchased at a premium over their principal amounts, faster than anticipated rates of Mortgage principal payments or a redemption of the Group 3 Asset, if applicable, could result in actual yields to investors that are lower than the anticipated yields. Investors in such Classes (especially the Interest Only and Callable Classes) should also consider the risk that rapid rates of Mortgage principal payments or such a redemption, if applicable, could result in the failure of investors to fully recover their investments. In the case of the Principal Only Classes and any other Classes purchased at a discount to their principal amounts, slower than anticipated rates of principal payments and the absence of a redemption of the Group 3 Asset, if applicable, could result in actual yields to investors that are lower than the anticipated yields.

The Group 3 Asset may be redeemed by Freddie Mac at the direction of the holder of the related Call Class of Series C039 on any Payment Date beginning in March 1998, subject to the market value limitations described under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement. A redemption of the Group 3 Asset would result in the concurrent retirement of all Callable Classes then outstanding and would decrease the weighted average lives of such Classes, perhaps significantly. The earlier after the Closing Date that a redemption occurs, the greater would be such effect.

In general, a redemption of the Group 3 Asset is most likely to occur if prevailing interest rates have declined. However, the holder of the related Call Class, which may include the Underwriter (or an affiliate), may also be a Holder of one or more Callable Classes of this Series, such as an Interest Only or Principal Only Class, which may affect such holder's decision whether to direct or not to direct the redemption of the Group 3 Asset. Such investor may have an economic incentive to direct or not to direct the redemption of the Group 3 Asset for reasons independent of the market value of the underlying Giant PC. For example, if the holder of the related Call Class also holds a related Interest Only Class, such holder may have an incentive not to exercise the redemption option, even if the underlying Giant PC has a market value above its principal amount. The effect of a redemption of the Group 3 Asset upon interest payments on the Callable Classes is discussed under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement.

Rapid rates of prepayments on the Mortgages (or a redemption of the Group 3 Asset) are likely to coincide with periods of low prevailing interest rates. During such periods, the yields at which an investor may be able to reinvest amounts received as principal payments on the investor's Class may be lower than the yield on that Class. Conversely, slow rates of prepayments on the Mortgages (and the absence of a redemption of the Group 3 Asset) are likely to coincide with periods of high prevailing interest rates. During such periods, the amount of principal payments available to an investor for reinvestment at such high rates may be relatively low.

The Mortgages will not prepay at any constant rate until maturity, nor will all of the Mortgages prepay at the same rate at any one time. Moreover, a portion of the payments (including prepayments) on the Group 4 Assets are likely to be distributed in the month following the month in which they are received by Freddie Mac. The timing of changes in the rate of prepayments, and of the actual receipt of payments on the Group 4 Assets, may affect the actual yield to an investor, even if the average rate of principal prepayments is consistent with the investor's expectation. In general, the earlier a prepayment of principal on the Mortgages,

the greater the effect on an investor's yield. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the Closing Date is not likely to be offset by a later equivalent reduction (or increase) in the rate of principal prepayments.

The Indices: Effect on Yields of the Floating Rate and Inverse Floating Rate Classes

Investors in the Floating Rate Classes should consider the risk that lower than anticipated levels of the applicable Index could result in actual yields to investors that are lower than the anticipated yields and the fact that their Class Coupons cannot exceed their specified maximum rates. Conversely, investors in the Inverse Floating Rate Classes should consider the risk that higher than anticipated levels of the applicable Index could result in actual yields to investors that are significantly lower than the anticipated yields and the fact that their Class Coupons can fall as low as 0%. Further, high levels of the applicable Index (especially in combination with fast Mortgage prepayment rates or a redemption of the Group 3 Asset, if applicable) may result in the failure of investors in the S, SD, SX and SY Classes to fully recover their investments.

Changes in either Index may not correlate with changes in mortgage interest rates. It is possible that lower prevailing mortgage interest rates (which would be expected to result in faster prepayments) could occur concurrently with a higher level of either Index. Conversely, higher prevailing mortgage interest rates (which would be expected to result in slower prepayments) could occur concurrently with a lower level of either Index.

The Indices will not remain constant at any level. The timing of changes in the level of the applicable Index may affect the actual yield to an investor, even if the average level is consistent with the investor's expectation. In general, the earlier a change in the level of the applicable Index, the greater the effect on an investor's yield. As a result, the effect on an investor's yield of an Index level that is higher (or lower) than the rate anticipated by the investor during earlier periods is not likely to be offset by a later equivalent reduction (or increase).

Payment Delay: Effect on Yields of Fixed Rate and Delay Classes

The effective yield on any Fixed Rate Class (other than the BX Class) or Delay Class will be less than the yield otherwise produced by its Class Coupon and purchase price because (i) on the first Payment Date 30 days' interest will be payable on (or, in the case of the Accrual Class, added to the principal amount of) that Class even though interest began to accrue approximately 45 or 47 days earlier and (ii) on each subsequent Payment Date (except for certain Callable Classes, in the case of a redemption of the Group 3 Asset) the interest payable will accrue during the related Accrual Period, which will end approximately 15 or 17 days earlier. In the event of a redemption of the Group 3 Asset, interest payable on certain of the Callable Classes will include interest to the date of redemption, as described under "General Information — Structure of Transaction — The Group 3 Asset" in this Supplement.

Yield Tables

The following tables show the pre-tax yields to maturity (corporate bond equivalent) of the Interest Only, Principal Only and Inverse Floating Rate Classes (i) at various *constant* percentages of PSA, (ii) in the case of the Callable Classes, assuming either that no redemption of the Group 3 Asset occurs or that a redemption occurs on one of the Payment Dates shown and (iii) in the case of the Inverse Floating Rate Classes, at various *constant* levels of the applicable Index. The tables for the Interest Only Classes also show annual and total interest payments on those Classes, assuming that no redemption occurs, if applicable. Freddie Mac has prepared these tables using the Modeling Assumptions and the assumed purchase prices shown in the table captions. Where the assumed price is expressed as a dollar amount, it includes accrued interest. Where the assumed price is expressed as a percentage of original amount, it excludes accrued interest and Freddie Mac has added accrued interest, if any, in calculating the yields shown. The assumed prices are not necessarily those at which actual sales will occur.

Pre-Tax Yields

BJ Class (Assumed Price: 65.0%)

<u>Redemption Date</u>	Pre-Tax Yield			
	100% PSA	185% PSA	300% PSA	450% PSA
March 15, 1998	49.9%	49.9%	49.9%	49.9%
March 15, 2002	8.9	8.9	8.9	9.0
No Redemption	2.1	2.9	4.3	6.2

BN Class (Assumed Price: 65.0%)

<u>Redemption Date</u>	Pre-Tax Yield			
	100% PSA	185% PSA	300% PSA	450% PSA
March 15, 1998	49.9%	49.9%	49.9%	49.9%
March 15, 2002	8.9	8.9	8.9	8.9
No Redemption	1.7	2.3	3.2	4.7

BY Class (Assumed Price: 56.0%)

<u>Redemption Date</u>	Pre-Tax Yield			
	100% PSA	185% PSA	300% PSA	450% PSA
March 15, 1998	69.9%	69.9%	69.9%	69.9%
March 15, 2002	12.0	12.0	12.0	12.0
No Redemption	2.6	3.5	5.2	7.5

SB Class (Assumed Price: 81.3125%)

<u>LIBOR</u>	100% PSA	175% PSA	285% PSA	450% PSA
4.3750%	22.0%	22.0%	28.5%	34.3%
5.3750	15.5	15.6	22.3	28.2
6.5625	8.0	8.3	15.3	21.1
7.8125 and Higher	0.8	1.1	8.1	13.9

SC Class
(Assumed Price: 93.0%)

LIBOR 4.4375%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	37.3%	37.3%	37.3%	37.3%
March 15, 2002	30.6	30.6	30.6	30.6
No Redemption	29.9	29.9	30.0	30.2

LIBOR 5.4375%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	28.1%	28.1%	28.1%	28.1%
March 15, 2002	21.5	21.5	21.5	21.5
No Redemption	20.6	20.6	20.8	21.0

LIBOR 6.6250%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	17.6%	17.6%	17.6%	17.6%
March 15, 2002	11.1	11.1	11.1	11.1
No Redemption	9.9	10.0	10.2	10.5

LIBOR 7.7500% and Higher:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	7.9%	7.9%	7.9%	7.9%
March 15, 2002	1.5	1.5	1.5	1.5
No Redemption	0.3	0.4	0.6	0.9

SG Class
(Assumed Price: 88.1875%)

Prime Rate 7.250%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	56.5%	56.5%	56.5%	56.5%
March 15, 2002	44.6	44.6	44.6	44.6
No Redemption	43.6	43.6	43.7	43.8

Prime Rate 8.250%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	36.8%	36.8%	36.8%	36.8%
March 15, 2002	25.1	25.1	25.1	25.1
No Redemption	23.6	23.6	23.8	24.1

Prime Rate 8.875%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	25.0%	25.0%	25.0%	25.0%
March 15, 2002	13.6	13.6	13.6	13.6
No Redemption	11.7	11.8	12.0	12.4

Prime Rate 9.500% and Higher:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	13.7%	13.7%	13.7%	13.7%
March 15, 2002	2.6	2.6	2.6	2.6
No Redemption	0.5	0.7	0.9	1.4

SH Class
(Assumed Price: 88.1875%)

Prime Rate 9.500% and Lower:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	27.2%	27.2%	27.2%	27.2%
March 15, 2002	15.8	15.8	15.8	15.8
No Redemption	14.0	14.1	14.3	14.7

Prime Rate 9.875%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	20.3%	20.3%	20.3%	20.3%
March 15, 2002	9.1	9.1	9.1	9.1
No Redemption	7.1	7.2	7.5	7.9

Prime Rate 10.250% and Higher:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	13.6%	13.6%	13.6%	13.6%
March 15, 2002	2.6	2.6	2.6	2.6
No Redemption	0.5	0.7	0.9	1.4

SW Class
(Assumed Price: 88.16964%)

LIBOR 4.4375%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	31.8%	31.8%	31.8%	31.8%
March 15, 2002	20.4	20.4	20.4	20.4
No Redemption	18.8	18.9	19.3	19.8

LIBOR 5.4375%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	27.0%	27.0%	27.0%	27.0%
March 15, 2002	15.5	15.5	15.5	15.5
No Redemption	13.7	13.9	14.3	14.8

LIBOR 6.8125%:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	20.4%	20.4%	20.4%	20.4%
March 15, 2002	8.9	8.9	8.9	9.0
No Redemption	6.9	7.2	7.6	8.1

LIBOR 8.1875% and Higher:

<u>Redemption Date</u>	<u>Pre-Tax Yield</u>			
	<u>100% PSA</u>	<u>185% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>
March 15, 1998	14.2%	14.2%	14.2%	14.2%
March 15, 2002	2.7	2.7	2.7	2.7
No Redemption	0.6	0.9	1.3	1.8

Interest Payments and Pre-Tax Yields

BX Class
(Assumed Price: \$304,180.07)
(Payments in Thousands)

<u>Twelve Consecutive Months Through</u>	<u>PSA Prepayment Assumption</u>			
	<u>100%</u>	<u>185%</u>	<u>300%</u>	<u>450%</u>
March 15, 1998*	\$ 325	\$ 325	\$ 325	\$ 325
Total Payments	<u>\$ 325</u>	<u>\$ 325</u>	<u>\$ 325</u>	<u>\$ 325</u>
Pre-Tax Yield	13.6%	13.6%	13.6%	13.6%

* Final Payment Date of BX Class.

L Class
(Assumed Price: \$2,748,274.43)
(Payments in Thousands)

Twelve Consecutive Months Through	PSA Prepayment Assumption			
	<u>50%</u>	<u>100% through 285%</u>	<u>450%</u>	<u>497%</u>
March 15, 1998	\$ 536	\$ 536	\$ 536	\$ 536
March 15, 1999	536	536	536	536
March 15, 2000	536	536	536	536
March 15, 2001	536	535	500	454
March 15, 2002	536	470	316	262
March 15, 2003	535	375	198	157
March 15, 2004	498	297	126	97
March 15, 2005	434	233	82	58
March 15, 2006	376	181	51	36
March 15, 2007	325	136	34	24
March 15, 2008	275	105	24	17
March 15, 2009	234	79	17	12
March 15, 2010	197	58	12	8
March 15, 2011	160	42	9	5
March 15, 2012	127	34	6	4
March 15, 2013	97	27	4	2
March 15, 2014	68	21	3	2
March 15, 2015	41	17	2	1
March 15, 2016	23	13	1	1
March 15, 2017	11	10	1	1
March 15, 2018	8	8	1	0
March 15, 2019	6	6	0	0
March 15, 2020	5	5	0	0
March 15, 2021	4	4	0	0
March 15, 2022	3	3	0	0
March 15, 2023	2	2	0	0
March 15, 2024	1	1	0	0
March 15, 2025	1	1	0	0
March 15, 2026 and after	0	0	0	0
Total Payments*	<u>\$6,109</u>	<u>\$4,271</u>	<u>\$2,997</u>	<u>\$2,748</u>
Pre-Tax Yield	16.2%	10.7%	2.7%	0.0%

* Total payments may not equal sums of columns due to rounding.

S Class
(Assumed Price: \$1,904,563.45)
(Payments in Thousands)

Twelve Consecutive Months Through	4.3750% LIBOR				5.3750% LIBOR				7.3125% LIBOR				9.2500% LIBOR and Higher			
	PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption			
	75%	140%	250%	400%	75%	140%	250%	400%	75%	140%	250%	400%	75%	140%	250%	400%
March 17, 1998	\$ 2,027	\$1,985	\$1,913	\$1,812	\$ 1,636	\$1,603	\$1,545	\$1,465	\$ 879	\$ 862	\$ 834	\$ 794	\$140	\$140	\$140	\$140
March 17, 1999	1,900	1,748	1,496	1,165	1,506	1,386	1,186	924	743	684	585	456	0	0	0	0
March 17, 2000	1,730	1,474	1,072	587	1,372	1,169	850	465	677	577	419	230	0	0	0	0
March 17, 2001	1,567	1,224	714	152	1,242	970	566	121	613	479	279	60	0	0	0	0
March 17, 2002	1,410	994	412	0	1,118	788	326	0	552	389	161	0	0	0	0	0
March 17, 2003	1,259	785	156	0	998	622	124	0	492	307	61	0	0	0	0	0
March 17, 2004	1,113	593	4	0	882	470	3	0	435	232	2	0	0	0	0	0
March 17, 2005	973	417	0	0	771	331	0	0	381	163	0	0	0	0	0	0
March 17, 2006	837	257	0	0	664	203	0	0	328	100	0	0	0	0	0	0
March 17, 2007	707	110	0	0	560	87	0	0	276	43	0	0	0	0	0	0
March 17, 2008	581	6	0	0	460	5	0	0	227	2	0	0	0	0	0	0
March 17, 2009	459	0	0	0	364	0	0	0	180	0	0	0	0	0	0	0
March 17, 2010	341	0	0	0	270	0	0	0	133	0	0	0	0	0	0	0
March 17, 2011	227	0	0	0	180	0	0	0	89	0	0	0	0	0	0	0
March 17, 2012	116	0	0	0	92	0	0	0	46	0	0	0	0	0	0	0
March 17, 2013	18	0	0	0	14	0	0	0	7	0	0	0	0	0	0	0
March 17, 2014 and after	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments*	\$15,265	\$9,592	\$5,767	\$3,716	\$12,131	\$7,633	\$4,601	\$2,975	\$6,057	\$3,838	\$2,341	\$ 1,539	\$140	\$140	\$140	\$140
Pre-Tax Yield	131.0%	122.0%	105.4%	79.3%	98.1%	89.5%	73.0%	46.7%	39.7%	30.7%	12.3%	(16.6)%	**	**	**	**

SD Class
(Assumed Price: \$4,732,875.10)
(Payments in Thousands)

Twelve Consecutive Months Through	4.4375% LIBOR				5.4375% LIBOR				6.8125% LIBOR				8.1875% LIBOR and Higher			
	PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption			
	100%	185%	300%	450%	100%	185%	300%	450%	100%	185%	300%	450%	100%	185%	300%	450%
March 15, 1998	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 2,336	\$ 2,336	\$ 2,336	\$ 2,336	\$ 1,250	\$ 1,250	\$ 1,250	\$1,250	\$ 195	\$ 195	\$ 195	\$ 195
March 15, 1999	3,197	3,197	3,197	3,197	2,336	2,336	2,336	2,336	1,152	1,152	1,152	1,152	0	0	0	0
March 15, 2000	3,197	3,197	3,197	3,197	2,336	2,336	2,336	2,336	1,152	1,152	1,152	1,152	0	0	0	0
March 15, 2001	3,197	3,197	3,197	3,197	2,336	2,336	2,336	2,336	1,152	1,152	1,152	1,152	0	0	0	0
March 15, 2002	3,197	3,197	3,197	2,975	2,336	2,336	2,336	2,174	1,152	1,152	1,152	1,072	0	0	0	0
March 15, 2003	3,197	3,197	3,197	2,186	2,336	2,336	2,336	1,597	1,152	1,152	1,152	788	0	0	0	0
March 15, 2004	3,197	3,197	2,908	1,574	2,336	2,336	2,125	1,150	1,152	1,152	1,048	567	0	0	0	0
March 15, 2005	3,197	3,197	2,350	1,132	2,336	2,336	1,717	827	1,152	1,152	847	408	0	0	0	0
March 15, 2006	3,197	3,197	1,895	813	2,336	2,336	1,385	594	1,152	1,152	683	293	0	0	0	0
March 15, 2007	3,197	2,991	1,526	583	2,336	2,185	1,115	426	1,152	1,077	550	210	0	0	0	0
March 15, 2008	3,197	2,606	1,226	417	2,336	1,904	896	305	1,152	939	442	150	0	0	0	0
March 15, 2009	3,197	2,265	983	298	2,336	1,655	718	217	1,152	816	354	107	0	0	0	0
March 15, 2010	3,197	1,964	787	212	2,336	1,435	575	155	1,152	708	283	76	0	0	0	0
March 15, 2011	3,197	1,699	627	150	2,336	1,241	458	110	1,152	612	226	54	0	0	0	0
March 15, 2012	3,084	1,464	499	107	2,253	1,070	364	78	1,111	528	180	38	0	0	0	0
March 15, 2013	2,802	1,257	395	75	2,047	919	289	55	1,009	453	142	27	0	0	0	0
March 15, 2014	2,533	1,075	312	53	1,851	786	228	39	913	387	112	19	0	0	0	0
March 15, 2015	2,278	915	245	37	1,665	668	179	27	821	330	88	13	0	0	0	0
March 15, 2016	2,037	773	191	26	1,488	565	139	19	734	279	69	9	0	0	0	0
March 15, 2017	1,808	649	148	18	1,321	474	108	13	651	234	53	6	0	0	0	0
March 15, 2018	1,591	540	113	12	1,162	395	83	9	573	195	41	4	0	0	0	0
March 15, 2019	1,385	445	86	8	1,012	325	63	6	499	160	31	3	0	0	0	0
March 15, 2020	1,189	361	64	5	868	264	47	4	428	130	23	2	0	0	0	0
March 15, 2021	1,002	288	47	4	732	210	35	3	361	104	17	1	0	0	0	0
March 15, 2022	825	224	34	2	602	164	25	2	297	81	12	1	0	0	0	0
March 15, 2023	655	168	24	1	479	123	17	1	236	61	9	1	0	0	0	0
March 15, 2024	494	120	16	1	361	88	11	1	178	43	6	0	0	0	0	0
March 15, 2025	340	78	9	0	248	57	7	0	122	28	3	0	0	0	0	0
March 15, 2026	192	42	5	0	141	31	3	0	69	15	2	0	0	0	0	0
March 15, 2027	52	11	1	0	38	8	1	0	19	4	0	0	0	0	0	0
Total Payments*	\$66,948	\$48,636	\$33,599	\$23,403	\$48,967	\$35,588	\$24,602	\$17,152	\$24,244	\$17,646	\$12,229	\$8,556	\$ 195	\$ 195	\$ 195	\$ 195
Pre-Tax Yield																
Redemption on March 15, 1998	(63.0)%	(63.0)%	(63.0)%	(63.0)%	(93.6)%	(93.6)%	(93.6)%	(93.6)%	**	**	**	**	**	**	**	**
Redemption on March 15, 2002	74.6	74.6	74.6	74.4	48.7	48.7	48.7	48.4	9.2%	9.2%	9.2%	8.7%	**	**	**	**
No Redemption	78.5	78.4	78.0	76.6	55.7	55.5	54.7	52.2	26.1	25.2	22.6	17.7	**	**	**	**

* Total payments may not equal sums due to rounding. Annual and total payments assume no redemption.
** Less than (99.9)%.

SX Class
(Assumed Price: \$1,651,258.29)
(Payments in Thousands)

Twelve Consecutive Months Through	4.3750% LIBOR				5.3750% LIBOR				6.4375% LIBOR				7.5000% LIBOR and Higher			
	PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption			
	75%	140%	250%	400%	75%	140%	250%	400%	75%	140%	250%	400%	75%	140%	250%	400%
March 17, 1998	\$1,300	\$1,273	\$1,226	\$1,160	\$ 909	\$ 890	\$ 859	\$ 814	\$ 494	\$ 484	\$ 468	\$ 446	\$ 78	\$ 78	\$ 78	\$ 78
March 17, 1999	1,231	1,132	969	755	837	770	659	513	418	385	329	257	0	0	0	0
March 17, 2000	1,121	955	694	380	762	649	472	259	381	325	236	129	0	0	0	0
March 17, 2001	1,015	792	463	99	690	539	315	67	345	269	157	34	0	0	0	0
March 17, 2002	913	644	267	0	621	438	181	0	310	219	91	0	0	0	0	0
March 17, 2003	815	508	101	0	554	346	69	0	277	173	34	0	0	0	0	0
March 17, 2004	721	384	3	0	490	261	2	0	245	131	1	0	0	0	0	0
March 17, 2005	630	270	0	0	428	184	0	0	214	92	0	0	0	0	0	0
March 17, 2006	542	166	0	0	369	113	0	0	184	57	0	0	0	0	0	0
March 17, 2007	458	71	0	0	311	48	0	0	156	24	0	0	0	0	0	0
March 17, 2008	376	4	0	0	256	3	0	0	128	1	0	0	0	0	0	0
March 17, 2009	297	0	0	0	202	0	0	0	101	0	0	0	0	0	0	0
March 17, 2010	221	0	0	0	150	0	0	0	75	0	0	0	0	0	0	0
March 17, 2011	147	0	0	0	100	0	0	0	50	0	0	0	0	0	0	0
March 17, 2012	75	0	0	0	51	0	0	0	26	0	0	0	0	0	0	0
March 17, 2013	12	0	0	0	8	0	0	0	4	0	0	0	0	0	0	0
March 17, 2014 and after	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments*	<u>\$9,874</u>	<u>\$6,199</u>	<u>\$3,722</u>	<u>\$2,394</u>	<u>\$6,739</u>	<u>\$4,241</u>	<u>\$2,556</u>	<u>\$1,653</u>	<u>\$3,409</u>	<u>\$2,159</u>	<u>\$ 1,317</u>	<u>\$ 865</u>	<u>\$ 78</u>	<u>\$ 78</u>	<u>\$ 78</u>	<u>\$ 78</u>
Pre-Tax Yield	88.1%	79.6%	63.0%	36.4%	54.1%	45.5%	28.0%	0.1%	19.6%	9.5%	(11.2)%	(42.1)%	**	**	**	**

SY Class
(Assumed Price: \$2,031,705.75)
(Payments in Thousands)

Twelve Consecutive Months Through	7.5000% LIBOR and Lower				8.3750% LIBOR				9.2500% LIBOR and Higher			
	PSA Prepayment Assumption				PSA Prepayment Assumption				PSA Prepayment Assumption			
	75%	140%	250%	400%	75%	140%	250%	400%	75%	140%	250%	400%
March 17, 1998	\$ 727	\$ 712	\$ 687	\$ 651	\$ 385	\$ 378	\$ 365	\$ 348	\$ 62	\$ 62	\$ 62	\$ 62
March 17, 1999	670	616	527	411	325	299	256	199	0	0	0	0
March 17, 2000	610	519	378	207	296	252	183	100	0	0	0	0
March 17, 2001	552	431	252	54	268	209	122	26	0	0	0	0
March 17, 2002	497	350	145	0	241	170	70	0	0	0	0	0
March 17, 2003	443	276	55	0	215	134	27	0	0	0	0	0
March 17, 2004	392	209	1	0	190	101	1	0	0	0	0	0
March 17, 2005	343	147	0	0	166	71	0	0	0	0	0	0
March 17, 2006	295	90	0	0	143	44	0	0	0	0	0	0
March 17, 2007	249	39	0	0	121	19	0	0	0	0	0	0
March 17, 2008	205	2	0	0	99	1	0	0	0	0	0	0
March 17, 2009	162	0	0	0	78	0	0	0	0	0	0	0
March 17, 2010	120	0	0	0	58	0	0	0	0	0	0	0
March 17, 2011	80	0	0	0	39	0	0	0	0	0	0	0
March 17, 2012	41	0	0	0	20	0	0	0	0	0	0	0
March 17, 2013	6	0	0	0	3	0	0	0	0	0	0	0
March 17, 2014 and after	0	0	0	0	0	0	0	0	0	0	0	0
Total Payments*	<u>\$5,391</u>	<u>\$3,392</u>	<u>\$2,045</u>	<u>\$ 1,322</u>	<u>\$2,649</u>	<u>\$1,678</u>	<u>\$ 1,024</u>	<u>\$ 674</u>	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 62</u>	<u>\$ 62</u>
Pre-Tax Yield	29.2%	19.8%	0.3%	(29.6)%	5.9%	(5.7)%	(29.0)%	(61.9)%	**	**	**	**

* Total payments may not equal sums of columns due to rounding.
** Less than (99.9)%.

The Mortgages will not prepay at any constant rate, nor will the Indices remain constant at any level. Moreover, the Mortgages have characteristics that differ from those of the Modeling Assumptions. Therefore, the actual pre-tax yield of any Class may differ from any of those shown in the table for that Class, even if purchased at the assumed price shown, and the actual annual and total payments for the Interest Only Classes may also differ from those shown.

FINAL PAYMENT DATES

The Final Payment Date for each Class is the latest date by which it will be retired. The assumptions used in calculating the Final Payment Dates are highly conservative, and the actual retirement of any Class may occur earlier than its Final Payment Date.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

Subject to the assumptions described in “Certain Federal Income Tax Consequences — REMIC Election” in the Multiclass Offering Circulars, the Upper-Tier REMIC Pool and the three Lower-Tier REMIC Pools will each qualify as a REMIC for federal income tax purposes.

The arrangement pursuant to which the MACR Classes are created, sold and administered (the “MACR Pool”) will be classified as a grantor trust under subpart E, part I of subchapter J of the Internal Revenue Code. The interests in the Regular Classes that have been exchanged with Freddie Mac for the MACR Classes (including any exchanges effective on the Closing Date) will be the assets of the MACR Pool and the MACR Classes will represent beneficial ownership of these assets.

The following discussion does not consider the federal income tax consequences to a beneficial owner of a Callable Class if such owner also has an interest in the related Call Class of Series C039. Accordingly, such a beneficial owner should consult its own tax advisor in determining the federal, state, local and any other tax consequences of the purchase, ownership, exchange or disposition of the Callable Classes.

Regular Classes

The Regular Classes will be the “regular interests” in the REMIC Pool. The Regular Classes will be treated as debt instruments for federal income tax purposes and may be issued with original issue discount (“OID”) or at a premium. Based in part on the levels of the Indices as of the date of this Supplement and on assumptions regarding the initial prices at which substantial portions of the Regular Classes will be sold to the public, Freddie Mac expects to report income to the Internal Revenue Service and to Holders of the Regular Classes assuming they are issued as follows:

- *OID*: A, B, BC, BE, BJ, BL, BN, BX, BY, C, GH, HC, HZ, L, SB, SC, SD, SG, SH, SX and SY Classes.
- *De Minimis OID*: BG, BM, D, E, F, FC, FE, GB, GC, GE, GJ and HB Classes.
- *Premium*: BA, BH, BK, BO, FB, FG, GD, GK, HA, HD, HE, HG, J, K, M, N, O, P and UU Classes.

OID generally will result in recognition of taxable income in advance of the receipt of cash attributable to such income. The “Prepayment Assumption” used in determining whether OID is *de minimis* and in computing the rate of accrual of OID or the amortization of premium is 175% PSA for the Group 1 Classes, 185% PSA for the Group 2 and Group 3 Classes and 140% PSA for the Group 4 Classes. See “Certain Federal Income Tax Consequences — Taxation of Regular Classes — Original Issue Discount” and “— Premium” in the Multiclass Offering Circulars. Section 1272(a)(6) of the Internal Revenue Code, however, authorizes regulations regarding the “prepayment assumption” to be used in making these determinations. If such regulations are issued, they may require that a beneficial owner of a Callable Class take into account, in making these determinations, the possibility of the retirement of such Callable Class concurrently with the redemption of the Group 3 Asset.

Freddie Mac intends to report any original issue or market discount or premium with respect to the Floating Rate Classes assuming that each variable rate is a fixed rate equal to the value of the variable rate as

of the date of this Supplement. See “Certain Federal Income Tax Consequences — Taxation of Regular Classes — Floating Rate and Inverse Floating Rate Classes” in the Multiclass Offering Circulars.

Residual Classes

The R Class will be the “residual interest” in the Upper-Tier REMIC Pool and the RA, RB and RC Classes will each be the “residual interest” in one of the Lower-Tier REMIC Pools. Special tax considerations apply to the Residual Classes. The taxation of the Residual Classes can produce a significantly less favorable after-tax return than if (i) the Residual Classes were taxable as debt instruments or (ii) no portion of the taxable income on the Residual Classes were treated as “excess inclusions.” In certain periods, taxable income and the resulting tax liability on the R Class may exceed any payments on that Class. See “Certain Federal Income Tax Consequences — Taxation of Residual Classes” in the Multiclass Offering Circulars. In addition, a substantial tax may be imposed on certain transferors of the Residual Classes and certain beneficial owners of such Classes that are “pass-through entities.” See “Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Disqualified Organizations” in the Multiclass Offering Circulars. Investors should not purchase a Residual Class before consulting their tax advisors.

Certain Transfers of Residual Classes

The REMIC Regulations (as defined under “Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Additional Transfer Restrictions” in the Multiclass Offering Circulars) disregard:

- A transfer of a “noneconomic residual” unless no significant purpose of the transfer is to impede the assessment or collection of tax; and
- Except in certain cases, a transfer of a residual interest to a foreign investor or a transfer of a residual interest from a foreign investor to a U.S. investor (accordingly, the Multiclass Agreement prohibits the transfer of an interest in a Residual Class to or from a foreign investor without Freddie Mac’s written consent).

In such cases, the transferor would continue to be treated as the owner of the residual interest and thus would continue to be subject to tax on its allocable portion of the net income of the REMIC. See “Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Additional Transfer Restrictions” in the Multiclass Offering Circulars.

Residual Classes with Negative Fair Market Values

The federal income tax consequences of any consideration paid to a transferee on a transfer of a Residual Class are unclear. The REMIC Regulations do not address whether a residual interest could have a negative basis and a negative issue price. The preamble indicates that the Internal Revenue Service is considering the tax treatment of these types of residual interests. Any transferee receiving consideration should consult its tax advisors.

Reporting and Administrative Matters

Freddie Mac will furnish Holders of the Residual Classes the information it deems necessary or appropriate to enable them to prepare any reports required under the Internal Revenue Code or applicable Treasury regulations. Freddie Mac does not intend to hold the Residual Classes for its account, and applicable law may not permit Freddie Mac to perform tax administrative functions for the REMIC Pools. Accordingly, the Holders of the Residual Classes may have certain tax administrative obligations (for which Freddie Mac will act as attorney-in-fact and agent). See “Certain Federal Income Tax Consequences — Reporting and Administrative Matters” in the Multiclass Offering Circulars.

MACR Classes

For a discussion of certain federal income tax consequences applicable to the MACR Classes, see “Certain Federal Income Tax Consequences — Taxation of MACR Classes,” “— Exchanges of MACR

Classes and Multiclass PCs” and “— Taxation of Certain Foreign Investors” in the Multiclass PC Offering Circular and “Certain Federal Income Tax Consequences — Taxation of MACR Classes,” “— Exchanges of MACR Classes and Multiclass Securities” and “— Taxation of Certain Foreign Investors” in the Multiclass Securities Offering Circular.

LEGAL INVESTMENT CONSIDERATIONS

Investors should consult their legal advisors to determine whether and to what extent any Classes constitute legal investments for such investors. An institution under the jurisdiction of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Department of the Treasury or any other federal or state agency with similar authority should review any applicable regulations, policy statements and guidelines before purchasing or pledging any Class. See “Legal Investment Considerations” in the Multiclass Offering Circulars.

ERISA CONSIDERATIONS

Fiduciaries of ERISA plans should review “ERISA Considerations” in the Multiclass Offering Circulars and in the Series C039 Asset Offering Circular.

The discussion under “ERISA Considerations” in the Series C039 Asset Offering Circular regarding the holding by an ERISA plan of the Group 3 Asset or the related Call Class in Series C039, and the holding by a “party in interest” of the other such security, would apply equally with respect to the holding of a Callable Class of Securities of this Series and such Call Class.

LIQUID ASSET CLASS

The HD Class is intended to qualify as a “liquid asset” for federal savings associations, federal savings banks and state-chartered savings associations whose deposits are insured by the Federal Deposit Insurance Corporation. See 12 C.F.R. §566.1(g)(3)(xi).

PLAN OF DISTRIBUTION

Subject to the terms and conditions of the Purchase Agreement between Freddie Mac and the Underwriter, Freddie Mac has agreed to sell, and the Underwriter has agreed to purchase, all of the Multiclass PCs and Multiclass Securities, if any are sold and purchased.

The Underwriter proposes to offer the Securities directly to the public from time to time for sale in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest from (i) March 1, 1997 on the Fixed Rate Classes (other than the BX Class) and on the Delay Classes, (ii) March 15, 1997 on the Non-Delay Classes other than the F, S, SX and SY Classes and (iii) March 17, 1997 on the F, S, SX and SY Classes. The Securities are offered by the Underwriter, subject to sale by Freddie Mac and receipt and acceptance by the Underwriter and subject to the Underwriter’s right to reject any order in whole or in part. The Underwriter may effect such transactions by sales to or through certain securities dealers (which may include Freddie Mac through its Securities Sales and Trading Group). Such dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriter and/or commissions from any purchasers for which they act as agents.

The Purchase Agreement provides that Freddie Mac will indemnify the Underwriter against certain liabilities.

It is expected that (i) the Regular Classes of Multiclass PCs (other than the Retail Class) and the related MACR Classes will be available for deposit (in book-entry form) at any Federal Reserve Bank, (ii) the Regular Classes of Multiclass Securities and the related MACR Class will be available through the book-entry facilities of the Depository, (iii) the Retail Class will be available through the book-entry facilities

of the Retail Depository, and (iv) the Residual Classes will be available (in certificated form) at the offices of the Underwriter, on or about the Closing Date.

LEGAL MATTERS

The legality of the Securities will be passed upon for Freddie Mac by Maud Mater, Esq., Senior Vice President — General Counsel and Secretary of Freddie Mac. Certain legal matters relating to the Securities will be passed upon for the Underwriter by Cleary, Gottlieb, Steen & Hamilton.

Offering Circular Supplement
(To Offering Circulars Dated January 1, 1997)
\$522,787,562

**Freddie
Mac**

Federal Home Loan Mortgage Corporation
Callable Pass-Through Certificates, Series C039

Offered Securities: Classes of CPCs consisting of related pairs of Callable Classes and Call Classes listed below
 Underlying Assets: One Freddie Mac Giant PC, backed by Freddie Mac PCs (Gold PCs and Gold Giant PCs); two Freddie Mac Giant Securities, each backed by GNMA-Related Securities (GNMA Certificates and Giant Securities)
 Principal and Interest: Payable to Callable Classes only
 Payment Dates: Monthly, beginning in April 1997, as described in this Supplement
 Right of Redemption and Exchange: Holder of each Call Class, subject to certain limitations in the case of the B1 Class and upon payment described in this Supplement, may cause redemption of related Callable Class on or after Earliest Redemption Date and receive related Giant PC or GNMA-Related Securities in exchange for Call Class
 Guarantee: Principal and interest payable on Callable Classes and proceeds of exchange due on Call Classes guaranteed by Freddie Mac, as described in this Supplement
 Form of Classes: A1 Class: Book-entry (Federal Reserve Banks)
 A2 Class: Book-entry (Participants Trust Company)
 A3 Class (Retail Class): Book-entry (Depository Trust Company); issued in \$1,000 Retail Class Units
 Call Classes: Certificated
 Offering Terms: A1 Class to be delivered by Donaldson, Lufkin & Jenrette Securities Corporation (the "Underwriter") to Freddie Mac for inclusion in another offering and is not offered for sale; A2 Class offered in negotiated transactions at varying prices through the Underwriter; A3 Class (the "CAPTNs"SM) offered in negotiated transactions at varying prices through Lasalle National Bank (the "Dealer"); each Call Class offered in a negotiated transaction to single purchaser at price determined at time of sale through the Underwriter
 Closing Date: March 26, 1997

The risks associated with the Classes may make them unsuitable for some investors. See "Certain Risk Considerations" and "Prepayment and Yield Analysis" in this Supplement.

Investors should read this Supplement in conjunction with the documents listed under "Available Information" in this Supplement.

THE OBLIGATIONS OF FREDDIE MAC UNDER ITS GUARANTEES OF THE CPCs ARE OBLIGATIONS OF FREDDIE MAC ONLY. THE CPCs, INCLUDING THE INTEREST ON THE CALLABLE CLASSES, ARE NOT GUARANTEED BY THE UNITED STATES AND DO NOT CONSTITUTE DEBTS OR OBLIGATIONS OF THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY OF THE UNITED STATES OTHER THAN FREDDIE MAC. INCOME ON THE CPCs HAS NO EXEMPTION UNDER FEDERAL LAW FROM FEDERAL, STATE OR LOCAL TAXATION. THE CPCs ARE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933 AND ARE "EXEMPTED SECURITIES" WITHIN THE MEANING OF THE SECURITIES EXCHANGE ACT OF 1934.

Class	Original Principal Amount (1)	Class Coupon	Type of Class	CUSIP Number	Final Payment Date (2)	Earliest Redemption Date (3)	Weighted Average Life (4)
A1 ..	\$492,787,562	7.5%	Callable	3133T9HN8	March 15, 2027	March 15, 1998	8.2 Yrs
B1 ..	492,787,562	—	Call	3133T9HR9	March 15, 2027	—	—
A2 ..	25,000,000	8.0	Callable	3133T9HP3	March 17, 2027	September 17, 1997	8.8
B2 ..	25,000,000	—	Call	3133T9HS7	March 17, 2027	—	—
A3 ..	5,000,000	7.5	Callable/Retail	3133T9HQ1	March 17, 2027	March 17, 1998	10.2
B3 ..	5,000,000	—	Call	3133T9HT5	March 17, 2027	—	—

- (1) The amounts shown for the Call Classes are their original notional principal amounts and do not represent principal that will be paid; see "Payments — Principal" in this Supplement.
- (2) See "Final Payment Dates" in this Supplement.
- (3) See "Payments — Redemption and Exchange" in this Supplement.
- (4) Determined as described under "Prepayment and Yield Analysis" in this Supplement, and subject to the assumptions and qualifications in that section, including the assumption that no redemptions occur. Weighted average lives are calculated at 185% PSA for the A1 Class, 160% PSA for the A2 Class and 130% PSA for the A3 Class. Prepayments will not occur at the rates assumed, such redemptions may occur and the actual weighted average lives of the Callable Classes may differ significantly from those shown. Because A3 Class investors will receive principal payments subject to the priorities, limitations and allocations described in this Supplement, the weighted average lives of Retail Class Units will vary among different investors.

Donaldson, Lufkin & Jenrette
Securities Corporation

LaSalle National Bank
Broker-Dealer Services Division

Offering Circular Supplement Dated February 27, 1997

TERMS SHEET

This Terms Sheet contains selected information about this Series. Investors should refer to the remainder of this Supplement for further information.

General

Description

Each Callable Class, together with its related Call Class (the Call Class having the same numeric designation), will represent the entire interest in a separate Pass-Through Pool. The Pass-Through Pool for the A1 and B1 Classes includes a single Giant PC. The Pass-Through Pools for the A2 and B2 Classes and for the A3 and B3 Classes each include a single Giant Security. Each Class is guaranteed by Freddie Mac but is not guaranteed by, and is not a debt or obligation of, the United States. The Government National Mortgage Association (“GNMA”) guarantees the payment of interest and principal on GNMA Certificates. See “General Information” and “Payments — Guarantees” in this Supplement.

Investment Objective

Each investor should determine, either alone or in consultation with an investment advisor, whether or not a CPC satisfies such investor’s specified investment objectives. See “Prepayment and Yield Analysis — General — Suitability” in this Supplement.

Liquidity

The Dealer intends to make a market for the purchase and sale of the Retail Class Units after their initial issuance but has no obligation to do so. The Underwriter intends to make a market for the purchase and sale of the A2 Class and Call Classes after their initial issuance, but has no obligation to do so. There is no assurance that either such secondary market will develop or, if it develops, that it will continue. See “Prepayment and Yield Analysis — General — Suitability” in this Supplement.

The Underwriter intends to deliver the A1 Class to Freddie Mac in connection with the issuance of Series 1944.

Federal Income Taxes

A beneficial owner of an interest in a Callable Class will be treated for federal income tax purposes as having purchased an undivided interest in the underlying PCs or GNMA-Related Securities, as applicable, and as having written a call option on its interest in such PCs or GNMA-Related Securities. The beneficial owner of the related Call Class will be treated for federal income tax purposes as holding a call option on such PCs or GNMA- Related Securities, as applicable. See “Certain Federal Income Tax Consequences” in this Supplement and in the Giant Offering Circulars.

The Callable Classes

Interest

The Callable Classes will each bear interest at the applicable Class Coupon shown on the cover of this Supplement. The first payment of interest on each Retail Class Unit will be made in April 1997 in an amount equal to \$6.25. Payments of interest on each monthly Payment Date will continue on each Retail Class Unit until that Unit is retired. No interest will be paid on any Callable Class (or any Retail Class Unit) after its retirement. See “Payments — Interest” in this Supplement.

Allocation of Principal

On each Payment Date, Freddie Mac will pay:

- the “A1 Principal Payment Amount” for that Payment Date to the A1 Class, until retired
- the “A2 Principal Payment Amount” for that Payment Date to the A2 Class, until retired
- the “A3 Principal Payment Amount” for that Payment Date to the A3 Class, until retired

See “Payments — Principal” in this Supplement.

Investors in the A3 Class will receive payments in \$1,000 Retail Class Units, subject to the priorities, limitations and allocations described in this Supplement. See “Payments — Retail Class Principal Payments” and “Prepayment and Yield Analysis” in this Supplement.

Payment Behavior

The Callable Classes do not have any fixed principal payment schedules. The timing of principal payments may vary considerably based upon a number of factors, including changes in prevailing interest rates. If prevailing interest rates decrease, principal payments on a Callable Class may accelerate, and any reinvestment of such payments might be at such lower prevailing interest rates. Moreover, a Callable Class is more likely to be redeemed if prevailing mortgage interest rates have decreased. Conversely, if prevailing interest rates increase, principal payments on a Callable Class (as a whole) may slow down, and investors might receive less principal to reinvest at such higher prevailing interest rates. In that case, the market value of such Callable Class is likely to have declined. See “Prepayment and Yield Analysis” in this Supplement.

Redemption

The A2 and A3 Classes and, subject to certain limitations, the A1 Class may be redeemed by Freddie Mac, at the direction of the Holder of the related Call Class, on any Payment Date beginning on the Earliest Redemption Date for that Class. Upon a redemption, the investors in the redeemed Callable Class will receive the outstanding principal amount of that Callable Class plus interest to the date of redemption, calculated as described under “Payments — Redemption and Exchange” in this Supplement.

The Call Classes

No Payments

The Call Classes will not receive payments of principal or interest.

Redemption Right

The Holder of a Call Class will have the right to direct Freddie Mac to redeem the related Callable Class on any Payment Date beginning on the Earliest Redemption Date for that Class. However, a redemption of the A1 Class will be permitted only if, as of the date Freddie Mac receives notice from the Holder of the related Call Class of its intention to redeem, the underlying Giant PC has a market value:

- (i) for a redemption on any Payment Date through February 2000, that is in excess of 102% of its principal amount, or
- (ii) for a redemption on any Payment Date thereafter, that is in excess of its principal amount.

After payment to Freddie Mac of the Call Payment that will be applied to redeem the related Callable Class and an Exchange Fee in an amount equal to 1/32 of 1% of the first \$100,000,000 of the outstanding principal amount of such Callable Class and 1/64 of 1% of the remainder of such outstanding principal amount (but not less than \$7,500), the Holder of the related Call Class will be entitled to receive from Freddie Mac, in exchange for such Call Class, the underlying Giant PC or GNMA-Related Securities, as applicable. See “Payments — Redemption and Exchange” in this Supplement.

Holdings

Only one Holder is permitted to hold a Call Class at any time.

Weighted Average Lives (in years)*

	PSA Prepayment Assumption				
	0%	100%	185%	300%	450%
A1 and Underlying PCs.....	20.4	11.7	8.2	5.7	4.1
	PSA Prepayment Assumption				
	0%	75%	160%	300%	450%
A2 and Underlying GNMA-Related Securities	20.4	11.6	8.8	5.5	3.9
	PSA Prepayment Assumption				
	0%	75%	130%	250%	400%
A3** and Underlying GNMA-Related Securities	20.4	13.2	10.2	6.6	4.5

* Determined as described under “Prepayment and Yield Analysis” in this Supplement, and subject to the assumptions and qualifications in that section, including the assumption that no redemptions occur. Prepayments will not occur at any assumed rate shown or any other constant rate, such redemptions may occur and the actual weighted average lives of the Callable Classes and of the underlying PCs or GNMA-Related Securities are likely to differ from those shown, perhaps significantly.

** The weighted average lives shown in the table for the A3 Class apply to that Class as a whole and are not likely to reflect the experience of any A3 Class investor. Because A3 Class investors will receive principal payments subject to the priorities, limitations and allocations described under “Payments — Retail Class Principal Payments” in this Supplement, the weighted average lives of Retail Class Units will vary among different investors.

Assumed Mortgage Characteristics (as of March 1, 1997)

Related Callable Class	Principal Balance	Remaining Term to Maturity (in months)	Loan Age (in months)	Per Annum Interest Rate	Per Annum Interest Rate of Related PCs or GNMA-Related Securities
A1	\$492,787,562	358	2	8.15%	7.5%
A2	25,000,000	355	5	8.5	8.0
A3	5,000,000	358	2	8.0	7.5

The actual remaining terms to maturity, loan ages and (in the case of the Mortgages underlying the A1 Class) interest rates of many of the Mortgages will differ from those shown above, perhaps significantly. See “General Information — The Mortgages” in this Supplement.

Available Combinations

Multiclass PCs or Multiclass Securities			MACR Certificates								Weighted Average Life at 185% PSA(5)
Class	Original Principal or Notional Principal Amount	Exchange Proportions(1)	MACR Class	Maximum Original Principal or Notional Principal Amount(2)	Exchange Proportions(1)	Principal or Other Type(3)	Class Coupon	Interest Type(3)	CUSIP Number	Final Payment Date(4)	
Combination 1											
SX	\$44,074,364	50%	S	\$ 44,074,364	100%	NTL(SEQ)	(6)	INV/IO	3133T9MC6	May 17, 2022	—
SY	44,074,364	50									
Combination 2											
BJ	\$20,091,041	100%	SW	\$ 20,091,041	100%	Callable/SEQ	(6)	INV	3133T9MJ1	March 15, 2027	15.2 Yrs
SD	86,104,459	(7)									
Combination 3											
BJ	\$20,091,041	18.9189193515%	W	\$106,195,500	100%	Callable/SEQ	7.5%	FIX	3133T9MN2	March 15, 2027	15.2 Yrs
BX	36,104,459	(8)									
FD	50,000,000	47.0829743257									
FE	36,104,459	33.9981063228									
SD	86,104,459	(7)									

- (1) Exchange proportions shown are constant proportions of the *original* principal amounts or notional principal amounts of the Classes of Multiclass PCs, Multiclass Securities or MACR Certificates. In accordance with the exchange proportions, Multiclass PCs or Multiclass Securities, as applicable, may be exchanged for MACR Certificates, and vice versa.
- (2) The amount shown for the Notional Class is its original notional principal amount and does not represent principal that will be paid; see “Payments — Interest” in this Supplement.
- (3) See “Description of Multiclass PCs — Standard Definitions and Abbreviations for Classes” in the Multiclass PC Offering Circular and “Description of Multiclass Securities — Standard Definitions and Abbreviations for Classes” in the Multiclass Securities Offering Circular. The type of Class with which the Notional Class will reduce is indicated in parentheses.
- (4) See “Final Payment Dates” in this Supplement.
- (5) Determined as described under “Prepayment and Yield Analysis” in this Supplement, and subject to the assumptions and qualifications in that section. Prepayments will not occur at the rate assumed, and the actual weighted average lives of the MACR Classes may differ significantly from those shown.
- (6) Calculated as shown under “Terms Sheet — Class Coupons” in this Supplement.
- (7) Original notional principal amount of the SD Class being exchanged equals 4.285714164 times the original principal amount of the BJ Class being exchanged.
- (8) Original notional principal amount of the BX Class being exchanged equals the original principal amount of the FE Class being exchanged.

This Supplement, together with the Multiclass Offering Circulars, constitutes an offer to sell only the Securities offered hereby. Freddie Mac has not authorized any broker, dealer or salesperson, or anyone else, to make any statements, written or oral, in connection with the offer, except for those contained in this Supplement and in the other documents and sources of information prepared by Freddie Mac that are listed under "Available Information" in this Supplement. Investors must not rely on any other statements as having been authorized by either Freddie Mac or the Underwriter. This Supplement and the Multiclass Offering Circulars do not constitute an offer to sell or a solicitation of an offer to buy the Securities by anyone in any jurisdiction where such an offer or solicitation would be unlawful, or where the person making such an offer or solicitation would not be qualified to do so, or to anyone to whom it would be unlawful to make such an offer or solicitation. Freddie Mac makes no representation that the statements in this Supplement or any other document will be correct at any time after the date of such document, even though delivery of the document and the sale of the Securities take place on a later date.

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\$1,092,787,562

Federal Home Loan Mortgage Corporation

Multiclass Mortgage Participation Certificates, Multiclass Mortgage Securities and Modifiable and Combinable REMIC Certificates, Series 1944

**Freddie
Mac**

**Donaldson, Lufkin & Jenrette
Securities Corporation**

**Offering Circular Supplement
Dated February 11, 1997**