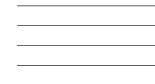


Offering Circular Supplement
(To Offering Circular
Dated January 1, 2000)

\$350,000,000

Freddie
Mac

Freddie Mac
Multiclass Certificates, Series 2365



Offered Classes: REMIC Classes shown below and MACR Classes shown on *Appendix A*
Underlying Assets: *Group 1:* Freddie Mac PCs backed by Relocation Mortgages
Group 2: Freddie Mac PCs
Payment Dates: Monthly beginning in October 2001
Tax Status: Single-Tier REMIC
Form of Classes: *Regular (Non-Retail) and MACR Classes:* Book-entry on Fed System
Retail Class: Book-entry on DTC System, issued and paid in \$1,000 Retail Class Units
Residual Class: Certificated
Offering Terms: Lehman Brothers Inc. is offering the non-Retail Classes, and Edward D. Jones & Co., L.P. is offering LL, in negotiated transactions at varying prices
Closing Dates: *Group 1:* September 19, 2001
Group 2 and Residual: September 25, 2001

REMIC Classes	Original Balance	Principal Type(1)	Class Coupon	Interest Type(1)	CUSIP Number	Final Payment Date
Group 1						
B	\$100,000,000	TAC	6.0%	FIX	313399VE4	February 15, 2031
C	34,900,000	SEQ	6.0	FIX	313399VD6	September 15, 2031
LL	10,944,000	SEQ/RTL	6.25	FIX	313399VB0	September 15, 2031
LO	456,000	SEQ	0.0	PO	313399VC8	September 15, 2031
ZA	3,700,000	SUP	6.0	FIX/Z	313399VA2	March 15, 2031
Group 2						
KA	34,282,000	PAC	6.5	FIX	313399VF1	July 15, 2018
KB	47,270,000	PAC	6.5	FIX	313399V61	July 15, 2026
KC	38,898,000	PAC	6.5	FIX	313399V46	June 15, 2030
KD	15,923,000	PAC	6.5	FIX	313399V53	September 15, 2031
KO(2)	11,380,000	SUP	6.5	FIX	313399V20	September 15, 2031
KZ(2)	11,335,000	SUP	6.5	FIX/Z	313399V38	September 15, 2031
TW(2)	40,912,000	SCH	6.5	FIX	313399V79	September 15, 2031
Residual						
R	0	NPR	0.0	NPR	313399WT0	September 15, 2031

(1) See *Appendix II* to the Offering Circular.
(2) See *Prepayment and Yield Analysis — Prepayment and Weighted Average Life Considerations — KO, KZ, MC and TW.*

The Certificates may not be suitable investments for you. You should consider carefully the risks of investing in them. *Certain Risk Considerations* on page S-2 highlights some of these risks.

You should purchase Certificates only if you have read and understood this Supplement, the attached Offering Circular and the documents listed under *Available Information*.

We guarantee principal and interest payments on the Certificates. These payments are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Certificates are not tax-exempt. Because of applicable securities law exemptions, we have not registered the Certificates with any federal or state securities commission. No securities commission has reviewed this Supplement.

LEHMAN BROTHERS

EDWARD D. JONES & Co., L.P.

August 28, 2001

CERTAIN RISK CONSIDERATIONS

Although we guarantee the payments on the Certificates, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. You should also read *Risk Factors* and *Prepayment, Yield and Suitability Considerations* in the Offering Circular for further discussions of these risks.

The Certificates May Not be Suitable Investments for You. The Certificates are complex securities. You should not purchase Certificates unless you are able to understand and bear the associated prepayment, interest rate, yield and market risks.

In particular, the Principal Only, Support, Scheduled, Accrual, Partial Accrual, Retail and Residual Classes have special risks and are not suitable for all investors.

Prepayments Can Reduce Your Yield. The yield on your Certificates could be lower than you expect if:

- You buy your Certificates at a premium over their principal amount and principal payments are faster than you expect.
- You buy your Certificates at a discount to their principal amount and principal payments are slower than you expect. This is especially true for the Principal Only Class.

The Retail Class Has Special Payment Rules. If you invest in the Retail Class, you will receive principal payments in \$1,000 increments called “**Retail Class Units**,” subject to the priorities and limitations described in *Appendix IV* to the Offering Circular. The weighted average lives and yields of individual Retail Class Units will vary among different investors.

The Certificates are Subject to Market Risks. You will bear all of the market risks of your investment. The market value of your Certificates will vary over time, primarily in response to changes in prevailing interest rates. If you sell your Certificates when their market value is low, you may experience significant losses. Lehman Brothers Inc. (the “**Underwriter**”) intends to make a market for the purchase and sale of the non-Retail Classes after they are issued, and Edward D. Jones & Co., L.P. (the “**Dealer**”) intends to make a market for the purchase and sale of LL after it is issued, but neither has any obligation to do so. A secondary market may not develop. Even if one does develop, it may not be liquid enough to allow you to sell your Certificates easily or at your desired price.

Our Multiclass Certificates Offering Circular dated January 1, 2000 (the “**Offering Circular**”), attached to this Supplement, defines many of the terms we use in this Supplement.

TERMS SHEET

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

In this Supplement, we refer to Classes only by their letter designations. For example, "R" refers to the R Class of this Series.

Interest

The Fixed Rate Classes bear interest at the Class Coupons shown on the front cover and *Appendix A*.

LO is a Principal Only Class and does not bear interest.

See *Payments — Interest*.

MACR Classes

This Series includes MACR Classes. *Appendix A* shows the characteristics of the MACR Classes and the Combinations of REMIC Classes and MACR Classes.

See *Appendix III* to the Offering Circular for a description of MACR Certificates and exchange procedures and fees.

Principal

REMIC Classes

On each Payment Date, we pay:

Group 1

TAC and Accrual	{	• The ZA Accrual Amount to B, until reduced to its Targeted Balance, and then to ZA
		• The Group 1 Asset Principal Amount in the following order of priority:
Sequential Pay	{	1. Beginning in October 2004, up to \$11,400 to LL and LO, pro rata, until retired
		2. Up to \$1,000 per Payment Date in the following order of priority:
TAC	{	a. To B, until reduced to its Targeted Balance
Support	{	b. To ZA, until retired
TAC	{	c. To B, until retired
Sequential Pay	{	3. Up to \$320,000 per Payment Date to C, until retired
TAC	{	4. To B, until reduced to its Targeted Balance
Support	{	5. To ZA, until retired
TAC	{	6. To B, until retired

- Sequential Pay {
7. To LL and LO, pro rata, until their aggregate balance is reduced to \$1,500,000
 8. Up to \$1,000 per Payment Date to LL and LO, pro rata, until retired
 9. To C, until retired
 10. To LL and LO, pro rata, until retired

Group 2

- The Group 2 Asset Principal Amount and, *beginning in step 3*, the KZ Accrual Amount, in the following order of priority:

- | | | |
|-----------------------|---|------------------------------------------------------------------------------------------------------------------------|
| Scheduled | { | 1. Up to \$100 per Payment Date to TW, until retired |
| PAC | { | 2. Beginning in September 2002, to KA, KB, KC and KD, in that order, until reduced to their Aggregate Targeted Balance |
| Scheduled | { | 3. Up to 5% of the remainder to TW, until reduced to its Targeted Balance |
| Support and Scheduled | { | 4. Up to the Group 2 Scheduled Amount to KZ, KO and TW, in that order, until retired |
| Scheduled | { | 5. To TW, until reduced to its Targeted Balance |
| Support | { | 6. To KO and KZ, in that order, until retired |
| Scheduled | { | 7. To TW, until retired |
| PAC | { | 8. To KA, KB, KC and KD, in that order, until retired |

Group 2 Definitions

- The **Group 2 Ending Asset Balance** for any Payment Date is the remaining principal balance of the Group 2 Assets, after giving effect to their reduction on that Payment Date.
- The **Group 2 Scheduled Ending Asset Balance** for any Payment Date equals (a) the principal balance of the Group 2 Assets, before giving effect to their reduction on that Payment Date, minus (b) the aggregate amount of scheduled principal payments required to be made on the Group 2 Assets on that Payment Date, not including principal prepayments. For this purpose, we calculate scheduled principal payments on the Group 2 Assets based on the current weighted average interest rate and weighted average remaining term to maturity of the underlying Mortgages. Absent clear error, our calculation of the Group 2 Scheduled Ending Asset Balance is final and binding.
- The **Group 2 Scheduled Amount** for any Payment Date equals the product of (a) through (j) below:
 - (a) The excess, if any, of (i) the Group 2 235% PSA Scheduled Asset Balance, shown in *Appendix B*, over (ii) the Group 2 Ending Asset Balance;
 - (b) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007979720, minus (B) 1;

- (c) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007972832, minus (B) 1;
- (d) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007965877, minus (B) 1;
- (e) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007958856, minus (B) 1;
- (f) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007951766, minus (B) 1;
- (g) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007944605, minus (B) 1;
- (h) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007937373, minus (B) 1;
- (i) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007930067, minus (B) 1; and
- (j) An amount, not less than \$0, equal to (A) the absolute value of (i) the Group 2 Ending Asset Balance times 0.0008 minus (ii) the Group 2 Scheduled Ending Asset Balance times 0.0007922687, minus (B) 1.

The “Aggregate Targeted Balances,” “Targeted Balances” and “Scheduled Asset Balances” are in *Appendix B*. They were calculated using the following Structuring Ranges and Rates:

	<u>Structuring Range or Rate</u>
Group 1	
<i>TAC</i>	300% PSA
Group 2	
<i>PAC</i>	100% PSA - 250% PSA
<i>Scheduled</i>	170% PSA - 205% PSA
<i>Group 2 235% PSA Scheduled Asset Balance</i>	235% PSA

See *Payments — Principal and Prepayment and Yield Analysis*.

MACR Classes

On each Payment Date when MACR Certificates are outstanding, we allocate principal payments from the applicable REMIC Certificates to the related MACR Certificates that are entitled to principal, as described under *MACR Certificates* in the Offering Circular.

Retail Class

LL is a Retail Class. If you own the Retail Class, you will receive principal payments in \$1,000 Retail Class Units, as described in *Appendix IV* to the Offering Circular.

See *Prepayment and Yield Analysis — Prepayment and Weighted Average Life Considerations — Retail Class*.

REMIC Status

We will form a single REMIC Pool for this Series. We will elect to treat the REMIC Pool as a REMIC under the Code. R will be the “**Residual Class**” and the other Classes shown on the front cover will be “**Regular Classes**.” The Residual Class will be subject to transfer restrictions.

See *Certain Federal Income Tax Consequences* in this Supplement and the Offering Circular.

Weighted Average Lives (in years)*

Group 1

	PSA Prepayment Assumption				
	0%	100%	300%	450%	600%
B	22.1	10.5	4.0	2.8	2.1
C	9.8	4.6	4.6	4.6	4.7
LL** and LO	25.5	24.0	16.0	11.2	5.9
ZA	28.7	23.2	11.9	0.5	0.3
Group 1 Assets	20.8	11.1	5.4	3.8	2.9

Group 2

	PSA Prepayment Assumption						
	0%	100%	203%	235%	236%	250%	450%
KA	8.6	2.5	2.5	2.5	2.5	2.5	2.3
KB	17.9	6.0	6.0	6.0	6.0	6.0	4.0
KC	23.2	11.0	11.0	11.0	11.0	11.0	6.5
KD	25.7	19.1	19.1	19.1	19.1	19.1	11.7
KE	18.0	8.1	8.1	8.1	8.1	8.1	5.2
KO	24.8	17.1	2.1	1.5	1.9	2.4	1.2
KZ	28.2	23.7	15.8	5.3	0.7	1.1	0.5
MC	22.8	11.8	8.5	7.4	7.1	7.2	4.6
TW	14.0	9.9	4.0	4.4	5.5	3.8	2.0
Group 2 Assets	21.0	11.5	7.5	6.8	6.8	6.5	4.1

	CPR Prepayment Assumption						
	3%	3.1%	4%	4.1%	5%	5.1%	
KO	18.4	24.1	14.7	26.0	10.6	26.8	
KZ	26.0	23.3	25.2	16.7	24.4	0.5	
MC	15.1	13.6	13.6	11.1	12.3	9.4	
TW	11.5	16.9	10.8	19.7	10.0	20.5	

	CPR Prepayment Assumption						
	6%	6.1%	7%	7.1%	8%	8.1%	
KO	6.5	18.7	2.4	9.4	0.5	1.2	
KZ	23.4	0.4	22.4	0.4	21.0	0.3	
MC	11.2	8.5	10.4	7.6	9.7	7.0	
TW	9.1	19.4	7.9	18.3	6.9	16.8	

* We calculate weighted average lives based on the assumptions described in *Prepayment and Yield Analysis*. The actual weighted average lives are likely to differ from those shown, perhaps significantly.

** The weighted average lives for the Retail Class apply to that Class as a whole. The weighted average lives of Retail Class Units will vary among different investors.

	CPR Prepayment Assumption					
	<u>9%</u>	<u>9.1%</u>	<u>10%</u>	<u>10.1%</u>	<u>11%</u>	<u>11.1%</u>
KO	0.4	1.0	0.3	0.8	0.3	0.8
KZ	18.3	0.3	14.5	0.3	7.1	0.3
MC	8.9	7.0	8.2	7.0	7.3	7.0
TW	6.3	13.5	6.2	10.5	6.8	7.9

The Assets

The “Assets” consist of:

- Group 1 — \$150,000,000 of Freddie Mac 6.0% per annum 30-year PCs backed by Relocation Mortgages.
- Group 2 — \$200,000,000 of Freddie Mac 6.5% per annum 30-year PCs.

The assets of this Series also include a \$999.99 Retail Rounding Account, which we will use for principal payments on the Retail Classes as described in *Appendix IV* to the Offering Circular.

See *General Information — Structure of Transaction*.

Assumed Mortgage Characteristics (as of September 1, 2001)

<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</u>
1	\$150,000,000	354	6	6.70%	6.0%
2	200,000,000	358	2	7.05	6.5

The actual characteristics of the Mortgages differ from those shown, in some cases significantly.

See *General Information— The Mortgages*.

AVAILABLE INFORMATION

You should purchase Certificates only if you have read and understood this Supplement, the Offering Circular and the following documents:

- Our Mortgage Participation Certificates Offering Circular dated February 1, 2001 and the related Offering Circular Supplement dated May 9, 2001, which together describe Gold PCs generally.
- Our Giant and Other Pass-Through Certificates Offering Circular dated December 1, 1999 and the related Offering Circular Supplement dated May 9, 2001, which together describe Gold Giant PCs generally.
- Our Information Statement dated March 26, 2001, our Information Statement Supplements dated May 15, 2001 and August 14, 2001 and any other Information Statement Supplements we publish through the time of purchase.

This Supplement incorporates by reference the documents listed above. We will also publish a Supplemental Statement applicable to this Series shortly after September 25, 2001. The Supplemental Statement will contain schedules of the Assets and other information.

You can obtain the documents listed above, the Agreement and current information concerning the Assets and the Certificates from our Investor Inquiry Department or our Internet Web-Site as described on page 3 of the Offering Circular. You can also obtain the documents listed above from the Underwriter at:

Lehman Brothers Inc.
Prospectus Department
c/o ADP Prospectus Services
55 Mercedes Way, Bay 1
Edgewood, New York 11717
(631) 254-7106

GENERAL INFORMATION

The Agreement

We will create the Certificates under the Multiclass Certificates Agreement dated January 1, 2000 and a Terms Supplement dated September 19, 2001 (together, the **“Agreement”**).

You should refer to the Agreement for a complete description of your rights and obligations and those of Freddie Mac. You will acquire your Certificates subject to the terms and conditions of the Agreement, including the Terms Supplement.

Form of Certificates

The non-Retail Regular and MACR Classes are issued, held and transferable on the Fed System. The Retail Class is issued, held and transferable on the DTC System in \$1,000 Retail Class Units. The Residual Class is issued and held in certificated form and is transferable at the office of the Registrar.

Only a Fed Participant can be a Holder of a non-Retail Regular or MACR Class. DTC or its nominee is the Holder of the Retail Class. As an investor in Certificates, you are not necessarily the Holder.

See *Description of Certificates — Form, Holders and Payment Procedures* in the Offering Circular.

Change in Registrar

We will perform the functions of Registrar for this Series. Each reference in this Supplement or the Offering Circular to the Registrar will mean Freddie Mac in our capacity as Registrar. You may contact Freddie Mac as Registrar through our Investor Inquiry Department or at:

Office of Registrar-MS 300
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102-3110

Structure of Transaction

General

This Series is a Single-Tier Series. See *Description of Certificates — REMIC Pool Structures* in the Offering Circular.

The Assets

The Assets are Gold PCs and/or Gold Giant PCs.

The Mortgages

The Mortgages underlying the Assets (the “**Mortgages**”) are fixed-rate, first lien residential mortgages and mortgage participations. For purposes of this Supplement, we have made certain assumptions regarding the Mortgages, as shown under *Terms Sheet — Assumed Mortgage Characteristics*. However, the actual characteristics of most of the Mortgages differ from those assumed, perhaps 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.

Substantially all of the Mortgages underlying the Group 1 Assets are Relocation Mortgages. A “**Relocation Mortgage**” is a Mortgage made to a transferred employee to finance a home purchase at a new job location. A Relocation Mortgage usually requires an employer contribution to mortgage funding, which may be significant. Relocation Mortgages typically are originated by agreement between the employer and the lender under a relocation program administered by the employer or its agent.

PAYMENTS

Payment Dates; Record Dates

We make payments of principal and interest on the Certificates on each Payment Date, beginning in the month following the Closing Dates. A “**Payment Date**” is the 15th of each month or, if the 15th is not a Business Day, the next Business Day.

On each Payment Date, any payment on a Certificate is made to the Holder of record as of the end of the preceding calendar month (a “**Record Date**”). On each Payment Date, DTC remits payments on the Retail Class to those DTC Participants that held Retail Class Units of record as of the related Record Date.

Method of Payment

You will receive payments on your Certificates in the manner described under *Description of Certificates — Form, Holders and Payment Procedures* in the Offering Circular.

Categories of Classes

For purposes of principal and interest payments, we have categorized the Classes as shown under “Principal Type” and “Interest Type” on the front cover and *Appendix A. Appendix II* to the Offering Circular explains the abbreviations used for these categories.

Interest

We pay 30 days’ interest on each Payment Date to the Holders of each Class on which interest has accrued, except that the Accrual and Partial Accrual Classes receive payments as described below. We calculate each interest payment on the outstanding balance of the Class as of the related Record Date and on the basis of a 360-day year of twelve 30-day months.

Accrual Period

The “**Accrual Period**” for each Payment Date is the preceding calendar month.

Fixed Rate Classes

The Fixed Rate Classes bear interest at the Class Coupons shown on the front cover and *Appendix A*.

Principal Only Class

LO is a Principal Only Class and does not bear interest.

Accrual and Partial Accrual Classes

KZ and ZA are Accrual Classes. The Accrual Classes do not receive interest payments; rather, interest accrued on each Accrual Class during each Accrual Period is added to its principal amount on the related Payment Date. We pay principal on each Accrual Class, including accrued interest that has been added to its principal amount, as described under *Terms Sheet — Principal*.

MC is a MACR Class that is a Partial Accrual Class; part of its accrued interest will be paid on a current basis and part will be added to its principal balance, reflecting the payment characteristics of its related REMIC Classes.

Principal

We pay principal on each Payment Date to the Holders of the Classes on which principal is then due. Holders receive principal payments on a pro rata basis among the Certificates of their Class, subject to special allocation procedures for investors in the Retail Class.

Amount of Payments

The principal payments on the Certificates on each Payment Date equal:

- The amount of interest accrued on KZ and ZA during the related Accrual Period and not payable as interest on that Payment Date (the “**KZ Accrual Amount**” and the “**ZA Accrual Amount**”).
- The amount of principal required to be paid in the same month on the Assets of each Group (the “**Group 1 Asset Principal Amount**” and the “**Group 2 Asset Principal Amount**”).

Allocation of Payments

On each Payment Date, we pay the Accrual Amounts and the Asset Principal Amounts for that Payment Date as described under *Terms Sheet — Principal*. Principal 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 Group.

Retail Class

Appendix IV to the Offering Circular describes how we make principal payments on the Retail Class.

Class Factors

General

We make Class Factors available on or about the fifth business day of each month after the Closing Dates. See *Description of Certificates — Payments — Class Factors* in the Offering Circular.

Use of Factors

You can calculate principal and interest payments by using the Class Factors.

For example, the reduction (or for an Accrual or Partial Accrual Class, the increase) in the balance of a Certificate in February will equal its original balance times the difference between its January and February Class Factors. (The Class Factor for the Retail Class applies to that Class as a whole, not to individual Retail Class Units, and disregards any rounding of principal payments.) The amount of interest to be paid on (or for an Accrual or Partial Accrual Class, added to the principal amount of) a Certificate in February will equal 30 days’ interest at its Class Coupon, accrued during the related Accrual Period, on the balance of that Certificate determined by its

January Class Factor. (The interest payable on each outstanding Retail Class Unit in February will be based on its \$1,000 balance, without regard to the January Class Factor.)

Guarantees

We guarantee to each Holder of a Certificate the timely payment of interest at its Class Coupon and the payment of its principal amount as described in this Supplement. See *Description of Certificates — Payments — Guarantees* in the Offering Circular.

1% Clean-up Call

We have a 1% Clean-up Call Right. If we exercise this right, all of the Classes then outstanding will be paid in full and will retire. See *Description of Certificates — Payments — 1% Clean-up Call* in the Offering Circular.

Residual Proceeds

Upon surrender of their Certificates to the Registrar, the Holders of the Residual Class will receive the proceeds of any remaining assets of the REMIC Pool after all required principal and interest payments on the Classes have been made. Any remaining assets are likely to be insignificant. They will include the Retail Rounding Account. See *Description of Certificates — Payments — Residual Classes* in the Offering Circular.

PREPAYMENT AND YIELD ANALYSIS

General

Mortgage Prepayments

The rates of principal payments on the Assets and the Certificates will depend on the rates of principal payments, including prepayments, on the underlying Mortgages. The Mortgages are subject to prepayment at any time without penalty. Mortgage prepayment rates fluctuate continuously and, in some market conditions, substantially. See *Prepayment, Yield and Suitability Considerations — Prepayments* in the Offering Circular for a discussion of Mortgage prepayment considerations and risks.

The prepayment behavior of Relocation Mortgages may depend on whether the Mortgages are made in connection with a permanent relocation of a corporate headquarters, the likelihood that the borrowers will be relocated again and the frequency with which further relocations may occur. We do not collect information relating to these factors from mortgage sellers or servicers. Borrowers under Relocation Mortgages may be more likely to be transferred by their employers than mortgage borrowers generally. However, we cannot predict the likelihood of future employment-related transfers or the rate of prepayment on the Relocation Mortgages.

Yield

As an investor in the Certificates, your yield will depend on:

- Your purchase price.
- The rate of principal payments on the underlying Mortgages.

- The actual characteristics of the underlying Mortgages.
- If you own a Fixed Rate Class, the delay between its Accrual Period and the related Payment Date.
- If you own Retail Class Units, when they retire as a result of the special Retail Class principal payment rules described in *Appendix IV* to the Offering Circular.

See *Prepayment, Yield and Suitability Considerations — Yields* in the Offering Circular for a discussion of yield considerations and risks.

Suitability

The Certificates may not be suitable investments for you. See *Prepayment, Yield and Suitability Considerations — Suitability* in the Offering Circular for a discussion of suitability considerations and risks.

Modeling Assumptions

To prepare the tables in this Supplement, we have made several assumptions. Unless otherwise noted, each table employs the following assumptions (the “**Modeling Assumptions**”), among others:

- The Mortgages have the characteristics shown under *Terms Sheet — Assumed Mortgage Characteristics*.
- The Classes and Assets always receive payments on the 15th of the month, whether or not a Business Day.
- We do not exercise our 1% Clean-up Call Right.
- We do not round Retail Class principal payments to multiples of \$1,000.
- Each Class is outstanding from the applicable Closing Date to retirement and no exchanges occur.

The Modeling Assumptions, like any other stated assumptions, are likely to differ from actual experience in many cases. For example, the Mortgages have characteristics more diverse than those assumed, many Payment Dates will occur on a Business Day after the dates assumed and we may exercise our 1% Clean-up Call Right. Moreover, Mortgage prepayment rates will differ from the percentages of PSA and CPR shown in the tables. These differences will affect the actual payment behavior, weighted average lives and yields of the Classes, perhaps significantly.

See *Prepayment, Yield and Suitability Considerations — Tabular Information in Supplements* in the Offering Circular for descriptions of weighted average life and yield calculations and the PSA and CPR prepayment models.

Prepayment and Weighted Average Life Considerations

PAC, Scheduled and TAC Classes

Principal payments on the PAC, Scheduled and TAC Classes should be more stable than would be the case if they did not receive such payments, to the extent of available principal, in accordance with their schedules. Moreover, they will have cumulative priorities for future payments

if they fall behind their schedules. Based on the Modeling Assumptions, each of these Classes has a range of *constant* Mortgage prepayment rates (an “**Effective Range**”) or a single *constant* Mortgage prepayment rate (an “**Effective Rate**”) at which it would receive scheduled payments. The Effective Range or Rate at any time depends on the actual or assumed characteristics of the underlying Mortgages at that time. Based on the Modeling Assumptions, each PAC, Scheduled or TAC Class would receive scheduled payments until retirement if the underlying Mortgages were to prepay at any *constant* percentage of PSA within its initial Effective Range, or at its initial Effective Rate, shown in the following table.

Initial Effective Ranges and Rate

<u>Class</u>	<u>Range or Rate</u>
Group 1	
<i>TAC</i>	
B	300% PSA
Group 2	
<i>PAC</i>	
KA	101% PSA - 340% PSA
KB	101% PSA - 251% PSA
KC and KE	101% PSA - 249% PSA
KD	81% PSA - 249% PSA
<i>Scheduled</i>	
TW	162% PSA - 222% PSA

The initial Effective Ranges, if calculated using the actual characteristics of the Mortgages, could differ from those shown in the table. Even if the Mortgages were to prepay at a constant rate within the initial Effective Range shown for any Class, but near the upper or lower end of that Effective Range, that Class might not receive scheduled payments. Moreover, there may not be any constant prepayment rate, based on the actual characteristics of the Mortgages, at which the TAC Class would receive scheduled payments.

Non-constant prepayment rates can cause any Class not to receive scheduled payments, even if such rates remain within its Effective Range, if any, shown above. The Effective Ranges can narrow or “drift” upward or downward over time. Under many scenarios the Classes shown in the table, especially the Scheduled and TAC Classes, would not receive scheduled payments.

Other Classes support the principal payment stability of the PAC, Scheduled and TAC Classes, as shown below. When its supporting Classes all retire, any outstanding PAC, Scheduled or TAC Class will become more sensitive to Mortgage prepayments and its Effective Range, if any, will no longer exist. If a Scheduled Class supports any other Classes at that time, its principal payment behavior will become similar to that of a Support Class, as described below.

Supporting Classes

<u>Classes</u>	<u>Supported by</u>
Group 1	
TAC	Support
Group 2	
PAC	Scheduled and Support
Scheduled	Support*

* Group 2 Scheduled Class is not supported by the Group 2 Support Classes if and to the extent that those Classes jump it in principal payment priority.

If the underlying Mortgages prepay at rates that are generally below the Effective Range or Rate for any Class, the available principal may be insufficient to produce scheduled payments on that Class and its weighted average life may extend, perhaps significantly. If the underlying Mortgages prepay at rates that are generally above the Effective Range or Rate for any Class, its weighted average life may shorten, perhaps significantly. However, the weighted average life of any PAC, Scheduled or TAC Class, could extend (or shorten) under some scenarios, including “whipsaw” scenarios, involving Mortgage prepayments at rates that, on average, are above (or below) its Effective Range or Rate.

We distribute all available principal monthly on each Payment Date and do not retain it for distribution on subsequent Payment Dates. As a result, the likelihood that the PAC, Scheduled or TAC Classes will receive scheduled payments will not benefit from averaging high and low principal payments in different months.

Support Classes

The Support Classes support the principal payment stability of the PAC, Scheduled and TAC Classes as described above. As a result, each Support Class is likely to be much more sensitive to Mortgage prepayments than is any Class it supports. The Support Classes may receive no principal payments for extended periods of time, and their principal payment rates may vary widely from month to month. Relatively fast Mortgage prepayments may significantly shorten, and relatively slow Mortgage prepayments may significantly extend, the weighted average lives of the Support Classes.

KO, KZ, MC and TW

As shown under *Terms Sheet — Principal*, KO and KZ partially jump TW in principal payment priority on any Payment Date to the extent that the Group 2 Scheduled Amount exceeds zero. However, on any subsequent Payment Date when the Group 2 Scheduled Amount equals zero, these Classes will revert to their standard order of priority.

The weighted average life of any Class that jumps may shorten, perhaps significantly. Conversely, the weighted average life of any Class that is jumped may extend, perhaps significantly. MC is a MACR Class backed in part by KO and KZ, so it will be similarly affected to some extent. Jumps can affect the yield of a Class, depending on its purchase price. If you buy KO, KZ, MC or TW at a premium, your yield may be lower to the extent that your Class jumps; if you buy it at a discount, your yield may be lower to the extent that it is jumped. See *Declining Balances Table* below.

Sequential Pay Classes

The Sequential Pay Classes receive principal payments from the Group 1 Assets in a prescribed sequence.

Because of the priority payments on each Payment Date that are allocated to C, C may be less sensitive (and the other Group 1 Classes may be more sensitive) to prepayments on the related Mortgages than would otherwise be the case.

MACR Classes

The payment characteristics of the MACR Classes reflect the payment characteristics of their related REMIC Classes.

Retail Class

Principal payments on the Retail Class will depend on the prepayment rate on the underlying Mortgages. As a result, it is uncertain when principal payments on the Retail Class will begin, how fast they will occur and when the Retail Class will retire. Under some prepayment scenarios, your Retail Class Units could retire on the first Payment Date. On the other hand, they could retire 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. As a result, if you request a Retail Class principal payment, your request may not be honored until long after you submit it. The likelihood that your request will be honored at any particular time will depend in part on the number of Retail Class Units owned by Deceased Owners who have a prior right of payment and on the number of Retail Class Units owned by other Living Owners who have submitted requests. On the other hand, 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, you may receive principal payments you 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 are likely to request Retail Class principal payments. At the same time, however, Mortgage prepayment rates are likely to decline, reducing the funds available for Retail Class principal payments. By contrast, Mortgage prepayment rates are likely to accelerate when prevailing interest rates decline, while investors may be less likely to request Retail Class principal payments. If your Retail Class Units are selected for payment under such conditions, you may not be able to reinvest your payments in comparable securities at as high a yield.

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 percentages of PSA. We have prepared this table using the Modeling Assumptions. *Because you will receive principal payments on the Retail Class in multiples of \$1,000 and subject to special payment rules, you may not receive a principal payment on any particular date.*

Amounts Available for Principal Payments

LL Class (Amounts in Thousands)

Twelve Consecutive Months Through	PSA Prepayment Assumption				
	50%	100%	300%	450%	600%
September 15, 2002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
September 15, 2003	0	0	0	0	0
September 15, 2004	0	0	0	0	0
September 15, 2005	131	131	131	131	131
September 15, 2006	131	131	131	131	4,748
September 15, 2007	131	131	131	131	4,149
September 15, 2008	131	131	131	131	584
September 15, 2009	131	131	131	1,099	131
September 15, 2010	131	131	131	284	131
September 15, 2011	131	131	131	2,247	131
September 15, 2012	131	131	131	1,961	131
September 15, 2013	131	131	131	1,403	131
September 15, 2014	131	131	131	1,002	182
September 15, 2015	131	131	1,766	715	188
September 15, 2016	131	131	1,661	508	117
September 15, 2017	131	131	1,332	361	73
September 15, 2018	131	131	1,065	255	45
September 15, 2019	131	131	850	180	28
September 15, 2020	131	131	677	126	17
September 15, 2021	131	131	537	88	10
September 15, 2022	131	131	425	62	6
September 15, 2023	131	131	335	43	4
September 15, 2024	131	131	262	29	2
September 15, 2025	131	131	205	20	1
September 15, 2026	131	131	159	13	1
September 15, 2027	131	728	122	9	0
September 15, 2028	131	2,246	93	6	0
September 15, 2029	830	2,120	70	4	0
September 15, 2030	4,635	2,002	52	2	0
September 15, 2031	2,327	959	20	1	0
Total*	\$10,944	\$10,944	\$10,944	\$10,944	\$10,944

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

The amounts available for principal payments 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; the weighted average lives of your Retail Class Units will vary, and may vary significantly, from the weighted average life of the Retail Class. We cannot predict the weighted average life of the Retail Class as a whole, much less the weighted average life of any particular Retail Class Unit.

Declining Balances Table

The following table shows:

- Percentages of original balances (as of the applicable Closing Date) that would be outstanding after each of the Payment Dates shown at various percentages of PSA and, in the case of KO, KZ, MC and TW, of CPR.
- Corresponding weighted average lives.

We have prepared this table using the Modeling Assumptions. However, for 0% PSA, we have assumed that each Mortgage (a) has an interest rate 2.5% higher than that of the related PCs and (b) has a remaining term to maturity of 360 months and a loan age of 0 months.

Percentages of Original Balances Outstanding* and Weighted Average Lives

Group 1

Date	B					C					LL** and LO				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	300%	450%	600%	0%	100%	300%	450%	600%	0%	100%	300%	450%	600%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	100	98	91	89	83	97	89	89	89	89	100	100	100	100	100
September 15, 2003	100	93	73	63	49	93	78	78	78	78	100	100	100	100	100
September 15, 2004	99	87	54	38	21	89	67	67	67	67	100	100	100	100	100
September 15, 2005	99	81	40	22	4	86	56	56	56	56	99	99	99	99	99
September 15, 2006	99	76	29	11	0	82	45	45	45	45	98	98	98	98	55
September 15, 2007	98	72	21	4	0	77	34	34	34	34	96	96	96	96	18
September 15, 2008	98	68	15	1	0	72	23	23	23	21	95	95	95	95	12
September 15, 2009	98	64	11	0	0	67	12	12	12	12	94	94	94	85	11
September 15, 2010	97	61	8	0	0	61	1	1	1	7	93	93	93	83	10
September 15, 2011	97	55	3	0	0	54	0	0	0	3	92	92	92	62	9
September 15, 2012	96	48	0	0	0	47	0	0	0	1	90	90	90	44	7
September 15, 2013	96	42	0	0	0	39	0	0	0	0	89	89	89	31	6
September 15, 2014	95	37	0	0	0	31	0	0	0	0	88	88	88	22	5
September 15, 2015	95	31	0	0	0	21	0	0	0	0	87	87	72	16	3
September 15, 2016	94	26	0	0	0	11	0	0	0	0	86	86	57	11	2
September 15, 2017	94	21	0	0	0	0	0	0	0	0	84	84	45	8	1
September 15, 2018	89	16	0	0	0	0	0	0	0	0	83	83	35	5	1
September 15, 2019	84	12	0	0	0	0	0	0	0	0	82	82	27	4	0
September 15, 2020	78	8	0	0	0	0	0	0	0	0	81	81	21	3	0
September 15, 2021	72	4	0	0	0	0	0	0	0	0	80	80	16	2	0
September 15, 2022	65	0	0	0	0	0	0	0	0	0	78	78	12	1	0
September 15, 2023	58	0	0	0	0	0	0	0	0	0	77	77	9	1	0
September 15, 2024	50	0	0	0	0	0	0	0	0	0	76	76	7	1	0
September 15, 2025	41	0	0	0	0	0	0	0	0	0	75	75	5	0	0
September 15, 2026	31	0	0	0	0	0	0	0	0	0	74	74	3	0	0
September 15, 2027	21	0	0	0	0	0	0	0	0	0	72	67	2	0	0
September 15, 2028	10	0	0	0	0	0	0	0	0	0	71	46	1	0	0
September 15, 2029	0	0	0	0	0	0	0	0	0	0	70	27	1	0	0
September 15, 2030	0	0	0	0	0	0	0	0	0	0	69	9	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	22.1	10.5	4.0	2.8	2.1	9.8	4.6	4.6	4.6	4.7	25.5	24.0	16.0	11.2	5.9

Date	ZA					Group 1 Assets				
	PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	300%	450%	600%	0%	100%	300%	450%	600%
Closing Date	100	100	100	100	100	100	100	100	100	100
September 15, 2002	106	106	106	0	0	99	96	91	88	84
September 15, 2003	113	113	113	0	0	98	91	77	67	58
September 15, 2004	120	120	120	0	0	98	84	62	49	37
September 15, 2005	127	127	127	0	0	97	78	50	35	23
September 15, 2006	135	135	135	0	0	95	72	41	25	15
September 15, 2007	143	143	143	0	0	94	67	33	18	9
September 15, 2008	152	152	152	0	0	93	61	26	13	6
September 15, 2009	161	161	161	0	0	92	57	21	9	4
September 15, 2010	171	171	171	0	0	90	52	17	7	2
September 15, 2011	182	182	182	0	0	89	48	14	5	1
September 15, 2012	193	193	163	0	0	87	44	11	3	1
September 15, 2013	205	205	77	0	0	85	40	9	2	1
September 15, 2014	218	218	8	0	0	83	36	7	2	0
September 15, 2015	231	231	0	0	0	81	33	5	1	0
September 15, 2016	245	245	0	0	0	78	30	4	1	0
September 15, 2017	261	261	0	0	0	75	27	3	1	0
September 15, 2018	277	277	0	0	0	72	24	3	0	0
September 15, 2019	294	294	0	0	0	69	21	2	0	0
September 15, 2020	312	312	0	0	0	66	19	2	0	0
September 15, 2021	331	331	0	0	0	62	17	1	0	0
September 15, 2022	351	342	0	0	0	58	14	1	0	0
September 15, 2023	373	262	0	0	0	53	12	1	0	0
September 15, 2024	396	185	0	0	0	49	10	1	0	0
September 15, 2025	421	114	0	0	0	43	8	0	0	0
September 15, 2026	446	46	0	0	0	37	7	0	0	0
September 15, 2027	474	0	0	0	0	31	5	0	0	0
September 15, 2028	503	0	0	0	0	24	4	0	0	0
September 15, 2029	470	0	0	0	0	17	2	0	0	0
September 15, 2030	145	0	0	0	0	9	1	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	28.7	23.2	11.9	0.5	0.3	20.8	11.1	5.4	3.8	2.9

* Rounded to nearest whole percentage.

** The figures for the Retail Class apply to that Class as a whole. The payment behavior and weighted average lives of Retail Class Units will vary among different investors.

Group 2

Date	KA							KB							KC							
	PSA Prepayment Assumption							PSA Prepayment Assumption							PSA Prepayment Assumption							
	0%	100%	203%	235%	236%	250%	450%	0%	100%	203%	235%	236%	250%	450%	0%	100%	203%	235%	236%	250%	450%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	100	98	98	98	98	98	98	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2003	95	69	69	69	69	69	69	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2004	91	31	31	31	31	31	14	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2005	85	0	0	0	0	0	0	100	96	96	96	96	96	96	47	100	100	100	100	100	100	100
September 15, 2006	80	0	0	0	0	0	0	100	72	72	72	72	72	1	100	100	100	100	100	100	100	100
September 15, 2007	73	0	0	0	0	0	0	100	48	48	48	48	48	0	100	100	100	100	100	100	100	61
September 15, 2008	67	0	0	0	0	0	0	100	26	26	26	26	26	0	100	100	100	100	100	100	100	33
September 15, 2009	59	0	0	0	0	0	0	100	6	6	6	6	6	0	100	100	100	100	100	100	100	12
September 15, 2010	51	0	0	0	0	0	0	100	0	0	0	0	0	0	100	84	84	84	84	84	84	0
September 15, 2011	42	0	0	0	0	0	0	100	0	0	0	0	0	0	100	63	63	63	63	63	63	0
September 15, 2012	32	0	0	0	0	0	0	100	0	0	0	0	0	0	100	45	45	45	45	45	45	0
September 15, 2013	22	0	0	0	0	0	0	100	0	0	0	0	0	0	100	30	30	30	30	30	30	0
September 15, 2014	10	0	0	0	0	0	0	100	0	0	0	0	0	0	100	18	18	18	18	18	18	0
September 15, 2015	0	0	0	0	0	0	0	98	0	0	0	0	0	0	100	7	7	7	7	7	7	0
September 15, 2016	0	0	0	0	0	0	0	88	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2017	0	0	0	0	0	0	0	77	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2018	0	0	0	0	0	0	0	65	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2019	0	0	0	0	0	0	0	51	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2020	0	0	0	0	0	0	0	37	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2021	0	0	0	0	0	0	0	21	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2022	0	0	0	0	0	0	0	3	0	0	0	0	0	0	100	0	0	0	0	0	0	0
September 15, 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81	0	0	0	0	0	0	0
September 15, 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	56	0	0	0	0	0	0	0
September 15, 2025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28	0	0	0	0	0	0	0
September 15, 2026	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2027	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	8.6	2.5	2.5	2.5	2.5	2.5	2.3	17.9	6.0	6.0	6.0	6.0	6.0	4.0	23.2	11.0	11.0	11.0	11.0	11.0	11.0	6.5

Date	KD							KE						
	PSA Prepayment Assumption							PSA Prepayment Assumption						
	0%	100%	203%	235%	236%	250%	450%	0%	100%	203%	235%	236%	250%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2003	100	100	100	100	100	100	100	99	92	92	92	92	92	92
September 15, 2004	100	100	100	100	100	100	100	98	83	83	83	83	83	78
September 15, 2005	100	100	100	100	100	100	100	96	74	74	74	74	74	56
September 15, 2006	100	100	100	100	100	100	100	95	65	65	65	65	65	41
September 15, 2007	100	100	100	100	100	100	100	93	57	57	57	57	57	29
September 15, 2008	100	100	100	100	100	100	100	92	49	49	49	49	49	21
September 15, 2009	100	100	100	100	100	100	100	90	42	42	42	42	42	15
September 15, 2010	100	100	100	100	100	100	92	88	36	36	36	36	36	11
September 15, 2011	100	100	100	100	100	100	66	85	30	30	30	30	30	8
September 15, 2012	100	100	100	100	100	100	47	83	24	24	24	24	24	5
September 15, 2013	100	100	100	100	100	100	33	80	20	20	20	20	20	4
September 15, 2014	100	100	100	100	100	100	24	77	17	17	17	17	17	3
September 15, 2015	100	100	100	100	100	100	17	74	14	14	14	14	14	2
September 15, 2016	100	97	97	97	97	97	12	71	11	11	11	11	11	1
September 15, 2017	100	79	79	79	79	79	8	67	9	9	9	9	9	1
September 15, 2018	100	64	64	64	64	64	6	63	7	7	7	7	7	1
September 15, 2019	100	52	52	52	52	52	4	58	6	6	6	6	6	0
September 15, 2020	100	41	41	41	41	42	3	53	5	5	5	5	5	0
September 15, 2021	100	33	33	33	33	33	2	47	4	4	4	4	4	0
September 15, 2022	100	26	26	26	26	26	1	41	3	3	3	3	3	0
September 15, 2023	100	20	20	20	20	20	1	35	2	2	2	2	2	0
September 15, 2024	100	15	15	15	15	16	1	28	2	2	2	2	2	0
September 15, 2025	100	12	12	12	12	12	0	20	1	1	1	1	1	0
September 15, 2026	95	8	8	8	8	8	0	11	1	1	1	1	1	0
September 15, 2027	15	6	6	6	6	6	0	2	1	1	1	1	1	0
September 15, 2028	4	4	4	4	4	4	0	0	0	0	0	0	0	0
September 15, 2029	2	2	2	2	2	2	0	0	0	0	0	0	0	0
September 15, 2030	1	1	1	1	1	1	0	0	0	0	0	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	25.7	19.1	19.1	19.1	19.1	19.1	11.7	18.0	8.1	8.1	8.1	8.1	8.1	5.2

Date	KO							KO						
	PSA Prepayment Assumption							CPR Prepayment Assumption						
	0%	100%	203%	235%	236%	250%	450%	3%	3.1%	4%	4.1%	5%	5.1%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	100	100	84	74	100	100	75	86	100	73	100	57	100	
September 15, 2003	100	100	55	24	36	92	0	86	100	73	100	57	95	
September 15, 2004	100	100	21	0	0	0	0	86	100	73	100	57	95	
September 15, 2005	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2006	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2007	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2008	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2009	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2010	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2011	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2012	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2013	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2014	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2015	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2016	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2017	100	100	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2018	100	55	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2019	100	4	0	0	0	0	0	86	100	73	100	57	95	
September 15, 2020	100	0	0	0	0	0	0	86	100	73	100	4	95	
September 15, 2021	100	0	0	0	0	0	0	86	100	32	100	0	95	
September 15, 2022	100	0	0	0	0	0	0	64	100	0	100	0	95	
September 15, 2023	100	0	0	0	0	0	0	0	100	0	100	0	95	
September 15, 2024	100	0	0	0	0	0	0	0	100	0	100	0	95	
September 15, 2025	76	0	0	0	0	0	0	0	55	0	100	0	95	
September 15, 2026	44	0	0	0	0	0	0	0	0	0	95	0	95	
September 15, 2027	11	0	0	0	0	0	0	0	0	0	48	0	95	
September 15, 2028	0	0	0	0	0	0	0	0	0	0	2	0	83	
September 15, 2029	0	0	0	0	0	0	0	0	0	0	0	0	53	
September 15, 2030	0	0	0	0	0	0	0	0	0	0	0	0	24	
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	24.8	17.1	2.1	1.5	1.9	2.4	1.2	18.4	24.1	14.7	26.0	10.6	26.8	

Date	KO						KO					
	CPR Prepayment Assumption						CPR Prepayment Assumption					
	6%	6.1%	7%	7.1%	8%	8.1%	9%	9.1%	10%	10.1%	11%	11.1%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	39	87	22	71	5	54	0	38	0	21	0	5
September 15, 2003	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2004	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2005	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2006	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2007	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2008	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2009	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2010	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2011	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2012	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2013	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2014	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2015	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2016	36	65	12	30	0	0	0	0	0	0	0	0
September 15, 2017	36	65	0	30	0	0	0	0	0	0	0	0
September 15, 2018	26	65	0	30	0	0	0	0	0	0	0	0
September 15, 2019	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2020	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2021	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2022	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2023	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2024	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2025	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2026	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2027	0	65	0	30	0	0	0	0	0	0	0	0
September 15, 2028	0	61	0	30	0	0	0	0	0	0	0	0
September 15, 2029	0	39	0	28	0	0	0	0	0	0	0	0
September 15, 2030	0	17	0	12	0	0	0	0	0	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	6.5	18.7	2.4	9.4	0.5	1.2	0.4	1.0	0.3	0.8	0.3	0.8

Date	KZ							KZ						
	PSA Prepayment Assumption							CPR Prepayment Assumption						
	0%	100%	203%	235%	236%	250%	450%	3%	3.1%	4%	4.1%	5%	5.1%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	107	107	107	107	22	56	0	107	56	107	20	107	4	
September 15, 2003	114	114	114	114	0	0	0	114	59	114	22	114	0	
September 15, 2004	121	121	121	88	0	0	0	121	63	121	23	121	0	
September 15, 2005	130	130	123	52	0	0	0	130	67	130	25	130	0	
September 15, 2006	138	138	110	28	0	0	0	138	72	138	26	138	0	
September 15, 2007	148	148	101	12	0	0	0	148	77	148	28	148	0	
September 15, 2008	157	157	96	5	0	0	0	157	82	157	30	157	0	
September 15, 2009	168	168	94	3	0	0	0	168	87	168	32	168	0	
September 15, 2010	179	179	93	3	0	0	0	179	93	179	34	179	0	
September 15, 2011	191	191	93	3	0	0	0	191	99	191	37	191	0	
September 15, 2012	204	204	93	3	0	0	0	204	106	204	39	204	0	
September 15, 2013	218	218	93	4	0	0	0	218	113	218	42	218	0	
September 15, 2014	232	232	92	4	0	0	0	232	121	232	44	232	0	
September 15, 2015	248	248	87	4	0	0	0	248	129	248	47	248	0	
September 15, 2016	264	264	78	4	0	0	0	264	138	264	51	264	0	
September 15, 2017	282	282	69	5	0	0	0	282	147	282	54	282	0	
September 15, 2018	301	301	61	5	0	0	0	301	157	301	58	301	0	
September 15, 2019	321	321	53	5	0	0	0	321	167	321	61	321	0	
September 15, 2020	343	295	46	6	0	0	0	343	178	343	66	343	0	
September 15, 2021	366	265	40	6	0	0	0	366	190	366	70	313	0	
September 15, 2022	390	234	33	7	0	0	0	390	203	358	75	280	0	
September 15, 2023	416	205	28	7	0	0	0	407	217	319	80	247	0	
September 15, 2024	444	176	23	6	0	0	0	359	231	278	85	214	0	
September 15, 2025	474	147	18	4	0	0	0	309	247	238	91	181	0	
September 15, 2026	506	120	14	3	0	0	0	259	252	197	97	149	0	
September 15, 2027	539	93	10	2	0	0	0	207	201	156	103	117	0	
September 15, 2028	441	68	7	2	0	0	0	154	150	115	110	86	0	
September 15, 2029	308	43	4	1	0	0	0	101	98	75	72	55	0	
September 15, 2030	161	19	2	0	0	0	0	46	45	34	33	25	0	
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	28.2	23.7	15.8	5.3	0.7	1.1	0.5	26.0	23.3	25.2	16.7	24.4	0.5	

Date	KZ						KZ						
	CPR Prepayment Assumption						CPR Prepayment Assumption						
	6%	6.1%	7%	7.1%	8%	8.1%	9%	9.1%	10%	10.1%	11%	11.1%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	107	0	107	0	107	0	94	0	76	0	59	0	
September 15, 2003	114	0	114	0	99	0	70	0	39	0	8	0	
September 15, 2004	121	0	121	0	106	0	75	0	42	0	8	0	
September 15, 2005	130	0	130	0	113	0	80	0	45	0	9	0	
September 15, 2006	138	0	138	0	120	0	85	0	48	0	9	0	
September 15, 2007	148	0	148	0	129	0	91	0	51	0	10	0	
September 15, 2008	157	0	157	0	137	0	97	0	54	0	11	0	
September 15, 2009	168	0	168	0	146	0	103	0	58	0	11	0	
September 15, 2010	179	0	179	0	156	0	110	0	62	0	12	0	
September 15, 2011	191	0	191	0	167	0	118	0	66	0	13	0	
September 15, 2012	204	0	204	0	178	0	125	0	70	0	14	0	
September 15, 2013	218	0	218	0	190	0	134	0	75	0	15	0	
September 15, 2014	232	0	232	0	202	0	143	0	80	0	16	0	
September 15, 2015	248	0	248	0	216	0	152	0	86	0	17	0	
September 15, 2016	264	0	264	0	230	0	162	0	91	0	18	0	
September 15, 2017	282	0	281	0	219	0	166	0	97	0	19	0	
September 15, 2018	301	0	258	0	200	0	151	0	104	0	20	0	
September 15, 2019	300	0	235	0	181	0	135	0	98	0	22	0	
September 15, 2020	273	0	212	0	162	0	120	0	87	0	23	0	
September 15, 2021	245	0	189	0	143	0	106	0	76	0	25	0	
September 15, 2022	217	0	166	0	125	0	92	0	65	0	26	0	
September 15, 2023	190	0	144	0	108	0	79	0	55	0	28	0	
September 15, 2024	163	0	123	0	91	0	66	0	46	0	30	0	
September 15, 2025	137	0	102	0	75	0	54	0	38	0	25	0	
September 15, 2026	111	0	83	0	60	0	43	0	30	0	20	0	
September 15, 2027	87	0	64	0	46	0	33	0	22	0	15	0	
September 15, 2028	63	0	46	0	33	0	23	0	16	0	10	0	
September 15, 2029	40	0	29	0	21	0	14	0	10	0	6	0	
September 15, 2030	18	0	13	0	9	0	6	0	4	0	3	0	
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	23.4	0.4	22.4	0.4	21.0	0.3	18.3	0.3	14.5	0.3	7.1	0.3	

Date	MC							MC						
	PSA Prepayment Assumption							CPR Prepayment Assumption						
	0%	100%	203%	235%	236%	250%	450%	3%	3.1%	4%	4.1%	5%	5.1%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	100	100	99	98	94	96	91	99	96	98	94	97	93	
September 15, 2003	100	94	91	89	82	86	79	95	92	93	88	91	86	
September 15, 2004	99	87	81	77	71	71	67	90	87	88	82	85	79	
September 15, 2005	99	79	72	67	63	63	48	86	83	83	77	79	72	
September 15, 2006	98	73	64	58	56	56	35	82	78	78	71	73	66	
September 15, 2007	98	66	56	50	49	49	25	78	74	73	66	68	60	
September 15, 2008	97	61	49	43	42	42	18	75	70	69	61	63	54	
September 15, 2009	96	55	43	36	36	36	13	71	66	64	56	59	49	
September 15, 2010	95	50	37	31	30	30	9	67	62	60	51	54	44	
September 15, 2011	94	46	32	26	25	25	7	64	58	57	47	50	39	
September 15, 2012	93	43	28	21	21	21	5	61	54	53	43	46	34	
September 15, 2013	91	40	24	18	17	17	3	57	50	50	38	43	30	
September 15, 2014	90	38	21	15	14	14	2	54	47	46	34	40	25	
September 15, 2015	88	37	18	12	12	12	2	51	43	43	30	37	21	
September 15, 2016	87	36	15	10	10	10	1	48	40	41	27	34	17	
September 15, 2017	84	35	13	8	8	8	1	46	36	38	23	32	15	
September 15, 2018	82	32	11	7	6	6	1	43	33	35	19	32	13	
September 15, 2019	80	28	9	6	5	5	0	40	30	33	17	32	12	
September 15, 2020	77	25	7	5	4	4	0	38	27	34	16	29	11	
September 15, 2021	74	22	6	4	3	3	0	36	24	32	15	26	10	
September 15, 2022	70	19	5	3	3	3	0	35	24	28	15	23	9	
September 15, 2023	67	17	4	3	2	2	0	31	25	25	15	20	9	
September 15, 2024	62	14	3	2	2	2	0	27	25	21	15	17	8	
September 15, 2025	56	12	2	1	1	1	0	23	23	18	15	14	8	
September 15, 2026	49	9	2	1	1	1	0	19	19	15	14	11	8	
September 15, 2027	41	7	1	1	1	1	0	15	15	12	11	9	7	
September 15, 2028	32	5	1	1	0	0	0	11	11	9	8	6	6	
September 15, 2029	22	3	1	0	0	0	0	7	7	6	5	4	4	
September 15, 2030	12	1	0	0	0	0	0	3	3	2	2	2	2	
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	22.8	11.8	8.5	7.4	7.1	7.2	4.6	15.1	13.6	13.6	11.1	12.3	9.4	

Date	MC						MC						
	CPR Prepayment Assumption						CPR Prepayment Assumption						
	6%	6.1%	7%	7.1%	8%	8.1%	9%	9.1%	10%	10.1%	11%	11.1%	
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	96	92	94	90	93	89	92	88	91	87	90	86	
September 15, 2003	90	84	88	81	86	79	84	79	82	79	80	79	
September 15, 2004	83	76	80	73	78	71	76	71	74	71	71	71	
September 15, 2005	76	68	73	65	71	63	69	63	66	63	64	63	
September 15, 2006	70	62	66	58	64	56	62	56	59	56	56	56	
September 15, 2007	64	55	60	51	58	49	55	49	52	49	50	49	
September 15, 2008	58	49	54	44	52	42	49	42	46	42	43	42	
September 15, 2009	53	43	49	38	47	36	44	36	40	36	37	36	
September 15, 2010	49	38	44	33	42	31	38	30	35	31	31	31	
September 15, 2011	45	33	40	28	37	25	34	25	30	25	26	26	
September 15, 2012	41	28	36	23	34	21	30	21	26	21	22	21	
September 15, 2013	37	23	34	19	31	17	27	17	23	17	18	17	
September 15, 2014	34	19	32	16	29	14	25	14	20	14	15	14	
September 15, 2015	32	16	30	14	27	12	23	12	18	12	13	12	
September 15, 2016	31	14	29	12	26	10	21	10	16	10	11	10	
September 15, 2017	31	13	28	10	23	8	20	8	15	8	9	8	
September 15, 2018	30	11	25	9	21	6	17	6	14	6	8	6	
September 15, 2019	27	10	22	7	18	5	15	5	12	5	7	5	
September 15, 2020	24	9	19	6	16	4	13	4	10	4	6	4	
September 15, 2021	21	8	17	5	13	3	11	3	9	3	5	3	
September 15, 2022	18	7	14	5	12	3	9	3	7	3	4	3	
September 15, 2023	16	7	12	4	10	2	8	2	6	2	4	2	
September 15, 2024	13	6	10	4	8	2	6	2	5	2	4	2	
September 15, 2025	11	6	8	3	7	1	5	1	4	1	3	1	
September 15, 2026	9	5	7	3	5	1	4	1	3	1	2	1	
September 15, 2027	7	5	5	3	4	1	3	1	2	1	2	1	
September 15, 2028	5	5	4	3	3	0	2	0	2	0	1	0	
September 15, 2029	3	3	2	2	2	0	1	0	1	0	1	0	
September 15, 2030	1	1	1	1	1	0	1	0	0	0	0	0	
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	
Weighted Average Life (Years)	11.2	8.5	10.4	7.6	9.7	7.0	8.9	7.0	8.2	7.0	7.3	7.0	

Date	TW							TW					
	PSA Prepayment Assumption							CPR Prepayment Assumption					
	0%	100%	203%	235%	236%	250%	450%	3%	3.1%	4%	4.1%	5%	5.1%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	95	86	83	83	99	88	94	84	94	83	99	83	99
September 15, 2003	93	84	69	69	98	78	53	82	93	80	97	77	97
September 15, 2004	91	82	53	53	77	71	0	80	92	78	97	75	97
September 15, 2005	89	80	40	40	54	45	0	78	91	75	96	73	97
September 15, 2006	86	78	29	29	36	27	0	75	89	73	96	70	97
September 15, 2007	84	75	21	21	24	14	0	73	88	70	95	68	97
September 15, 2008	81	72	15	15	16	6	0	70	87	68	95	65	97
September 15, 2009	78	69	11	11	11	1	0	67	85	65	94	62	97
September 15, 2010	75	66	9	9	10	0	0	64	83	62	94	59	97
September 15, 2011	72	62	7	9	9	0	0	61	82	58	93	56	97
September 15, 2012	68	55	5	8	8	0	0	57	80	55	92	52	97
September 15, 2013	64	47	3	7	8	0	0	53	78	51	92	48	97
September 15, 2014	60	37	1	6	7	0	0	49	76	47	91	44	97
September 15, 2015	56	26	0	6	6	0	0	45	73	43	90	40	97
September 15, 2016	51	14	0	5	6	0	0	40	71	38	89	35	97
September 15, 2017	46	1	0	4	5	0	0	35	69	33	88	28	93
September 15, 2018	41	0	0	3	4	0	0	30	66	28	87	14	85
September 15, 2019	36	0	0	2	4	0	0	25	63	21	83	0	76
September 15, 2020	30	0	0	2	3	0	0	19	60	5	72	0	67
September 15, 2021	23	0	0	1	3	0	0	12	55	0	60	0	58
September 15, 2022	17	0	0	1	2	0	0	0	39	0	48	0	49
September 15, 2023	9	0	0	0	2	0	0	0	22	0	36	0	40
September 15, 2024	2	0	0	0	1	0	0	0	5	0	24	0	31
September 15, 2025	0	0	0	0	1	0	0	0	0	0	11	0	22
September 15, 2026	0	0	0	0	1	0	0	0	0	0	0	0	14
September 15, 2027	0	0	0	0	1	0	0	0	0	0	0	0	5
September 15, 2028	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2029	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2030	0	0	0	0	0	0	0	0	0	0	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	14.0	9.9	4.0	4.4	5.5	3.8	2.0	11.5	16.9	10.8	19.7	10.0	20.5

Date	TW						TW						Group 2 Assets						
	CPR Prepayment Assumption						CPR Prepayment Assumption						PSA Prepayment Assumption						
	6%	6.1%	7%	7.1%	8%	8.1%	9%	9.1%	10%	10.1%	11%	11.1%	0%	100%	203%	235%	236%	250%	450%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
September 15, 2002	83	98	83	98	83	98	83	98	83	97	83	97	99	97	96	95	95	95	91
September 15, 2003	74	97	72	97	70	97	70	88	69	80	69	71	99	92	87	85	85	84	74
September 15, 2004	72	97	68	95	63	91	60	80	58	68	56	57	98	86	75	72	72	71	53
September 15, 2005	70	97	65	94	58	88	53	73	49	60	45	46	97	80	65	61	61	59	38
September 15, 2006	67	97	62	93	53	85	47	69	42	53	38	39	96	74	57	52	52	50	28
September 15, 2007	65	97	59	93	49	83	42	66	37	49	32	34	95	68	49	44	44	42	20
September 15, 2008	62	97	56	93	46	82	39	64	33	47	29	31	94	63	42	37	37	35	14
September 15, 2009	59	97	53	93	43	82	36	63	31	46	28	30	92	58	36	31	31	29	10
September 15, 2010	56	97	50	93	40	82	34	63	30	46	28	30	91	54	31	26	26	24	7
September 15, 2011	52	97	47	93	37	82	32	63	29	46	28	30	89	49	27	22	22	20	5
September 15, 2012	49	97	43	92	33	80	29	62	27	45	28	30	88	45	23	19	18	17	4
September 15, 2013	45	97	35	89	26	77	24	59	24	43	27	29	86	41	20	15	15	14	3
September 15, 2014	41	97	27	84	19	73	18	56	20	41	25	28	84	38	17	13	13	11	2
September 15, 2015	33	91	18	79	11	69	12	53	16	38	23	26	82	34	14	11	11	9	1
September 15, 2016	22	85	7	74	2	64	5	49	11	35	20	24	79	31	12	9	9	8	1
September 15, 2017	10	78	0	68	0	59	0	45	7	32	18	22	77	28	10	7	7	6	1
September 15, 2018	0	71	0	61	0	54	0	40	2	29	15	20	74	25	9	6	6	5	0
September 15, 2019	0	63	0	55	0	49	0	36	0	26	13	18	71	23	7	5	5	4	0
September 15, 2020	0	56	0	49	0	44	0	32	0	23	10	16	67	20	6	4	4	3	0
September 15, 2021	0	48	0	43	0	38	0	28	0	20	7	14	64	18	5	3	3	3	0
September 15, 2022	0	41	0	36	0	34	0	25	0	17	5	12	59	15	4	3	3	2	0
September 15, 2023	0	33	0	31	0	29	0	21	0	15	3	10	55	13	3	2	2	2	0
September 15, 2024	0	26	0	25	0	24	0	18	0	12	0	8	50	11	3	2	2	1	0
September 15, 2025	0	19	0	19	0	20	0	14	0	10	0	7	45	9	2	1	1	1	0
September 15, 2026	0	12	0	14	0	16	0	11	0	8	0	5	39	7	1	1	1	1	0
September 15, 2027	0	5	0	9	0	12	0	9	0	6	0	4	32	6	1	1	1	0	0
September 15, 2028	0	0	0	4	0	9	0	6	0	4	0	3	25	4	1	0	0	0	0
September 15, 2029	0	0	0	0	0	5	0	4	0	3	0	2	18	3	0	0	0	0	0
September 15, 2030	0	0	0	0	0	2	0	2	0	1	0	1	9	1	0	0	0	0	0
September 15, 2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	9.1	19.4	7.9	18.3	6.9	16.8	6.3	13.5	6.2	10.5	6.8	7.9	21.0	11.5	7.5	6.8	6.8	6.5	4.1

Yield Table

The following table shows pre-tax yields to maturity (corporate bond equivalent) of LO at various percentages of PSA. We have prepared this table using the Modeling Assumptions and the assumed price in the table caption. Actual sales will not necessarily occur at the assumed price.

Pre-Tax Yields

LO Class
(Assumed Price: 35.0%)

<u>50% PSA</u>	<u>100% PSA</u>	<u>300% PSA</u>	<u>450% PSA</u>	<u>600% PSA</u>
4.5%	4.7%	7.0%	10.0%	19.9%

FINAL PAYMENT DATES

The Final Payment Date for each Class is the latest date by which it will be paid in full and will retire. We calculate Final Payment Dates using highly conservative assumptions, and the actual retirement of each Class may occur earlier than its Final Payment Date.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

Subject to the assumptions described under *Certain Federal Income Tax Consequences — REMIC Election* in the Offering Circular, the REMIC Pool will qualify as a REMIC for federal income tax purposes.

Regular Classes

The Regular Classes are the “regular interests” in the REMIC Pool. They are 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 information provided by the Underwriter regarding the initial prices at which it will sell substantial portions of the Regular Classes, we expect to report income to the Internal Revenue Service and to Holders of the Regular Classes assuming they are issued as follows:

- *OID:* KO, KZ, LO and ZA.
- *Premium:* B, C, KA, KB, KC, KD, LL and TW.

OID generally results in recognition of taxable income in advance of the receipt of cash attributable to that income. The Pricing Speeds used for OID and premium calculations are:

- Group 1 — 300% PSA
- Group 2 — 203% PSA

See *Certain Federal Income Tax Consequences — Taxation of Regular Classes — Original Issue Discount* and *— Premium* in the Offering Circular.

Residual Class

The Residual Class is the “residual interest” in the REMIC Pool. Special tax considerations apply to the Residual Class. The taxation of the Residual Class can produce a significantly less favorable after-tax return than if (a) the Residual Class were taxable as a debt instrument or (b) no portion of the taxable income on the Residual Class were treated as “excess inclusions.” In certain periods, taxable income and the resulting tax liability on R may exceed any payments on that Class. See *Certain Federal Income Tax Consequences — Taxation of Residual Classes* in the Offering Circular.

A substantial tax may be imposed on certain transferors of the Residual Class and certain beneficial owners of the Residual Class that are “pass-through entities.” See *Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Disqualified Organizations* in the Offering Circular. You should not purchase the Residual Class before consulting your tax advisor.

Certain Transfers of Residual Class

The REMIC Regulations disregard:

1. A transfer of a “noneconomic residual” unless no significant purpose of the transfer is to impede the assessment or collection of tax.

- The Treasury recently proposed regulations that would modify a safe harbor relating to transfers of noneconomic residuals. In order to comply with the safe harbor, the proposed regulations would impose an additional requirement that the present value of the anticipated tax liabilities associated with holding the residual interest not exceed the sum of (a) the present value of any consideration given to the transferee to acquire the residual interest, (b) the present value of the expected future distributions on the residual interest and (c) the present value of the anticipated tax savings associated with holding the interest as the REMIC generates losses. The regulations are proposed to be effective for transfers of noneconomic residuals on or after February 4, 2000.
- The Internal Revenue Service has issued additional guidance in Rev. Proc. 2001-12 concerning the safe harbor relating to transfers of noneconomic residuals. The Revenue Procedure provides an alternative means of complying with the safe harbor to the present value test described above. The alternative test is satisfied for a transfer if (a) the transferee’s gross assets for financial reporting purposes exceed \$100 million and its net assets for financial reporting purposes exceed \$10 million at the time of the transfer and at the close of each of the transferee’s two fiscal years preceding the year of transfer, (b) the transferee is an eligible corporation (any domestic subchapter C corporation other than a tax-exempt corporation, regulated investment company, real estate investment trust, REMIC or cooperative) and agrees in writing that any subsequent transfer of the residual interest will be to another eligible corporation in a manner that satisfies the safe harbor and (c) the facts and circumstances, including the amount of consideration paid to the transferee, do not reasonably indicate to the transferor that the taxes associated with the residual interest will not be paid. The Revenue Procedure further provides that a transfer will not satisfy the alternative test if the transfer is to a foreign branch of an eligible corporation or involves any other arrangement by which the residual interest is at any time subject to net tax by a foreign country or possession of the United States.

2. 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 Agreement prohibits the transfer of an interest in the Residual Class to or from a foreign investor without our written consent.

In the case of a transfer that is disregarded, 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 Offering Circular.

Residual Class with Negative Fair Market Value

The federal income tax consequences of any consideration paid to a transferee on a transfer of the 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 to the REMIC Regulations indicates that the Internal Revenue Service is considering the tax treatment of these types of residual interests. If you receive consideration for the Residual Class, you should consult your tax advisor.

Reporting and Administrative Matters

We will provide Holders of the Residual Class information to enable them to prepare reports required under the Code or applicable Treasury regulations. Because we do not intend to hold the Residual Class, applicable law may not allow us to perform tax administrative functions for the REMIC Pool. Therefore, if you own the Residual Class, you may have certain tax administrative obligations, for which we will act as your attorney-in-fact and agent. See *Certain Federal Income Tax Consequences — Reporting and Administrative Matters* in the Offering Circular.

MACR Classes

The arrangement under which the MACR Classes are created (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 for the MACR Classes, including any exchanges effective on the applicable Closing Date, will be the assets of the MACR Pool and the MACR Classes will represent beneficial ownership of these assets.

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 Regular Classes* and *— Taxation of Foreign Investors* in the Offering Circular.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your legal advisor to determine whether the Certificates are a legal investment for you and whether you can use the Certificates as collateral for borrowings. See *Legal Investment Considerations* in the Offering Circular.

ERISA CONSIDERATIONS

Fiduciaries of ERISA plans should review *ERISA Considerations* in the Offering Circular.

PLAN OF DISTRIBUTION

Under an agreement with the Underwriter, we have agreed to sell all of the REMIC Certificates to the Underwriter in exchange for the Assets.

The Underwriter is offering LL to the Dealer and is offering the non-Retail Classes to the public in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest on each interest-bearing Class from the first day of the initial Accrual Period. The Dealer is reoffering LL to the public in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest from the first day of the initial Accrual Period. The Underwriter and Dealer are offering the Certificates subject to their issuance by us and subject to the Underwriter’s and Dealer’s right to reject any order. The Underwriter or Dealer may make sales to or through securities dealers, which may include Freddie Mac through our Securities Sales & Trading Group.

These securities dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriter or Dealer and commissions from any purchasers for which they act as agents.

The sales commission charged to a retail investor is likely to be a higher percentage of the sales price than the commission charged to an institutional investor in any Class.

Our agreement with the Underwriter provides that we will indemnify it against certain liabilities.

LEGAL MATTERS

Maud Mater, Esq., Executive Vice President — General Counsel and Secretary of Freddie Mac, will render an opinion on the legality of the Certificates. Cleary, Gottlieb, Steen & Hamilton is representing the Underwriter on legal matters concerning the Certificates.

Available Combinations

Group	REMIC Certificates			MACR Certificates								
	REMIC Class	Original Balance	Exchange Proportions(1)	MACR Class	Maximum Original Balance	Exchange Proportions(1)	Principal Type(2)	Class Coupon	Interest Type(2)	CUSIP Number	Final Payment Date	
2	Combination 1											
	KA	\$34,282,000	25.1384071627%	KE	\$136,373,000	100%	PAC	6.5%	FIX	313399UZ8	September 15, 2031	
	KB	47,270,000	34.6622865230									
	KC	38,898,000	28.5232414041									
	KD	15,923,000	11.6760649102									
2	Combination 2											
	KA	\$34,282,000	21.5490797546%	MC(3)	\$159,088,000	100%	PAC/SUP	6.5%	FIX/PZ	313399V87	September 15, 2031	
	KB	47,270,000	29.7131147541									
	KC	38,898,000	24.4506185256									
	KD	15,923,000	10.0089258775									
	KO	11,380,000	7.1532736599									
	KZ	11,335,000	7.1249874283									

(1) Exchange proportions are constant proportions of the original balances of the REMIC Classes or MACR Classes, as applicable. In accordance with the exchange proportions, you may exchange REMIC Certificates for MACR Certificates, and vice versa.

(2) See Appendix II to the Offering Circular.

(3) See Prepayment and Yield Analysis — Prepayment and Weighted Average Life Considerations — KO, KZ, MC and TW.

Balances Schedules

The schedules of Aggregate Targeted Balances, Targeted Balances and Scheduled Asset Balances are shown below:

<u>Payment Date</u>	Group 1 B TAC	Group 2 PAC (Aggregate)	Group 2 TW Scheduled	Group 2 235% PSA Scheduled Asset Balance
Initial	\$100,000,000.00	\$136,373,000.00	\$40,912,000.00	\$200,000,000.00
October 15, 2001	99,631,033.32	136,373,000.00	40,576,832.02	199,599,153.55
November 15, 2001	99,186,284.86	136,373,000.00	40,183,977.20	199,118,702.83
December 15, 2001	98,666,424.69	136,373,000.00	39,733,573.28	198,558,838.93
January 15, 2002	98,072,240.52	136,373,000.00	39,225,808.17	197,919,848.27
February 15, 2002	97,404,636.92	136,373,000.00	38,660,919.94	197,202,112.79
March 15, 2002	96,664,634.18	136,373,000.00	38,039,196.80	196,406,109.92
April 15, 2002	95,853,366.97	136,373,000.00	37,360,976.94	195,532,412.46
May 15, 2002	94,972,082.57	136,373,000.00	36,626,648.38	194,581,688.13
June 15, 2002	94,022,138.90	136,373,000.00	35,836,648.64	193,554,699.08
July 15, 2002	93,005,002.20	136,373,000.00	34,991,464.49	192,452,301.06
August 15, 2002	91,922,244.44	136,373,000.00	34,091,631.42	191,275,442.55
September 15, 2002	90,775,540.39	135,739,052.45	33,771,680.82	190,025,163.53
October 15, 2002	89,566,664.48	135,072,711.38	33,430,690.22	188,702,594.22
November 15, 2002	88,297,487.34	134,374,246.67	33,069,068.39	187,308,953.53
December 15, 2002	86,969,972.06	133,643,944.85	32,687,253.87	185,845,547.34
January 15, 2003	85,586,170.20	132,882,108.90	32,285,714.41	184,313,766.64
February 15, 2003	84,148,217.58	132,089,058.04	31,864,946.26	182,715,085.43
March 15, 2003	82,658,329.80	131,265,127.53	31,425,473.57	181,051,058.48
April 15, 2003	81,118,797.55	130,410,668.44	30,967,847.56	179,323,318.91
May 15, 2003	79,531,981.67	129,526,047.40	30,492,645.77	177,533,575.59
June 15, 2003	77,900,308.11	128,611,646.36	30,000,471.18	175,683,610.40
July 15, 2003	76,226,262.55	127,667,862.31	29,491,951.34	173,775,275.29
August 15, 2003	74,512,385.05	126,695,107.00	28,967,737.39	171,810,489.25
September 15, 2003	72,761,264.34	125,693,806.65	28,428,503.11	169,791,235.10
October 15, 2003	71,044,994.90	124,664,401.64	27,874,943.85	167,719,556.11
November 15, 2003	69,362,988.42	123,607,346.19	27,307,775.50	165,597,552.58
December 15, 2003	67,714,666.41	122,523,108.01	26,727,733.30	163,427,378.20
January 15, 2004	66,099,459.99	121,412,168.01	26,135,570.77	161,211,236.38
February 15, 2004	64,516,809.77	120,306,816.58	25,553,542.50	159,024,066.95
March 15, 2004	62,966,165.67	119,207,024.90	24,981,535.39	156,865,497.96
April 15, 2004	61,446,986.77	118,112,764.28	24,419,437.41	154,735,162.15
May 15, 2004	59,958,741.16	117,024,006.19	23,867,137.70	152,632,696.97
June 15, 2004	58,500,905.79	115,940,722.24	23,324,526.47	150,557,744.45
July 15, 2004	57,072,966.33	114,862,884.18	22,791,495.03	148,509,951.20
August 15, 2004	55,674,417.01	113,790,463.94	22,267,935.77	146,488,968.31
September 15, 2004	54,304,760.50	112,723,433.54	21,753,742.16	144,494,451.32
October 15, 2004	52,974,907.74	111,661,765.18	21,248,808.71	142,526,060.14
November 15, 2004	51,672,977.83	110,605,431.20	20,753,031.01	140,583,459.02
December 15, 2004	50,398,497.88	109,554,404.08	20,266,305.67	138,666,316.48
January 15, 2005	49,151,002.89	108,508,656.43	19,788,530.35	136,774,305.25
February 15, 2005	47,930,035.59	107,468,161.01	19,319,603.72	134,907,102.24
March 15, 2005	46,735,146.35	106,432,890.72	18,859,425.46	133,064,388.46
April 15, 2005	45,565,893.03	105,402,818.61	18,407,896.25	131,245,848.99
May 15, 2005	44,421,840.87	104,377,917.84	17,964,917.79	129,451,172.91
June 15, 2005	43,302,562.33	103,358,161.73	17,530,392.73	127,680,053.26
July 15, 2005	42,207,637.03	102,343,523.73	17,104,224.71	125,932,187.00
August 15, 2005	41,136,651.58	101,333,977.44	16,686,318.34	124,207,274.93
September 15, 2005	40,089,199.49	100,329,496.58	16,276,579.17	122,505,021.67
October 15, 2005	39,064,881.06	99,330,055.00	15,874,913.72	120,825,135.61
November 15, 2005	38,063,303.22	98,335,626.71	15,481,229.43	119,167,328.84
December 15, 2005	37,084,079.50	97,346,185.82	15,095,434.67	117,531,317.11
January 15, 2006	36,126,829.84	96,361,706.60	14,717,438.75	115,916,819.82
February 15, 2006	35,191,180.54	95,382,163.45	14,347,151.86	114,323,559.92
March 15, 2006	34,276,764.14	94,407,530.88	13,984,485.12	112,751,263.89
April 15, 2006	33,383,219.29	93,437,783.55	13,629,350.53	111,199,661.71
May 15, 2006	32,510,190.67	92,472,896.25	13,281,660.98	109,668,486.79
June 15, 2006	31,657,328.92	91,512,843.90	12,941,330.24	108,157,475.93

<u>Payment Date</u>	Group 1 B TAC continued	Group 2 PAC (Aggregate) continued	Group 2 TW Scheduled continued	Group 2 235% PSA Scheduled Asset Balance continued
July 15, 2006	\$ 30,824,290.46	\$ 90,557,601.53	\$12,608,272.95	\$106,666,369.30
August 15, 2006	30,010,737.48	89,607,144.32	12,282,404.60	105,194,910.37
September 15, 2006	29,216,337.79	88,661,447.57	11,963,641.55	103,742,845.88
October 15, 2006	28,440,764.77	87,720,486.71	11,651,900.99	102,309,925.80
November 15, 2006	27,683,697.21	86,784,237.30	11,347,100.96	100,895,903.29
December 15, 2006	26,944,819.29	85,852,675.00	11,049,160.31	99,500,534.66
January 15, 2007	26,223,820.46	84,925,775.63	10,757,998.72	98,123,579.32
February 15, 2007	25,520,395.34	84,003,515.11	10,473,536.70	96,764,799.74
March 15, 2007	24,834,243.67	83,085,869.50	10,195,869.54	95,423,961.43
April 15, 2007	24,165,070.17	82,172,814.96	9,924,397.34	94,100,832.89
May 15, 2007	23,512,584.53	81,264,327.81	9,659,564.98	92,795,185.57
June 15, 2007	22,876,501.26	80,360,384.46	9,401,122.14	91,506,793.83
July 15, 2007	22,256,539.64	79,460,961.44	9,148,893.25	90,253,934.91
August 15, 2007	21,652,423.65	78,566,035.43	8,903,103.55	88,980,888.91
September 15, 2007	21,063,881.87	77,675,583.20	8,663,378.98	87,742,938.70
October 15, 2007	20,490,647.41	76,789,581.66	8,429,746.29	86,521,369.95
November 15, 2007	19,932,457.84	75,908,007.81	8,202,132.94	85,315,971.06
December 15, 2007	19,389,055.13	75,030,838.81	7,980,467.14	84,126,533.10
January 15, 2008	18,860,185.54	74,158,051.91	7,764,677.84	82,952,849.86
February 15, 2008	18,345,599.56	73,289,624.47	7,554,694.69	81,794,717.71
March 15, 2008	17,845,051.89	72,425,533.99	7,350,448.10	80,651,935.64
April 15, 2008	17,358,301.28	71,565,758.08	7,151,869.14	79,524,305.22
May 15, 2008	16,885,110.54	70,710,274.44	6,958,889.62	78,411,630.53
June 15, 2008	16,425,246.43	69,859,060.92	6,771,442.04	77,313,718.17
July 15, 2008	15,978,479.62	69,012,095.45	6,589,459.59	76,230,377.19
August 15, 2008	15,544,584.59	68,169,356.12	6,412,876.13	75,161,419.09
September 15, 2008	15,123,339.62	67,330,821.08	6,241,626.21	74,106,657.77
October 15, 2008	14,714,526.67	66,496,468.62	6,075,645.06	73,065,909.52
November 15, 2008	14,317,931.35	65,666,277.14	5,914,868.55	72,038,992.97
December 15, 2008	13,933,342.85	64,840,225.15	5,759,233.24	71,025,729.06
January 15, 2009	13,560,553.90	64,018,291.28	5,608,676.31	70,025,941.02
February 15, 2009	13,199,360.67	63,200,454.24	5,463,135.61	69,039,454.34
March 15, 2009	12,849,562.76	62,386,692.87	5,322,549.62	68,060,996.74
April 15, 2009	12,510,963.11	61,576,986.13	5,186,857.44	67,105,698.14
May 15, 2009	12,183,367.94	60,771,313.07	5,055,998.83	66,158,090.64
June 15, 2009	11,866,586.74	59,969,652.85	4,929,914.13	65,223,108.48
July 15, 2009	11,560,432.15	59,171,984.74	4,808,544.34	64,300,588.01
August 15, 2009	11,264,719.98	58,378,288.12	4,691,831.03	63,390,367.69
September 15, 2009	10,979,269.08	57,588,542.47	4,579,716.40	62,492,288.04
October 15, 2009	10,703,901.36	56,802,727.38	4,472,143.24	61,606,191.60
November 15, 2009	10,438,441.69	56,020,822.55	4,369,054.91	60,731,922.94
December 15, 2009	10,182,717.87	55,242,807.76	4,270,395.40	59,869,328.63
January 15, 2010	9,936,560.59	54,468,662.93	4,176,109.24	59,018,257.17
February 15, 2010	9,699,803.36	53,698,368.05	4,087,864.13	58,178,559.03
March 15, 2010	9,472,282.48	52,931,903.23	4,005,699.34	57,350,086.56
April 15, 2010	9,253,836.99	52,169,248.69	3,929,523.98	56,532,694.04
May 15, 2010	9,044,308.60	51,410,384.73	3,859,248.24	55,726,237.57
June 15, 2010	8,843,541.70	50,655,291.77	3,794,783.44	54,930,575.12
July 15, 2010	8,651,383.25	49,903,950.32	3,736,041.99	54,145,566.47
August 15, 2010	8,467,682.80	49,156,340.99	3,682,937.38	53,371,073.19
September 15, 2010	8,292,292.39	48,412,444.50	3,635,384.14	52,606,958.63
October 15, 2010	8,125,066.54	47,676,792.05	3,588,747.51	51,853,087.89
November 15, 2010	7,665,862.23	46,951,681.63	3,540,627.04	51,109,327.78
December 15, 2010	7,194,538.78	46,236,966.49	3,491,068.17	50,375,546.83
January 15, 2011	6,730,957.91	45,532,501.88	3,440,115.47	49,651,615.24
February 15, 2011	6,274,983.63	44,838,145.04	3,387,812.58	48,937,404.90
March 15, 2011	5,826,482.23	44,153,755.17	3,334,202.32	48,232,789.32
April 15, 2011	5,385,322.23	43,479,193.40	3,279,326.63	47,537,643.62
May 15, 2011	4,951,374.36	42,814,322.75	3,223,226.64	46,851,844.54
June 15, 2011	4,524,511.49	42,159,008.15	3,165,942.62	46,175,270.39
July 15, 2011	4,104,608.64	41,513,116.36	3,107,514.07	45,507,801.05
August 15, 2011	3,691,542.91	40,876,515.97	3,047,979.67	44,849,317.91
September 15, 2011	3,285,193.45	40,249,077.38	2,987,377.34	44,199,703.91
October 15, 2011	2,885,441.44	39,630,672.76	2,925,744.20	43,558,843.48
November 15, 2011	2,492,170.04	39,021,176.04	2,863,116.65	42,926,622.52
December 15, 2011	2,105,264.36	38,420,462.89	2,799,530.32	42,302,928.42

<u>Payment Date</u>	Group 1 B TAC continued	Group 2 PAC (Aggregate) continued	Group 2 TW Scheduled continued	Group 2 235% PSA Scheduled Asset Balance continued
January 15, 2012	\$ 1,724,611.45	\$ 37,828,410.67	\$ 2,735,020.13	\$ 41,687,649.99
February 15, 2012	1,350,100.23	37,244,898.44	2,669,620.29	41,080,677.48
March 15, 2012	981,621.47	36,669,806.90	2,603,364.27	40,481,902.52
April 15, 2012	619,067.79	36,103,018.41	2,536,284.88	39,891,218.17
May 15, 2012	262,333.59	35,544,416.94	2,468,414.25	39,308,518.83
June 15, 2012	0.00	34,993,888.04	2,399,783.82	38,733,700.27
July 15, 2012	0.00	34,451,318.85	2,330,424.39	38,166,659.59
August 15, 2012	0.00	33,916,598.06	2,260,366.11	37,607,295.22
September 15, 2012	0.00	33,389,615.88	2,189,638.49	37,055,506.88
October 15, 2012	0.00	32,870,264.03	2,118,270.44	36,511,195.59
November 15, 2012	0.00	32,358,435.73	2,046,290.22	35,974,263.63
December 15, 2012	0.00	31,854,025.65	1,973,725.52	35,444,614.53
January 15, 2013	0.00	31,359,929.93	1,900,603.42	34,922,153.09
February 15, 2013	0.00	30,867,046.12	1,826,950.43	34,406,785.29
March 15, 2013	0.00	30,384,273.19	1,752,792.49	33,898,418.34
April 15, 2013	0.00	29,908,511.50	1,678,154.97	33,396,960.64
May 15, 2013	0.00	29,439,662.77	1,603,062.69	32,902,321.77
June 15, 2013	0.00	28,977,630.08	1,527,539.95	32,414,412.46
July 15, 2013	0.00	28,522,317.84	1,451,610.48	31,933,144.59
August 15, 2013	0.00	28,073,631.79	1,375,297.51	31,458,431.18
September 15, 2013	0.00	27,631,478.94	1,298,623.78	30,990,186.37
October 15, 2013	0.00	27,195,767.62	1,221,611.47	30,528,325.38
November 15, 2013	0.00	26,766,407.38	1,144,282.33	30,072,764.56
December 15, 2013	0.00	26,343,309.04	1,066,657.56	29,623,421.29
January 15, 2014	0.00	25,926,384.64	988,757.94	29,180,214.04
February 15, 2014	0.00	25,515,547.45	910,603.73	28,743,062.33
March 15, 2014	0.00	25,110,711.90	832,214.78	28,311,886.70
April 15, 2014	0.00	24,711,793.63	753,610.44	27,886,608.72
May 15, 2014	0.00	24,318,709.43	674,809.65	27,467,150.98
June 15, 2014	0.00	23,931,377.23	595,830.89	27,053,437.04
July 15, 2014	0.00	23,549,716.12	516,692.23	26,645,391.46
August 15, 2014	0.00	23,173,646.26	437,411.31	26,242,939.77
September 15, 2014	0.00	22,803,088.96	358,005.37	25,846,008.47
October 15, 2014	0.00	22,437,966.58	278,491.21	25,454,524.97
November 15, 2014	0.00	22,078,202.57	198,885.28	25,068,417.66
December 15, 2014	0.00	21,723,721.42	119,203.59	24,687,615.82
January 15, 2015	0.00	21,374,448.68	39,461.80	24,312,049.65
February 15, 2015	0.00	21,030,310.90	0.00	23,941,650.25
March 15, 2015	0.00	20,691,235.69	0.00	23,576,349.61
April 15, 2015	0.00	20,357,151.61	0.00	23,216,080.59
May 15, 2015	0.00	20,027,988.24	0.00	22,860,776.92
June 15, 2015	0.00	19,703,676.12	0.00	22,510,373.19
July 15, 2015	0.00	19,384,146.74	0.00	22,164,804.82
August 15, 2015	0.00	19,069,332.56	0.00	21,824,008.07
September 15, 2015	0.00	18,759,166.95	0.00	21,487,920.01
October 15, 2015	0.00	18,453,584.21	0.00	21,156,478.55
November 15, 2015	0.00	18,152,519.56	0.00	20,829,622.36
December 15, 2015	0.00	17,855,909.09	0.00	20,507,290.95
January 15, 2016	0.00	17,563,689.79	0.00	20,189,424.56
February 15, 2016	0.00	17,275,799.53	0.00	19,875,964.24
March 15, 2016	0.00	16,992,177.01	0.00	19,566,851.77
April 15, 2016	0.00	16,712,761.81	0.00	19,262,029.71
May 15, 2016	0.00	16,437,494.33	0.00	18,961,441.35
June 15, 2016	0.00	16,166,315.79	0.00	18,665,030.71
July 15, 2016	0.00	15,899,168.24	0.00	18,372,742.52
August 15, 2016	0.00	15,635,994.51	0.00	18,084,522.25
September 15, 2016	0.00	15,376,738.24	0.00	17,800,316.05
October 15, 2016	0.00	15,121,343.85	0.00	17,520,070.79
November 15, 2016	0.00	14,869,756.52	0.00	17,243,734.01
December 15, 2016	0.00	14,621,922.18	0.00	16,971,253.93
January 15, 2017	0.00	14,377,787.55	0.00	16,702,579.44
February 15, 2017	0.00	14,137,300.04	0.00	16,437,660.09
March 15, 2017	0.00	13,900,407.81	0.00	16,176,446.09
April 15, 2017	0.00	13,667,059.75	0.00	15,918,888.28
May 15, 2017	0.00	13,437,205.43	0.00	15,664,938.14
June 15, 2017	0.00	13,210,795.16	0.00	15,414,547.80

<u>Payment Date</u>	Group 1 B TAC continued	Group 2 PAC (Aggregate) continued	Group 2 TW Scheduled continued	Group 2 235% PSA Scheduled Asset Balance continued
July 15, 2017	\$ 0.00	\$ 12,987,779.89	\$ 0.00	\$ 15,167,669.97
August 15, 2017	0.00	12,768,111.30	0.00	14,924,258.00
September 15, 2017	0.00	12,551,741.70	0.00	14,684,265.84
October 15, 2017	0.00	12,338,624.08	0.00	14,447,648.02
November 15, 2017	0.00	12,128,712.09	0.00	14,214,359.68
December 15, 2017	0.00	11,921,960.00	0.00	13,984,356.54
January 15, 2018	0.00	11,718,322.74	0.00	13,757,594.87
February 15, 2018	0.00	11,517,755.86	0.00	13,534,031.52
March 15, 2018	0.00	11,320,215.51	0.00	13,313,623.92
April 15, 2018	0.00	11,125,658.47	0.00	13,096,330.01
May 15, 2018	0.00	10,934,042.11	0.00	12,882,108.31
June 15, 2018	0.00	10,745,324.39	0.00	12,670,917.86
July 15, 2018	0.00	10,559,463.88	0.00	12,462,718.24
August 15, 2018	0.00	10,376,419.68	0.00	12,257,469.55
September 15, 2018	0.00	10,196,151.50	0.00	12,055,132.40
October 15, 2018	0.00	10,018,619.59	0.00	11,855,667.93
November 15, 2018	0.00	9,843,784.77	0.00	11,659,037.76
December 15, 2018	0.00	9,671,608.37	0.00	11,465,204.04
January 15, 2019	0.00	9,502,052.31	0.00	11,274,129.37
February 15, 2019	0.00	9,335,078.99	0.00	11,085,776.87
March 15, 2019	0.00	9,170,651.37	0.00	10,900,110.12
April 15, 2019	0.00	9,008,732.90	0.00	10,717,093.19
May 15, 2019	0.00	8,849,287.56	0.00	10,536,690.59
June 15, 2019	0.00	8,692,279.82	0.00	10,358,867.33
July 15, 2019	0.00	8,537,674.65	0.00	10,183,588.83
August 15, 2019	0.00	8,385,437.50	0.00	10,010,820.99
September 15, 2019	0.00	8,235,534.32	0.00	9,840,530.15
October 15, 2019	0.00	8,087,931.51	0.00	9,672,683.07
November 15, 2019	0.00	7,942,595.96	0.00	9,507,246.97
December 15, 2019	0.00	7,799,495.02	0.00	9,344,189.47
January 15, 2020	0.00	7,658,596.48	0.00	9,183,478.62
February 15, 2020	0.00	7,519,868.59	0.00	9,025,082.90
March 15, 2020	0.00	7,383,280.05	0.00	8,868,971.17
April 15, 2020	0.00	7,248,799.98	0.00	8,715,112.74
May 15, 2020	0.00	7,116,397.95	0.00	8,563,477.27
June 15, 2020	0.00	6,986,043.94	0.00	8,414,034.84
July 15, 2020	0.00	6,857,708.37	0.00	8,266,755.94
August 15, 2020	0.00	6,731,362.04	0.00	8,121,611.39
September 15, 2020	0.00	6,606,976.19	0.00	7,978,572.45
October 15, 2020	0.00	6,484,522.45	0.00	7,837,610.72
November 15, 2020	0.00	6,363,972.85	0.00	7,698,698.17
December 15, 2020	0.00	6,245,299.80	0.00	7,561,807.16
January 15, 2021	0.00	6,128,476.11	0.00	7,426,910.37
February 15, 2021	0.00	6,013,474.96	0.00	7,293,980.88
March 15, 2021	0.00	5,900,269.92	0.00	7,162,992.09
April 15, 2021	0.00	5,788,834.92	0.00	7,033,917.77
May 15, 2021	0.00	5,679,144.26	0.00	6,906,732.01
June 15, 2021	0.00	5,571,172.59	0.00	6,781,409.26
July 15, 2021	0.00	5,464,894.92	0.00	6,657,924.28
August 15, 2021	0.00	5,360,286.62	0.00	6,536,252.18
September 15, 2021	0.00	5,257,323.40	0.00	6,416,368.40
October 15, 2021	0.00	5,155,981.31	0.00	6,298,248.67
November 15, 2021	0.00	5,056,236.72	0.00	6,181,869.06
December 15, 2021	0.00	4,958,066.36	0.00	6,067,205.96
January 15, 2022	0.00	4,861,447.27	0.00	5,954,236.05
February 15, 2022	0.00	4,766,356.82	0.00	5,842,936.33
March 15, 2022	0.00	4,672,772.70	0.00	5,733,284.09
April 15, 2022	0.00	4,580,672.89	0.00	5,625,256.92
May 15, 2022	0.00	4,490,035.71	0.00	5,518,832.71
June 15, 2022	0.00	4,400,839.76	0.00	5,413,989.63
July 15, 2022	0.00	4,313,063.97	0.00	5,310,706.14
August 15, 2022	0.00	4,226,687.55	0.00	5,208,960.98
September 15, 2022	0.00	4,141,689.98	0.00	5,108,733.18
October 15, 2022	0.00	4,058,051.07	0.00	5,010,002.03
November 15, 2022	0.00	3,975,750.89	0.00	4,912,747.11
December 15, 2022	0.00	3,894,769.79	0.00	4,816,948.24

<u>Payment Date</u>	Group 1 B TAC continued	Group 2 PAC (Aggregate) continued	Group 2 TW Scheduled continued	Group 2 235% PSA Scheduled Asset Balance continued
January 15, 2023	\$ 0.00	\$ 3,815,088.42	\$ 0.00	\$ 4,722,585.52
February 15, 2023	0.00	3,736,687.67	0.00	4,629,639.32
March 15, 2023	0.00	3,659,548.71	0.00	4,538,090.26
April 15, 2023	0.00	3,583,653.00	0.00	4,447,919.21
May 15, 2023	0.00	3,508,982.23	0.00	4,359,107.30
June 15, 2023	0.00	3,435,518.36	0.00	4,271,635.89
July 15, 2023	0.00	3,363,243.61	0.00	4,185,486.61
August 15, 2023	0.00	3,292,140.44	0.00	4,100,641.31
September 15, 2023	0.00	3,222,191.57	0.00	4,017,082.10
October 15, 2023	0.00	3,153,379.95	0.00	3,934,791.30
November 15, 2023	0.00	3,085,688.79	0.00	3,853,751.48
December 15, 2023	0.00	3,019,101.51	0.00	3,773,945.44
January 15, 2024	0.00	2,953,601.80	0.00	3,695,356.19
February 15, 2024	0.00	2,889,173.55	0.00	3,617,966.99
March 15, 2024	0.00	2,825,800.89	0.00	3,541,761.29
April 15, 2024	0.00	2,763,468.17	0.00	3,466,722.78
May 15, 2024	0.00	2,702,159.98	0.00	3,392,835.37
June 15, 2024	0.00	2,641,861.10	0.00	3,320,083.15
July 15, 2024	0.00	2,582,556.54	0.00	3,248,450.45
August 15, 2024	0.00	2,524,231.54	0.00	3,177,921.80
September 15, 2024	0.00	2,466,871.50	0.00	3,108,481.93
October 15, 2024	0.00	2,410,462.09	0.00	3,040,115.77
November 15, 2024	0.00	2,354,989.13	0.00	2,972,808.44
December 15, 2024	0.00	2,300,438.67	0.00	2,906,545.29
January 15, 2025	0.00	2,246,796.96	0.00	2,841,311.83
February 15, 2025	0.00	2,194,050.42	0.00	2,777,093.77
March 15, 2025	0.00	2,142,185.69	0.00	2,713,877.01
April 15, 2025	0.00	2,091,189.58	0.00	2,651,647.65
May 15, 2025	0.00	2,041,049.11	0.00	2,590,391.95
June 15, 2025	0.00	1,991,751.46	0.00	2,530,096.37
July 15, 2025	0.00	1,943,284.01	0.00	2,470,747.54
August 15, 2025	0.00	1,895,634.31	0.00	2,412,332.27
September 15, 2025	0.00	1,848,790.09	0.00	2,354,837.55
October 15, 2025	0.00	1,802,739.26	0.00	2,298,250.53
November 15, 2025	0.00	1,757,469.89	0.00	2,242,558.54
December 15, 2025	0.00	1,712,970.24	0.00	2,187,749.07
January 15, 2026	0.00	1,669,228.71	0.00	2,133,809.78
February 15, 2026	0.00	1,626,233.89	0.00	2,080,728.51
March 15, 2026	0.00	1,583,974.52	0.00	2,028,493.23
April 15, 2026	0.00	1,542,439.50	0.00	1,977,092.09
May 15, 2026	0.00	1,501,617.90	0.00	1,926,513.39
June 15, 2026	0.00	1,461,498.94	0.00	1,876,745.59
July 15, 2026	0.00	1,422,071.99	0.00	1,827,777.31
August 15, 2026	0.00	1,383,326.57	0.00	1,779,597.30
September 15, 2026	0.00	1,345,252.36	0.00	1,732,194.48
October 15, 2026	0.00	1,307,839.18	0.00	1,685,557.91
November 15, 2026	0.00	1,271,077.00	0.00	1,639,676.79
December 15, 2026	0.00	1,234,955.94	0.00	1,594,540.48
January 15, 2027	0.00	1,199,466.23	0.00	1,550,138.45
February 15, 2027	0.00	1,164,598.29	0.00	1,506,460.35
March 15, 2027	0.00	1,130,342.63	0.00	1,463,495.94
April 15, 2027	0.00	1,096,689.94	0.00	1,421,235.12
May 15, 2027	0.00	1,063,630.99	0.00	1,379,667.95
June 15, 2027	0.00	1,031,156.74	0.00	1,338,784.58
July 15, 2027	0.00	999,258.24	0.00	1,298,575.33
August 15, 2027	0.00	967,926.69	0.00	1,259,030.62
September 15, 2027	0.00	937,153.39	0.00	1,220,141.02
October 15, 2027	0.00	906,929.80	0.00	1,181,897.22
November 15, 2027	0.00	877,247.49	0.00	1,144,290.02
December 15, 2027	0.00	848,098.13	0.00	1,107,310.36
January 15, 2028	0.00	819,473.54	0.00	1,070,949.30
February 15, 2028	0.00	791,365.64	0.00	1,035,198.01
March 15, 2028	0.00	763,766.47	0.00	1,000,047.79
April 15, 2028	0.00	736,668.20	0.00	965,490.04
May 15, 2028	0.00	710,063.08	0.00	931,516.29
June 15, 2028	0.00	683,943.50	0.00	898,118.17

Payment Date	Group 1 B TAC continued	Group 2 PAC (Aggregate) continued	Group 2 TW Scheduled continued	Group 2 235% PSA Scheduled Asset Balance continued
July 15, 2028	\$ 0.00	\$ 658,301.96	\$ 0.00	\$ 865,287.45
August 15, 2028	0.00	633,131.04	0.00	833,015.98
September 15, 2028	0.00	608,423.47	0.00	801,295.73
October 15, 2028	0.00	584,172.05	0.00	770,118.78
November 15, 2028	0.00	560,369.69	0.00	739,477.31
December 15, 2028	0.00	537,009.41	0.00	709,363.61
January 15, 2029	0.00	514,084.35	0.00	679,770.09
February 15, 2029	0.00	491,587.71	0.00	650,689.22
March 15, 2029	0.00	469,512.81	0.00	622,113.62
April 15, 2029	0.00	447,853.06	0.00	594,035.97
May 15, 2029	0.00	426,601.99	0.00	566,449.07
June 15, 2029	0.00	405,753.19	0.00	539,345.81
July 15, 2029	0.00	385,300.35	0.00	512,719.18
August 15, 2029	0.00	365,237.28	0.00	486,562.26
September 15, 2029	0.00	345,557.84	0.00	460,868.23
October 15, 2029	0.00	326,256.02	0.00	435,630.35
November 15, 2029	0.00	307,325.85	0.00	410,841.98
December 15, 2029	0.00	288,761.49	0.00	386,496.57
January 15, 2030	0.00	270,557.16	0.00	362,587.66
February 15, 2030	0.00	252,707.18	0.00	339,108.87
March 15, 2030	0.00	235,205.94	0.00	316,053.90
April 15, 2030	0.00	218,047.93	0.00	293,416.56
May 15, 2030	0.00	201,227.68	0.00	271,190.72
June 15, 2030	0.00	184,739.85	0.00	249,370.35
July 15, 2030	0.00	168,579.15	0.00	227,949.49
August 15, 2030	0.00	152,740.37	0.00	206,922.27
September 15, 2030	0.00	137,218.39	0.00	186,282.88
October 15, 2030	0.00	122,008.14	0.00	166,025.61
November 15, 2030	0.00	107,104.64	0.00	146,144.83
December 15, 2030	0.00	92,503.00	0.00	126,634.96
January 15, 2031	0.00	78,198.36	0.00	107,490.53
February 15, 2031	0.00	64,185.96	0.00	88,706.12
March 15, 2031	0.00	50,461.12	0.00	70,276.38
April 15, 2031	0.00	37,019.19	0.00	52,196.06
May 15, 2031	0.00	23,855.63	0.00	34,459.96
June 15, 2031	0.00	10,965.94	0.00	17,062.96
July 15, 2031 and after	0.00	0.00	0.00	0.00

If you intend to purchase Certificates, you should rely only on the information in this Supplement and the Offering Circular, including the information in the disclosure documents that we have incorporated by reference. We have not authorized anyone to provide you with different information.

This Supplement, the Offering Circular and the incorporated documents may not be correct after their dates.

We are not offering the Certificates in any jurisdiction that prohibits their offer.

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\$350,000,000

Freddie Mac

Multiclass Certificates, Series 2365



Freddie
Mac

**LEHMAN BROTHERS
EDWARD D. JONES & Co., L.P.**

August 28, 2001