

[THIS SUPERCEDES THE OFFERING CIRCULAR SUPPLEMENT DATED NOVEMBER 14, 1990]

**Offering Circular Supplement  
(To Offering Circular Dated June 30, 1989)**

**Freddie  
Mac**

# **Federal Home Loan Mortgage Corporation**

## **Mortgage Participation Certificates (Guaranteed)**

Effective with the date of this Supplement Freddie Mac will commence settlement of Cash PC Pools consisting entirely of 30-Due-in-5 Mortgages or 30-Due-in-7 Mortgages (referred to collectively as "Balloon/Reset Mortgages"); such Cash PC Pools will be represented by Gold PCs only. Capitalized terms used herein but not otherwise defined in this Supplement shall have the respective meanings given to them in Freddie Mac's Mortgage Participation Certificates (Guaranteed) Offering Circular dated June 30, 1989 (together with the Supplement thereto dated June 30, 1990, the "Offering Circular"). This Supplement describes certain characteristics of Cash PCs representing interests in Balloon/Reset Mortgages. See "Description of Mortgage Participation Certificates—The Mortgages," "—PC Pools," and "—Final Payment Date" in this Supplement and in the Offering Circular.

### **DESCRIPTION OF MORTGAGE PARTICIPATION CERTIFICATES**

#### **The Mortgages**

##### *30-Due-in-5 Mortgages and 30-Due-in-7 Mortgages*

The Mortgages in certain Cash PC Pool will be exclusively Balloon/Reset Mortgages with Original Terms not exceeding (i) 60 months, in the case of 30-Due-in-5 Mortgages, or (ii) 84 months, in the case of 30-Due-in-7 Mortgages. Each Balloon/Reset Mortgage provides for level payments of principal and interest during the Original Term, with principal payments based upon an amortization schedule calculated to pay the original principal balance of the Mortgage in full in 360 months. At the expiration of the Original Term of the Balloon/Reset Mortgage, a lump sum or "balloon" payment in an amount equal to the then-remaining unpaid principal balance is due to pay the Mortgage in full in the event that the borrower has not elected to exercise the Option. If the borrower elects to exercise the Option, the Balloon/Reset Mortgage will be repurchased from the PC Pool no later than the 15th day of the month in which the Option Date occurs. See "Description of Mortgage Participation Certificates—The Mortgages" and in the Offering Circular. For a general discussion of the characterization for federal income tax purposes of PCs representing interests in Balloon/Reset Mortgages, see "Certain Federal Income Tax Consequences" in the Offering Circular.

#### **PC Pools**

##### *PC Pools formed under the Cash Program and the MultiLender Swap Program*

In addition to the PC Pools described in the Offering Circular, Freddie Mac may form PC Pools of the following types under the Cash Program.

*30-Due-in-5 Mortgage Cash PC Pools—Conventional Mortgages.* These PC Pools consist of Conventional Home Mortgages that are 30-Due-in-5 Mortgages and will be represented by Gold PCs. Such PC Pools are identified by the Prefix M9. These PC Pools have minimum Original Unpaid Principal Balances of \$1,000,000.

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*30-Due-in-7 Mortgage Cash PC Pools—Conventional Mortgages.* These PC Pools consist of Conventional Home Mortgages that are 30-Due-in-7 Mortgages and will be represented by Gold PCs. Such PC Pools are identified by the Prefix M8. These PC Pools have minimum Original Unpaid Principal Balances of \$1,000,000.

Currently, Freddie Mac provides the WAC, WARM and Quartiles of the related Mortgages in each Cash PC Pool as of the date of PC Pool formation approximately two months after the month of pool formation in one or more publications used by Freddie Mac for the dissemination of PC pool information. With respect to a Cash PC Pool consisting entirely of Balloon/Reset Mortgages, the WARM provided by Freddie Mac will reflect the weighted average Original Terms of the related Balloon/Reset Mortgages; Freddie Mac does not currently provide Quartiles for such Cash PC Pools.

#### **Final Payment Date**

As with any other PC Pool represented by Gold PCs, the Final Payment Date of a Cash PC Pool containing Balloon/Reset Mortgages, whether formed under Freddie Mac's Cash Program or its Guarantor Program, corresponds to the first day of the month in which the last monthly payment on the latest maturing Mortgage in the related PC Pool is scheduled to be made. In the case of a Balloon/Reset Mortgage, mortgage maturity is determined based upon the Original Term of the Mortgage without regard to any potential extension or modification of the term of the Mortgage resulting from the exercise of the Option by the borrower.