

Federal Home Loan Mortgage Corporation

MULTICLASS MORTGAGE SECURITY AGREEMENT

AGREEMENT dated as of August 3, 1994 among the Federal Home Loan Mortgage Corporation ("Freddie Mac") and Holders (as herein defined) of Multiclass Mortgage Securities ("Multiclass Securities").

Whereas:

(a) Freddie Mac is a corporation duly organized and existing under and by virtue of the laws of the United States (Title III of the Emergency Home Finance Act of 1970, as amended (the "Act")) and has full corporate power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein; and

(b) Freddie Mac may from time to time (i) (A) purchase, in accordance with the provisions of the Freddie Mac Act, mortgage-backed securities ("GNMA Certificates") that represent ownership interests in Mortgages and are guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA") and/or (B) create securities backed, directly or indirectly, by GNMA Certificates (such securities, together with GNMA Certificates, "GNMA-Related Securities"), (ii) form one or more discrete pools of REMIC Pool Securities (as defined herein) consisting of or backed by such GNMA-Related Securities (each a "REMIC Pool"), (iii) create Regular Interests and Residual Interests (as herein defined) in such REMIC Pools, (iv) sell and transfer such Regular Interests and Residual Interests to Holders by the sale of Multiclass Securities, and (v) guarantee the payment of interest on and principal of such Multiclass Securities for the benefit of Holders, all as and to the extent herein more fully provided.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed that the following terms and conditions of this Agreement (including, as to each REMIC Pool, the related Terms Supplement) shall govern the creation by Freddie Mac of Regular Interests and Residual Interests in REMIC Pools, the transfer, sale and assignment of such Regular Interests and Residual Interests represented by Multiclass Securities, and the rights and obligations of Freddie Mac and Holders with respect to the Multiclass Securities.

ARTICLE I

Definitions

Whenever used in this Agreement, the following words and phrases shall have the following meanings, unless the context otherwise requires:

Accrual Class: A Class on which interest accrues and is added to its principal amount upon the terms and to the extent provided in the related Terms Supplement.

Accrual Period: Unless otherwise provided in the applicable Terms Supplement, the Accrual Period relating to any Payment Date will be (i) for Fixed Rate and Delay Classes, the calendar month preceding the month of the Payment Date; or (ii) for Floating Rate and Inverse Floating Rate Classes that are not Delay Classes, the period (a) from the 25th of the month preceding the month of the Payment Date to the 25th of the month of the Payment Date for Series in which Regular Classes are maintained on the Federal Reserve Banks' book-entry system or (b) from the 17th of the month preceding the month of the Payment Date to the 17th of the month of the Payment Date for Series in which Regular Classes are maintained through the Depository's book-entry facilities.

Aggregate Remaining Balance: For any Payment Date, the aggregate of the remaining principal balances to which the GNMA-Related Securities underlying a specified Series would be reduced in the month in which that Payment Date occurs, based on, in the case of GNMA Certificates, the related preliminary "factor" information reported by GNMA on or about the sixth business day of that month or, to the extent such factors have not been reported for a GNMA Certificate, assumed Mortgage amortization schedules. Freddie Mac (or its agent) will create these schedules using remaining term to maturity and interest rate information that was available at the time of issuance of such GNMA Certificates and adjusting such remaining term to maturity to the current month. Such calculations will reflect payment factor information previously reported to Freddie Mac and estimated subsequent scheduled amortization (but not prepayments) on the related Mortgages. In the case of GNMA-Related Securities that are not GNMA Certificates, Freddie Mac will determine the applicable remaining principal balances using the related "factor" information published by Freddie Mac for those GNMA-Related Securities.

Agreement: This Multiclass Mortgage Security Agreement (including, with respect to each REMIC Pool, the related Terms Supplement), as it may be amended or supplemented from time to time.

Book-Entry Form: The form of a security which (i) is issued by means of an entry on the books and records of a Federal Reserve Bank, which entry in the case of a Multiclass Security includes, but is not limited to, the name of the Holder, the original principal amount (or notional principal amount), and the Class of the Multiclass Security owned by such Holder, the CUSIP Number and the Final Payment Date applicable to such Class and (ii) is evidenced only by such entry and is not evidenced by a certificated security.

Book-Entry Rules: The provisions from time to time in effect, presently contained in Title 1, Part 462 of the Code of Federal Regulations, setting forth the terms and conditions under which Freddie Mac may issue securities in Book-Entry Form and authorizing the Federal Reserve Bank to act as Freddie Mac's agent in connection with securities issued by means of entries on the books and records of the Federal Reserve Bank.

Business Day: Unless otherwise provided in the applicable Terms Supplement, if any of the Regular Classes of a Series are maintained in Book-Entry Form, a day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac's fiscal agent) or, as to Multiclass Securities issued in certificated form, the Registrar is authorized or obligated by law or executive order to remain closed, (iii) as to any Holder of a Multiclass Security issued in Book-Entry Form, a day on which the Federal Reserve Bank at which such Holder's account is maintained is authorized or obligated by law or executive order to remain closed, (iv) a day on which the offices of the federal government located in the District of Columbia generally are closed for business or (v) a day on which the offices of Freddie Mac are closed. Unless otherwise provided in the applicable Terms Supplement, if any of the Regular Classes of a Series are maintained through the book-entry facilities of the Depository, a day other than (i) a Saturday or Sunday, (ii) a day on which the Depository or, as to Multiclass Securities issued in certificated form, the Registrar is authorized or obligated by law or executive order to remain closed or (iii) a day on which the offices of Freddie Mac are closed.

Class or Class of Multiclass Securities: All of the Multiclass Securities that together represent one of the Regular Interests in a particular REMIC Pool or all of the Multiclass Securities that together represent the Residual Interest in such REMIC Pool. All Multiclass Securities issued in respect of a REMIC Pool that have the same Final Payment Date, the same Class Coupon, the same method or schedule for the payment of principal and the same CUSIP Number shall constitute a single Class. As to each REMIC Pool, the designations, Original Principal Amounts (if any), Class Coupons (if any) and other specific characteristics of each Class of Multiclass Securities shall be as provided in the related Terms Supplement.

Class Coupon: The annual rate (which may be zero, may be fixed or may vary) at which interest accrues on a Class, as provided in the applicable Terms Supplement. Interest at the applicable Class Coupon shall be computed on the basis of a 360-day year, each month being assumed to have 30 days.

Class Factor: A truncated seven-digit decimal published or otherwise made available on or about the ninth (or such other day provided in the related Terms Supplement) business day of each month by Freddie Mac (i) as to each Class of Multiclass Securities having a stated principal amount, which, when multiplied by the original principal amount of such Class, will equal the remaining principal amount of such Class, after giving effect to any payment of (and/or addition to) principal to be made on the Payment Date occurring in the current month; and (ii) as to each Interest Only Class having a notional principal amount, which, when multiplied by the original notional principal amount of such Class, will equal the remaining notional principal amount of such Class after the Payment Date occurring in the current month.

Code: The Internal Revenue Code of 1986, as in effect from time to time.

COFI: The weighted average cost of funds for member savings institutions of the Eleventh Federal Home Loan Bank District.

COFI Class: A Class bearing interest at a rate determined by reference to COFI.

Collection Account: An account to which payments of principal and interest on the GNMA-Related Securities and other amounts received by Freddie Mac in respect of a REMIC Pool will be credited and from which payments of principal and interest to Holders of the related Multiclass Securities will be debited.

CUSIP Number: A unique nine-character designation assigned by the CUSIP Service Bureau to each Class of Multiclass Securities.

Delay Class: A Floating Rate or Inverse Floating Rate Class for which there is a delay between the end of its Accrual Period and the related Payment Date.

Deposit Period: With respect to each Payment Date, the period beginning immediately following the preceding Deposit Period (or, in the case of the Deposit Period that is applicable to the first Payment Date, beginning on the first day of the month in which such first Payment Date occurs) and ending at the close of business on such Payment Date.

Depository: Participants Trust Company, or any other depository selected or approved by Freddie Mac.

Federal Reserve Bank: The Federal Reserve Bank of New York and/or such other Federal Reserve Banks as may maintain Multiclass Securities in Book-Entry Form.

Final Payment Date: As to each Class of Multiclass Securities, the Payment Date, determined by Freddie Mac and provided in the related Terms Supplement, on or before which the final payment due on such Class will be made.

Fixed Rate Class: A Class with a Class Coupon that is fixed throughout the life of the Class.

Floating Rate Adjustment Date: Unless otherwise provided in the related Terms Supplement, as to any Accrual Period (after the first), the second business day before such Accrual Period begins, or, in the case of a COFI Class that is also a Delay Class, the second business day of such Accrual Period.

Floating Rate Class: A Class with a Class Coupon that is reset periodically based on an index and that varies directly with changes in such index.

Giant Security: A Freddie Mac Giant GNMA-Backed Security (Guaranteed) created and sold pursuant to a Giant Security Agreement, representing a beneficial ownership interest in a discrete pool consisting of GNMA Certificates and, in some cases, other Giant Securities.

Giant Security Agreement: Freddie Mac's GNMA-Backed Giant Security Agreement as in effect from time to time.

Giant Security Agreement Default: With respect to any Giant Security Agreement, an "Event of Default" as defined therein.

GIFC: A guaranteed investment and fee contract, executed by Freddie Mac in its corporate capacity and pursuant to which payments on the GNMA Certificates in a REMIC Pool are invested with Freddie Mac from the date of receipt by such REMIC Pool at a rate of return guaranteed by Freddie Mac, and investment proceeds are retained by Freddie Mac, to the extent provided in the GIFC, as a fee for its administration of the such REMIC Pool.

GNMA Certificates: Mortgage-backed securities that represent ownership interests in Mortgages and are guaranteed as to timely payment of principal and interest by GNMA.

GNMA Principal Payment Amount: For any Payment Date, the difference between (i) the Aggregate Remaining Balance of the underlying GNMA-Related Securities for the preceding month (or their aggregate principal balance on the Startup Day, in the case of the first Payment Date) and (ii) their Aggregate Remaining Balance for the current month.

GNMA-Related Securities: GNMA Certificates and securities (including Giant Securities) created by Freddie Mac that are backed, directly or indirectly, by GNMA Certificates.

Holder: In the case of a Class maintained in Book-Entry Form, any entity which maintains an account with a Federal Reserve Bank and whose name appears on the books and records of such Federal Reserve Bank as the entity for whose account Multiclass Securities of such Class have been deposited; in the case of a Class maintained through the book-entry facilities of the Depository, the "participants" for which the Depository holds such Class as reflected on the book-entry records of the Depository; in the case of a Class (other than a Retail Class) maintained in certificated form, any person or entity whose name appears on the books and records of the Registrar as the record holder of such Class; or, in the case of a Retail Class maintained in certificated form, the entity acting as nominee for the Retail Depository in holding such Class, unless otherwise specified in the related Terms Supplement. Freddie Mac or its agent shall be the Holder of any Lower-Tier Classes that constitute Mortgage Securities for an Upper-Tier REMIC Pool, unless otherwise provided in the related Terms Supplement.

Index Adjustment Date: As to any Accrual Period for a Treasury Index Class (after the first), the fourth business day before such Accrual Period begins, unless otherwise provided in the related Terms Supplement.

Interest Only Class: A Class that (i) does not have a principal amount (other than a notional principal amount, if any) and is entitled to payments of interest only or (ii) has only a nominal principal amount and a disproportionately high Class Coupon.

Inverse Floating Rate Class: A Class with a Class Coupon that is reset periodically based on an index and that varies inversely with changes in such index.

LIBOR: The arithmetic mean of the London interbank offered quotations for Eurodollar deposits with a maturity of one month, three months, one year or some other maturity, as specified in the related Terms Supplement.

LIBOR Class: A Class bearing interest at a rate determined by reference to the applicable LIBOR.

Lower-Tier Classes: In the case of a Double-Tier Series, the Classes issued in respect of the related Lower-Tier REMIC Pool.

Mortgage: A fixed or adjustable rate, first-lien, single-family residential mortgage backing a GNMA Certificate, which Mortgage is insured or guaranteed by the Federal Housing Administration, the Farmers Home Administration or the Department of Veterans Affairs and in which Freddie Mac acquires an ownership interest by its acquisition of such GNMA Certificate.

Mortgage Securities: The Lower-Tier Classes that represent Regular Interests in a Lower-Tier REMIC Pool and that constitute REMIC Pool Securities of the related Upper-Tier REMIC Pool.

Multiclass Security: A Multiclass Mortgage Security sold pursuant to this Agreement, which is all or part of either a Regular Class or a Residual Class and which represents all or part of either a Regular Interest or a Residual Interest in a particular REMIC Pool.

Original Principal Amount: As to each Class of Multiclass Securities, the aggregate of the original principal amounts (or notional principal amounts) of such Multiclass Securities, as provided in the related Terms Supplement.

Partial Accrual Class: A Class on which a portion of its accrued interest is paid as interest and the remainder of such accrued interest is added to its principal amount upon the terms and to the extent provided in the related Terms Supplement.

Payment Date: Unless otherwise provided in the applicable Terms Supplement, (i) as to any REMIC Pool with Regular Classes maintained in Book-Entry Form, the 25th day (or if such 25th day is not a Business Day, the next succeeding Business Day) of each month commencing in the month specified in the related Terms Supplement or (ii) as to any REMIC Pool with Regular Classes maintained through the book-entry facilities of the Depository, the second Business Day after the 15th calendar day of each month commencing in the month specified in the related Terms Supplement.

Prime Rate: The prime lending rate of major banks as published in *The Wall Street Journal*.

Prime Rate Class: A Class bearing interest at a rate determined by reference to the Prime Rate.

Principal Only Class: A Class with a Class Coupon of zero.

Registrar: Texas Commerce Bank National Association, or any successor registrar appointed by Freddie Mac.

Regular Class: A Class, the terms of which have been fixed by Freddie Mac on or prior to the Startup Day, which unconditionally entitles its Holders to receive a principal amount equal to the Original Principal Amount, if any, thereof (plus, in the case of an Accrual Class or Partial Accrual Class, any amount added to the Original Principal Amount in respect of accrued and unpaid interest) and interest at the applicable Class Coupon, and which represents a Regular Interest in a REMIC Pool. In the case of Multiclass Securities of a Regular Class that are denominated by notional principal amount, unless the context otherwise requires, references in Article VI, Article VII and Section 8.05 to (i) principal amount shall be regarded as references to such notional principal amount and (ii) specified percentages of outstanding principal amount shall be deemed to refer to such percentages of notional principal amount.

Regular Interest: A "regular interest" in a REMIC Pool, as defined in the Code, that is represented by a Regular Class.

REMIC: A real estate mortgage investment conduit within the meaning of Section 860D(a) of the Code.

REMIC Pool: A discrete pool formed by Freddie Mac consisting of REMIC Pool Securities and, if so provided in the related Terms Supplement, cash or other eligible assets.

REMIC Pool Securities: Any one or more of the following types of securities that are included in the assets of a REMIC Pool: (i) GNMA-Related Securities; (ii) securities representing the “regular interests” in a REMIC, including, in the case of an Upper-Tier REMIC Pool, one or more Mortgage Securities; or (iii) any other type of securities eligible for inclusion in a REMIC.

Residual Class: A Class representing the Residual Interest in a REMIC Pool. A Multiclass Security of a Residual Class may be denominated by a principal amount, may be denominated by the percentage of the Residual Interest that it represents in the related REMIC Pool or may be denominated by a notional principal amount. In the case of Multiclass Securities of a Residual Class that are denominated by percentage interest or notional principal amount, unless the context otherwise requires, references in Article VI, Article VII and Section 8.05 to (i) principal amount shall be regarded as references to such percentage interest or notional principal amount, (ii) specified percentages of outstanding principal amount shall be deemed to refer to such percentages of the Residual Interest or notional principal amount, and (iii) payments of principal and interest shall be regarded as references to payments of the amounts payable, however designated, on such Multiclass Securities.

Residual Interest: The interest in a REMIC Pool, designated as such in the related Terms Supplement, that is not a Regular Interest and is represented by the Residual Class.

Retail Class: A Class of Multiclass Securities that is designed to be issued and maintained by the Retail Depository in small denominations and that may receive payments of principal in units or other increments in accordance with priorities and limitations as specified in the related Terms Supplement.

Retail Depository: The Depository Trust Company, or any other retail depository selected or approved by Freddie Mac.

Series: A series of Multiclass Securities issued pursuant to this Agreement and having the numerical or other designation specified in the related Terms Supplement. In the case of certain Series (each, a “Single-Tier Series”), the Multiclass Securities will represent beneficial ownership interests in a single REMIC Pool. In the case of other Series (each, a “Double-Tier Series”), the Multiclass Securities will represent beneficial ownership interests in one of two REMIC Pools (the “Lower-Tier REMIC Pool” and the “Upper-Tier REMIC Pool”).

Startup Day: With respect to a REMIC Pool, the first date on which Multiclass Securities are issued or, as permitted by applicable law, such other date as Freddie Mac may specify in the related Terms Supplement.

Terms Supplement: An instrument which, as to each REMIC Pool (or related Upper-Tier and Lower-Tier REMIC Pools), supplements the other provisions of this Agreement and identifies and establishes the particular REMIC Pool (or Pools) and the particular Multiclass Securities issued in respect thereof. A Terms Supplement may, as to any particular REMIC Pool (or related Upper-Tier and Lower-Tier REMIC Pools), modify, amend or supplement the other provisions of this Agreement in any respect whatsoever and may refer to or incorporate by reference provisions of the offering documents prepared by Freddie Mac for the related Series. The Terms Supplement for each Series shall be binding and effective upon formation of the related REMIC Pool or Pools and issuance of the related Classes, whether or not such Terms Supplement is executed, delivered or published by Freddie Mac.

Treasury Index: Either (i) the auction average (investment) yield on three-month or six-month U.S. Treasury bills or (ii) the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one, three, five, seven, ten or thirty years or to some other constant maturity, in each case as specified in the related Terms Supplement.

Treasury Index Class: A Class bearing interest at a rate determined by reference to the applicable Treasury Index.

Upper-Tier Classes: In the case of a Double-Tier Series, the Classes issued in respect of the related Upper-Tier REMIC Pool.

ARTICLE II

Conveyance of Interests in REMIC Pools

Section 2.01. Sale of Multiclass Securities. Sale of a Multiclass Security by Freddie Mac pursuant to this Agreement shall be deemed to occur upon the date of settlement and payment for such Multiclass Security and shall constitute a sale, assignment, transfer and conveyance by Freddie Mac to the Holder of a beneficial ownership interest in the related REMIC Pool, to the extent of the Regular Interest or Residual Interest represented by such Multiclass Security. Freddie Mac shall be bound by all of the terms and conditions of this Agreement at such time as a Multiclass Security is sold by Freddie Mac to a Holder. Upon settlement of and payment for a Multiclass Security, a Holder shall, by virtue thereof, acknowledge, accept and agree to be bound by all of the terms and conditions of this Agreement.

Section 2.02. Identity of the REMIC Pool Securities. A REMIC Pool will consist entirely of REMIC Pool Securities retained, reacquired or purchased by Freddie Mac and, if so provided in the related Terms Supplement, cash or other eligible assets. The specific REMIC Pool Securities included in each REMIC Pool shall be identified in the related Terms Supplement or an attachment thereto.

Section 2.03. Registration of GNMA Certificates. Freddie Mac or its agent shall be the record holder of the REMIC Pool Securities included in a REMIC Pool.

Section 2.04. Multiclass Securities Held or Acquired by Freddie Mac. Multiclass Securities of any particular Class held or acquired by Freddie Mac from time to time shall have an equal and proportionate benefit to Multiclass Securities of the same Class held by other Holders, without preference, priority or distinction.

Section 2.05. REMIC Election. Freddie Mac hereby declares its intent that each REMIC Pool formed under this Agreement shall constitute, and the affairs of each such REMIC Pool shall be conducted so as to qualify as, a REMIC. The provisions of the Agreement shall be construed so as to carry out this intention of Freddie Mac. In furtherance of such intention, Freddie Mac is authorized to and covenants that it shall (a) prepare and file, or cause to be prepared and filed, REMIC federal tax returns, using the calendar year as the taxable year, for each such REMIC Pool when and as required by the Code, electing on the first REMIC return to have the REMIC Pool treated as a REMIC; (b) conduct the affairs of each REMIC Pool so as to maintain the status thereof as a REMIC under the Code; (c) not knowingly or intentionally take any action or omit to take any action that would cause the termination of the REMIC status of any REMIC Pool; and (d) hold harmless and indemnify the Holders of the Residual Class against any liability on account of any federal tax (including interest and penalties), or any state or local tax (including interest and penalties) incurred by virtue of Freddie Mac's administration of the REMIC Pool in Virginia, imposed on the related REMIC Pool, to the extent that any such tax shall be paid or payable by such Holders or shall be payable out of the assets of the REMIC Pool otherwise payable to the Holders.

ARTICLE III

Administration of the REMIC Pools

Section 3.01. Freddie Mac to Act as Principal Administrator. Freddie Mac shall hold and administer, or supervise the administration of, each REMIC Pool for the benefit of Holders and shall have full power and authority to do or cause to be done any and all things in connection therewith that it deems necessary or desirable, including, but not limited to, the right to substitute REMIC Pool Securities for the REMIC Pool Securities originally placed into each REMIC Pool on the Startup Day, provided that any such substitution is effected in accordance with applicable laws or regulations in effect at the time of such substitution and Freddie Mac receives an opinion of counsel to the effect that such substitution shall not cause such REMIC Pool to fail to be classified as a REMIC for federal income tax purposes. Freddie Mac shall act as the representative of Holders in the control, management and administration of the REMIC Pool Securities in each REMIC Pool.

Section 3.02. Administrative Responsibilities. Freddie Mac shall hold and administer, or supervise the administration of, the REMIC Pools in a manner consistent with and to the extent required by standards of prudence and in substantially the same manner as it holds and administers REMIC Pool Securities of the same or similar type held for its own account. In performing its responsibilities hereunder, Freddie Mac may employ agents or independent contractors. Except as provided in Articles VI and VII of this Agreement, Freddie Mac shall not be subject to the control of Holders in any manner whatsoever in the discharge of its responsibilities pursuant to this Agreement. Except with regard to its guarantee obligation pursuant to Section 4.06 or pursuant to its indemnities under Sections 2.05 and 8.01, Freddie Mac shall have no liability to any Holder other than for any direct damage resulting from Freddie Mac's failure to exercise that degree of ordinary care which it exercises in the conduct and management of its own affairs. Freddie Mac shall have no liability of any nature for consequential damages.

ARTICLE IV

Payments; Freddie Mac Guarantee; Optional Redemption

Section 4.01. Payments of Principal and Interest; Collection Account and Investment Contract.

(a) Payments on Multiclass Securities shall be made from the principal and interest payments made on the REMIC Pool Securities, from payments on the related GIFC, if any, from any cash or other eligible assets in the related REMIC Pool and from any payment made by Freddie Mac pursuant to Section 4.06. On each Payment Date, Freddie Mac shall make such payments on (and in the case of any Accrual Class or Partial Accrual Class, such additions to the principal amount of) the Multiclass Securities issued in respect of any REMIC Pool as shall be provided in the related Terms Supplement. Any payments or accruals of interest made on a Payment Date on the Multiclass Securities issued in respect of a particular REMIC Pool shall be at the Class Coupons provided in or as otherwise described in the related Terms Supplement and in respect of the related Accrual Period. Subject to any allocation procedures that may apply in the case of a Retail Class, the Holders of Multiclass Securities of any Class entitled to receive payments on any Payment Date shall receive such payments on a pro rata basis among the Multiclass Securities of such Class. All payments of principal on the Multiclass Securities issued in respect of a particular REMIC Pool shall be made as provided in the related Terms Supplement. All payments made on any Multiclass Security on any Payment Date shall be applied first to any interest payable thereon on such Payment Date, then to any accrued interest that has been added to the principal thereof and then to the original principal thereof, unless otherwise specified in the related Terms Supplement.

(b) Unless otherwise provided in the related Terms Supplement, the amount of interest accrued on each Class during an Accrual Period and to be paid thereon (or, to the extent applicable in the case of an Accrual Class or Partial Accrual Class, added to the principal amount thereof) on the related Payment Date shall be 1/12th of the applicable Class Coupon multiplied by the principal amount (or notional principal amount) of such Class as determined from the applicable Class Factor published or otherwise determined for the month preceding the month of such Payment Date.

(c) If so provided in the applicable Terms Supplement and pursuant to a GIFC described therein, Freddie Mac will establish a Collection Account with respect to the applicable REMIC Pool to which payments of principal and interest on the GNMA Certificates will be credited upon receipt, as well as any other amounts received by Freddie Mac in its capacity as administrator of the REMIC Pool. Amounts credited to the Collection Account will be distributed to Holders on the applicable Payment Date to the extent of interest and principal payments due on the Multiclass Securities on that Payment Date. Prior to the related Payment Date, amounts not yet distributable may be debited from the Collection Account and invested with Freddie Mac at a rate of return guaranteed to the REMIC Pool by Freddie Mac, pursuant to the GIFC. On or before the related Payment Date, Freddie Mac will credit to the Collection Account pursuant to the GIFC the amounts so invested, together with the guaranteed investment proceeds. The guaranteed investment proceeds, to the extent not applied to interest and principal payments on the Multiclass Securities, shall be retained by Freddie Mac as an administration fee pursuant to the GIFC.

Section 4.02. Determination of Interest Rate Indices.

(a) Unless otherwise provided in the related Terms Supplement, each Floating Rate and Inverse Floating Rate Class shall bear interest during each Accrual Period at a rate determined by reference to one of the following indices: (i) LIBOR, (ii) COFI, (iii) a Treasury Index or (iv) the Prime Rate. Absent manifest error, Freddie Mac's determination of the applicable interest rate index levels and its calculation of the Class Coupons of the Floating Rate and Inverse Floating Rate Classes shall be final and binding.

(b) *Determination of LIBOR.* Freddie Mac (or its agent) shall calculate the Class Coupons of LIBOR Classes for each Accrual Period (after the first) on the related Floating Rate Adjustment Date. On each Floating Rate Adjustment Date, Freddie Mac shall determine the applicable LIBOR on the basis of the offered quotations of the Reference Banks (as defined below), as such quotations are provided to Freddie Mac as of 11:00 a.m. (London time) on such Floating Rate Adjustment Date. For this purpose, "business day" means a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C.; "Reference Banks" means four leading banks engaged in transactions in Eurodollar deposits in the international Eurocurrency market (i) with an established place of business in

London, (ii) whose quotations appear on the Reuters Screen LIBO Page on the Floating Rate Adjustment Date in question and (iii) which have been designated as such by Freddie Mac and are able and willing to provide such quotations to Freddie Mac on each Floating Rate Adjustment Date; and “Reuters Screen LIBO Page” means the display designated as page “LIBO” on the Reuters Monitor Money Rates Service (or such other page as may replace the LIBO page on that service for the purpose of displaying London interbank offered quotations of major banks). If any Reference Bank designated by Freddie Mac should be removed from the Reuters Screen LIBO Page or in any other way fails to meet the qualifications of a Reference Bank, Freddie Mac may, in its sole discretion, designate an alternative Reference Bank.

On each Floating Rate Adjustment Date, Freddie Mac shall determine LIBOR for the next Accrual Period as follows:

- (i) If on any Floating Rate Adjustment Date two or more of the Reference Banks provide offered quotations of the applicable maturity, LIBOR for the next Accrual Period shall be the arithmetic mean of such offered quotations (rounding such arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%).
- (ii) If on any Floating Rate Adjustment Date only one or none of the Reference Banks provides such offered quotations, LIBOR for the next Accrual Period shall be whichever is the higher of (x) LIBOR as determined on the previous Floating Rate Adjustment Date or (y) the Reserve Interest Rate. The “Reserve Interest Rate” shall be the rate per annum which Freddie Mac determines to be either (A) the arithmetic mean (rounding such arithmetic mean upwards, if necessary, to the nearest whole multiple of 1/16%) of the Eurodollar lending rates of the applicable maturity that the New York City banks selected by Freddie Mac are quoting, on the relevant Floating Rate Adjustment Date, to the principal London offices of leading banks in the London interbank market or (B) in the event that Freddie Mac can determine no such arithmetic mean, the lowest Eurodollar lending rate of the applicable maturity that the New York City banks selected by Freddie Mac are quoting on such Floating Rate Adjustment Date to leading European banks.
- (iii) If on any Floating Rate Adjustment Date Freddie Mac is required but is unable to determine the Reserve Interest Rate in the manner provided in paragraph (ii) above, LIBOR for the next Accrual Period shall be LIBOR as determined on the previous Floating Rate Adjustment Date, or, in the case of the first Floating Rate Adjustment Date, the level of LIBOR used to calculate the initial Class Coupon of the particular LIBOR Class.

(c) *Determination of COFI.* On each Floating Rate Adjustment Date, Freddie Mac (or its agent) shall calculate the Class Coupons of COFI Classes for the related Accrual Period by reference to COFI as published most recently by the Federal Home Loan Bank of San Francisco (the “FHLB of San Francisco”) prior to such Floating Rate Adjustment Date.

The failure by the FHLB of San Francisco to publish COFI for a period of 65 calendar days shall constitute an “Alternative Rate Event.” Upon the occurrence of an Alternative Rate Event, Freddie Mac shall calculate the Class Coupons of the COFI Classes for the subsequent Accrual Periods by using, in place of COFI, (i) the replacement index, if any, published or designated by the FHLB of San Francisco or (ii) if no replacement index is so published or designated, an alternative index selected by Freddie Mac that has performed, or that Freddie Mac expects to perform, in a manner substantially similar to COFI. At the time an alternative index is first selected by Freddie Mac, Freddie Mac shall determine the average number of basis points, if any, by which the alternative index differed from COFI for such period as Freddie Mac, in its sole discretion, reasonably determines to reflect fairly the long-term difference between COFI and the alternative index, and shall adjust the alternative index by such average. Freddie Mac shall select an alternative index only for which it receives an opinion of counsel that the selection of such index will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the occurrence of an Alternative Rate Event, the FHLB of San Francisco resumes publication of COFI, the Class Coupons of the COFI Classes for each subsequent Accrual Period shall be calculated by reference to COFI.

(d) *Determination of the Treasury Index.* Freddie Mac (or its agent) shall calculate the Class Coupons of Treasury Index Classes for each Accrual Period (after the first) on the related Index Adjustment Date. On each Index Adjustment Date, Freddie Mac will determine the applicable Treasury Index, as published by the Federal Reserve Board in the most recent edition of Federal Reserve Statistical Release No. H.15 (519) that is available to Freddie Mac. Freddie Mac shall consider a new value for the Treasury Index to have been made available on the day following the date it is released by the Federal Reserve Board.

Notwithstanding the preceding paragraph, the Class Coupons of Treasury Index Classes of a Series backed by adjustable rate GNMA Certificates shall be adjusted by reference to the same value for the applicable Treasury Index as is used to adjust the interest rates of such GNMA Certificates, unless otherwise provided in the applicable Terms Supplement.

In the event that the applicable Treasury Index becomes unavailable, Freddie Mac shall designate an alternative index based upon comparable information and methodology. At the time an alternative index is designated by Freddie Mac, Freddie Mac shall determine the average number of basis points, if any, by which the alternative index differed from the applicable Treasury Index for such period as Freddie Mac, in its sole discretion, reasonably determines to reflect fairly the long-term difference between the applicable Treasury Index and the alternative index, and shall adjust the alternative index by such average. Freddie Mac shall select an alternative index only for which it receives an opinion of counsel that the selection of such alternative index will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the applicable Treasury Index becomes unavailable, it again becomes available, the Class Coupons for the related Treasury Index Classes for each subsequent Accrual Period shall be calculated by reference to the applicable Treasury Index.

(e) *Determination of the Prime Rate.* On each Floating Rate Adjustment Date, Freddie Mac (or its agent) shall calculate the Class Coupons of Prime Rate Classes for the next Accrual Period by reference to the rate published as the "Prime Rate" in the "Money Rates" section or other comparable section of *The Wall Street Journal* on such Floating Rate Adjustment Date. In the event *The Wall Street Journal* publishes a prime rate range, the average of that range, as determined by Freddie Mac, shall be the Prime Rate. In the event *The Wall Street Journal* no longer publishes a "Prime Rate" entry, Freddie Mac shall designate a new methodology for determining the Prime Rate based on comparable data. Freddie Mac shall select an alternative methodology only for which it receives an opinion of counsel that the selection of such methodology will not cause the related REMIC Pool or Pools to lose their classification as REMICs for federal income tax purposes. If at any time after the Prime Rate becomes unavailable in *The Wall Street Journal*, it again becomes available, the Class Coupons for the Prime Rate Classes for each subsequent Accrual Period shall be calculated by reference to the Prime Rate published in *The Wall Street Journal*.

Section 4.03. Payment Procedures; Record Date.

(a) Payments of principal and interest due to Holders of Multiclass Securities in Book-Entry Form shall be made by crediting the Holders' accounts at the Federal Reserve Banks on the applicable Payment Dates. Unless otherwise provided in the applicable Terms Supplement, payments of principal and interest due to Holders of Multiclass Securities maintained through the Depository's book-entry facilities shall be made in immediately available funds by crediting the Holders' accounts at the Depository on the applicable Payment Dates. A Regular Class maintained through the book-entry facilities of the Depository will be represented by one or more certificates held by or on behalf of the Depository. Neither Holders nor beneficial owners of such Regular Classes will receive certificates. In the event of a principal or interest payment error, Freddie Mac, in its sole discretion, may effect corrections by the adjustment of payments to be made on future Payment Dates or in such manner as it deems appropriate. Unless otherwise provided in the related Terms Supplement, payments due to the Holder of a Residual Class in certificated form or a Regular Class in certificated form shall be made by check mailed on or before the applicable Payment Date to the address of such Holder as it appears on the register maintained by the Registrar, or, if provided in the related Terms Supplement, by wire transfer to such Holder, in either case not later than the applicable Payment Date; provided, however, that (i) the final payment of principal on such a Residual Class shall be made only upon presentation of the Holder's certificate at the office of the Registrar for notation of such payment and (ii) the final payment on such a Residual Class or such a Regular Class shall be made only upon presentation and surrender of the Holder's certificate at the office of the Registrar. Payments of principal and interest on a Retail Class in

certificated form shall be paid by the Registrar to the Retail Depository in immediately available funds. The Retail Depository shall be responsible for crediting the amount of such payments to the accounts of the applicable Retail Depository participants entitled thereto, in accordance with the Retail Depository's normal procedures.

(b) Any payment made on a Multiclass Security on any Payment Date shall be made to the Holder of record of such Multiclass Security at the close of business on the last business day of the preceding month. Any payment made on a Mortgage Security on a Payment Date shall be made to the Holder of record of such Mortgage Security on such Payment Date. For this purpose, "business day" means (x) in the case of Multiclass Securities issued in Book-Entry Form, any day that is a business day for the Federal Reserve Bank at which the Holder's account is maintained, (y) in the case of Multiclass Securities issued through the Depository's book-entry facilities, any day that is a business day for the Depository and (z) in the case of Multiclass Securities issued in certificated form, any day that is a business day for the Registrar.

Section 4.04. Class Factors. Freddie Mac shall publish or cause to be published (or otherwise make available) a Class Factor for each outstanding class of Multiclass Securities having a stated principal amount, and for each outstanding Interest Only Class having a notional principal amount, on or about the ninth business day of each month or such other day as is provided in the related Terms Supplement. Freddie Mac will calculate the amount of principal to be paid on, and the Class Factor for, each Class of a Series for each month using the GNMA Principal Payment Amount for that month and the principal allocation procedures applicable to that Series as set forth in the related Terms Supplement.

Section 4.05. Fees Retained by Freddie Mac. As a fee for its administration of any REMIC Pool, Freddie Mac shall be entitled to retain from payments made on the REMIC Pool Securities in such REMIC Pool and from any income derived from the investment and reinvestment of such payments, the amount, if any, provided for in the related Terms Supplement or GIFC. Freddie Mac shall pay all expenses incurred by it in connection with its administration of a REMIC Pool and the performance of its duties hereunder.

Section 4.06. Freddie Mac Guarantee. Freddie Mac hereby guarantees to each Holder of a Multiclass Security (i) the timely payment of interest at the applicable Class Coupon or as otherwise described in the applicable Terms Supplement and (ii) the payment of the principal amount of the Holder's Multiclass Security as provided in the applicable Terms Supplement.

Section 4.07. Optional Redemption. Unless otherwise provided in the applicable Terms Supplement, Freddie Mac may at its option redeem the outstanding Classes of each Series (or, in the case of a Double-Tier Series, the outstanding Lower-Tier Classes) in whole, but not in part, upon not less than 30 or more than 60 days' notice, on any Payment Date when the aggregate outstanding principal amount of such Classes, after giving effect to principal payments to be made on such Payment Date, would be less than 1% of the aggregate original principal amount of such Classes. Any optional redemption shall be at a redemption price equal to 100% of the unpaid principal amount of the Classes redeemed, plus accrued and unpaid interest for the Accrual Period relating to the applicable Payment Date. In order to effect an optional redemption, Freddie Mac shall liquidate all of the REMIC Pool Securities and any other assets in the REMIC Pool (or, in the case of a Double-Tier Series, in the Lower-Tier REMIC Pool) at fair market value as determined by Freddie Mac, and apply the net proceeds of such liquidation (together with funds contributed by Freddie Mac if the net proceeds are insufficient) to pay the redemption price. Upon any redemption of Lower-Tier Classes in a Double-Tier Series, the redemption price of the Mortgage Securities shall be applied as principal and interest on the outstanding Upper-Tier Classes, resulting in the retirement of those Classes. Following any redemption, any remaining proceeds from the liquidation of the REMIC Pool Securities in the REMIC Pool (or, in the case of a Double-Tier Series, in the Lower-Tier REMIC Pool), net of liquidation expenses, shall be distributed pro rata to the Holders of the related Residual Class upon surrender of their certificates to the Registrar. All decisions as to the making of an optional redemption, including the timing of any optional redemption, shall be at Freddie Mac's sole discretion. Freddie Mac shall be under no obligation to any Holder to make an optional redemption, even if a redemption would be in such Holder's interest.

Section 4.08. Freddie Mac Subrogation. Freddie Mac shall be subrogated to all the rights, interests, remedies, powers and privileges of the Holders in respect of any guarantee payments made by Freddie Mac, to the extent of such payments.

Section 4.09. Residual Proceeds. With respect to each REMIC Pool, the Holders of the Residual Class shall be entitled to receive, on a pro rata basis and upon presentation and surrender of their certificates to the Registrar, the proceeds of the remaining REMIC Pool Securities, if any, after all required principal and interest payments on the Regular Classes have been made. Freddie Mac hereby guarantees to such Holders the payment of such proceeds, if any, upon such surrender.

Section 4.10. Termination Upon Final Payment. Except as to Sections 2.05 and 8.01, the obligations and responsibilities of Freddie Mac under this Agreement to a Holder in respect of any Multiclass Security shall terminate upon the payment to the Holder of all amounts of principal and interest due the Holder in respect of such Multiclass Security and all other amounts, if any, due the Holder hereunder.

ARTICLE V

Form of Multiclass Securities; Minimum Principal Amounts and Transfers

Section 5.01. Form. Multiclass Securities may be issued in Book-Entry Form, through the book-entry facilities of the Depository or in certificated form, as specified in the related Terms Supplement. In the case of Multiclass Securities issued in other than Book-Entry Form, Freddie Mac reserves the right to convert such Multiclass Securities to Book-Entry Form, and in the case of Multiclass Securities issued in certificated form, Freddie Mac reserves the right to convert such Multiclass Securities to the book-entry facilities of the Depository. Upon any such conversion, Freddie Mac reserves the right to require each Holder thereof, upon notice, to surrender such Holder's Multiclass Security and have such Multiclass Security reissued and evidenced only by a Multiclass Security either in Book-Entry Form or in book-entry form in accordance with the Depository's rules and procedures, as amended from time to time, as applicable, pursuant to procedures prescribed and implemented by Freddie Mac (which may include the withholding of payments otherwise due the Holder, without any liability for interest thereon, until such surrender is made). Multiclass Securities in Book-Entry Form shall at all times remain on deposit with a Federal Reserve Bank in accordance with the provisions of the Book-Entry Rules. Multiclass Securities maintained through the Depository's book-entry facilities shall at all times remain on deposit with the Depository in accordance with its rules and procedures, as amended from time to time, unless converted to Book-Entry Form as above provided. Multiclass Securities in certificated form shall be evidenced by certificates in such form as Freddie Mac shall prescribe, registered in the names of the Holders thereof.

Section 5.02. Minimum Original Principal Amounts and Transfer of Multiclass Securities. Unless otherwise provided in the related Terms Supplement, Regular Classes (other than Retail Classes) shall be issued and must be maintained and transferred in Book-Entry Form or through the Depository's book-entry facilities, as applicable, in minimum original principal amounts (or minimum original notional principal amounts) of \$1 and additional increments of \$1; provided, however, that Mortgage Securities shall be initially issued and held by Freddie Mac in non-certificated form on the books and records of Freddie Mac. At any time Freddie Mac holds any Mortgage Securities in non-certificated form, upon the written request of the Holders of at least 50% of the then outstanding principal amount of the related Upper-Tier Classes, Freddie Mac shall issue certificates in definitive form representing such Mortgage Securities. Upon receipt by Freddie Mac of a written request by the Holder of an interest in a Lower-Tier Regular Class held in non-certificated form to have such interest represented in certificated form, Freddie Mac shall issue a certificate in definitive form representing such interest. A Multiclass Security in Book-Entry Form or maintained through the Depository's book-entry facilities shall not be transferred if, as a result of the transfer, the transferor or the transferee would have on deposit in its account Multiclass Securities of the same Class having an original principal amount (or original notional principal amount) of less than \$1. Transfers of Regular Classes in Book-Entry Form shall also be subject to any applicable Federal Reserve Bank minimum wire transfer requirements. The Federal Reserve Banks shall maintain a book-entry recordkeeping system for all transactions in Multiclass Securities in Book-Entry Form. The transfer, exchange or pledge of Multiclass Securities in Book-Entry Form shall be governed by the Book-Entry Rules, such procedures, insofar as applicable, as may from time to time be established by regulations of the Treasury Department governing obligations of the United States, and such other procedures as shall be agreed upon from time to time by Freddie Mac and the Federal Reserve Banks. A Federal Reserve Bank will act only upon the instructions of the Holder in recording transfers of a Multiclass Security in Book-Entry Form. The Depository shall maintain a book-entry recordkeeping system for all transactions in Multiclass Securities

maintained through its facilities. The transfer, exchange or pledge of Multiclass Securities maintained through these book-entry facilities shall be governed by the Depository's rules and procedures, as amended from time to time. The Depository will act only upon the instructions of the Holder in recording transfers of a Multiclass Security maintained through its book-entry facilities. A Multiclass Security in certificated form may be transferred as provided in Section 5.03. A charge may be made for any transfer or exchange of any Multiclass Security. A charge will be made for any tax or other governmental charge imposed in connection with a transfer or exchange of a Multiclass Security. If a Series of Multiclass Securities includes one or more Retail Classes, each such Class shall be represented by one or more certificates registered in the name of the nominee of the Retail Depository, unless otherwise provided in the related Terms Supplement. Unless otherwise provided in the related Terms Supplement, Residual Classes shall not be issued in book-entry form but shall be issued only in fully registered, certificated form in minimum original principal amounts (or minimum original notional principal amounts) of \$1,000 and additional increments of \$1 or, in the case of a Residual Class without an Original Principal Amount, in minimum percentages of the Residual Interest of 1%.

Section 5.03. Certificated Multiclass Securities.

(a) Freddie Mac shall maintain at its expense an office or agency where Multiclass Securities in certificated form may be surrendered for registration of transfer or exchange, the initial such office or agency being that of the Registrar, unless otherwise provided in the related Terms Supplement. Upon surrender for registration of transfer of any Multiclass Security in certificated form at any office or agency of Freddie Mac maintained for such purpose, Freddie Mac shall execute and deliver, in the name of the designated transferee or transferees, one or more new Multiclass Securities evidencing alike principal amount (or, if applicable, a like percentage of the Residual Interest). At the option of a Holder of a certificated Multiclass Security, such Holder's Multiclass Security may be exchanged for other Multiclass Securities of the same Class of authorized denominations, upon surrender at such office or agency of the Multiclass Security to be exchanged. Whenever any Multiclass Security is so surrendered for exchange, Freddie Mac shall execute and deliver the Multiclass Securities which the Holder making the exchange is entitled to receive. Every Multiclass Security presented or surrendered for registration of transfer or exchange shall be duly endorsed by, or be accompanied by a written instrument of transfer in form satisfactory to Freddie Mac duly executed by, the Holder thereof or its attorney-in-fact duly authorized in writing. Notwithstanding any other provision of this Agreement, Residual Classes shall be sold and maintained only in certificated form, and Freddie Mac may impose, in the related Terms Supplement, on the face or reverse of any Multiclass Security or elsewhere, such limitations on and conditions to the transfer or exchange of Multiclass Securities as it deems appropriate in order to conform to applicable law or for any other reason.

(b) If (i) any mutilated certificated Multiclass Security is surrendered to Freddie Mac or (ii) Freddie Mac receives evidence to its satisfaction of the destruction, loss or theft of any certificated Multiclass Security, and there is delivered to Freddie Mac such security or indemnity as may be required by it to save it harmless, then, in the absence of notice to Freddie Mac that such Multiclass Security has been acquired by a bona fide purchaser, Freddie Mac shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Multiclass Security, a new certificated Multiclass Security of like tenor and representing a like principal amount (or, if applicable, a like percentage of the Residual Interest). Upon the issuance of any new certificated Multiclass Security, Freddie Mac may make a charge for such issuance and will make a charge for any tax or other governmental charge imposed in connection therewith. Any duplicate Multiclass Security so issued shall constitute complete and indefeasible evidence of ownership of that portion of the Regular Interest or Residual Interest of the related REMIC Pool represented thereby, whether or not the lost, stolen or destroyed Multiclass Security shall be found at any time.

ARTICLE VI

Events of Default and Remedies

Section 6.01. Events of Default. "Event of Default" wherever used herein means any one of the following events:

(a) Default in the payment to Holders of any Class of Multiclass Securities of interest as and when the same shall become due and payable as herein provided, and continuance of such default for a period of 30 days; or

(b) Default in the payment to Holders of any Class of Multiclass Securities of principal as and when the same shall become due and payable as herein provided, and continuance of such default for a period of 30 days; or

(c) Failure on the part of Freddie Mac to observe or perform any other of its covenants set forth in this Agreement, continued for a period of 60 days after the date on which written notice of such failure, requiring Freddie Mac to remedy the same, shall have been given to Freddie Mac by the Holders of Multiclass Securities representing not less than 60 percent of the then outstanding principal amount of any affected Class of Multiclass Securities; or

(d) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of Freddie Mac in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, sequestrator (or other similar official) of Freddie Mac or for all or substantially all of its property, or order the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(e) Freddie Mac shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Freddie Mac or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or Freddie Mac shall fail generally to pay its debts as they become due.

Section 6.02. Remedies. If an Event of Default occurs and is continuing, then and in each and every such case, the Holders of Multiclass Securities representing not less than 50 percent of the then outstanding principal amount of any affected Class of Multiclass Securities may by written notice to Freddie Mac remove Freddie Mac and nominate a successor to Freddie Mac under this Agreement with respect to the related REMIC Pool, which nominee shall be deemed appointed as successor to Freddie Mac unless within ten days after such nomination Freddie Mac objects thereto, in which case Freddie Mac may petition any court of competent jurisdiction for the appointment of a successor or any Holder of a Multiclass Security of any affected Class who has been a bona fide Holder for at least six months may, on behalf of such Holder and all others similarly situated, petition any such court for appointment of a successor to Freddie Mac. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor to Freddie Mac. Upon the appointment of any successor pursuant to this Section 6.02, Freddie Mac shall submit to its successor a complete written report and accounting as to the applicable REMIC Pool and shall take all other steps necessary or desirable to transfer its interest in and administration of this Agreement with respect to such REMIC Pool to the successor. Subject to the Act, such successor may take such actions with respect to such REMIC Pool as may be reasonable and appropriate in the circumstances. Prior to any such designation of a successor, the Holders of Multiclass Securities representing not less than 50 percent of the then outstanding principal amount of any affected Class of Multiclass Securities may waive any past default or Event of Default. Appointment of a successor will not relieve Freddie Mac of its guarantee obligation as set forth in this Agreement.

Section 6.03. Limitation on Suits by Holders. Except as provided in Section 6.02, no Holder shall have any right to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon, under or with respect to this Agreement, the Multiclass Securities or the related REMIC Pool Securities, or for the appointment of a receiver or trustee, or for any other remedy whatsoever, unless such Holder previously shall have given to Freddie Mac written notice of an Event of Default and of the continuance thereof, as

hereinbefore provided, and unless also the Holders of Multiclass Securities representing not less than 50 percent of the then outstanding principal amount of any affected Class of Multiclass Securities shall have made written request upon Freddie Mac to institute such action or proceeding in its own name and shall have offered to Freddie Mac such reasonable indemnity as it may request against the costs, expenses and liabilities to be incurred therein or thereby, and Freddie Mac for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding, and no direction inconsistent with such written request shall have been given to Freddie Mac during such 60-day period by the Holders of Multiclass Securities representing not less than 50 percent of the then outstanding principal amount of any affected Class of Multiclass Securities. It is understood and intended, and expressly covenanted by each Holder of a Multiclass Security in any affected REMIC Pool with every other Holder in such REMIC Pool and with Freddie Mac, that no one or more Holders shall have any right in any manner whatsoever by virtue of or by availing themselves of any provision of this Agreement to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain preference or priority over any other Holder except as expressly provided herein or to enforce any right under this Agreement, except in the manner herein provided and for the ratable and common benefit of all Holders of Multiclass Securities in any affected Class. For the protection and enforcement of the provisions of this Section 6.03, each and every Holder and Freddie Mac shall be entitled to such relief as can be given either at law or in equity. Notwithstanding the foregoing or any other provision of this Agreement, the right of any Holder to receive payment of principal or interest as herein provided, on or after the due date of such payment, or to institute suit for enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

ARTICLE VII

Rights of Holders of Multiclass Securities with Respect to the Giant Security Agreement

Section 7.01. Defaults Under Giant Security Agreement. In the event that there shall be a Giant Security Agreement Default under any Giant Security Agreement governing any Freddie Mac Giant Security directly or indirectly backing a REMIC Pool (including a Lower-Tier REMIC Pool), the Holders of the Multiclass Securities issued in respect of such REMIC Pool (including, for this purpose, the related Upper-Tier REMIC Pool) shall have the right to take such actions with respect thereto as the Giant Security Agreement affords Freddie Mac or its agent as the record holder of the affected Giant Security. For this purpose, each Holder of a Multiclass Security issued in respect of a Series shall be deemed to be the holder of a percentage of such affected Giant Security equal to the percentage obtained by dividing the then outstanding principal amount of such Holder's Multiclass Security (which shall be zero in the case of an Interest Only Class without a principal amount) by the then aggregate outstanding principal amount of all Multiclass Securities of the same Series. Freddie Mac hereby irrevocably authorizes the Holders to exercise all such rights in respect of a Giant Security Agreement Default to the extent set forth in this Section.

Section 7.02. Amendments of Giant Security Agreement. In the event that Freddie Mac desires to amend any Giant Security Agreement governing any Giant Security directly or indirectly backing any REMIC Pool (including a Lower-Tier REMIC Pool), Freddie Mac may give any such consent thereto as may need to be given by the record holder of such Giant Security; provided, however, that if any such amendment would adversely affect in any material respect the interest of any Holder of a Multiclass Security (including, for this purpose, a related Upper-Tier Class), Freddie Mac may consent to such amendment only with the written consent of the Holders of Multiclass Securities so affected representing not less than 50 percent of the then outstanding principal amount of each affected Class of Multiclass Securities.

ARTICLE VIII

Miscellaneous Provisions

Section 8.01. Tax Matters. Freddie Mac and/or its designated agent shall furnish, at such times as required by applicable law, to each Holder such information as Freddie Mac deems necessary or desirable to enable Holders and beneficial owners of Multiclass Securities to prepare their United States federal income tax returns, if applicable. If Freddie Mac is one of the Holders of a Residual Class issued in respect of any REMIC Pool, or if permitted by applicable law, Freddie Mac will file the annual federal income tax return

for such REMIC Pool and will act as the tax matters partner thereof. In any other case, the beneficial owner of the Multiclass Security having the largest principal amount or evidencing the largest percentage of the Residual Interest in the related REMIC Pool is hereby designated as the partner responsible for filing such tax return and as the tax matters partner of such REMIC Pool. Such beneficial owner, however, by the acceptance of its Multiclass Security, designates Freddie Mac as its agent and attorney-in-fact in the performance of all the duties required of, or permitted to be taken by, the partner responsible for filing such tax return and the tax matters partner for such REMIC Pool and, if requested by Freddie Mac, to execute a power of attorney to this effect. Freddie Mac also agrees to prepare such tax return and, if permitted by applicable law, to sign and file such tax return on behalf of the REMIC Pool. Freddie Mac agrees to indemnify and hold harmless such beneficial owner against any and all liabilities imposed upon such beneficial owner as tax matters partner, including without limitation, any liabilities caused by Freddie Mac's failure to perform any duty on behalf of such beneficial owner as the partner responsible for filing such returns and as tax matters partner under the Code or any liabilities associated with any action taken by Freddie Mac in its discretion with respect to such REMIC Pool in the name of and on behalf of such beneficial owner as the tax matters partner therefor.

A beneficial or record interest in the Residual Class may not be sold or transferred to a "disqualified organization" (as defined below). Any attempted or purported transfer of an interest in a Residual Class shall be absolutely null and void and shall vest no rights in the proposed transferee unless (a) such transferee provides to Freddie Mac (i) an affidavit (in a form acceptable to Freddie Mac) that such transferee is not a disqualified organization and is not purchasing such interest on behalf of a disqualified organization and (ii) if requested by Freddie Mac, an opinion of counsel (in a form acceptable to Freddie Mac) that the proposed transfer will not cause such interest to be held by a disqualified organization, or (b) Freddie Mac gives its written consent to such transfer (which consent may apply to a specific transfer or, in Freddie Mac's discretion, may apply generally to classes of transfers or transferees). Should such a transfer occur, however, Freddie Mac shall provide to the Internal Revenue Service and the person(s) liable for the tax imposed on such transfer under Section 860E(e) of the Code a computation showing the present value of the total anticipated excess inclusions with respect to the Residual Class interest for periods after such transfer for purposes of computing the amount of tax due. For these purposes, the term "disqualified organization" means (a) the United States, any state or political subdivision thereof, any foreign government, any international organization, any agency or instrumentality of any of the foregoing, (b) any organization (other than a cooperative described in Section 521 of the Code) that is exempt from taxation under the Code (unless such organization is subject to tax on excess inclusions) and (c) any organization that is described in Section 1381(a)(2)(C) of the Code. Notwithstanding clause (a) of the preceding sentence, neither Freddie Mac nor any entity treated as other than an instrumentality of the United States or of any state or political subdivision thereof for purposes of Section 168(h)(2)(D) of the Code is treated as a disqualified organization. In addition, the transferee shall be required to designate Freddie Mac as its fiduciary to act as the tax matters person for the related REMIC Pool. Ownership of an interest in a Residual Class may not be transferred to any person that is not a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision thereof, or an estate or trust that is subject to United States federal income tax regardless of the source of its income (a "U.S. person") without Freddie Mac's written consent. In addition, ownership of an interest in a Residual Class validly held by a non-U.S. person may not be transferred to any person without Freddie Mac's written consent. Any attempted or purported transfer in violation of either of the two preceding sentences shall be absolutely null and void and shall vest no rights in the proposed transferee. The affidavit referred to in the second sentence of this paragraph shall include a statement that the transferee is a U.S. person, unless Freddie Mac consents in writing to such transfer to a person that is not a U.S. person. On behalf of each REMIC Pool, Freddie Mac shall make available information necessary for the application of Section 860E(e) of the Code or any similar Code provision that may be in effect in the future.

Section 8.02. Limitations on Liability of Freddie Mac and Others. Neither Freddie Mac nor any of its directors, officers, employees or agents shall be under any liability to Holders for any action taken by them or for their refraining from the taking of any such action in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect Freddie Mac or any such person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross

negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. Freddie Mac and any director, officer, employee or agent of Freddie Mac may rely in good faith on any document or other communication of any kind properly submitted by any person (in writing or electronically) with respect to any matter arising hereunder. Freddie Mac shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to administer the REMIC Pools in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that Freddie Mac may in its discretion undertake any such action which it may deem necessary or desirable with respect to this Agreement, the Multiclass Securities, the REMIC Pool Securities and other assets in any REMIC Pool or the rights and duties of the parties hereto and the interests of the Holders hereunder. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses of Freddie Mac.

Section 8.03. Limitation of Rights of Holders. The death or incapacity of any person having an interest, beneficial or otherwise, in a Multiclass Security shall not operate to terminate this Agreement or any REMIC Pool, nor entitle the legal representatives or heirs of such person or any Holder for such person to claim an accounting, take any action or bring any proceeding in any court for a partition or winding up of any REMIC Pool, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

Section 8.04. Control by Holders. Except as otherwise provided in Articles VI and VII, no Holder shall have any right to vote or in any manner otherwise control the administration, operation and management of any REMIC Pool or the Securities backing such REMIC Pool, or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Multiclass Securities, be construed so as to constitute the Holders from time to time as partners or members of an association; nor shall a Holder be under any liability to any third person by reason of any action taken by the parties to this Agreement pursuant to any provision hereof.

Section 8.05. Amendment.

(a) This Agreement (including any related Terms Supplement) may be amended from time to time by Freddie Mac, without the consent of any Holder or Holders, (i) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Agreement, which shall not be inconsistent with the other provisions of this Agreement, provided that any such amendment shall not adversely affect in any material respect the interests of any Holder; or (ii) to permit Freddie Mac to take any necessary or helpful action to maintain the qualification of any REMIC Pool as a REMIC under the Code or to avoid the imposition of any state or federal tax on the REMIC Pool.

(b) Except as provided in Section 8.05(c) of this Agreement, with respect to any REMIC Pool formed pursuant to the terms hereof, any provision of this Agreement may be amended by Freddie Mac with the written consent of the Holders of Multiclass Securities representing not less than 50 percent of the then outstanding principal amount of each Class of Multiclass Securities affected by such amendment.

(c) Notwithstanding any other provision herein, without the consent of a Holder this Agreement may not be amended to impair or affect the right of such Holder to receive payment of principal and interest (including any payment under any guarantee in respect thereof) as herein provided, on or after the respective due date of such payment, or to institute suit for the enforcement of any such payment on or after such date.

(d) Solely for purposes of this Section, if the principal amount of a Residual Class has been reduced to zero prior to the principal amounts of all the other Classes of Multiclass Securities of the related Series having been reduced to zero, each Multiclass Security of such Residual Class shall be deemed to have an aggregate outstanding principal amount of \$1,000.00.

Section 8.06. Persons Deemed Owners. Freddie Mac, the Registrar, the Federal Reserve Banks and the Depository, or any agent of Freddie Mac, the Registrar, the Federal Reserve Banks or the Depository, may deem and treat the Holder as the absolute owner of a Multiclass Security for the purpose of receiving payment of principal or interest and for all other purposes, and neither Freddie Mac, the Registrar, the Federal Reserve Banks or the Depository, nor any agent of Freddie Mac, the Registrar, the Federal Reserve Banks or the Depository, shall be affected by any notice to the contrary. All such payments so made to any such Holder or upon such Holder's order shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the duty for monies payable by Freddie Mac upon the Holder's Multiclass

Security. A Holder is not necessarily the beneficial owner of a Multiclass Security. The rights of a beneficial owner of a Multiclass Security with respect to Freddie Mac, the Registrar, the Federal Reserve Banks and the Depository may be exercised only through the Holder. Freddie Mac, the Registrar, the Federal Reserve Banks and the Depository will have no direct obligation to a beneficial owner that is not also the Holder of a Multiclass Security.

Section 8.07. Governing Law. This Agreement and the Holders' and Freddie Mac's rights and obligations with respect to Multiclass Securities shall be construed in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent, and insofar as to do so would not frustrate the purposes of the Act or any provision of this Agreement or the transactions governed thereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States.

Section 8.08. Payments Due on Non-Business Days. If the date fixed for any payment on any Multiclass Security shall be a day which is not a Business Day, then such payment need not be made on such date, but may be made on the next succeeding day which is a Business Day, with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue for the period after such date.

Section 8.09. Successors. This Agreement shall be binding upon and shall inure to the benefit of any successor to Freddie Mac, including any successor by operation of law.

Section 8.10. Headings. The Article and Section headings are for convenience only and shall not affect the construction of this Agreement.

Section 8.11. Notice and Demand. Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given or served to or upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail addressed to such Holder as such Holder's name and address may appear in the records of Freddie Mac, the Registrar, a Federal Reserve Bank or the Depository or, in the case of a Holder of a Multiclass Security in Book-Entry Form, by transmission to such Holder through the communication system linking the Federal Reserve Banks or, in the case of a Holder of a Multiclass Security maintained through the book-entry facilities of the Depository, by causing the Depository to pass through such communication to Holders. Such notice, demand or other communication to or upon a Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given or served to or upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, 8200 Jones Branch Drive, McLean, Virginia 22102, Attention: Senior Vice President-General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

RECEIPT AND ACCEPTANCE OF A MULTICLASS SECURITY BY OR ON BEHALF OF A HOLDER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH MULTICLASS SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT (INCLUDING THE RELATED TERMS SUPPLEMENT), AND THE AGREEMENT OF FREDDIE MAC, SUCH HOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS AMONG FREDDIE MAC AND SUCH HOLDER AND SUCH OTHERS.

FEDERAL HOME LOAN MORTGAGE CORPORATION