

**Offering Circular Supplement
(To Offering Circular Dated February 1, 2001)**

**Freddie Mac
Mortgage Participation Certificates**

**Description of the Mortgages—Mortgage Purchase and Servicing Standards—
Defaults and Delinquencies**

The second paragraph of this section of the Offering Circular is replaced with the following:

When considering our options under the particular circumstances, we determine, in accordance with the terms of the Agreement, whether to remove a Mortgage from a PC Pool. Removing a Mortgage from its PC Pool has the same effect on Holders as a prepayment. If we determine not to remove the Mortgage from its PC Pool, the measures we take may affect the timing of payments of principal to Holders.

The fourth paragraph of this section of the Offering Circular is replaced with the following:

Generally, we repurchase from its PC Pool any Mortgage that has been delinquent for 120 consecutive days. We may repurchase a delinquent Mortgage earlier, however, if we determine (a) that it is more likely than not that a delinquency on that Mortgage will not be cured within 120 days of the due date of its last paid installment or (b) on the basis of information from the related borrower or servicer, that loss of ownership of the mortgaged property is likely or default is imminent due to borrower incapacity, death or hardship or other extraordinary circumstances that make future payments on such Mortgage unlikely or impossible.

As permitted under the PC Agreement, we are amending that Agreement to reflect the changes described in this Supplement. Capitalized terms used in this Supplement have the meanings given to them in the Offering Circular.

Offering Circular Supplement dated June 28, 2004