

FEDERAL HOME LOAN MORTGAGE CORPORATION
Structured Agency Credit Risk (STACR®) Debt Notes,
Series 2016-DNA2

STACR® DEBT AGREEMENT

STACR® DEBT AGREEMENT (the “**Agreement**”), dated as of May 10, 2016 between the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) and the Holders of the Notes (each as hereinafter defined).

Whereas:

(a) Freddie Mac is a corporate instrumentality of the United States created pursuant to an Act of Congress on July 24, 1970 (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459, hereinafter referred to as the “**Freddie Mac Act**”), with full power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein;

(b) Pursuant to Section 306(a) of the Freddie Mac Act, Freddie Mac is authorized, upon such terms and conditions as it may prescribe, to borrow, to pay interest or other return, and to issue notes, bonds or other obligations or securities;

(c) To permit Freddie Mac to engage in activities consistent with its statutory purposes, Freddie Mac has authorized the issuance of unsecured general obligations of Freddie Mac; and

(d) Pursuant to this Agreement, Freddie Mac is issuing the Structured Agency Credit Risk (“**STACR®**”) Debt Notes, Series 2016-DNA2 (the “**Original Notes**”).

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 shall govern the Notes and the rights and obligations of Freddie Mac and Holders with respect to the Notes.

ARTICLE I

Section 1. Definitions.

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

Accounting Net Yield: With respect to each Payment Date and any Reference Obligation, the related mortgage rate less the related servicing fee rate.

Accrual Period: With respect to each Payment Date, the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including the day preceding such Payment Date.

Agreement: This STACR[®] Debt Agreement dated as of the Closing Date, as it may be amended or supplemented from time to time.

Beneficial Owner: The entity or individual that beneficially owns a Note.

Business Day: A day other than (i) a Saturday or Sunday or (ii) a day on which the offices of Freddie Mac, the corporate trust offices of the Global Agent or the Exchange Administrator (currently located at 1 Federal Street, 3rd Floor, Boston, Massachusetts 02110), DTC, or the banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.

Class: A class of Original Notes or MAC Notes issued under this Agreement or a class of Reference Tranche established under this Agreement, as the case may be.

Class Coupon: The Class Coupon on each Class of Notes for any Accrual Period will be as set forth in *Appendix I* for Original Notes and *Appendix II* for MAC Notes.

Class Coupon Formula: The formula specified for each Class of variable rate Notes, as set forth in *Appendix I* for Original Notes and *Appendix II* for MAC Notes.

Class Notional Amount: With respect to each Class of Reference Tranche as of any Payment Date, a notional amount equal to the initial Class Notional Amount of such Class of Reference Tranche, *minus* the aggregate amount of Senior Reduction Amounts and/or Subordinate Reduction Amounts allocated to such Class of Reference Tranche on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates, and *plus* the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates. For the avoidance of doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.

Class Principal Balance: With respect to each Class of Original Notes, as of any Payment Date, the maximum dollar amount of principal to which the Holders of such Class of Notes are then entitled, with such amount being equal to the initial Class Principal Balance of such Class of Notes as set forth in *Appendix I*, *minus* the aggregate amount of principal paid by Freddie Mac on such Class of Notes on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Tranche Write-down Amounts allocated to reduce the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates, and *plus* the aggregate amount of Tranche Write-up Amounts allocated to increase the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates (in each case without regard to any exchange of Exchangeable Notes for MAC Notes). The Class Principal Balance of each Class of Original Notes shall at all times equal the Class Notional Amount of the Reference Tranche that corresponds to such Class of Notes. For the avoidance of

doubt, no Tranche Write-up Amount or Tranche Write-down Amount will be applied twice on the same Payment Date.

The Class Principal Balance as of any Payment Date of each outstanding Class of MAC Notes that is entitled to principal will be equal to the outstanding Class Principal Balance or aggregate outstanding Class Principal Balance as of such Payment Date of the portion or portions of the related Class or Classes of Exchangeable Notes that were exchanged for such MAC Note.

Clearstream: Clearstream Banking, *société anonyme*, which holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants.

Closing Date: May 10, 2016.

Combination: The available modifications and combinations of Exchangeable Notes to be exchanged for MAC Notes, and vice versa, shown in *Appendix II*.

Commission: The United States Securities and Exchange Commission.

Common Depository: The common depository for Euroclear, Clearstream and/or any other applicable clearing system, which will hold Common Depository Notes on behalf of Euroclear, Clearstream and/or any such other applicable clearing system.

Common Depository Notes: Notes that are deposited with a Common Depository and that will clear and settle through the systems operated by Euroclear, Clearstream and/or any such other applicable clearing system other than DTC.

Corresponding Class of Reference Tranches: With respect to (i) the Class M-1 Notes, the Class M-1 Reference Tranche, (ii) the Class M-2 Notes, the Class M-2 Reference Tranche, (iii) the Class M-3A Notes, the Class M-3A Reference Tranche, (iv) the Class M-3B Notes, the Class M-3B Reference Tranche and (v) the Class B Notes, the Class B Reference Tranche.

Credit Event: With respect to any Payment Date on or before the Termination Date and any Reference Obligation means the first to occur of any of the following events with respect to such Reference Obligation being reported by the applicable servicer to Freddie Mac during the related Reporting Period: (i) a short sale is settled, (ii) a seriously delinquent Mortgage Note is sold prior to foreclosure, (iii) the Mortgaged Property that secured the related Mortgage Note is sold to a third party at a foreclosure sale, (iv) an REO disposition occurs, or (v) the related Mortgage Note is charged off. With respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event; provided that one additional separate Credit Event can occur with respect to each instance of such Credit Event Reference Obligation becoming a Reversed Credit Event Reference Obligation.

Credit Event Amount: With respect to each Payment Date, the aggregate amount of the Credit Event UPBs of all Credit Event Reference Obligations for the related Reporting Period.

Credit Event Net Gain: With respect to any Credit Event Reference Obligation, an amount equal to the excess, if any, of (a) the related Net Liquidation Proceeds; over (b) the sum of (i) the related Credit Event UPB; (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date Freddie Mac determines such Reference Obligation has been reported as a Credit Event Reference Obligation.

Credit Event Net Loss: With respect to any Credit Event Reference Obligation, an amount equal to the excess, if any, of (a) the sum of: (i) the related Credit Event UPB; (ii) the total amount of prior principal forgiveness modifications, if any, on the related Credit Event Reference Obligation; and (iii) delinquent accrued interest thereon, calculated at the related Current Accrual Rate from the related last paid interest date through the date Freddie Mac determines such Reference Obligation has been reported as a Credit Event Reference Obligation, over (b) the related Net Liquidation Proceeds.

Credit Event Reference Obligation: With respect to any Payment Date any Reference Obligation with respect to which a Credit Event has occurred.

Credit Event UPB: With respect to any Credit Event Reference Obligation, the unpaid principal balance thereof as of the end of the Reporting Period related to the Payment Date that it became a Credit Event Reference Obligation.

Cumulative Net Loss Percentage: With respect to each Payment Date, a percentage equal to (i) the Principal Loss Amount for such Payment Date and all prior Payment Dates less the Principal Recovery Amount for such Payment Date and all prior Payment Dates; divided by (ii) the aggregate unpaid principal balance of the Reference Obligations in the Reference Pool as of the Cut-off Date.

Cumulative Net Loss Test: With respect to any Payment Date, a test that will be satisfied if the Cumulative Net Loss Percentage does not exceed the applicable percentage indicated below:

<u>Payment Date occurring in the period</u>	<u>Percentage</u>
May 2016 to April 2017	0.10%
May 2017 to April 2018	0.20%
May 2018 to April 2019	0.30%
May 2019 to April 2020	0.40%
May 2020 to April 2021	0.50%
May 2021 to April 2022	0.60%
May 2022 to April 2023	0.70%
May 2023 to April 2024	0.80%
May 2024 to April 2025	0.90%
May 2025 to April 2026	1.00%
May 2026 to April 2027	1.10%
May 2027 to April 2028	1.20%
May 2028 and thereafter	1.30%

Current Accrual Rate: With respect to each Payment Date and any Reference Obligation, the lesser of (i) the related current Accounting Net Yield; and (ii) the related current mortgage

rate thereon (as adjusted for any modifications) minus 0.35%.

CUSIP Number: A unique nine-character designation assigned to each Class of Notes by the CUSIP Service Bureau and used to identify each Class of Notes on the records of the DTC.

Cut-off Date: Close of business on March 15, 2016.

Cut-off Date Balance: \$30,120,949,420; the initial aggregate unpaid principal balance of the Reference Obligations as of the Cut-off Date.

Delinquency Test: With respect to any Payment Date, a test that will be satisfied if (a) the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding five Payment Dates, divided by six or, in the case of any Payment Date prior to the sixth Payment Date after the Closing Date, the sum of the Distressed Principal Balance for the current Payment Date and each of the preceding Payment Dates since the Closing Date, divided by the number of Payment Dates since the Closing Date is less than (b) 50% of the amount by which (i) the product of (x) the Subordinate Percentage and (y) the aggregate UPB of the Reference Obligations as of the preceding Payment Date; exceeds (ii) the Principal Loss Amount for the current Payment Date.

Depository: DTC or any successor.

Distressed Principal Balance: With respect to any Payment Date, the sum, without duplication, of the UPB of Reference Obligations that meet any of the following criteria: (a) Reference Obligations that are 60 days or more delinquent; (b) Reference Obligations that are in foreclosure, bankruptcy, or REO status; or (c) Reference Obligations that were modified in the 12 months preceding the end of the related Reporting Period.

DTC: The Depository Trust Company, a limited-purpose trust company, which holds securities for DTC Participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants.

DTC Participants: Participants in the DTC System.

DTC Notes: Notes cleared, settled and maintained on the DTC System, registered in the name of a nominee of DTC. All of the Notes will be DTC Notes at issuance.

DTC System: The book-entry system of DTC.

Early Redemption Date: The Payment Date on which the Original Notes are redeemed by Freddie Mac pursuant to its Early Redemption Option.

Early Redemption Option: Freddie Mac's right to redeem the Original Notes prior to the Maturity Date on any Payment Date at the earlier of (a) on or after the Payment Date on which the aggregate unpaid principal balance of the Reference Obligations is less than or equal to 10%

of the Cut-off Date Balance of the Reference Pool; or (b) on or after the Payment Date in April 2026, by paying an amount equal to the outstanding Class Principal Balance, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date, of each Class of Original Notes (without regard to any exchanges of Exchangeable Notes for MAC Notes), plus accrued and unpaid interest. If on the Early Redemption Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Exchangeable Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

Eligibility Criteria: With respect to each Reference Obligation, the following:

(a) is a fully amortizing, fixed rate, one- to four-unit, first lien Mortgage Loan, which has an original term of 30 years;

(b) was originated on or after April 1, 2015;

(c) was securitized into a Freddie Mac Participation Certificate (“PC”) by January 31, 2016 and remained in such PC as of April 4, 2016;

(d) has not been prepaid in full as of April 4, 2016;

(e) as of April 4, 2016, the servicer has not reported that the borrower of a Reference Obligation has filed for bankruptcy;

(f) has not been repurchased by the applicable seller or servicer as of April 4, 2016;

(g) has no Underwriting Defects, Major Servicing Defects, Minor Servicing Defects, Unconfirmed Underwriting Defects or Unconfirmed Servicing Defects found in Freddie Mac’s internal quality control process as of April 4, 2016;

(h) as of February 29, 2016, has never been reported to be 30 days or more delinquent since purchase by Freddie Mac;

(i) was originated with documentation as described under “*General Mortgage Loan Purchase and Servicing — Underwriting Standards—Documentation*” in the Offering Circular;

(j) is not covered by mortgage or pool insurance;

(k) does not have an original loan-to-value ratio that (i) is less than or equal to 60% or (ii) exceeds 80%;

(l) is not subject to recourse or other credit enhancement;

(m) was not originated under Freddie Mac's Relief Refinance program (including the Home Affordable Refinance Program which is FHFA's name for Relief Refinance Mortgage Loans with an LTV greater than 80%);

(n) was not originated under Home Possible[®] or other affordable mortgage programs of Freddie Mac;

(o) was not associated with a mortgage revenue bond purchased by Freddie Mac;

(p) had an original principal balance greater than or equal to \$5,000; and

(q) was not originated under a government program (e.g., FHA, VA or Guaranteed Rural Housing loans).

Euroclear: Euroclear System, a depository that holds securities for its participants and clears and settles transactions between its participants through simultaneous electronic book-entry delivery against payment.

Event of Default: As defined in Section 5.01.

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Administrator: The entity selected by Freddie Mac to act as its exchange administrator for the MAC Notes, which as of the Closing Date is U.S. Bank.

Exchange Administration Agreement: The exchange administration agreement dated as of the Closing Date between Freddie Mac and the Exchange Administrator relating to the administration of the exchange of Exchangeable Notes for MAC Notes and vice versa.

Exchangeable Notes: The Class M-2, Class M-3A and Class M-3B Notes.

FHFA: The Federal Housing Finance Agency.

Financial Intermediary: Each brokerage firm, bank, thrift institution or other financial intermediary that maintains the account for each person who owns a beneficial ownership interest in the Notes issued in global form.

Freddie Mac: Federal Home Loan Mortgage Corporation, a stockholder-owned company chartered by Congress pursuant to the Freddie Mac Act.

Freddie Mac Act: Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459.

Global Agency Agreement: The global agency agreement between Freddie Mac and the Global Agent, dated as of the Closing Date.

Global Agent: The entity selected by Freddie Mac to act as its global, calculating, transfer, authenticating and paying agent for the Original Notes, which as of the Closing Date is U.S. Bank, and who will act as calculating, authenticating and paying agent with respect to the MAC Notes pursuant to the direction of the Exchange Administrator.

Holder: In the case of (i) DTC Notes, DTC or its nominee; (ii) Common Depositary Notes, the depository, or its nominee, in whose name the Notes are registered on behalf of a related clearing system; and (iii) Notes in definitive registered form, the person or entity in whose name such Notes are registered in the Register.

ICE Method: The method used to calculate One-Month LIBOR, as described in Section 3.05.

Interest Accrual Amount: With respect to each outstanding Class of Notes and any Payment Date, an amount equal to the accrued interest at the Class Coupon on the Class Principal Balance (or Notional Principal Amount) of each Class of Notes immediately prior to such Payment Date.

Interest Payment Amount: With respect to each outstanding Class of Notes and any Payment Date, the Interest Accrual Amount for such Class of Notes, less any Modification Loss Amount for such Payment Date allocated to reduce the Interest Payment Amount owed for such Class of Notes pursuant to Section 3.03(f) hereof, or plus any Modification Gain Amount for such Payment Date allocated to increase the Interest Payment Amount owed for such Class of Notes pursuant to Section 3.03(g) hereof.

Interest Only MAC Notes: The Class M-2I and Class M-3AI Notes shown on *Appendix II*.

LIBOR Adjustment Date: With respect to any Payment Date, the second business day before the related Accrual Period begins. For this purpose, a “business day” is a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C.

Liquidation Proceeds: With respect to any Credit Event Reference Obligation, all cash amounts (including sales proceeds, net of selling expenses), received in connection with the liquidation of the Credit Event Reference Obligation.

LTV: The loan-to-value ratio which is a ratio of (a) the total principal balance of a Mortgage Loan to (b) the value of the Mortgaged Property at origination.

MAC Notes: The Classes of Modifiable And Combinable STACR[®] Notes shown on *Appendix II*.

Major Servicing Defect: With respect to each Payment Date and any Reference Obligation for which Freddie Mac has determined the existence of an Unconfirmed Servicing Defect, the occurrence of any of the following: (a) the related servicer repurchased such Reference Obligation or made Freddie Mac whole resulting in a full recovery of losses incurred (“**Make-Whole**”) during the related Reporting Period; or (b) the party responsible for the representations and warranties and/or servicing obligations or liabilities with respect to the Reference Obligation becomes subject to a bankruptcy, an insolvency proceeding or a receivership. Reference Obligations covered under servicing settlements will not result in Major Servicing Defects.

Make-Whole: As defined within the definition of “Major Servicing Defect” above.

Maturity Date: The Payment Date in October 2028.

MBA Delinquency Method: Under the MBA Delinquency Method, a loan due on the first of the month is considered 30 days delinquent when all or part of one or more payments remains unpaid as of close of business on the last Business Day of such month.

Minimum Credit Enhancement Test: With respect to any Payment Date, a test that will be satisfied if the Subordinate Percentage is greater than or equal to 5.50%.

Minor Servicing Defect: With respect to each Payment Date and any Reference Obligation for which Freddie Mac has determined the existence of an Unconfirmed Servicing Defect, the occurrence of a remedy, other than by repurchase or Make-Whole that is mutually agreed upon by both Freddie Mac and the related servicer that results in a recovery of the damages sustained by Freddie Mac on such Reference Obligation as a result of the Unconfirmed Servicing Defect. No Reference Obligation will be removed from the Reference Pool as a result of the determination of a Minor Servicing Defect, and any such Reference Obligations will remain eligible to become subject to an Underwriting Defect or Major Servicing Defect.

Modification Event: With respect to any Reference Obligation, a forbearance or mortgage rate modification relating to such Reference Obligation.

Modification Excess: With respect to each Payment Date and any Reference Obligation that has experienced a Modification Event, the excess, if any, of: (a) one-twelfth of the Current Accrual Rate multiplied by the interest bearing unpaid principal balance (the “**UPB**”) of such Reference Obligation; over (b) one-twelfth of the Original Accrual Rate multiplied by the UPB of such Reference Obligation.

Modification Gain Amount: With respect to each Payment Date, the excess, if any, of the aggregate Modification Excess over the aggregate Modification Shortfall for such Payment Date.

Modification Loss Amount: With respect to each Payment Date, the excess, if any, of the aggregate Modification Shortfall over the aggregate Modification Excess for such Payment Date.

Modification Shortfall: With respect to each Payment Date and any Reference

Obligation that has experienced a Modification Event, the excess, if any, of: (a) one-twelfth of the Original Accrual Rate multiplied by the UPB of such Reference Obligation; over (b) one-twelfth of the Current Accrual Rate multiplied by the interest bearing UPB of such Reference Obligation.

Moody's: Moody's Investors Service, Inc. and its successors.

Mortgage Loan: Reference Obligations evidenced by promissory notes or other similar evidences of indebtedness secured by first mortgages, deeds of trust or similar security instruments on residential properties.

Mortgage Note: A promissory note or other similar evidences of indebtedness.

Mortgaged Property: Residential properties consisting of one- to four-family dwelling units, townhouses, individual condominium units, individual units in planned unit developments, individual cooperative units or manufactured homes.

Net Liquidation Proceeds: With respect to each Payment Date and any Credit Event Reference Obligation, the sum of the related Liquidation Proceeds, any related mortgage insurance proceeds and any proceeds received from the related servicer in connection with a Minor Servicing Defect (except for those included in Modification Excess), less related expenses, credits and reimbursement of advances, including but not limited to taxes and insurance, legal costs, maintenance and preservation costs.

Notes: The Original Notes and the MAC Notes.

Notional Principal Amount: For calculating interest payments, on each Class of outstanding Interest Only MAC Notes as of any Payment Date, an amount equal to the outstanding Class Principal Balance as of such Payment Date of the portion of the related Class of Exchangeable Notes that was exchanged for such Interest Only MAC Note.

NRSRO: A nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

Offering Circular: The Freddie Mac STACR[®] Debt Notes, Series 2016-DNA2 Offering Circular dated May 4, 2016 (including any related Supplement thereto).

One-Month LIBOR: As defined in Section 3.05.

Original Accrual Rate: With respect to each Payment Date and any Reference Obligation, the lesser of (i) the related Accounting Net Yield as of the Cut-off Date; and (ii) the related mortgage rate as of the Cut-off Date minus 0.35%.

Original Class M Notes: The Class M-1, Class M-2, Class M-3A and Class M-3B Notes.

Original Notes: The Class M-1, Class M-2, Class M-3A, Class M-3B and Class B Notes.

Origination Rep and Warranty/Servicing Breach Settlement: Any settlement (which settlement only relates to claims arising from breaches of origination/selling representations and warranties or breaches of servicing obligations) that Freddie Mac enters into with a seller or servicer in lieu of requiring such seller or servicer to repurchase a specified pool of Mortgage Loans that include, among others, one or more Reference Obligations, as a result of breaches of origination/selling representations or warranties or as a result of breaches of servicing obligations whereby Freddie Mac has received the agreed-upon settlement proceeds from such seller or servicer. For the avoidance of doubt, any Origination Rep and Warranty/Servicing Breach Settlement will only relate to breaches of either (i) origination/selling representations and warranties or (ii) servicing obligations, but not both.

Origination Rep and Warranty/Servicing Breach Settlement Amount: (I) with respect to the Payment Date in the month after the calendar month in which an Origination Rep and Warranty/Servicing Breach Settlement occurs, the lesser of (a) the aggregate amount of Credit Event Net Losses of the Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations for such Payment Date and all prior Payment Dates, less the aggregate amount of Credit Event Net Losses of the Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations that were Reversed Credit Event Reference Obligations for such Payment Date and all prior Payment Dates; and (b) the Origination Rep and Warranty/Servicing Breach Settlement Loan Allocation Amount (Cap); and, (II), with respect to each Payment Date thereafter, the lesser of (a) the aggregate amount of Credit Event Net Loss of the Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations for such Payment Date; and (b) the maximum of: (i) zero; and (ii) the Origination Rep and Warranty/Servicing Breach Settlement Loan Allocation Amount (Cap), less the Origination Rep and Warranty/Servicing Breach Settlement Amount for all prior Payment Dates.

Origination Rep and Warranty/Servicing Breach Settlement Loan Allocation Amount (Cap): With respect to any Origination Rep and Warranty/Servicing Breach Settlement, an amount equal to the greater of (A) zero or (B)(1) the product of (a) the settlement proceeds received by Freddie Mac in connection with such Origination Rep and Warranty/Servicing Breach Settlement and (b) the percentage expressed as a fraction, (i) the numerator of which is the sum of the original UPB of such Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations that Freddie Mac identified as having (x) Underwriting Defects or Unconfirmed Underwriting Defects or (y) Major Servicing Defects, as applicable, through the related Origination Rep and Warranty/Servicing Breach Settlement date, and (ii) the denominator of which is the sum of the original UPB for all the Mortgage Loans (including, among others, Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations) covered by such Origination Rep and Warranty/Servicing Breach Settlement that Freddie Mac identified as having (x) Underwriting Defects or Unconfirmed Underwriting Defects or (y) Major Servicing Defects, as applicable, through the related Origination Rep and Warranty/Servicing Breach Settlement date minus (2) the aggregate amount of unreimbursed Credit Event Net Losses on such Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations that Freddie Mac identified as having Underwriting Defects or Major Servicing Defects, as applicable, through the related Origination Rep and Warranty/Servicing Breach Settlement date (exclusive of the related settlement proceeds).

Origination Rep and Warranty/Servicing Breach Settlement Reference Obligations: Reference Obligations (including Credit Event Reference Obligations) that are covered by an Origination Rep and Warranty/Servicing Breach Settlement.

Overcollateralization Amount: With respect to each Payment Date, an amount equal to (a) the aggregate amount of Write-up Excesses for such Payment Date and all prior Payment Dates, *minus* (b) the aggregate amount of Write up Excesses used to offset Tranche Write-down Amounts on all prior Payment Dates.

Payment Date: The 25th day of each calendar month (or, if not a Business Day, the following Business Day), commencing in May 2016.

Preliminary Class Notional Amount: With respect to each Reference Tranche, the amount which is equal to the Class Notional Amount of such Reference Tranche immediately prior to such Payment Date, after the application of the Preliminary Tranche Write-down Amount in accordance with the same priorities set forth in Section 3.03(b) hereof, and after the application of the Preliminary Tranche Write-up Amount in accordance with the same priorities set forth in the Section 3.03(c) hereof.

Preliminary Principal Loss Amount: The amount which is equal to the Principal Loss Amount computed without giving effect to clause (d) of the definition of Principal Loss Amount.

Preliminary Tranche Write-down Amount: The amount which is equal to the Tranche Write-down Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

Preliminary Tranche Write-up Amount: The amount which is equal to the Tranche Write-up Amount computed using the Preliminary Principal Loss Amount instead of the Principal Loss Amount.

Principal Loss Amount: With respect to each Payment Date, the sum of: (a) the aggregate amount of Credit Event Net Losses for all Credit Event Reference Obligations for the related Reporting Period; (b) the aggregate amount of court-approved principal reductions (“**cramdowns**”) on the Reference Obligations in the related Reporting Period; (c) subsequent losses on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date; and (d) amounts included in the *second, fifth, sixth, eighth, and tenth* priorities set forth in Section 3.03(f) hereof.

Principal Recovery Amount: With respect to each Payment Date, the sum of: (a) the aggregate amount of Credit Event Net Losses for all Reversed Credit Event Reference Obligations for the related Reporting Period; (b) subsequent recoveries on any Reference Obligation that became a Credit Event Reference Obligation on a prior Payment Date; (c) the aggregate amount of the Credit Event Net Gains of all Credit Event Reference Obligations for

the related Reporting Period; (d) the Origination Rep and Warranty/Servicing Breach Settlement Amount for such Payment Date; and (e) the Projected Recovery Amount.

Projected Recovery Amount: The fair value of the estimated amount of subsequent recoveries, determined by Freddie Mac on the Termination Date, at its sole discretion, on the Credit Event Reference Obligations.

Rating Agencies: Moody's and S&P.

Rating Agencies Information Website: The internet website with respect to the Notes, initially located at www.structuredfn.com, access to which is limited to the Rating Agencies and NRSROs who have been provided access.

Record Date: With respect to each Payment Date, (i) the close of business on the Business Day immediately preceding that Payment Date, with respect to Notes issued in global form, and (ii) the close of business on the last Business Day of the preceding month, with respect to definitive Notes.

Recovery Principal: With respect to any Payment Date, the sum of (a) the excess, if any, of the Credit Event Amount for such Payment Date, *over* the Tranche Write-down Amount for such Payment Date; and (b) the Tranche Write-up Amount for such Payment Date.

Reference Obligations: The residential mortgage loans identified on http://www.freddiemac.com/creditriskofferings/security_data.html.

Reference Pool: All of the Reference Obligations, collectively.

Reference Pool Removal: A Reference Obligation removed from the Reference Pool because (i) the Reference Obligation becomes a Credit Event Reference Obligation; (ii) the Reference Obligation is paid in full; (iii) of the identification and final determination, through Freddie Mac's quality control process, of an Underwriting Defect or Major Servicing Defect relating to the Reference Obligation; (iv) of the discovery of a violation of the Eligibility Criteria for such Reference Obligation; or (v) the Reference Obligation is seized pursuant to any special eminent domain proceeding brought by any federal, state or local government instrumentality with the intent to provide relief to financially-distressed borrowers with negative equity in the underlying mortgage loan. Reference Obligations will not be removed from the Reference Pool if they undergo a temporary or permanent modification and they do not meet any other criteria in the prior sentence to be removed.

Reference Tranches: Eleven (11) classes of "hypothetical" tranches deemed to be backed by the Reference Pool, referred to as Class A-H, Class M-1, Class M-1H, Class M-2, Class M-2H, Class M-3A, Class M-3AH, Class M-3B, Class M-3BH, Class B and Class B-H Reference Tranches, with the following initial Class Notional Amounts:

<u>Classes of Reference Tranches</u>	<u>Initial Class Notional Amount</u>
Class A-H	\$28,614,901,949
Class M-1 and Class M-1H ⁽¹⁾	\$256,028,070
Class M-2 and Class M-2H ⁽²⁾	\$271,088,545
Class M-3A and Class M-3AH ⁽³⁾	\$338,860,681
Class M-3B and Class M-3BH ⁽⁴⁾	\$338,860,681
Class B and Class B-H ⁽⁵⁾	\$301,209,494

(1) Pursuant to the hypothetical structure, the Class M-1 and Class M-1H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-1 and Class M-1H Reference Tranches combined. The initial Class Notional Amount of the Class M-1 Reference Tranche is \$187,000,000 (which corresponds to the initial Class Principal Balance of the Class M-1 Notes) and the initial Class Notional Amount for the Class M-1H Reference Tranche is \$69,028,070.

(2) Pursuant to the hypothetical structure, the Class M-2 and Class M-2H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-2 and Class M-2H Reference Tranches combined. The initial Class Notional Amount of the Class M-2 Reference Tranche is \$198,000,000 (which corresponds to the initial Class Principal Balance of the Class M-2 Notes) and the initial Class Notional Amount for the Class M-2H Reference Tranche is \$73,088,545.

(3) Pursuant to the hypothetical structure, the Class M-3A and Class M-3AH Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-3A and Class M-3AH Reference Tranches combined. The initial Class Notional Amount of the Class M-3 Reference Tranche is \$247,500,000 (which corresponds to the initial Class Principal Balance of the Class M-3A Notes) and the initial Class Notional Amount for the Class M-3AH Reference Tranche is \$91,360,681.

(4) Pursuant to the hypothetical structure, the Class M-3B and Class M-3BH Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-3B and Class M-3BH Reference Tranches combined. The initial Class Notional Amount of the Class M-3B Reference Tranche is \$247,500,000 (which corresponds to the initial Class Principal Balance of the Class M-3B Notes) and the initial Class Notional Amount for the Class M-3BH Reference Tranche is \$91,360,681.

(5) Pursuant to the hypothetical structure, the Class B and Class B-H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class B and Class B-H Reference Tranches combined. The initial Class Notional Amount of the Class B Reference Tranche is \$36,000,000 (which corresponds to the initial Class Principal Balance of the Class B Notes) and the initial Class Notional Amount for the Class B-H Reference Tranche is \$265,209,494.

Register: A register of the Holders of Notes maintained by the Global Agent.

Registrar: U.S. Bank or its successor in interest.

Reporting Period: With respect to each Payment Date and for purposes of making calculations with respect to the hypothetical structure and Reference Tranches as set forth in this Agreement:

(a) in the case of all principal collections, other than full prepayments, on the Reference Obligations, the period from and including the 16th day of the second calendar month preceding the month in which such Payment Date occurs to and including the 15th day of the calendar month immediately preceding the month in which such Payment Date occurs,

(b) in the case of full principal prepayments on the Reference Obligations, in the case of determining loan modifications, Unconfirmed Underwriting Defects, Underwriting Defects, Unconfirmed Servicing Defects, Minor Servicing Defects or Major Servicing Defects, and in the case of determining Credit Events resulting from short sales being settled, from charge-offs, from a seriously delinquent Mortgage Note being sold prior to foreclosure, from the Mortgaged Property that secured the related Mortgage Note being sold to a third party at a foreclosure sale, or from an REO disposition, the period from but excluding the 2nd Business Day of the calendar month immediately preceding the month in which such Payment Date occurs to and including the 2nd Business Day of the calendar month in which such Payment Date occurs, and

(c) in the case of determining delinquency status with respect to each Reference Obligation, the last day of the second calendar month preceding the month in which such Payment Date occurs.

Reversed Credit Event Reference Obligation: With respect to each Payment Date, a Reference Obligation formerly in the Reference Pool that became a Credit Event Reference Obligation in a prior Reporting Period that is found in the related Reporting Period, through Freddie Mac's quality control process, to have an Underwriting Defect, Major Servicing Defect or a data correction that invalidates the previously determined Credit Event.

S&P: Standard & Poor's Ratings Services, and its successors.

Scheduled Principal: With respect to any Payment Date is the sum of all monthly scheduled payments of principal due (whether with respect to the related Reporting Period or any prior Reporting Period) on the Reference Obligations in the Reference Pool and collected by Freddie Mac during the related Reporting Period.

Senior Percentage: With respect to any Payment Date is the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Class A-H Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations at the end of the previous Reporting Period.

Senior Reduction Amount: With respect to any Payment Date is either:

(a) with respect to each Payment Date, if any of the Minimum Credit Enhancement Test, the Cumulative Net Credit Event Test or the Delinquency Test is not satisfied, the sum of:

- (i) the Senior Percentage of the Scheduled Principal for such Payment Date,
- (ii) 100% of the Unscheduled Principal for such Payment Date, and
- (iii) 100% of the Recovery Principal for such Payment Date; or

(b) with respect to each Payment Date, if the Minimum Credit Enhancement Test, the Cumulative Net Credit Event Test and the Delinquency Test are satisfied, the sum of:

- (i) the Senior Percentage of the Scheduled Principal for such Payment Date,
- (ii) the Senior Percentage of the Unscheduled Principal for such Payment Date, and
- (iii) 100% of Recovery Principal for such Payment Date.

Strip Initial Exchange Date: The 15th day following the Closing Date (or if such 15th day is not a Business Day, the next Business Day).

Subordinate Reduction Amount: With respect to any Payment Date, the sum of the Scheduled Principal, Unscheduled Principal and Recovery Principal for such Payment Date, less the Senior Reduction Amount.

Subordinate Percentage: With respect to any Payment Date, is the percentage equal to 100% *minus* the Senior Percentage for such Payment Date.

Termination Date: The earliest of (i) the Maturity Date, (ii) the Early Redemption Date, and (iii) the Payment Date on which the aggregate Class Principal Balance of all outstanding Classes of Original Notes is reduced to zero (without giving effect to any allocations of Tranche Write-down Amounts or Tranche Write-up Amounts on such Payment Date and all prior Payment Dates) and accrued and unpaid interest due on the Original Notes has been paid in full.

Tranche Write-down Amount: With respect to each Payment Date, the excess, if any, of the Principal Loss Amount for such Payment Date over the Principal Recovery Amount for such Payment Date. With respect to each Payment Date, the Class Notional Amount for the Class A-H Reference Tranche will be increased by the excess, if any, of the Tranche Write-down Amount for such Payment Date over the Credit Event Amount for such Payment Date.

Tranche Write-up Amount: With respect to each Payment Date, the excess, if any, of the Principal Recovery Amount for such Payment Date over the Principal Loss Amount for such Payment Date.

Unconfirmed Servicing Defect: With respect to any Reference Obligation, the existence of the following, as determined by Freddie Mac in its sole discretion, (a) there is a violation of the servicing guidelines and other requirements in the Freddie Mac Single Family Seller/Servicer Guide (the “**Guide**”, as modified by the terms of the related servicer’s contract, including any related terms of business (“**TOBs**”)); and (b) Freddie Mac has issued a notice of defect, repurchase letter or a repurchase alternative letter related to the servicing breach. For the avoidance of doubt, Reference Obligations with minor technical violations, which in each case Freddie Mac determines to be acceptable Reference Obligations, may not result in an Unconfirmed Servicing Defect.

Unconfirmed Underwriting Defect: With respect to any Reference Obligation, the existence of the following, as determined by Freddie Mac in its sole discretion: (i) there is a material violation of the underwriting guidelines and other requirements in the Guide (as modified by any related TOBs) with respect to such Reference Obligation, (ii) Freddie Mac determines that as of the origination date such Reference Obligation was secured by collateral that was inadequate or (iii) Freddie Mac determines that as of the origination date repayment in full on such Reference Obligation from the related mortgagor could not be expected. For the avoidance of doubt, any Reference Obligation with minor technical violations or missing documentation, which in each case Freddie Mac determines to be an acceptable Reference Obligation, will not result in an Unconfirmed Underwriting Defect.

Underwriting Defect: With respect to any Payment Date and any Reference Obligation for which Freddie Mac has determined the existence of an Unconfirmed Underwriting Defect, the occurrence of any of the following: (i) such Reference Obligation is repurchased by the related seller or servicer during the related Reporting Period, (ii) in lieu of repurchase, an alternative remedy (such as indemnification) is mutually agreed upon by both Freddie Mac and the related seller or servicer during the related Reporting Period, (iii) Freddie Mac in its sole discretion elects to waive the enforcement of a remedy against the seller or servicer in respect of such Unconfirmed Underwriting Defect during the related Reporting Period or (iv) the party responsible for the representations and warranties and/or servicing obligations or liabilities with respect to the Reference Obligation becomes subject to a bankruptcy, an insolvency proceeding or a receivership.

Unscheduled Principal: With respect to each Payment Date, the sum of:

(a) all partial principal prepayments on the Reference Obligations collected during the related Reporting Period; *plus*

(b) the aggregate unpaid principal balance of all Reference Obligations that become Reference Pool Removals during the related Reporting Period other than Credit Event Reference Obligations or any Reversed Credit Event Reference Obligations, *plus*

(c) negative adjustments in the unpaid principal balance of all Reference Obligations as the result of loan modifications or data corrections, *minus*

(d) positive adjustments in the unpaid principal balance of all Reference Obligations as

the result of loan modifications, reinstatements into the Reference Pool or Reference Obligations that were previously removed from the Reference Pool in error, or data corrections.

In the event the amount in clause (d) above exceeds the sum of the amounts in clauses (a), (b), and (c) above, the Unscheduled Principal for the applicable Payment Date will be zero, and the Class Notional Amount for the Class A-H Reference Tranche will be increased by the amount that the amount in clause (d) above exceeds the sum of the amounts in clauses (a), (b), and (c) above. In the event that Freddie Mac were to ever employ a policy that permitted or required principal forgiveness as a loss mitigation alternative, any principal that may be forgiven with respect to a Reference Obligation will be treated as a negative adjustment in unpaid principal balance of such Reference Obligation pursuant to clause (c) above.

U.S. Bank: U.S. Bank National Association.

Write-up Excess: With respect to each Payment Date, the excess, if any, of the Tranche Write-up Amount for such Payment Date over the Tranche Write-up Amount allocated on such Payment Date pursuant to clauses (i) through (v) of “*Allocation of Tranche Write-up Amounts to the Reference Tranches*” in Section 3.03(c) of this Agreement.

ARTICLE II

Authorization; Certain Terms

Section 2.01. Authorization.

The Notes shall be issued by Freddie Mac in accordance with the authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act. The indebtedness represented by the Original Notes shall be unsecured general obligations of Freddie Mac.

Section 2.02. Notes Held or Acquired by Freddie Mac.

Freddie Mac shall have the right to purchase and hold for its own account any Note and to otherwise acquire (either for cash or in exchange for newly-issued Notes) all or a portion of the Notes. Notes of any particular Class held or acquired by Freddie Mac shall have an equal and proportionate benefit to Notes of the same Class held by other Holders, without preference, priority or distinction, except that in determining whether the Holders of the required percentage of the outstanding principal amount (or notional principal amount) of the Notes have given any required demand, authorization, notice, consent or waiver under this Agreement, any Notes owned by Freddie Mac or any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac shall be disregarded and deemed not to be outstanding for the purpose of such determination.

ARTICLE III

Payments to Holders; Maturity; Early Redemption

Section 3.01. General.

(a) *General.* Payments in respect of Notes shall be made in immediately available funds to DTC, Euroclear, Clearstream or any other applicable clearing system, or their respective nominees, as the case may be, as the Holders thereof. Payments to a Holder of definitive Notes shall be made by electronic transfer of funds not later than the applicable Payment Date to a bank account designated by such Holder. Such payments shall be made in U.S. dollars. All payments to or upon the order of the Holder of a Note shall be valid and effective to discharge the liability of Freddie Mac in respect of an Original Note or a MAC Note representing an interest in Exchangeable Notes. Ownership positions within each system referenced herein shall be determined in accordance with the normal conventions observed by such system. Freddie Mac, the Global Agent, the Exchange Administrator and the Registrar shall not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a DTC Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Ownership of any Notes will be as indicated in the Register maintained by the Global Agent.

All payments on Notes are subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, payments in respect of the related Notes shall be made at the office of any paying agent in the United States.

(b) *Business Day Convention.* In any case in which a Payment Date is not a Business Day, payment on the Notes shall not be made on such date but shall be made on the next Business Day with the same force and effect as if made on such Payment Date. No interest on such payment shall accrue for the period from and after such Payment Date to the actual date of such payment.

(c) *Withholding Requirements.* In the event that any jurisdiction imposes any withholding or other tax on any payment made by Freddie Mac (or its agent, the Exchange Administrator, or any other person potentially required to withhold) with respect to a Note, Freddie Mac (or its agent, the Exchange Administrator, or such other person) will deduct the amount required to be withheld from such payment, and Freddie Mac (or its agent, the Exchange Administrator, or such other person) will not be required to pay additional interest or other amounts, or redeem or repay the Notes prior to the Maturity Date, as a result.

(d) *Tax Reporting.* Freddie Mac (or its agent) shall furnish or make available, at such times as required by applicable law, to each Holder or Beneficial Owner of Original Notes such information as Freddie Mac (or its agent) is required or deems necessary or desirable to enable Holders and Beneficial Owners to prepare their U.S. federal income tax returns, if applicable. The Global Agent (or its agent), upon receiving direction from the Exchange Administrator, shall furnish or make available to each Holder or Beneficial Owner of MAC Notes information to facilitate tax reporting by a Holder or Beneficial Owner with respect to the MAC Notes,

including tax reporting relating to original issue discount (“**OID**”), provided that for purposes of information reporting relating to OID, the Exchange Administrator shall calculate the yield to maturity with respect to a MAC Note based on the relevant prepayment assumption used to price the Exchangeable Notes. In addition, for the MAC Notes included in Combinations 1 and 3 set forth in *Appendix II* that pay stated interest at a variable rate, the Exchange Administrator shall assume that the variable rate is a fixed rate equal to the value of the variable rate as of the Strip Initial Exchange Date, and for the MAC Notes included in Combination 2 set forth in *Appendix II* that pay stated interest at a variable rate, the Exchange Administrator shall assume that the variable rate is a fixed rate equal to the value of the variable rate as of the Closing Date.

(e) *Determination Final.* The determination by Freddie Mac or the Global Agent of the interest rate on the Notes and the determination of any payment on any Note (or any interim calculation in the determination of any such interest rate, index or payment) shall, absent manifest error, be final and binding on all parties. If a principal or interest payment error occurs, Freddie Mac or the Global Agent may correct it by adjusting payments to be made on later Payment Dates or in any other manner Freddie Mac or the Global Agent considers appropriate. If the source of One-Month LIBOR changes in format, but Freddie Mac or the Global Agent determines that the source continues to disclose the information necessary to determine the related Class Coupon substantially as required, Freddie Mac will amend the procedure for obtaining information from that source to reflect the changed format. All One-Month LIBOR values used to determine interest payments are subject to correction within 30 days from the applicable payment. The source of a corrected value must be the same source from which the original value was obtained. A correction might result in an adjustment on a later date to the amount paid to the Holder.

Section 3.02. Interest Payments. The amount of interest that will accrue on a given Class of Notes during each Accrual Period is equal to:

- the Class Coupon for such Class of Notes for such Accrual Period (calculated using the Class Coupon Formula for such Class of Notes, if applicable), multiplied by
- the Class Principal Balance (or Notional Principal Amount) of such Class of Notes immediately prior to such Payment Date, multiplied by
- a fraction, the numerator of which is the actual number of days in such Accrual Period and the denominator of which is 360.

Interest shall be payable in arrears. Notwithstanding the foregoing, the amount of interest payable to any Class of Notes may be subject to reduction or increase as set forth under Section 3.03(f) or Section 3.03(g) hereof, as applicable.

Section 3.03. Hypothetical Structure and Reference Tranches.

(a) *General.* Solely for purposes of making the calculations for each Payment Date of any (i) principal write-downs (or write-ups) on the Notes as a result of Credit Events (or reversals thereof) or Modification Events on the Reference Obligations, (ii) any reduction or increase in

interest amounts on the Notes as a result of Modification Events on the Reference Obligations and (iii) principal payments required to be made on the Notes by Freddie Mac, a hypothetical structure of 11 classes of Reference Tranches (the Class A-H, Class M-1, Class M-1H, Class M-2, Class M-2H, Class M-3A, Class M-3AH, Class M-3B, Class M-3BH, Class B and Class B-H Reference Tranches) deemed to be backed by the Reference Pool is hereby established. Each Class of Reference Tranche will have the initial Class Notional Amount set forth in the definition of “Reference Tranches” in Article I (Definitions) in this Agreement, and the aggregate of the initial Class Notional Amounts of all the Reference Tranches will equal the Cut-off Date Balance.

(b) *Allocation of Tranche Write-down Amounts to the Reference Tranches.* On each Payment Date on or prior to the Termination Date, the amount, if any, of the Tranche Write-down Amount for that Payment Date will be allocated, *first*, to reduce any Overcollateralization Amount for such Payment Date, until such Overcollateralization Amount is reduced to zero, and, *second*, to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (ii) *second*, to the Class M-3B and Class M-3BH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (iii) *third*, to the Class M-3A and Class M-3AH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (iv) *fourth*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (v) *fifth*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and
- (vi) *sixth*, to the Class A-H Reference Tranche, but only in an amount equal to the excess, if any, of the remaining unallocated Tranche Write-down Amount for such Payment Date over the Principal Loss Amount for such Payment Date attributable to clause (d) of the definition of “Principal Loss Amount”.

(c) *Allocation of Tranche Write-up Amounts to the Reference Tranches.* On each Payment Date on or prior to the Termination Date, the Tranche Write-up Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of each Class of Reference Tranche in the following order of priority until the cumulative Tranche Write-up Amounts allocated to each such Class of Reference Tranche is equal to the cumulative Tranche Write-down Amounts previously allocated to such Class of Reference Tranche on or prior to such Payment Date:

- (i) *first*, to the Class A-H Reference Tranche,

(ii) *second*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iii) *third*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class M-3A and Class M-3AH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(v) *fifth*, to the Class M-3B and Class M-3BH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and

(vi) *sixth*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date.

(d) *Allocation of Senior Reduction Amount to the Reference Tranches.* On each Payment Date prior to the Termination Date, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date as described above, the Senior Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

(i) *first*, to the Class A-H Reference Tranche,

(ii) *second*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iii) *third*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class M-3A and Class M-3AH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(v) *fifth*, to the Class M-3B and Class M-3BH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and

(vi) *sixth*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date.

(e) *Allocation of Subordinate Reduction Amount to the Reference Tranches.* On each Payment Date prior to the Termination Date, after allocation of the Senior Reduction Amount and the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment

Date as described above, the Subordinate Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

- (i) *first*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (ii) *second*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their *Class* Notional Amounts immediately prior to such Payment Date,
- (iii) *third*, to the Class M-3A and Class M-3AH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (iv) *fourth*, to the Class M-3B and Class M-3BH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,
- (v) *fifth*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and
- (vi) *sixth*, to the Class A-H Reference Tranche.

(f) *Allocation of Modification Loss Amount.* On each Payment Date on or prior to the Termination Date, the Preliminary Principal Loss Amount, the Preliminary Tranche Write-down Amount, the Preliminary Tranche Write-up Amount, and the Preliminary Class Notional Amount will be computed prior to allocating the Modification Loss Amount, as set forth below.

On each Payment Date on or prior to the Termination Date, the Modification Loss Amount, if any, for such Payment Date, will be allocated in the following order of priority:

- (i) *first*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class B Reference Tranche is equal to the Class B Notes Interest Accrual Amount;
- (ii) *second*, to the Class B and Class B-H Reference Tranches, *pro rata*, based on their Preliminary Class Notional Amounts for such Payment Date until the aggregate amount allocated to the Class B and Class B-H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class B and Class B-H Reference Tranches for such Payment Date;
- (iii) *third*, to the Class M-3B and Class M-3BH Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, until the

amount allocated to the Class M-3B Reference Tranche is equal to the Class M-3B Notes Interest Accrual Amount;

(iv) *fourth*, to the Class M-3A and Class M-3AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-3A Reference Tranche is equal to the Class M-3A Notes Interest Accrual Amount;

(v) *fifth*, to the Class M-3B and Class M-3BH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date until the aggregate amount allocated to the Class M-3B and Class M-3BH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class M-3B and Class M-3BH Reference Tranches for such Payment Date;

(vi) *sixth*, to the Class M-3A and Class M-3AH Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date until the aggregate amount allocated to the Class M-3A and Class M-3AH Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class M-3A and Class M-3AH Reference Tranches for such Payment Date;

(vii) *seventh*, to the Class M-2 and Class M-2H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-2 Reference Tranche is equal to the Class M-2 Notes Interest Accrual Amount;

(viii) *eighth*, to the Class M-2 and Class M-2H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date until the aggregate amount allocated to the Class M-2 and Class M-2H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class M-2 and Class M-2H Reference Tranches for such Payment Date;

(ix) *ninth*, to the Class M-1 and Class M-1H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-1 Reference Tranche is equal to the Class M-1 Notes Interest Accrual Amount; and

(x) *tenth*, to the Class M-1 and Class M-1H Reference Tranches, pro rata, based on their Preliminary Class Notional Amounts for such Payment Date until the aggregate amount allocated to the Class M-1 and Class M-1H Reference Tranches is equal to the aggregate of the Preliminary Class Notional Amounts of the Class M-1 and Class M-1H Reference Tranches for such Payment Date.

Any amounts allocated to the Class M-1, Class M-2, Class M-3A, Class M-3B or Class B Reference Tranches in the *ninth, seventh, fourth, third, or first* priority above will result in a corresponding reduction of the Interest Payment Amount of the Class M-1, Class M-2, Class M-3A, Class M-3B or Class B Notes, as applicable (in each case without regard to any exchanges of Exchangeable Notes for MAC Notes). With respect to any Class M-2 Notes that have been exchanged for the Class M-2I and Class M-2F Notes, any Class M-3A and the Class M-3B Notes that have been exchanged for the Class M-3 Notes or any Class M-3A Notes that have been exchanged for the Class M-3AI and Class M-3AF Notes, any Modification Loss Amount that is allocable in the *third, fourth or seventh* priority above on any Payment Date to such exchanged Exchangeable Notes will be allocated to reduce the Interest Payment Amounts, as applicable, of such MAC Notes for such Payment Date, pro rata, based on their Interest Accrual Amounts. Any amounts allocated to any of the Reference Tranches in the *second, fifth, sixth, eighth, or tenth* priority above will be included in the Principal Loss Amount for the related Payment Date.

(g) *Allocation of Modification Gain Amount.* On each Payment Date on or prior to the Termination Date, the Modification Gain Amount, if any, for such Payment Date, will be allocated in the following order of priority:

(i) *first*, to the Class M-1 and Class M-1H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-1 Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amount allocated to reduce the Interest Payment Amount on the Class M-1 Notes on all prior Payment Dates;

(ii) *second*, to the Class M-2 and Class M-2H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-2 Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amount allocated to reduce the Interest Payment Amount on the Class M-2 Notes on all prior Payment Dates;

(iii) *third*, to the Class M-3A and Class M-3AH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-3A Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amount allocated to reduce the Interest Payment Amount on the Class M-3A Notes on all prior Payment Dates;

(iv) *fourth*, to the Class M-3B and Class M-3BH Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class M-3B Reference Tranche is equal to the cumulative

amount of unreimbursed Modification Loss Amount allocated to reduce the Interest Payment Amount on the Class M-3B Notes on all prior Payment Dates;

(v) *fifth*, to the Class B and Class B-H Reference Tranches, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date, until the amount allocated to the Class B Reference Tranche is equal to the cumulative amount of unreimbursed Modification Loss Amount allocated to reduce the Interest Payment Amount on the Class B Notes on all prior Payment Dates; and

(vi) *sixth*, to the most subordinate Classes of pro rata Reference Tranches outstanding, pro rata, based on their Class Notional Amounts immediately prior to such Payment Date.

Any amounts allocated to the Class M-1, Class M-2, Class M-3A, Class M-3B or Class B Reference Tranches above on any Payment Date will result in a corresponding increase of the Interest Payment Amount of the Class M-1, Class M-2, Class M-3A, Class M-3B or Class B Notes, as applicable (in each case without regard to any exchanges of Exchangeable Notes for MAC Notes for such Payment Date). If the Class M-2 Notes have been exchanged for the Class M-2I and Class M-2F Notes, the Class M-3A Notes and the Class M-3B Notes have been exchanged for the Class M-3 Notes or the Class M-3A Notes have been exchanged for the Class M-3AI and Class M-3AF Notes, any Modification Gain Amount that is allocable to such exchanged Exchangeable Notes on any Payment Date will be allocated to increase the Interest Payment Amounts, as applicable, of such MAC Notes for such Payment Date, pro rata, based on their Interest Accrual Amounts.

(h) *Notes Acquired by Freddie Mac*. Freddie Mac may, from time to time, repurchase or otherwise acquire (either for cash or in exchange for newly-issued Notes) some or all of the Notes at any price or prices, in the open market or otherwise. Freddie Mac may hold, sell or cancel any such repurchased Notes. Any Notes Freddie Mac owns shall have an equal and proportionate benefit under the provisions of this Agreement, without preference, priority or distinction as among those Notes. However, in determining whether the required percentage of Holders of the Notes have given any required demand, authorization, notice, consent or waiver, Notes Freddie Mac owns, directly or indirectly, shall be deemed not to be outstanding. For the avoidance of doubt, any Notes repurchased or otherwise acquired by Freddie Mac shall no longer be considered issued and outstanding for any U.S. federal tax purpose. Notwithstanding the foregoing, in the event Freddie Mac cancels any Notes pursuant to this Section 3.03(h), solely for purposes of making calculations with respect to the hypothetical structure and Reference Tranches, such Notes and related Reference Tranches shall be deemed to continue to be outstanding in accordance with the terms set forth in this Agreement. For the avoidance of doubt, no payments shall be made with respect to any such cancelled Notes.

Section 3.04. Principal Payments and Other Allocations on the Notes.

(a) *Reductions in Class Principal Balances of the Notes.* On each Payment Date on or prior to the Termination Date, the Class Principal Balance of each Class of Original Notes will be reduced (in each case without regard to any exchanges of Exchangeable Notes for MAC Notes), without any corresponding payment of principal, by the amount of the reduction, if any, in the Class Notional Amount of the Corresponding Class of Reference Tranche due to the allocation of Tranche Write-down Amounts to such Class of Reference Tranche on such Payment Date pursuant to Section 3.03(b) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes is outstanding, all Tranche Write-down Amounts that are allocable to Exchangeable Notes that were exchanged for such MAC Notes will be allocated to reduce the Class Principal Balances or Notional Principal Amounts, as applicable, of such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(b) *Increases in Class Principal Balances of the Notes.* On each Payment Date on or prior to the Termination Date, the Class Principal Balance of each Class of Original Notes will be increased (in each case without regard to any exchanges of Exchangeable Notes for MAC Notes) by the amount of the increase, if any, in the Class Notional Amount of the Corresponding Class of Reference Tranche due to the allocation of Tranche Write-up Amounts to such Class of Reference Tranche on such Payment Date pursuant to Section 3.03(c) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes is outstanding, all Tranche Write-up Amounts that are allocable to Exchangeable Notes that were exchanged for such MAC Notes will be allocated to increase the Class Principal Balances or Notional Principal Amounts, as applicable, of such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(c) *Principal Payments on the Notes.* On each Payment Date prior to the Maturity Date or the Early Redemption Date, Freddie Mac (or its agent, the Global Agent) will pay principal on each Class of Original Notes (in each case without regard to any exchanges of Exchangeable Notes for MAC Notes) in reduction of its Class Principal Balance in an amount equal to the portion of the Senior Reduction Amount and/or Subordinate Reduction Amount, as applicable, allocated to reduce the Class Notional Amount of the Corresponding Class of Reference Tranche on such Payment Date pursuant to Sections 3.03 (d) and (e) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Exchangeable Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination. The Interest Only MAC Notes are not entitled to receive payments of principal.

Section 3.05. Determination of One-Month LIBOR.

Pursuant to the terms of the Global Agency Agreement, the Global Agent shall calculate the Class Coupons for the applicable Classes of Notes (including MAC Notes on which the Exchange Administrator has directed the Global Agent to make payments) for each Accrual

Period (after the first Accrual Period) on the applicable LIBOR Adjustment Date.

“**One-Month LIBOR**” will be determined by using the “Interest Settlement Rate” for U.S. dollar deposits with a maturity of one month set by ICE Benchmark Administration Limited (“**ICE**”) as of 11:00 a.m. (London time) on the LIBOR Adjustment Date (the “**ICE Method**”).

ICE’s Interest Settlement Rates are currently displayed on Bloomberg L.P.’s page “BBAM.” That page, or any other page that may replace page BBAM on that service or any other service that ICE nominates as the information vendor to display the ICE’s Interest Settlement Rates for deposits in U.S. dollars, is a “**Designated Page.**” ICE’s Interest Settlement Rates currently are rounded to five decimal places.

If ICE’s Interest Settlement Rate does not appear on the Designated Page as of 11:00 a.m. (London time) on a LIBOR Adjustment Date, or if the Designated Page is not then available, One-Month LIBOR for that date will be the most recently published Interest Settlement Rate. If ICE no longer sets an Interest Settlement Rate, Freddie Mac will designate an alternative index that has performed, or that Freddie Mac (or its agent) expects to perform, in a manner substantially similar to ICE’s Interest Settlement Rate.

Section 3.06. Payment Procedures; Record Date.

(a) *Procedures.* Payments of principal and interest due to Holders of Classes maintained on the DTC System shall be paid by Freddie Mac (or the Global Agent, whether taking direction from Freddie Mac or from the Exchange Administrator) to DTC in immediately available funds. DTC shall be responsible for crediting the amount of such payments to the accounts of the applicable DTC Participants in accordance with its normal procedures. Payments with respect to Common Depository Notes shall be credited to Euroclear participants, Clearstream participants or participants of any other applicable clearing system in accordance with the relevant system’s rules and procedures.

Payments to a Holder of definitive Notes shall be made by electronic transfer of funds not later than the applicable Payment Date to a bank account designated by such Holder; *provided, however,* that the final payment on any definitive Note shall be made only upon presentation and surrender of the Holder’s definitive Note at the office of the Global Agent or other paying agent, as described in Section 4.04.

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 other manner as it deems appropriate.

(b) *Record Date.* Any payment made on a Class on any Payment Date shall be made to the Holders of record of such Class as of the related Record Date.

Section 3.07. Maturity.

(a) *General.* On the Maturity Date, Freddie Mac shall pay 100% of the outstanding Class

Principal Balance as of such date to the Holders of each Class of Original Notes (without regard to any exchanges of Exchangeable Notes for MAC Notes), after taking into account any allocations of any Tranche Write-down Amounts and Tranche Write-up Amounts applicable to such Classes for such Payment Date.

(b) *Payments to MAC Notes.* If on the Maturity Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Exchangeable Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination. The Interest Only MAC Notes are not entitled to receive payments of principal.

Section 3.08. Early Redemption Option.

(a) *General.* On any Payment Date at the earlier of (a) on or after the Payment Date on which the aggregate unpaid principal balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance of the Reference Pool; or (b) on or after the Payment Date in April 2026, Freddie Mac may, at its option, redeem the Original Notes. On such Payment Date, Freddie Mac shall pay an amount equal to the outstanding Class Principal Balance, after allocation of the Tranche Write-down Amount or Tranche Write-up Amount, if any, for such Payment Date, of each Class of Original Notes (without regard to any exchanges of Exchangeable Notes for MAC Notes), plus accrued and unpaid interest.

(b) *Payments to MAC Notes.* In the case of an early redemption as described in (a) above, if a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Exchangeable Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(c) *Notice.* Notice of optional redemption shall be given to Holders of the related Notes not less than 5 Business Days nor more than 60 calendar days prior to the Payment Date of the redemption in the manner provided in Section 6.08.

Section 3.09. MAC Notes.

(a) *General.* Pursuant to the procedures and fees set forth in the Exchange Administration Agreement, the Class M-3A and Class M-3B Notes may be exchanged, in whole or in part, for the Class M-3 Notes, and vice versa, pursuant to Combination 2 described in *Appendix II*, at any time on or after the Closing Date. On the Closing Date, the Class M-3A and Class M-3B Notes will be deemed to have been exchanged in their entirety for the Class M-3 Notes. The Class M-2 Notes and the Class M-3A Notes may be exchanged in whole or in part, for the corresponding MAC Notes, and vice versa, pursuant to Combination 1 and Combination 3 described in *Appendix II*, respectively, at any time after the Strip Initial Exchange Date. *Appendix II* describes the characteristics of the MAC Classes and the available Combinations of Exchangeable Notes and MAC Notes. Exchanges of Exchangeable Notes for MAC Notes, and vice versa, may occur repeatedly pursuant to the procedures set forth in the Exchange Administration Agreement.

(b) *Voting and Direction Rights of MAC Notes.* In the event that Exchangeable Notes have been exchanged for MAC Notes, the Holders of such MAC Notes will be entitled to exercise all the voting and direction rights that are allocated to such exchanged Exchangeable Notes and the outstanding balances of such MAC Notes will be used to determine if the requisite percentage of Holders under this Agreement has voted or given direction; provided that with respect to (x) any outstanding MAC Notes exchanged for Exchangeable Notes in Combination 1 set forth on *Appendix II*, the Class M-2I Notes so exchanged will be entitled to exercise 1% of the total voting or direction rights that were allocated to such exchanged Exchangeable Notes and the Class M-2F Notes so exchanged will be entitled to exercise 99% of the total voting or direction rights that were allocated to such exchanged Exchangeable Notes and (y) any outstanding MAC Notes exchanged for Exchangeable Notes in Combination 3 set forth on *Appendix II*, the Class M-3AI Notes so exchanged will be entitled to exercise 1% of the total voting or direction rights that were allocated to such exchanged Exchangeable and the Class M-3AF Notes so exchanged will be entitled to exercise 99% of the total voting or direction rights that were allocated to such exchanged Exchangeable Notes.

ARTICLE IV

Form; Clearance and Settlement Procedures; Minimum Denominations; Definitive Notes

Section 4.01. Form of Notes.

(a) *General.* Original Notes shall be deposited with (i) the Global Agent as a custodian for, and registered in the name of a nominee of, DTC, or (ii) the Global Agent as a Common Depositary, and registered in the name of such Common Depositary or a nominee of such Common Depositary. In the case of an exchange of a Exchangeable Note and a MAC Note, the Exchange Administrator shall direct the Global Agent to facilitate such exchange with DTC.

(b) *Title.* The person in whose name a Note is registered in the Register shall be the Holder of such Note. Beneficial interests in a Note shall be represented, and transfers thereof shall be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners of such Note, as a direct or indirect participant in the applicable clearing system for such Note.

Freddie Mac, the Global Agent, the Exchange Administrator and the Registrar may treat the Holders as the absolute owners of Notes for the purpose of making payments and for all other purposes, whether or not such Notes shall be overdue and notwithstanding any notice to the contrary. Owners of beneficial interests in a Note shall not be considered by Freddie Mac, the Global Agent, the Exchange Administrator or the Registrar as the owner or Holder of such Note and, except as provided in Section 4.04(a), shall not be entitled to have such Notes registered in their names and shall not receive or be entitled to receive definitive Notes. Any Beneficial Owner shall rely on the procedures of the applicable clearing system and, if such Beneficial

Owner is not a participant therein, on the procedures of the participant through which such Beneficial Owner holds its interest, to exercise any rights of a Holder of such Notes.

(c) *Global Agent and Exchange Administrator.* The Global Agent acts solely as a fiscal agent of Freddie Mac with respect to the Original Notes (and of the Exchange Administrator with respect to the MAC Notes) and does not assume any obligation or relationship of agency or trust for or with any Holder of an Original Note, except that any moneys held by the Global Agent for payment on an Original Note shall be held in trust for the Holder. The Global Agent does not assume any obligation or relationship of agency or trust for, or with, any Holder of an Original Note.

(d) *Registrar.* In acting under the Global Agency Agreement, the Registrar does not assume any obligation or relationship of agency or trust for, or with, any Holder of a Note.

Section 4.02. Clearance and Settlement Procedures.

(a) *General.* Notes distributed solely within the United States shall clear and settle through the DTC System, and Notes distributed solely outside of the United States shall clear and settle through the systems operated by Euroclear, Clearstream and/or any other designated clearing system or, in certain cases, DTC.

(b) *Primary Distribution.*

(i) *General.* On initial issue, the Notes shall be credited through one or more of the systems specified below.

(ii) *DTC.* DTC Participants acting on behalf of investors holding DTC Notes shall follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement System. DTC Notes shall be credited to DTC Participants' securities accounts following confirmation of receipt of payment to Freddie Mac on the Closing Date.

(iii) *Euroclear and Clearstream.* Investors holding Common Depository Notes through Euroclear, Clearstream or such other clearing system shall follow the settlement procedures applicable to conventional Eurobonds in registered form. Such Common Depository Notes shall be credited to Euroclear, Clearstream or such other clearing system participants' securities accounts either on the Closing Date or on the settlement day following the Closing Date against payment in same-day funds (for value on the Closing Date).

(c) *Secondary Market Transfers.* Transfers of beneficial interests in the Notes within the various systems that may be clearing and settling interests therein shall be made in accordance with the usual rules and operating procedures of the relevant system.

(d) *Limitation on Liability.* None of Freddie Mac, the Global Agent or the Exchange Administrator shall bear responsibility, in connection with the Notes, for the performance by any system or the performance of the system's respective direct or indirect participants or

accountholders of the respective obligations of such participants or accountholders under the rules and procedures governing such system's operations.

Section 4.03. Minimum Denominations.

The Original Notes shall be issued and maintained in minimum denominations of \$250,000 and additional increments of \$1.

Section 4.04. Definitive Notes.

(a) *Issuance of Definitive Notes.* Beneficial interests in Notes issued in global form shall be subject to exchange for definitive Notes only if such exchange is permitted by applicable law and (i) in the case of a DTC Note, DTC or Freddie Mac advise the Global Agent in writing that DTC is no longer willing, qualified or able to discharge properly its responsibilities as nominee and depository with respect to the DTC Notes and Freddie Mac (or its agent) is unable to locate a successor; (ii) in the case of a particular DTC Note or Common Depository Note, if all of the systems through which it is cleared or settled are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or are permanently closed for business or have announced an intention to permanently cease business and in any such situations Freddie Mac is unable to locate a single successor within 90 calendar days of such closure; or (iii) after the occurrence of an Event of Default, Holders of Notes having voting rights aggregating not less than a majority of all voting rights evidenced by the DTC Notes and Common Depository Notes advise the Global Agent and DTC through the Financial Intermediaries and the DTC Participants in writing that the continuation of a book-entry system through DTC (or successor thereto) is no longer in the best interests of such Holders. In such circumstances, Freddie Mac shall cause sufficient definitive Notes to be executed and delivered as soon as practicable (and in any event within 45 calendar days of Freddie Mac receiving notice of the occurrence of such circumstances) to the Global Agent or its agent for completion, authentication and delivery to the relevant registered holders of such definitive Notes. A person having an interest in a DTC Note or Common Depository Note issued in global form shall provide Freddie Mac or the Global Agent with a written order containing instructions and such other information as Freddie Mac or the Global Agent may require to complete, execute and deliver such definitive Notes in authorized denominations.

In the event that definitive Notes are issued in exchange for Notes issued in global form, such definitive Notes shall have terms identical to the Notes for which they were exchanged except as described below.

(b) *Title.* The person in whose name a definitive Note is registered in the Register shall be the "Holder" of such definitive Note.

(c) *Payments.* Payments of principal and interest on a definitive Note shall be made by wire transfer of immediately available funds with a bank designated by such Holder that is acceptable to Freddie Mac; provided, that such bank has appropriate facilities therefor and accepts such transfer and such transfer is permitted by any applicable law or regulation and will not subject Freddie Mac to any liability, requirement or unacceptable charge. In order for a

Holder to receive such payments, the relevant paying agent (including the Global Agent) must receive at their offices from such Holder (i) in the case of payments on a Payment Date, a written request therefor not later than the close of business on the related Record Date or (ii) in the case of the final principal payment (on the Maturity Date or any earlier date of redemption or repayment) the related definitive Note not later than two Business Days prior to such Payment Date. Such written request must be delivered to the relevant paying agent (including the Global Agent) by mail, by hand delivery or by any other method acceptable to the relevant paying agent. Any such request shall remain in effect until the relevant paying agent receives written notice to the contrary.

All payments on definitive Notes shall be subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or similar restrictions, payments in respect of the related definitive Notes may be made at the office of any paying agent in the United States.

(d) *Transfer and Exchange.* Definitive Notes shall be presented for registration of transfer or exchange (with the form of transfer included thereon properly endorsed, or accompanied by a written instrument of transfer, with such evidence of due authorization and guaranty of signature as may be required by Freddie Mac, duly executed) at the office of the Registrar or any other transfer agent upon payment of any taxes and other governmental charges and other amounts, but without payment of any service charge to the Registrar or such transfer agent for such transfer or exchange. A transfer or exchange shall not be effective unless, and until, recorded in the Register.

A transfer or exchange of a definitive Note shall be effected upon satisfying the Global Agent with regard to the documents and identity of the person making the request and subject to such reasonable regulations as Freddie Mac may from time to time agree with the Global Agent. Such documents may include forms prescribed by U.S. tax authorities to establish the applicability of, or the exemption from, withholding or other taxes regarding the transferee Holder. Definitive Notes may be transferred or exchanged in whole or in part only in the authorized denominations of the DTC Notes or Common Depositary Notes issued in global form for which they were exchanged. In the case of a transfer of a definitive Note in part, a new Note in respect of the balance not transferred shall be issued to the transferor. In addition, replacement of mutilated, destroyed, stolen or lost definitive Notes also is subject to the conditions discussed above with respect to transfers and exchanges generally. Each new definitive Note to be issued upon transfer of such a definitive Note, as well as the definitive Note issued in respect of the balance not transferred, shall be mailed to such address as may be specified in the form or instrument of transfer at the risk of the Holder entitled thereto in accordance with the customary procedures of the Global Agent.

Any definitive Note that becomes mutilated, destroyed, stolen or lost shall be replaced by Freddie Mac at the expense of the Holder upon delivery to the Global Agent of evidence of the destruction, theft or loss thereof, and an indemnity satisfactory to Freddie Mac and the Global Agent. Upon the issuance of any substituted definitive Note, Freddie Mac or the Global Agent may require the payment by the Holder of a sum sufficient to cover any taxes and expenses connected therewith.

ARTICLE V

Events of Default and Remedies

Section 5.01. Events of Default.

An “**Event of Default**” with respect to the Notes shall consist of any one of the following cases:

(a) any failure by Freddie Mac (or its agent) to pay to Holders of such Notes any required interest or principal payment that continues unremedied for 30 days;

(b) any failure by Freddie Mac to perform in any material way any other covenant or agreement in this Agreement, which failure continues unremedied for 60 days after the receipt of notice of such failure by Freddie Mac from the Holders of at least 25% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes); in the event that Exchangeable Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Exchangeable Notes as described herein.

(c) 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, or 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

(d) 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 possession by a receiver, liquidator, assignee, trustee, custodian, or sequestrator (or other similar official) of Freddie Mac or any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over Freddie Mac, whether or not Freddie Mac consents to such appointment, will not constitute an Event of Default.

Section 5.02. Rights Upon Event of Default.

(a) As long as an Event of Default under this Agreement remains unremedied, Holders of not less than 50% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes) to which such Event of Default relates may, by written notice to Freddie Mac, declare such Notes due and payable and accelerate the maturity of such Notes. In the event that Exchangeable Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Exchangeable Notes as described herein. Upon such acceleration, the Class Principal Balance of such Notes and the interest accrued thereon shall be due and payable.

(b) Prior to or after the institution of any action or proceeding relating to the Notes, the Holders of not less than 50% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes) to which such Event of Default relates may waive an Event of Default, whether or not it has resulted in a declaration of an acceleration of the maturity of the Notes, and may rescind and annul any previously declared acceleration. In the event that Exchangeable Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Exchangeable Notes as described herein.

(c) Whenever in this Agreement it is provided that the Holders of a specified percentage in outstanding Class Principal Balance of the Notes may take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced by a writing, or any number of writings of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing.

(d) No Holder of a Note has any right in any manner whatsoever by virtue of or by availing itself of any provision of this Agreement to affect, disturb or prejudice the rights of any other such Holder, or to obtain or seek to obtain preference or priority over any other such Holder or to enforce any right under this Agreement, except in the manner provided in this Agreement and for the ratable and common benefit of all such Holders.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. 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 the Holders or Beneficial Owners for any action taken, or not taken, by them in good faith under this Agreement or for errors in judgment. This provision will not protect Freddie Mac or any other related person against any liability which would otherwise be imposed

by reason of willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of obligations and duties under this Agreement. Freddie Mac and such related persons shall have no liability of whatever nature for special, indirect or consequential damages, lost profits or business, or any other liability or claim (other than for direct damages), even if reasonably foreseeable, or Freddie Mac has been advised of the possibility of such loss, damage, liability or claim. Freddie Mac and such related persons 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 under this Agreement.

In performing its responsibilities under this Agreement, Freddie Mac may employ agents or independent contractors. Except upon an Event of Default, Freddie Mac shall not be subject to the control of Holders in any manner in the discharge of its responsibilities pursuant to this Agreement.

Freddie Mac shall be under no obligation to appear in, prosecute or defend any legal action that is not incidental to its responsibilities under this Agreement and which in its opinion may involve it in any expense or liability. However, Freddie Mac may in its discretion undertake any such legal action which it may deem necessary or desirable in the interests of the Holders. In such event, the legal expenses and costs of such action shall be expenses and costs of Freddie Mac.

Section 6.02. Binding Effect of this Agreement.

By receiving and accepting a Note, each Holder, Financial Intermediary and Beneficial Owner of such Note unconditionally agrees, without any signature or further manifestation of assent, to be bound by the terms and conditions of this Agreement, as supplemented, modified or amended pursuant to its terms.

This Agreement shall be binding upon and inure to the benefit of any successor to Freddie Mac.

Section 6.03. Tax Treatment of the Notes.

By purchasing the Original Class M Notes (including any Original Class M Notes sold by virtue of a sale of related MAC Notes), Holders and Beneficial Owners agree to treat such Notes as indebtedness of Freddie Mac for U.S. federal income tax purposes, unless such Holders or Beneficial Owners are required to treat the Original Class M Notes in some other manner pursuant to a final determination by the Internal Revenue Service or by a court of competent jurisdiction (each a “**Final Tax Determination**”). By purchasing the Class B Notes, Holders agree to treat such Class B Notes as notional principal contracts for U.S. federal income tax purposes (except for U.S. withholding tax purposes) and, as a result, as (i) a deemed loan and (ii) an on-market swap, each of which is tax accounted for in the manner described in the Offering Circular, unless such Holders are required to treat the Class B Notes in some other manner pursuant to a Final Tax Determination. Holders and Beneficial Owners, as applicable, further agree (a) to prepare their U.S. federal income tax returns on the basis that (i) the Original Class M Notes (including any Original Class M Notes sold by virtue of a sale of related MAC Notes)

will be treated as indebtedness of Freddie Mac and/or (ii) the Class B Notes will be treated as (1) a deemed loan and (2) an on-market swap, and (b) to report items of income, deduction, gain or loss with respect to the Original Notes in a manner consistent with the information reported to them pursuant to Section 3.01(d), unless otherwise required pursuant to a previously-selected method for tax accounting for contingent notional principal contracts or a Final Tax Determination.

Section 6.04. Limitation of Rights of Holders.

The death or incapacity of any person having an interest, beneficial or otherwise, in a Note shall not operate to terminate this Agreement, 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 termination of any Notes, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

Section 6.05. Conditions to Payment, Transfer or Exchange.

Freddie Mac, its agent or any other person potentially required to withhold with respect to payments on a Note shall have the right to require a Holder of a Note, as a condition to payment of principal of or interest on such Note, or as a condition to transfer or exchange such Note, to present at such place as Freddie Mac, its agent or such other person shall designate a certificate in such form as Freddie Mac, its agent or such other person may from time to time prescribe, to enable Freddie Mac, its agent or such other person to determine its duties and liabilities with respect to (i) any taxes, assessments or governmental charges which Freddie Mac, the Global Agent, the Exchange Administrator or such other person, as the case may be, may be required to deduct or withhold from payments in respect of such Note under any present or future law of the United States or jurisdiction therein or any regulation or interpretation of any taxing authority thereof; and (ii) any reporting or other requirements under such laws, regulations or interpretations. Freddie Mac, its agent or such other person shall be entitled to determine its duties and liabilities with respect to such deduction, withholding, reporting or other requirements on the basis of information contained in such certificate or, if no certificate shall be presented, on the basis of any presumption created by any such law, regulation or interpretation, and shall be entitled to act in accordance with such determination.

Section 6.06. Amendment.

(a) Freddie Mac may modify, amend or supplement this Agreement and the terms of the Notes, without the consent of the Holders or Beneficial Owners, (i) to cure any ambiguity, or to correct or supplement any defective provision or to make any other provision with respect to matters or questions arising under this Agreement or the terms of any Note that are not inconsistent with any other provision of this Agreement or the Note; (ii) to add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac; (iii) to evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac; (iv) to conform the terms of an issue of Notes or cure any ambiguity or discrepancy resulting from any changes in the Book-Entry Rules or any regulation or document that are applicable to book-entry securities of Freddie Mac; or (v) in any other

manner that Freddie Mac may determine and that will not adversely affect in any material respect the interests of Holders or Beneficial Owners at the time of such modification, amendment or supplement. Notwithstanding these rights, Freddie Mac will not be permitted to make any amendment to this Agreement and the terms of the Notes unless Freddie Mac has received an opinion of nationally-recognized U.S. federal income tax counsel to the effect that, and subject to customary assumptions, qualifications and exclusions, Holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such amendment.

(b) In addition, with the written consent of the Holders of at least 50% of the aggregate then-outstanding Class Principal Balance of each Class of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes) affected thereby, excluding any such Notes owned by Freddie Mac, Freddie Mac may, from time to time and at any time, modify, amend or supplement the terms of the Notes for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of such Notes or modifying in any manner the rights of the Holders; provided, however, that no such modification, amendment or supplement may, without the written consent or affirmative vote of each Holder of an affected Note; (A) change the Maturity Date or any monthly Payment Date of the Notes; (B) materially modify the redemption or repayment provisions, if any, relating to the redemption or repayment price of, or any redemption or repayment date or period for, the Notes; (C) reduce the Class Principal Balance or Notional Principal Amount of (other than as provided for in this Agreement), delay the principal payment of (other than as provided for in this Agreement), or materially modify the rate of interest or the calculation of the rate of interest on, the Notes; or (D) reduce the percentage of Holders whose consent or affirmative vote is necessary to modify, amend or supplement the terms of the Notes. In the event that Exchangeable Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Exchangeable Notes as described herein. A quorum at any meeting of Holders called to adopt a resolution shall be Holders entitled to vote a majority of the then aggregate outstanding Class Principal Balance of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes) called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding Class Principal Balance of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Exchangeable Notes for MAC Notes), in both cases excluding any Notes owned by Freddie Mac. In the event that Exchangeable Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Exchangeable Notes as described herein. It shall not be necessary for the Holders to approve the particular form of any proposed amendment, but it shall be sufficient if such consent or resolution approves the substance of such change.

(c) Freddie Mac may establish a record date for the determination of Holders entitled to grant any consent in respect of Notes and to notify with respect to any such consent.

(d) Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or supplement shall be irrevocable once given and

shall be conclusive and binding on all subsequent Holders of such Note or any Note issued, directly or indirectly, in exchange or substitution therefor, irrespective of whether or not notation in regard thereto is made thereon. Any modification, amendment or supplement of this Agreement or of the terms of Notes shall be conclusive and binding on all Holders of Notes affected thereby, whether or not they have given such consent (unless by the terms of this Agreement a written consent or an affirmative vote of such Holders is required), and whether or not notation of such modification, amendment or supplement is made upon the Notes.

(e) Freddie Mac will notify the Rating Agencies of any modification, amendment or supplement of this Agreement (which notification shall be effected pursuant to Section 6.08).

Section 6.07. Persons Deemed Owners.

Freddie Mac, the Registrar, DTC and the Common Depositories (or any agent of any of them), may deem and treat the Holder as the absolute owner of a Note for the purpose of receiving payment of principal or interest and for all other purposes, and none of Freddie Mac, the Registrar, DTC and the Common Depositories, nor any agent of any of them, 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 paid, effectual to satisfy and discharge the duty for monies payable by Freddie Mac upon an Original Note. A Holder is not necessarily the beneficial owner of a Note. The rights of a beneficial owner of a Note with respect to Freddie Mac and the Registrar may be exercised only through the Holder. The rights of a beneficial owner of a DTC Note with respect to DTC and a Common Depository Note with respect to the Common Depositories may be exercised only through the applicable DTC Participant. Neither Freddie Mac nor the Registrar shall have any direct obligation to a beneficial owner that is not also the Holder of a Note. DTC and the Common Depository will have no direct obligation to a beneficial owner that is not also a DTC Participant, with respect to such Note.

Section 6.08. Notice.

(a) Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the mail, addressed to such Holder as (i) such Holder's name and address may appear in the Register, (ii) in the case of a Holder of a DTC Note, by transmission to such Holder through the DTC communication system or (iii) in the case of a Common Depository Note, by transmission to such Holder through the Common Depository system. Such notice, demand or other communication to or upon any Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

(b) Except as set forth in Section 4.04 of this Agreement, any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served 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: 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.

(c) To the extent that Freddie Mac is required to provide any information or notification to the Rating Agencies pursuant to this Agreement, Freddie Mac will cause such information or notification to be posted to the Rating Agencies Information Website. None of the Global Agent, Exchange Administrator or Registrar shall provide any information directly to, or communicate with, either orally or in writing, any Rating Agency or any NRSRO regarding the Notes relevant to such Rating Agency's or NRSRO's surveillance of the Notes, including, but not limited to, providing responses to inquiries from a Rating Agency or NRSRO regarding the Notes. Upon the Global Agent, Exchange Administrator or Registrar receiving any communication from any Rating Agency or NRSRO regarding the Notes, it shall promptly forward such communication to Freddie Mac.

Section 6.09. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE HOLDERS AND FREDDIE MAC WITH RESPECT TO THE NOTES 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 FREDDIE MAC ACT OR ANY PROVISION OF THIS AGREEMENT OR THE TRANSACTIONS GOVERNED THEREBY, THE LAWS OF THE STATE OF NEW YORK SHALL BE DEEMED REFLECTIVE OF THE LAWS OF THE UNITED STATES.

Section 6.10. Headings.

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

Section 6.11. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors, including any successor by operation of law, and permitted assigns.

RECEIPT AND ACCEPTANCE OF AN ORIGINAL NOTE (OR A MAC NOTE ISSUED IN EXCHANGE THEREFOR) ISSUED HEREUNDER 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 NOTE OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT AND THE AGREEMENT OF FREDDIE MAC, SUCH HOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN FREDDIE MAC AND SUCH HOLDER AND SUCH OTHERS.

**FEDERAL HOME LOAN MORTGAGE
CORPORATION**

APPENDIX I
STACR[®] DEBT NOTES, SERIES 2016-DNA2

ORIGINAL NOTE TERMS

\$916,000,000

Class of Notes	Initial Class Principal Balance	CUSIP Number	Maturity Date
M-1	\$187,000,000	3137G0JQ3	October 2028
M-2	\$198,000,000	3137G0JR1	October 2028
M-3A	\$247,500,000	3137G0JV2	October 2028
M-3B	\$247,500,000	3137G0JW0	October 2028
B	\$36,000,000	3137G0JZ3	October 2028

The Original Notes bear interest as shown in the following table. The initial Class Coupons apply only to the first Accrual Period. We determine One-Month LIBOR using the ICE Method as described in Section 3.05.

Class of Notes	Initial Class Coupon	Class Coupon Formula
M-1	1.6859%	One-Month LIBOR + 1.25%
M-2	2.6359%	One-Month LIBOR + 2.20%
M-3A	5.0859%	One-Month LIBOR + 4.65%
M-3B	5.0859%	One-Month LIBOR + 4.65%
B	10.9359%	One-Month LIBOR + 10.50%

APPENDIX II
STACR[®] DEBT NOTES, SERIES 2016-DNA2

AVAILABLE MODIFICATIONS AND COMBINATIONS
And

MAC NOTE TERMS

<u>Combination</u>	<u>Original Class</u>	<u>Original Class Principal Balance</u>	<u>Exchange Proportions⁽¹⁾</u>	<u>MAC Class</u>	<u>Maximum Original Class Balance</u>	<u>Exchange Proportions⁽¹⁾</u>	<u>Interest Formula</u>
1	M-2	\$198,000,000	100%	M-2F M-2I	\$198,000,000 \$198,000,000 ⁽²⁾	100% (3)	One-Month LIBOR + 1.45% 0.75%
2	M-3A M-3B	\$247,500,000 \$247,500,000	50% 50%	M-3	\$495,000,000	100%	One-Month LIBOR + 4.65%
3	M-3A	\$247,500,000	100%	M-3AF M-3AI	\$247,500,000 \$247,500,000 ⁽²⁾	100% (3)	One-Month LIBOR + 3.40% 1.25%

-
- (1) Exchange proportions are constant proportions of the *original* Class Principal Balances (or *original* Notional Principal Amounts, if applicable) of the Original Classes or MAC Classes, as applicable. In accordance with the exchange proportions, you may exchange Original Notes for MAC Notes, and vice-versa.
- (2) Notional Principal Amount.
- (3) The original Notional Principal Amount of the Class M-2I, Class M-2I and Class M-3AI Notes being exchanged equals the original Class Principal Balance of the Class M-2F and Class M-3AF Notes, respectively, being exchanged.