Upon the terms and subject to the conditions set forth in this exchange offer circular (as it may be supplemented and amended from time to time, this “Exchange Offer Circular”), the Federal Home Loan Mortgage Corporation (“Freddie Mac”) is offering to exchange (the “Exchange Offer”), at your option, (i) eligible Mortgage Participation Certificates (“Eligible PCs”) for Freddie Mac’s Uniform Mortgage-Backed Securities Mirror Certificates (“UMBS Mirror Certificates”) or Mortgage-Backed Securities Mirror Certificates (“MBS Mirror Certificates”), in each case with applicable Float Compensation, and (ii) eligible Giant Mortgage Participation Certificates (“Eligible Giant PCs”) (collectively, the Eligible PCs and Eligible Giant PCs comprise the “Eligible Securities”) for Freddie Mac’s Supers Mirror Certificates (“Supers Mirror Certificates”) or Giant Mortgage-Backed Securities Mirror Certificates (“Giant MBS Mirror Certificates”) (collectively, the UMBS Mirror Certificates, MBS Mirror Certificates, Supers Mirror Certificates and Giant MBS Mirror Certificates comprise the “Mirror Certificates”), in each case with applicable Float Compensation.

Single-family ARM PCs issued and guaranteed by Freddie Mac are not addressed in, and are excluded from, this Exchange Offer Circular and the Exchange Offer. Multifamily securities issued by, and multifamily mortgages owned by, Freddie Mac are not addressed in, and are excluded from, this Exchange Offer Circular and the Exchange Offer.

The Mirror Certificates are backed by their related applicable Eligible PCs or Eligible Giant PCs and are pass-through certificates that represent interests in such Eligible PCs or Eligible Giant PCs. The terms of the Mirror Certificates will be substantially identical to the terms of the Eligible Securities. The primary difference is that, for Mirror Certificates, there is a delay of approximately 55 days between the time interest begins to accrue and the time the securityholder receives its interest payment. This time period is referred to as a “Payment Delay.” For Eligible Securities, the Payment Delay is approximately 45 days. In addition, the types of eligible investments we may use for funds collected from our services related to the Mirror Certificates are broader than those applicable to Eligible Securities issued prior to March 1, 2017.

The Mirror Certificates will be governed by the terms of the Mirror Certificates Master Trust Agreement attached to this Exchange Offer Circular as Appendix II (the “Mirror Certificates Trust Agreement”), as it may be amended from time to time, and any successor thereto. You should refer to the Mirror Certificates Trust Agreement for a description of your rights and obligations with respect to the Mirror Certificates and the rights and obligations of Freddie Mac with respect to the Mirror Certificates. If you acquire a beneficial interest in a Mirror Certificate you unconditionally accept, and
acquire such Mirror Certificate subject to, all of the terms and conditions of the Mirror Certificates Trust Agreement, except as any such terms and conditions may be modified or supplemented by this Exchange Offer Circular and the related Mirror Certificate pool supplement (“Mirror Pool Supplement”) containing information regarding the Eligible Security and related mortgages that back the particular Mirror Certificate.

The Float Compensation payable in the Exchange Offer with respect to the exchange of any Eligible Securities for the corresponding Mirror Certificates is described under The Exchange Offer — Float Compensation. We plan to recalculate the Float Compensation payment rates on a regular basis, which could occur as frequently as every business day. Freddie Mac reserves the right to change, at any time and following a reasonable notice period, the methodology used to calculate Float Compensation. Any change in methodology could materially increase or decrease the amount of Float Compensation payable in the Exchange Offer from and after the date such change is made.

Before participating in the Exchange Offer, please see the section entitled “Risk Factors” beginning on page 12 of this Exchange Offer Circular and the risk factors in our Mirror Certificates Offering Circular and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for a discussion of the risks that you should consider in connection with your exchange of the Eligible Securities and an investment in the Mirror Certificates.

This Exchange Offer Circular does not contain complete information about the Eligible Securities and the Mirror Certificates. Additional information is contained in the offering circular for our Mirror Certificates attached to this Exchange Offer Circular as Appendix III (the “Mirror Certificates Offering Circular”). You should not participate in the Exchange Offer before reading this Exchange Offer Circular and the Mirror Certificates Offering Circular, as it may be supplemented and amended from time to time. In addition, Freddie Mac will furnish at your request the Mirror Pool Supplement for each particular Mirror Certificate to be received in the applicable exchange.

The Exchange Offer is not available in connection with the Direct-to-Freddie Mac Path (as described below) if, in the opinion of Freddie Mac, there is a possibility that withholding tax is required.

We guarantee the payment of interest and principal on the Mirror Certificates as described in the Mirror Certificates Offering Circular. Principal and interest payments on the Mirror Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac. We alone are responsible for making payments on our guarantee.

The Mirror Certificates are exempt from the registration requirements of the Securities Act of 1933 and are “exempted securities” within the meaning of the Securities Exchange Act of 1934, as amended (“Exchange Act”).

Neither Freddie Mac, its affiliates nor any other person involved in the preparation or review of this Exchange Offer Circular is making any recommendation as to whether you should exchange any or all of your Eligible Securities in the Exchange Offer.

For questions about the terms of the Exchange Offer and the exchange procedures, please email Freddie Mac at single_security@freddiemac.com or call 800-336-3672 and press “1” for the Investor Hotline, then “2” for the Single Security Hotline. Questions about specific exchange transactions should be directed to exchangeops@freddiemac.com.

To request additional copies of the Exchange Offer Circular, please contact Freddie Mac at the address and telephone number provided under Additional Information.

Appendix I — Index of Terms shows the page numbers where definitions of capitalized terms appear.

The date of this Exchange Offer Circular is May 8, 2019.
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ABOUT THIS EXCHANGE OFFER CIRCULAR

GENERAL

As used in this Exchange Offer Circular, unless the context requires otherwise, “we,” “us” or “Freddie Mac” means the Federal Home Loan Mortgage Corporation.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this Exchange Offer Circular. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Exchange Offer Circular is not an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction where it is unlawful. The delivery of this Exchange Offer Circular will not, under any circumstances, create any implication that there has been no change in our affairs since the date of this Exchange Offer Circular or that the information contained or incorporated by reference is correct as of any time subsequent to the date of such information. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before making any decision on the Exchange Offer, you should read this Exchange Offer Circular and the Mirror Certificates Offering Circular, and any related supplement or amendment, together with the documents incorporated by reference in this Exchange Offer Circular and the Mirror Certificates Offering Circular and the additional information described under Additional Information.

This Exchange Offer Circular and the documents attached to this Exchange Offer Circular include forward-looking statements. We use words such as “anticipates,” “believes,” “expects,” “future,” “intends,” and similar expressions to identify forward-looking statements. Forward-looking statements reflect management’s current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management’s expectations, are described in greater detail in the sections entitled Risk Factors in this Exchange Offer Circular, the Mirror Certificates Offering Circular and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law, you are advised to consult any additional disclosures we make in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K filed with the Securities and Exchange Commission (the “SEC”). See Additional Information.

MARKET DATA AND STATISTICAL INFORMATION

This Exchange Offer Circular is based upon information and assumptions (including financial, statistical, or historical data and computations based upon such data) that we consider reliable and reasonable, but we do not represent that such information and assumptions are accurate or complete, or appropriate or useful in any particular context, including the context of any investment decision, and they should not be relied upon as such. Opinions and estimates expressed herein constitute Freddie Mac’s present judgment and are subject to change without notice. They should not be construed as either projections or predictions of value, performance, or results, nor as legal, tax, financial, or accounting advice. The effect of factors other than those assumed, including factors not mentioned, considered or foreseen, by themselves or in conjunction with other factors, could produce dramatically different performance or results. We do not undertake to update any information, data or computations contained in this Exchange Offer Circular, or to communicate any change in the opinions, limits, requirements and estimates expressed herein. In considering exchanging an Eligible Security for a Mirror Certificate and Float Compensation, you should consult your own financial, legal and tax advisors for information about such certificate, the risks and investment considerations arising from an investment in such certificate, the appropriate tools to analyze such investment and the suitability of such investment in your particular circumstances.
FREDDIE MAC

GENERAL

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act with a public mission to stabilize the nation’s residential mortgage markets and expand opportunities for homeownership and affordable rental housing.

Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market. We do this primarily by purchasing residential mortgages originated by lenders. In most instances, we package these mortgages into mortgage-related securities, which are guaranteed by us and sold in the global capital markets. In addition, we transfer mortgage credit risk exposure to private investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgages and mortgage-related securities. We do not originate mortgage loans or lend money directly to mortgage borrowers.

Although we are chartered by Congress, we alone are responsible for making payments on our securities. Payments on our Mirror Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Our statutory mission, as defined in our charter, is to:

• Provide stability in the secondary market for residential mortgages;
• Respond appropriately to the private capital market;
• Provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages for low- and moderate-income families, involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
• Promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

CONSERVATORSHIP

We continue to operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of the Federal Housing Finance Agency (“FHFA”), our conservator (the “Conservator”). To address deficits in our net worth, FHFA, as Conservator, entered into a senior preferred stock purchase agreement (as amended, the “Purchase Agreement”) with the U.S. Department of the Treasury (“Treasury”), and (in exchange for an initial commitment fee of senior preferred stock and warrants to purchase common stock) Treasury made a commitment to provide funding, under certain conditions. We receive substantial support from Treasury and are dependent upon its continued support in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents (as defined below) for additional information regarding the conservatorship, the Purchase Agreement and the uncertainty surrounding our future.
ADDITIONAL INFORMATION

Our common stock is registered with the SEC under the Exchange Act. As a result, we file reports and other information with the SEC.

As described below, we incorporate certain documents by reference in this Exchange Offer Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Exchange Offer Circular:

- Our most recent Annual Report on Form 10-K, filed with the SEC;
- All other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K, excluding any information furnished to the SEC on Form 8-K; and
- All documents that we file with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Exchange Offer Circular and prior to the termination of the offering of the Mirror Certificates, excluding any information we furnish to the SEC on Form 8-K.

These documents are collectively referred to as the “Incorporated Documents” and are considered part of this Exchange Offer Circular. The Incorporated Documents also include the “Incorporated Documents” set forth in the section entitled Additional Information in the Mirror Certificates Offering Circular. You should read this Exchange Offer Circular and the Mirror Certificates Offering Circular in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Exchange Offer Circular and the Mirror Certificates Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Exchange Offer Circular, the Mirror Certificates Offering Circular and any related supplement.

You may read and copy any document we file with the SEC at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You can obtain, without charge, copies of this Exchange Offer Circular, the Incorporated Documents, the Mirror Certificates Offering Circular, the Mirror Certificates Trust Agreement, any amendments or supplements to any of the foregoing, and any applicable Mirror Pool Supplements from:

Freddie Mac — Investor Inquiry
1551 Park Run Drive
McLean, Virginia 22102-3110
Telephone: 1-800-336-3672
E-mail: Investor_Inquiry@freddiemac.com

We also make these documents available on our internet website at this address:

Internet Website*: www.freddiemac.com

Under the Mirror Certificates Trust Agreement, Freddie Mac has agreed to act as “Trustee” and to administer the Mirror Certificates substantially in accordance with such Mirror Certificates Trust Agreement. See the Mirror Certificates Offering Circular for information on the Mirror Certificates Trust Agreement.

* We are providing this and other internet addresses solely for your information. We do not intend these internet addresses to be active links and we are not using references to these addresses to incorporate additional information into this Exchange Offer Circular or any supplement, except as specifically stated in this Exchange Offer Circular.
We will also make available on our internet website at www.freddiemac.com/mbs certain reports relating to the exchange of Eligible Securities for Mirror Certificates. These reports enable you to monitor the progress of the Exchange Offer.

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<th>Timing</th>
<th>Description</th>
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<td>Daily New Issue File</td>
<td>Published on every business day</td>
<td>Newly issued Mirror Certificates are included in the Daily New Issue File as such Mirror Certificates are issued to Freddie Mac’s account at the Federal Reserve Bank of New York. The pool number for each Mirror Certificate begins with the letter ‘Z’ to distinguish the Mirror Certificates from other securities issued by Freddie Mac in its regular securities offering programs.</td>
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<td>Cumulative 45-Day to 55-Day Exchange Activity Report</td>
<td>Published on every business day</td>
<td>This report provides the daily status of all Eligible Securities, regardless of whether any exchange activity has occurred. The report shows each Eligible Security and its corresponding Mirror Certificate. The report also shows the cumulative exchange activity for all Eligible Securities.</td>
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<tr>
<td>Daily 45-Day to 55-Day Exchange Activity Report</td>
<td>Published on every business day</td>
<td>This report provides information on all exchange transactions from the preceding business day, including the original par amounts, CUSIP numbers and security identifiers of the Eligible Securities and corresponding Mirror Certificates.</td>
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<tr>
<td>Aggregate Level 1 Collateral Exchange Activity Report</td>
<td>Published on every business day</td>
<td>This report contains one row for each outstanding Freddie Mac-issued PC with a 45-day Payment Delay, even if the PC is not eligible to be exchanged. For each PC, this file presents (i) the issuance unpaid principal balance (“UPB”), (ii) the amount of the issuance UPB that has been exchanged in the Exchange Offer (e.g., in exchange for a UMBS Mirror Certificate), (iii) the amount of the issuance UPB that is still available for exchange at Level 1, (iv) the amount of the issuance UPB that has been resecuritized (e.g., as a Giant PC), and (v) the amount of the issuance UPB that has been resecuritized and exchanged in the Exchange Offer (e.g., in exchange for a Supers Mirror Certificate). “Level 1” refers to the portion of the PC that has not been resecuritized as a Giant PC or REMIC; thus, if a portion of the PC has been resecuritized as a Giant PC, such portion would no longer be available for exchange at Level 1. This report is designed to facilitate calculations of supply and prepayments.</td>
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<td>Outstanding Supply Report</td>
<td>Published monthly</td>
<td>This report provides data on the available supply of 45-day Payment Delay securities (i.e., PCs) and 55-day Payment Delay securities (e.g., UMBS Mirror Certificates) for specified cohorts (as defined in The Exchange Offer — Float Compensation) to facilitate trading.</td>
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EXCHANGE OFFER CIRCULAR SUMMARY

This summary highlights selected information from this Exchange Offer Circular and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the Exchange Offer and the Mirror Certificates, you should carefully read this Exchange Offer Circular and the Mirror Certificates Offering Circular in their entirety prior to exchanging any Eligible Securities for Mirror Certificates and applicable Float Compensation, including the information set forth under the section entitled “Risk Factors” beginning on page 12 of this Exchange Offer Circular. This summary provides an overview of certain information to aid your understanding and is qualified by the full description presented in this Exchange Offer Circular. You should rely on the information in any Exchange Offer Circular supplement if it is different from the information in this Exchange Offer Circular. Neither Freddie Mac, its affiliates nor any other person involved in the preparation or review of this Exchange Offer Circular is making any recommendation as to whether you should exchange any or all of your Eligible Securities in the Exchange Offer.

Offeror and Guarantor ............ Federal Home Loan Mortgage Corporation ("Freddie Mac"), a shareholder-owned government-sponsored enterprise.

On September 6, 2008, the Director of FHFA placed Freddie Mac into conservatorship pursuant to authority granted by the Federal Housing Finance Regulatory Reform Act of 2008. As Conservator, FHFA immediately succeeded to all rights, titles, powers and privileges of Freddie Mac, and of any stockholder, officer or director of Freddie Mac, with respect to Freddie Mac and the assets of Freddie Mac. For additional information regarding our conservatorship, see Freddie Mac — Conservatorship and Risk Factors — Governance Factors in the Mirror Certificates Offering Circular attached as Appendix III hereto.

The Exchange Offer ............... The Exchange Offer commences on May 7, 2019. Freddie Mac is offering you the option to exchange Eligible Securities for corresponding Mirror Certificates and applicable Float Compensation. Exchange transactions can be settled beginning on May 17, 2019. The Exchange Offer is expected to continue for the foreseeable future.

Purpose of the Exchange Offer ..... Under the direction of our conservator and regulator, FHFA, we are offering the Mirror Certificates and applicable Float Compensation in exchange for the related Eligible Securities in furtherance of the single security initiative, which is intended to increase the liquidity of the to-be-announced ("TBA") market. The single security initiative provides for Freddie Mac and the Federal National Mortgage Association ("Fannie Mae") to issue a single (common) mortgage-backed security, to be called the Uniform Mortgage-Backed Security™ or “UMBS™.” For additional information, see Purpose of the Exchange Offer.
Eligible Securities . . . . . . . . . . . . . . . . . . . The following securities are eligible to be exchanged in the Exchange Offer:

- Eligible PCs that are TBA-eligible may be exchanged for UMBS Mirror Certificates and applicable Float Compensation;
- Eligible PCs that are non-TBA-eligible may be exchanged for MBS Mirror Certificates and applicable Float Compensation;
- Eligible Giant PCs that are TBA-eligible may be exchanged for Supers Mirror Certificates and applicable Float Compensation; and
- Eligible Giant PCs that are non-TBA-eligible may be exchanged for Giant MBS Mirror Certificates and applicable Float Compensation.

Please refer to the Cumulative 45-Day to 55-Day Exchange Activity Report at http://www.freddiemac.com/mbs for a list (which is updated daily) of all Mortgage Participation Certificates (“PCs”) and Giant Mortgage Participation Certificates (“Giant PCs”) that are eligible to be exchanged in the Exchange Offer and their corresponding Mirror Certificates.

Float Compensation . . . . . . . . . . . . . . . . . . If you effect exchanges of Eligible Securities for related Mirror Certificates, Freddie Mac will pay you a one-time payment (the “Float Compensation”) primarily intended to compensate you for the difference in Payment Delay between the delivered Eligible Securities and the related Mirror Certificates. See The Exchange Offer — Float Compensation.

Exchange Procedures . . . . . . . . . . . . . . . . . . You may generally choose between two exchange paths:

- The “dealer-facilitated” exchange path (the “Dealer-facilitated Path”). Under this path, approved dealers submit exchange requests on your behalf through Freddie Mac’s Dealer Direct® portal. The Dealer-facilitated Path is expected to remain open for the foreseeable future.
- The “direct-to-Freddie Mac” exchange path (the “Direct-to-Freddie Mac Path”). Under this path, you (or an agent on your behalf) exchange directly with Freddie Mac using a technology and onboarding solution developed and managed by Tradeweb Markets LLC and one or more of its affiliates (collectively, “Tradeweb”) to facilitate the exchange. You (or an agent on your behalf) will be able to
schedule exchanges through Tradeweb or, in certain cases, through your or your agent’s order management systems. The Direct-to-Freddie Mac Path is expected to remain open for three to five years following the commencement of the Exchange Offer.

See The Exchange Offer — Exchange Procedures.

**Exchange Fee**
Freddie Mac will not charge a fee to exchange any Eligible Securities in the Exchange Offer. However, if your Eligible Securities are held through a broker, dealer, commercial bank, trust company, or other nominee that exchanges your Eligible Securities on your behalf, your broker or other nominee may charge you a fee or commission.

Dealers may charge you a fee to conduct exchange transactions under the Dealer-facilitated Path.

Tradeweb has contractually agreed that it will not charge you a fee to conduct exchange transactions under the Direct-to-Freddie Mac Path for the three-year period beginning upon commencement of the Exchange Offer, but may do so thereafter.

**Risk Factors**
An exchange of Eligible Securities for Mirror Certificates and applicable Float Compensation involves risks. You should carefully consider the information set forth in the section of this Exchange Offer Circular entitled Risk Factors beginning on page 12 and the other risk factors and information included in the Mirror Certificates Offering Circular and the Incorporated Documents before participating in the Exchange Offer.

**Trustee**
Freddie Mac serves as Trustee for each Mirror Certificate pursuant to the terms of the Mirror Certificates Trust Agreement, a copy of which is attached to this Exchange Offer Circular as Appendix II.

**Certain Federal Income Tax Consequences**
The exchange of Eligible Securities for Mirror Certificates pursuant to the Exchange Offer will not constitute a taxable exchange of property for federal income tax purposes. In the opinion of Shearman & Sterling LLP, U.S. federal tax counsel to Freddie Mac, although the matter is not free from doubt, the payment of any Float Compensation will not constitute income to you for federal income tax purposes, and such Float Compensation will be treated as a reduction of your adjusted basis in the mortgages underlying your Mirror Certificate. See Certain Federal Income Tax Consequences in the Mirror
Certificates Offering Circular for a description of certain federal income tax consequences related to the holding of Mirror Certificates.

**ERISA Considerations** See *ERISA Considerations* in the Mirror Certificates Offering Circular for a description of the ERISA considerations related to holding Mirror Certificates.

**Accounting Considerations** You should review this Exchange Offer Circular and consult your own accountant regarding the appropriate accounting treatment of an exchange of an Eligible Security for a Mirror Certificate and applicable Float Compensation.

**Further Information** You should direct questions about the terms of the Exchange Offer and the exchange procedures to Freddie Mac at the email address and telephone number on the front cover of this Exchange Offer Circular. You should direct requests for additional copies of the Exchange Offer Circular and Mirror Certificates Offering Circular to Freddie Mac at the address and telephone number provided under *Additional Information*. 
RISK FACTORS

Participating in the Exchange Offer and investing in Mirror Certificates involves certain risks. In addition to the other information contained in, or incorporated by reference into, this Exchange Offer Circular, the Mirror Certificates Offering Circular and the Incorporated Documents, you should carefully consider the following discussion of risks before deciding whether participating in the Exchange Offer is suitable for you. In addition, you should carefully consider the other risks that are set forth under the caption Risk Factors in the Mirror Certificates Offering Circular and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and the rights associated with the Mirror Certificates in the Mirror Certificates Trust Agreement and the applicable Mirror Pool Supplement before deciding to participate in the Exchange Offer. However, neither this Exchange Offer Circular nor those other documents describe all the possible risks of participating in the Exchange Offer or of making an investment in the Mirror Certificates that may result from your particular circumstances.

The technology used for the Exchange Offer is new and relies in part on the systems of third parties.

The Exchange Offer will be conducted on certain systems developed specifically for the Exchange Offer that have not been used before (such as the interface between Freddie Mac and Tradeweb that underlies the Direct-to-Freddie Mac Path) or are being modified for the exchange. In addition, while it is currently used by dealers to form Freddie Mac Giant PCs, Freddie Mac Dealer Direct has not been used to conduct transactions such as those required by the Exchange Offer and has been modified to serve this purpose. The use of these new or modified systems may affect your ability to conduct exchange transactions or obtain the benefits of an exchange transaction in a timely manner. There is a possibility of technical flaws that could make one or both exchange paths unavailable for a period of time, cause an exchange transaction to be improperly booked or delay or disrupt the settlement of an exchange transaction. Any testing we perform may not be sufficient to identify all technical flaws or otherwise reduce these risks.

The technological interface between Freddie Mac and Tradeweb that underlies the Direct-to-Freddie Mac Path was planned and developed in a short period of time, which may increase the risks associated with that path.

Tradeweb, custodians, dealers, our paying agent for the Direct-to-Freddie Mac Path, the Federal Reserve and others could have flaws in their systems that adversely affect your ability to conduct exchange transactions or correctly report the transactions for tax and accounting purposes.

The Exchange Offer will remain open for an indefinite period of time and its terms or duration may change.

The Exchange Offer will remain open for an indefinite period of time and its terms may change. For example, while the Exchange Offer is currently expected to remain open for a number of years, we could decide to end the Exchange Offer at any time, following a reasonable notice period. We also reserve the right to change, at any time and following a reasonable notice period, the methodology used to calculate Float Compensation, which could materially increase or decrease the amount of Float Compensation payable in the Exchange Offer from and after the date such change is made.

In the event we amend or change the terms of the Exchange Offer in the future, including by increasing the amount of Float Compensation payable in connection with the Exchange Offer, if you
executed an exchange transaction prior to such amended or changed terms you will not receive any of the potential benefits of these new terms, including any increase in Float Compensation.

In addition, during the period of the Exchange Offer, we and other parties that have a role in an exchange transaction (e.g., custodians) may be required to make changes to our or their respective systems, due to evolving regulatory requirements, technological developments or other reasons. Any such change could adversely affect your ability to conduct exchange transactions in the Exchange Offer or obtain the benefits of an exchange transaction in a timely manner.

The Exchange Offer could be subject to system failures, errors by you or your agents, or other logistical challenges.

A system failure or other logistical challenge in exchanging Eligible Securities for Mirror Certificates and Float Compensation could delay the settlement of an exchange transaction, which could cause you to fail on any subsequent forward trade of Mirror Certificates that you had booked. If this were to occur, you may be required to pay “fails charges” or may be exposed to other liabilities to trading counterparties or other parties affected by any such failed trade. “Fails charges” generally refers to a trading practice that market participants may adopt, under which charges are assessed and paid when one party fails to deliver an agency mortgage-backed security (e.g., a PC or UMBS) to another party by the date previously agreed by the parties. Similarly, errors by you or your agents could also delay the settlement of an exchange transaction or cause an exchange transaction to be cancelled. Such errors could include you (or your agent), a dealer or other party incorrectly entering information through the Dealer-facilitated Path or the Direct-to-Freddie Mac Path.

A dealer may form new Supers or Giant MBS, as applicable, with the newly delivered Mirror Certificates as soon as the exchange transaction is completed. Both transactions could occur on the same business day. However, there are operational risks related to forming a new Supers or Giant MBS on the same business day as the related exchange transaction, as this will involve the transfer of multiple securities (i.e., one or more Eligible Securities, one or more Mirror Certificates and the new Supers or Giant MBS) among several counterparties on the same day.

High volumes of exchange transactions may cause a delay in the settlement of any exchanges of Eligible Securities.

It is possible that settlements could be delayed or disrupted if we experience a high volume of exchange transactions. While we have designed our systems to handle a large number of exchange transactions, it is difficult to properly test our maximum exchange capacity, and it is possible our systems could fail when they are actually required to process a large number of exchange transactions. It is also possible that high volumes of exchanges could cause the systems used by custodians, dealers, our paying agent for the Direct-to-Freddie Mac Path, the Federal Reserve and others to fail, which could delay or disrupt the settlement of exchange transactions.

Freddie Mac has discretion to postpone or cancel exchange transactions in certain circumstances.

Freddie Mac reserves the right to (i) postpone or reschedule any exchange transaction through the Dealer-facilitated Path or (ii) cancel any exchange transaction through the Direct-to-Freddie Mac Path, in each case in its sole discretion for “good cause,” without incurring liability to you, your agent or any third party. However, Freddie Mac will indemnify you (or your agent) or a dealer, as applicable, with respect to certain losses, claims or liabilities that may arise with respect to exchange transactions, as
discussed in The Exchange Offer — Exchange Procedures — The Dealer-facilitated Path — Dealer Exchange Agreement and — The Direct-to-Freddie Mac Path — Transaction Booking. For this purpose, “good cause” generally includes, among other items, any technological or systems problem or failure affecting Freddie Mac’s ability to perform or comply with the requirements of the Exchange Offer.

During the evening and morning immediately prior to settlement, we will conduct screening processes related to anti-money laundering and economic sanctions laws compliance with respect to the exchange transactions scheduled for settlement on that day. Thus, the screening processes will occur after you (or your agent) have booked an exchange transaction, but prior to settlement. We have the right to postpone or reschedule any scheduled exchange transaction under the Dealer-facilitated Path, or cancel any scheduled exchange transaction under the Direct-to-Freddie Mac Path, to the extent concerns are identified in the screening processes and the applicable party is unable to remedy such concerns in a timely manner. We also have the right to postpone or reschedule (under the Dealer-facilitated Path) or cancel (under the Direct-to-Freddie Mac Path) any scheduled exchange transaction in the event the applicable party fails to comply with applicable anti-money laundering and economic sanctions laws and regulations.

If we postpone, reschedule or cancel an exchange transaction, you could fail on any subsequent forward trade of Mirror Certificates that you (or your agent) had booked. If this were to occur, you may be required to pay fails charges or may be exposed to other liabilities to trading counterparties or other parties affected by any such failed trade.

For more information, see The Exchange Offer — Exchange Procedures.

An exchange transaction is irrevocable once it has settled, so you will not benefit from any improvement in the terms of the Exchange Offer that may occur after you have conducted an exchange.

An exchange transaction is irrevocable once it has settled. We will not provide a mechanism to reverse an exchange (i.e., exchange a Mirror Certificate for an Eligible Security). The Exchange Offer is currently expected to remain open for an indefinite period of time. However, we could decide to end the Exchange Offer at any time, following a reasonable notice period. We also reserve the right to change, at any time and following a reasonable notice period, the methodology used to calculate Float Compensation, which could materially increase or decrease the amount of Float Compensation payable in the Exchange Offer from and after the date such change is made.

In the event we amend or change the terms of the Exchange Offer in the future, including by increasing the amount of Float Compensation payable in connection with the Exchange Offer, if you executed an exchange transaction prior to such amended or changed terms you will not receive any of the potential benefits of those new terms, including any increase in Float Compensation. However, if there is any decrease in the amount of Float Compensation payable in the Exchange Offer in the future, if you executed an exchange transaction prior to such amended or changed terms you will not be required to refund to us any Float Compensation we have previously paid in any such completed exchange transaction.

Float Compensation payment rates may change as frequently as every business day, and are subject to change at our discretion.

We plan to recalculate the Float Compensation payment rates and publish an updated schedule (reflecting such recalculated payment rates) on a regular basis. This may occur as frequently as every
business day. We will generally calculate Float Compensation payment rates using a constant “option
adjusted spread” methodology and may leverage a combination of internal and third-party models.
However, we may adjust the model-derived payment rates for any particular cohort of Eligible
Securities at our discretion. As a result, the payment rate we offer for any given cohort of Eligible
Securities could be less than (or, in some cases, more than) the payment rate produced by internal or
third-party models for that cohort of Eligible Securities. In addition to these adjustments, we may
increase or decrease the Float Compensation payment rates for any cohort of Eligible Securities, or for
Eligible Securities generally, at our discretion. The Float Compensation payment rates will change
over time, such as in response to market movements that change the value of the additional 10 days of
Payment Delay. We reserve the right to change at any time the frequency with which we recalculate
Float Compensation payment rates. If you executed an exchange transaction prior to any such changes
you will not receive the benefits, if any, of these changes, including any increase in Float
Compensation.

The Float Compensation paid by Freddie Mac in an exchange transaction is primarily intended
to compensate you for the extra 10 days of Payment Delay of the Mirror Certificate, but it may not
be a substitute for any loss in value associated with the extra 10 days of Payment Delay.

We will pay Float Compensation to you in connection with your exchange of an Eligible Security
for a Mirror Certificate. The amount of the Float Compensation payment is primarily intended to
compensate you for the difference in Payment Delay between Eligible Securities and Mirror
Certificates, as Eligible Securities have a Payment Delay of 45 days and Mirror Certificates have a
Payment Delay of 55 days. However, we cannot assure you that the Float Compensation will be
sufficient to offset any loss in value resulting from the extra 10 days of Payment Delay of the Mirror
Certificates. You are urged to consult your financial advisors prior to participating in the Exchange
Offer.

Your UMBS Mirror Certificates and Supers Mirror Certificates may not be fungible with
comparable Fannie Mae-issued TBA-eligible securities.

The goal of the single security initiative is for Freddie Mac-issued TBA-eligible securities (i.e.,
UMBS, UMBS Mirror Certificates, Supers and Supers Mirror Certificates) and Fannie Mae-issued
TBA-eligible securities to be fungible with each other for purposes of fulfilling transactions in the
TBA market. If this goal is not achieved, the value and liquidity of your Mirror Certificates could be
adversely affected.

The Securities Industry and Financial Markets Association (“SIFMA”), through its “good-
delivery guidelines,” has an important role in determining the fungibility of Freddie Mac- and Fannie
Mae-issued TBA-eligible securities in a single, combined TBA market for Freddie Mac and Fannie
Mae (the “Enterprises”). On March 7, 2019, SIFMA announced that it has revised its good-delivery
guidelines to permit UMBS TBA contracts to be settled by delivery of UMBS issued by either Freddie
Mac or Fannie Mae. If SIFMA were to change its position on the fungibility of Freddie Mac- and
Fannie Mae-issued UMBS and revise its good-delivery guidelines to prohibit or limit the ability to
deliver UMBS issued by either Enterprise to settle TBA contracts, the value and liquidity of your
Mirror Certificates could be adversely affected.

The cash flows on comparable cohorts of the Enterprises’ TBA-eligible securities could diverge,
which could adversely affect the fungibility of Freddie Mac- and Fannie Mae-issued TBA-eligible
securities. Investors may not accept delivery of UMBS, UMBS Mirror Certificates, Supers or Supers
Mirror Certificates in settlement of TBA contracts unless the cash flows of the securities are similar to comparable TBA-eligible securities issued by Fannie Mae. FHFA, Freddie Mac and Fannie Mae are taking actions designed to ensure the alignment of cash flows across comparable cohorts of the Enterprises’ TBA-eligible securities. For example, under the “Uniform Mortgage-Backed Security” rule issued by FHFA on February 28, 2019, Freddie Mac and Fannie Mae are required to align programs, policies and practices that affect the prepayment rates of their TBA-eligible mortgage-backed securities. However, notwithstanding these actions, it is possible that cash flows on particular cohorts of the Enterprises’ TBA-eligible securities could diverge for periods of time.

FHFA’s and Treasury’s support are critical to the success of the single security initiative and the fungibility of Freddie Mac- and Fannie Mae-issued TBA-eligible securities. There is a risk that FHFA or Treasury may cease supporting the initiative in the future, due to changes in the leadership or priorities of FHFA or Treasury, or other factors.

It is possible that investors could prefer Fannie Mae-issued TBA-eligible securities to Freddie Mac-issued TBA-eligible securities, notwithstanding the various actions and efforts to promote fungibility. Investors have historically preferred the mortgage-related securities of Fannie Mae to those of Freddie Mac, as evidenced by price performance disparities between comparable Freddie Mac Gold PCs and Fannie Mae MBS. This preference could continue. Our UMBS and Supers are an integral aspect of our mortgage purchase program. If investors prefer Fannie Mae-issued TBA-eligible securities to Freddie Mac-issued TBA-eligible securities, our competitiveness in purchasing single-family mortgages from our sellers and the volume of our new single-family guarantee business could be adversely affected. In turn, this could adversely affect the volume of UMBS or Supers we issue, which could adversely affect the value and liquidity of your Mirror Certificates.

Uncertainty concerning the extent of the alignment between the mortgage purchase, servicing and securitization practices of Freddie Mac and Fannie Mae may affect the degree to which UMBS and Supers receive widespread market acceptance. These or other factors could result in an increase in stipulated trades for Fannie Mae-issued UMBS or Supers, which could adversely affect the value and liquidity of your Mirror Certificates. A stipulated trade is a trade in which the investor stipulates that it will accept delivery only of a security issued by one Enterprise or another, e.g., a Fannie Mae- or Freddie Mac-issued UMBS.

The transition to the new UMBS and Supers securities may be delayed or may be perceived to be unsuccessful.

As part of the single security initiative, Freddie Mac and Fannie Mae are both scheduled to commence issuing new common securities, UMBS and Supers, on June 3, 2019. This is a significant change for the mortgage market, particularly for investors, dealers and other participants in the market for Freddie Mac and Fannie Mae mortgage securities. Key market participants will need to make significant changes to trading processes and systems. Market participants may also need to change their business operations or governing documentation (including, but not limited to, those related to applicable diversification or concentration limits). Individual market participants may not be adequately prepared for the transition to UMBS and Supers, which could lead to disruption or delay in the development of a single, combined TBA market. It may take considerable time for the emergence of a single, combined TBA market for the two Enterprises, or a single, combined TBA market may never fully develop. It is possible that we could experience a disruption in the liquidity of Freddie Mac securities during the period in which the mortgage market transitions to a single, combined TBA market.
The Exchange Offer is part of the transition to these new securities. Certain investors may decide not to exchange their TBA-eligible Gold PCs and Giant PCs in the Exchange Offer, which could adversely affect the tradable supply of UMBS and Supers.

Market assessments and speculation concerning the relative success of the transition to the UMBS TBA market and the Exchange Offer could also adversely affect the value and liquidity of your Mirror Certificates.

_The value of your Mirror Certificates may decline if investors are unable or unwilling to commingle their eligible Fannie Mae- and Freddie Mac-issued securities._

An important feature of the single security initiative is that certain Freddie Mac-issued securities are designed to be commingled with certain Fannie Mae-issued securities, and vice versa, in resecuritizations. This presents significant risks, as the Enterprises have not attempted to commingle their securities before. It is possible that investors and market participants may not be able to commingle eligible Freddie Mac- and Fannie Mae-issued securities due to operational or systems problems or failures at Freddie Mac, Fannie Mae, CSS (as defined below) or market participants. It is also possible that investors may choose not to commingle eligible Fannie Mae-issued securities with eligible Freddie Mac-issued securities. Any of these events could adversely affect market demand for, or the value of, your Mirror Certificates.

_The markets for our Mirror Certificates could be disrupted if the CSP were to fail or otherwise become unavailable to us. You could experience delays in receiving payments on your Mirror Certificates in the event of a systems problem or other adverse event affecting the CSP._

We will rely on the common securitization platform ("CSP") and Common Securitization Solutions, LLC ("CSS") (which owns and operates the CSP) for performance of certain significant functions related to our Mirror Certificates, including certain functions performed on behalf of the Trustee. For example, the CSP will be used to perform certain data acceptance, issuance support and bond administration activities for us related to our Mirror Certificates, including calculation of payments and ongoing reporting to investors. The CSP will also be used to enable commingling of certain Freddie Mac- and Fannie Mae-issued TBA-eligible securities in resecuritization transactions. These activities are complex and present significant operational and technological challenges and risks. Our business activities would be adversely affected and the market for our securities would be disrupted if the CSP were to fail or otherwise become unavailable to us or if CSS were unable to perform its obligations to us, including as a result of an operational failure by Fannie Mae. Any measures we take to mitigate these challenges and risks might not be sufficient to prevent a disruption in our securitization activities related to our Mirror Certificates. You could experience delays in receiving payments on your Mirror Certificates in the event of a systems problem or other adverse event affecting the CSP.

_Adverse changes in Fannie Mae’s performance, or market perceptions about Fannie Mae’s performance, could adversely affect the value of your Mirror Certificates._

The single security initiative will create significant connections between the single-family mortgage securitization programs of Freddie Mac and Fannie Mae, as the initiative provides for the Enterprises to issue common securities (UMBS and Supers) that can be commingled in resecuritizations and are designed to trade in a single, combined TBA market. Due to these connections, it is possible that the value of your Mirror Certificates could be affected by events relating to Fannie Mae, even if those events do not directly affect Freddie Mac. For example, any actual or
perceived adverse change in Fannie Mae’s financial performance or condition, mortgage credit quality, or systems and data reliability could adversely affect the value of your Mirror Certificates. Any disruption in Fannie Mae’s securitization activities or any adverse events affecting Fannie Mae’s significant mortgage sellers and servicers could also adversely affect the value of your Mirror Certificates.

As a result of operational changes to applicable payment processes in connection with the single security initiative, you may face increased risk that we may fail to make a timely payment on your Mirror Certificates.

We rely on the Federal Reserve Banks to make payments on our Mirror Certificates (as well as payments on other types of Freddie Mac mortgage-backed securities) to the appropriate accounts. Similarly, Fannie Mae relies on the Federal Reserve Banks to make payments on various types of Fannie Mae mortgage-backed securities. As a result of operational changes to applicable payment processes made in connection with the single security initiative, the Federal Reserve Banks will not make any payments on a Payment Date with respect to our or Fannie Mae’s mortgage-backed securities payable on that date until 100% of the amounts payable on all such securities have been funded by Freddie Mac or Fannie Mae, as applicable. As a result, if Fannie Mae were to fail (for credit or operational reasons) on any Payment Date to provide funds for a full payment on any Fannie Mae-issued UMBS, Supers, REMIC class or other security payable on that date, we would be responsible for making the entire payment on all such Fannie Mae-issued UMBS, Supers or REMIC classes that we resecuritized in order for any Freddie Mac-issued UMBS, MBS, Supers, Giant MBS, Mirror Certificates or other securities to be paid on that Payment Date. If we failed to provide the Federal Reserve Banks with all funds to make such payment, the Federal Reserve Banks would not make any payment on any of our outstanding Freddie Mac-issued UMBS, MBS, Supers, Giant MBS, Mirror Certificates or other securities to be paid on that Payment Date, regardless of whether such Freddie Mac-issued securities were backed by Fannie Mae-issued securities.

THE EXCHANGE OFFER

PURPOSE OF THE EXCHANGE OFFER

Under the direction of our conservator and regulator, FHFA, we are offering the Mirror Certificates and applicable Float Compensation in exchange for the related Eligible Securities in furtherance of the single security initiative, which is intended to increase the liquidity of the TBA market.

The single security initiative provides for Freddie Mac and Fannie Mae to issue a single (common) mortgage-backed security, to be called the Uniform Mortgage-Backed Security or “UMBS.” Also as part of the single security initiative, each of Freddie Mac and Fannie Mae will be able to issue a “Supers” mortgage-backed security, which is a resecuritization of UMBS and certain other TBA-eligible securities. Each of Freddie Mac and Fannie Mae will issue UMBS and Supers through the CSP, which is a shared securitization infrastructure that will undertake certain securitization functions previously executed in-house separately by each of Freddie Mac and Fannie Mae. FHFA has announced that Release 2 of the CSP will be implemented on June 3, 2019. As part of Release 2, each of Freddie Mac and Fannie Mae will begin to issue UMBS and Supers. Release 2 will add to the functionality of the CSP by, among other things, enabling commingling in resecuritizations of certain Freddie Mac-issued securities and Fannie Mae-issued securities. As a result, UMBS Mirror Certificates and Supers Mirror Certificates will be able to be commingled in resecuritizations with corresponding
comparable Fannie Mae-issued UMBS, Supers, and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae. For this purpose, “resecuritizations” include the commingling of:

- Supers issued by Freddie Mac or Fannie Mae; or
- “REMIC certificates” (i.e., multiclass mortgage-backed securities) issued by Freddie Mac or comparable multiclass mortgage-backed securities issued by Fannie Mae.

MBS Mirror Certificates and Giant MBS Mirror Certificates will not be able to be commingled with Fannie Mae securities in resecuritizations.

UMBS Mirror Certificates and Supers Mirror Certificates are designed to qualify for “good delivery” in satisfaction of unspecified TBA trades covering corresponding comparable Fannie Mae UMBS, Supers, and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae, and vice versa. MBS Mirror Certificates and Giant MBS Mirror Certificates do not qualify for such “good delivery.”

For more information, see Single Security Initiative, the CSP and Commingling in the Mirror Certificates Offering Circular.

ELIGIBLE SECURITIES

Freddie Mac estimates that there are approximately 70,000 Eligible Securities available to be exchanged. In general, all Eligible Securities with a Payment Delay of 45 days that are not 100% committed to a resecuritization can be exchanged in the Exchange Offer. A PC that is 100% committed to a Giant PC or Freddie Mac REMIC certificate cannot be exchanged in the Exchange Offer. Likewise, a Giant PC that is 100% committed to another Giant PC or Freddie Mac REMIC certificate cannot be exchanged in the Exchange Offer.

Please refer to the Cumulative 45-Day to 55-Day Exchange Activity Report at http://www.freddiemac.com/mbs for a list of all PCs and Giants PCs that are eligible to be exchanged in the Exchange Offer and their corresponding Mirror Certificates. We expect to update this report on a daily basis.

Freddie Mac holds a number of Eligible Securities. We may, in our discretion and at any time, exchange in the Exchange Offer any Eligible Securities we hold for corresponding Mirror Certificates. We also may undertake various activities in an effort to support the PC market and/or the UMBS market during the transition to UMBS and Supers; these activities could include sales of, or other transactions involving, any Eligible Securities we hold or any of the other activities described under Secondary Markets, Mortgage Security Performance and Market Support Activities in our Mortgage Participation Certificates Offering Circular and our Uniform Mortgage-Backed Securities and Mortgage-Backed Securities Offering Circular, as each may be supplemented or amended from time to time.

As part of the process of testing the exchange paths, Freddie Mac exchanged a small number of Eligible Securities for corresponding Mirror Certificates and Float Compensation beginning in late March 2019. Also as part of this testing process, a number of dealers and other investors are expected to exchange a small number of Eligible Securities for corresponding Mirror Certificates and Float Compensation in prior to the commencement of the Exchange Offer. Any such exchanges will be reflected in the Cumulative 45-Day to 55-Day Exchange Activity Report and the other applicable reports described on page 7 and available at http://www.freddiemac.com/mbs.
TERMS OF THE EXCHANGE OFFER

Freddie Mac is offering you the option to exchange your Eligible Securities for corresponding Mirror Certificates and Float Compensation. We expect that the Dealer-facilitated Path and the Direct-to-Freddie Mac Path will open for booking proposed exchange transactions beginning on May 7, 2019 for settlement dates beginning on May 17, 2019. The Exchange Offer is expected to remain open for the foreseeable future thereafter.

Freddie Mac will provide you the option to exchange:

- Eligible PCs that are TBA-eligible for UMBS Mirror Certificates and applicable Float Compensation;
- Eligible PCs that are non-TBA-eligible for MBS Mirror Certificates and applicable Float Compensation;
- Eligible Giant PCs that are TBA-eligible for Supers Mirror Certificates and applicable Float Compensation; and
- Eligible Giant PCs that are non-TBA-eligible for Giant MBS Mirror Certificates and applicable Float Compensation.

The terms of the Mirror Certificates will be substantially identical to the terms of the Eligible Securities. The differences between the Mirror Certificates and Eligible Securities are as follows:

- The Mirror Certificates have a Payment Delay of approximately 55 days and the Eligible Securities have a Payment Delay of approximately 45 days.
- The types of eligible investments we may use under the Mirror Certificates Trust Agreement for purposes of investing the funds we collect from our servicers prior to distributing such funds to investors in Mirror Certificates are broader than those applicable to Eligible Securities issued prior to March 1, 2017. Under the master trust agreements for our Eligible Securities, we hold principal and interest payments collected from our servicers and used to pay investors in the “custodial account.” We are entitled to investment earnings on funds on deposit in the custodial account and we are responsible for any losses. Investors are not entitled to any investment earnings from the custodial account. We may invest funds in the custodial account in the categories of eligible investments set forth in the applicable master trust agreement prior to distribution to investors. In February 2017, we expanded the categories of eligible investments in our master trust agreements to include discount notes and other short-term debt obligations issued by Freddie Mac (in each case, with a stated final maturity, as of the related issue date, of one year or less); this expansion only applies in the case of funds collected with respect to PCs and Giant PCs issued on or after March 1, 2017. However, the categories of eligible investments under the Mirror Certificates Trust Agreement include the foregoing Freddie Mac discount notes and other Freddie Mac short-term debt obligations, without any restrictions based on the issuance dates of the Mirror Certificates or underlying Eligible Securities.

The cash flows of each Mirror Certificate will ultimately be backed by the same mortgages backing the related Eligible Security. Most security characteristics of the Mirror Certificates will mirror their corresponding Eligible Securities (e.g., unpaid principal balance at issuance and current factor). However, the Mirror Certificates will have a new CUSIP number, prefix, pool number, and
issuance date. A “CUSIP number” is a unique nine-character alphanumeric designation assigned by the CUSIP Service Bureau. Generally, a “factor” is an exact decimal rounded to eight places which, when multiplied by the original principal amount of a security, will equal its remaining principal amount.

If you exchange a portion of an Eligible Security you will receive a pro-rata portion of the corresponding Mirror Certificate in return. You can decide to exchange your portion of an Eligible Security independently of other investors in the same Eligible Security.

If you exchange an Eligible Security with a 15-year prefix that was backed entirely by 10-year mortgages at issuance you will receive a Mirror Certificate with a 10-year prefix.

If your Eligible Securities are PCs, you are encouraged to consider consolidating comparable PCs into Giant PCs prior to effecting an exchange in order to reduce the individual number of exchange transactions needed to be effected by you. To form a Giant PC, you must coordinate with a member of the Freddie Mac Giant Dealer Group. For more information, contact Freddie Mac at (800) 366-2572 or by email at giants@freddiemac.com.

FLOAT COMPENSATION

If you deliver an Eligible Security in exchange for a Mirror Certificate, you will also receive Float Compensation, which is a one-time payment primarily intended to compensate you for the difference in Payment Delay between Eligible Securities and their related Mirror Certificates. As noted above, Eligible Securities have a Payment Delay of 45 days and Mirror Certificates have a Payment Delay of 55 days.

We expect to offer a schedule of Float Compensation payment rates, with at least one payment rate for every term and coupon combination (regardless of maturity) relating to Eligible Securities. These term and coupon combinations are referred to as “cohorts.” For example, a cohort could consist of 30-year PCs with a 4.0% coupon or 15-year PCs with a 3.0% coupon. “Coupon” refers to the per annum interest rate of the PC. As discussed below, we expect to update the schedule of Float Compensation payment rates as frequently as every business day. Payment rates will be expressed in ticks (1 tick equals 1/32 of 1%).

The Float Compensation paid with respect to an Eligible Security will be calculated by multiplying (x) the payment rate then in effect for the applicable cohort by (y) the current unpaid principal balance of the Eligible Security.

We will generally calculate Float Compensation payment rates using a constant “option adjusted spread” (“OAS”) methodology and may leverage a combination of internal and third-party models. As a result, the payment rates will be affected by market movements that change the OAS-implied value of the additional 10 days of Payment Delay. We may adjust the model-derived payment rates for any particular cohort of Eligible Securities at our discretion based on a number of factors, including, but not limited to, the following:

- To better align with the market of the most actively traded securities within a given cohort of Eligible Securities.
- For cohorts of Eligible Securities where trading activity and/or market pricing, in our judgment, is sparse.
• For Eligible Securities that are backed by mortgage pools with certain mortgage characteristics that we believe may have a material impact on the value of the Float Compensation (e.g., low original loan balance mortgages or super-conforming mortgages). Any such adjustments could result in an increase or a decrease in payment rates, and adjustments could differ across cohorts of Eligible Securities. For example, any adjustment we make to the payment rate for a cohort of 30-year PCs with a 4.0% coupon backed by low original loan balance mortgages may be different from the adjustment we make to the payment rate for a cohort of 30-year PCs with a 3.0% coupon backed by low original loan balance mortgages.

As a result of these and other adjustments we may make in our discretion, the Float Compensation payment rate we offer for any given cohort of Eligible Securities could be less than (or, in some cases, more than) the payment rate produced by internal or third-party models for that cohort of Eligible Securities. In addition to the adjustments discussed above, we may increase or decrease the Float Compensation payment rates for any cohort of Eligible Securities, or for Eligible Securities generally, at our discretion.

We will publish a schedule of Float Compensation payment rates for each cohort of Eligible Securities on www.freddiemac.com/mbs. This schedule will be available through the Dealer-facilitated Path and the Direct-to-Freddie Mac Path, and is also expected to be available through certain third party informational services, such as Bloomberg.

We plan to recalculate the Float Compensation payment rates and publish an updated schedule (reflecting such recalculated payment rates) on a regular basis. This may occur as frequently as every business day. We reserve the right to change at any time the frequency with which we recalculate payment rates.

You can calculate the Float Compensation that you can expect to receive upon exchange by using a calculator tool available on www.freddiemac.com/mbs (the “Float Compensation Calculator”). You can enter the pool numbers or CUSIPs of the securities that you intend to exchange, along with the original unpaid principal balance of your securities, into the Float Compensation Calculator. The calculator will return the total Float Compensation payment that you could expect to receive if the securities were exchanged at that time, along with a pool-by-pool breakdown of the Float Compensation value and the pool numbers and CUSIPs of the Mirror Certificates to be received. The Float Compensation Calculator will be updated each time a new schedule of payment rates is published. However, the exact value of the Float Compensation payable to you in any specific exchange transaction will be communicated to you (or your agent) as part of the applicable exchange confirmation.

The Float Compensation will be paid on the date of the exchange settlement, but separately from the settlement of the exchange of the Mirror Certificate for the Eligible Security.

Until the Exchange Offer commences, the prices and payment rates presented in the Float Compensation Calculator and any schedule of payment rates are indicative, and presented for informational purposes only.

We reserve the right to change, at any time and following a reasonable notice period, the methodology used to calculate Float Compensation. Any change in methodology could materially increase or decrease the amount of Float Compensation payable in the Exchange Offer from and after the date such change is made.
EXCHANGE FEE

You will not be required to pay any fees or commissions to Freddie Mac in connection with the Exchange Offer. If your Eligible Securities are held through a broker, dealer, commercial bank, trust company, or other nominee that tenders your Eligible Securities on your behalf, your broker or other nominee may charge you a fee or commission. You should consult your broker, dealer, commercial bank, trust company, or other nominee to determine whether any charges will apply.

Dealers may charge you a fee to conduct exchange transactions under the Dealer-facilitated Path. See Exchange Procedures — The Dealer-facilitated Path.

Tradeweb has contractually agreed that it will not charge you a fee to conduct exchange transactions under the Direct-to-Freddie Mac Path for the three-year period beginning upon commencement of the Exchange Offer, but may do so thereafter. For this purpose, an “exchange transaction” is an individual Eligible Security or portion of an Eligible Security submitted for exchange. See Exchange Procedures — The Direct-to-Freddie Mac Path.

EXCHANGE PROCEDURES

We have developed two paths that are generally available to conduct exchange transactions:

- The Dealer-facilitated Path: Under this path, approved dealers submit exchange requests on your behalf through Freddie Mac’s Dealer Direct portal.
- The Direct-to-Freddie Mac Path: Under this path, you (or an agent acting on your behalf) exchange directly with Freddie Mac using a technology and onboarding solution developed and managed by Tradeweb to facilitate the exchange.

Other new exchange paths or uses of existing paths may be developed to address the needs or concerns of particular investors, such as central banks or other institutional investors with very sizable Eligible Securities positions, to respond to technological developments or to otherwise facilitate exchange transactions. Exchanges through any exchange path will be reflected in the Cumulative 45-Day to 55-Day Exchange Activity Report and the other applicable reports described on page 7 and available at http://www.freddiemac.com/mbs.

The transfers of securities under the exchange paths (e.g., your transfer of an Eligible Security to Freddie Mac and Freddie Mac’s transfer of the corresponding Mirror Certificate to you) will be effected by means of entries on the books and records of the Federal Reserve Bank of New York or such other Federal Reserve Banks as may, from time to time, maintain Eligible Securities and Mirror Certificates in book-entry form.

We expect that the Dealer-facilitated Path and the Direct-to-Freddie Mac Path will open for booking proposed exchange transactions beginning on May 7, 2019 for settlement dates beginning on May 17, 2019. Subject to the restrictions described in the next paragraph, we expect that exchange transactions booked by noon on a business day generally will be settled on the next business day. However, during the initial period of the Exchange Offer, the minimum time between the booking of an exchange transaction and the settlement of such transaction will be two business days. We expect this initial period (the “Initial Period”) to last for three to six months, though we could extend this period at our discretion. We will manage the amount of capacity available on any business day for the settlement of exchange transactions. We plan to limit the amount of the available daily exchange transaction capacity at the commencement of the Exchange Offer, and expect to gradually increase the available daily capacity during this Initial Period.
Exchange transactions cannot settle during (i) the first five business days of each month, (ii) the Class A and the Class B settlement dates set by the Securities Industry and Financial Markets Association, or (iii) the day we set each month for dealers to deliver collateral to us for settlement under our REMIC certificates issuance program. Other business days may not be available for settlement, or settlement capacity may be limited on any business day, due to previously scheduled exchange transactions, systems upgrades or for other reasons.

See Risk Factors — An exchange transaction is irrevocable once it has settled, so you will not benefit from any improvement in the terms of the Exchange Offer that may occur after you have conducted an exchange.

The chart below is an overview comparison of the two paths generally available for exchange. For a more detailed understanding of the exchange procedures, please read the entirety of this Exchange Procedures section.
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<th><strong>2. Direct-to-Freddie Mac Path</strong></th>
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<td>Counterparty</td>
<td>An approved dealer</td>
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<tr>
<td>Delivery Method</td>
<td>Most dealers will settle on a “delivery vs. payment” basis between investor and dealer Dealer delivers “free of payment” to Freddie Mac</td>
<td>Investor settles on a “free of payment” basis with Freddie Mac as the counterparty Custodians directly interface with Freddie Mac as the issuer</td>
</tr>
<tr>
<td>Float Compensation</td>
<td>May be netted from the price paid by the investor for the Mirror Certificate pursuant to the “delivery versus payment” process</td>
<td>Sent via cash wire transfer, separately from the wire transfer of the Mirror Certificate</td>
</tr>
<tr>
<td>Front-end Booking</td>
<td>Exchange via approved dealers; dealers interface with Freddie Mac to schedule the exchange transaction</td>
<td>Exchange via Tradeweb or order management system; investors agree to exchange terms through a Tradeweb interface</td>
</tr>
<tr>
<td>Cost</td>
<td>No exchange fee charged by Freddie Mac, but dealers may charge a fee</td>
<td>No exchange fee charged by Freddie Mac, but Tradeweb may charge a fee after the first three years</td>
</tr>
<tr>
<td>Settlement Dates</td>
<td>Settlement calendar has availability for current and following month</td>
<td>Settlement calendar has availability for current month</td>
</tr>
<tr>
<td>Trade / Settle</td>
<td>Minimum T+2; expect to move to T+1 after the Initial Period</td>
<td>Minimum T+2; expect to move to T+1 after the Initial Period</td>
</tr>
<tr>
<td>Duration</td>
<td>Expected to be open for the foreseeable future</td>
<td>Expected to be open for three to five years</td>
</tr>
</tbody>
</table>
The Dealer-facilitated Path

Overview

In the Dealer-facilitated Path, Freddie Mac-approved dealers execute exchange transactions on your behalf using Freddie Mac Dealer Direct, which is an online portal owned and operated by Freddie Mac that is used by approved dealers to effect certain transactions involving Freddie Mac securities. Dealers are currently using the Dealer Direct portal and process to form Freddie Mac Giant PCs. A list of the dealers approved by Freddie Mac to conduct exchange transactions under the Dealer-facilitated Path is available at www.freddiemac.com/mbs/exchange.

Dealers are expected to use the “delivery versus payment” (“DVP”) method of delivering securities under the Dealer-facilitated Path. Under the DVP delivery method, an exchange transaction will likely be structured as (x) the purchase by the dealer of the Eligible Security from you followed by (y) the exchange between the dealer and Freddie Mac of the Eligible Security for the related Mirror Certificate and Float Compensation followed by (z) the purchase by you of the related Mirror Certificate from the dealer. The Float Compensation amount will likely be netted from the price paid by you to the dealer for the Mirror Certificate under the DVP process.

A dealer may require you to enter into a separate agreement with the dealer for the dealer to execute exchange transactions on your behalf.

Dealers may charge you a fee to conduct exchange transactions under the Dealer-facilitated Path. The applicable dealer will determine the means by which any such fee is assessed and reported, which could include netting the fee from the price paid by you to the dealer for the Mirror Certificate under the DVP process described above.

In addition to conducting exchange transactions on your behalf, a dealer may also use the Dealer-facilitated Path to exchange the dealer’s own holdings of Eligible Securities.

Parties must submit or have on file accurate and fully documented tax forms in order to participate in the Exchange Offer. The dealer may decide to not accept an exchange with either a U.S. or non-U.S. counterparty where there is a possibility that withholding of funds for tax purposes could be required, should the Internal Revenue Service (“IRS”) later determine that the Float Compensation is taxable. See Certain Federal Income Tax Consequences — Backup Withholding, Foreign Withholding and Information Reporting.

Transaction Booking

To book a proposed exchange transaction, a dealer will log in to the Dealer Direct portal, upload a file listing the pool numbers, CUSIP numbers and par amounts of the Eligible Securities to be exchanged, and select a settlement date. A dealer can submit multiple individual Eligible Securities (or portions of Eligible Securities) for exchange in a single exchange transaction. The proposed settlement date may be any date during the current or the following month with sufficient available exchange transaction capacity. Through the Dealer Direct portal, we will provide the dealer with the terms of the exchange transaction, including the Float Compensation payable with respect to the Eligible Securities in the exchange transaction. Once the dealer accepts the terms, we (through the Dealer Direct portal) will send an exchange confirmation to the dealer via email.

If a dealer books an exchange transaction during the first four business days of the month or if it books an exchange transaction to settle in the following month, the Float Compensation amount in the
exchange confirmation will be an estimate based on the latest available factors. Once new factors are available, we will provide the dealer with the actual amount of Float Compensation payable in the exchange transaction.

As part of the booking process, the dealer will acknowledge that it has agreed to the terms of this Exchange Offer Circular and that it has delivered to you either a copy of the Exchange Offer Circular or a notice with respect to how it may be obtained. The dealer will also acknowledge that it accepts the terms of the Dealer Exchange Agreement (defined below).

During the period between the booking of an exchange transaction and the business day prior to the settlement day, the dealer may change the settlement date, remove Eligible Securities from the exchange transaction or cancel the exchange transaction. Freddie Mac will not charge a fee to a dealer or you for cancelling an exchange transaction in this manner.

You and each dealer will need to provide your respective custodians with appropriate instructions concerning the delivery of Eligible Securities and the receipt of Mirror Certificates and Float Compensation. These instructions will likely be made through the normal communication paths typically used to instruct custodians regarding a trade. Each of you, dealer or custodian should perform any required pre-settlement accounting and tax reporting. Each of you and dealer should book the purchase and sale transactions described above in Overview in your or their systems as needed once the exchange confirmation is received.

**Settlement**

On the applicable settlement date, the dealer will wire the applicable Eligible Securities to Freddie Mac and will receive a return wire with the applicable Mirror Certificates and a second wire with the cash payment representing the applicable Float Compensation, as described below.

On the applicable settlement date, the dealer will wire the applicable Eligible Securities via Fedwire to Freddie Mac’s designated holding account. Freddie Mac will confirm that such Eligible Securities match those specified in the related exchange confirmation, and then deliver the corresponding Mirror Certificates via Fedwire from its designated holding account to the dealer. Freddie Mac will send a separate wire to the dealer for the aggregate amount of Float Compensation associated with the Eligible Securities exchanged in the exchange transaction; we expect this wire will be sent late in the afternoon on the settlement date. Each dealer will deliver the applicable Mirror Certificates and Float Compensation to you in accordance with the arrangements between you and the dealer. As described above in Overview, under the DVP delivery method, the Float Compensation amount will likely be netted from the price paid by you to the dealer for the Mirror Certificate.

A dealer may submit multiple individual Eligible Securities for exchange on your behalf in a single exchange transaction. If, on the settlement date, the dealer fails to deliver all of the Eligible Securities specified in the exchange confirmation, we will deliver only those Mirror Certificates, and pay only that amount of Float Compensation, that correspond to the Eligible Securities that have been delivered. With respect to any Eligible Securities that were specified in the exchange confirmation but were not delivered, we will automatically reschedule the settlement of such Eligible Securities on the next available settlement date, subject to certain constraints. Freddie Mac will not charge a fee to you or a dealer for a dealer’s failure to deliver all applicable Eligible Securities on the settlement date.
If a dealer delivers Eligible Securities to us on the settlement date for an exchange transaction and we are unable to complete the exchange on that date, we will use commercially reasonable efforts to return the Eligible Securities to the dealer on the same business day.

We will hold any Eligible Securities delivered by a dealer to our designated holding account in trust and as custodian for the exclusive benefit of the dealer in accordance with Section 1367(b)(19)(B) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, and the terms and conditions of the Dealer Exchange Agreement (as defined below) and the Exchange Offer Circular until such time as such Eligible Securities are exchanged for the corresponding Mirror Certificates and applicable Float Compensation or returned to the dealer; and, although we are not a “securities intermediary,” we will exercise due care in accordance with reasonable commercial standards when doing so.

During the evening and morning immediately prior to settlement, we will conduct screening processes related to anti-money laundering and economic sanctions laws compliance with respect to the exchange transactions scheduled for settlement on that day. Thus, the screening processes will occur after a dealer has booked an exchange transaction, but prior to settlement. We have the right to postpone or reschedule any scheduled exchange transaction to the extent concerns are identified in the screening processes and the applicable dealer or you are unable to remedy such concerns in a timely manner. We also have the right to postpone or reschedule any scheduled exchange transaction in the event the applicable dealer fails to comply with applicable anti-money laundering and economic sanctions laws and regulations in connection with its performance under the Dealer Exchange Agreement.

Dealer Exchange Agreement

Each approved dealer will enter into a “Dealer Exchange Agreement” with Freddie Mac, the primary purpose of which is to establish the framework pursuant to which exchange transactions may be effected under the Dealer-facilitated Path. Under the Dealer Exchange Agreement, each of Freddie Mac and the applicable dealer agree to indemnify the other party with respect to certain losses, claims or liabilities that may arise with respect to exchange transactions under the Dealer-facilitated Path. Under the Dealer Exchange Agreement, we have the right to postpone or reschedule the settlement date of any exchange transaction in our sole discretion for “good cause,” which generally includes (i) the applicable dealer’s failure to perform or comply with the requirements of the Dealer Exchange Agreement or as otherwise specified by Freddie Mac, (ii) any legal or regulatory issues or concerns with respect to the Exchange Offer or the applicable exchange transaction, as reasonably determined by Freddie Mac, and (iii) any technological or systems problem or failure affecting Freddie Mac’s ability to perform or comply with the requirements of the Dealer Exchange Agreement or the Exchange Offer.

The dealers are not acting as agent for, or otherwise on behalf of, Freddie Mac in connection with the Exchange Offer, are not being compensated in any way by Freddie Mac in connection with the effectuation of exchange transactions under the Dealer-facilitated Path, have not participated in the preparation of this Exchange Offer Circular and the related disclosure materials or conducted any due diligence with respect thereto and bear no responsibility for the contents thereof. Rather, each dealer will be acting solely on its own behalf and/or on your behalf when it effects exchange transactions through the Dealer-facilitated Path.
The Direct-to-Freddie Mac Path

Set up and Approval Process

Under this path, you (or an agent acting on your behalf) exchange directly with Freddie Mac. In the discussion below, “party” refers to the person or entity that executes the Investor Exchange Agreement as the “Investor.” Generally, the “Investor” under the Investor Exchange Agreement may be you or an agent acting on your behalf.

Prior to conducting an exchange transaction under this path, a party will undergo a two- to three-week set up and approval process. As part of this process, a party will need to submit an IRS Form W-8 or W-9 as well as such materials as may be necessary to conduct appropriate “know your customer” (“KYC”) due diligence on the party. The party will also need to sign an Investor Exchange Agreement (as defined below) with Freddie Mac and complete a systems set up process. If the party is not already a Tradeweb user, the party will need to sign a user agreement with Tradeweb. If the party is not approved for the Direct-to-Freddie Mac Path, the party will need to use the Dealer-facilitated Path. To initiate the set up and approval process, you (or your agent) should email Tradeweb at UMBS@tradeweb.com and request the onboarding package.

If Freddie Mac determines, in its sole discretion, that the party conducting the exchange is subject to backup withholding tax or foreign withholding tax, such party will be disqualified from using this path for exchanges and must instead use the Dealer-facilitated Path. Further, non-U.S. asset managers who seek to perform exchanges on behalf of their clients must demonstrate to Freddie Mac that they are a primary withholding qualified intermediary (“QI”). A QI is generally a non-U.S. financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the IRS. If QI status cannot be confirmed by Freddie Mac, the non-U.S. asset manager will be required to use the Dealer-facilitated Path to perform exchanges.

Tradeweb will assist us in evaluating the KYC package for each party.

Freddie Mac will review the KYC materials provided by Tradeweb in deciding whether to approve or deny a party’s request to use the Direct-to-Freddie Mac Path. There may be situations where parties will be required to use the Dealer-facilitated Path. This determination will be at the sole discretion of Freddie Mac.

Parties must submit accurate and fully documented tax forms in order to participate in the Exchange Offer. Freddie Mac will not accept an exchange with either a U.S. or non-U.S. party where there is a possibility that withholding of funds for tax purposes could be required, should the IRS later determine that the Float Compensation is taxable. See Certain Federal Income Tax Consequences — Backup Withholding, Foreign Withholding and Information Reporting.

Transaction Booking

Once you (or your agent) have been approved to use the Direct-to-Freddie Mac Path, you (or your agent) may schedule proposed exchange transactions through Tradeweb or, in certain cases, through your (or your agent’s) order management system. To book an exchange, you (or your agent) will submit the CUSIP number and par amount of the Eligible Security (or portion of an Eligible Security) to be exchanged and select a settlement date from a schedule of available settlement dates during the current month. You (or your agent) must enter each exchange of an individual Eligible Security (or portion of an Eligible Security) as a separate individual exchange transaction. Through Tradeweb or, if
applicable, your (or your agent’s) order management system, we will provide you (or your agent) with the terms of the exchange transaction, including the Float Compensation payable with respect to the Eligible Security (or portion of an Eligible Security). Once you (or your agent) accept the terms, we will provide you (or your agent) with an exchange confirmation.

The specific procedures and information requirements for the booking process may vary, depending on your (or your agent’s) internal trade booking processes and whether you (or your agent) schedule the exchange transaction through Tradeweb or an order management system.

As part of the booking process, you (or your agent) will acknowledge that you (or your agent) has agreed to the terms of this Exchange Offer Circular. If the exchange is being booked on your behalf by an agent that does not have discretionary investment authority over your investments, then such agent must deliver to you either a copy of the Exchange Offer Circular or a notice with respect to how it may be obtained. You (or your agent) will also acknowledge that it accepts the terms of the Investor Exchange Agreement.

During the period between the booking of an exchange transaction and the business day prior to the settlement day, you (or your agent) may cancel the exchange transaction. Freddie Mac will not charge you a fee for cancelling an exchange transaction in this manner.

You will need to provide your custodian with appropriate instructions concerning the delivery of your Eligible Security and the receipt of the related Mirror Certificate and Float Compensation, which will be done on a “free of payment” basis. You (or your agent) or your custodian should perform any required pre-settlement accounting.

Tradeweb has contractually agreed that it will not charge you a fee to conduct exchange transactions under the Direct-to-Freddie Mac Path for the three-year period beginning upon commencement of the Exchange Offer, but may do so thereafter.

Freddie Mac reserves the right to cancel any exchange transaction through the Direct-to-Freddie Mac Path in its sole discretion for good cause, without incurring liability to you or your agent (except as discussed in the paragraph below) or any third party. For this purpose, “good cause” includes (i) your (or your agent’s) failure to perform or comply with the requirements of the Exchange Offer pursuant to the Exchange Offer Circular or as otherwise specified by Freddie Mac in the manner or at the time provided, (ii) any legal or regulatory issues or concerns with respect to the Exchange Offer or the exchange transaction, as reasonably determined by Freddie Mac, and (iii) any technological or systems problem or failure affecting Freddie Mac’s or Tradeweb’s ability to perform or comply with the requirements of the Exchange Offer.

Freddie Mac will indemnify and hold you (or your agent) harmless against any Exchange Failure Claims. For this purpose, an “Exchange Failure Claim” means any loss, claim, liability or expense (including reasonable attorneys’ fees) to which you (or your agent) may become subject under any statute or at law or in equity or otherwise, in each case, that may arise directly as a result of Freddie Mac’s failure to complete an exchange transaction on the scheduled settlement date and deliver the applicable Mirror Certificates and Float Compensation to you (or your agent), to the extent such failure is caused by any action or event reasonably under the control of Freddie Mac. The procedures for you
(or your agent) to effect a claim for indemnification with respect to an Exchange Failure Claim are as follows:

- You (or your agent) must promptly notify Freddie Mac’s general counsel in writing if you (or your agent) have received notice of the commencement of any action for which you (or your agent) will make a claim for indemnification.
- Freddie Mac will be entitled to participate in any such action and, upon written notice to you (or your agent), to assume the defense of any such action.
- If Freddie Mac assumes the defense of any such action, Freddie Mac will not be liable to you (or your agent) for any legal or other expenses subsequently incurred by you (or your agent).
- Freddie Mac, acting in good faith, will establish such other procedures as it determines to be reasonably necessary.

**Settlement**

On the applicable settlement date, you (or your agent) will wire the Eligible Security to Freddie Mac and will receive a return wire with the corresponding Mirror Certificate and a second wire with the cash payment representing the applicable Float Compensation, as described below. In this path, each exchange of an Eligible Security (or portion of an Eligible Security) for a Mirror Security and applicable Float Compensation is an individual transaction and will settle separately from any other exchange transactions you (or your agent) have scheduled to settle on the same day.

On the applicable settlement date, your custodian will wire the Eligible Security via Fedwire to Freddie Mac’s designated holding account. Freddie Mac will confirm that the Eligible Security matches the security specified in the related exchange confirmation, and then deliver the corresponding Mirror Certificate via Fedwire from its designated holding account to your custodian. JPMorgan Chase Bank, N.A., the paying agent for the Direct-to-Freddie Mac Path, will send a separate wire to your custodian for the Float Compensation associated with the Eligible Security exchanged in the exchange transaction; we expect this wire will be sent late in the afternoon on the settlement date. Freddie Mac will not charge you a fee for your failure to deliver the applicable Eligible Security on the settlement date.

We do not automatically rebook failed transactions in the Direct-to-Freddie Mac Path. If any exchange transaction fails on the settlement day, you (or your agent) will have to book a new proposed exchange transaction for the particular Eligible Security.

If you (or your agent) deliver an Eligible Security to us on the settlement date for an exchange transaction and we are unable to complete the exchange on that date, we will use commercially reasonable efforts to return the Eligible Security to you (or your agent) on the same business day.

We will hold any Eligible Security delivered by you (or your agent or custodian) to our designated holding account in trust and as custodian for your (or your agent’s) exclusive benefit in accordance with Section 1367(b)(19)(B) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, and the terms and conditions of the Investor Exchange Agreement and the Exchange Offer Circular until such time as such Eligible Securities are exchanged for the corresponding Mirror Certificates and applicable Float Compensation or returned to you (or your agent or custodian); and, although we are not a “securities intermediary,” we will exercise due care in accordance with reasonable commercial standards when doing so.
During the evening and morning immediately prior to settlement, we will conduct screening processes related to anti-money laundering and economic sanctions laws with respect to the exchange transactions scheduled for settlement on that day. Thus, the screening processes will occur after you (or your agent) have booked an exchange transaction, but prior to settlement. We have the right to cancel any scheduled exchange transaction to the extent concerns are identified in the screening processes and the applicable dealer or you (or your agent) are unable to remedy such concerns in a timely manner. We also have the right to cancel any scheduled exchange transaction in the event of a breach of the representations and warranties related to anti-money laundering and economic sanctions laws contained in the Investor Exchange Agreement.

**Investor Exchange Agreement**

As described above in *Set up and Approval Process*, either you or your agent will generally be required to sign an **“Investor Exchange Agreement”** with Freddie Mac. Among other items, the Investor Exchange Agreement provides for such party to make certain representations and warranties related to anti-money laundering and economic sanctions laws. Freddie Mac requires these representations and warranties due to Freddie Mac’s specific Bank Secrecy Act and Office of Foreign Assets Control compliance obligations related to the Exchange Offer, including, but not limited to, making Float Compensation payments to such party in each exchange transaction.

If you are a dealer, such dealer and Freddie Mac agree that the Investor Exchange Agreement shall be deemed to have been entered into prior to the “Implementation Date,” as such term is used in the ISDA 2018 U.S. Resolution Stay Protocol. This deemed agreement is made solely for purposes of the amendments made to “Protocol Covered Agreements” by the ISDA 2018 U.S. Resolution Stay Protocol.

**DESCRIPTION OF MIRROR CERTIFICATES**

Each Mirror Certificate received in the Exchange Offer will represent an undivided interest in the related Eligible Security. When we issue a Mirror Certificate, we form a “**Mirror Pass-Through Pool**” that consists of the related Eligible Security. The assets in each Mirror Pass-Through Pool include the related Eligible PC or Eligible Giant PC, all proceeds of such Eligible Security, amounts on deposit in a custodial account of collections from such Eligible Security and the right to receive payments pursuant to our guarantee. The mortgages underlying the Eligible Securities are secured by single-family residential properties.

Mirror Certificates will be issued and must be maintained and transferred only by means of an entry on the books and records of the Federal Reserve Bank of New York or such other Federal Reserve Banks as may, from time to time, maintain Mirror Certificates in book-entry form. Mirror Certificates will not be evidenced by a certificated security. Each Mirror Certificate will be governed by the terms of the Mirror Certificates Trust Agreement (as it may be amended from time to time) and applicable Mirror Pool Supplement. For additional details regarding the terms of the Mirror Certificates, please review the Mirror Certificates Trust Agreement and the Mirror Certificates Offering Circular (including the form of Mirror Pool Supplement), copies of which are attached to this Exchange Offer Circular as **Appendix II** and **Appendix III**, respectively.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a general discussion of the material federal income tax consequences relating to participation in the Exchange Offer. It does not address all of the federal income tax consequences that may apply to particular categories of investors. Some investors may be subject to special rules. You should consult your own tax advisors to determine the federal, state, local and any other tax consequences that may be relevant to you.

PARTICIPATION IN THE EXCHANGE OFFER

The IRS has issued Revenue Ruling 2018-24, in which the IRS ruled that an exchange of Eligible Securities for Mirror Certificates pursuant to the Exchange Offer will not constitute a taxable exchange of property for purposes of Section 1001 of the Internal Revenue Code of 1986, as amended.

If you exchange your Eligible Securities for Mirror Certificates pursuant to the Exchange Offer, you will be treated as continuing to own an interest in the mortgages underlying such Eligible Securities in the related Mirror Pass-Through Pool. Subject to the discussion below under — Float Compensation, your basis in such mortgages underlying the Mirror Certificates will be the same as your basis in the mortgages underlying the Eligible Securities in the related Mirror Pass-Through Pool.

FLOAT COMPENSATION

In the opinion of Shearman & Sterling LLP, U.S. federal tax counsel to Freddie Mac, although the matter is not free from doubt, the payment of any Float Compensation will not constitute income to you for federal income tax purposes, and such Float Compensation will be treated as a reduction of your adjusted basis in the mortgages underlying your Mirror Certificate.

If, contrary to Shearman & Sterling LLP’s conclusion above, the payment of the Float Compensation does constitute income to you, Shearman & Sterling LLP is of the opinion that (i) such Float Compensation will be treated as interest income and (ii) the Float Compensation will be treated as “interest” from “Government securities” under Section 851(b)(2) and (3), respectively, and “interest” under Section 856(c)(2)(B), but likely would not be “interest on obligations secured by mortgages on real property or on interests in real property” under Section 856(c)(3).

There is no relevant authority that directly addresses the characterization and timing of the Float Compensation for federal income tax purposes, and we have received no ruling from the IRS in connection with the characterization and timing of the Float Compensation. Accordingly, the federal income tax characterization and timing of the Float Compensation for federal income tax purposes is not certain. Furthermore, opinions of counsel are not binding on the IRS. You should consult your own tax advisor to determine the federal income tax characterization and timing of the Float Compensation.

NON-PARTICIPANTS IN THE EXCHANGE OFFER

If you do not participate in the Exchange Offer, the Exchange Offer will not result in any federal income tax consequences to you.

OWNERSHIP OF MIRROR CERTIFICATES

See Certain Federal Income Tax Consequences in the Mirror Certificates Offering Circular for a description of certain federal income tax consequences related to the holding of Mirror Certificates.
BACKUP WITHHOLDING, FOREIGN WITHHOLDING AND INFORMATION REPORTING

If you are an individual, a corporation, an estate or a trust that is not a U.S. Person, then in the opinion of Shearman & Sterling LLP, although the matter is not free from doubt, the payment of any Float Compensation will not constitute income to you for federal income tax purposes and, accordingly, will not be subject to federal withholding tax.

If, contrary to Shearman & Sterling LLP’s conclusion above, the payment of the Float Compensation does constitute income to you, Shearman & Sterling LLP is of the opinion that the Float Compensation will not be subject to federal withholding tax when paid to you if you qualify for the portfolio interest exemption or an applicable treaty exemption. To qualify for the portfolio interest exemption or an exemption under an applicable treaty, you must provide an IRS Form W-8BEN or W-8BEN-E or other documentation as may be prescribed by the IRS. You should consult your own tax advisor with respect to your eligibility for the portfolio interest exemption or an applicable treaty exemption.

The opinions of Shearman & Sterling LLP are not binding on the IRS or withholding agents and are not free from doubt. Paying agents other than Freddie Mac and its paying agent making payments of the Float Compensation may disagree with the opinions of Shearman & Sterling LLP. Accordingly, there can be no assurance that a paying agent (other than the paying agent of Freddie Mac) that does not agree with such opinions will not withhold on payments of Float Compensation.

Information reporting and backup withholding may apply to transactions effected pursuant to the Exchange Offer unless you have provided the appropriate dealer (in the case of the Dealer-facilitated Path) or Freddie Mac (in the case of the Direct-to-Freddie Mac Path) with a taxpayer identification number, certified under penalties of perjury, as well as certain other information, or you otherwise establish an exemption from backup withholding. Any amounts withheld under the backup withholding rules would be allowed as a credit against your federal income tax liability.

For these purposes, the term “U.S. Person” means one of the following:

- An individual who, for federal income tax purposes, is a citizen or resident of the United States.
- A corporation (or other business entity treated as a corporation for federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia.
- An estate whose income is subject to federal income tax, regardless of its source.
- A trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust.
- To the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that elect to be treated as U.S. Persons.

If a partnership (or other entity treated as a partnership for federal income tax purposes) holds Mirror Certificates or receives Float Compensation, the treatment of a partner generally will depend
upon the status of the particular partner and the activities of the partnership. If you are a partner in such partnership, you should consult your own tax advisor.

The Exchange Offer is not available in connection with the Direct-to-Freddie Mac Path if, in the opinion of Freddie Mac, there is a possibility that withholding tax is required.

ERISA CONSIDERATIONS

See ERISA Considerations in the Mirror Certificates Offering Circular for a description of certain considerations under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), related to holding Mirror Certificates.

ACCOUNTING FOR EXCHANGES

Various factors may influence the accounting treatment applicable to an investor’s exchange of Eligible Securities for Mirror Certificates and Float Compensation. Accounting standards, and the application and interpretation of such standards, are subject to change from time to time. Before exchanging Eligible Securities for Mirror Certificates and Float Compensation, you should review the Exchange Offer Circular and are encouraged to consult your own professional advisors on the appropriate accounting treatment for Mirror Certificates and Float Compensation.

However, Freddie Mac and Fannie Mae have received guidance from the SEC’s Office of the Chief Accountant on how an investor may account for its exchange of Freddie Mac-issued 45-day PCs for Freddie Mac-issued 55-day Supers. This guidance is based on a hypothetical exchange effected by Fannie Mae (as an investor in Freddie Mac-issued 45-day PCs) and is memorialized in a letter from Fannie Mae to the SEC’s Office of the Chief Accountant, which is available at: www.freddiemac.com/mbs/docs/Fannie_Mae_Confirming_Letter_to_SEC_Regarding_Accounting_Treatment_for_Gold_PC_Exchanges_and_Companion_Document.pdf.

It is Freddie Mac’s understanding that the SEC’s Office of the Chief Accountant, as set forth in the letter, does not object to treating the exchange of a Freddie Mac-issued 45-day PC for a Freddie Mac-issued 55-day Supers as a minor modification whereby the investor would carry-over the basis of its 45-day single-class pass-through to the 55-day Supers, with the cash payment paid by Freddie Mac as compensation for the change in the remittance cycle recorded as an additional basis adjustment to the 55-day Supers and subsequently amortized over the remaining life of the security.
### INDEX OF TERMS

The following is a list of defined terms used in this Exchange Offer Circular and the pages where their definitions appear.

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Freddie Mac

MIRROR CERTIFICATES MASTER TRUST AGREEMENT

THIS MIRROR CERTIFICATES MASTER TRUST AGREEMENT is entered into as of March 26, 2019 by and among Freddie Mac in its corporate capacity as Depositor, Administrator and Guarantor, Freddie Mac in its capacity as Trustee, and the Holders of any of Freddie Mac’s Mirror Certificates offered from time to time pursuant to Freddie Mac’s Offering Circular referred to herein. Capitalized terms used in this Agreement have the respective meanings specified in the Glossary of Terms below.

Whereas:

(a) Freddie Mac is a corporation duly organized and existing under and by virtue of the Freddie Mac Act and has full corporate power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein; and

(b) Freddie Mac may from time to time (i) acquire, pursuant to its Exchange Offer commencing in 2019, its eligible Mortgage Participation Certificates that are referred to herein as “Eligible PCs” and its eligible Giant Mortgage Participation Certificates that are referred to herein as “Eligible Giant PCs” (together, Eligible PCs and Eligible Giant PCs are referred to herein as “Eligible Securities”) in accordance with the applicable provisions of the Freddie Mac Act, (ii) as Depositor, transfer and deposit such Eligible Securities into various related applicable trust funds that are established pursuant to this Agreement and that are referred to herein as “Mirror Pass-Through Pools,” (iii) as Administrator, on behalf of the Trustee, create and issue hereunder, on behalf of each Mirror Pass-Through Pool, a Mirror Certificate representing all the beneficial interests in the related Eligible Security included in such Mirror Pass-Through Pool, (iv) as Trustee, act as trustee for each such Mirror Pass-Through Pool, (v) as Guarantor, guarantee the payment of interest and principal for the benefit of the Holders of each such Mirror Certificate and (vi) as Administrator, administer the affairs of each such Mirror Pass-Through Pool.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed that the following terms and conditions of this Agreement (including, as to each Mirror Pass-Through Pool, the related Mirror Pool Supplement) shall govern the issuance of Mirror Certificates, the transfer, sale and assignment of the Mirror Certificates and the rights and obligations of the parties with respect to the Mirror Certificates. The Mirror Pool Supplement related to a particular Mirror Certificate may amend or supplement the terms hereof.

GLOSSARY OF TERMS

The following definitions apply to capitalized terms used in this Agreement. These definitions shall also apply to any Mirror Pool Supplement prepared by Freddie Mac, unless the terms are otherwise defined in such Mirror Pool Supplement.

Accrual Period: As to any Payment Date and any Mirror Certificate, the calendar month preceding the month of the Payment Date for such Mirror Certificate.

Administrator: Freddie Mac, in its corporate capacity, as administrator of the Mirror Pass-Through Pools created under this Agreement.
**Agreement**: This Mirror Certificates Master Trust Agreement, dated as of March 26, 2019 by and among Freddie Mac in its corporate capacity as Depositor, Administrator and Guarantor, Freddie Mac in its capacity as Trustee, and the Holders of the various Mirror Certificates, as originally executed, or as modified, amended or supplemented in accordance with the provisions set forth herein. Unless the context requires otherwise, the term “Agreement” shall be deemed to include any applicable Mirror Pool Supplement entered into pursuant to Section 1.01 of this Agreement.

**Agreement Default**: With respect to any Eligible PC or Eligible Giant PC that is issued or guaranteed by Freddie Mac and included in a Mirror Pass-Through Pool, an “Event of Default” as defined in the PC Agreement, in the Giant Agreement or in this Agreement, as the case may be, and relating to such Eligible Security.

**Book-Entry Rules**: The provisions from time to time in effect, presently contained in Title 12, Part 1249 of the Code of Federal Regulations, setting forth the terms and conditions under which Freddie Mac may issue securities on the Fed System and authorizing a Federal Reserve Bank to act as Freddie Mac’s agent in connection with such securities.

**Business Day**: A day other than (i) a Saturday or Sunday, (ii) a day on which the Federal Reserve Bank of New York (or other agent acting as Freddie Mac’s fiscal agent) is authorized or obligated by law or executive order to remain closed, or (iii) as to any Holder, a day on which the Federal Reserve Bank at which such Holder’s account is maintained is authorized or obligated by law or executive order to remain closed.

**Coupon**: The rate at which interest is distributed to a Holder of a Mirror Certificate, which rate may be subject to adjustment.

**Custodial Account**: As defined in Section 3.01(a) of this Agreement.

**Depositor**: Freddie Mac, in its corporate capacity, as depositor of Eligible Securities into the Mirror Pass-Through Pools created under this Agreement.

**Eligible Giant PC**: A Giant PC, as to which there is a delay of approximately 45 days between the time interest begins to accrue on such Giant PC and the holder of record receives its interest payment, that is eligible for the Freddie Mac Exchange Offer commencing in 2019, was delivered to Freddie Mac in acceptance of that Exchange Offer and was transferred by the Depositor to the Trustee for inclusion in a Mirror Pass-Through Pool that backs the related Mirror Certificate.

**Eligible Investments**: Any one or more of the following obligations, securities or holdings maturing on or before the Payment Date applicable to the funds so invested:

(i) obligations of, or obligations guaranteed as to the full and timely payment of principal and interest by, the United States;

(ii) obligations of any agency or instrumentality of the United States (other than Freddie Mac, except as provided in subsection (viii) below) or taxable debt obligations of any state or local government (or political subdivision thereof) that have a long-term rating or a short-term rating, as applicable, from S&P, Moody’s or Fitch in any case in one of its two highest rating categories for long-term securities or in its highest ratings category for short-term securities;

(iii) federal funds (which are typically overnight, unsecured cash loans to depository institutions or Federal Home Loan Banks, closely resembling bank-to-bank loans executed in the so-called federal funds market), certificates of deposit, time deposits and bankers’ acceptances with a fixed maturity of no more than 365 days of any depository institution or trust company, provided
that the short-term securities of the depository institution or trust company are rated by S&P, Moody’s or Fitch in the highest applicable ratings category for short-term securities;

(iv) commercial paper with a fixed maturity of no more than 270 days, of any corporation that is rated by S&P, Moody’s or Fitch in its highest short-term ratings category;

(v) debt securities that have a long-term rating or a short-term rating, as applicable, from S&P, Moody’s or Fitch, in any case in one of its two highest ratings categories for long-term securities or in its highest ratings category for short-term securities;

(vi) money market funds that are registered under the Investment Company Act of 1940, as amended, are entitled, pursuant to Rule 2a-7 of the Securities and Exchange Commission, or any successor to that rule, to hold themselves out to investors as money market funds, and are rated by S&P, Moody’s or Fitch in one of its two highest ratings categories for money market funds;

(vii) asset-backed commercial paper that is rated by S&P, Moody’s or Fitch in its highest short term ratings category;

(viii) discount notes and other short-term debt obligations (in each case, with a stated final maturity, as of the related issue date, of one year or less) issued by Freddie Mac;

(ix) repurchase agreements on obligations that are either specified in any of clauses (i), (ii), (iii), (iv), (v), (vii) or (viii) above or are mortgage-backed securities insured or guaranteed by an entity that is an agency or instrumentality of the United States; provided that the counterparty to the repurchase agreement is an entity whose short-term debt securities are rated by S&P, Moody’s or Fitch in its highest ratings category for short-term securities; and

(x) any other investment without options that is approved by Freddie Mac and is within the two highest ratings categories of the applicable rating agency for long-term securities or the highest ratings category of the applicable rating agency for short-term securities.

The rating requirement will be satisfied if the relevant security, issue or fund at the time of purchase receives at least the minimum stated rating from at least one of S&P, Moody’s or Fitch. The rating requirement will not be satisfied by a rating that is the minimum rating followed by a minus sign or by a rating lower than Aa2 from Moody’s.

*Eligible PC:* A PC, as to which there is a delay of approximately 45 days between the time interest begins to accrue on such PC and the holder of record receives its interest payment, that is eligible for the Freddie Mac Exchange Offer commencing in 2019, was delivered to Freddie Mac in acceptance of that Exchange Offer and was transferred by the Depositor to the Trustee for inclusion in a Mirror Pass-Through Pool that backs the related Mirror Certificate.

*Eligible Securities:* Eligible PCs and Eligible Giant PCs. An *Eligible Security* is either an Eligible PC or an Eligible Giant PC, as the case may be.

*Event of Default:* As defined in Section 5.01 of this Agreement.

*Exchange Offer:* Freddie Mac’s offer to exchange Mirror Certificates for their related applicable Eligible Securities pursuant to Freddie Mac’s Exchange Offer Circular, as it may be amended or supplemented from time to time.

*Factor:* For each Mirror Certificate and any Payment Date, a rounded eight-digit decimal that, when multiplied by the original principal amount of such Mirror Certificate, will equal its remaining principal
amount after giving effect to the payment of principal to be made on such Payment Date in the same month.


*Fed System:* The book-entry system maintained by the Federal Reserve Banks.

*Federal Reserve Bank:* The Federal Reserve Bank of New York and/or such other Federal Reserve Banks as may maintain Mirror Certificates on the Fed System, or any successor selected or approved by Freddie Mac.

*Final Payment Date:* With respect to each Mirror Certificate, the Payment Date that occurs in the same month of the final payment date of the related underlying Eligible Security.

*Fitch:* Fitch, Inc., also known as Fitch Ratings, or any successor thereto.

*Freddie Mac:* The Federal Home Loan Mortgage Corporation, a corporation created pursuant to the Freddie Mac Act for the purpose of establishing and supporting a secondary market in residential mortgages. Unless the context requires otherwise, the term “Freddie Mac” shall be deemed to refer to Freddie Mac acting in one or more of its corporate capacities, as specified or as provided in context, and not in its capacity as Trustee.


*Giant Agreement:* With respect to any Giant PC, the Freddie Mac Pass-Through Certificates Agreement or Pass-Through Certificates Master Trust Agreement, including any applicable amendment or supplement, providing for the issuance of such Giant PC.

*Giant MBS Mirror Certificate:* A Mirror Certificate issued under this Agreement and pursuant to the Exchange Offer and backed by an Eligible Giant PC that does not qualify under SIFMA guidelines for the TBA market.

*Giant Offering Circular:* Freddie Mac’s Giant and Other Pass-Through Certificates Offering Circular as in effect from time to time, including any amendment or applicable supplement, providing for the issuance of Giant PCs.

*Giant PC:* A pass-through security designated by Freddie Mac as a Giant PC, representing an undivided beneficial ownership interest in a pass-through pool, which pass-through pool is entitled to receive all of the principal and interest payments made on the assets backing such Giant PC, except any amounts retained by Freddie Mac.

*Guarantor:* Freddie Mac, in its corporate capacity, as guarantor of the Mirror Certificate issued by each Mirror Pass-Through Pool.

*Holder:* With respect to any Mirror Certificate, any Fed Participant whose name appears on the books and records of a Federal Reserve Bank as the participant for whose account any portion of such Mirror Certificate has been deposited.

*MBS Mirror Certificate:* A Mirror Certificate issued under this Agreement and pursuant to the Exchange Offer and backed by an Eligible PC that does not qualify under SIFMA guidelines for the TBA market.
Mirror Certificates: Collectively, the UMBS Mirror Certificates, MBS Mirror Certificates, Supers Mirror Certificates, and Giant MBS Mirror Certificates.

Mirror Pass-Through Pool: With respect to each Mirror Certificate, the corpus of the related trust fund created by this Agreement, consisting of (i) the related applicable Eligible Security and all proceeds thereof, (ii) amounts on deposit in the Custodial Account, to the extent allocable to such Mirror Pass-Through Pool, (iii) the right to receive payments under the related guarantee, excluding any investment earnings on any of the proceeds on any of such Eligible Security included in that Mirror Pass-Through Pool, and (iv) any other assets specified in the related Mirror Pool Supplement, excluding any investment earnings on any of the assets of that Mirror Pass-Through Pool. With respect to each Mirror Pass-Through Pool, and unless expressly stated otherwise, the provisions of this Agreement and the related Mirror Pool Supplement will be interpreted as referring only to the Eligible Security included in that Mirror Pass-Through Pool, the Mirror Certificate issued by that Mirror Pass-Through Pool and the Holders of that Mirror Certificate.

Mirror Pool Supplement: Any physical or electronic document or record which, together with this Agreement and the Offering Circular, evidences the establishment of a Mirror Pass-Through Pool and modifies, amends or supplements the provisions hereof in any respect whatsoever and may refer to or incorporate by reference provisions of the Offering Circular or any related Supplement prepared by Freddie Mac for the related Mirror Certificate. The Mirror Pool Supplement for each Mirror Certificate shall be binding and effective upon formation of the related Mirror Pass-Through Pool and issuance of the related Mirror Certificate, whether or not such Mirror Pool Supplement is executed, delivered or published by Freddie Mac.

Moody’s: Moody’s Investors Service, Inc., or any successor thereto.

Mortgage: A fixed or modified step rate residential mortgage loan or participation therein which either (i) has been acquired directly or indirectly by Freddie Mac and is in a pool backing an Eligible PC or Eligible Giant PC, or (ii) is insured or guaranteed by the Federal Housing Administration, the Department of Veterans Affairs, the U.S. Department of Agriculture Rural Development (formerly Rural Housing Service) or the U.S. Department of Housing and Urban Development.

Offering Circular: Freddie Mac’s Mirror Certificates Offering Circular as in effect from time to time, including any amendment or related Supplement, providing for the issuance of Mirror Certificates.

Original Principal Amount: The original principal amount of a Mirror Certificate, which reflects the original principal amount of the Eligible Security backing such Mirror Certificate.

Payment Date: As to any Mirror Certificate, the 25th day (or if such 25th day is not a Business Day, the next succeeding Business Day) of each month following its issuance pursuant to the Exchange Offer.

PC: A Mortgage Participation Certificate guaranteed by Freddie Mac and representing an undivided beneficial ownership interest in a PC Pool as to which there is a delay of approximately 45 days between the time interest begins to accrue on such PC and the holder of record receives its interest payment.

PC Agreement: With respect to any PC, the Freddie Mac Mortgage Participation Certificates Agreement or PC Master Trust Agreement, including any applicable amendment or supplement, providing for the issuance of such PC.

PC Offering Circular: Freddie Mac’s Mortgage Participation Certificates Offering Circular as in effect from time to time, including any amendment or applicable supplement, providing for the issuance of PCs.
**PC Pool**: The corpus of a trust fund created by the applicable PC Agreement, consisting of a pool of Mortgages and related assets.

**Person**: Any legal person, including any individual, corporation, partnership, limited liability company, financial institution, joint venture, association, joint stock company, trust, unincorporated organization or governmental unit or political subdivision of any governmental unit.

**Pool Number**: A number assigned by Freddie Mac to a Mirror Certificate or to a Mirror Pass-Through Pool and used to identify such Mirror Certificate or Mirror Pass-Through Pool on the books and records of Freddie Mac, in its corporate capacity and as Administrator and Depositor.

**Record Date**: As to each Payment Date, the close of business on the last day of the preceding month.

**S&P**: S&P Global Ratings, or any successor thereto.

**Settlement Date**: With respect to any Mirror Pass-Through Pool, the date on which Freddie Mac issues, pursuant to the Exchange Offer, a Mirror Certificate in exchange for the related applicable Eligible Security.

**SIFMA**: Securities Industry and Financial Markets Association, an industry trade group.

**Supers Mirror Certificate**: A Mirror Certificate issued under this Agreement and pursuant to the Exchange Offer and backed by an Eligible Giant PC that qualifies under SIFMA guidelines for the TBA market.

**Supplement**: A document (including an electronic document) that modifies, amends or supplements the Offering Circular and/or this Agreement in any respect whatsoever.

**TBA**: To-be-announced.

**Trustee**: Freddie Mac, in its capacity as trustee of each Mirror Pass-Through Pool formed under this Agreement, and its successors and assigns, which shall have the trust responsibilities specified in this Agreement, as amended or supplemented from time to time.

**Trustee Event of Default**: As defined in Section 7.06 of this Agreement.

**UMBS Mirror Certificate**: A Mirror Certificate issued under this Agreement and pursuant to the Exchange Offer and backed by an Eligible PC that qualifies under SIFMA guidelines for the TBA market.

## ARTICLE I

**Conveyance of Assets; Creation of Pass-Through Pools**

**Section 1.01. Declaration of Trust; Transfer of Eligible Securities.** The Depositor, by delivering an Eligible Security pursuant to this Agreement, unconditionally, absolutely and irrevocably hereby transfers, assigns, sets over and otherwise conveys to the Trustee, on behalf of the related Holders, all of the Depositor’s right, title and interest in and to such Eligible Security, including all payments of principal and interest thereon received after the month in which the related Settlement Date occurs. Concurrently with the Depositor’s transferring, assigning, setting over and otherwise conveying an Eligible Security to the Trustee for a Mirror Pass-Through Pool, the Trustee accepts the Eligible Security so conveyed and acknowledges that it holds the entire corpus of such Mirror Pass-Through Pool in trust for the exclusive benefit of the related Holders and shall deliver to, or on the order of, the Depositor, the Mirror Certificate issued by such Mirror Pass-Through Pool. The Administrator agrees to administer the related Mirror
Pass-Through Pool and such issue of the Mirror Certificate in accordance with the terms of this Agreement. On the related Settlement Date, such Holders shall, by virtue thereof, acknowledge, accept and agree to be bound by all of the terms and conditions of this Agreement.

A Mirror Pool Supplement shall evidence the establishment of a particular Mirror Pass-Through Pool and shall relate to a specific issue representing the entire beneficial ownership interest in such Mirror Pass-Through Pool. If for any reason the creation of a Mirror Pool Supplement is delayed, Freddie Mac shall create one as soon as practicable, and such delay shall not affect the validity and existence of the Mirror Pass-Through Pool or the related Mirror Certificate. With respect to each Mirror Pass-Through Pool, the collective terms hereof and of the related Mirror Pool Supplement shall govern the issuance and administration of the related issue, and all matters related thereto, and shall have no applicability to any other Mirror Pass-Through Pool. As applied to each Mirror Pass-Through Pool, the collective terms hereof and of the related Mirror Pool Supplement shall constitute an agreement as if the collective terms of those instruments were set forth in a single instrument. In the event of a conflict between the terms hereof and the terms of a Mirror Pool Supplement for a Mirror Pass-Through Pool, the terms of the Mirror Pool Supplement shall control with respect to that Mirror Pass-Through Pool. A Mirror Pool Supplement is not considered an amendment to this Agreement requiring approval pursuant to Section 8.05.

Section 1.02. Identity of the Eligible Securities. In consideration for the transfer of the related applicable Eligible Security by the Depositor to a Mirror Pass-Through Pool, the Depositor (i) shall receive the Mirror Certificate issued by such Mirror Pass-Through Pool and (ii) transfer such Mirror Certificate to the related Holders, as directed by the transferors of such Eligible Security and as the Depositor deems appropriate. With respect to each Mirror Pass-Through Pool, the Eligible Security included therein will be identified in the related Mirror Pool Supplement and will be identified on the books and records of the Depositor and the Administrator.

Section 1.03. Registration of Eligible Securities. All Eligible Securities shall be maintained on the book-entry facilities of the Federal Reserve Banks. The Administrator (or its agent), on behalf of the Trustee, shall be the record holder of all Eligible Securities that are transferred to Freddie Mac pursuant to the Exchange Offer.

Section 1.04. Mirror Certificates Held or Acquired by Freddie Mac. Freddie Mac shall have the right to purchase and hold for its own account an ownership interest in any Mirror Certificate. Subject to Section 8.06, an ownership interest in a Mirror Certificate held or acquired by Freddie Mac from time to time shall have an equal and proportionate benefit to the ownership interests in such Mirror Certificate held by other Holders, without preference, priority or distinction.

Section 1.05. [RESERVED]

Section 1.06. Intended Characterization. It is intended that the conveyance, transfer, assignment and setting over of each Eligible Security by the Depositor to the Trustee pursuant to this Agreement and the conveyance by the Depositor of the related Mirror Certificate to Holders, be a true, absolute and unconditional sale of such Eligible Security by the Depositor to the Trustee, and not a pledge of such Eligible Security to secure a debt or other obligation of the Depositor, and that the Holders of the related Mirror Certificate shall be the beneficial owners of such Eligible Security. Notwithstanding this express intention, however, if an Eligible Security is determined by a court of competent jurisdiction or other competent authority to be the property of the Depositor, then it is intended that, with respect to such Eligible Security: (a) this Agreement be deemed to be a security agreement within the meaning of Articles 8 and 9 of the Uniform Commercial Code; (b) the conveyances provided for in Section 1.01 shall be deemed to be (1) a grant by the Depositor to the Trustee on behalf of the related Holders of a security
interest in all of the Depositor’s right (including the power to convey title thereto), title and interest, whether now owned or hereafter acquired, in and to such Eligible Security, any and all general intangibles consisting of, arising from or relating to any of the foregoing, and all proceeds of the conversion, voluntary or involuntary, of the foregoing into cash, instruments, securities or other property, including without limitation all amounts from time to time held or invested in the Custodial Account and allocable to such Eligible Security, whether in the form of cash, instruments, securities or other property and (2) an assignment by the Depositor to the Trustee on behalf of the related Holders of any security interest in any and all of the Depositor’s right (including the power to convey title thereto), title and interest, whether now owned or hereafter acquired, in and to the property described in the foregoing clause (1); and (c) notifications to Persons holding such property, and acknowledgments, receipts or confirmations from Persons holding such property, shall be deemed notifications to, or acknowledgments, receipts or confirmations from, financial intermediaries, bailees or agents (as applicable) of the Administrator, on behalf of the Trustee and for the benefit of the related Holders, for the purpose of perfecting such security interest under applicable law.

Section 1.07. Encumbrances. Except as may otherwise be provided expressly in this Agreement, neither Freddie Mac nor the Trustee shall, directly or indirectly, assign, sell, dispose of or transfer all or any portion of or interest in any Mirror Pass-Through Pool, or permit all or any portion of any Mirror Pass-Through Pool to be subject to any lien, claim, mortgage, security interest, pledge or other encumbrance of any other Person. This Section shall not be construed as a limitation of Freddie Mac’s rights with respect to Mirror Certificates held by it in its corporate capacity.

ARTICLE II

Administration of Mirror Pass-Through Pools

Section 2.01. Appointment of Administrator. Freddie Mac shall act as Administrator (on behalf of the Trustee) with respect to each Mirror Pass-Through Pool and shall hold and administer, or supervise the administration of, such Mirror Pass-Through Pool for the benefit of the related Holders and shall have full power and authority to do or cause to be done any and all things in connection therewith that it deems necessary or desirable. The Administrator (on behalf of the Trustee) shall act as the representative of Holders in the control, management and administration of the Eligible Security in each Mirror Pass-Through Pool.

Section 2.02. Administrative Responsibilities. With respect to each Mirror Pass-Through Pool, the Administrator (on behalf of the Trustee) shall hold, and administer, or supervise the administration of, the related Eligible Security in a manner consistent with and to the extent required by standards of prudence and in substantially the same manner as the Administrator holds and administers other assets of the same or similar type held for its own account. In performing its responsibilities hereunder, the Administrator may employ independent contractors or agents. Except as provided in Articles V, VI and VII and Sections 8.05 and 8.06 of this Agreement, the Administrator shall not be subject to the control of Holders in any manner whatsoever in the discharge of its responsibilities pursuant to this Agreement. The Administrator shall have no liability to any Holder other than for any direct damage resulting from the Administrator’s failure to exercise that degree of ordinary care which it exercises in the conduct and management of its own affairs. In no event shall the Administrator have any liability of whatever nature for consequential damages. Nothing in this Section shall relieve Freddie Mac, in its capacity as Guarantor, of its guarantee obligation pursuant to Section 3.05.

Section 2.03. Prepayment Penalties. The related Holders with respect to any Mirror Pass-Through Pool shall not be entitled to receive any fees, including assumption fees or prepayment penalties or...
premiums, collected by the Administrator or by the related servicers with respect to the Mortgages backing the related Eligible Security.

ARTICLE III

Distributions to Holders; Guarantees

Section 3.01. Payments of Principal and Interest.

(a) **Source of Payments.** Payments on each Mirror Certificate on any Payment Date shall be made from the related principal and interest payments made immediately prior to such Payment Date on the related Eligible Security and from any payment made by the Guarantor pursuant to its guarantees in accordance with Section 3.05.

The Administrator shall maintain one or more accounts (together, the “Custodial Account”), segregated from the general funds of Freddie Mac in its corporate capacity, for the deposit of collections on the Eligible Securities. Collections in respect of the Mirror Pass-Through Pools established by Freddie Mac under this Agreement or trust funds established by Freddie Mac pursuant to any other trust agreements may be commingled in the Custodial Account, provided that the Administrator keeps, or causes to be kept, separate records of funds with respect to each such Mirror Pass-Through Pool or trust fund. Collections due to Freddie Mac, in its corporate capacity as owner of assets held in its portfolio, may also be commingled in the Custodial Account, provided that the Administrator may withdraw such amounts for remittance to Freddie Mac from time to time. Funds on deposit in the Custodial Account may be invested by the Administrator in Eligible Investments. Investment earnings on deposits in the Custodial Account shall be for the benefit of the Administrator, and any losses on such investments shall be paid by the Administrator. On each Payment Date, amounts on deposit in the Custodial Account shall be withdrawn upon the order of the Administrator, on behalf of the Trustee, for the purpose of making distributions to the related Holders, in accordance with this Agreement.

(b) **Timing of Payments.** On each Payment Date, the Administrator, on behalf of the Trustee, shall make such payments on the Mirror Certificate created in respect of any Mirror Pass-Through Pool to each entitled Holder as of the applicable Record Date.

(c) **Payments of Interest.** Any payments of interest made on a Mirror Certificate on a Payment Date shall be at the applicable Coupon. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months and shall accrue during the applicable Accrual Period.

(d) **Payments of Principal.** Any payment of principal made on the Mirror Certificate issued in respect of a Mirror Pass-Through Pool on a Payment Date shall be in an amount equal to the amount of the payment made in respect of principal on the Eligible Security in such Mirror Pass-Through Pool immediately prior to such Payment Date.

Section 3.02. Payment Procedures.

(a) Payments of principal and interest on each Mirror Certificate shall be made by crediting the applicable Holders’ accounts at the Federal Reserve Banks on the applicable Payment Dates.

(b) In the event of a principal or interest payment error, the Administrator, 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.

Section 3.03. Factors. The Administrator, on behalf of the Trustee, shall make payments in the amounts reflected in its monthly Factor for each Mirror Certificate. The Administrator may make changes to its Factor methodology from time to time.
Section 3.04. Administration Fee; Guarantee Fee. The Administrator and the Guarantor shall be entitled to receive from monthly interest payments on the related Eligible Securities an aggregate fee (to be allocated between the Administrator and the Guarantor as they may agree). The Administrator shall (i) withdraw the aggregate fee amount from the Custodial Account prior to distributions to the related Holders, (ii) retain its portion of the fee for the Administrator’s own account and (iii) remit the remaining portion of the fee to the Guarantor as the guarantee fee. In addition, the Administrator is entitled to retain as additional compensation certain investment earnings as provided in Section 3.01(a). The Depositor shall pay all expenses incurred by the Administrator in connection with its administration of a Mirror Pass-Through Pool and the performance of its duties hereunder.

Section 3.05. Freddie Mac Guarantees. With respect to each issue of a Mirror Certificate, the Guarantor hereby guarantees to the Trustee and to the Holders of such Mirror Certificate:

(a) the timely payment of interest at the applicable Coupon;
(b) the payment of the principal amount of such Mirror Certificate as payments are made on the related Eligible Security; and
(c) the payment of the entire principal amount of such Mirror Certificate by the Final Payment Date for such Mirror Certificate.

Section 3.06. Subrogation. With respect to each Mirror Certificate, the Guarantor shall be subrogated to all the rights, interests, remedies, powers and privileges of the related Holders in respect of any guarantee payments made by the Guarantor to the extent of such payments. Nothing in this Section shall impair the Guarantor’s right to receive distributions in its capacity as Holder, if it is a Holder of any Mirror Certificates.

Section 3.07. Termination Upon Final Payment. Each Mirror Pass-Through Pool is irrevocable and will terminate only in accordance with the terms of this Agreement. Except as provided in Section 8.01, with respect to each Mirror Pass-Through Pool, Freddie Mac’s and the Trustee’s obligations and responsibilities under this Agreement shall terminate as to such Mirror Pass-Through Pool and its Holders upon the payment to such Holders of all amounts of principal and interest due the Holders in respect of the related Mirror Certificate; provided, however, that in no event shall any Mirror Pass-Through Pool created hereby continue beyond the expiration of 21 years from the death of the survivor of the descendants of Joseph P. Kennedy, the late ambassador of the United States to the Court of St. James’s, living on the date hereof.

ARTICLE IV

Form of Mirror Certificates; Minimum Principal Amounts; Transfers Section

Section 4.01. Form. The Administrator shall issue, maintain and transfer the Mirror Certificates on the Fed System. A Mirror Certificate shall be evidenced only by an entry on the books and records of a Federal Reserve Bank. Neither Holders nor beneficial owners of such Mirror Certificates shall receive certificates. Mirror Certificates shall at all times remain on deposit with a Federal Reserve Bank in accordance with the provisions of the Book-Entry Rules.

Section 4.02. Minimum Original Principal Amounts; Transfer of Mirror Certificates.

(a) Ownership interests in Mirror Certificates shall be issued and must be maintained in minimum original principal amounts of $1,000 and additional increments of $1. An ownership interest in a Mirror Certificate shall not be transferred if, as a result of the transfer, the transferor would have on deposit in its account an ownership interest in such Mirror Certificate having an original principal amount
of less than $1,000. Transfers of Mirror Certificates shall also be subject to any applicable Federal Reserve Bank minimum wire transfer requirements. The Federal Reserve Banks shall maintain a book-entry recordkeeping system for all transactions in Mirror Certificates.

(b) The issuance and recordation of, and transfers of interests (including security interests) in, Mirror Certificates shall be governed by the Book-Entry Rules and such procedures as shall be agreed upon from time to time by the Administrator and the Federal Reserve Banks. A Federal Reserve Bank shall act only upon the instructions of the related Holders in recording transfers of Mirror Certificates.

(c) A charge may be made for any transfer or exchange of any Mirror Certificate. A charge shall be made for any tax or other governmental charge imposed in connection with a transfer or exchange of a Mirror Certificate.

ARTICLE V
Events of Default; Remedies

Section 5.01. Events of Default. With respect to each Mirror Certificate, an “Event of Default” wherever used herein means any one of the following events:

(a) Default by the Guarantor or the Administrator in the payment to the related Holders of such Mirror Certificate of interest or principal as and when the same shall become due and payable as provided in this Agreement, and continuance of such default for a period of 30 days; or

(b) Failure by the Guarantor or the Administrator to observe or perform any other of their respective covenants set forth in this Agreement continued for a period of 60 days after the date of receipt by such party of written notice of such failure and a demand for remedy by the Holders of any affected Mirror Certificate representing not less than 60 percent of the then outstanding principal amount of such affected Mirror Certificate; or

(c) A court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Guarantor or the Administrator in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, sequestrator (or other similar official) of the Guarantor or the Administrator or for all or substantially all of their respective properties, 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) Commencement by the Guarantor or the Administrator of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent by the Guarantor or the Administrator to the entry of an order for relief in an involuntary case under any such law, or consent by the Guarantor or the Administrator to the appointment of or taking of possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the Guarantor or the Administrator or for any substantial part of their respective properties, or shall make any general assignment for the benefit of creditors, or the Guarantor or the Administrator shall fail generally to pay their debts as they become due.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over the Guarantor or the Administrator, whether or not such party consents to such appointment, shall not constitute an Event of Default.
Section 5.02. Remedies. If an Event of Default occurs and is continuing with respect to a Mirror Certificate, then and in each and every such case, the Holders of such Mirror Certificate representing not less than 50 percent of the then outstanding principal amount of such affected Mirror Certificate may by written notice to the Administrator remove Freddie Mac as Administrator and nominate a successor to Freddie Mac as Administrator under this Agreement with respect to the related Mirror Pass-Through Pool, which nominee shall be deemed appointed as successor Administrator unless within ten days after such nomination Freddie Mac objects thereto, in which case Freddie Mac may petition any court of competent jurisdiction for the appointment of a successor Administrator or any Holder of a Mirror Certificate who has been a bona fide Holder for at least six months may, on behalf of such Holder and all Holders of such Mirror Certificate, petition any such court for appointment of a successor Administrator. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Administrator. Upon the appointment of any successor Administrator pursuant to this Section 5.02, the Administrator shall submit to its successor a complete written report and accounting as to the applicable Mirror Pass-Through Pool and shall take all other steps necessary or desirable to transfer its interest in and administration of this Agreement with respect to such Mirror Pass-Through Pool to the successor. Subject to the Freddie Mac Act, such successor may take such actions with respect to such Mirror Pass-Through Pool as may be reasonable and appropriate in the circumstances. Prior to any such designation of a successor, the Holders of a Mirror Certificate representing not less than 50 percent of the then outstanding principal amount of such affected Mirror Certificate may waive any past default or Event of Default with respect to such Mirror Certificate. Appointment of a successor shall not relieve Freddie Mac in its capacity as Guarantor of its guarantee obligation as set forth in this Agreement.

Section 5.03. Limitation on Suits by Holders. With respect to each Mirror Certificate, except as provided in Section 5.02, no Holder shall have any right to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, upon, under or with respect to this Agreement, such Mirror Certificate or the related Eligible Security, or for the appointment of a receiver or trustee, or for any other remedy whatsoever, unless such Holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the Holders of such Mirror Certificate representing not less than 50 percent of the then outstanding principal amount of such affected Mirror Certificate have made written request upon the Trustee to institute such action or proceeding in its own name and shall have offered to the Trustee such reasonable indemnity as it may request against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such action or proceeding, and no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders representing not less than 50 percent of the then outstanding principal amount of such affected Mirror Certificate. It is understood and intended, and expressly covenanted by each Holder of a Mirror Certificate representing an interest in any affected Mirror Pass-Through Pool with every other Holder of such Mirror Certificate and with the Trustee, that no one or more Holders shall have any right in any manner whatsoever by virtue of or by availing themselves of any provisions of this Agreement to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain preference or priority over any other Holder except as expressly provided herein or to enforce any right under this Agreement, except in the manner herein provided and for the ratable and common benefit of all Holders in any affected Mirror Certificate. For the protection and enforcement of the provisions of this Section 5.03, each and every Holder, Freddie Mac and the Trustee shall be entitled to such relief as can be given either at law or in equity. Notwithstanding the foregoing or any other provision of this Agreement, the right of any Holder to receive payment of principal or interest as herein provided, on or after the due date of such payment, or to institute suit for
enforcement of any such payment on or after such date, shall not be impaired or affected without the consent of such Holder.

ARTICLE VI Rights of Holders of Mirror Certificates With Respect to Eligible Securities

Section 6.01. Agreement Defaults. In the event that there shall be an Agreement Default with respect to an Eligible Security that backs a Mirror Certificate, the Holders of the Mirror Certificate issued in respect of such affected Mirror Pass-Through Pool shall have the right to take such actions with respect to such Agreement Default as the applicable PC Agreement, applicable Giant Agreement or this Agreement, as the case may be, affords the Administrator (or its agent) on behalf of the Trustee, as the record holder of the affected Eligible Security. For this purpose, each Holder of the Mirror Certificate created in respect of the affected Mirror Pass-Through Pool shall be deemed to be the holder of the percentage of the related affected Eligible Security equal to the percentage obtained by dividing the then outstanding principal amount of such Holder’s ownership interest in such Mirror Certificates by the then outstanding principal amount of such Mirror Certificate. Freddie Mac hereby irrevocably authorizes the Holders to exercise all such rights in respect of any Agreement Default to the extent set forth in this Section.

Section 6.02. Amendments of PC Agreement, Giant Agreement, and/or this Agreement. In the event that Freddie Mac desires to amend the applicable PC Agreement, the applicable Giant Agreement or this Agreement with respect to any Eligible Security included in a Mirror Pass-Through Pool, the Administrator (or its agent) on behalf of the Trustee may give any such consent thereto as may need to be given by the record holder of such Eligible Security; provided, however, that if any such amendment would adversely and materially affect the interest of any Holder of a Mirror Certificate, the Administrator (or its agent) on behalf of the Trustee may consent to such amendment only with the written consent of the Holders of such Mirror Certificate so affected representing not less than 50 percent of the then outstanding principal amount of such Mirror Certificate; provided further, however, that nothing in the immediately preceding proviso shall require, or be construed to require, the consent of Holders of such Mirror Certificate to any amendment to the applicable PC Agreement, the applicable Giant Agreement or other agreement made in connection with the modification of Freddie Mac’s procedures for calculating payments or passing through full or partial prepayments, as contemplated by such PC Agreement, such Giant Agreement or such other agreement, as to any Eligible Security directly or indirectly included in any Mirror Pass-Through Pool.

ARTICLE VII

Trustee

Section 7.01. Duties of Trustee.

(a) If an Event of Default has occurred and is continuing with respect to a Mirror Pass-Through Pool, the Trustee shall exercise the rights and powers vested in it by this Agreement and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person’s own affairs.

(b) Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement and no implied covenants or obligations shall be read into this Agreement against the Trustee.
(c) The Trustee and its directors, officers, employees and agents may not be protected from liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of reckless disregard of obligations and duties under this Agreement, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any action taken, or not taken, by the Trustee in good faith pursuant to this Agreement or for errors in judgment; and

(iii) the Trustee shall not be required to take notice or be deemed to have notice or knowledge of any default or Event of Default, unless the Trustee obtains actual knowledge or written notice of such default or Event of Default. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that there is no default or Event of Default.

(d) Every provision of this Agreement shall be subject to the provisions of this Section and Section 7.02.

(e) The Trustee shall not be liable for indebtedness evidenced by or arising under this Agreement, including principal of or interest on the Mirror Certificates, or interest on any money received by it except as the Trustee may agree in writing.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law or the terms of this Agreement.

(g) No provision of this Agreement shall require the Trustee to expend, advance or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(h) The Trustee, or the Administrator on its behalf, may, but shall not be obligated to, undertake any legal action that it deems necessary or desirable in the interest of Holders. The Trustee, or the Administrator on its behalf, may be reimbursed for the legal expenses and costs of such action from the assets of the related Mirror Pass-Through Pool.

Section 7.02. Certain Matters Affecting the Trustee.

(a) The Trustee, and any director, officer, employee or agent of the Trustee, may rely in good faith on any certificate, opinion or other document of any kind which, prima facie, is properly executed and submitted by any appropriate Person respecting any matters arising hereunder. The Trustee may rely on any such documents believed by it to be genuine and to have been signed or presented by the proper Person and on their face conforming to the requirements of this Agreement. The Trustee need not investigate any fact or matter stated in such documents.

(b) Before the Trustee acts or refrains from acting, it may require an officer’s certificate or an opinion of counsel, which shall not be at the expense of the Trustee. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on an officer’s certificate or opinion of counsel. The right of the Trustee to perform any discretionary act enumerated in this Agreement shall not be construed as a duty and the Trustee shall not be answerable for other than its willful misfeasance, bad faith or gross negligence in the performance of such act.

(c) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys or a custodian or nominee.
The Trustee shall not be liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; provided, that the Trustee’s conduct does not constitute willful misfeasance, bad faith or gross negligence. In no event shall the Trustee have any liability for consequential damages.

The Trustee may consult with and rely on the advice of counsel, accountants and other advisors and shall not be liable for errors in judgment or for anything it does or does not do in good faith if it so relies. Any opinion of counsel with respect to legal matters relating to this Agreement and the Mirror Certificates shall be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by it hereunder in good faith and in accordance with any opinion of such counsel.

Any fees, expenses and indemnities payable from the assets of any Mirror Pass-Through Pool to Freddie Mac, in its capacity as Trustee, in the performance of its duties and obligations hereunder shall not affect Freddie Mac’s guarantee with respect to that Mirror Pass-Through Pool, as set forth in Section 3.05.

Section 7.03. Trustee’s Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Agreement, the assets of any Mirror Pass-Through Pool or the Mirror Certificates.

Section 7.04. Trustee May Own Mirror Certificates. Subject to Section 8.06, the Trustee in its individual or any other capacity may become the owner or pledgee of Mirror Certificates with the same rights as it would have if it were not the Trustee.

Section 7.05. Indemnity. Each Mirror Pass-Through Pool shall indemnify the Trustee and the Trustee’s employees, directors, officers and agents, as provided in this Agreement, against any and all claims, losses, liabilities or expenses (including attorneys’ fees) incurred by it in connection with the administration of such Mirror Pass-Through Pool and the performance of its duties under this Agreement (to the extent not previously reimbursed above), including, without limitation, the execution and filing of any federal or state tax returns and information returns. The Trustee shall notify the Administrator promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Administrator shall not relieve the related Mirror Pass-Through Pool of its obligations hereunder. A Mirror Pass-Through Pool shall not be required to reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee’s own willful misfeasance, bad faith or gross negligence.

The Trustee’s rights pursuant to this Section shall survive the discharge of this Agreement.

Section 7.06. Replacement of Trustee. The Trustee may resign at any time. Any successor Trustee shall resign if it ceases to be eligible in accordance with the provisions of Section 7.09. In either case, the resignation of the Trustee shall become effective, and the resigning Trustee shall be discharged from its obligations with respect to the Mirror Pass-Through Pools created under this Agreement, by giving 90 days’ written notice of the resignation to the Depositor, the Guarantor and the Administrator and upon the effectiveness of an appointment of a successor Trustee, which may be as of a date prior to the end of the 90-day period. Upon receiving such notice of resignation, the Depositor shall promptly appoint one or more successor Trustees by written instrument, one copy of which is delivered to the resigning Trustee and one copy of which is delivered to the successor Trustee. The successor Trustee need not be the same Person for all Mirror Pass-Through Pools. If no successor Trustee has been appointed for a Mirror Pass-Through Pool, or one that has been appointed has not accepted the appointment within 90 days after
giving such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Prior to an Event of Default, or if an Event of Default has occurred and has been cured with respect to a Mirror Pass-Through Pool, Freddie Mac cannot be removed as Trustee with respect to that Mirror Pass-Through Pool. If an Event of Default has occurred and is continuing while Freddie Mac is the Trustee, at the direction of Holders of an affected Mirror Certificate representing not less than 50 percent of the then outstanding principal amount of such Mirror Certificate (the “acting holders”), Freddie Mac will resign or be removed as Trustee, and to the extent permitted by law, all of the rights and obligations of the Trustee with respect to the related Mirror Pass-Through Pool only, will be terminated by notifying the Trustee in writing. The acting holders shall then be authorized to name and appoint one or more successor Trustees. Notwithstanding the termination of the Trustee, its liability under this Agreement arising prior to such termination shall survive such termination.

If a successor Trustee is serving as the Trustee, the following events are “Trustee Events of Default” with respect to a Mirror Pass-Through Pool:

(i) the Trustee fails to comply with Section 7.09;
(ii) the Trustee is adjudged bankrupt or insolvent;
(iii) a receiver or other public officer takes charge of the Trustee or its property; or
(iv) the Trustee otherwise becomes incapable of acting.

If at any time a Trustee Event of Default has occurred and is continuing, the Guarantor (or if an Event of Default has occurred and is continuing, the Depositor) may, and if directed by the acting holders, shall, remove the Trustee as to such affected Mirror Pass-Through Pool and appoint a successor Trustee by written instrument, one copy of which shall be delivered to the Trustee so removed and one copy of which shall be delivered to the successor Trustee, and the Guarantor (or if an Event of Default has occurred and is continuing, the Depositor) shall give written notice of the successor Trustee to the Holders affected by the succession. Notwithstanding the termination of the Trustee, its liability under this Agreement arising prior to such termination will survive such termination.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Depositor shall promptly appoint a successor Trustee that satisfies the eligibility requirements of Section 7.09.

The retiring Trustee agrees to cooperate with Freddie Mac and any successor Trustee in effecting the termination of the retiring Trustee’s responsibilities and rights hereunder and shall promptly provide such successor Trustee all documents and records reasonably requested by it to enable it to assume the Trustee’s functions hereunder.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Depositor, the Guarantor and the Administrator. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Agreement with respect to such affected Mirror Pass-Through Pool. The successor Trustee shall mail a notice of its succession to the related Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee or the Depositor may petition any court of competent jurisdiction for the appointment of a successor Trustee.
Section 7.07. Successor Trustee By Merger. If a successor Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee; provided, that such corporation or banking association shall be otherwise qualified and eligible under Section 7.09.

Section 7.08. Appointment of Co-Trustee or Separate Trustee.

(a) Notwithstanding any other provisions of this Agreement, at any time, for the purpose of meeting any legal requirement of any jurisdiction in which any part of a Mirror Pass-Through Pool may at the time be located, the Trustee shall have the power and may execute and deliver all instruments to appoint one or more Persons to act as a co-trustee or co-trustees, or separate trustee or separate trustees, of all or any part of such Mirror Pass-Through Pool and to vest in such Person or Persons, in such capacity and for the benefit of the related Holders, such title to such Mirror Pass-Through Pool, or any part thereof, and, subject to the other provisions of this Section, such powers, duties, obligations, rights and trusts as the Trustee may consider necessary or desirable. No co-trustee or separate trustee hereunder shall be required to meet the terms of eligibility as a successor trustee under Section 7.09 and no notice to the related Holders of the appointment of any co-trustee or separate trustee shall be required under Section 7.06 hereof.

(b) With respect to each Mirror Pass-Through Pool, every separate trustee and co-trustee shall, to the extent permitted by law, be appointed and act subject to the following provisions and conditions:

(i) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon and exercised or performed by the Trustee and such separate trustee or co-trustee jointly (it being understood that such separate trustee or co-trustee is not authorized to act separately without the Trustee joining in such act), except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the related Mirror Pass-Through Pool or any portion thereof in any such jurisdiction) shall be exercised and performed singly by such separate trustee or co-trustee, but solely at the direction of the Trustee;

(ii) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder; and

(iii) the Trustee may at any time accept the resignation of or remove any separate trustee or co-trustee.

(c) Any notice, request or other writing given to the Trustee shall be deemed to have been given to each of the then separate trustees and co-trustees, as effectively as if given to each of them. Every instrument appointing any separate trustee or co-trustee shall refer to this Agreement and the conditions of this Article VII. Each separate trustee and co-trustee, upon its acceptance of the trusts conferred, shall be vested with the estates or property specified in its instrument of appointment, either jointly with the Trustee or separately, as may be provided therein, subject to all the provisions of this Agreement, specifically including every provision of this Agreement relating to the conduct of, affecting the liability of, or affording protection to, the Trustee. Every such instrument shall be filed with the Trustee.

(d) Any separate trustee or co-trustee may at any time constitute the Trustee, its agent or attorney-in-fact with full power and authority, to the extent not prohibited by law, to do any lawful act under or in respect of this Agreement on its behalf and in its name. If any separate trustee or co-trustee shall die, become incapable of acting, resign or be removed, all of its estates, properties, rights, remedies
and trusts shall vest in and be exercised by the Trustee, to the extent permitted by law, without the appointment of a new or successor trustee.

Section 7.09. Eligibility; Disqualification. Freddie Mac is eligible to act as the Trustee and is initially the Trustee for the Mirror Pass-Through Pools created under this Agreement. Any successor to Freddie Mac (i) at the time of its appointment as Trustee, must be reasonably acceptable to Freddie Mac, and (ii) must be organized as a corporation or association doing business under the laws of the United States or any State thereof, be authorized under such laws to exercise corporate trust powers, have combined capital and surplus of at least $50,000,000 and be subject to supervision or examination by federal or state financial regulatory authorities. If any successor Trustee shall cease to satisfy the eligibility requirements set forth in (ii) above, that successor Trustee shall resign immediately in the manner and with the effect specified in Section 7.06.

ARTICLE VIII

Miscellaneous Provisions

Section 8.01. Tax Matters. The Administrator and/or its designated agent shall furnish or make available, within a reasonable time after the end of each calendar year, to each Holder such information as the Administrator deems necessary or desirable to enable Holders and beneficial owners to prepare their United States federal income tax returns, if applicable.

Section 8.02. Limitations on Liability. Neither Freddie Mac, in its corporate capacity, nor any of its directors, officers, employees, authorized designees, representatives or agents shall be under any liability to Holders for any action taken by them or for their refraining from the taking of any such action in good faith pursuant to this Agreement, or for errors in judgment; provided, however, that this provision shall not protect Freddie Mac or any such Person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties or by reason of reckless disregard of obligations and duties hereunder. Freddie Mac and such Persons will have no liability of whatever nature for consequential damages. Freddie Mac and any director, officer, employee, authorized designee, representative or agent of Freddie Mac may rely in good faith on any document or other communication of any kind properly submitted by any Person (in writing or electronically) with respect to any matter arising under this Agreement. Freddie Mac shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to administer the Mirror Pass-Through Pools in accordance with this Agreement and which in its opinion may involve it in any expense or liability; provided, however, that Freddie Mac may in its discretion undertake any such action which it may deem necessary or desirable with respect to this Agreement, the Mirror Certificates, the Eligible Securities or the rights and duties of the parties hereto and the interests of the Holders under this Agreement. In such event, the legal expenses and costs of such action and any liability resulting therefrom shall be expenses of Freddie Mac.

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

Section 8.04. Control by Holders. With respect to any Mirror Certificate, except as otherwise provided in Articles V, VI and VII and Sections 8.05 and 8.06, no Holder shall have any right to vote or in any manner otherwise control the administration, operation and management of the related Mirror
Section 8.05. Amendment.

(a) Without Consent. This Agreement (including any related Mirror Pool Supplement) may be amended from time to time by Freddie Mac and the Trustee, without the consent of any Holder or Holders, (i) to cure any ambiguity, to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Agreement, provided that any such amendment shall not adversely affect in any material respect the interests of any Holders or (ii) to permit Freddie Mac to take any necessary or helpful action to maintain the qualification of any Mirror Pass-Through Pool as a grantor trust under the Internal Revenue Code of 1986, as amended, or to avoid the imposition of any state or federal tax on a Mirror Pass-Through Pool.

(b) With Consent. Except as provided in Section 8.05(c), with respect to any Mirror Pass-Through Pool formed pursuant to the terms hereof, any provision of this Agreement may be amended by Freddie Mac and the Trustee with the written consent of the Holders of the related Mirror Certificate representing not less than 50 percent of the then outstanding principal amount of such Mirror Certificate affected by such amendment.

(c) No Impairment. Notwithstanding any other provision herein, without the consent of a Holder this Agreement may not be amended to impair or affect the right of such Holder to receive payment of principal and/or interest (including any payment under any guarantee in respect thereof) as herein provided, on or after the due date of such payment, or to institute suit for the enforcement of any such payment on or after such date.

Section 8.06. Voting Rights.

If Freddie Mac is acting as Administrator or Trustee and an Event of Default has occurred and is continuing, the ownership interests of Freddie Mac in any Mirror Certificates shall be disregarded and deemed not to be outstanding for purposes of exercising the remedies set forth in Section 5.02 and the second paragraph of Section 7.06.

Section 8.07. Persons Deemed Owners. With respect to each Mirror Pass-Through Pool, Freddie Mac, the Trustee, the Administrator, and the Federal Reserve Banks (or any agent of any of them), may deem and treat any related Holder as the absolute owner of the related Mirror Certificate for the purpose of receiving payment of principal or interest and for all other purposes, and neither Freddie Mac, the Trustee, the Administrator or the Federal Reserve Banks, 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 so paid, effectual to satisfy and discharge the duty for monies payable by Freddie Mac upon the Holder’s Mirror Certificate. A Holder is not necessarily the beneficial owner of a Mirror Certificate. The rights of a beneficial owner of a Mirror Certificate with respect to Freddie Mac, the Trustee, the Administrator and the Federal Reserve Banks may be exercised only through the Holder. None of Freddie Mac, the Trustee, the Administrator or the Federal Reserve Bank shall have any direct obligation to a beneficial owner that is not also the Holder of a Mirror Certificate.

Section 8.09. Payments Due on Non-Business Days. If the date fixed for any payment on any Mirror Certificate shall be a day which is not a Business Day, then such payment need not be made on such date, but may be made on the next succeeding day which is a Business Day, with the same force and effect as though made on the date fixed for such payment, and no interest shall accrue for the period after such date.

Section 8.10. 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.

Section 8.11. Headings. The Article and Section headings are for convenience only and shall not affect the construction of this Agreement.

Section 8.12. Notice and Demand. Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given or served to or upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the United States mail addressed to such Holder as such Holder’s name and address may appear in the records of a Federal Reserve Bank or by transmission to such Holder through the communication system linking the Federal Reserve Banks. Such notice, demand or other communication to or upon a Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

Any notice, demand or other communication which is required or permitted to be given to or served under this Agreement may be given in writing addressed as follows (i) in the case of Freddie Mac, in its corporate capacity, to Freddie Mac, 8200 Jones Branch Drive, McLean, Virginia 22102, Attention: Executive Vice President — General Counsel and Secretary and (ii) in the case of the Trustee, to: Freddie Mac (as Trustee), 1551 Park Run Drive, McLean, Virginia 22102, Attention: Office of the Trustee; email:Freddie_Mac_Trustee@freddiemac.com, with a copy to the Executive Vice President — General Counsel and Secretary at the address set forth in clause (i) . Such notice, demand or other communication to or upon Freddie Mac or the Trustee shall be deemed to have been sufficiently given or made only upon actual receipt of the writing.

Section 8.13. Grantor Trust. No provision in this Agreement shall be interpreted or construed so as to authorize or empower Freddie Mac, the Trustee or any other Person to act in any manner which would cause a Mirror Pass-Through Pool not to be classified as a grantor trust for federal income tax purposes pursuant to Treas. Reg. Sec. 301.7701-4(c).

Section 8.14. Counterparts. This Agreement may be executed in any number of counterparts, each of which counterpart shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement in Portable Document Format (PDF) or by facsimile transmission shall be as effective as delivery of a manually executed original counterpart of this Agreement.
RECEIPT AND ACCEPTANCE OF A MIRROR CERTIFICATE 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 MIRROR CERTIFICATE OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT (INCLUDING THE RELATED MIRROR POOL SUPPLEMENT) 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, as Trustee

/s/ Amy Moorhus Baumgardner

Authorized Signatory

FEDERAL HOME LOAN MORTGAGE CORPORATION, in its corporate capacity as Depositor, Administrator and Guarantor

/s/ Mark D. Hanson

Authorized Signatory
Freddie Mac

Uniform Mortgage-Backed Securities Mirror Certificates
Mortgage-Backed Securities Mirror Certificates
Supers Mirror Certificates
Giant Mortgage-Backed Securities Mirror Certificates

The Mirror Certificates

Freddie Mac is issuing its Uniform Mortgage-Backed Securities Mirror Certificates ("UMBS Mirror Certificates"), Mortgage-Backed Securities Mirror Certificates ("MBS Mirror Certificates"), Supers Mirror Certificates ("Supers Mirror Certificates"), and Giant Mortgage-Backed Securities Mirror Certificates ("Giant MBS Mirror Certificates") (collectively, the UMBS Mirror Certificates, MBS Mirror Certificates, Supers Mirror Certificates, and Giant MBS Mirror Certificates comprise the "Mirror Certificates") to Holders of its eligible Mortgage Participation Certificates ("Eligible PCs") or eligible Giant Mortgage Participation Certificates ("Eligible Giant PCs") (collectively, the Eligible PCs and Eligible Giant PCs comprise the "Eligible Securities") who have delivered their Eligible PCs or Eligible Giant PCs in exchange for the related UMBS Mirror Certificates, MBS Mirror Certificates, Supers Mirror Certificates, or Giant MBS Mirror Certificates, as the case may be, pursuant to our Exchange Offer, which is expected to commence on May 7, 2019 (the "Exchange Offer"). The UMBS Mirror Certificates, MBS Mirror Certificates, Supers Mirror Certificates, and Giant MBS Mirror Certificates that you receive are backed by their related applicable Eligible PCs or Eligible Giant PCs and are pass-through certificates that represent interests in such Eligible PCs or Eligible Giant PCs. Single family ARM PCs issued and guaranteed by Freddie Mac are not addressed in, and are excluded from, this Offering Circular and the Exchange Offer. Multifamily securities issued by, and multifamily mortgages owned or guaranteed by, Freddie Mac are not addressed in, and are excluded from, this Offering Circular and the Exchange Offer.

Freddie Mac’s Guarantee

We guarantee the payment of interest and principal on the Mirror Certificates as described in this Offering Circular. Principal and interest payments on the Mirror Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac. We alone are responsible for making payments on our guarantee.

Freddie Mac Provides a Mirror Pool Supplement for Each Mirror Certificate

This Offering Circular describes the general characteristics of the Mirror Certificates. For each Mirror Certificate, we prepare a mirror pool supplement (the "Mirror Pool Supplement"). Each Mirror Pool Supplement will provide more information based on the particular Eligible PC or Eligible Giant PC that backs the related Mirror Certificate.

Tax Status and Securities Law Exemptions

The Mirror Certificates are not tax-exempt. Because of applicable securities law exemptions, we have not registered the Mirror Certificates with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

You should not exchange your Eligible PCs or Eligible Giant PCs for the related Mirror Certificates unless you have carefully read and considered this Offering Circular, the applicable Mirror Pool Supplement and the terms, obligations and conditions of, and the risks associated with, the Exchange Offer, all as described in the related Exchange Offer Circular, as it may be amended or supplemented (the "Exchange Offer Circular").

Offering Circular dated April 12, 2019
If you intend to exchange your Eligible Securities for the related Mirror Certificates, you should rely on the information in the Exchange Offer Circular, this Offering Circular, the applicable Mirror Pool Supplement, and in the disclosure documents that we incorporate by reference in this Offering Circular. We have not authorized anyone to provide you with different information.

This Offering Circular, the related Mirror Pool Supplement, the Exchange Offer Circular and any Incorporated Documents may not be correct after their dates.

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

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*Appendix I — Index of Terms* shows the page numbers where definitions of capitalized terms appear.
FREDDIE MAC

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the "Freddie Mac Act"). Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market. We do this primarily by purchasing residential mortgages originated by lenders. In most instances, we package these mortgages into mortgage-related securities, which are guaranteed by us and sold in the global capital markets. In addition, we transfer mortgage credit risk exposure to private investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgages and mortgage-related securities. We do not originate mortgage loans or lend money directly to mortgage borrowers.

Although we are chartered by Congress, we alone are responsible for making payments on our securities. Payments on our securities are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

Our statutory mission, as defined in our charter, is to:

- Provide stability in the secondary market for residential mortgages;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages for low- and moderate-income families, involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- Promote access to mortgage credit throughout the U.S. (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Conservatorship

We continue to operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of the Federal Housing Finance Agency ("FHFA") as our conservator (the "Conservator"). Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to us and our assets. The Conservator also succeeded to the title to all our books, records and assets held by any other legal custodian or third party. The Conservator has provided authority to our Board of Directors to oversee management’s conduct of our business operations so we can operate in the ordinary course. The directors serve on behalf of, exercise authority as provided by, and owe their fiduciary duties of care and loyalty to the Conservator. The Conservator retains the authority to withdraw or revise the authority it has provided at any time. The Conservator also retains certain significant authorities for itself, and has not provided them to the Board. The Conservator continues to provide strategic direction for Freddie Mac and directs the efforts of the Board and management to implement its strategy. Many management decisions are subject to review and/or approval by FHFA and management frequently receives direction from FHFA on various matters involving day-to-day operations.
It is possible and perhaps likely that future legislative or regulatory action will materially affect our role in the mortgage industry, business model, structure, and results of operations. Some or all of our functions could be transferred to other institutions, and we could cease to exist as a stockholder-owned company, or at all. Several bills have been introduced in recent sessions of Congress concerning the future status of Freddie Mac, the Federal National Mortgage Association (“Fannie Mae,” together with Freddie Mac, the “Enterprises”), and the mortgage finance system, including bills which provided for the wind down of the Enterprises, modification of the terms of the Purchase Agreement, or an increase in credit risk transfer transactions. While none of these bills has been enacted, it is likely that similar or new bills will be introduced and considered in the current or future sessions of Congress.

The conservatorship is indefinite in duration. The timing, likelihood, and circumstances under which we might emerge from conservatorship are uncertain. Under the Purchase Agreement, Treasury would be required to consent to the termination of the conservatorship, except in connection with receivership, and there can be no assurance it would do so. Even if the conservatorship is terminated, we would remain subject to the Purchase Agreement and the terms of the senior preferred stock. It is possible that the conservatorship could end with our being placed into receivership. Because Treasury holds a warrant to acquire nearly 80% of our common stock for nominal consideration, we could effectively remain under the control of the U.S. government even if the conservatorship ends and the voting rights of common stockholders are restored.

FHFA’s Strategic Plan for Freddie Mac and Fannie Mae Conservatorships. In May 2014, FHFA issued its 2014 Strategic Plan, which updated FHFA’s vision for implementing its obligations as Conservator of the Enterprises. FHFA also issued annual Conservatorship Scorecards each year between 2014 and 2019. The annual Conservatorship Scorecards established objectives and performance targets and measures for the Enterprises related to the strategic goals set forth in the 2014 Strategic Plan.

The 2014 Strategic Plan established three reformulated strategic goals for the conservatorships of Freddie Mac and Fannie Mae:

- Maintain, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets.
- Reduce taxpayer risk through increasing the role of private capital in the mortgage market.
- Build a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

As part of the first goal, the 2014 Strategic Plan describes various steps related to increasing access to mortgage credit for credit-worthy borrowers.

The second goal focuses on ways to transfer risk to private market participants and away from the Enterprises in a responsible way that does not reduce liquidity or adversely impact the availability of mortgage credit. The second goal provides for us to increase the use of single-family credit risk transfer transactions, continue using risk transfer transactions in the multifamily business and limit our mortgage-related investments portfolio consistent with the requirements in the Purchase Agreement, with a focus on selling less liquid assets.
The third goal includes the continued development of the Common Securitization Platform ("CSP"). FHFA refined the scope of this project to focus on making the new shared system operational for Freddie Mac’s and Fannie Mae’s existing single-family securitization activities. The third goal also provides for the Enterprises to work towards the development of a single security.

See the Incorporated Documents for additional information concerning FHFA’s strategic plan, Conservatorship Scorecards and legislative developments.

**Single Security Initiative, the CSP and Commingling**

Under the direction of FHFA, we are implementing the single security initiative, which is intended to increase the liquidity of the to-be-announced ("TBA") market. The single security initiative provides for Freddie Mac and Fannie Mae to issue a single (common) mortgage-related security, to be called the **Uniform Mortgage-Backed Security** or **UMBS.** Also as part of the single security initiative, each of Freddie Mac and Fannie Mae will be able to issue a **Supers**, mortgage-related security, which is a resecuritization of UMBS and certain other TBA-eligible securities. As part of the single security initiative, Freddie Mac will begin to issue a non-TBA-eligible mortgage-backed security referred to as an **MBS.** Fannie Mae also issues a mortgage-backed security referred to as an MBS; however, MBS issued by Freddie Mac may not be commingled with securities issued by Fannie Mae.

The CSP is a shared securitization infrastructure that will undertake certain securitization functions previously executed in-house separately by each of Freddie Mac and Fannie Mae. Common Securitization Solutions, LLC ("CSS") owns and operates the CSP. CSS is jointly owned by Freddie Mac and Fannie Mae. CSS will be performing certain significant securities administration functions related to our UMBS and MBS, including calculations of payments and ongoing reporting to investors. While we exercise influence over CSS through our representation on the CSS Board of Managers, we do not control its day-to-day operations. CSS’ day-to-day operations are managed by CSS management, which is overseen by the CSS Board of Managers. The Board of Managers consists of two Freddie Mac and two Fannie Mae representatives.

In December 2016, we and FHFA announced the implementation of Release 1 of the CSP. Under Release 1, we began using the CSP for data acceptance, issuance support and bond administration activities related to certain Freddie Mac single-family fixed-rate mortgage-related securities.

FHFA has announced that Release 2 of the CSP will be implemented on June 3, 2019. Release 2 will add to the functionality of the CSP by, among other things, enabling commingling in resecuritizations of certain Freddie Mac-issued securities and Fannie Mae-issued securities, as discussed below. As part of Release 2, each of Freddie Mac and Fannie Mae will begin to issue UMBS and Supers.

As part of the single security initiative and as described in the Exchange Offer Circular and this Offering Circular, Freddie Mac intends to offer an optional exchange program to enable holders to exchange Eligible Securities for their corresponding Mirror Certificates.

Freddie Mac-issued UMBS can be commingled in resecuritizations with corresponding comparable Freddie Mac-issued UMBS Mirror Certificates, Supers and Supers Mirror Certificates as well as Fannie Mae-issued UMBS and Supers and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae. Freddie Mac-issued MBS cannot be commingled with Fannie Mae securities.
Freddie Mac-issued UMBS are designed to qualify for “good delivery” under guidelines announced by SIFMA on March 7, 2019, in satisfaction of unspecified TBA trades covering corresponding comparable Fannie Mae-issued UMBS and Supers, and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae, and vice versa.

**FHFA UMBS Rule**

On February 28, 2019, FHFA issued a final rule (the “UMBS Rule”) to require Fannie Mae and Freddie Mac to align programs, policies and practices that affect investor cash flows of their TBA-eligible mortgage-backed securities.

The UMBS Rule is intended to enhance liquidity in the mortgage-backed securities marketplace, and to that end, enable adoption of UMBS, by achieving sufficient similarity of cash flows on cohorts of the Enterprises’ TBA-eligible mortgage-backed securities such that investors will accept delivery of UMBS from either issuer in settlement of trades on the TBA market.

Under the UMBS Rule, FHFA can require the Enterprises to consult with each other on any issues, including changes to covered programs, policies and practices that potentially or actually cause cash flows to TBA-eligible mortgage-backed securities investors to misalign. Each Enterprise must have an Enterprise-wide governance process to ensure that any proposed changes to covered programs, policies and practices that may cause misalignment are submitted to FHFA for review and approval. FHFA may require an Enterprise to change covered programs, policies and practices that FHFA determines may conflict with the purposes of the UMBS Rule.

The Enterprises must report any misalignment to FHFA. In the event of material misalignment, the Enterprises must also submit a report to FHFA describing the Enterprises’ plan to address the material misalignment. FHFA may require additional and expedient Enterprise actions to address material misalignment, including requiring an Enterprise to terminate a program, policy or practice or requiring the competing Enterprise to implement a comparable program, policy or practice.

For purposes of the UMBS Rule:

- “align” means to be sufficiently similar as to produce a CPR divergence of less than two percentage points in the three-month CPR for a cohort and less than five percentage points in the three-month CPR for the fastest paying quartile of a cohort, or as FHFA may temporarily adjust these percentages from time to time;
- “cohort” means all TBA-eligible securities with the same coupon, maturity and loan-origination year where the combined unpaid principal balance of such securities issued by both Enterprises exceeds $10 billion;
- “covered programs, policies or practices” means management decisions or actions that have reasonably foreseeable effects on cash flows to TBA-eligible mortgage-backed securities investors (e.g., effects that result from prepayment rates and the circumstances under which mortgages are removed from securities) and can include management decisions and actions about: single-family guarantee fees; loan level price adjustments and delivery fee portions of single-family guarantee fees; the spread between the note rate on the mortgage and the pass-through coupon on the TBA-eligible mortgage-backed securities; eligibility standards for sellers and servicers; financial and operational standards for private mortgage insurers; requirements related to the servicing of distressed loans that

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collateralize TBA-eligible securities; streamlined modification and refinance programs; removal of mortgage loans from securities; servicer compensation; proposals that could materially change the credit risk profile of the single-family mortgages securitized by an Enterprise; selling guide requirements for documenting creditworthiness, ability to repay, and adherence to collateral standards; contract provisions under which certain sellers commit to sell to an Enterprise a minimum share of the mortgage loans they originate that are eligible for sale to the Enterprises; loan modification offerings; loss mitigation practices during disasters; alternatives to repurchase for representation and warranty violations; and other actions;

- “fastest paying quartile of a cohort” means the quartile of a cohort that has the fastest prepayment speeds as measured by the three-month CPR. The quartiles shall be determined by ranking outstanding TBA-eligible securities with the same coupon, maturity, and loan-origination year by the three-month CPR, excluding specified pools, and dividing each cohort into four parts such that the total unpaid principal balance of the pools included in each part is equal;

- “material misalignment” means divergence of at least three percentage points in the three-month CPR for a cohort or at least eight percentage points in the three-month CPR for a fastest paying quartile of a cohort, or a prolonged misalignment (as determined by FHFA);

- “misalign” or “misalignment” means diverge by or a divergence of two percentage points or more in the three-month CPR for a cohort or five percentage points or more, in three-month CPR for a fastest paying quartile of a cohort; and

- “specified pools” means pools of mortgages backing TBA-eligible mortgage-backed securities that have a maximum loan size of $200,000, a minimum loan-to-value ratio at the time of loan origination of 80 percent, or a maximum FICO score of 700, or where all mortgages in the pool finance investor-owned properties or properties in the states of New York or Texas or the Commonwealth of Puerto Rico.

Under the UMBS Rule, in certain circumstances FHFA has discretion to temporarily adjust the (i) percentages described above in the definitions of “align,” “material misalignment” and “misalign” and (ii) definitions of “cohort,” “fastest paying quartile of a cohort” and “specified pools.” FHFA will publicly announce any temporary adjustments in a timely manner. Temporary adjustments in percentages or definitions may remain in place for six months, after which, the percentages and definitions will revert to the previously applicable percentages and definitions. At any time, FHFA may amend the percentages or definitions more permanently by a rulemaking that provides the public with notice and opportunity to comment on FHFA’s proposed changes to the percentages and definitions.

**Loan Note Rate Pooling Restrictions**

On February 26, 2019, FHFA announced that, acting as conservator and regulator, it has directed the Enterprises to modify their pooling practices with respect to all fixed-rate products such that the rate on any mortgage in a pool backing a given security be not more than 112.5 basis points greater than the coupon on that security. FHFA also directed the Enterprises to limit the maximum servicing fee for each loan to no more than 50 basis points; the 50 basis point maximum servicing fee includes the standard 25 basis point servicing fee. In addition, the FHFA has instructed the Enterprises to monitor the weighted average coupon of fixed-rate mortgage-backed securities and take actions as
appropriate such that the weighted average coupon of fixed-rate mortgage-backed securities would be generally consistent with historical levels. The FHFA and the Enterprises are working to determine an appropriate target weighted average coupon, such as 80 basis points or slightly higher (given current guarantee fees and minimum servicing levels). FHFA required the Enterprises to implement these changes no later than August 1, 2019.

Purchase Agreement

On September 7, 2008, the U.S. Department of the Treasury ("Treasury") entered into a senior preferred stock purchase agreement (as amended, the “Purchase Agreement”) with our Conservator, acting on our behalf. The amount of available funding remaining under the Purchase Agreement was $140.2 billion as of December 31, 2018, and will be reduced by any future draws.

The Purchase Agreement requires Treasury, upon request of the Conservator, to provide funds to us after any quarter in which we have a negative net worth (that is, our total liabilities exceed our total assets, as reflected on our consolidated balance sheets prepared in accordance with generally accepted accounting principles). The Purchase Agreement also provides for Treasury, upon the request of the Conservator, to provide funds to us if the Conservator determines, at any time, that it will be mandated by law to appoint a receiver for us unless we receive these funds from Treasury. Holders have certain limited rights to bring proceedings against Treasury if we fail to pay under our guarantee and if Treasury fails to perform its obligations under its funding commitment. For a description of Holders’ rights to proceed against Freddie Mac and Treasury, see The Trust Agreement — Rights Upon Event of Default. The Purchase Agreement contains covenants that significantly restrict our operations.

Treasury, as the holder of the senior preferred stock, is entitled to receive cumulative quarterly cash dividends, when, as and if declared by our Board of Directors. Under the August 2012 amendment to the Purchase Agreement, our cash dividend requirement each quarter is the amount, if any, by which our Net Worth Amount, at the end of the immediately preceding fiscal quarter, less the applicable capital reserve amount, exceeds zero. Pursuant to our December 2017 letter agreement with Treasury, the applicable capital reserve amount is $3.0 billion. The term “Net Worth Amount” is defined as: (a) our total assets (excluding Treasury’s commitment and any unfunded amounts thereof), less (b) our total liabilities (excluding any obligation in respect of capital stock), in each case as reflected on our consolidated balance sheets prepared in accordance with generally accepted accounting principles.

Under the Purchase Agreement, the unpaid principal balance of our mortgage-related investments portfolio is subject to a cap that reached $250 billion at December 31, 2018. Since 2014, we have been managing the mortgage-related investments portfolio so that it does not exceed 90% of the cap established by the Purchase Agreement.

We receive substantial support from Treasury and are dependent upon its continued support in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information concerning the Purchase Agreement.
ADDITIONAL INFORMATION

Our common stock is registered with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (“Exchange Act”). As a result, we file reports and other information with the SEC.

As described below, we incorporate certain documents by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Offering Circular:

- Our most recent Annual Report on Form 10-K, filed with the SEC.
- All other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K, excluding any information “furnished” to the SEC on Form 8-K.
- All documents that we file with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Offering Circular and prior to the termination of the offering of the Mirror Certificates, excluding any information we “furnish” to the SEC on Form 8-K.
- The Exchange Offer Circular.
- The Mirror Pool Supplement relating to each Mirror Certificate and the related Eligible Security that backs such Mirror Certificate.
- The current offering circular for our Mortgage Participation Certificates and any related supplements (together, the “PC Offering Circular”).
- The current offering circular for our Giant and Other Pass-Through Certificates and any related supplements (together, the “Giant Offering Circular”).

These documents are collectively referred to as the “Incorporated Documents” and are considered part of this Offering Circular. You should read this Offering Circular and the related Mirror Pool Supplement in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Offering Circular and the related supplement.

You may read and copy any document we file with the SEC at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.
You can obtain, without charge, copies of this Offering Circular, the Incorporated Documents, the Mirror Certificates Trust Agreement and the related Mirror Pool Supplements under which Mirror Certificates are issued from:

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<tr>
<td>1551 Park Run Drive</td>
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<tr>
<td>McLean, Virginia 22102-3110</td>
</tr>
<tr>
<td>Telephone: 1-800-336-3672</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:Investor_Inquiry@freddiemac.com">Investor_Inquiry@freddiemac.com</a></td>
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We also make these documents available on our internet website at this address:

**Internet Website*: www.freddiemac.com**

The mortgage securities section of our website (located at https://freddiemac.com/mbs) will also be updated, from time to time, with information regarding material developments or other events that may be important to investors. You should access this website on a regular basis for such updated information.

This Offering Circular relates to Mirror Certificates issued on and after August 1, 2018. Under the Mirror Certificates Trust Agreement described in this Offering Circular, Freddie Mac has agreed to act as Trustee for and to administer all Mirror Certificates substantially in accordance with the Mirror Certificates Trust Agreement, as described in this Offering Circular. See *The Mirror Certificates Trust Agreement*.

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* We are providing this and other internet addresses solely for the information of investors. We do not intend these internet addresses to be active links and we are not using references to these addresses to incorporate additional information into this Offering Circular or any supplement, except as specifically stated in this Offering Circular.
SUMMARY

This summary highlights selected information about the Mirror Certificates. Before exchanging an Eligible Security for a Mirror Certificate, you should read the Exchange Offer Circular, the remainder of this Offering Circular, the applicable Mirror Pool Supplement and the other Incorporated Documents. You should rely on the information in the applicable Mirror Pool Supplement if it is different from the information in this Offering Circular.

Depositor, Trustee, Administrator and Guarantor

Federal Home Loan Mortgage Corporation, or “Freddie Mac,” a shareholder-owned government-sponsored enterprise.

On September 6, 2008, the Director of FHFA placed Freddie Mac into conservatorship pursuant to authority granted by the Federal Housing Finance Regulatory Reform Act of 2008 (the “Reform Act”). As Conservator, FHFA immediately succeeded to all rights, titles, powers and privileges of Freddie Mac, and of any stockholder, officer or director of Freddie Mac, with respect to Freddie Mac and the assets of Freddie Mac. For additional information regarding our conservatorship, see Freddie Mac — Conservatorship and Risk Factors — Governance Factors.

Mirror Certificates and the Exchange Offer

As Depositor, we transfer and deposit Eligible Securities that have been delivered to us pursuant to the Exchange Offer into various “Mirror Pass-Through Pools” established pursuant to the Mirror Certificates Trust Agreement and applicable Mirror Pool Supplements. As Administrator, on behalf of the Trustee for these Mirror Pass-Through Pools, we create and issue under the Mirror Certificates Trust Agreement and applicable Mirror Pool Supplements Mirror Certificates representing beneficial ownership interests in such Mirror Pass-Through Pools, each of which pool contains an Eligible Security.

Freddie Mac will also pay to Holders that effect exchanges of Eligible Securities for related Mirror Certificates a one-time payment (the “Float Compensation”) to compensate those Holders for the difference in Payment Delay between the delivered Eligible Securities and the related Mirror Certificates. The Float Compensation and the other terms, obligations and conditions of, and risks associated with, the Exchange Offer are described in the Exchange Offer Circular.

Assets and Mortgages

The assets in each Mirror Pass-Through Pool include the related applicable Eligible PC or Eligible Giant PC, all proceeds of such Eligible Security, amounts on deposit in a custodial account of collections from such Eligible Security and the right to receive payments pursuant to our guarantee. The mortgages (the “Mortgages”) underlying the Eligible Securities are secured by single-family residential properties,
and have either a fixed rate or, in the case of “Modified Mortgages with Step Rate Increases,” an adjustable step rate.

Payments

As Administrator, Freddie Mac passes through any payment of principal and interest due on a Mirror Certificate monthly on the applicable Payment Date. As described in more detail later, Payment Dates fall on or about the 25th of each month.

• Interest

Freddie Mac pays interest on each Mirror Certificate at its coupon. Interest payable on a Payment Date accrues during the monthly accrual period specified in this Offering Circular or the applicable Mirror Pool Supplement.

• Principal

Mirror Certificates receive principal payments in the same amounts and the same periods as their underlying Eligible Securities.

Trustee

Freddie Mac serves as Trustee for each Mirror Certificate pursuant to the terms of the Mirror Certificates Trust Agreement.

Accounting Considerations

You should consult (i) the Exchange Offer Circular and your own accountant regarding the appropriate accounting treatment of an exchange of an Eligible Security for a Mirror Certificate and (ii) your own accountant regarding the appropriate accounting treatment for Mirror Certificates.

Form of Mirror Certificates

Mirror Certificates are issued, held and transferable on the book-entry system of the Federal Reserve Banks (the “Fed System”).

Holders

As an investor in Mirror Certificates, you are not necessarily the Holder of those Mirror Certificates. You will ordinarily hold your Mirror Certificates through one or more financial intermediaries. Your rights as an investor may be exercised only through the Holder of your Mirror Certificates, and Freddie Mac may treat the Holder as the absolute owner of your Mirror Certificates. The term “Holder” means any entity that appears on the records of a Federal Reserve Bank as a holder.

Tax Status

We will classify each Mirror Pass-Through Pool as a grantor trust. As an investor in Mirror Certificates, you will be treated as the owner of a pro rata undivided interest in the ordinary income and the principal of the related grantor trust, and will be considered the owner of a pro rata undivided interest in each of the underlying Mortgages. You should be aware that special rules may apply with respect to Mirror Certificates backed by Mortgages in which the beneficial interests in the principal and interest payments are part of a REMIC or are High LTV Mortgages, as defined below. See Certain Federal Income Tax Consequences.
RISK FACTORS

Before exchanging your Eligible PCs or Eligible Giant PCs for the related Mirror Certificates, you should carefully read and consider the terms, obligations and conditions of, and the risks associated with, the Exchange Offer, all as described in the Exchange Offer Circular.

Although we guarantee the payments on Mirror Certificates, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. Investors should carefully consider the risks described below and elsewhere in this Offering Circular, the related Mirror Pool Supplement, the Exchange Offer Circular and the other Incorporated Documents before deciding to acquire a Mirror Certificate. You should also review the Risk Factors section of the PC Offering Circular and the Giant Offering Circular for discussions of the risks related to the related Eligible Securities and the underlying Mortgages. However, neither this Offering Circular nor those other documents describe all the possible risks of an investment in the Mirror Certificates that may result from your particular circumstances, nor do they project how the Mirror Certificates will perform under all possible interest rate and economic scenarios.

PREPAYMENT AND YIELD FACTORS

Principal payment rates are uncertain. Principal payment rates on the Mirror Certificates will depend on the rates of principal payments on the underlying Mortgages. Mortgage principal payments include scheduled payments and full and partial prepayments, including prepayments that result from refinancings and other voluntary payments by borrowers and from the repurchase of Mortgages due to defaults or delinquencies, inaccurate representations or warranties or other factors. Mortgage prepayment rates fluctuate continuously and in some market conditions substantially. Therefore, we cannot predict the rate of prepayments on the assets or the rate of principal payments on the related Mirror Certificates.

Substantial repurchases of seriously delinquent Mortgages could materially affect the prepayment rates of the assets backing your Mirror Certificates. In November 2018, at the direction of FHFA, we implemented a strictly date-based automated process to initiate Mortgage repurchases, in most instances, at no more than 120 days after the due date of the last paid installment. Any variance from this process must be submitted to FHFA. In addition, we may depart from these repurchase practices in the case of natural disasters.

Increased Mortgage refinance, modification and other loss mitigation programs could materially affect Mortgage prepayment speeds. Working with our Conservator, we have significantly increased our refinance, loan modification and foreclosure prevention efforts since we entered into conservatorship. In March 2009, we announced our Relief Refinance and Home Affordable Modification Programs (both of these programs have expired; the Relief Refinance Program has been replaced by the Enhanced Relief Refinance Program and the Home Affordable Modification Program has been replaced by other modification programs). Prior to the implementation of these programs, certain borrowers may not have qualified to refinance or modify their Mortgages. The number of Mortgages and borrowers that have participated in these programs, successor programs and our other modification initiatives have been, and may continue to be, substantial. In addition, because the LTV ratio on fixed-rate Enhanced Relief Refinance Mortgages (under our Enhanced Relief Refinance Program) at origination can exceed 125%, borrowers, who may have little or no equity in their homes and who would not otherwise qualify for refinancings, may qualify for Enhanced Relief Refinance Mortgages. Streamlined underwriting procedures and valuation of properties using an automated valuation model also may apply to certain eligible borrowers.
Repurchases of Mortgages from our securities may occur when the terms of those Mortgages are modified as a result of default or imminent default. We offer financial incentives to servicers to modify certain delinquent Mortgages in order to reduce foreclosures and to enable borrowers to stay in their homes. These repurchases would have the same effect on the Holder as a prepayment of the Mortgages. Under certain circumstances, Mortgages may be modified more than once. See the Incorporated Documents for additional information.

Depending on the number of borrowers who obtain refinancings and modifications under our Enhanced Relief Refinance Program and modification initiatives, the increase in prepayments on certain Mirror Certificates could be material. Generally, refinancings and modifications of Mortgages result in prepayments under the related Mirror Certificates in an amount equal to the unpaid principal balance of the affected Mortgages. We cannot predict the number of borrowers who will ultimately participate in the Enhanced Relief Refinance Program or our modification initiatives or the rate of prepayments on the related Mirror Certificates.

**Mortgage prepayments are affected by many factors and are unpredictable.** The rates of prepayments of Mortgages, and therefore the rates of principal payments on the Mirror Certificates, are influenced by a variety of economic, social and other factors, including local and regional economic conditions, homeowner mobility and the availability of, and costs associated with, alternative financing.

Such factors, which may be affected by the Enhanced Relief Refinance Program and our loan modification initiatives, include but are not limited to prevailing mortgage interest rates, Mortgage characteristics, such as the geographic location of the mortgaged properties, loan size, loan-to-value (“LTV”) ratios or year of origination, borrower characteristics (such as credit scores) and equity positions in their houses, availability and convenience of refinancing, prevailing servicing fee rates and the availability of our loan modification initiatives. In addition, the rate of defaults and resulting repurchases of the Mortgages, and repurchases due to (i) breaches of representations and warranties by Mortgage sellers, (ii) servicing violations by Mortgage servicers (presently, we have a backlog of such repurchase requests to Mortgage sellers and servicers), or (iii) modifications, such as may occur upon a borrower’s successful completion of a trial period under one of our loan modification initiatives, could also affect prepayment rates and adversely affect the yield on your Mirror Certificates.

**Prepayments can reduce your yield.** Your yield on a Mirror Certificate will depend on (i) its price or, in the case of a Mirror Certificate acquired through the Exchange Offer, the price you paid for the related underlying Eligible Security, (ii) the rate of prepayments on its underlying Mortgages and (iii) the other characteristics of the underlying Mortgages. The Mortgages may be prepaid at any time, in most cases without penalty.

- If you acquire your Mirror Certificate or, in the case of the Exchange Offer, you acquired the related underlying Eligible Security, at a discount to its principal amount and the rate of principal payments is slower than you expect, you will receive payments over a longer period than you expect, so the yield on your investment will be lower than you expect.
- If you acquire your Mirror Certificate or, in the case of the Exchange Offer, you acquired the related underlying Eligible Security, at a premium over its principal amount and the rate of principal payments is faster than you expect, you will receive payments over a shorter period than you expect, so the yield on your investment will be lower than you expect.
In general, the rate of prepayments early in your investment has the greatest effect on your yield to maturity. A negative effect on your yield produced by principal prepayments at a higher (or lower) rate than you expect in the period immediately following your acquisition of your Mirror Certificate or related underlying Eligible Security, as the case may be, is not likely to be fully offset by an equivalent reduction (or increase) in that rate in later periods.

**Reinvestment of principal payments may produce lower yields; expected principal payments may not be available for reinvestment.** Mortgages tend to prepay fastest when current interest rates are low. When you receive principal payments in a low interest rate environment, you may not be able to reinvest them in comparable securities with as high a yield as your Mirror Certificates. When current interest rates are high, Mortgages tend to prepay more slowly and your ability to reinvest principal payments could be delayed. If the yield on comparable investments is higher than the yield of your Mirror Certificates at that time, you could be disadvantaged by not receiving principal for reinvestment as quickly as you expected.

**General economic conditions could adversely affect your Mirror Certificates.** Changes in economic conditions and the condition of the residential housing market could adversely affect your Mirror Certificates in a number of ways. The rate and number of mortgage payment delinquencies remain high.

If the U.S. economy is weak, we could experience a high level of payment defaults on Mortgages. Payment defaults on Mortgages could result in accelerated prepayments of your Mirror Certificates as a result of our repurchase practices relating to seriously delinquent Mortgages and Mortgage modifications, foreclosures or workouts. The rate of modifications could remain high as a result of our loan modification initiatives. These developments could adversely affect the liquidity, pricing and yield of your Mirror Certificates. Payment and recovery of principal on your Mirror Certificates could depend on our ability to honor our guarantee obligations. See Prepayment and Yield Factors — Substantial repurchases of seriously delinquent Mortgages could materially affect the prepayment rates of the assets backing your Mirror Certificates and — Increased Mortgage refinance, modification and other loss mitigation programs could materially affect Mortgage prepayment speeds.

**INVESTMENT FACTORS**

**Risks pertaining to the Exchange Offer.** Before exchanging your Eligible PCs or Eligible Giant PCs for the related Mirror Certificates, you should carefully read and consider the terms, obligations and conditions of, and the risks associated with, the Exchange Offer, all as described in the Exchange Offer Circular.

**The Mirror Certificates may not be suitable investments for you.** The Mirror Certificates are complex securities. You, alone or together with your financial advisor, need to understand the risks of your investment. You need to be able to analyze the information in the related offering documents and the Incorporated Documents, as well as the economic, interest rate and other factors that may affect your investment. You also need to understand the terms of the Mirror Certificates and any investment restrictions that may apply to you. Because each investor has different investment needs and different risk tolerances, you should consult your own financial, legal, accounting and tax advisors to determine if the Mirror Certificates are suitable investments for you. If you require a definite payment stream, or a single payment on a specific date, the Mirror Certificates are not suitable investments for you. If you acquire Mirror Certificates, you need to have enough financial resources to bear all of the risks related to your investment.
The Mirror Certificates are subject to liquidity risk. Illiquidity can have a severely negative impact on the prices of the Mirror Certificates, especially those that are particularly sensitive to prepayment or interest rate risk. The Mirror Certificates are not traded on any exchange and the market price of Mirror Certificates or a benchmark price may not be readily available. A secondary market for some types of Mirror Certificates may not develop. Even if a market develops, it may not continue. As a result, you may not be able to sell your Mirror Certificates easily or at prices that will allow you to realize your desired yield. Since the secondary markets for some PCs and Giant PCs have experienced periods of illiquidity in the past, it is possible that periods of illiquidity could occur with respect to the Mirror Certificates in the future.

Assessments of the level of success of our Exchange Offer and the single security initiative, our financial condition, our conservatorship, uncertainty concerning our future structure and organization, including whether we will continue to exist, the level of governmental support for Freddie Mac and market perceptions or speculation concerning such factors could materially affect the liquidity and pricing of your Mirror Certificates. Moreover, adverse national or global financial developments may materially affect the liquidity and pricing of your Mirror Certificates. These include, among others: the disruption of international and domestic credit markets, recessionary or weak economic conditions in the U.S. and in foreign countries (including those countries that own and trade our Mirror Certificates and other mortgage-backed securities), severe contraction in the residential mortgage credit market and the demise and consolidation of several major securities broker-dealers and financial institutions (including substantial mortgage originators). See Prepayment and Yield Factors — General economic conditions could adversely affect your Mirror Certificates.

The Mirror Certificates are subject to market risk. The market value of your Mirror Certificates will vary over time, primarily in response to changes in prevailing interest rates. Financial, regulatory and legislative developments concerning Freddie Mac generally, including whether we are in conservatorship or receivership, could affect prices for your Mirror Certificates. In addition, any adverse change in the market perception of our level of governmental support or credit standing could reduce the market price of the Mirror Certificates. If you sell your Mirror Certificates when their market values are low, you may experience significant losses.

You may not be allowed to acquire Mirror Certificates. If you are subject to investment laws and regulations or to review by regulatory authorities, you may not be allowed to invest in some types of Mirror Certificates. If you acquire Mirror Certificates in violation of such laws or regulations, you may be compelled to divest such Mirror Certificates. See Legal Investment Considerations.

Potential conflicts of interest. In connection with the Mirror Certificates that we issue, we act in multiple roles — Trustee, Depositor, Administrator and Guarantor. Further, we act in these same roles with respect to the Eligible Securities that we issue. The master trust agreements pursuant to which our Eligible Securities are issued provide that in determining whether a Mortgage shall be repurchased from the related PC pool, we may in our capacities as the Administrator and Guarantor of our PCs consider factors as we deem appropriate, including the reduction of administrative costs (in the case of the Administrator) and possible exposure under our guarantee (in the case of the Guarantor). There is no independent third party engaged with respect to the Eligible Securities or Mirror Certificates to monitor and supervise our activities in our various roles. In connection with our roles as the Administrator and Guarantor of the Eligible Securities that we issue, we may take certain actions with respect to Mortgages that may adversely affect Mirror Certificate Holders. For example, we may repurchase, or direct sellers or servicers to repurchase, Mortgages backing Eligible Securities in certain
situations. A Mortgage repurchase will be treated as a prepayment in full of the Mortgage being repurchased and will increase the prepayment speed of the related Mirror Certificate. See Prepayment and Yield Factors — Substantial repurchases of seriously delinquent Mortgages could materially affect the prepayment rates of the assets backing your Mirror Certificates and — Increased Mortgage refinance, modification and other loss mitigation programs could materially affect Mortgage prepayment speeds.

FACTORS RELATED TO ALIGNMENT WITH FANNIE MAE AND THE SINGLE SECURITY INITIATIVE

Your UMBS Mirror Certificates and Supers Mirror Certificates may not be fungible with comparable Fannie Mae-issued TBA-eligible securities. The goal of the single security initiative is for Freddie Mac-issued TBA-eligible securities (i.e., UMBS, UMBS Mirror Certificates, Supers and Supers Mirror Certificates) and Fannie Mae-issued TBA-eligible securities to be fungible with each other for purposes of fulfilling transactions in the TBA market. If this is not achieved, the value and liquidity of your Mirror Certificates could be adversely affected.

The goal of the single security initiative is for Freddie Mac-issued TBA-eligible securities and Fannie Mae-issued TBA-eligible securities to be fungible. If this is not achieved, the value and liquidity of your Mirror Certificates could be adversely affected.

The Securities Industry and Financial Markets Association (“SIFMA”), through its “good-delivery guidelines,” has an important role in determining the fungibility of Freddie Mac- and Fannie Mae-issued TBA-eligible securities in a single, combined TBA market for the Enterprises. On March 7, 2019, SIFMA announced that it has revised its good-delivery guidelines to permit UMBS TBA contracts to be settled by delivery of UMBS Mirror Certificates and Supers Mirror Certificates issued by Freddie Mac, UMBS or Supers issued by either Freddie Mac or Fannie Mae and TBA-eligible mortgage-backed securities issued by Fannie Mae before single security implementation. If SIFMA were to change its position on the fungibility of these Freddie Mac- and Fannie Mae-issued securities, and revise its good-delivery guidelines to prohibit or limit the ability to deliver such Mirror Certificates and UMBS or Supers issued by either Enterprise to settle TBA contracts, the value and liquidity of your Mirror Certificates could be adversely affected.

The cash flows on comparable cohorts of the Enterprises’ TBA-eligible securities could diverge, which could adversely affect the fungibility of Freddie Mac- and Fannie Mae-issued TBA-eligible securities. Investors may not accept delivery of UMBS, Supers and UMBS Mirror Certificates and Supers Mirror Certificates issued by Freddie Mac in settlement of TBA contracts unless the cash flows of the securities are similar to comparable TBA-eligible securities issued by Fannie Mae. FHFA, Freddie Mac and Fannie Mae are taking actions designed to ensure the alignment of cash flows across comparable cohorts of the Enterprises’ TBA-eligible securities. For example, under the UMBS Rule, Freddie Mac and Fannie Mae are required to align programs, policies and practices that affect the prepayment rates of their TBA-eligible mortgage-backed securities. However, notwithstanding these actions, it is possible that cash flows on particular cohorts of the Enterprises’ TBA-eligible securities could diverge for periods of time.

FHFA’s and Treasury’s support are critical to the success of the single security initiative and the fungibility of Freddie Mac- and Fannie Mae-issued TBA-eligible securities. There is a risk that FHFA or Treasury may cease supporting the initiative in the future, due to changes in the leadership or priorities of FHFA or Treasury, or other factors.

It is possible that investors could prefer Fannie Mae-issued TBA-eligible securities to Freddie Mac-issued TBA-eligible securities, notwithstanding the various actions and efforts to promote fungibility. Investors have historically preferred the mortgage-related securities of Fannie Mae to those preferred metrics.
of Freddie Mac, as evidenced by price performance disparities between comparable Freddie Mac PCs and Fannie Mae MBS. This preference could continue. Our UMBS and Supers are an integral aspect of our mortgage purchase program. If investors prefer Fannie Mae-issued TBA-eligible securities to Freddie Mac-issued TBA-eligible securities, our competitiveness in purchasing single-family mortgages from our sellers and the volume of our new single-family guarantee business could be adversely affected. In turn, this could adversely affect the volume of UMBS or Supers we issue, which could adversely affect the value and liquidity of your Mirror Certificates.

Uncertainty concerning the extent of the alignment between the mortgage purchase, servicing and securitization practices of Freddie Mac and Fannie Mae may affect the degree to which UMBS, Supers and Mirror Certificates receive widespread market acceptance. These or other factors could result in an increase in stipulated trades for Fannie Mae-issued UMBS or Supers, which could adversely affect the value and liquidity of your Mirror Certificates. A stipulated trade is a trade in which the investor stipulates that it will accept delivery only of a security issued by one Enterprise or another, e.g., a Fannie Mae- or Freddie Mac-issued UMBS.

The transition to the new single security may be delayed or may be perceived to be unsuccessful. As part of the single security initiative, (i) Freddie Mac is scheduled to commence issuing the Mirror Certificates in the Exchange Offer with the first settlements expected to occur in May 2019, and (ii) Freddie Mac and Fannie Mae are both scheduled to commence issuing new common securities, the UMBS and the Supers, on June 3, 2019. This is a significant change for the mortgage market, particularly for investors, dealers and other participants in the market for Freddie Mac and Fannie Mae mortgage securities. Key market participants will need to make significant changes to trading processes and systems. Market participants may also need to change their business operations or governing documentation (including, but not limited to, those related to applicable diversification or concentration limits). Individual market participants may not be adequately prepared for the transition to the single security, which could lead to disruption or delay in the development of a liquid TBA market. It may take considerable time for the emergence of a single, combined TBA market for the two Enterprises, or a single, combined TBA market may never fully develop. It is possible that we could experience a disruption in the liquidity of Freddie Mac securities during the period in which the market transitions to single security.

As part of the transition to the single security, Freddie Mac intends to commence the Exchange Offer. Certain investors may decide not to exchange their Eligible PCs and Eligible Giant PCs in the Exchange Offer, which could adversely affect the tradable supply of Mirror Certificates.

Market assessments and speculation concerning the relative success of the transition to the UMBS TBA market and our Exchange Offer could also adversely affect the value and liquidity of your Mirror Certificates.

The markets for the Mirror Certificates could be disrupted if the CSP were to fail or otherwise become unavailable to us. You could experience delays in receiving payments on your Mirror Certificates in the event of a systems problem or other adverse event affecting the CSP. We will rely on the CSP and CSS for performance of certain significant functions related to the Mirror Certificates, including certain functions performed on behalf of the Trustee. For example, the CSP will be used to perform certain data acceptance, issuance support and bond administration activities for us related to the Mirror Certificates, including calculation of payments and ongoing reporting to investors. The CSP will also be used to enable commingling in resecuritization transactions of Freddie Mac- and Fannie Mae-issued UMBS and Supers and UMBS Mirror Certificates and Supers Mirror Certificates.
These activities are complex and present significant operational and technological challenges and risks. Our business activities would be adversely affected and the market for our securities would be disrupted if the CSP were to fail or otherwise become unavailable to us or if CSS were unable to perform its obligations to us, including as a result of an operational failure by Fannie Mae. Any measures we take to mitigate these challenges and risks might not be sufficient to prevent a disruption in our securitization activities related to our Mirror Certificates. You could experience delays in receiving payments on your Mirror Certificates in the event of a systems problem or other adverse event affecting the CSP.

Adverse changes in Fannie Mae’s performance, or market perceptions about Fannie Mae’s performance, could adversely affect the value of your Mirror Certificates. The single security initiative will create significant connections between the single-family mortgage securitization programs of Freddie Mac and Fannie Mae, as the initiative provides for the Enterprises to issue common securities (UMBS and Supers) that can be commingled in resecuritizations and is designed to trade in a single, combined TBA market. Due to these connections, it is possible that the value of your Mirror Certificates could be affected by events relating to Fannie Mae, even if those events do not directly affect Freddie Mac. For example, any actual or perceived adverse change in Fannie Mae’s financial performance or condition, mortgage credit quality, or systems and data reliability could adversely affect the value of your Mirror Certificates. Any disruption in Fannie Mae’s UMBS securitization activities or any adverse events affecting Fannie Mae’s significant mortgage sellers and servicers could also adversely affect the value of your Mirror Certificates.

As a result of operational changes to applicable payment processes in connection with the single security initiative, you may face increased risk that we may fail to make a timely payment on your Mirror Certificates. We rely on the Federal Reserve Banks to make payments on our Mirror Certificates (as well as payments on other types of Freddie Mac mortgage-backed securities) to the appropriate Holders’ accounts. Similarly, Fannie Mae relies on the Federal Reserve Banks to make payments on various types of Fannie Mae mortgage-backed securities. As a result of operational changes to applicable payment processes made in connection with the single security initiative, the Federal Reserve Banks will not make any payments on a Payment Date with respect to our or Fannie Mae’s mortgage-backed securities payable on that date until 100% of the amounts payable on all such securities have been funded by Freddie Mac or Fannie Mae, as applicable. As a result, if Fannie Mae were to fail (for credit or operational reasons) on any Payment Date to provide funds for a full payment on any Fannie Mae-issued UMBS, Supers, REMIC class or other security payable on that date, we would be responsible for making the entire payment on all such Fannie Mae-issued UMBS, Supers or REMIC classes that we resecuritized in order for any Freddie Mac-issued UMBS, MBS, Supers, Giant MBS, Mirror Certificates or other securities to be paid on that Payment Date. If we failed to provide the Federal Reserve Banks with all funds to make such payment, the Federal Reserve Banks would not make any payment on any of our outstanding Freddie Mac-issued UMBS, MBS, Supers, Giant MBS, Mirror Certificates or other securities to be paid on that Payment Date, regardless of whether such Freddie Mac-issued securities were backed by Fannie Mae-issued securities.

COMMINGLING FACTORS

The value of your Mirror Certificates may decline if investors are unable or unwilling to commingle their eligible Fannie Mae- and Freddie Mac-issued securities. An important feature of the single security initiative is that certain Freddie Mac-issued TBA-eligible securities, including UMBS Mirror Certificates and Supers Mirror Certificates, are designed to be commingled with certain
Fannie Mae-issued securities in resecuritizations. This presents significant risks, as the Enterprises have not attempted to commingle their securities before. It is possible that investors and market participants may not be able to commingle eligible Freddie Mac- and Fannie Mae-issued securities due to operational or systems problems or failures at Freddie Mac, Fannie Mae, CSS or market participants. It is also possible that investors may choose not to commingle eligible Fannie Mae-issued securities with eligible Freddie Mac-issued securities. Any of these events could adversely affect market demand for, or the value of, your Mirror Certificates.

GOVERNANCE FACTORS

The Conservator may repudiate our contracts, including our guarantee. As Conservator, FHFA may disaffirm or repudiate contracts (subject to certain limitations for qualified financial contracts) that we entered into prior to its appointment as Conservator if it determines, in its sole discretion, that performance of the contract is burdensome and that disaffirmation or repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires FHFA to exercise its right to disaffirm or repudiate most contracts within a reasonable period of time after its appointment as Conservator. In a final rule published in June 2011, FHFA defines a reasonable period of time to disaffirm or repudiate a contract following the appointment of a conservator or receiver to be 18 months.

The Conservator has advised us that it has no intention of repudiating any guarantee obligation relating to Freddie Mac’s mortgage-related securities, including the Mirror Certificates, because it views repudiation as incompatible with the goals of the conservatorship. In addition, the Reform Act provides that mortgage loans and mortgage-related assets that have been transferred to a Freddie Mac securitization trust must be held for the beneficial owners of the related Freddie Mac mortgage-related securities, including the Mirror Certificates, and cannot be used to satisfy our general creditors.

If our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be reduced in the event of any borrowers’ late payments or failure to pay or a servicer’s failure to remit borrower payments to the trust. In that case, trust administration and servicing fees could be paid from payments on the assets prior to distributions to Holders. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders.

The Conservator also has the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without our approval, assignment or consent. If the Conservator were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party.

The liability of the Conservator, in the event it repudiates our guarantee, is limited. In general, the liability of the Conservator for the disaffirmance or repudiation of any contract, including our guarantee, is limited to actual direct compensatory damages determined as of September 6, 2008, which is the date we were placed into conservatorship.

FHFA could terminate our conservatorship by placing us into receivership, which could adversely affect our guarantee, and restrict or eliminate certain rights of Holders. Under the Reform Act, FHFA must place us into receivership if the Director of FHFA determines in writing that our assets are, and for a period of 60 days have been, less than our obligations. FHFA has notified us that the measurement period for any mandatory receivership determination with respect to our assets and obligations would commence no earlier than the SEC public filing deadline for our quarterly or
annual financial statements and would continue for 60 calendar days after that date. FHFA has also advised us that, if, during that 60-day period, we receive funds from Treasury in an amount at least equal to the deficiency amount under the Purchase Agreement, the Director of FHFA will not make a mandatory receivership determination.

In addition, we could be put into receivership at the discretion of the Director of FHFA at any time for a number of reasons as set forth under the Reform Act. Several bills considered by Congress in the past several years provided for Freddie Mac to be placed in receivership. In addition, FHFA could be required to place us into receivership if Treasury is unable to provide us with funding requested under the Purchase Agreement to address a deficit in our net worth. Treasury might not be able to provide the requested funding if, for example, the U.S. government were not fully operational because Congress had failed to approve funding or if the U.S. government reached its borrowing limit and, as a result, Treasury was unable to obtain funds sufficient to cover the request.

Being placed into a receivership would terminate the current conservatorship. The purpose of receivership is to liquidate our assets and resolve claims against us. The appointment of FHFA as our receiver would terminate all rights and claims that our stockholders and creditors may have against our assets or under our charter as a result of their status as stockholders or creditors, other than possible payment upon our liquidation.

If FHFA were to become our receiver, it could exercise certain powers that could adversely affect Holders. As receiver, FHFA could repudiate any contract entered into by us prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver. FHFA has defined such a reasonable period to be 18 months.

If FHFA, as receiver, were to repudiate our guarantee obligations, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Reform Act. Any such liability could be satisfied only to the extent our assets were available for that purpose.

Moreover, if our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be reduced in the event of any borrowers’ late payments or failure to pay or a servicer’s failure to remit borrower payments to the trust. In that case, trust administration and servicing fees could be paid from payments on the assets prior to distributions to Holders of Mirror Certificates. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders. Holders would experience delays in receiving payments on the Mirror Certificates because the relevant systems are not designed to make partial payments.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without any approval, assignment or consent of any party. If FHFA, as receiver, were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party.

During a receivership, certain rights of Holders of Mirror Certificates under the Mirror Certificates Trust Agreement may not be enforceable against FHFA, or enforcement of such rights may be delayed. The Mirror Certificates Trust Agreement provides that upon the occurrence of a Guarantor event of default, which includes the appointment of a receiver, Holders have the right to replace
Freddie Mac as Trustee and Administrator if the requisite percentage of Holders consent. Pursuant to the Reform Act, FHFA, as receiver, may prevent Holders from enforcing their rights to replace Freddie Mac as Trustee and Administrator if the event of default arises solely because a receiver has been appointed.

The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

If we are placed into receivership and do not or cannot fulfill our guarantee obligation to Holders of Mirror Certificates, Holders could become unsecured creditors of Freddie Mac with respect to claims made under our guarantee. For a description of certain rights of Holders to proceed against the Treasury if we fail to pay under our guarantee, see The Mirror Certificates Trust Agreement — Rights Upon Event of Default.

See the Incorporated Documents for additional information regarding the possible implications of a receivership.

APPLICATION OF PROCEEDS

Mirror Certificates are issued in exchange for the underlying Eligible Securities, so we do not receive cash proceeds.

CREDIT RISK RETENTION

Freddie Mac, as the sponsor of the securitizations in which the Mirror Certificates are to be issued, will satisfy its credit risk retention requirement under the FHFA’s Credit Risk Retention Rule at 12 C.F.R. Part 1234 pursuant to Section 1234.8 thereof. Freddie Mac is currently operating under the conservatorship of the FHFA with capital support from the United States and will fully guarantee the timely payment of principal and interest on all the Mirror Certificates.

DESCRIPTION OF MIRROR CERTIFICATES

GENERAL

As Depositor, we transfer and deposit applicable Eligible Securities into Mirror Pass-Through Pools. As Administrator, on behalf of the Trustee, we create and issue Mirror Certificates under the Mirror Certificates Trust Agreement and applicable Mirror Pool Supplements representing interests in those pools. Each Mirror Pass-Through Pool has its own identification number assigned by us, as Administrator. The Eligible Securities in the Mirror Pass-Through Pools are backed by Mortgages that we have purchased.

As Trustee, we hold legal title to the Eligible Security in each related Mirror Pass-Through Pool for the benefit of the investors in the related Mirror Certificate.

MIRROR CERTIFICATES

Each Mirror Certificate is a single-class security entitled to payments of both principal and interest received on the related Eligible Security. When we issue a Mirror Certificate, we form a Mirror Pass-Through Pool that consists of the related Eligible Security.
Mirror Certificates bear interest at a fixed rate or a step rate. A fixed rate Mirror Certificate has the same fixed interest rate as the related underlying Eligible Security. The interest rate of a step rate Mirror Certificate adjusts annually based on the weighted average of the interest rates of the Modified Mortgages with Step Rate Increases backing the related Eligible Security when such Mortgages are in their adjustment period. The interest rates on all of the Modified Mortgages with Step Rate Increases backing a step rate Mirror Certificate adjust based on the same means of adjustment, but do not necessarily adjust on the same date.

MIRROR PASS-THROUGH POOL ASSETS

General

Each Mirror Pass-Through Pool will contain an Eligible Security. This section describes the general characteristics of Eligible Securities, which directly or indirectly back our Mirror Certificates.

The Mirror Certificates consist of the following four types of pass-through securities: UMBS Mirror Certificates, Supers Mirror Certificates, MBS Mirror Certificates, and Giant MBS Mirror Certificates. For all of these securities, there is a delay of approximately 55 days between the time interest begins to accrue and the time the securityholder receives its interest payment. This time period is a “Payment Delay.” As indicated below, Mirror Certificates can be distinguished by, among other features, whether they represent undivided beneficial interests in pools of residential fixed-rate Mortgages that are eligible for the TBA market.

TBA-Eligible Mirror Certificates

UMBS Mirror Certificates. Each UMBS Mirror Certificate is backed by an Eligible PC, is a single-class security, and is guaranteed by Freddie Mac. These Eligible PCs have a 45-day Payment Delay and represent undivided beneficial interests in pools of residential fixed-rate Mortgages that are eligible for the TBA market. All Mortgages that back these Eligible PCs are conventional mortgages, which means that neither the United States nor any federal agency or instrumentality guarantees or insures them.

Supers Mirror Certificates. Each Supers Mirror Certificate is backed by an Eligible Giant PC, is a single-class security, and is guaranteed by Freddie Mac. These Eligible Giant PCs have a 45-day Payment Delay and are backed by other Giant PCs or PCs that represent undivided beneficial interests in pools of residential fixed-rate Mortgages that are eligible for the TBA market. All Mortgages that back these Eligible Giant PCs are conventional mortgages.

Non-TBA-Eligible Mirror Certificates

MBS Mirror Certificates. Each MBS Mirror Certificate is backed by an Eligible PC, is a single-class security, and is guaranteed by Freddie Mac. These Eligible PCs have a 45-day Payment Delay and represent undivided beneficial interests in special types of Mortgages that do not qualify for the TBA market, such as Relocation Mortgages, Cooperative Share Mortgages, Extended Buydown Mortgages, Modified Mortgages, Modified Mortgages with Step Rate Increases, High LTV Mortgages, and Super-Conforming Mortgages, each as defined in the PC Offering Circular. These types of Mortgages may prepay differently than standard Mortgages. Nearly all Mortgages that back these Eligible PCs are conventional mortgages. Certain of these Eligible PCs represent interests in other special types of Mortgages that we no longer purchase, such as Initial Interest Mortgages or Prepayment Penalty Mortgages, each as defined in the PC Offering Circular.
**Giant MBS Mirror Certificates.** Each Giant MBS Mirror Certificate is backed by an Eligible Giant PC, is a single-class security, and is guaranteed by Freddie Mac. These Eligible Giant PCs have a 45-day Payment Delay and are backed by other Giant PCs or PCs that represent undivided beneficial interests in special types of Mortgages that do not qualify for the TBA market, such as Relocation Mortgages, Cooperative Share Mortgages, Extended Buydown Mortgages, Modified Mortgages, Modified Mortgages with Step Rate Increases, High LTV Mortgages, and Super-Conforming Mortgages, each as defined in the PC Offering Circular. These types of Mortgages may prepay differently than standard Mortgages. Nearly all Mortgages that back these Eligible Giant PCs are conventional mortgages. Certain of these Eligible Giant PCs represent interests in other special types of Mortgages that we no longer purchase, such as Initial Interest Mortgages or Prepayment Penalty Mortgages, each as defined in the PC Offering Circular.

See the prefix library on our internet website for information on how Mirror Certificate pool numbers and prefixes indicate the general type of Mortgages backing a particular Mirror Certificate.

In connection with the Mirror Certificates that we issue, we are acting in multiple roles. See *The Mirror Certificates Trust Agreement — Various Matters Regarding Freddie Mac — Potential Conflicts of Interest* in this Offering Circular and *Risk Factors — Investment Factors — Potential conflicts of interest* in this Offering Circular and the PC Offering Circular for information regarding possible conflicts of interest pertaining to the various roles fulfilled by Freddie Mac as the trustee, depositor, administrator and guarantor of the Mirror Certificates and the PCs.

**Single Security Initiative**

Under the direction of our conservator and regulator, the FHFA, we are offering the Mirror Certificates in exchange for the related Eligible Securities in furtherance of the single security initiative, which is intended to increase the liquidity of the TBA market and to reduce the disparities in trading value between our and Fannie Mae’s single-class mortgage-related securities. When the single security initiative is implemented, commingling of Freddie Mac UMBS, Supers, UMBS Mirror Certificates and Supers Mirror Certificates and Fannie Mae UMBS, Supers and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae will be possible in the Enterprises’ resecuritization transactions. Pursuant to the Exchange Offer, Freddie Mac intends to offer an optional exchange program to enable holders to exchange existing 45-day Payment Delay Eligible Securities for (i) the applicable 55-day Payment Delay Mirror Certificates and (ii) the related Float Compensation.

Upon the implementation of the single security initiative, UMBS Mirror Certificates and Supers Mirror Certificates can be commingled in resecuritizations with corresponding comparable Fannie Mae UMBS, Supers, and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae. However, MBS Mirror Certificates and Giant MBS Mirror Certificates cannot be commingled with Fannie Mae securities.

In addition, UMBS Mirror Certificates and Supers Mirror Certificates are designed to qualify for “good delivery” in satisfaction of unspecified TBA trades covering corresponding comparable Fannie Mae UMBS, Supers, and certain legacy TBA-eligible mortgage-backed securities issued by Fannie Mae, and vice versa. See *Freddie Mac — Single Security Initiative, the CSP and Commingling*.

Before exchanging your Eligible PCs or Eligible Giant PCs for the related Mirror Certificates, you should carefully read and consider the terms, obligations and conditions of, and the risks associated with, the Exchange Offer, all as described in the Exchange Offer Circular.
PAYMENTS

Factors

As Administrator, we calculate and make available each month (including on our internet website) the Factor for each Mirror Certificate.

The “Factor” for any Mirror Certificate for any month is an exact decimal rounded to eight places which, when multiplied by the original principal amount of such Mirror Certificate (which is the same as the original principal amount of the related Eligible Security), will equal its remaining principal amount. The Factor for any month reflects payments of principal to be made on the Payment Date in the same month.

Factors will be available on or about the fifth Business Day (as defined below) of each month.

Payment Dates

As Administrator, we will make payments to the Holders of Mirror Certificates on each applicable Payment Date. The “Payment Date” will be the 25th of each month or, if the 25th is not a Business Day, the next Business Day.

For this purpose, “Business Day” means a day other than:

• A Saturday or Sunday.

• A day when the Federal Reserve Bank of New York (or other agent acting as Freddie Mac’s fiscal agent) is closed or, as to any Holder, a day when the Federal Reserve Bank that maintains the Holder’s account is closed.

Payments of Principal

On each Payment Date, we will pay principal to the Holders of Mirror Certificates. The Holders of a Mirror Certificate will receive principal payments on a pro rata basis.

For any Payment Date, you can calculate the amount of principal to be paid on a Mirror Certificate by multiplying its original principal amount (which is the same as the original principal amount of the related underlying Eligible Security) by the difference between its Factors for the preceding and current months.

Payments of Interest

Interest will accrue on each Mirror Certificate during each Accrual Period at the coupon of the Eligible Security backing such Mirror Certificate. Generally, we compute interest on the basis of a 360-day year of twelve 30-day months.

Interest will accrue on the principal amount of a Mirror Certificate as determined by its Factor for the month preceding the related Payment Date.

Unless otherwise provided in the applicable Mirror Pool Supplement, the “Accrual Period” relating to any Payment Date will be the calendar month preceding the month of such Payment Date.

Record Dates

As Administrator, we pass through payments on each Payment Date to Holders as of the related Record Date. The “Record Date” for any Payment Date is the close of business on the last day of the preceding month.
Final Payment Date

The “Final Payment Date” for each Mirror Certificate will be the Payment Date that occurs in the same month of the final payment date of the related underlying Eligible Security.

GUARANTEES

With respect to each Mirror Certificate, as Guarantor, we guarantee to the Trustee and to the Holders of such Mirror Certificate:

- The timely payment of interest at the applicable coupon.
- The payment of the principal amount of such Mirror Certificate as payments are made on the related underlying Eligible Security.
- The payment of the entire principal amount of such Mirror Certificate by the Final Payment Date for such Mirror Certificate.

We also guarantee the timely payment of interest and scheduled principal and the full and final payment of principal on the underlying Eligible Security and the underlying Mortgages.

Principal and interest payments on the Mirror Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.

FORM, HOLDERS AND PAYMENT PROCEDURES

Form and Denominations

Investors who own Mirror Certificates typically are not the Holders of those Mirror Certificates. Only banks and other entities eligible to maintain book-entry accounts with a Federal Reserve Bank (“Fed Participants”) may be Holders of Mirror Certificates held on the Fed System.

Mirror Certificates are subject to the regulations governing Freddie Mac’s book-entry securities and any procedures that Freddie Mac and a Federal Reserve Bank may agree to. These regulations and procedures relate to the issuance and recordation of, and transfers of interests (including security interests) in, all of Freddie Mac’s book-entry securities held on the Fed System, regardless of when the securities were issued. Fed Participants’ individual accounts are governed by operating circulars and letters of the Federal Reserve Banks.

CUSIP Number. Each Mirror Certificate will have a unique nine-character designation, known as a “CUSIP Number,” used to identify that Mirror Certificate.

Denominations. Holders must hold and transfer their ownership interests in Mirror Certificates in minimum original principal amounts of $1,000 and additional increments of $1. A Holder may not transfer an ownership interest in a Mirror Certificate if, as a result of the transfer, the Holder would have remaining in its account an ownership interest in such Mirror Certificate having an original principal amount of less than $1,000. A Holder of Mirror Certificates will also have to comply with any Federal Reserve Bank minimum wire transfer requirements.

Holders

A Holder of a Mirror Certificate is not necessarily its beneficial owner. Beneficial owners ordinarily will hold Mirror Certificates through one or more financial intermediaries, such as banks,
brokerage firms and securities clearing organizations. For example, as an investor, you may hold a Mirror Certificate through a brokerage firm which, in turn, holds through a Fed Participant. In that case, you would be the beneficial owner and the participant would be the Holder.

A Holder that is not also the beneficial owner of a Mirror Certificate, and each other financial intermediary in the chain between the Holder and the beneficial owner, will be responsible for establishing and maintaining accounts for their customers. Freddie Mac and any Federal Reserve Bank will not have a direct obligation to a beneficial owner of a Mirror Certificate that is not also the Holder. A Federal Reserve Bank will act only upon the instructions of the Fed Participant in recording transfers of a Mirror Certificate.

**Payment Procedures**

Federal Reserve Banks will credit payments on Mirror Certificates to the appropriate Fed Participants.

Each Holder and each other financial intermediary will be responsible for remitting payments to the beneficial owners of a Mirror Certificate that it represents.

If a principal or interest payment error occurs, we may correct it by adjusting payments to be made on future Payment Dates or in any other manner we consider appropriate.

**PREPAYMENT, YIELD AND SUITABILITY CONSIDERATIONS**

**PREPAYMENTS**

The rates of principal payments on the Eligible Securities and the Mirror Certificates will depend on the rates of principal payments on the related Mortgages. Mortgage principal payments may be in the form of scheduled amortization or partial or full prepayments. Prepayments include:

- Voluntary prepayments by the borrower, as well as prepayments due to refinancings and modifications (including under our refinance and loan modification initiatives).
- Prepayments resulting from the repurchase or liquidation of Mortgages due to default, delinquency, inaccurate representations and warranties made by sellers or other factors.
- Liquidations resulting from casualty or condemnation.
- Payments made by Freddie Mac, as Guarantor, under its guarantee of principal (other than payments of scheduled principal).

Mortgages may be voluntarily prepaid in full or in part at any time, in most cases without payment of a penalty. We cannot make any representation regarding the likely prepayment experience of the Mortgages underlying any Eligible Securities and Mirror Certificates.

Mortgage prepayment rates are likely to fluctuate significantly over time. Prepayment rates are influenced by a variety of economic, social and other factors, including local and regional economic conditions, homeowner mobility and the availability of, and costs associated with, alternative financing.

Such factors, which may be affected by our Enhanced Relief Refinance Program and loan modification initiatives, include but are not limited to prevailing mortgage interest rates, Mortgage characteristics, such as the geographic location of the mortgaged properties, loan size, LTV ratios or...
year of origination, borrower characteristics (such as credit scores) and equity positions in their houses, availability and convenience of refinancing, prevailing servicing fee rates and the availability of our loan modification initiatives. In addition, the rate of defaults and resulting repurchases of the Mortgages, and repurchases due to (i) breaches of representations and warranties by Mortgage sellers, (ii) servicing violations by Mortgage servicers (presently, we have a backlog of such repurchase requests to Mortgage sellers and servicers), or (iii) modifications, such as may occur upon a borrower’s successful completion of a trial period under one of our loan modification initiatives, or (iv) refinancing as a result of an actual or imminent default could also affect prepayment rates and adversely affect the yield on the Mirror Certificates.

Transfers of mortgaged properties also influence prepayment rates. The Mortgages underlying Eligible Securities generally include “due-on-transfer” clauses which provide that the holder of the Mortgage may demand full payment of the Mortgage upon the transfer of the mortgaged property. Freddie Mac, in most cases, requires mortgage servicers to enforce these clauses where permitted by applicable law.

The PC Offering Circular discusses additional features that can affect Mortgage prepayment rates and you should review the discussion of prepayments and yields in the PC Offering Circular.

**YIELDS**

In general, your yield on a Mirror Certificate will depend on several variables, including:

- The price you paid for the Mirror Certificate or, in the case of a Mirror Certificate acquired through the Exchange Offer, the price you paid for the related underlying Eligible Security.
- The rate of principal prepayments on the underlying Mortgages.
- The actual characteristics of the underlying Mortgages.
- In the case of a Mirror Certificate backed by an Eligible Security that in turn is backed by Modified Mortgages with Step Rate Increases, the levels of the interest rates on the underlying Eligible Security, as it may adjust from time to time.

You should carefully consider the yield risks associated with Mirror Certificates, including these:

- If you acquire a Mirror Certificate or, in the case of the Exchange Offer, you acquired the related underlying Eligible Security, at a discount to its principal amount and the rate of principal payments on the underlying Mortgages is slower than you expect, you will receive payments over a longer period than you expect, so the yield on your investment will be lower than you expect.
- If you acquire a Mirror Certificate or, in the case of the Exchange Offer, you acquired the related underlying Eligible Security, at a premium over its principal amount and the rate of principal payments on the underlying Mortgages is faster than you expect, you will receive payments over a shorter period than you expect, so the yield on your investment will be lower than you expect.
- In general, the rate of Mortgage prepayments early in your investment has the greatest effect on your yield to maturity. As a result, a negative effect on your yield produced by principal prepayments at a higher (or lower) rate than you expect in the period...
immediately following your acquisition of a Mirror Certificate or related underlying Eligible Security, as the case may be, is not likely to be offset by an equivalent reduction (or increase) in that rate in later periods.

- Mortgages tend to prepay fastest when prevailing interest rates are low. When this happens, you may not be able to reinvest your principal payments in comparable securities at as high a yield.

**SUITABILITY**

Mirror Certificates may not be suitable investments for you. You should review the Exchange Offer Circular and the other Incorporated Documents and consider the following before you invest in Mirror Certificates.

- Mirror Certificates are not appropriate investments if you require a single lump sum payment on a date certain, or if you require an otherwise definite payment stream.
- You may not be able to sell your Mirror Certificates easily or at prices that will allow you to realize your desired yield.
- The market values of your Mirror Certificates are likely to fluctuate, primarily in response to changes in prevailing interest rates. Such fluctuations may result in significant losses to you.
- The secondary markets for mortgage-related securities have experienced periods of illiquidity in the past and can be expected to do so in the future, which could affect the secondary market for Mirror Certificates. Illiquidity can have a severely negative effect on the prices of Mirror Certificates, especially those backed by Eligible Securities that are particularly sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment needs of limited categories of investors. In addition, illiquidity could result from the number of investors who decide to accept our Exchange Offer, our financial condition, the conservatorship, uncertainty concerning our future structure, organization, or level of government support and market perceptions or speculation.
- Only certain UMBS Mirror Certificates and Supers Mirror Certificates may be eligible to back certain Freddie Mac REMIC classes or other Freddie Mac structured transactions. This may impair the liquidity of Mirror Certificates that are ineligible in that respect.
- Mirror Certificates are complex securities. Before investing in a Mirror Certificate, you should be able, either alone or with a financial advisor, to evaluate the information contained and incorporated in the Exchange Offer Circular, this Offering Circular and the related Mirror Pool Supplement. You should evaluate the information in the context of your personal financial situation and your views on possible and likely interest rate and economic scenarios.

The Exchange Offer Circular and this Offering Circular do not describe all the possible risks of accepting our Exchange Offer and exchanging your Eligible Securities for related Mirror Certificates that may result from your particular circumstances, nor does it project how Mirror Certificates will perform under all possible interest rate and economic scenarios. You should exchange your Eligible Securities for Mirror Certificates only if you understand and can bear the risks associated with Mirror
Certificates under a variety of interest rate and economic scenarios. If you exchange your Eligible Securities for Mirror Certificates, you need to have enough financial resources to bear all the risks related to your Mirror Certificates.

THE MIRROR CERTIFICATES TRUST AGREEMENT

Under the Mirror Certificates Master Trust Agreement dated March 26, 2019, as supplemented by any applicable Mirror Pool Supplement (the “Mirror Certificates Trust Agreement”), as Depositor, we transfer and deposit Eligible Securities that have been transferred to us pursuant to the Exchange Offer into corresponding Mirror Pass-Through Pools. As Administrator, on behalf of the Trustee, we create and issue Mirror Certificates under the Mirror Certificates Trust Agreement.

The following summary describes various provisions of the Mirror Certificates Trust Agreement. This summary is not complete. You should refer to the Mirror Certificates Trust Agreement if you would like further information about its provisions. You can obtain copies of the Mirror Certificates Trust Agreement from our Investor Inquiry Department as shown under Additional Information. Your receipt and acceptance of a Mirror Certificate constitutes your unconditional acceptance of all the terms of the Mirror Certificates Trust Agreement.

TRANSFER OF ASSETS TO MIRROR PASS-THROUGH POOL

The Eligible Security deposited in each Mirror Pass-Through Pool will be identified to that Mirror Pass-Through Pool in our corporate records. As Trustee, we will hold legal title to these Eligible Securities for the benefit of each Mirror Pass-Through Pool and the Holders of the related Mirror Certificates.

VARIOUS MATTERS REGARDING FREDDIE MAC

Freddie Mac in its Corporate Capacity

Freddie Mac, in its corporate capacity, and its directors, officers, employees and agents will not be liable to Holders for any action taken or omitted in good faith or for errors in judgment. However, they will not be protected against any liability that results from their willful misfeasance, bad faith, gross negligence or reckless disregard of their obligations.

The Mirror Certificates Trust Agreement requires Freddie Mac, as Administrator, to administer Mirror Pass-Through Pool assets using the same standards as for similar assets that it owns. Holders will not be able to direct or control Freddie Mac’s actions under the Mirror Certificates Trust Agreement, unless an Event of Default occurs.

Except with regard to its guarantee obligations or other payment obligations, Freddie Mac will not be liable for any Holder’s direct damages unless Freddie Mac has failed to exercise the same degree of ordinary care that it exercises in the conduct of its own affairs. Freddie Mac will not be liable for any Holder’s consequential damages.

In addition, Freddie Mac need not appear in any legal action that is not incidental to its responsibilities under the Mirror Certificates Trust Agreement and that we believe may result in any expense or liability. However, Freddie Mac may undertake any legal action that we believe is necessary or desirable in the interests of the Holders. Freddie Mac will bear the legal costs of any such action.
Freddie Mac may acquire all or part of the Mirror Certificates issued pursuant to the Exchange Offer. Except as described under Rights Upon Event of Default and Voting Rights below, Mirror Certificates we hold will be treated the same as Mirror Certificates held by other Holders.

The Mirror Certificates Trust Agreement will be binding upon any successor to Freddie Mac.

Custodial Account

We are responsible as the Administrator under the Mirror Certificates Trust Agreement for certain duties.

As Administrator, we hold funds that are received from the Eligible Securities and used to pay Holders in an account or accounts separate from our own corporate funds. Such separate account(s), collectively, are called the custodial account and funds held in the custodial account are held in trust for the benefit of Holders of Mirror Certificates. The custodial account is the account from which Holders are paid. Amounts on deposit in the custodial account may be commingled with funds for all Mirror Pass-Through Pools and for other Freddie Mac mortgage securities (and temporarily with other collections on Mortgages) and are not separated on a Mirror Pass-Through Pool by Mirror Pass-Through Pool basis. As Administrator, we are entitled to investment earnings on funds on deposit in the custodial account and we are responsible for any losses. Holders are not entitled to any investment earnings from the custodial account. We may invest funds in the custodial account in eligible investments set forth in the Mirror Certificates Trust Agreement prior to distribution to Holders.

Certain Matters Regarding Our Duties as Trustee

We serve as Trustee under the Mirror Certificates Trust Agreement and any applicable Mirror Pool Supplement. We may resign from our duties as Trustee under the Mirror Certificates Trust Agreement upon providing 90 days’ advance written notice. Our resignation would not become effective until a successor has assumed our duties. Even if our duties as Trustee under the Mirror Certificates Trust Agreement terminate, we still would be obligated under our guarantee.

Under the Mirror Certificates Trust Agreement, the Trustee may consult with and rely on the advice of counsel, accountants and other advisors, and the Trustee will not be responsible for errors in judgment or for anything it does or does not do in good faith if it so relies. This standard of care also applies to our directors, officers, employees and agents. We are not required, in our capacity as Trustee, to risk our funds or incur any liability if we do not believe those funds are recoverable or we do not believe adequate indemnity exists against a particular risk. This does not affect our obligations as Guarantor.

We are indemnified by each Mirror Pass-Through Pool for actions we take in our capacity as Trustee in connection with the administration of that Mirror Pass-Through Pool. Officers, directors, employees and agents of the Trustee are also indemnified by each Mirror Pass-Through Pool with respect to that Mirror Pass-Through Pool. Nevertheless, neither we nor they will be protected against any liability if it results from willful misfeasance, bad faith or gross negligence or as a result of reckless disregard of our duties. The Trustee is not liable for consequential damages.

The Mirror Certificates Trust Agreement provides that the Trustee or the Administrator, on its behalf, may, but is not obligated to, undertake any legal action that it deems necessary or desirable in the interests of Holders. The Trustee or the Administrator, on its behalf, may be reimbursed for the legal expenses and costs of the action from the assets of the Mirror Pass-Through Pool. Any such reimbursement will not affect our guarantee obligations.
Potential Conflicts of Interest

In connection with the Mirror Certificates that we issue, we are acting in multiple roles — Trustee, Depositor, Administrator and Guarantor. Further, we act in these same roles with respect to the Eligible Securities. The current PC Master Trust Agreement, as amended, modified or supplemented (the “PC Trust Agreement”), provides that in determining whether a Mortgage shall be repurchased from the related Eligible PC pool, we may in our capacities as Administrator and Guarantor of our Eligible PCs consider factors as we deem appropriate, including the reduction of administrative costs (in the case of the Administrator) and possible exposure under our guarantee (in the case of the Guarantor). There is no independent third party engaged with respect to the Eligible Securities or Mirror Certificates to monitor and supervise our activities in our various roles. In connection with our roles as Administrator and Guarantor of the Eligible Securities that we issue, we may take certain actions with respect to Mortgages that may adversely affect Mirror Certificate Holders. For example, we may repurchase, or direct sellers or servicers to repurchase, Mortgages from Eligible PC pools in certain situations. A Mortgage repurchase will be treated as a prepayment in full of the Mortgage being repurchased and will increase the prepayment speed of the related Eligible Security and Mirror Certificate. See Risk Factors — Prepayment and Yield Factors — Substantial repurchases of seriously delinquent Mortgages could materially affect the prepayment rates of the assets backing your Mirror Certificates.

EVENTS OF DEFAULT

“Events of Default” under the Mirror Certificates Trust Agreement are:

• Any failure by Freddie Mac, as Guarantor or Administrator, to pay principal or interest that lasts for 30 days.

• Any failure by Freddie Mac, as Guarantor or Administrator, to perform in any material way any other obligation under the Mirror Certificates Trust Agreement, if the failure lasts for 60 days after Freddie Mac receives written notice from the Holders of at least 60% of the outstanding principal amount of an affected Mirror Certificate.

• Specified events of bankruptcy, insolvency or similar proceedings involving Freddie Mac, including the appointment of a receiver, liquidator, assignee, custodian or sequestrator or similar official for Freddie Mac (but not including the appointment of a conservator or similar official for Freddie Mac).

RIGHTS UPON EVENT OF DEFAULT

If an Event of Default under the Mirror Certificates Trust Agreement is not remedied, the Holders of at least 50% of the then outstanding principal amount of any affected Mirror Certificate may remove Freddie Mac as Administrator and nominate a successor as to that Mirror Pass-Through Pool. That nominee will replace Freddie Mac as Administrator unless Freddie Mac objects within ten days after the nomination. In that event, either Freddie Mac or anyone who has been a bona fide Holder of such affected Mirror Certificate for at least six months may ask a court to appoint a successor. The court may then appoint a successor administrator. Any such removal will not affect Freddie Mac’s guarantee obligations.
In addition, Freddie Mac may be removed as Trustee if an Event of Default has occurred and is continuing with respect to a Mirror Pass-Through Pool. In that case, we can be removed and replaced by a successor trustee as to such affected Mirror Pass-Through Pool by Holders owning not less than 50% of the outstanding principal amount of the related Mirror Certificate.

For these purposes the ownership interests in Mirror Certificates held by Freddie Mac will be disregarded.

The rights provided to Holders of Mirror Certificates under the Mirror Certificates Trust Agreement as described above may not be enforced against FHFA, or enforcement of such rights may be delayed, if we are placed into receivership. The Mirror Certificates Trust Agreement provides that upon the occurrence of an Event of Default, which includes the appointment of a receiver, Holders of an affected Mirror Certificate have the right to replace Freddie Mac as Trustee and Administrator if the requisite percentage of Holders of such affected Mirror Certificate consent. The Reform Act prevents Holders of an affected Mirror Certificate from enforcing their rights to replace Freddie Mac as Trustee and Administrator if the Event of Default arises solely because a receiver has been appointed. The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA, as receiver, for a period of 90 days following the appointment of FHFA as receiver.

Under the Purchase Agreement between Treasury and us, Holders of Mirror Certificates are given certain limited rights against Treasury under the following circumstances: (i) we default on our guarantee payments, (ii) Treasury fails to perform its obligations under its funding commitment, and (iii) we and/or the Conservator are not diligently pursuing remedies in respect of that failure. In that case, the Holders of an affected Mirror Certificate may file a claim in the U.S. Court of Federal Claims for relief requiring Treasury to fund to us up to the lesser of (1) the amount necessary to cure the payment default and (2) the lesser of (a) the amount by which our total liabilities exceed our total assets, as reflected on our balance sheet prepared in accordance with generally accepted accounting principles, and (b) the maximum amount of Treasury’s funding commitment under the Purchase Agreement less the aggregate amount of funding previously provided under this commitment. The enforceability of such rights has been confirmed by the Office of Legal Counsel of the U.S. Department of Justice in an opinion dated September 26, 2008.

VOTING RIGHTS

Except in limited circumstances following an Event of Default, no Holder of a Mirror Certificate has any right to vote or to otherwise control in any manner the management and operation of any Mirror Pass-Through Pool. In addition, Holders may institute legal actions and proceedings with respect to the Mirror Certificates Trust Agreement or the Mirror Certificates only in limited circumstances, and no Holder has the right to prejudice the rights of any other Holder under the Mirror Certificates Trust Agreement or to seek preference or priority over any other Holder.

VOTING UNDER ANY AGREEMENT RELATING TO ELIGIBLE SECURITIES

Holders of Eligible Securities have various rights under the agreements governing their securities. If a default occurs under one of these agreements, holders of a specified percentage of the affected Eligible Securities may seek to remove Freddie Mac under that agreement. As Trustee, we will hold
the Eligible Securities that back Mirror Certificates. However, the Mirror Certificates Trust Agreement generally allows the Holders of the Mirror Certificates, rather than Freddie Mac, to act if an event of default occurs under an agreement relating to the Eligible Securities. For this purpose, the Holders of each Mirror Certificate will be treated as the holders of the affected Eligible Security in proportion to the outstanding principal amounts of their ownership interests in such Mirror Certificate.

The rights provided to holders of Eligible Securities under the agreements governing those Eligible Securities and the rights of Holders of the Mirror Certificates under the underlying agreements are also subject to the limitations of the Reform Act, as described above.

Holders of Eligible Securities also have the right to consent to certain amendments to their governing agreements. The Mirror Certificates Trust Agreement provides that, as the holder of Eligible Securities that back Mirror Certificates, Freddie Mac, as Trustee, may consent to such an amendment. However, if the amendment would adversely affect in any material way the interests of the Holders of a Mirror Certificate, Freddie Mac may not agree to it unless Holders of at least 50% of the outstanding principal amount of such affected Mirror Certificate consent in writing. Despite this rule, Freddie Mac may amend an agreement governing Eligible Securities, without the consent of Holders, if the amendment changes Freddie Mac’s procedures for calculating payments or passing through prepayments on Eligible Securities that are included in Mirror Pass-Through Pools. See the PC Offering Circular and Giant Offering Circular for information about payments on Eligible Securities.

AMENDMENT

Freddie Mac and the Trustee may amend the Mirror Certificates Trust Agreement without the consent of any Holder or Holders to:

- Cure any ambiguity or to correct or add to any provision in the Mirror Certificates Trust Agreement, if the amendment does not adversely affect Holders in any material way.

- Maintain the qualification of any Mirror Pass-Through Pool as a grantor trust under the Internal Revenue Code of 1986 (the “Code”).

- Avoid the imposition of any state or federal tax on a Mirror Pass-Through Pool.

With the written consent of the Holders of at least 50% of the then outstanding principal amount of any affected Mirror Certificate, Freddie Mac and the Trustee also may amend the Mirror Certificates Trust Agreement in any other way with respect to the related Mirror Pass-Through Pool.

However, unless an affected Holder consents, Freddie Mac and the Trustee may not amend the Mirror Certificates Trust Agreement to impair the rights of such Holder to receive payments (including guarantee payments) when due or to sue for any payment that is overdue.

GOVERNING LAW

The Mirror Certificates Trust Agreement is to be interpreted in accordance with federal law. If there is no applicable federal precedent and if the application of New York law would not frustrate the purposes of the Freddie Mac Act, the Mirror Certificates Trust Agreement or any Mirror Certificate transaction, then New York law will be deemed to reflect federal law.
CERTAIN FEDERAL INCOME TAX CONSEQUENCES

GENERAL

Before you exchange your Eligible Securities for the related Mirror Certificates pursuant to the Exchange Offer, you should carefully read and consider Certain Federal Income Tax Consequences of the Exchange Offer in the Exchange Offer Circular.

The following is a general discussion of the material federal income tax consequences relating to the acquisition, ownership and transfer of Mirror Certificates. It does not address all the federal income tax consequences that may apply to particular categories of investors. Some investors may be subject to special rules. The tax laws and other authorities for this discussion are subject to change or differing interpretations, and any change or interpretation may apply retroactively. You should consult your own tax advisors to determine the federal, state, local and any other tax consequences that may be relevant to you.

Although Freddie Mac is a government-sponsored enterprise, neither the Mirror Certificates nor the income received from them is exempt from federal income, estate or gift taxes under the Internal Revenue Code of 1986, as amended (the "Code"). Further, neither the Code nor the Freddie Mac Act exempts the Mirror Certificates or income on them from taxation by any state, any United States possession or any local taxing authority.

We will report income on the Mirror Certificates to the Internal Revenue Service (the "Service") and to Holders of Mirror Certificates based, in part, on the final Treasury Regulations under Sections 1271-1275 of the Code (the "OID Regulations").

The arrangements under which Mirror Certificates are created and sold and the related Mirror Pass-Through Pools are administered will be classified as grantor trusts under subpart E, part I of subchapter J of the Code and not as associations taxable as corporations.

If you own a Mirror Certificate, you will be treated for federal income tax purposes as the owner of a pro rata undivided interest in each of the Eligible Securities backing the related Mirror Pass-Through Pool, subject to the discussion below under Mirror Certificates — Application of the Stripped Bond Rules.

Tax Status

Mirror Certificates generally will be considered to represent “loans . . . secured by an interest in real property” within the meaning of Section 7701(a)(19)(C)(v) of the Code and “real estate assets” within the meaning of Section 856(c)(5)(B) of the Code. Interest income from the Mirror Certificates generally will be considered to represent “interest on obligations secured by mortgages on real property” within the meaning of Section 856(c)(3)(B) of the Code. In the event that any Mortgage has an LTV ratio in excess of 100 percent (that is, the principal amount of any Mortgage exceeds the fair market value of the real property securing it), it is not certain whether or to what extent such Mortgages would qualify as loans secured by an interest in real property for purposes of Section 7701(a)(19)(C)(v) of the Code. Even if the property securing the Mortgage does not meet this test, the Mirror Certificates will be treated as “obligations of a corporation which is an instrumentality of the United States” within the meaning of Section 7701(a)(19)(C)(ii) of the Code. Thus, the Mirror Certificates will be a qualifying asset for a domestic building and loan association. Additionally, if any Mortgage has an LTV ratio in excess of 100%, interest income on the excess portion of the Mortgage
will not be “interest on obligations secured by mortgages on real property” within the meaning of Section 856(c)(3)(B) of the Code and such excess portion of the Mortgage will not be a “real estate asset” within the meaning of Section 856(c)(5)(B) of the Code. The excess portion will represent a “Government security” within the meaning of Section 856(c)(4)(A) of the Code. If a Mirror Certificate contains a Mortgage with an LTV ratio in excess of 100%, a holder that is a real estate investment trust should consult its tax advisor concerning the appropriate tax treatment of such excess portion.

Certain Mirror Certificates may be backed by Mortgages for which we have made an election to treat the beneficial interests in the principal and interest payments on such Mortgages as part of a “real estate mortgage investment conduit” (“REMIC”). See Certain Federal Income Tax Consequences in the PC Offering Circular. You should consult your tax advisor concerning the tax consequences of owning such Mirror Certificates.

MIRROR CERTIFICATES

General

If you own Mirror Certificates, you generally must report on your federal income tax return your pro rata share of the entire income from the Mortgages underlying the assets in the related Mirror Pass-Through Pool, in accordance with your method of accounting. Income generally will include gross interest income at the interest rates on the Mortgages and incidental fees, if any.

You may be able to deduct, under Section 162 or 212 of the Code, your pro rata share of servicers’ fees or any Freddie Mac or GNMA guarantee fees, including incidental fees paid by the borrowers and retained by the servicers, Freddie Mac or GNMA, and all administrative and other expenses of the Mirror Pass-Through Pool in accordance with your method of accounting. Notwithstanding the foregoing, miscellaneous itemized deductions described in Section 67 of the Code previously available to investors who are individuals, estates or trusts are not deductible for the tax years beginning before January 1, 2026, and continue to not be deductible for computing alternative minimum tax liability. If you are an individual, estate or trust, you should consult your tax advisor regarding the limitations on the deductibility of such items.

Discount and Premium

If you exchange an Eligible Security for a Mirror Certificate, you will be treated as continuing to own an interest in the Mortgages underlying such Eligible Security in the related Mirror Pass-Through Pool. To the extent you acquired such Eligible Security with discount or premium with respect to underlying Mortgages, you must continue to account for such discount or premium with respect to such Mortgages underlying your Mirror Certificate.

If you purchase a Mirror Certificate, you will be treated as purchasing an interest in each of the underlying Mortgages at a price determined by allocating the purchase price paid for that Mirror Certificate among the Mortgages in proportion to their fair market values at the time of purchase. To the extent that the portion of the purchase price allocated to a Mortgage is less than or greater than the portion of the principal balance of the Mortgage allocated to the Mirror Certificate, the interest in the Mortgage will be deemed to have been acquired with discount or premium, respectively. The treatment of any discount will depend on whether the discount represents original issue discount or market discount.
You should consult your own tax advisors to determine whether Section 1272(a)(6) of the Code, as expanded by the Taxpayer Reform Act of 1997, could affect the accrual of discount or amortization of premium on your Mirror Certificates or otherwise affect the tax accounting for your Mirror Certificates.

If you recognize gain or loss attributable to discount or premium that is not characterized as original issue discount, market discount or amortizable bond premium (described below), your gain or loss will be treated as capital gain or loss if the Mirror Certificate is held as a capital asset.

Notwithstanding the following, if you use an accrual method of accounting for federal income tax purposes and prepare an “applicable financial statement” (as defined in Section 451 of the Code), you may be required to include original issue discount (with respect to taxable years beginning after December 31, 2018) and other items of income (with respect to taxable years beginning after December 31, 2017) no later than at the time such amounts are reflected on such a financial statement.

**Original Issue Discount.** You will be required to report as ordinary income your pro rata share of any original issue discount related to the Mortgages underlying the Mirror Certificate pursuant to Sections 1271-1273 and 1275 of the Code. You will be required to accrue original issue discount into current income only if it exceeds a *de minimis* amount. The Mortgages also would be subject to the original issue discount rules if, as discussed below, the “stripped bond” provisions of the Code were determined to be applicable.

**Market Discount.** The market discount rules of Sections 1276-1278 of the Code will apply to treat market discount in excess of a *de minimis* amount as ordinary income. You must recognize accrued market discount to the extent of gain realized on disposition or to the extent of principal payments that you receive. The market discount rules provide that:

- Market discount will be considered to accrue under a straight-line method unless you elect to calculate it under a constant yield method.
- Interest that you paid or that accrues on indebtedness that you incurred or continued to purchase or carry Mortgages acquired at a market discount will be allowed as a deduction only to the extent that such interest, reduced by the interest on the Mortgages includible in income, including original issue discount, is greater than the market discount that accrued but was not taken into account during the taxable year such interest was paid or accrued. Any such interest expense that is deferred will, in general, be allowed as a deduction when the related market discount income is recognized.
- Alternatively, you may elect to include market discount in income currently, under either a straight-line method or a constant yield method, on all market discount obligations you hold except those acquired in taxable years before the year of the election. An election to include market discount as income currently can be revoked only with the Service’s consent. In this event, the rules about ordinary income on disposition and interest deferral discussed above will not apply.

The exact application of the market discount rules is not clear.

**Premium.** If you have purchased your interest in any Mortgage at a premium, the premium may be amortizable under a constant yield method at your election under Section 171 of the Code. The premium is treated as an offset to interest income includable with respect to the Mortgage. An election to amortize premium will apply to all debt instruments you hold at the beginning of the tax year for

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which you make the election and to all such instruments acquired after the election. An election to amortize premium can be revoked only with the Service’s consent.

**Constant Yield Election.** You may elect to include in gross income all interest that accrues on a Mortgage by using the constant yield method. For purposes of this election, interest would include stated interest, *de minimis* original issue discount, original issue discount, *de minimis* market discount and market discount, as adjusted by any premium. You should consider the relationship between this election and the elections described above under *Market Discount* and *Premium*.

**Sale or Exchange of a Mirror Certificate**

If you sell a Mirror Certificate, you will recognize gain or loss equal to the difference between your adjusted tax basis in the Mirror Certificate and the amount you realized in the sale (not including amounts attributable to accrued and unpaid interest, which will be treated as ordinary interest income).

In general, your adjusted tax basis in the Mirror Certificate will equal what you paid for the Mirror Certificate, plus the amount of any discount income you previously reported on the Mirror Certificate, less the amount of any premium you previously offset against interest income on the Mirror Certificate and the amount of any principal payments you received on it. If you exchange an Eligible Security for a Mirror Certificate, your adjusted tax basis in the Mirror Certificate will equal what you paid for such Eligible Security, plus the amount of any discount income you previously reported on the Mirror Certificate or such Eligible Security, less the amount of any premium you previously offset against interest income on the Mirror Certificate or such Eligible Security and the amount of any principal payments you received on the Mirror Certificate or such Eligible Security.

You must report accrued but unrecognized market discount as ordinary income, but your gain or loss otherwise will be a capital gain or loss if you held the Mirror Certificate as a capital asset. The capital gain or loss will be long-term or short-term, depending on whether you owned the Mirror Certificate for the long-term capital gain holding period (currently more than one year). Capital gains of individuals with respect to capital assets held for more than one year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

**Application of the Stripped Bond Rules**

When we issue a class of Mirror Certificates, Revenue Ruling 71-399, 1971-2 C.B. 433, issued to us by the Service, indicates that any difference between interest payable at the mortgage interest rate and the sum of (a) interest payable at the class coupon plus (b) fees applicable to the Mortgages (servicers’ fees or any Freddie Mac or GNMA guarantee fees) should be accounted for as discount income or premium expense. If such sum exceeds the mortgage interest rate, the difference is characterized as “discount” and considered additional gross income. If such sum is less than the mortgage interest rate, the net difference is characterized as “premium expense.”

In Revenue Ruling 71-399, the Service ruled that discount income is to be included as ordinary income in accordance with the beneficial owner’s method of accounting, and that premium expense may be deductible in accordance with applicable rules. The Service, however, may contend that by reason of enactment of the stripped bond rules of Section 1286 of the Code (or its predecessor, Section 1232B), Revenue Ruling 71-399 is no longer applicable in characterizing such difference.

The Service has issued guidance taking the position that, when mortgages are sold and the servicer is entitled to receive amounts that exceed reasonable compensation for the mortgage servicing...
to be performed, the mortgages are treated as stripped bonds within the meaning of Section 1286 of the Code. If this treatment applies, you would not be treated as having a pro rata undivided interest in the underlying Mortgages, but rather you would be treated as owning “stripped bonds” to the extent of your share of principal payments and “stripped coupons” to the extent of the class coupon plus reasonable servicing fees and guarantee fees. You should consult your tax advisor concerning the consequences of this characterization.

The Service has also issued guidance providing that a purchaser of a mortgage that is a stripped bond must treat it as a market discount bond if the amount of original issue discount on the stripped bond is considered to be zero after application of the *de minimis* rule of Section 1273(a)(3) of the Code or if the annual stated rate of interest payable on the stripped bond is 100 basis points or less below the annual stated rate of interest payable on the mortgage. These conditions apparently are based on the premise that the interest payments which remain associated with the stripped bond are treated, for purposes of the original issue and market discount provisions of the Code, as stated interest payable with respect to the stripped bond. If these conditions are met, you would be required to account for any market discount in accordance with the rules for market discount as described above under *Discount and Premium*.

It is unclear whether the position taken by the Service in the guidance would be upheld if challenged.

**BACKUP WITHHOLDING, FOREIGN WITHHOLDING AND INFORMATION REPORTING**

If you are a U.S. Person, you may be subject to federal backup withholding tax under Section 3406 of the Code on payments on your Mirror Certificate, unless you comply with applicable information reporting procedures or are an exempt recipient. Any such amounts withheld would be allowed as a credit against your federal income tax liability.

Payments made to an investor who is an individual, a corporation, an estate or a trust that is not a U.S. Person, or to a Holder on behalf of such an investor, generally will not be subject to federal income or withholding tax if:

- The Mortgages underlying the investor’s Mirror Certificates all were originated after July 18, 1984;
- The Mirror Certificate is not held by the investor in connection with a trade or business in the United States (or if an income tax treaty applies, is not attributable to a U.S. permanent establishment);
- The investor is not with respect to the United States a corporation that accumulates earnings in order to avoid United States federal income tax;
- The investor is not a U.S. expatriate or former U.S. resident who is taxable in the manner provided in Section 877(b) of the Code; and
- The investor provides a statement (on Internal Revenue Service Form W-8BEN or W-8BEN-E (or similar substitute forms)) signed under penalties of perjury that includes its name and address and certifies that it is not a U.S. Person in accordance with applicable requirements.
Payments to an investor who is not a U.S. Person that represent interest on Mortgages originated before July 19, 1984 may be subject to federal withholding tax at the rate of 30% or any lower rate provided by an applicable tax treaty.

Regardless of the date of origination of the Mortgages, federal backup withholding tax will not apply to payments on a Mirror Certificate made to an investor who is not a U.S. Person if the investor furnishes an appropriate statement of non-U.S. status.

We will make available to each Holder of a Mirror Certificate, within a reasonable time after the end of each calendar year, information to assist Holders and investors in preparing their federal income tax returns. The information made available to you may not be correct for your particular circumstances.

For these purposes, the term “U.S. Person” means one of the following:

- An individual who, for federal income tax purposes, is a citizen or resident of the United States.
- A corporation (or other business entity treated as a corporation for federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia.
- An estate whose income is subject to federal income tax, regardless of its source.
- A trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have the authority to control all substantial decisions of the trust.
- To the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as U.S. Persons prior to such date, that elect to be treated as U.S. Persons.

If a partnership (or other entity treated as a partnership for federal income tax purposes) holds Mirror Certificates, the treatment of a partner will generally depend upon the status of the particular partner and the activities of the partnership. If you are a partner in such a partnership, you should consult your own tax advisors.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Investors should be aware that under legislation and related administrative guidance (commonly known as “FATCA”), certain payments in respect of the Mirror Certificates after June 30, 2014 received by a non-U.S. entity may be subject to withholding of U.S. federal income tax at a rate of 30% if such non-U.S. entity fails to take the required steps to provide certain information regarding its “United States accounts” or its direct or indirect “substantial U.S. owners.” The required steps and the information to be provided will depend on whether the non-U.S. entity is considered a “foreign financial institution” for this purpose, and if an intergovernmental agreement exists between the United States and an applicable foreign country that may modify the applicable requirements. Investors should consult their tax advisors regarding the potential application and impact of the FATCA withholding rules based on their particular circumstances, including the applicability of any intergovernmental agreement modifying these rules.
ERISA CONSIDERATIONS

A Department of Labor regulation provides that if a plan subject to Part 4, Subtitle B of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and/or Section 4975 of the Code (each, a “Plan”) acquires a “guaranteed governmental mortgage pool certificate,” then, for purposes of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code, the Plan’s assets include the certificate and all of its rights in the certificate, but do not, solely by reason of the Plan’s holding of the certificate, include any of the mortgages underlying the certificate. Under this regulation, the term “guaranteed governmental mortgage pool certificate” includes a certificate “backed by, or evidencing an interest in, specified mortgages or participation interests therein” if Freddie Mac guarantees the interest and principal payable on the certificate.

The regulation makes it clear that Freddie Mac and other persons, in providing services for the assets in the pool, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, or the prohibited transaction provisions of Section 406 of ERISA or Code Section 4975, merely by reason of the Plan’s investment in a Mirror Certificate.

The Mirror Certificates should qualify as “guaranteed governmental mortgage pool certificates.”

Governmental plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and the Code, may nevertheless be subject to local, state or other federal laws that are substantially similar to provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their own legal advisors before purchasing Mirror Certificates.

In addition, because Freddie Mac, any Dealer, any originator (the “Transaction Parties”), or their respective affiliates, may receive certain benefits in connection with the sale or holding of the Mirror Certificates, the purchase or holding of the Mirror Certificates using “plan assets” of any Plan over which any of these parties or their affiliates has discretionary authority or control, or renders “investment advice” (within the meaning of Section 3(21) of ERISA and/or Section 4975 of the Code and applicable regulations) for a fee (direct or indirect) with respect to the assets of a Plan, or is the employer or other sponsor of a Plan, might be deemed to be a violation of the prohibited transaction provisions of Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code (or could otherwise constitute a violation of fiduciary responsibilities under Title I of ERISA). Accordingly, the Mirror Certificates may not be purchased using the assets of any Plan if any Transaction Party or any of their respective affiliates has discretionary authority or control or renders investment advice for a fee with respect to the assets of the Plan, or is the employer or other sponsor of the Plan, unless an applicable prohibited transaction exemption is available (all of the conditions of which are satisfied) to cover the purchase and holding of the Mirror Certificates or the transaction is not otherwise prohibited.

All Plan investors should consult with their legal advisors to determine whether the purchase, acquisition, holding or resale of a Mirror Certificate could give rise to a transaction that is prohibited or is not otherwise permissible under either ERISA or the Code.

ACCOUNTING CONSIDERATIONS

Various factors may influence the accounting treatment applicable to an investor’s acquisition and holding of mortgage-related securities. Accounting standards, and the application and interpretation of such standards, are subject to change from time to time. Before making an investment in the Mirror Certificates or exchanging your Eligible Securities for Mirror Certificates, investors should carefully
review the Exchange Offer Circular and consult their own accountant for advice on the appropriate accounting treatment for Mirror Certificates.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether Mirror Certificates are legal investments for you and whether you can use Mirror Certificates as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators to determine the appropriate treatment of Mirror Certificates under risk-based capital and similar rules.

If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in some types of Mirror Certificates or in Mirror Certificates generally. Institutions regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Treasury or any other federal or state agency with similar authority should review applicable regulations, policy statements and guidelines before purchasing or pledging Mirror Certificates.
## INDEX OF TERMS

The following is a list of defined terms used in this Offering Circular and the pages where their definitions appear.

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EXAMPLE MIRROR POOL SUPPLEMENT

FREDDIE MAC
MORTGAGE-BACKED SECURITIES PROGRAM
MIRROR SECURITIES POOL SUPPLEMENT
FREDDIE MAC MIRROR UNIFORM MORTGAGE-BACKED SECURITY OR
MIRROR MORTGAGE-BACKED SECURITY

The Freddie Mac Mirror Uniform Mortgage-Backed Security (“Mirror UMBS”) or Mirror Mortgage-Backed Security (“Mirror MBS”) to which this Pool Supplement relates consists of interests in a pass-through pool. The underlying assets of that pass-through pool (the “Underlying Assets”) consist of a PC or a Giant PC.

Capitalized terms used but not defined in this Pool Supplement have the same meanings as in the applicable Offering Circular, as it may be amended or supplemented from time to time, relating to this Mirror UMBS or Mirror MBS (the “Offering Circular”). You can obtain the Offering Circular by contacting our Investor Inquiry department at Investor_Inquiry@freddiemac.com or (800) 336-3672, or by accessing Freddie Mac’s website at http://www.freddiemac.com/mbs/html/legal_doc.html.

We prepare other pool supplements that contain additional information about the Underlying Assets. You can obtain the pool supplement relating to the Underlying Assets by contacting our Investor Inquiry department at Investor_Inquiry@freddiemac.com or (800) 336-3672, or by accessing Freddie Mac’s website at http://www.freddiemac.com/mbs/security-lookup (for PCs) or http://www.freddiemac.com/mbs/html/sd_giant_lookup.html (for Giants).

This Pool Supplement incorporates by reference the Offering Circular, the applicable Freddie Mac Mortgage Participation Certificates Offering Circular, as it may be amended or supplemented from time to time (the “PC Offering Circular”), and the applicable Giant and Other Pass-Through Certificates Offering Circular, as it may be amended or supplemented from time to time (the “Giant Offering Circular”). You can obtain the PC Offering Circular and Giant Offering Circular by contacting our Investor Inquiry department at Investor_Inquiry@freddiemac.com or (800) 336-3672, or by accessing Freddie Mac’s website at http://www.freddiemac.com/mbs/legal.

This Pool Supplement supplements the applicable Master Trust Agreement (the “Trust Agreement”) and constitutes the terms supplement (the “Terms Supplement”) within the meaning of the Trust Agreement for the Mirror UMBS or Mirror MBS described herein. You can obtain the Trust Agreement by contacting our Investor Inquiry department at Investor_Inquiry@freddiemac.com or (800) 336-3672, or by accessing Freddie Mac’s website at http://www.freddiemac.com/mbs/legal.

The Mirror UMBS or Mirror MBS may not be suitable investments for you. You should not exchange for or purchase the Mirror UMBS or Mirror MBS unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield, and market and other risks of exchanging for or investing in the Mirror UMBS or Mirror MBS, as described in the Offering Circular or in the Exchange Offer Circular, as it may be amended or supplemented from time to time, relating to the Underlying Assets and the Mirror UMBS or Mirror MBS (the “Exchange Offer Circular”).
You should exchange for or purchase the Mirror UMBS or Mirror MBS only if you have read and understood this Pool Supplement, the Offering Circular, the Exchange Offer Circular and any documents that we have incorporated by reference in the Offering Circular and the Exchange Offer Circular.

Principal and interest payments on the Mirror UMBS or Mirror MBS and on the Underlying Assets are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Mirror UMBS or Mirror MBS are not tax-exempt securities. Because of applicable securities law exemptions, Freddie Mac has not registered the Mirror UMBS or Mirror MBS with any federal or state securities commission. No securities commission has reviewed the Offering Circular, the Exchange Offer Circular or this Pool Supplement.

On each Payment Date, Holders of the Mirror UMBS or Mirror MBS will receive interest equal to 1/12th of the class coupon specified above, multiplied by the principal amount of the Mirror UMBS or Mirror MBS. You can determine the principal amount of the Mirror UMBS or Mirror MBS by using the applicable Pool Factor as described in the Offering Circular.

Holders and anyone having a beneficial interest in the Mirror UMBS or Mirror MBS should refer to the Trust Agreement, Offering Circular and Exchange Offer Circular for a complete description of their rights and obligations and the rights and obligations of Freddie Mac. Holders and beneficial owners of the Mirror UMBS or Mirror MBS will acquire their Mirror UMBS or Mirror MBS subject to all terms and conditions of the Trust Agreement, including this Terms Supplement.

Definitions of terms we use in this Pool Supplement can be found at http://www.Freddiemac.com/mbs/docs/pc_disclosure_glossary.pdf.
SECURITY DESCRIPTION

PREFIX ................................................................ CN
SECURITY IDENTIFIER/POOL NUMBER .............................................. ZIXXX
CUSIP .................................................................................. 31327XXXX
INVESTOR SECURITY UPB ($) .................................................. 23,412,352.00
WEIGHTED AVERAGE NET INTEREST RATE (%) ............................ 3.000
ISSUE DATE ........................................................................ 07/01/2018
FIRST PAYMENT DATE ......................................................... 08/25/2018
MATURE DATE ..................................................................... 11/2027
INTEREST ONLY SECURITY INDICATOR ..................................... NO
PREPAYMENT PENALTY INDICATOR ........................................... NO
REDUCED MINIMUM SERVICING INDICATOR ............................... NO

SECURITY STATISTICS (AS OF ISSUE DATE)

LOAN COUNT .......................................................................... 155
AVERAGE MORTGAGE LOAN AMOUNT ($) .................................. 151,793.55
WEIGHTED AVERAGE MORTGAGE LOAN AMOUNT ($) ............. 179,842.28
WEIGHTED AVERAGE INTEREST RATE (%) ................................. 3.521
WEIGHTED AVERAGE LOAN AGE ............................................ 10
WEIGHTED AVERAGE LOAN TERM ........................................ 120
WEIGHTED AVERAGE REMAINING MONTHS TO MATURITY ....... 108
WEIGHTED AVERAGE LOAN-TO-VALUE (LTV) ......................... 52
WEIGHTED AVERAGE COMBINED LOAN-TO-VALUE (CLTV) .... 52
WEIGHTED AVERAGE BORROWER CREDIT SCORE .................... 754
WEIGHTED AVERAGE DEBT-TO-INCOME ................................. 32
THIRD PARTY ORIGINATION UPB PERCENT .............................. 32.870
SELLER NAME(S) .................................................................. SCR - MIRROR
SERVICER NAME(S) ............................................................... SCR - MIRROR
### Collateral Description

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<th>Collateral Prefix</th>
<th>Collateral Security Identifier</th>
<th>Collateral Commit Date</th>
<th>Collateral Maturity Date</th>
<th>Collateral WA Net Interest Rate %</th>
<th>Collateral Investor Security UPB - Issuance ($)</th>
<th>Collateral Contributing Investor Security UPB - Issuance ($)</th>
<th>Collateral WA Interest Rate at Settlement %</th>
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<th>Loan Age</th>
<th>Loan-to-Value (LTV)</th>
<th>Remaining Months to Maturity</th>
<th>Estimated Loan-to-Value (ELTV)</th>
<th>Combined Loan-to-Value (CLTV)</th>
<th>Borrower Credit Score</th>
<th>Updated Credit Score</th>
<th>Debt-to-Income (DTI)</th>
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<tr>
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<td>120</td>
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<td>119</td>
<td>35</td>
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<th>Percentage Investor Loan UPB</th>
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### Loan Purpose

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<td>Purchase</td>
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<td>2,032,863.38</td>
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Pass-Through Pool XXXXXX

### PROPERTY TYPE

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<th>Percentage Investor Loan UPB</th>
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<td>Cooperative</td>
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<th>Percentage Investor Loan UPB</th>
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<td>2017</td>
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### CHANNEL

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<td>Broker</td>
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### MORTGAGE INSURANCE CANCELLATION INDICATOR

<table>
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<th>Indicator</th>
<th>Aggregate Loan Count</th>
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<th>Aggregate Investor Loan UPB(%)</th>
<th>Percentage Investor Loan UPB</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>No</td>
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<td>1.29</td>
<td>328,879.86</td>
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<tr>
<td>Not Applicable</td>
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### MORTGAGE INSURANCE COVERAGE

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<tbody>
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<td>Loans with Mortgage Insurance</td>
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<tr>
<td>Loans without Mortgage Insurance</td>
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<tr>
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### FIRST TIME HOME BUYER INDICATOR

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Pass-Through Pool XXXXXX

### NUMBER OF BORROWERS

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<td>2</td>
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### NUMBERS OF UNITS

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### NOT PAYING PRINCIPAL IN FIRST DISTRIBUTION

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## PROPERTY STATE

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<tr>
<td>South Carolina</td>
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<tr>
<td>Vermont</td>
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<td>0.65</td>
<td>113,260.00</td>
<td>0.48</td>
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<tr>
<td>Utah</td>
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<td>105,000.00</td>
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<tr>
<td>Alabama</td>
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<td>North Carolina</td>
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<td>Nebraska</td>
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<td>West Virginia</td>
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</table>
Pass-Through Pool XXXXXX

### SELLER NAME(S)

<table>
<thead>
<tr>
<th>Seller</th>
<th>Aggregate Loan Count</th>
<th>Percentage Loan Count</th>
<th>Aggregate Investor Loan UPB</th>
<th>Percentage Investor Loan UPB</th>
<th>Remaining Months to Maturity</th>
<th>Loan Age</th>
<th>Interest Rate(%)</th>
<th>Debt-to-Income (DTI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>155</td>
<td>100.00</td>
<td>23,412,352.81</td>
<td>100.00</td>
<td>120</td>
<td>112</td>
<td>119</td>
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</tbody>
</table>

### SERVICER NAME(S)

<table>
<thead>
<tr>
<th>Seller</th>
<th>Aggregate Loan Count</th>
<th>Percentage Loan Count</th>
<th>Aggregate Investor Loan UPB</th>
<th>Percentage Investor Loan UPB</th>
<th>Remaining Months to Maturity</th>
<th>Loan Age</th>
<th>Interest Rate(%)</th>
<th>Debt-to-Income (DTI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>155</td>
<td>100.00</td>
<td>23,412,352.81</td>
<td>100.00</td>
<td>120</td>
<td>112</td>
<td>119</td>
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</tr>
</tbody>
</table>

### SELLER DISTRIBUTION

<table>
<thead>
<tr>
<th>Seller</th>
<th>% of UPB</th>
<th># of Loans</th>
<th>% of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXXXXXXXX</td>
<td>35.97%</td>
<td>818</td>
<td>37.32%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>18.04%</td>
<td>289</td>
<td>13.18%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>14.23%</td>
<td>349</td>
<td>15.92%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>6.03%</td>
<td>224</td>
<td>10.22%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seller</th>
<th>% of UPB</th>
<th># of Loans</th>
<th>% of Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXXXXXXXX</td>
<td>5.51%</td>
<td>155</td>
<td>7.07%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>5.43%</td>
<td>190</td>
<td>8.67%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>4.59%</td>
<td>23</td>
<td>1.05%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>4.51%</td>
<td>20</td>
<td>0.91%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>2.75%</td>
<td>70</td>
<td>3.19%</td>
</tr>
<tr>
<td>XXXXXXXXXX</td>
<td>1.51%</td>
<td>22</td>
<td>1.00%</td>
</tr>
<tr>
<td>SERVICERS &lt; 1% UPB</td>
<td>1.44%</td>
<td>32</td>
<td>1.46%</td>
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</table>