



Freddie Mac's Planned Treatment of Float Compensation Payments

The IRS' recent [Revenue Ruling 2018-24](#) stated that Freddie Mac's proposed exchange of 45-day Gold PC securities for 55-day Freddie Mac mortgage-backed securities will not be taxable. However, the IRS did not rule on the taxability of the associated float compensation payment.

Freddie Mac will treat the float compensation payment as a tax-free adjustment to the security basis. As such, for those investors that execute their exchange through the direct-to-Freddie path, Freddie Mac does not intend to report the payment as taxable income to the investor. However, Freddie Mac is not dictating to investors how they must treat the payment. Some investors may conclude after consulting with their tax advisors that it is taxable income when received.

Although Freddie Mac will not perform tax withholding or reporting of the float compensation payments, for investors who choose to use the direct-to-Freddie exchange path Freddie Mac will require collection of W-8 and W-9 forms. If an investor does not provide a valid W-8 or W-9, they will need to use the dealer-facilitated exchange path and provide documents that the dealer may require. Further, foreign asset managers who may perform exchanges on behalf of their clients through the direct-to-Freddie path will need to demonstrate that they are Qualified Intermediaries (QI). If QI status cannot be confirmed by Freddie Mac, a foreign asset manager will be required to use the dealer-facilitated exchange path.

For more details on the two Freddie Mac exchange paths, please refer to our [Exchange webpage](#).

The information shared in this email does not constitute tax advice; investors interested in the Gold PC exchange are strongly encouraged to speak with their own tax advisors to determine how they will treat the float compensation.

If you have questions, please contact us at single_security@freddiemac.com

This is not an offer to buy or sell any Freddie Mac securities. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC); all other reports Freddie Mac files with the SEC pursuant to Section 13(a) of the Securities Exchange Act of 1934 (Exchange Act), excluding any information "furnished" to the SEC on Form 8-K; and all documents that Freddie Mac files with the SEC pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act, excluding any information "furnished" to the SEC on Form 8-K.

The financial and other information contained in this email and in the documents that may be accessed through this email speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac

undertakes no obligation, and disclaims any duty, to update any of the information in those documents.

These materials may contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve a number of assumptions, judgments and estimates, and various factors could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements. These assumptions, judgments, estimates and factors are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2017, and its reports on Form 10-Q and Form 8-K, which are available on the Investor Relations page of the company's Web site at www.FreddieMac.com/investors and the SEC's website at www.sec.gov. The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this email.

FreddieMac.com

CONNECT WITH US

