Investments in mortgage-backed securities with the individual investor in mind.

DARTs®

Direct Access Retail REMIC Tranches®

FreddieMac
Congress created Freddie Mac in 1970 to help ensure that Americans have a reliable supply of private sector funds for home mortgages.

Freddie Mac is a shareholder-owned, government-sponsored enterprise (GSE) whose people are dedicated to improving the quality of life by helping to make the American dream of decent, accessible housing a reality. We accomplish this mission by linking Main Street to Wall Street.
Freddie Mac DARTs® are Real Estate Mortgage Investment Conduits (REMICs) issued and guaranteed by Freddie Mac that represent interests in pools of assets that are backed by residential mortgages. Freddie Mac DARTs are tailored for individual investors and issued as Retail Class Units of Multiclass Certificates.

- Freddie Mac guarantees the monthly payment of interest and ultimate payment of principal on Freddie Mac DARTs. Freddie Mac DARTs are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac. Note, however, that selling Freddie Mac DARTs prior to maturity may result in receiving less than 100% of the original principal amount.

- Offerings of Freddie Mac DARTs are designed to price at par.

- Structures posted weekly provide a selection of Freddie Mac DARTs featuring a variety of coupons, maturities, average lives and principal payment priorities.

- Freddie Mac DARTs are available for a minimum investment amount of $1,000 and in increments of $1,000.

- Principal payments on Freddie Mac DARTs are made in $1,000 increments.

- The priority given to the requests for principal payments from deceased owners enables the use of Freddie Mac DARTs as a limited* estate-planning device.

- Freddie Mac DARTs are cleared and settled electronically, therefore they are not available in physical form.

* Certain limitations apply. Refer to the offering circular for complete details.
Real Estate Mortgage Investment Conduits (REMICs) or Collateralized Mortgage Obligations (CMOs) offer fixed income investors an opportunity for monthly income and attractive yield. Freddie Mac first introduced REMICs in 1983. The CMO market has grown to over $1 trillion in size since its inception and today accounts for an ever increasing and important segment of the overall mortgage market.

REMICs were developed to offer investors a wider range of investment time frames and greater cashflow certainty than had previously been available with mortgage pass-through securities. The REMIC issuer assembles a package of mortgage pass-through securities, and uses them as collateral for a multiclass security offering. The different classes of securities in a REMIC are known as “tranches.” The REMIC structure allows the issuer to direct the principal and interest cash flow generated by the collateral to different tranches in a prescribed manner, as defined in the offering circular, to meet different investment objectives. Some REMICs contain Retail Classes that are tailored primarily for individual investors.

REMICs are available in a variety of average lives and with varying sensitivity to changes in prepayment speeds, allowing investors to choose the class that best meets their investment objectives. Your financial consultant can provide you with more information about the various types of tranches and the advantages and risks pertaining to each. Educational material about REMICs is also available at www.InvestinginBonds.com.
The following illustrations depict the most basic REMIC structure — the sequential pay.

**Chart A** shows how principal (darker shading) and interest (lighter shading) would be allocated to each of three hypothetical sequential tranches if no prepayments were made on the underlying mortgages.

**Chart B** shows how assuming a moderate amount of prepayments affects the average life* of each tranche. The average life and yield of a REMIC will fluctuate depending upon the actual prepayment experience of the underlying mortgages.

* The average life of a REMIC is the average time to receipt of each dollar of principal, weighted by the amount of each principal payment. It is the most commonly used measure of the tenor of mortgage-backed securities.
REMICs are complex securities and are not suitable for all investors.

Freddie Mac DARTs® may not be suitable investments for you. Your investment in Freddie Mac DARTs will involve a number of risks that you should consider carefully before making your investment decision. These risks are described in the offering circular and offering circular supplement and include prepayment, market, yield, liquidity and other possible risks associated with Freddie Mac DARTs.

Principal payment rates are uncertain. Principal payment rates on Freddie Mac DARTs will depend on the rates of principal payments on the underlying mortgages. Mortgage principal payments include scheduled payments and prepayments. Prepayment rates fluctuate continuously and (in some market conditions) substantially. If you own a Class, such as a Support Class, that supports the principal payment stability of other Classes, your Class is likely to be more sensitive to prepayment rates than is any Class it supports. You may not receive principal payments on your Class for extended periods of time, and you may receive principal payments that change significantly from period to period.

Market risk means that the market value of Freddie Mac DARTs will likely fluctuate over time, perhaps significantly. Many factors independent of our creditworthiness affect the market value of Freddie Mac DARTs. Included among these factors are the level, direction and volatility of interest rates.

The market value of your Freddie Mac DARTs will vary over time, primarily in response to changes in prevailing interest rates. If you sell your Freddie Mac DARTs when their market value is low, you may experience significant losses. Although there is an active secondary market for REMICs, the degree of liquidity can vary widely. The unique characteristics of individual REMIC tranches place limitations on the potential liquidity of the product. Accordingly, if these investments are sold in the secondary market prior to maturity or a call date, they may be worth less than their original cost.

Freddie Mac DARTs are obligations of Freddie Mac only. Freddie Mac DARTs, including any interest on Freddie Mac DARTs, are not guaranteed by, and are not debts or obligations of, the United States or any agency or instrumentality of the United States other than Freddie Mac. Freddie Mac DARTs are not tax-exempt. This information does not constitute an offer to sell or a solicitation of an offer to buy securities. Freddie Mac has prepared an offering circular for the offering to which this communication relates. Before you invest, you should read the offering circular and any other information provided by your broker-dealer for more complete information about Freddie Mac and this offering. You may get the offering circular for free by visiting www.FreddieMac.com/mbs. Alternatively, Freddie Mac, any underwriter or any dealer participating in the offering will arrange to send you the offering circular if you request it by calling (800) 336-3672.