



Guaranteed Maturity Securities (GMS)

Freddie Mac Guaranteed Maturity Securities (GMS) are structured mortgage-backed securities with a shortened stated final maturity. Freddie Mac GMS are backed by either Gold PCs or Hybrid ARMs and have been issued with guaranteed final payment dates of five to fifteen years. Shorter or longer final payment dates are also possible.

The GMS feature is available on a variety of bond types including PAC, TAC, Scheduled, Support and Sequential tranches. At the guaranteed final date, the investor is paid any outstanding principal on the bond, plus 30 days of accrued interest.

These securities offer the investor high credit quality, a competitive yield, and limited extension risk. Additionally, GMS appeal to investors with maturity restrictions that preclude them from buying mortgage-backed securities or CMOs, which typically have 30-year stated maturity dates.

Investor Benefits

Extension Protection

With shorter stated final maturities than many other mortgage securities, GMS offer investors protection to mitigate extension risk.

Enhanced Yields

Investors of GMS receive the benefits of higher yielding mortgage-backed securities.

Superior Credit Quality

GMS carry the Freddie Mac guarantee of scheduled payment of principal and timely interest.

Stated Final

GMS allow investors with maturity constraints to buy mortgage-backed securities.

Sound Alternative

GMS are an excellent alternative to 15-year mortgagebacked securities and comparable mortgage-backed CMOs, agency debt, balloon mortgages or corporate bonds.

Series 2750-CT (Sequential with a guaranteed stated final): To view on Bloomberg, type: FHR 2750 CT <MTGE> and <GO>

	PSA						
	0	50	75	100	200	350	500
Example of GMS <i>(Described as MR Classes on Bloomberg [Mandatory Redemption])</i>	Weighted Average Life						
	Guaranteed Final Maturity	14.21	14.20	13.40	11.75	6.97	4.17
	Non-Guaranteed Final Maturity	21.86	16.34	13.81	11.75	6.97	4.17
	Payment Window						
	Guaranteed Final Maturity	2/19-2/19	11/18-2/19	6/16-2/19	7/14-2/19	7/10-6/13	4/08-1/10
	Non-Guaranteed Final Maturity	1/25-5/28	11/18-9/23	6/16-3/21	7/14-12/18	7/10-6/13	4/08-1/10
							4/07-6/08

For additional information about Freddie Mac's Guaranteed Maturity Securities, contact Investor Inquiry at (800) 336-3672.