



➤ Product Overview: **Gold PCs**

The cornerstone of Freddie Mac's mortgage-backed securities program is the Gold Participation Certificate (PC) security. Gold PCs are fixed-rate pass-through securities, each representing an undivided interest in a pool of residential mortgages. Freddie Mac offers traditional 30-year fixed-rate Gold PCs in addition to 40-year, 20-year, 15-year and balloon Gold PCs. Freddie Mac Gold PCs are backed either by fully amortizing mortgages or interest-only mortgages.

Fixed-income investors in the United States and abroad place a high value on the quality and liquidity of Gold PCs. Domestic and foreign Gold PC investors include money managers, thrift institutions, commercial banks, trust departments, pension funds, central banks, securities dealers and private investors.

Gold PCs differ from U.S. Treasury securities and other fixed-income investments in two ways: first, they can be prepaid at any time since the underlying mortgages can be paid off by homeowners prior to a loan's maturity. Because of this call option investors have implicitly sold to homeowners, mortgage-backed securities generally provide a higher nominal yield than certain other fixed-income products. Second, Gold PCs are not backed by the full faith and credit of the United States, as are U.S. Treasury securities. However, Freddie Mac guarantees the timely payment of interest and principal on all Gold PCs. Gold PCs feature a payment delay of only 45 days from the time interest begins to accrue and the time the investor receives a payment.

Investor Benefits

Liquidity

The U.S. mortgage-backed securities market makes up more than one-quarter of the U.S. fixed-income securities market, the largest in size in terms of volume of outstanding securities. As part of this market, Freddie Mac's mortgage-backed securities are among the most liquid and widely held in the world.

Transparency

Freddie Mac securities offer additional transparency by providing loan-level disclosure on our mortgage-backed securities. This allows investors the ability to further analyze our securities over time, including being able to better compare the prepayment behavior of the loans backing our securities.

Broad Appeal

Gold PCs are a valuable fixed-income investment for a broad range of both domestic and foreign investors, offering attractive yields, high liquidity, improving price performance and roll opportunities.

Outstanding Credit Quality

Freddie Mac guarantees each Gold PC it issues and has built a strong franchise with significant assets and a record of profitability.

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interest and principal on all Gold PCs.”

Versatility

Gold PCs are easily financed and are often used as collateral for dollar rolls and repos. Gold PCs can also be inexpensively aggregated into larger, highly liquid Giant PC securities with specific characteristics, such as geographic diversity. Often, Gold PCs back structured mortgage products such as REMICs, Strips and other innovative investment vehicles.

Freddie Mac's Initial InterestSM PCs

Initial InterestSM Gold PCs offer an excellent investment alternative to traditional 30-year Gold PCs, appealing to a broad range of investors with strong issuance growth and increasing product liquidity. Initial Interest Gold PCs are backed by mortgages, which require monthly payments of accrued interest only on the principal balance of the mortgage for a specified initial period, followed by fully amortizing monthly payments of principal and interest for the remaining term of the mortgage. The 10/20 Initial Interest PCs are the most popular product issued with an initial interest only period of 10-years followed by a 20-year fully amortizing period.

Investor Tools

Freddie Mac takes pride in providing timely customer support. A variety of resources are available to provide investors with the most comprehensive information about their Gold PCs.

- **Investor Inquiry (800) 336-3672 or Investor_Inquiry@freddiemac.com**

Speak with a knowledgeable securities information specialist available from 9:00 a.m. to 5:00 p.m., EST, Monday through Friday.

- **www.FreddieMac.com/mbs**

Visit Freddie Mac's Web site for quality information about Freddie Mac securities including product information, CUSIP lookup, mortgage securities data, subscription services and legal documentation.

- **Bloomberg (FMAC <GO>)**

Experience the wide range of information available on Freddie Mac's Bloomberg site including product descriptions, product announcements and other mortgage securities issuance reports.

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For additional information about Freddie Mac Gold PCs, visit Freddie Mac's Web site at www.FreddieMac.com/mbs/html/product/pc.html or contact Investor Inquiry at (800) 336-3672.

This product overview is not an offer to sell or solicitation of an offer to buy any Freddie Mac securities. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's Information Statement and related supplements.