

**Offering Circular Supplement  
(To Offering Circular dated January 4, 2012)**

**Freddie Mac  
Mortgage Participation Certificates**

The Offering Circular is being amended, effective immediately, as follows:

Under **“Risk Factors – Investment Factors – Reductions in our mortgage-related investments portfolio may affect the liquidity of your PCs,”** the following sentence is added as the penultimate sentence of the paragraph:

“However, beginning in 2012 under guidance from FHFA we expect to curtail mortgage-related investments portfolio purchase and retention activities that were undertaken for the primary purpose of supporting the price performance of our PCs, which may result in a significant decline in the market share of our single-family guarantee business, lower comprehensive income, and a more rapid decline in the size of our total mortgage portfolio.”

The language in the section entitled **“Secondary Markets, Mortgage Security Performance and Market Support Activities”** is replaced in its entirety with the following language:

“Certain dealers may buy, sell and make a market in PCs. The secondary market for PCs may be limited. If a dealer sells a PC, currently the dealer is required to confirm the sale; notify the purchaser of the settlement date, purchase price, concessions and fees; and make available to the purchaser, by electronic means or otherwise, a copy of this Offering Circular, the applicable Pool Supplement and any applicable Additional Supplement.

You can obtain prices for PCs by contacting the securities dealers selling and making a market in those PCs. You can obtain a list of PC dealers by contacting Investor Inquiry as shown under *Additional Information*.

We may attempt to affect the liquidity and depth of the market for PCs through various activities, including:

- Educating dealers and investors about the merits of trading and investing in PCs;
- Encouraging sellers to (i) pool Mortgages that they deliver to us into PC Pools with a larger and more diverse population of Mortgages, including under our MultiLender Swap Program; and (ii) hedge their deliveries of fixed-rate Mortgages to us with Gold PCs;
- Influencing the volume and quality of Mortgages delivered to us by tailoring our underwriting standards and other means; and

**Offering Circular Supplement dated March 9, 2012**

- Introducing new mortgage-related securities initiatives.

We may increase, reduce or discontinue these or other related activities at any time, which could affect the liquidity and depth of the market for PCs. We may support the execution of our credit guarantee business by adjusting our guarantee fee. For example, if the price performance of, and demand for, our PCs is not comparable to mortgage-backed securities issued by Fannie Mae on future mortgage deliveries by sellers, we may use market-adjusted pricing where we provide guarantee fee price adjustments to partially offset weaknesses in prevailing security prices and increase the competitiveness of our credit guarantee business.

We seek to support the price performance of our PCs through a variety of strategies, including those discussed above and the creation of larger PC Pools or Giant PCs with a larger and more diverse population of Mortgages, as well as through the issuance of mortgage securities that are backed by our PCs. Our purchases and sales of mortgage-related securities influence the relative supply and demand for these securities, and the issuance of mortgage securities that are backed by our PCs helps support the price performance of our PCs. Depending upon market conditions, including the relative prices, supply of and demand for PCs and comparable Fannie Mae securities, as well as other factors, there may be substantial variability in any period in the total amount of securities we purchase or sell, and in the success of our efforts to support the liquidity and price performance of our PCs. We may increase, reduce or discontinue these or other related activities at any time, which could affect the liquidity of the market for PCs. Beginning in 2012, under guidance from FHFA we expect to curtail mortgage-related investments portfolio purchase and retention activities that were undertaken for the primary purpose of supporting the price performance of our PCs, which may result in a significant decline in the market share of our single-family guarantee business, lower comprehensive income, and a more rapid decline in the size of our total mortgage portfolio. See also “*Risk Factors – Investment Factors – Reductions in our mortgage-related investments portfolio may affect the liquidity of your PCs.*” The Incorporated Documents contain additional information about our security performance and market support activities.”

Capitalized terms used in this Supplement have the meanings given to them in the Offering Circular.