



Reference REMICSM Securities

A Mortgage-Backed Securities Investment Innovation Offered by Freddie Mac

February 2006



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Reference REMICSM R005

Reference REMIC R005 features 30-year underlying securities and a December 2018 final maturity

- **Underlying securities are 30-year 5.5% Gold and Gold Giant PCs**
 - » **WAC (Weighted Average Coupon) = 5.959%**
 - » **WAM (Weighted Average Maturity) = 353 months**
 - » **WALA (Weighted Average Loan Age) = 5 months**

- **Principal balance of \$2.5 billion with a Guaranteed Maturity Class (GMC) of \$2.0625 billion**

- **Guaranteed Maturity Class is a front-end sequential with a guaranteed final maturity of December 15, 2018**

- **Transaction lead managers are Citigroup, Morgan Stanley and RBS Greenwich Capital**

- **Co-managers are Banc of America, Bear Stearns, Deutsche Bank, J.P. Morgan and Merrill Lynch**

This information does not constitute an offer to sell or a solicitation of an offer to buy securities. All information is qualified in its entirety by the R005 Offering Circular Supplement dated February 8, 2006, which investors should review before making any investment decision.

WAL profile: Limited extension/contraction of Reference REMIC versus underlying pass-through

- At 118 PSA, Series R005 front sequential extension is 0.71 years less than that of 30-year 5.5s
- At 604 PSA, Series R005 front sequential contracts 1.95 years less than 30-year 5.5s

Parallel Rate Shift (bp) Prepayment Speed	+300 110 PSA	+200 118 PSA	+100 134 PSA	Base Case 184 PSA	-100 604 PSA	-200 1663 PSA	-300 1919 PSA
WAL for Various Rate Scenarios							
FHRR R005 front sequential	6.75	6.50	6.03	4.83	2.00	0.98	0.88
Gold 30 5.5 TBA	10.34	9.97	9.29	7.59	2.81	1.06	0.91
Difference	3.59	3.47	3.26	2.76	0.81	0.08	0.03
WAL Change from Base Case							
FHRR R005 front sequential	1.92	1.67	1.20	0.0	-2.83	-3.85	-3.95
Gold 30 5.5 TBA	2.75	2.38	1.70	0.0	-4.78	-6.53	-6.68
Difference	0.83	0.71	0.50	0.0	-1.95	-2.68	-2.73

Principal payment window: Narrower payment window on Reference REMIC

- At 118 PSA, Series R005 front sequential principal payment window is 12.9 years versus 29.5 years on 30-year 5.5s
- At 604 PSA, Series R005 front sequential contracted principal window is 4.1 years versus 29.2 years on 30-year 5.5s

Parallel Rate Shift (bp)	+300	+200	+100	Base Case	-100	-200	-300
Prepayment Speed	110 PSA	118 PSA	134 PSA	184 PSA	604 PSA	1663 PSA	1919 PSA
Principal payment window							
FHRR R005 front sequential	03/06 – 12/18	03/06 – 12/18	03/06 – 12/18	03/06 – 02/17	03/06 – 01/10	03/06 – 11/07	03/06 – 09/07
Gold 30 5.5 TBA	03/06 – 07/35	03/06 – 07/35	03/06 – 07/35	03/06 – 07/35	03/06 – 05/35	03/06 – 05/10	03/06 – 11/07

Reference REMICSM Background

Reference REMICSM securities – a structured mortgage-backed securities investment option

- **Calendar-based issuance of REMIC securities with a guaranteed maturity class (GMC) offered through a syndicate underwriting group**

- **Minimum GMC tranche size of \$1 billion with shortened stated final maturity date guaranteed by Freddie Mac**
 - » **Average outstanding issue size of \$2.25 billion**

- **Integrated into Freddie Mac's Reference suite of products, Reference Bills[®], Reference Notes[®] and Euro Reference Notes[®], featuring:**
 - » **Liquidity**
 - » **Transparency**
 - » **Calendar-based predictability**

- **Designed to further Freddie Mac's housing mission by broadening the investor base for mortgage-backed securities**

Reference REMIC securities offer liquidity, transparency and predictability

- **Liquidity**
 - » **\$1 billion GMC minimum tranche size**
 - » **Broad dealer sponsorship and secondary market support**

- **Transparency**
 - » **Primary market support through syndicated offerings**
 - » **Secondary market pricing via TradeWeb and Bloomberg**
 - » **PCs underlying the offered GMC are disclosed prior to pricing**

- **Predictability**
 - » **Calendar-based monthly optional issuance windows**
 - » **Maximum of three Reference REMICs issued per quarter**
 - » **Average life extension limited by shortened stated final maturity date**

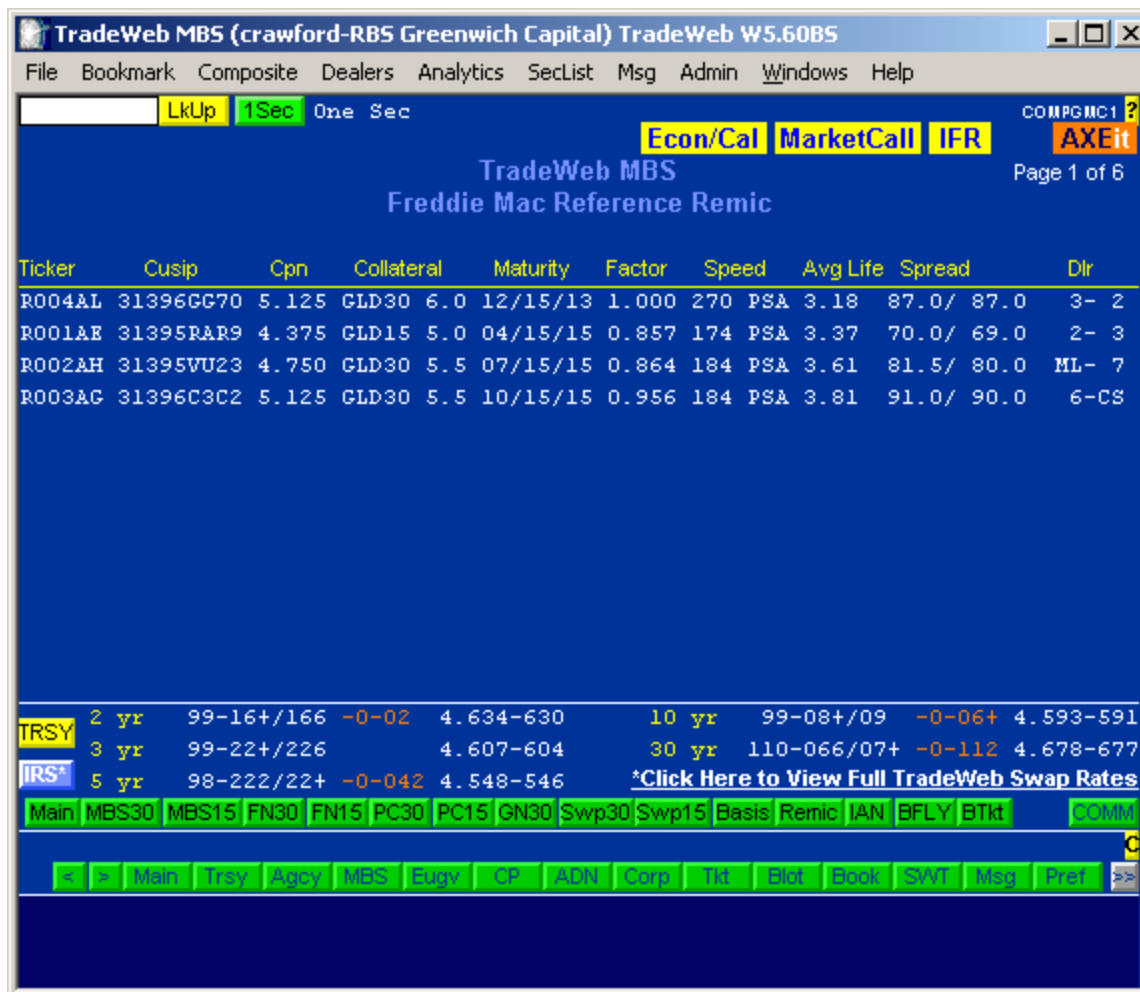
Reference REMIC securities offer an unmatched array of attractive features

	Freddie Mac Reference REMIC	Prepayment Linked Notes	Syndicated Callables	ABS	REMIC Securities	TBA Passthroughs
TradeWeb Eligibility	√	Some	√			√
Daily Closing Prices	√	Some	√			√
Guaranteed Shortened Final Maturity	√	√			Some	
Syndicate Led	√	Some	√	√		
Issuance Calendar	√					
Fully Collateralized by Mortgages/MBS	√			√	√	√
Collateral Disclosed Pre-Pricing	√					
Re-REMIC/MACR Eligible	√			√	√	
No Upsize (or "Tapping") Post-Pricing	√			√	√	√

Key features of Reference REMIC securities

Reference REMIC Product Details	
Underlying PCs	PCs underlying the offered GMC are disclosed prior to pricing
Guaranteed Maturity Class (GMC)	Varying maturities based on market conditions and collateral
Structure	Announced during pre-marketing period
GMC Tranche Size	Minimum of \$1 billion
Offering Frequency for 2006	Calendar-based monthly optional issuance windows
Concurrent Reference REMICs	Yes, for REMICs backed by underlying PCs of different terms or coupons, but no more than three REMICs per quarter
Distribution Period	The earlier of: - Two calendar months after Reference REMIC pricing or - Subsequent issuance of Reference REMIC backed by underlying PCs of the same term, coupon and GMC final
Re-REMIC Eligibility	Re-REMICs are eligible following the distribution period, or earlier at Freddie Mac's discretion
MACR Eligibility	Offering dependent
TradeWeb Eligibility	Yes

Price transparency – Live TradeWeb prices from multiple dealers



TradeWeb MBS (crawford-RBS Greenwich Capital) TradeWeb W5.60BS

File Bookmark Composite Dealers Analytics SecList Msg Admin Windows Help

LkUp 1Sec One Sec

Econ/Cal MarketCall IFR AXEit

TradeWeb MBS
Freddie Mac Reference Remic

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Ticker	Cusip	Cpn	Collateral	Maturity	Factor	Speed	Avg Life	Spread	Dlr
R004AL	31396GG70	5.125	GLD30	6.0 12/15/13	1.000	270 PSA	3.18	87.0/ 87.0	3- 2
R001AE	31395PAR9	4.375	GLD15	5.0 04/15/15	0.857	174 PSA	3.37	70.0/ 69.0	2- 3
R002AH	31395VU23	4.750	GLD30	5.5 07/15/15	0.864	184 PSA	3.61	81.5/ 80.0	ML- 7
R003AG	31396C3C2	5.125	GLD30	5.5 10/15/15	0.956	184 PSA	3.81	91.0/ 90.0	6-CS

TRSY 2 yr 99-16+/166 -0-02 4.634-630 10 yr 99-08+/09 -0-06+ 4.593-591
 3 yr 99-22+/226 4.607-604 30 yr 110-066/07+ -0-112 4.678-677
 IRS* 5 yr 98-222/22+ -0-042 4.548-546 [*Click Here to View Full TradeWeb Swap Rates](#)

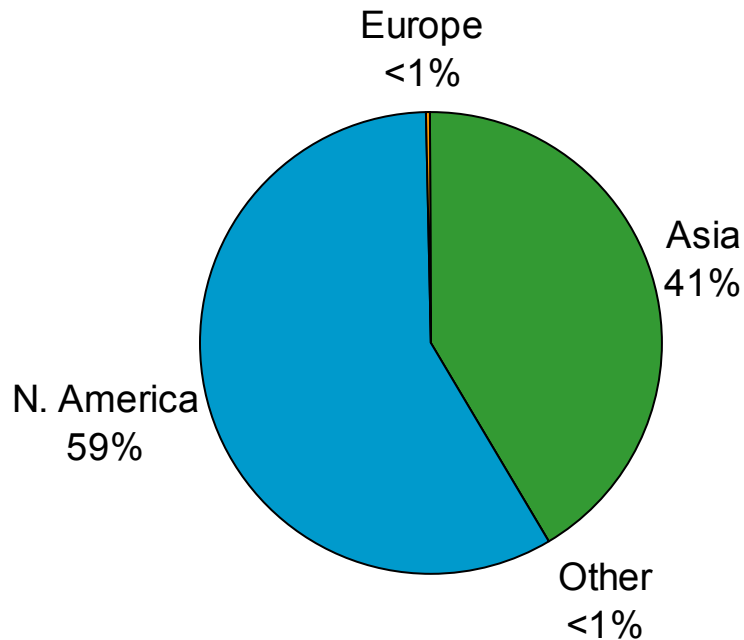
Main MBS30 MBS15 FN30 FN15 PC30 PC15 GN30 Swp30 Swp15 Basis Remic IAN BFLY BTkt COMM

< > Main Tray Agcy MBS Euvy CP ADN Corp Tlt Blot Book SWT Msd Pref >>

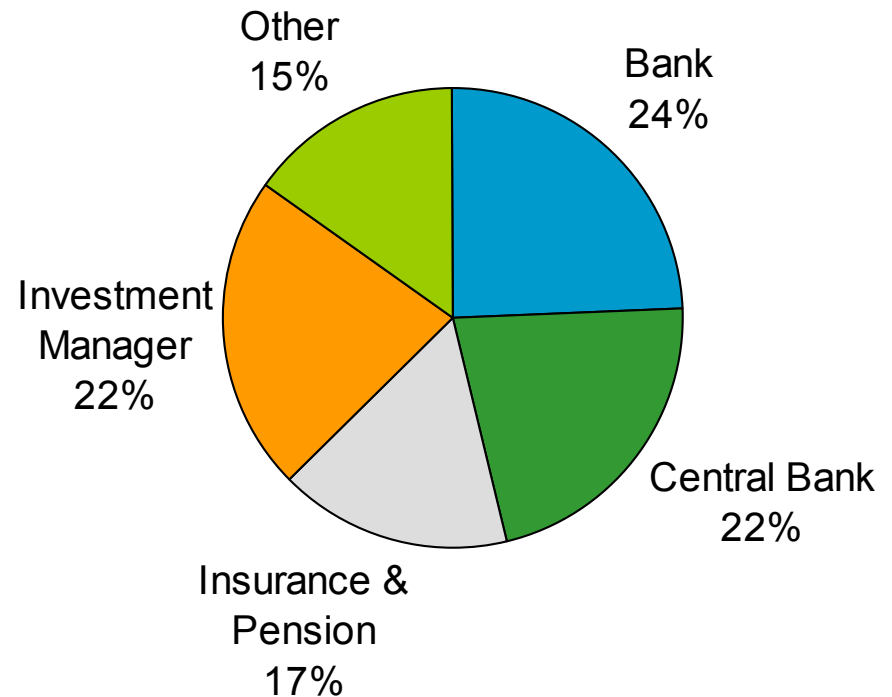
Reference REMIC securities can be traded on TradeWeb

TW TKT (crawford-RBS Greenwich Capital) TradeWeb W5.60BS
 File Bookmark Composite Dealers Analytics Seclist Msg Admin Windows Help
 LkUp 1Sec R004AL
 Tkt Chart GMC Outright Trade Ticket IFR AXEit
 YOU BUY R004AL CUSIP: 31396GG70 Flip Buy/Sell
 BUY None
 Original Face (m) 25,000 1,000
 Factor 1.00000000 Request Offer
 Current Face 25,000,000
 Prepayment 270 PSA
 Average Life 3.180
 Spread 87.0
 Trade Date 02/08/2006
 Settlement Date 02/13/2006 Corporat
 Account #Accts 1 Id PIN
 Dir Note TO
 Send Cancel
 Main Trsy Agcy MBS Eugy CP ADN Corp Tkt Blot Book SWT Msg Pref

Geographical Area



Investor Type



Note: Data reflects orders placed in Freddie Mac's Reference REMICSM syndicated deals.

Source: Freddie Mac.