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Reference REMIC℠ R007

May 2006

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Reference REMIC R007 features 30-year underlying securities and a May 2016 final maturity

- **Underlying securities are 30-year 6.0% Gold and Gold Giant PCs**
  - » **WAC (Weighted Average Coupon) = 6.454%**
  - » **WAM (Weighted Average Maturity) = 349 months**
  - » **WALA (Weighted Average Loan Age) = 8 months**
- **Principal balance of $3.0 billion with a Guaranteed Maturity Class (GMC) of $2.055 billion**
- **Guaranteed Maturity Class is a front-end sequential with a guaranteed final maturity of May 15, 2016**
- **Transaction lead managers are Goldman Sachs, Merrill Lynch and RBS Greenwich**
- **Co-managers are Barclays, Bear Stearns, Citigroup, Deutsche Bank and J.P. Morgan**

WAL profile: Limited extension/contraction of Reference REMIC versus underlying passthrough

- **At 114% PSA, Series R007 front sequential extension is 1.42 years less than that of 30-year 6.0s**
- **At 1802% PSA, Series R007 front sequential contracts 2.87 years less than 30-year 6.0s**

Parallel Rate Shift (bp) Prepayment Speed	+300 114% PSA	+200 124% PSA	+100 149% PSA	Base Case 210% PSA	-100 564% PSA	-200 1585% PSA	-300 1802% PSA
WAL for Various Rate Scenarios							
FHRR R007 front sequential	5.73	5.49	4.94	3.85	1.83	0.83	0.73
Gold 30 6.0 TBA	10.20	9.75	8.74	6.90	2.95	1.07	0.91
Difference	4.47	4.26	3.80	3.05	1.12	0.24	0.18
WAL Change from Base Case							
FHRR R007 front sequential	1.88	1.64	1.09	0.0	-2.02	-3.02	-3.12
Gold 30 6.0 TBA	3.30	2.85	1.84	0.0	-3.95	-5.83	-5.99
Difference	1.42	1.21	0.75	0.0	-1.93	-2.81	-2.87

Principal payment window: Narrower payment window on Reference REMIC

- **At 114% PSA, Series R007 front sequential principal payment window is 9.92 years versus 29.17 years on 30-year 6.0s**

- **At 1802% PSA, Series R007 front sequential principal window is 1.33 years versus 1.58 years on 30-year 6.0s**

Parallel Rate Shift (bp) Prepayment Speed	+300 114% PSA	+200 124% PSA	+100 149% PSA	Base Case 210% PSA	-100 564% PSA	-200 1585% PSA	-300 1802% PSA
Principal payment window							
FHRR R007 front sequential	06/06 – 05/16	06/06 – 05/16	06/06 – 05/16	06/06 – 10/14	06/06 – 12/09	06/06 – 12/07	06/06 – 10/07
Gold 30 6.0 TBA	07/06 – 09/35	07/06 – 09/35	07/06 – 09/35	07/06 – 09/35	07/06 – 08/35	07/06 – 02/13	07/06 – 02/08

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A new floater / inverse floater MACR feature

- R007 may be issued as a Modifiable and Combinable REMIC (MACR) with the option to be exchanged for a floater / inverse floater combination
- The floater / inverse floater will be available with two possible caps – 7.0% or 7.5% – and various possible margins within each cap
- Reference REMIC R007 will be available for floater / inverse floater exchange as of June 15, 2006
- The floater / inverse floater can be subsequently recombined into the front end sequential

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Reference REMIC℠ Background

Reference REMIC securities offer liquidity, transparency and predictability

- **Liquidity**
  - » $1 billion GMC minimum tranche size; average outstanding issue size of $2.2 billion
  - » 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

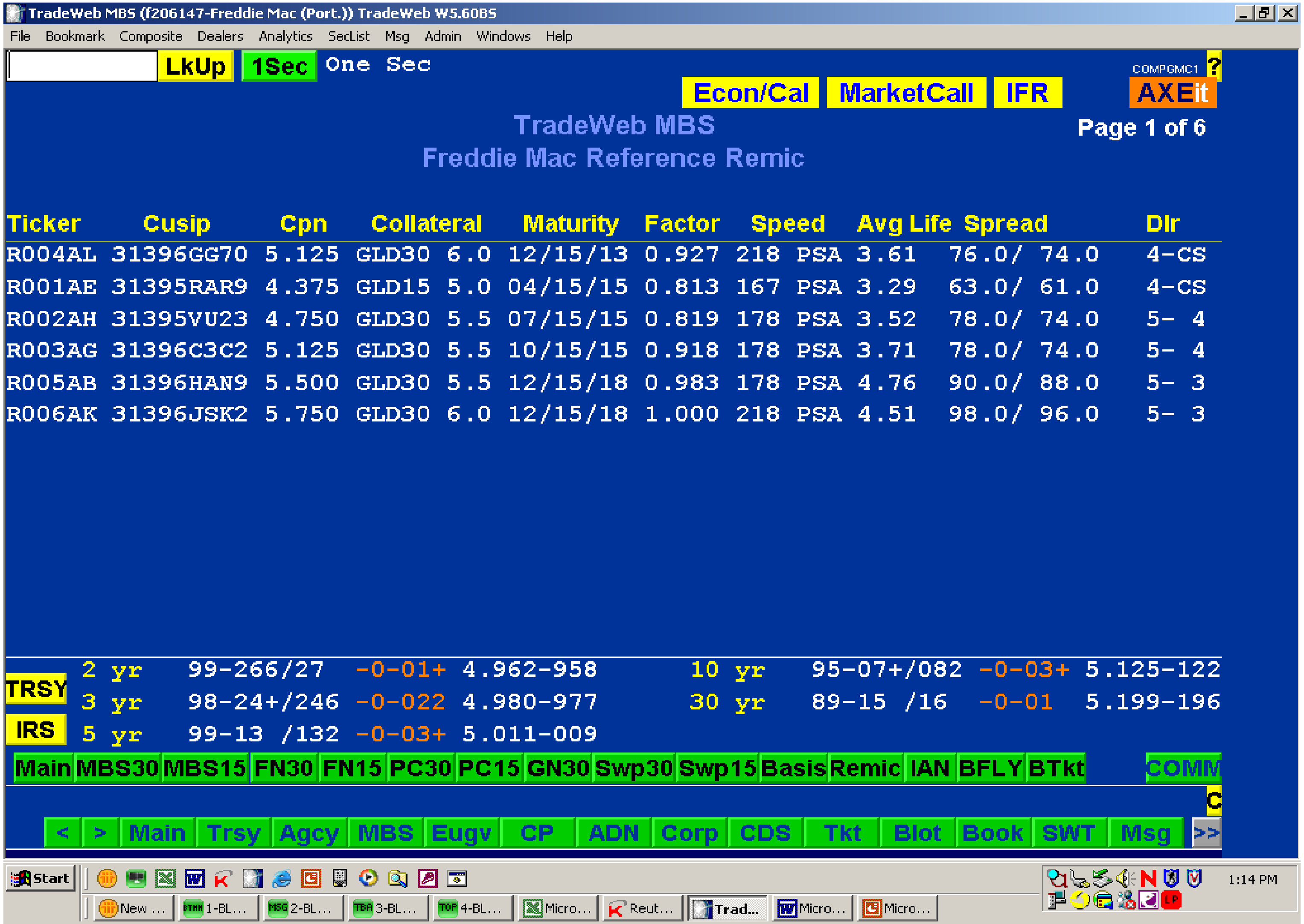
Reference REMIC securities offer an unmatched array of attractive features

	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
Par Coupon	Issued with the closest coupon that trades at a discount to par
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



Note: Freddie Mac is not responsible for pricing and other information about its securities posted on TradeWeb.

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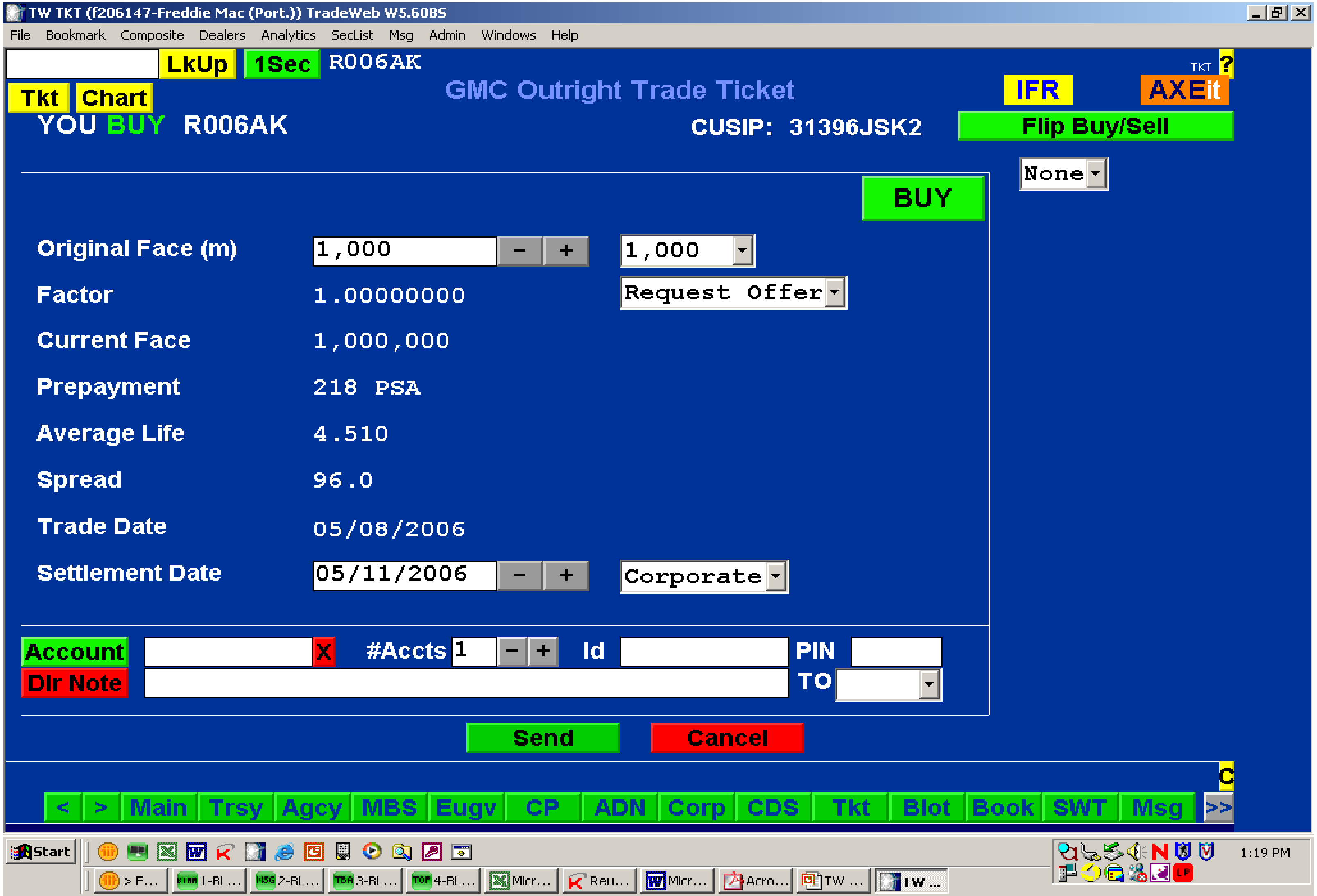
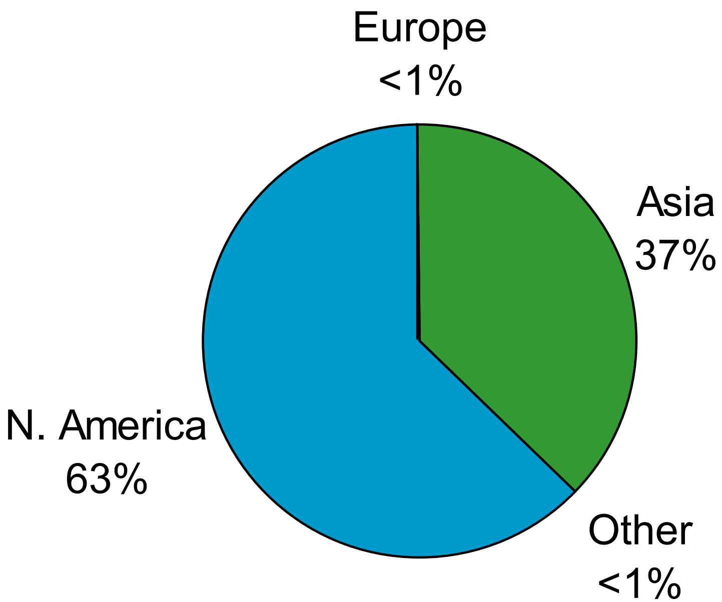
Reference REMIC securities can be traded on TradeWeb



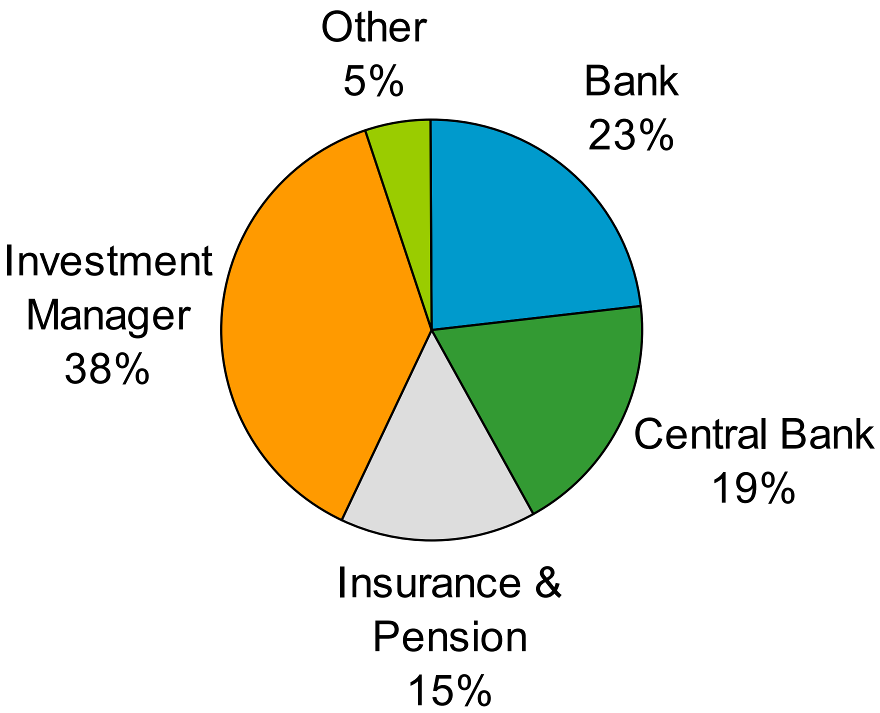
Note: Freddie Mac is not responsible for pricing and other information about its securities posted on TradeWeb.

Reference REMIC securities access diverse pools of global capital

Geographical area



Investor type



Note: Data reflects orders placed in Freddie Mac's Reference REMIC[SM] securities as of April 30, 2006.

Source: Freddie Mac.

Safe Harbor Statements

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