



# Reference REMIC<sup>SM</sup> R008

July 2006

## Reference REMIC R008 features a floating-rate guaranteed final maturity

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- **Underlying securities are 30-year 6.0% Gold and Gold Giant PCs**
  - » **WAC (Weighted Average Coupon) = 6.373%**
  - » **WAM (Weighted Average Maturity) = 355 months**
  - » **WALA (Weighted Average Loan Age) = 4 months**
  
- **Guaranteed Maturity Class is a *capped floating-rate* front-end sequential with a guaranteed final maturity of July 15, 2023**
  
- **Transaction lead managers are Deutsche Bank, Goldman Sachs and Lehman Brothers**
  
- **Available for MACR exchange after settlement**

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 R008 Offering Circular Supplement dated July 10, 2006, which investors should review before making any investment decision.

## Key Features of the Reference REMIC R008

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- **R008 combines liquidity and transparency with a capped floating-rate structure**
  - » Floating-rate security in significant size
  - » Shorter stated final maturity **capped floater** – July 2023
  - » Syndicate led offering and market-making
  - » Daily closing marks from lead managers on Tradeweb® and Bloomberg
  - » First live markets for capped CMO floater on TradeWeb
  - » Secondary market tradable supply and repo financing

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

- At 123% PSA, Series R008 front sequential extension is 0.51 years less than that of 30-year 6.0s
- At 1667% PSA, Series R008 front sequential contracts 1.64 years less than 30-year 6.0s

Parallel Rate Shift (bp)	+300	+200	+100	Base Case	-100	-200	-300
Prepayment Speed	123% PSA	129% PSA	152% PSA	194% PSA	534% PSA	1400% PSA	1667% PSA
<b>WAL for Various Rate Scenarios</b>							
FHRR R008 front sequential	7.78	7.57	6.85	5.83	2.69	1.31	1.15
Gold 30 6.0%	<u>10.05</u>	<u>9.80</u>	<u>8.90</u>	<u>7.59</u>	<u>3.39</u>	<u>1.51</u>	<u>1.27</u>
Difference	2.27	2.23	2.05	1.76	0.70	0.20	0.12
<b>WAL Change from Base Case</b>							
FHRR R008 front sequential	1.95	1.74	1.02	0.0	-3.14	-4.52	-4.68
Gold 30 6.0%	<u>2.46</u>	<u>2.21</u>	<u>1.31</u>	<u>0.0</u>	<u>-4.20</u>	<u>-6.08</u>	<u>-6.32</u>
Difference	0.51	0.47	0.29	0.0	-1.06	-1.56	-1.64

## Principal payment window: Narrower payment window on Reference REMIC

- At 123% PSA, Series R008 front sequential principal payment window is 17.00 years versus 29.67 years on 30-year 6.0s
- At 194% PSA, Series R008 front sequential principal window is 13.9 years versus 30 years on 30-year 6.0s

Parallel Rate Shift (bp)	+300	+200	+100	Base Case	-100	-200	-300
Prepayment Speed	123% PSA	129% PSA	152% PSA	194% PSA	534% PSA	1400% PSA	1667% PSA
Principal payment window FHRR R008 front sequential Gold 30 6.0%	08/06 – 07/23 08/06 – 03/36	08/06 – 07/23 08/06 – 03/36	08/06 – 05/22 08/06 – 03/36	08/06 – 06/20 08/06 – 03/36	08/06 – 12/12 08/06 – 03/36	08/06 – 01/09 08/06 – 09/23	08/06 – 08/08 08/06 – 10/08

## Reference REMIC<sup>SM</sup> Background

# Reference REMIC securities offer liquidity, transparency and predictability

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- **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**

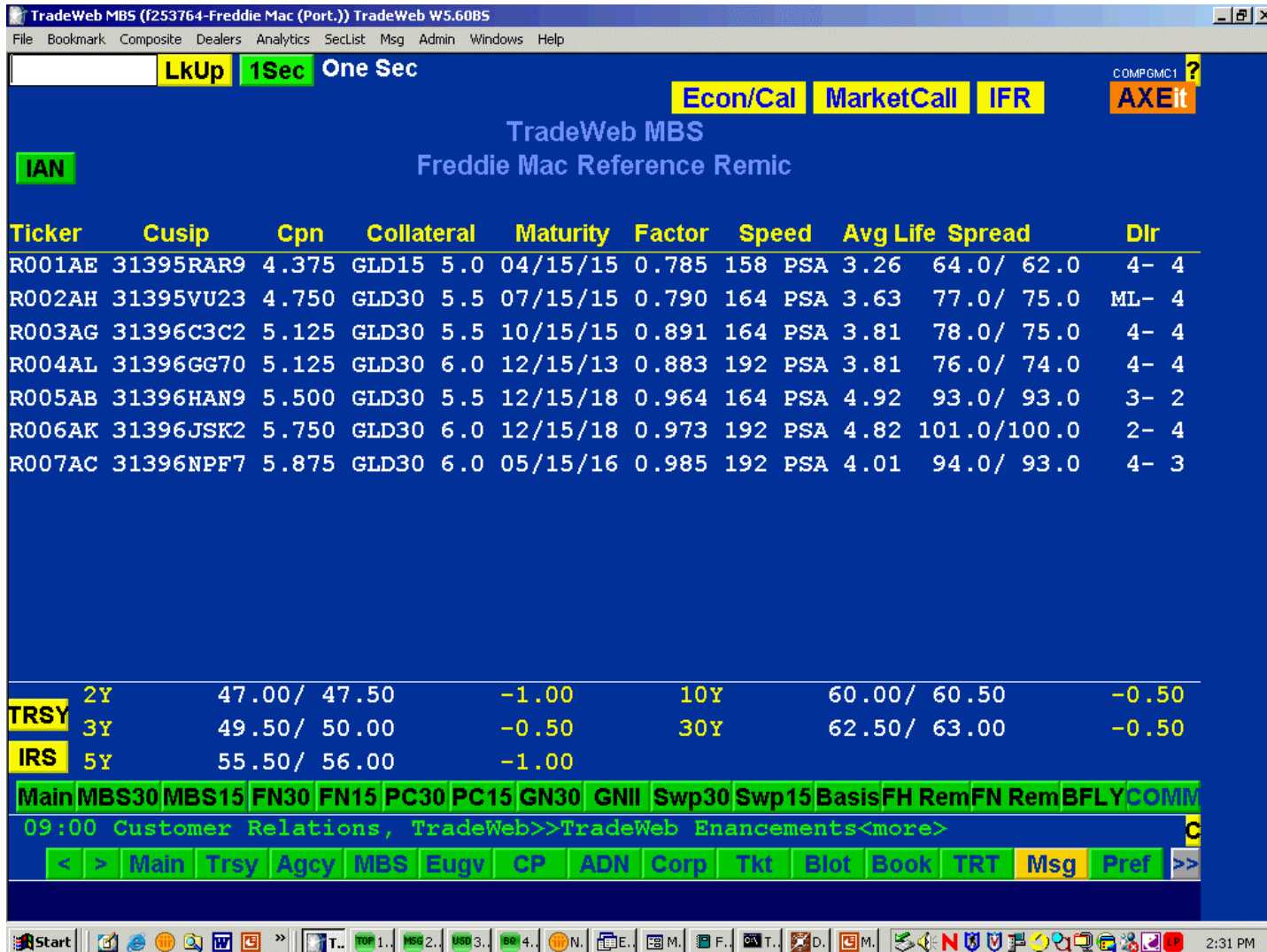
## Reference REMIC securities offer an unmatched array of attractive features

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

## 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



TradeWeb MBS (f253764-Freddie Mac (Port.)) TradeWeb W5.60B5

File Bookmark Composite Dealers Analytics SecList Msg Admin Windows Help

LkUp 1Sec One Sec

Econ/Cal MarketCall IFR

COMP6MC1 ? AXEit

TradeWeb MBS  
Freddie Mac Reference Remic

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Ticker	Cusip	Cpn	Collateral	Maturity	Factor	Speed	Avg Life	Spread	Dlr
R001AE	31395RAR9	4.375	GLD15	5.0 04/15/15	0.785	158	PSA 3.26	64.0/ 62.0	4- 4
R002AH	31395VU23	4.750	GLD30	5.5 07/15/15	0.790	164	PSA 3.63	77.0/ 75.0	ML- 4
R003AG	31396C3C2	5.125	GLD30	5.5 10/15/15	0.891	164	PSA 3.81	78.0/ 75.0	4- 4
R004AL	31396GG70	5.125	GLD30	6.0 12/15/13	0.883	192	PSA 3.81	76.0/ 74.0	4- 4
R005AB	31396HAN9	5.500	GLD30	5.5 12/15/18	0.964	164	PSA 4.92	93.0/ 93.0	3- 2
R006AK	31396JSK2	5.750	GLD30	6.0 12/15/18	0.973	192	PSA 4.82	101.0/100.0	2- 4
R007AC	31396NPF7	5.875	GLD30	6.0 05/15/16	0.985	192	PSA 4.01	94.0/ 93.0	4- 3

TRSY	2Y	47.00/ 47.50	-1.00	10Y	60.00/ 60.50	-0.50
	3Y	49.50/ 50.00	-0.50	30Y	62.50/ 63.00	-0.50
IRS	5Y	55.50/ 56.00	-1.00			

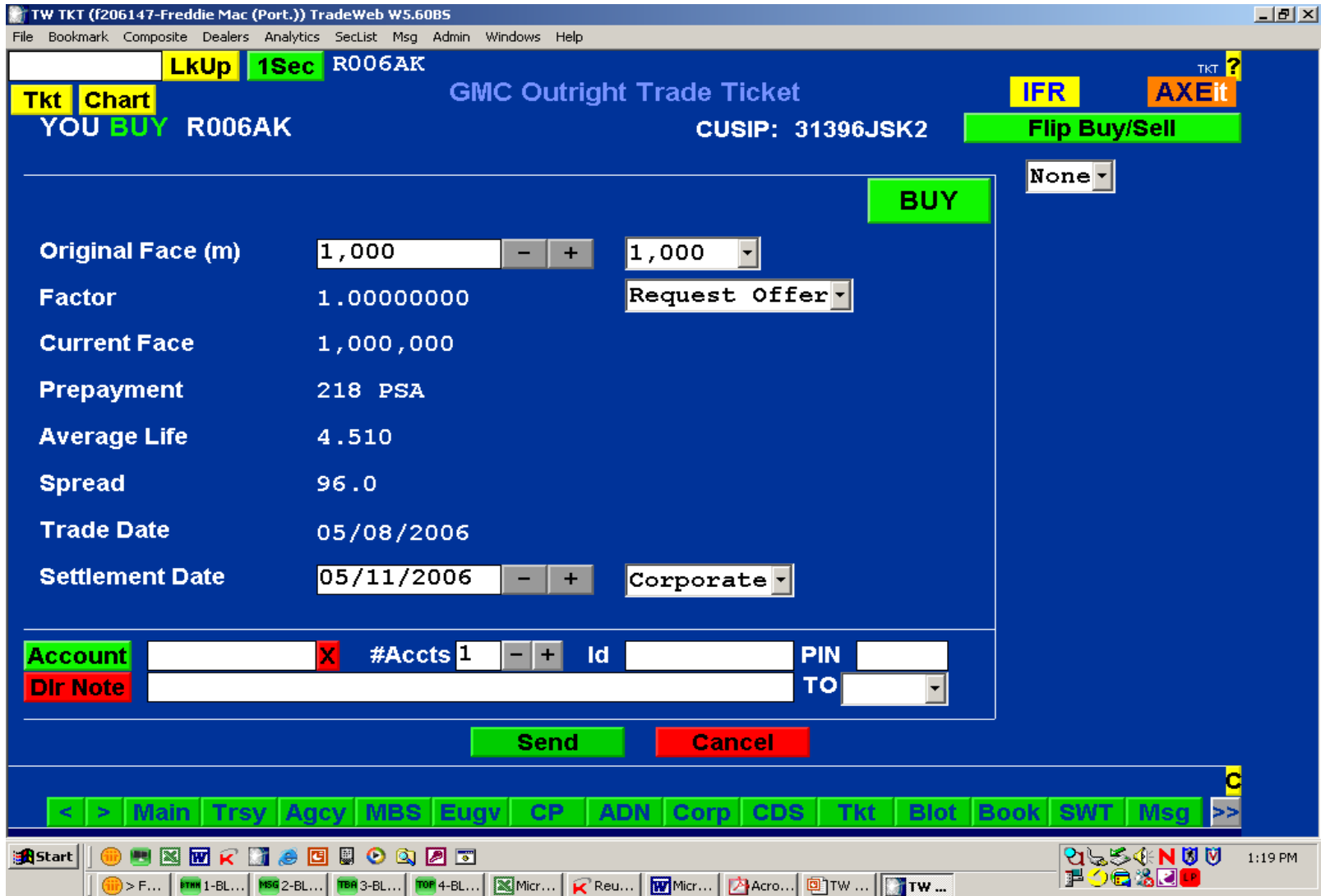
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# Reference REMIC securities can be traded on TradeWeb



TW TKT (f206147-Freddie Mac (Port.)) TradeWeb W5.60B5  
 File Bookmark Composite Dealers Analytics SecList Msg Admin Windows Help

**LkUp** **1Sec** R006AK  
**Tkt** **Chart** GMC Outright Trade Ticket  
**YOU BUY** R006AK CUSIP: 31396JSK2 **IFR** **AXEit**  
**Flip Buy/Sell**  
 None

**BUY**

Original Face (m)	1,000	-	+	1,000
Factor	1.00000000	Request Offer		
Current Face	1,000,000			
Prepayment	218 PSA			
Average Life	4.510			
Spread	96.0			
Trade Date	05/08/2006			
Settlement Date	05/11/2006	-	+	Corporate

**Account** [X] #Accts 1 - + Id [ ] PIN [ ]  
**Dir Note** [ ] TO [ ]

**Send** **Cancel**

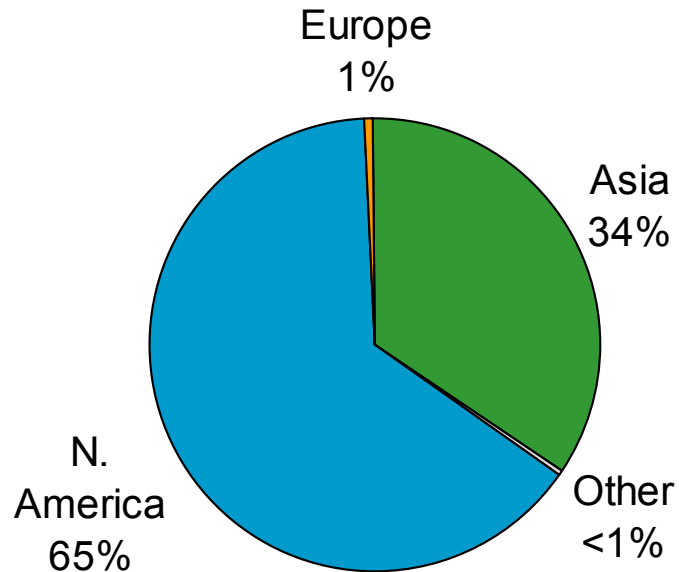
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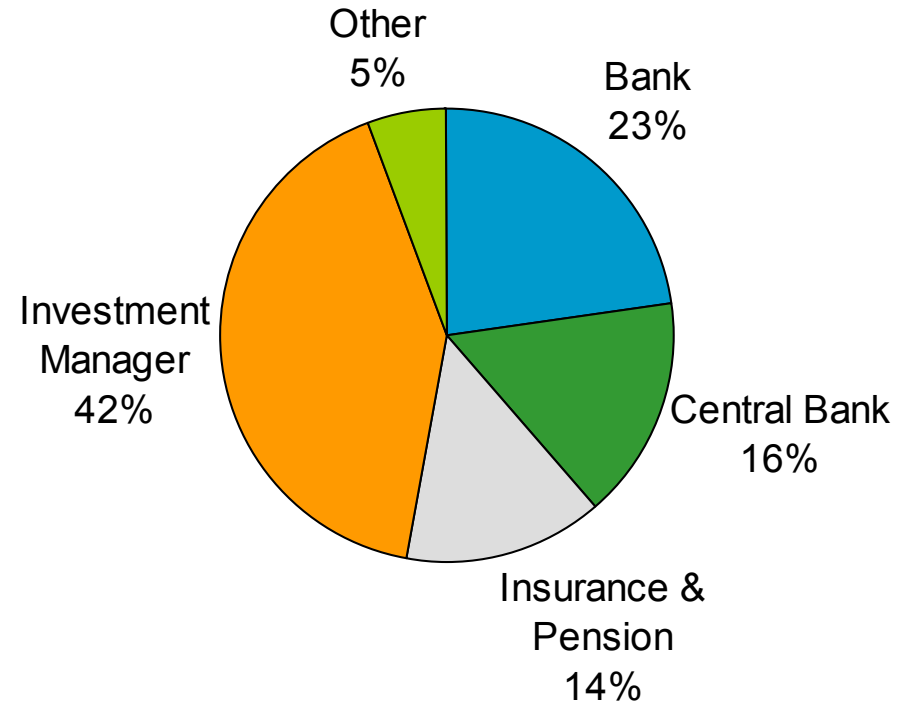
Note: Freddie Mac is not responsible for pricing and other information about its securities posted on TradeWeb.

# Reference REMIC securities access diverse pools of global capital

## Geographical area



## Investor type



Note: Data reflects orders placed in Freddie Mac's Reference REMIC<sup>SM</sup> securities as of May 31, 2006.

Source: Freddie Mac.



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