



Lehman Brothers Financial Services Conference

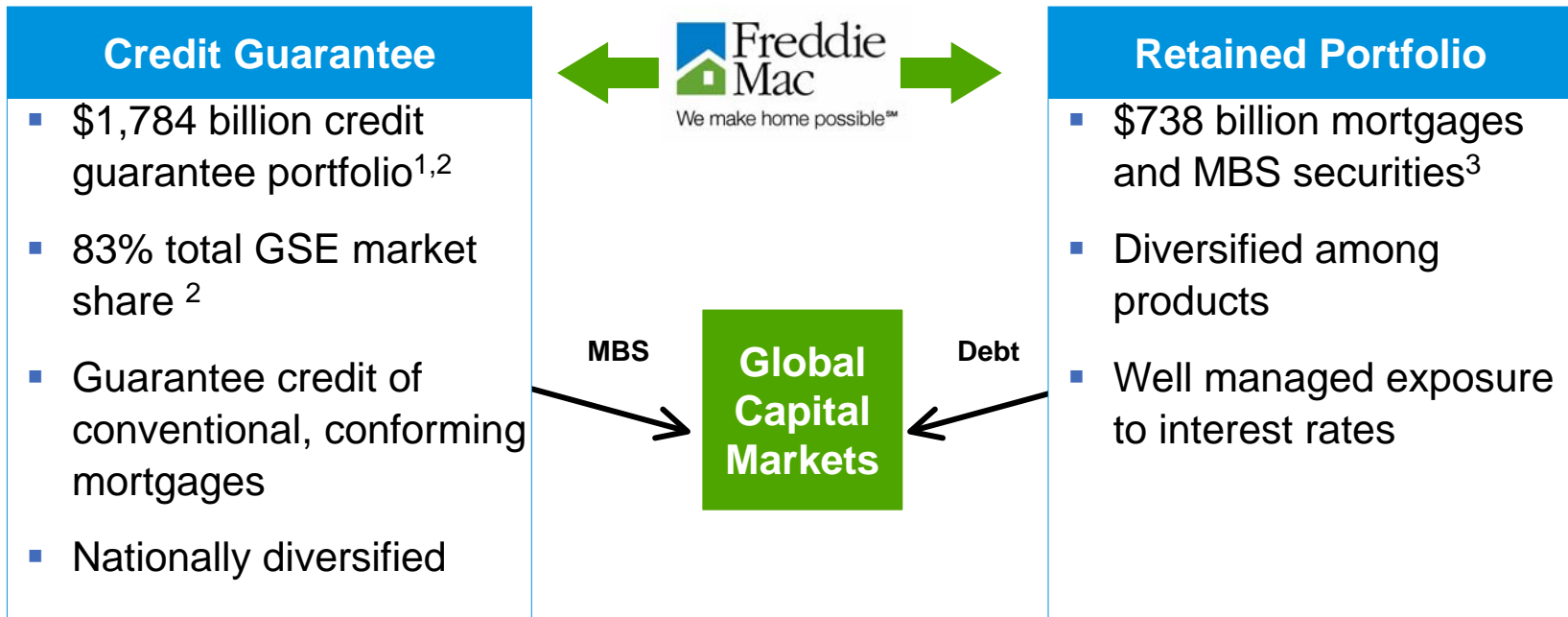
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**Executive Vice President and
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Freddie Mac plays vital role in U.S. housing market



Freddie Mac is at the center of the \$10 trillion conventional, conforming U.S. residential mortgage market



¹ Includes \$347 billion of Freddie Mac PCs and structured securities held by Freddie Mac.

² As of March 31, 2008.

³ As of April 30, 2008.

Overview



- Q1 2008 results reflect continued credit deterioration
- Simplified financial reporting increases transparency
- Improved pricing & spreads not reflected in Q1 results
- Asset quality remains strong
- Reduction in regulatory capital surplus and new issuance provides flexibility & will fund attractive growth opportunities

Capital Overview



	Estimated Regulatory Core Capital ²	Estimated Statutory Minimum Capital Surplus ³	Estimated Surplus Over OFHEO Mandatory Target ⁴
1 As previously reported at 1/1/2008 ¹	\$38.9	\$12.4	\$4.5
2 Impact of first quarter 2008 financial results	(\$0.6)	(\$1.0)	\$1.5
3 As of 3/31/2008	\$38.3	\$11.4	\$6.0
4 <i>Pro forma completion of announced capital issuance as of 3/31/2008</i>	\$43.8	\$16.9	\$11.5
5 <i>Pro forma change in mandatory target surplus requirement to 10%</i>			\$2.7
6 Total		\$16.9	\$14.2

¹ Reflects adoption of the fair value option (SFAS 159) on January 1, 2008.

² Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), the par value of outstanding non-cumulative perpetual preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.

³ Estimated statutory minimum capital surplus represents surplus above Freddie Mac's estimated statutory minimum capital requirement, as directed by the Office of Federal Housing Enterprise Oversight (OFHEO).

⁴ In January 2004, OFHEO directed the company to maintain a mandatory target capital surplus of 30% of its statutory minimum capital requirement. In March 2008, OFHEO reduced the mandatory target capital surplus to 20% of its estimated statutory minimum capital requirement.

Expected Single-family current portfolio credit losses through 2009

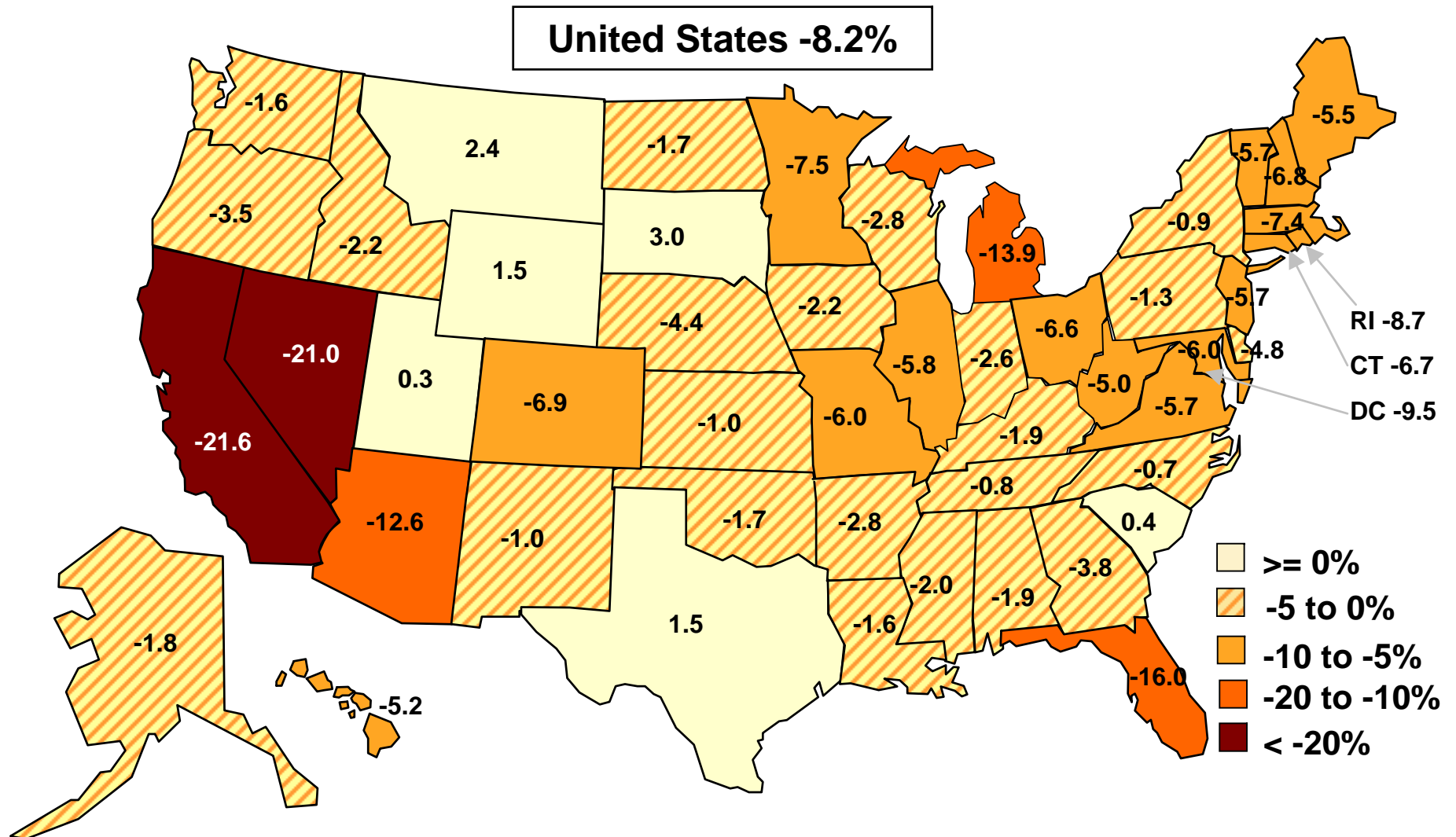


	4Q 2007	1Q 2008	Full-Year 2008E	Full-Year 2009E
1 Charge-offs, net of recoveries	\$110	\$320	\$2,400	
2 REO operations expense	125	208	700	
3 Total credit losses	\$235	\$528	\$3,100	
4 Total credit losses (basis points)	5.4	11.6	16	20 - 25

Notes: These forecasts are for indicative purposes only and rely on a number of estimates and assumptions some or all of which may not be ultimately realized. Assumes approximately 15% peak-to-trough decline in house prices in conventional conforming market.

Estimates of charge-offs are net of recoveries. 2009 estimate gives full effect to anticipated 2008 credit performance. Estimates of total credit losses in basis points assume annual 10% growth in guarantee business.

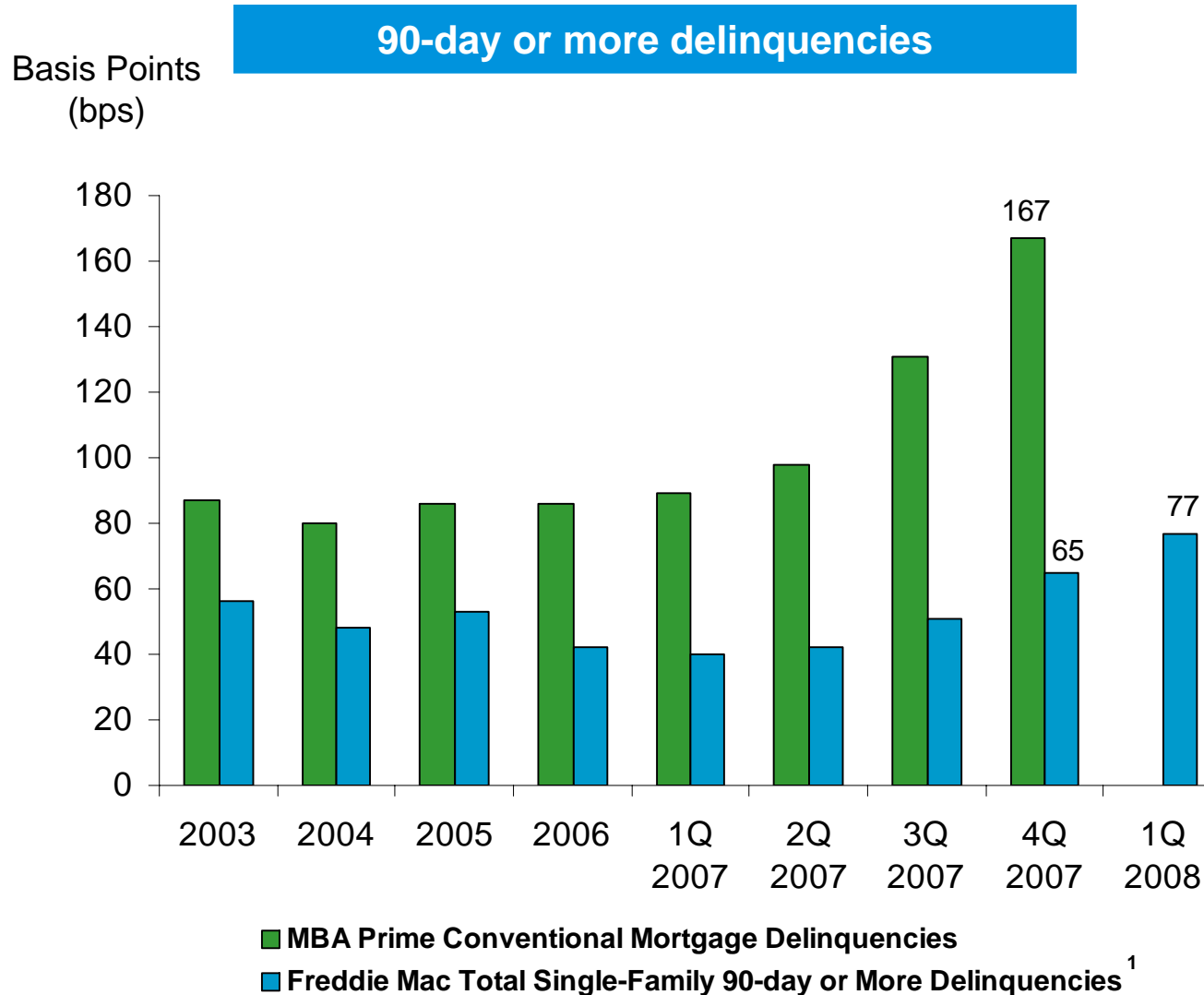
44 states and Washington DC had home price declines from 1Q 2007 to 1Q 2008¹



¹ National home prices use the internal Freddie Mac index, which is value-weighted based on Freddie Mac's single-family portfolio.

Source: Freddie Mac.

Delinquencies are low relative to the industry



¹ Excludes structured transactions.

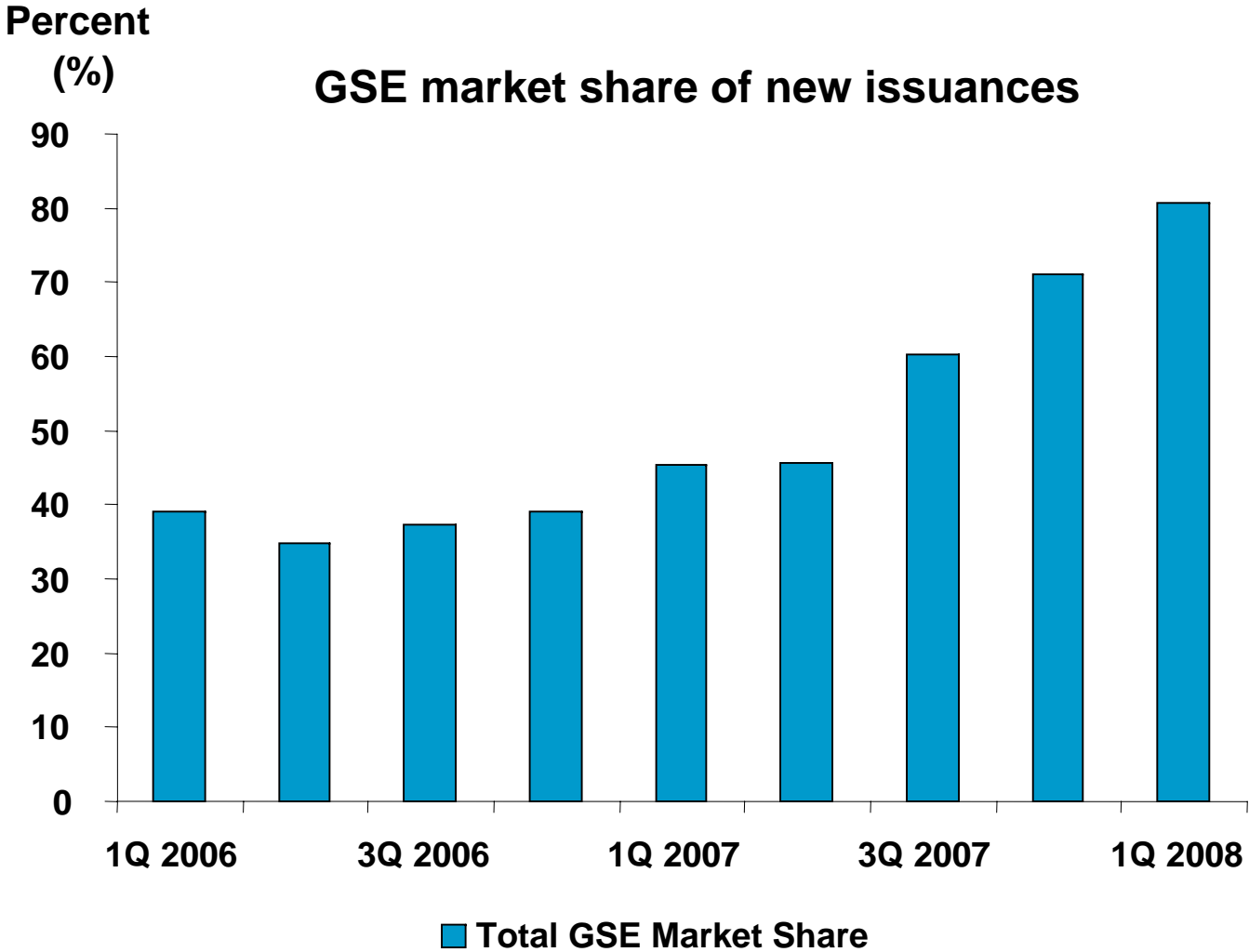
Source: Mortgage Bankers Association and Freddie Mac. Annual numbers taken at end of fourth quarter.

Credit profile of worst quintile improves



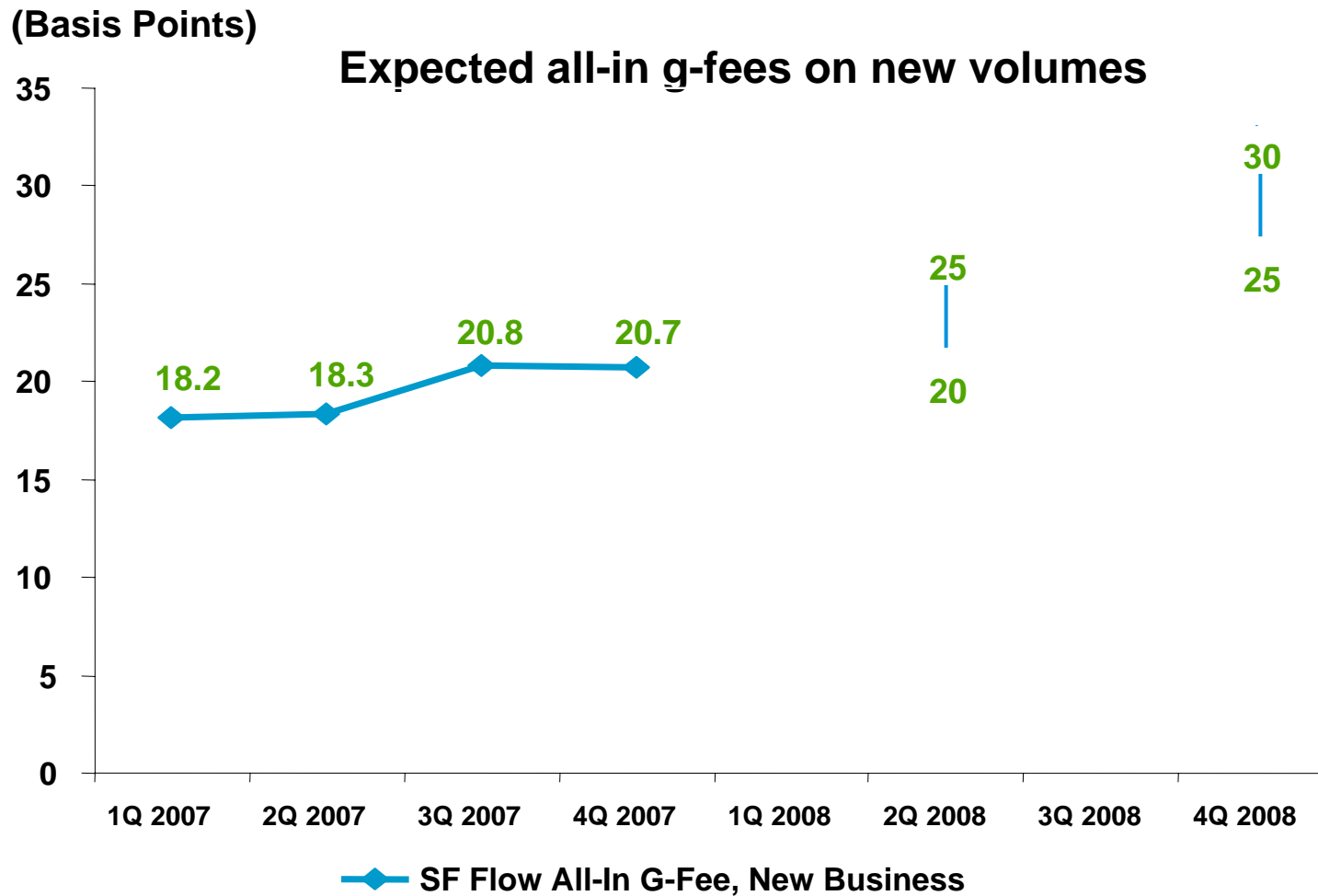
Worst Quintile Credit Characteristics		2007 Peak	March 2008	Total Improvement
1	FICO <620	21%	9%	(12%)
2	TLTV >90	46%	22%	(24%)
3	Reduced documentation loans	41%	12%	(29%)
4	% of loans with 2nd lien exposure at origination	38%	12%	(26%)
5	Expected Default Costs on worst quintile new guarantees (basis points)	97 bps	41 bps	(56) bps

Guarantee market share has rebounded



Source: Inside Mortgage Finance.

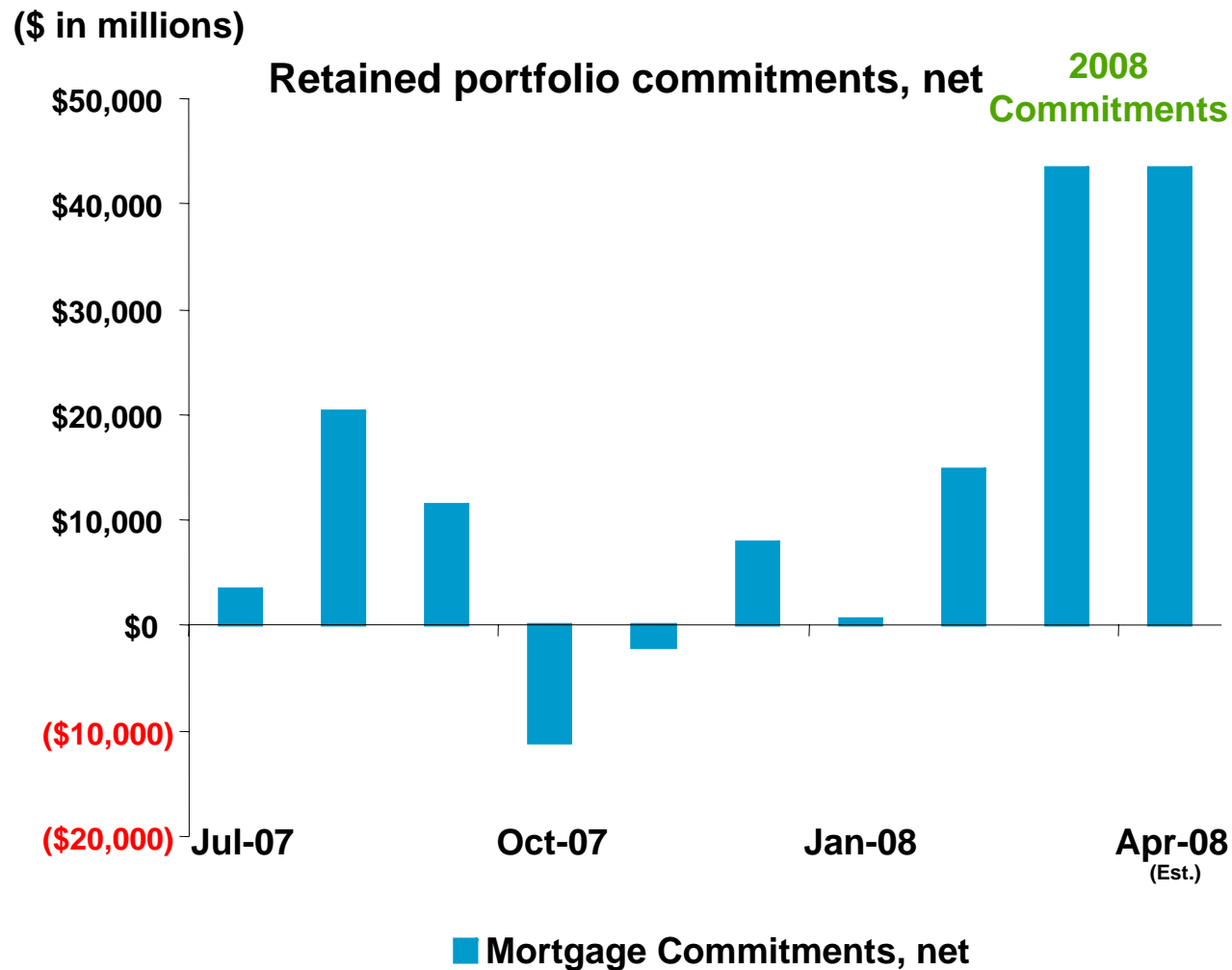
New guarantee business is at attractive pricing



Source: Freddie Mac.

Note: All-in g-fees reflect contractual amounts as well as deferred delivery fee amounts which we recognized as a component of income on Guarantee Obligation.

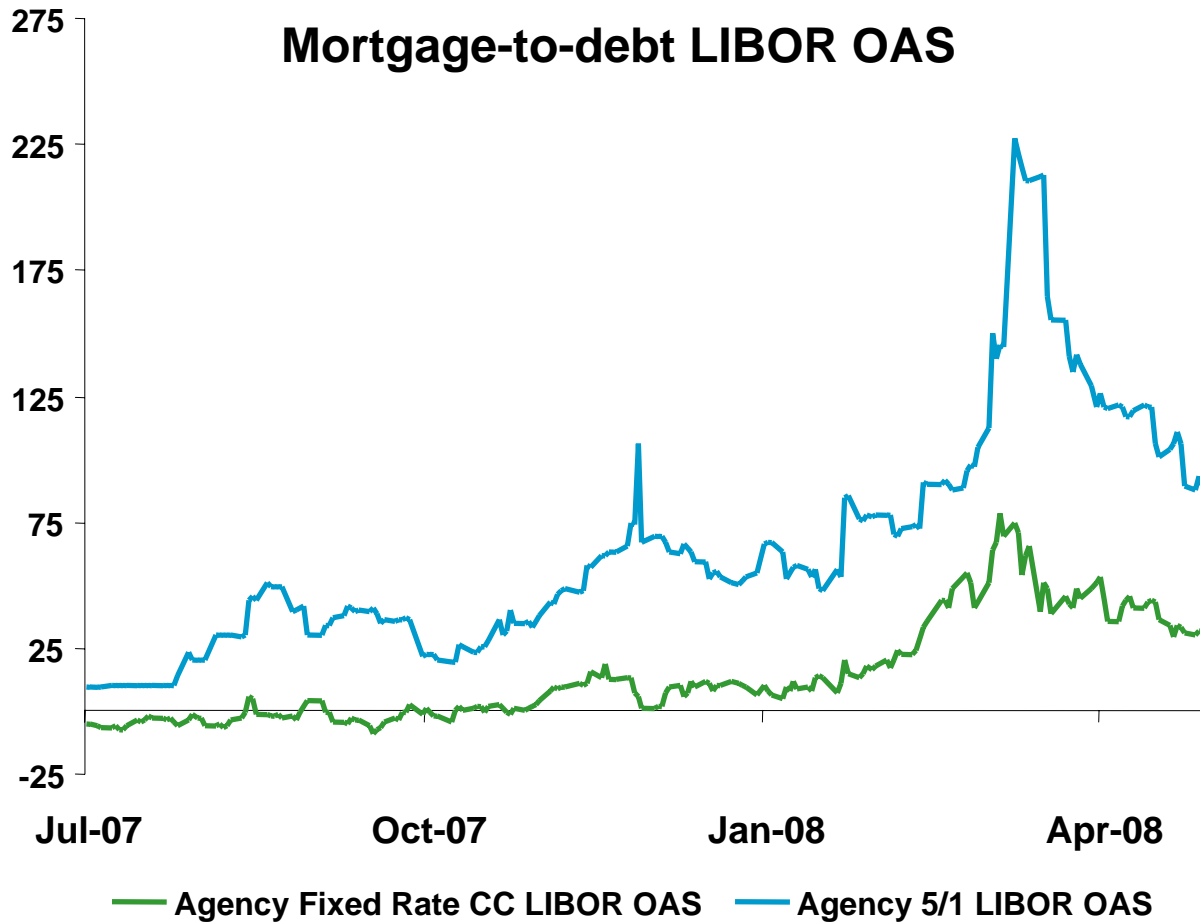
Growth in retained portfolio purchases



Expected NII growth of \$1.2 billion to \$1.6 billion

Attractive margins on new purchases

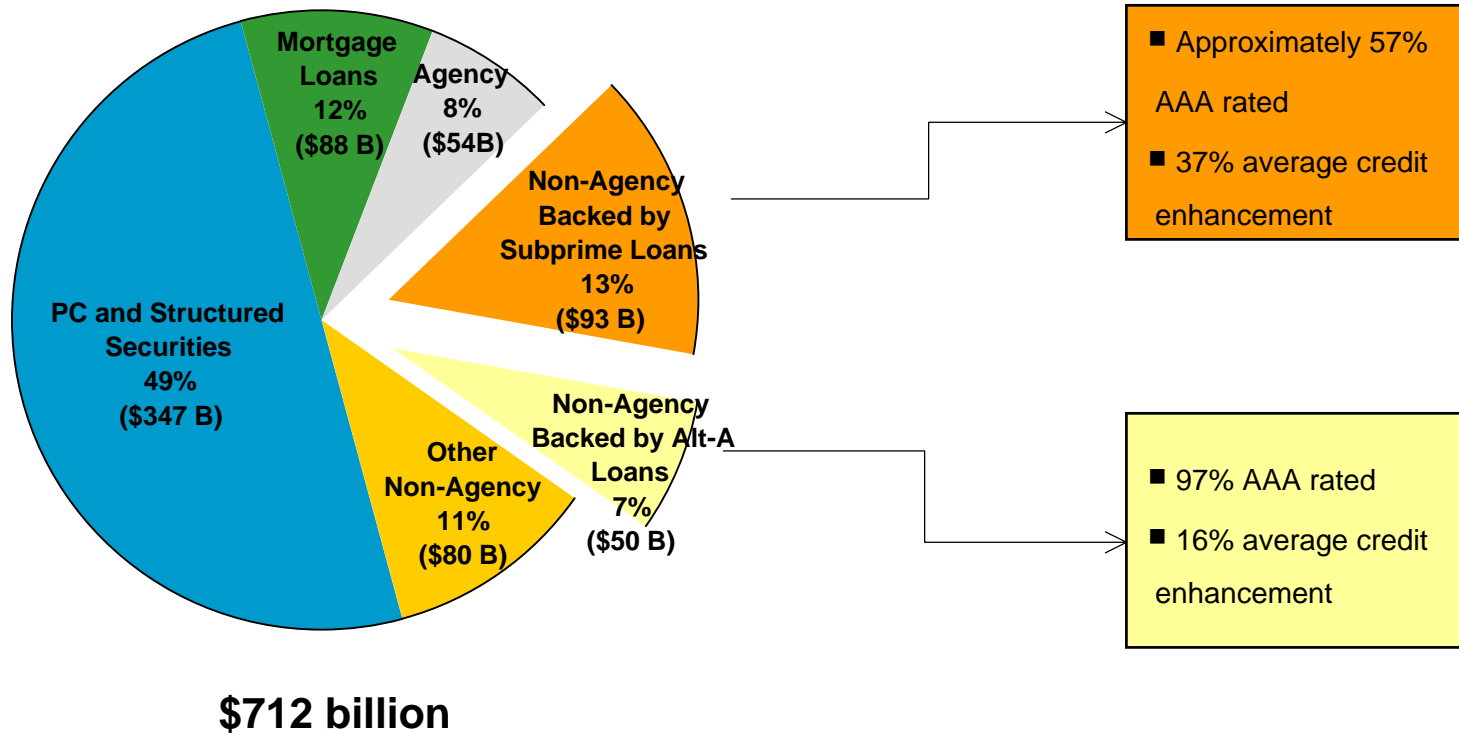
(Basis Points)



Expected NII growth of \$1.2 billion to \$1.6 billion

High quality retained portfolio

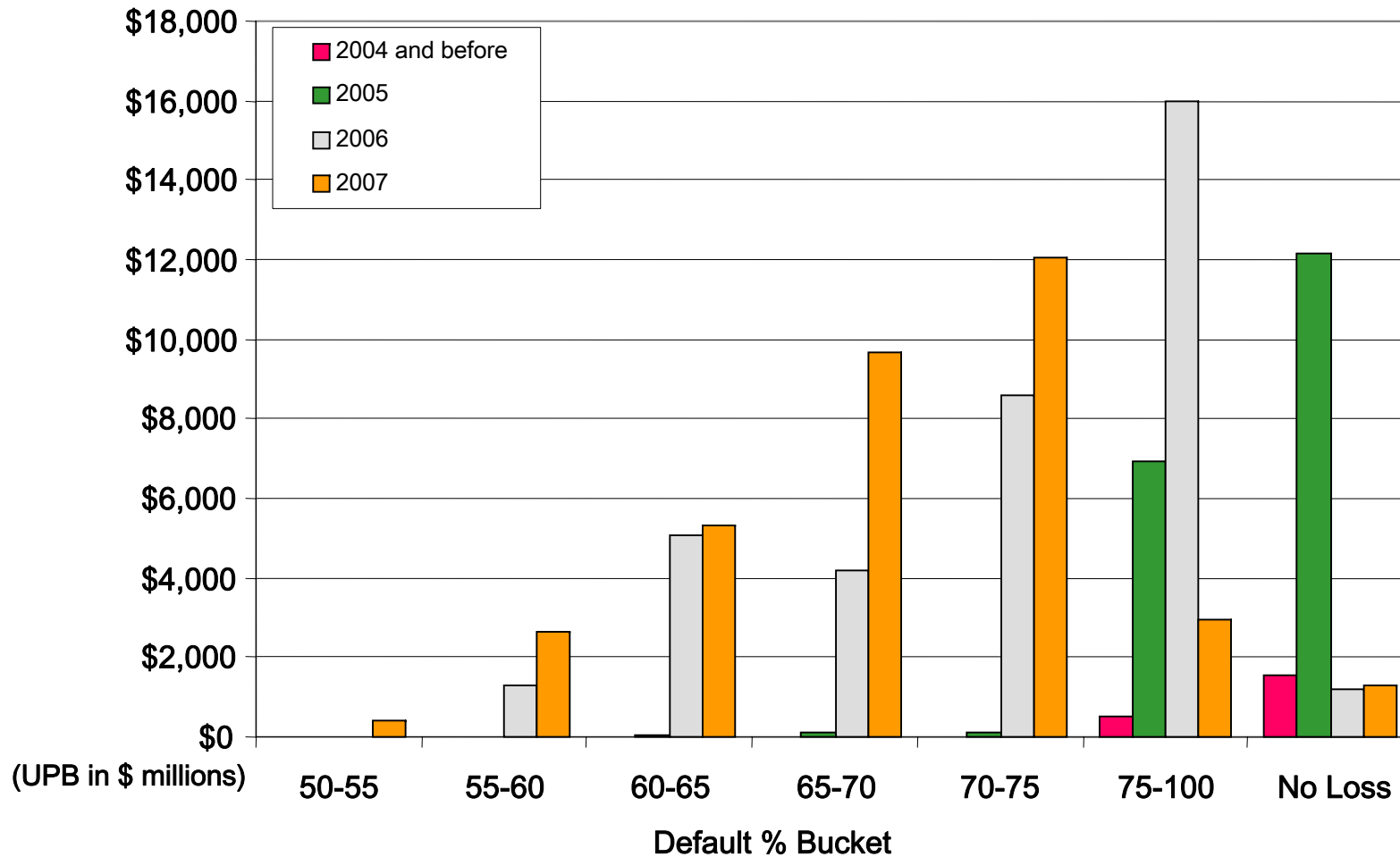
Retained portfolio composition



Note: Non-agency mortgage-related securities backed by subprime loans and Alt-A loans include significant credit enhancements, particularly through subordination. Approximately 57 percent of the securities backed by subprime loans and 97 percent of the securities backed by Alt-A loans held at March 31, 2008 were rated AAA at May 5, 2008.

Source: Freddie Mac's Information Statement Supplement dated May 14, 2008. Data based on unpaid principal balances as of March 31, 2008.

Subprime ABS portfolio breakeven default distribution (50% Severity)



Positioned for long-term success



- Significant revenue growth in 2008
- Sufficient capital to weather downturn & fund future growth
- Value of GSEs recognized
- Improved profitability in 2008

Safe Harbor Statements



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