UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended June 30, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from to

Commission File Number: 001-34139

FreddieMac

Federal Home Loan Mortgage Corporation

(Exact name of registrant as specified in its charter)

Federally chartered corporation	**52-0904874**	**8200 Jones Branch Drive McLean, Virginia**	**22102-3110**	**(703) 903-2000**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*	*(Address of principal executive offices)*	*(Zip Code)*	*(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 12, 2022, there were 650,059,553 shares of the registrant's common stock outstanding.

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MD&A TABLE INDEX

Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q includes forward-looking statements that are based on current expectations and that are subject to significant risks and uncertainties. These forward-looking statements are made as of the date of this Form 10-Q. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-Q. Actual results might differ significantly from those described in or implied by such statements due to various factors and uncertainties, including those described in the **MD&A - Forward-Looking Statements** *section of this Form 10-Q and the* **Introduction** *and* **Risk Factors** *sections of our Annual Report on Form 10-K for the year ended December 31, 2021, or 2021 Annual Report.*

Throughout this Form 10-Q, we use certain acronyms and terms that are defined in the **Glossary** *of our 2021 Annual Report.*

You should read the following **MD&A** *in conjunction with our 2021 Annual Report and our condensed consolidated financial statements and accompanying notes for the three and six months ended June 30, 2022 included in* **Financial Statements***.*

INTRODUCTION

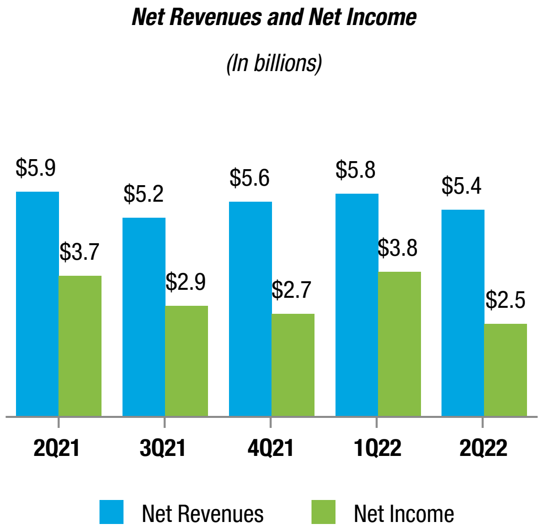
Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We do this primarily by purchasing single-family and multifamily residential mortgage loans originated by lenders. In most instances, we package these loans into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfer interest-rate and liquidity risks to third-party investors. In addition, we transfer mortgage credit risk exposure to third-party investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgage loans and mortgage-related securities. We do not originate mortgage loans or lend money directly to mortgage borrowers.

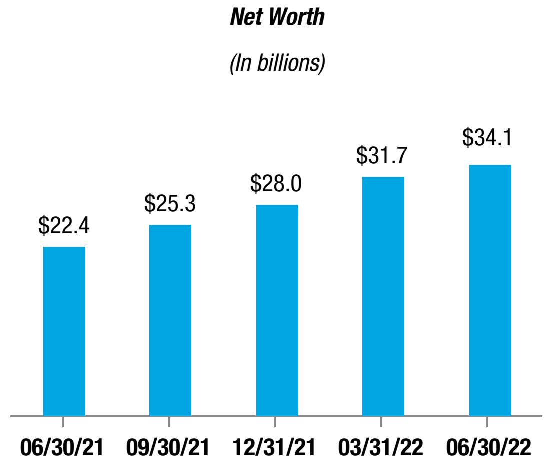
We support the U.S. housing market and the overall economy by enabling America's families to access mortgage loan funding with better terms and by providing consistent liquidity to the single-family and multifamily mortgage markets. We have helped many distressed borrowers keep their homes or avoid foreclosure and have helped many distressed renters avoid eviction.

Since September 2008, we have been operating in conservatorship, with FHFA as our Conservator. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. Our future is uncertain, and the conservatorship has no specified termination date. We do not know what changes may occur to our business model during or following conservatorship, including whether we will continue to exist. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury, under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. Our Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For additional information on the conservatorship and related matters and the Purchase Agreement, see our 2021 Annual Report.

Business Results

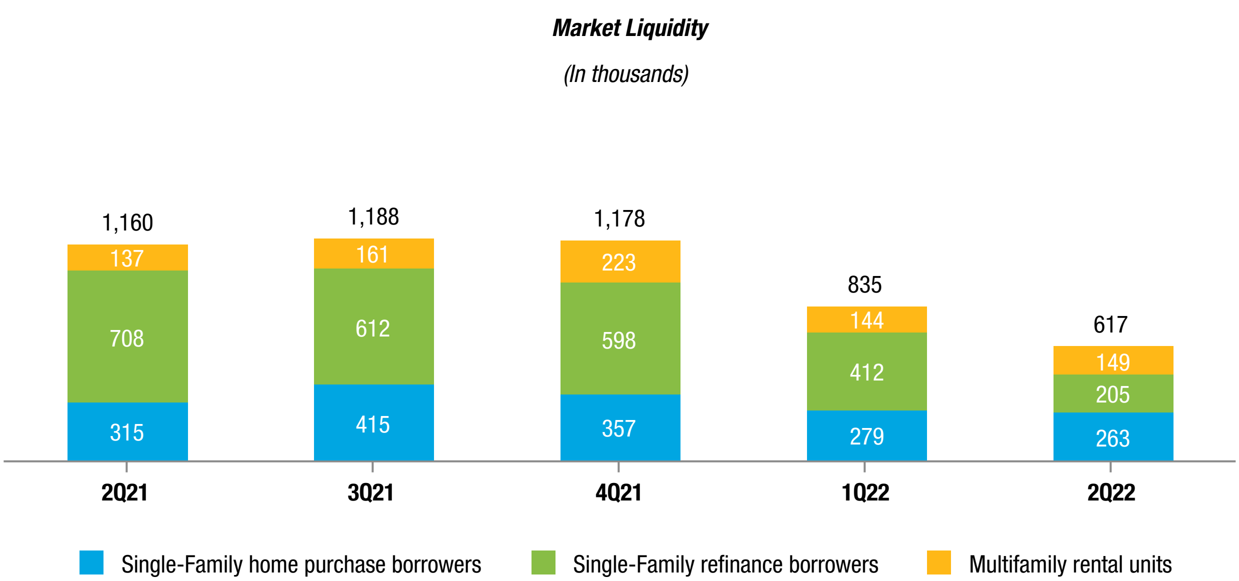
Consolidated Financial Results





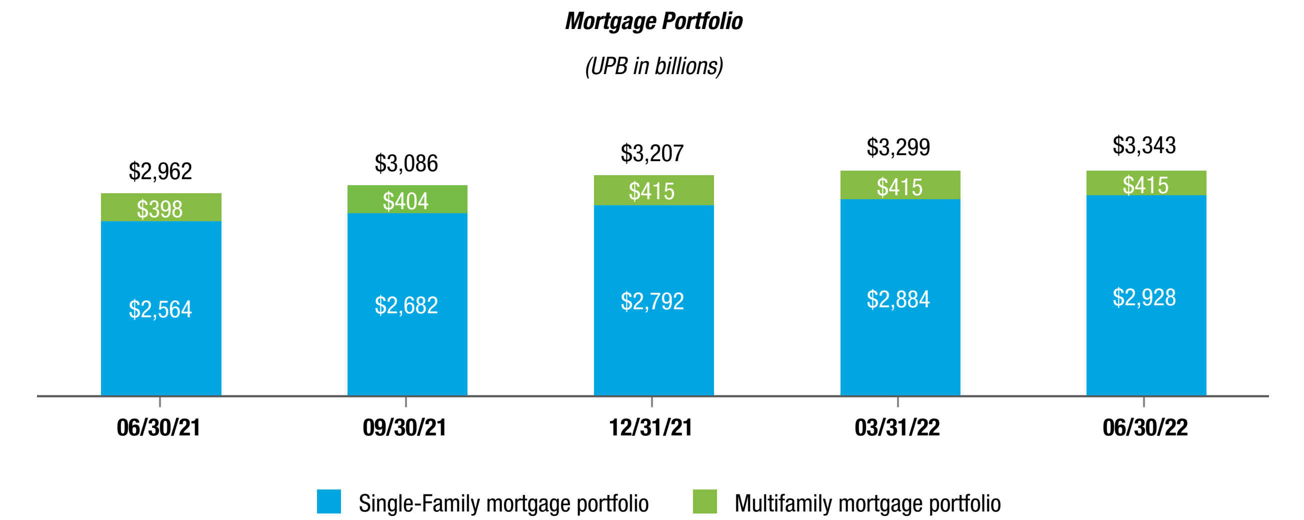
- Net income was $2.5 billion for 2Q 2022, a decrease of 33% year-over-year. The decrease in net income was primarily driven by a $0.3 billion provision for credit losses in 2Q 2022, compared to a $0.7 billion benefit for credit losses in 2Q 2021.
- Net revenues decreased 8% year-over-year to $5.4 billion, primarily driven by a decline in non-interest income in Multifamily.
- Net worth was $34.1 billion as of June 30, 2022, up from $31.7 billion as of March 31, 2022 and $22.4 billion as of June 30, 2021. The quarterly increases in net worth have been, or will be, added to the aggregate liquidation preference of the senior preferred stock. The liquidation preference of the senior preferred stock was $104.4 billion on June 30, 2022, and will increase to $106.7 billion on September 30, 2022 based on the increase in net worth in 2Q 2022.

Market Liquidity



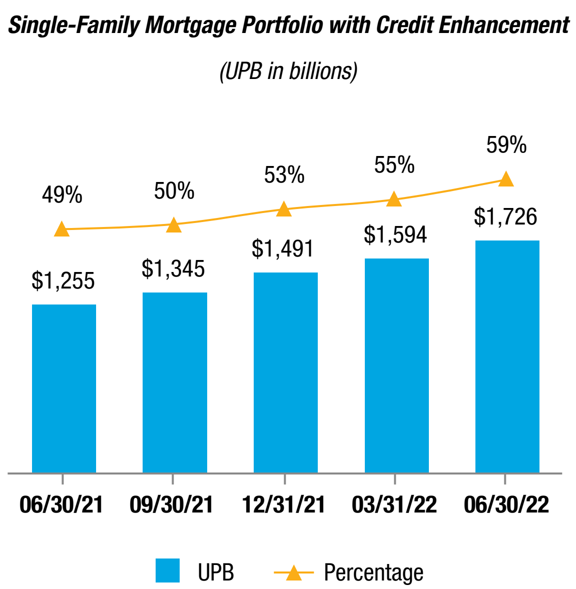
We support the U.S. housing market by executing our mission to provide liquidity and help maintain credit availability for new and refinanced single-family mortgages as well as for rental housing. We provided $153 billion in liquidity to the mortgage market in 2Q 2022, which enabled the financing of 617,000 home purchases, refinancings, and rental units.

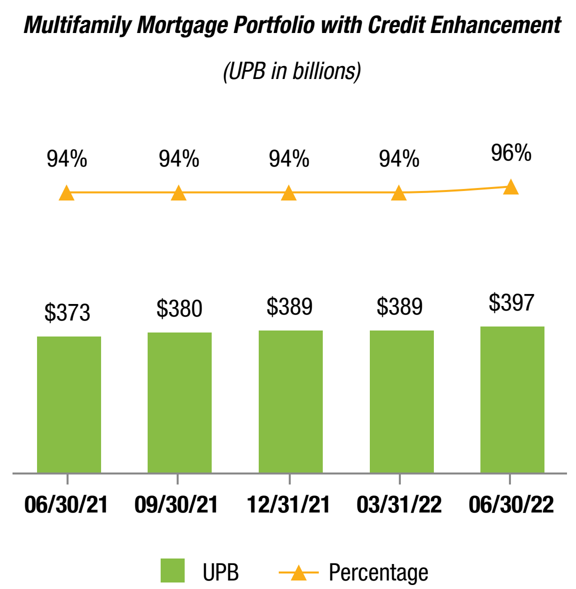
Mortgage Portfolio Balances



- Our mortgage portfolio increased 13% year-over-year to $3.3 trillion, driven by a 14% increase in our Single-Family mortgage portfolio and a 4% increase in our Multifamily mortgage portfolio.
  - The growth in our Single-Family mortgage portfolio was primarily driven by an increase in average portfolio loan size and a higher share of the overall market. The increase in the average portfolio loan size was driven by house price appreciation contributing to new business acquisitions having a larger loan size compared to older vintages that continued to run off.
  - The growth in our Multifamily mortgage portfolio was primarily driven by ongoing loan purchase and securitization activity.

Credit Risk Transfer



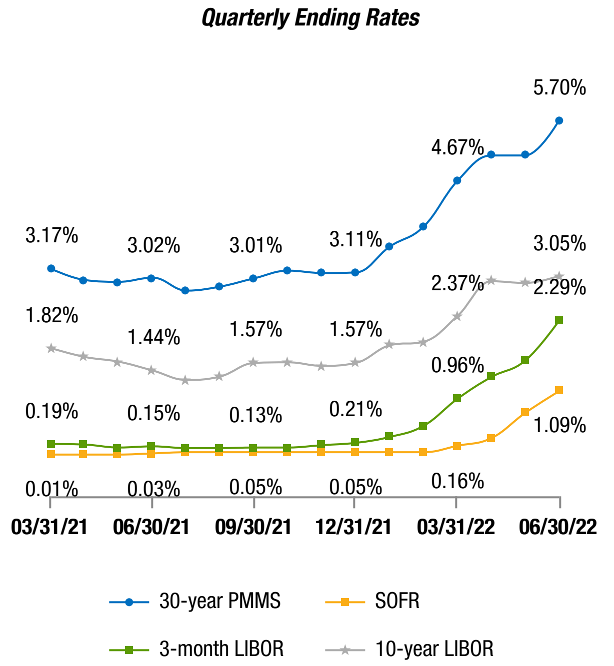


In addition to transferring interest-rate and liquidity risk to third-party investors through our securitization activities, we engage in various credit enhancement arrangements to reduce our credit risk exposure. We transfer a portion of the credit risk, primarily on recently acquired loans, through our CRT programs. We also reduce our credit risk exposure through other credit enhancement arrangements, mainly primary mortgage insurance. See **MD&A - Risk Management – *Credit Risk*** for additional information on our credit enhancements and CRT programs.

MARKET CONDITIONS AND ECONOMIC INDICATORS

The following graphs and related discussions present certain market and macroeconomic indicators that can significantly affect our business and financial results.

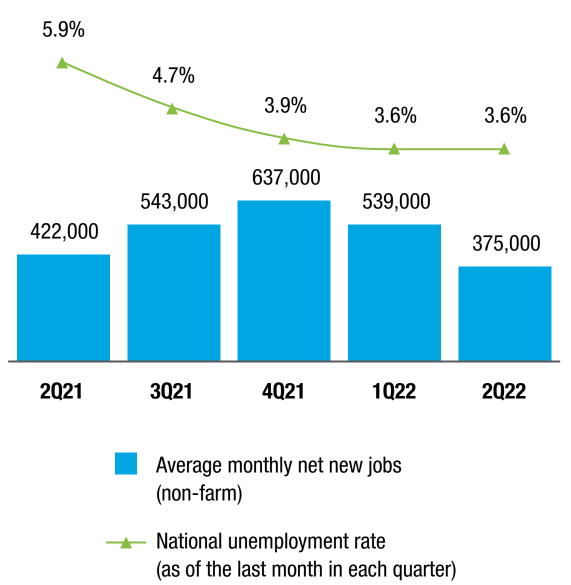
Interest Rates[(1)]



(1) 30-year PMMS interest rates are as of the last week in each quarter. SOFR interest rates are 30-day average rates.

- The 30-year Primary Mortgage Market Survey (PMMS) interest rate is indicative of what a consumer could expect to be offered on a first-lien prime conventional conforming home purchase mortgage with an LTV of 80%. Increases (decreases) in the PMMS rate typically result in decreases (increases) in refinancing activity and total originations.
- Changes in benchmark interest rates can significantly affect our financial position and results of operations, including our net interest income and the fair value of our financial instruments. We have elected hedge accounting for certain assets and liabilities in an effort to reduce GAAP earnings variability attributable to changes in benchmark interest rates.

Unemployment Rate and Monthly Net New Jobs

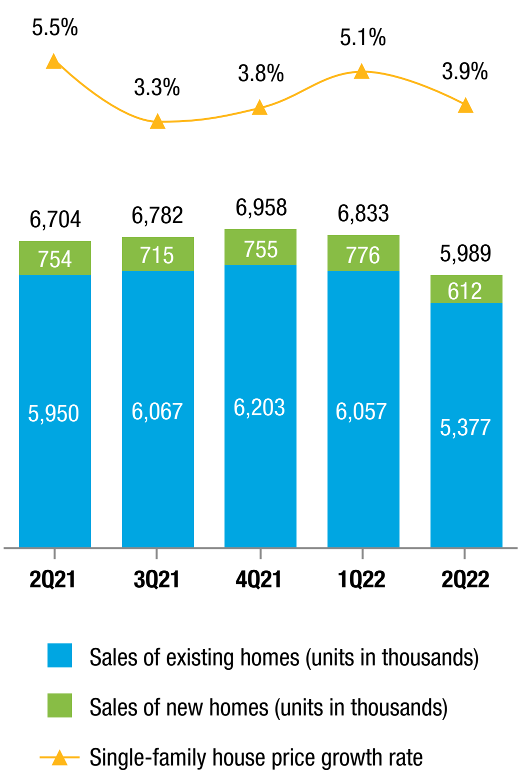


Source: U.S. Bureau of Labor Statistics.

- Changes in the national unemployment rate can affect several market factors, including the demand for single-family and multifamily housing and loan delinquency rates.
- The unemployment rate fell to 3.6% as of June 2022, down from 5.9% as of June 2021. Employment growth remains strong, with the U.S. economy adding 2.7 million non-farm payroll jobs from December 2021 through June 2022.

Single-Family Housing and Mortgage Market Conditions

U.S. Single-Family Home Sales and House Prices

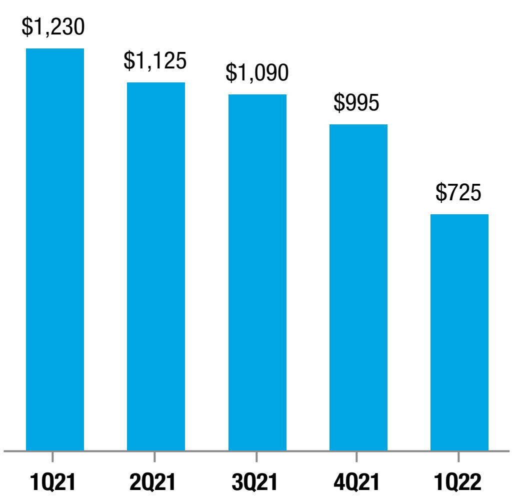


Sources: National Association of Realtors, U.S. Census Bureau, and Freddie Mac House Price Index.

- Home sales decreased in 2Q 2022 compared to 2Q 2021 driven by higher mortgage interest rates and continued house price appreciation.
- Single-family house prices increased 3.9% during 2Q 2022, compared to an increase of 5.5% during 2Q 2021. While house price growth remains above its historical average, the rate of growth has started to moderate, as higher mortgage interest rates impact homebuyer demand.

U.S. Single-Family Mortgage Originations

(UPB in billions)

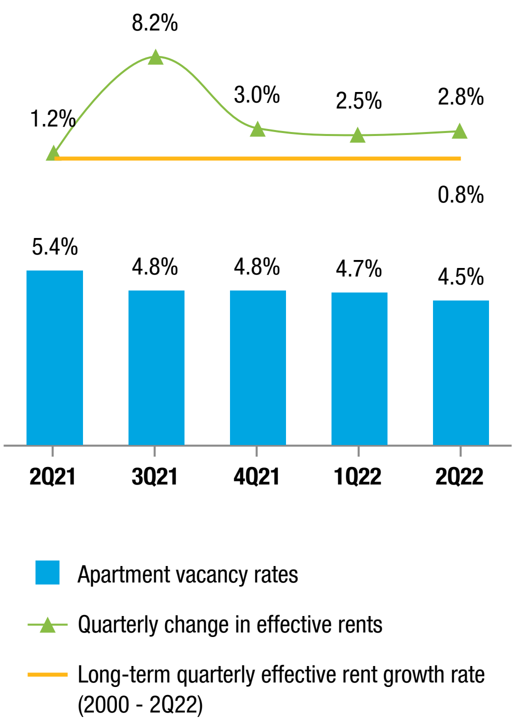


Source: Inside Mortgage Finance. 2Q 2022 U.S. single-family mortgage originations data is not yet available.

- U.S. single-family loan origination volumes decreased to $0.7 trillion in 1Q 2022 from $1.2 trillion in 1Q 2021 as a result of higher mortgage interest rates and increasing house prices.

Multifamily Housing and Mortgage Market Conditions

Apartment Vacancy Rates and Change in Effective Rents

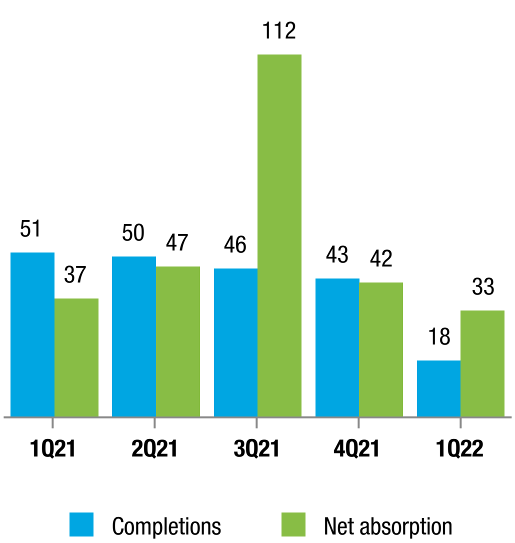


Source: Reis.

- Vacancy rates continued to decrease during 2Q 2022. The decrease in vacancy rates was driven by ongoing demand for rental housing as a result of a strong labor market, new household formations, and rising cost of single-family home ownership.
- Effective rent growth (i.e., the average rent paid by the renter over the term of the lease, adjusted for concessions by the property owner and costs borne by the renter) was positive at the national level and in most major geographic markets in 2Q 2022, increasing a record 17.5% over the past year. However, rent growth rates are expected to moderate during the remainder of 2022 due to an anticipated slowdown in economic growth.

Apartment Completions and Net Absorption

(Units in thousands)



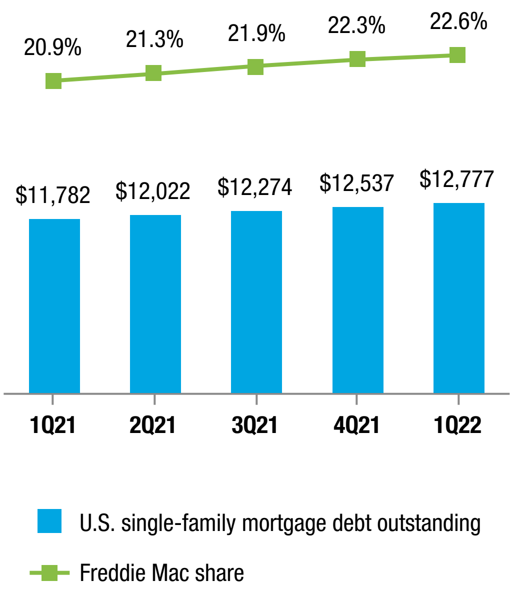
Source: Reis. 2Q 2022 apartment completions and net absorption data are not yet available.

- While final unit counts for 2Q 2022 are not yet available, we expect net absorptions to have increased and outpaced completions driven by pent-up demand, a strong labor market, new household formations, and rising cost of single-family home ownership.

Mortgage Debt Outstanding

Single-Family Mortgage Debt Outstanding

(UPB in billions)

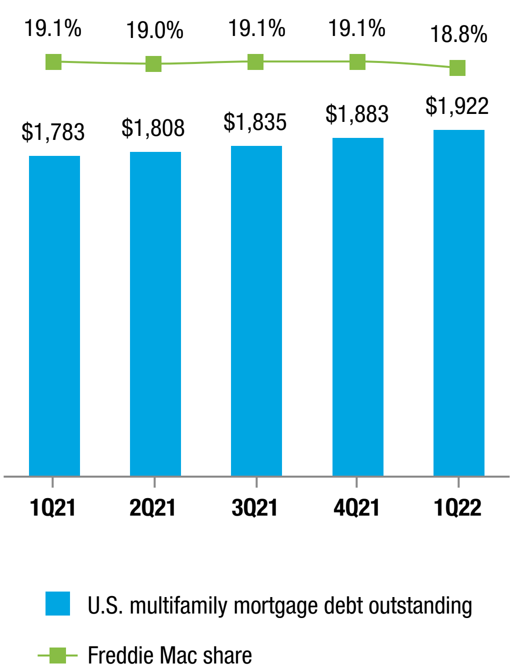


Source: Federal Reserve Financial Accounts of the United States of America. 2Q 2022 U.S. single-family mortgage debt outstanding data is not yet available.

- U.S. single-family mortgage debt outstanding increased year-over-year, primarily driven by house price appreciation and first-time homebuyers. An increase in U.S. single-family mortgage debt outstanding typically results in the growth of our Single-Family mortgage portfolio.

Multifamily Mortgage Debt Outstanding

(UPB in billions)

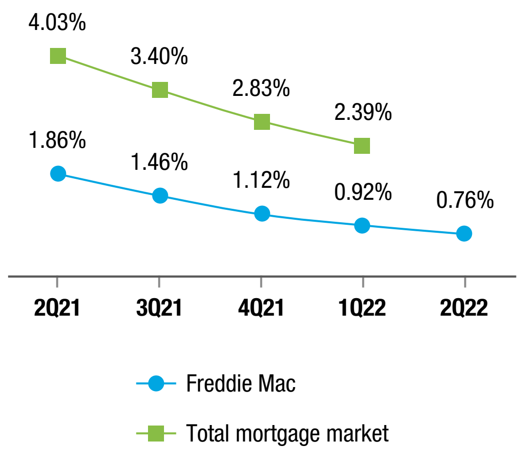


Source: Federal Reserve Financial Accounts of the United States of America. 2Q 2022 U.S. multifamily mortgage debt outstanding data is not yet available.

- Our share of multifamily mortgage debt outstanding decreased in 1Q 2022 as we accounted for a smaller share of total multifamily mortgage debt origination volume. This reduction in our share of mortgage debt origination volume was driven by significant competition during 1Q 2022.

Delinquency Rates

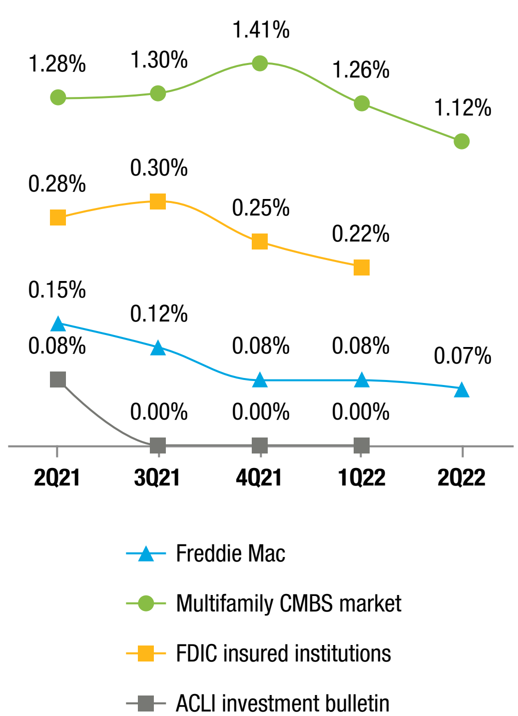
Single-Family Serious Delinquency Rates



Source: National Delinquency Survey from the Mortgage Bankers Association. 2Q 2022 total mortgage market rate is not yet available.

- Our Single-Family serious delinquency rate is based on the number of loans in our Single-Family mortgage portfolio that are three monthly payments or more past due or in the process of foreclosure.
- Our Single-Family serious delinquency rate declined quarter-over-quarter and year-over-year, due primarily to borrowers exiting forbearance and completing loan workout activities that return their mortgages to current status.

Multifamily Delinquency Rates



Source: Freddie Mac, FDIC Quarterly Banking Profile, Intex Solutions, Inc., and Wells Fargo Securities (Multifamily CMBS market, excluding REOs), American Council of Life Insurers (ACLI). The 2Q 2022 delinquency rates for FDIC insured institutions and ACLI investment bulletin are not yet available.

- Our Multifamily delinquency rate is based on the UPB of loans in our Multifamily mortgage portfolio that are two monthly payments or more past due or in the process of foreclosure.
- Our Multifamily delinquency rate remains low compared to many other market participants.

CONSOLIDATED RESULTS OF OPERATIONS

The discussion of our consolidated results of operations should be read in conjunction with our condensed consolidated financial statements and accompanying notes.

The table below compares our summarized consolidated results of operations. Certain amounts in the prior period have been reclassified to conform to the current presentation. See **Note 1** for additional information about the prior period reclassifications.

Table 1 - Summary of Consolidated Results of Operations

			Change				Change	
(Dollars in millions)	2Q 2022	2Q 2021	$	%	YTD 2022	YTD 2021	$	%
Net interest income	$4,759	$4,767	($8)	— %	$8,863	$8,406	$457	5 %
Guarantee income	205	356	(151)	(42)	275	604	(329)	(54)
Investment gains (losses), net	321	636	(315)	(50)	1,834	1,844	(10)	(1)
Other income (loss)	119	107	12	11	278	285	(7)	(2)
Net revenues	**5,404**	**5,866**	**(462)**	**(8)**	**11,250**	**11,139**	**111**	**1**
Benefit (provision) for credit losses	**(307)**	**740**	**(1,047)**	**(141)**	**530**	**936**	**(406)**	**(43)**
Salaries and employee benefits	(376)	(346)	(30)	(9)	(732)	(690)	(42)	(6)
Credit enhancement expense	(558)	(369)	(189)	(51)	(1,017)	(704)	(313)	(44)
Benefit for (decrease in) credit enhancement recoveries	(1)	(193)	192	99	(18)	(450)	432	96
Legislative assessments expense	(748)	(696)	(52)	(7)	(1,507)	(1,387)	(120)	(9)
Other expense	(337)	(365)	28	8	(678)	(726)	48	7
Non-interest expense	**(2,020)**	**(1,969)**	**(51)**	**(3)**	**(3,952)**	**(3,957)**	**5**	**—**
Income (loss) before income tax (expense) benefit	**3,077**	**4,637**	**(1,560)**	**(34)**	**7,828**	**8,118**	**(290)**	**(4)**
Income tax (expense) benefit	(624)	(958)	334	35	(1,577)	(1,672)	95	6
Net income (loss)	**2,453**	**3,679**	**(1,226)**	**(33)**	**6,251**	**6,446**	**(195)**	**(3)**
Other comprehensive income (loss), net of taxes and reclassification adjustments	(66)	(68)	2	3	(186)	(457)	271	59
Comprehensive income (loss)	**$2,387**	**$3,611**	**($1,224)**	**(34)%**	**$6,065**	**$5,989**	**$76**	**1 %**

Net Revenues

Net Interest Income

The table below presents the components of net interest income.

Table 2 - Components of Net Interest Income

			Change				Change	
(Dollars in millions)	2Q 2022	2Q 2021	$	%	YTD 2022	YTD 2021	$	%
Guarantee net interest income:								
Contractual net interest income[1]	$3,468	$2,669	$799	30 %	$6,802	$5,017	$1,785	36 %
Deferred fee income	944	1,723	(779)	(45)	1,986	2,774	(788)	(28)
Total guarantee net interest income	**4,412**	**4,392**	**20**	**—**	**8,788**	**7,791**	**997**	**13**
Investments net interest income	693	827	(134)	(16)	1,272	1,776	(504)	(28)
Income (expense) from hedge accounting	(346)	(452)	106	23	(1,197)	(1,161)	(36)	(3)
Net interest income	**$4,759**	**$4,767**	**($8)**	**— %**	**$8,863**	**$8,406**	**$457**	**5 %**

(1) Includes majority of amounts previously presented as net interest income related to the legislated guarantee fees. Prior period amounts have been reclassified to conform to the current period presentation.

Key Drivers:

- **Guarantee net interest income**
  - **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Increased primarily driven by continued mortgage portfolio growth and higher average portfolio guarantee fee rates, partially offset by lower deferred fee income, which was driven by slower prepayments as a result of higher mortgage interest rates.
- **Investments net interest income**
  - **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Decreased primarily due to a decline in the size of the mortgage-related investments portfolio.
- **Income (expense) from hedge accounting**
  - **2Q 2022 vs. 2Q 2021** - Expense decreased primarily due to lower amortization of hedge accounting-related basis adjustments driven by a lower unamortized balance, partially offset by accruals of periodic cash settlements on derivatives in hedging relationships.

Net Interest Yield Analysis

The table below presents a yield analysis of interest-earning assets and interest-bearing liabilities.

Table 3 - Analysis of Net Interest Yield

	2Q 2022			2Q 2021		
(Dollars in millions)	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate
Interest-earning assets:						
Cash and cash equivalents	$14,628	$16	0.42 %	$120,325	$1	— %
Securities purchased under agreements to resell	97,150	186	0.77	29,276	4	0.05
Investment securities	50,655	464	3.66	58,068	617	4.26
Mortgage loans(1)	2,953,930	19,324	2.62	2,568,878	14,590	2.27
Other assets	4,250	18	1.71	5,388	18	1.29
Total interest-earning assets	**3,120,613**	**20,008**	**2.56**	**2,781,935**	**15,230**	**2.19**
Interest-bearing liabilities:						
Debt of consolidated trusts	2,903,912	(14,595)	(2.01)	2,479,641	(10,032)	(1.62)
Debt of Freddie Mac	174,018	(654)	(1.50)	255,905	(431)	(0.67)
Total interest-bearing liabilities	**3,077,930**	**(15,249)**	**(1.98)**	**2,735,546**	**(10,463)**	**(1.53)**
Impact of net non-interest-bearing funding	42,683	—	0.03	46,389	—	0.03
Total funding of interest-earning assets	**3,120,613**	**(15,249)**	**(1.95)**	**2,781,935**	**(10,463)**	**(1.50)**
Net interest income/yield		**$4,759**	**0.61 %**		**$4,767**	**0.69 %**

(1) Loan fees included in net interest income were $0.4 billion and $0.8 billion during 2Q 2022 and 2Q 2021, respectively.

	YTD 2022			YTD 2021		
(Dollars in millions)	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate
Interest-earning assets:						
Cash and cash equivalents	$15,230	$19	0.24 %	$92,734	$4	0.01 %
Securities purchased under agreements to resell	92,913	209	0.45	54,778	21	0.07
Investment securities	50,514	848	3.36	57,374	1,227	4.28
Mortgage loans(1)	2,927,495	36,634	2.50	2,511,102	27,845	2.22
Other assets	4,892	38	1.53	5,495	35	1.28
Total interest-earning assets	**3,091,044**	**37,748**	**2.44**	**2,721,483**	**29,132**	**2.14**
Interest-bearing liabilities:						
Debt of consolidated trusts	2,870,198	(27,844)	(1.94)	2,410,850	(19,788)	(1.64)
Debt of Freddie Mac	178,299	(1,041)	(1.17)	265,390	(938)	(0.71)
Total interest-bearing liabilities	**3,048,497**	**(28,885)**	**(1.89)**	**2,676,240**	**(20,726)**	**(1.55)**
Impact of net non-interest-bearing funding	42,547	—	0.03	45,243	—	0.03
Total funding of interest-earning assets	**3,091,044**	**(28,885)**	**(1.86)**	**2,721,483**	**(20,726)**	**(1.52)**
Net interest income/yield		**$8,863**	**0.58 %**		**$8,406**	**0.62 %**

(1) Loan fees included in net interest income were $0.9 billion and $1.8 billion during YTD 2022 and YTD 2021, respectively.

Guarantee Income

The table below presents the components of guarantee income.

Table 4 - Components of Guarantee Income

(Dollars in millions)	2Q 2022	2Q 2021	Change $	Change %	YTD 2022	YTD 2021	Change $	Change %
Contractual guarantee fees	$322	$304	$18	6 %	$640	$589	$51	9 %
Guarantee obligation amortization	306	288	18	6	605	560	45	8
Guarantee asset fair value changes	(423)	(236)	(187)	(79)	(970)	(545)	(425)	(78)
Guarantee income	**$205**	**$356**	**($151)**	**(42)%**	**$275**	**$604**	**($329)**	**(54)%**

Key Drivers:

- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Decreased as continued growth in our Multifamily guarantee portfolio was offset by the impact of higher interest rates on the fair values of our guarantee assets.

Investment Gains (Losses), Net

The table below presents the components of investment gains (losses), net.

Table 5 - Investment Gains (Losses), Net

(Dollars in millions)	2Q 2022	2Q 2021	Change $	Change %	YTD 2022	YTD 2021	Change $	Change %
Single-Family	$232	$137	$95	69 %	$1,484	$437	$1,047	240 %
Multifamily	89	499	(410)	(82)	350	1,407	(1,057)	(75)
Investment gains (losses), net	**$321**	**$636**	**($315)**	**(50)%**	**$1,834**	**$1,844**	**($10)**	**(1)%**

Key Drivers:

- **2Q 2022 vs. 2Q 2021** - Decreased primarily driven by lower gains in Multifamily due to lower margins on new loan purchases and securitizations.
- **YTD 2022 vs. YTD 2021** - Decreased primarily driven by lower gains in Multifamily due to spread widening and lower margins on new loan purchases and securitizations. This was offset by higher gains in Single-Family due to mark-to-market gains on commitments to sell guaranteed mortgage-related securities used to economically hedge the securitization pipeline, as spreads on agency mortgage-related securities widened during YTD 2022.

Benefit (Provision) for Credit Losses

The table below presents the components of benefit (provision) for credit losses.

Table 6 - Benefit (Provision) for Credit Losses

(Dollars in millions)	2Q 2022	2Q 2021	Change $	Change %	YTD 2022	YTD 2021	Change $	Change %
Single-Family	($298)	$686	($984)	(143)%	$533	$832	($299)	(36)%
Multifamily	(9)	54	(63)	(117)	(3)	104	(107)	(103)
Benefit (provision) for credit losses	**($307)**	**$740**	**($1,047)**	**(141)%**	**$530**	**$936**	**($406)**	**(43)%**

Key Drivers:

- **2Q 2022 vs. 2Q 2021** - A provision for credit losses in 2Q 2022, primarily driven by portfolio growth and deterioration in forecasted economic conditions, compared to a benefit for credit losses in 2Q 2021, which was primarily driven by a reserve release due to observed house price appreciation and improving economic conditions.
- **YTD 2022 vs. YTD 2021** - Benefit for credit losses decreased primarily due to portfolio growth and deterioration in forecasted economic conditions.

Non-Interest Expense

Credit Enhancement Expense

Key Drivers:

- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Increased $0.2 billion and $0.3 billion, respectively, due to higher outstanding cumulative volumes of CRT transactions and higher spreads.

Legislative Assessments Expense

Legislative assessments expense relates to two fees: (1) the legislated guarantee fees on single-family loans that we are required to remit to Treasury and (2) the fee imposed on Freddie Mac's total new business purchases that is allocated to the affordable housing funds and remitted to Treasury and HUD. The legislated guarantee fees relate to the 10 basis point increase in guarantee fees implemented at the direction of FHFA pursuant to the Temporary Payroll Tax Cut Continuation Act of 2011 as extended by the Infrastructure Investment and Jobs Act. The affordable housing funds allocation relates to the GSE Act requirement to set aside in each fiscal year an amount equal to 4.2 basis points of each dollar of total new business purchases, and pay such amount to certain housing funds. We are prohibited from passing through the costs of the affordable housing funds allocation to the originators of the loans that we purchase.

The table below presents the components of legislative assessments expense.

Table 7 - Components of Legislative Assessments Expense

			Change				Change	
(Dollars in millions)	2Q 2022	2Q 2021	$	%	YTD 2022	YTD 2021	$	%
Legislated guarantee fees expense	($684)	($570)	($114)	(20)%	($1,350)	($1,104)	($246)	(22)%
Affordable housing funds allocation	(64)	(126)	62	49	(157)	(283)	126	45
Legislative assessments expense	**($748)**	**($696)**	**($52)**	**(7)%**	**($1,507)**	**($1,387)**	**($120)**	**(9)%**

Key Drivers:

- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Increased primarily due to higher legislated guarantee fees expense due to growth in our Single-Family mortgage portfolio, partially offset by lower affordable housing funds allocation primarily due to lower Single-Family new business activity.

CONSOLIDATED BALANCE SHEETS ANALYSIS

The table below compares our summarized condensed consolidated balance sheets.

Table 8 - Summarized Condensed Consolidated Balance Sheets

			Change	
(Dollars in millions)	June 30, 2022	December 31, 2021	$	%
Assets:				
Cash and cash equivalents	$5,257	$10,150	($4,893)	(48)%
Securities purchased under agreements to resell	86,496	71,203	15,293	21
Subtotal	**91,753**	**81,353**	**10,400**	**13**
Investment securities, at fair value	48,937	53,015	(4,078)	(8)
Mortgage loans, net	2,966,864	2,848,109	118,755	4
Accrued interest receivable, net	7,871	7,474	397	5
Deferred tax assets, net	5,552	6,214	(662)	(11)
Other assets	24,604	29,421	(4,817)	(16)
Total assets	**$3,145,581**	**$3,025,586**	**$119,995**	**4 %**
Liabilities and Equity:				
Liabilities:				
Accrued interest payable	$6,594	$6,268	$326	5 %
Debt	3,093,178	2,980,185	112,993	4
Other liabilities	11,711	11,100	611	6
Total liabilities	**3,111,483**	**2,997,553**	**113,930**	**4**
Total equity	**34,098**	**28,033**	**6,065**	**22**
Total liabilities and equity	**$3,145,581**	**$3,025,586**	**$119,995**	**4 %**

Key Drivers:

As of June 30, 2022 compared to December 31, 2021:

- **Cash and cash equivalents** and **securities purchased under agreements to resell** increased on a combined basis primarily due to sales of mortgage-related and Treasury securities and cash window funding volume that was lower than forecasted, partially offset by a decrease in trust cash driven by lower loan prepayments.
- **Mortgage loans, net** and **debt** increased primarily due to the increase in the size of the Single-Family mortgage portfolio.
- **Other assets** decreased primarily due to lower servicer receivables driven by a decrease in loan prepayments.

OUR PORTFOLIOS

Mortgage Portfolio

The table below presents the UPB of our mortgage portfolio by segment.

Table 9 - Mortgage Portfolio

	June 30, 2022			December 31, 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Securitized mortgage loans:						
Held by consolidated trusts	$2,846,616	$23,617	$2,870,233	$2,706,514	$18,757	$2,725,271
Held by nonconsolidated trusts	32,335	364,977	397,312	33,340	362,627	395,967
Total securitized mortgage loans	**2,878,951**	**388,594**	**3,267,545**	**2,739,854**	**381,384**	**3,121,238**
Unsecuritized mortgage loans:						
Securitization pipeline and other loans	13,658	16,270	29,928	21,189	22,771	43,960
Seasoned loans	25,359	—	25,359	20,594	—	20,594
Total unsecuritized mortgage loans	**39,017**	**16,270**	**55,287**	**41,783**	**22,771**	**64,554**
Other	**9,961**	**10,191**	**20,152**	**10,587**	**10,508**	**21,095**
Total mortgage portfolio	**$2,927,929**	**$415,055**	**$3,342,984**	**$2,792,224**	**$414,663**	**$3,206,887**

Guarantee Portfolio

The table below presents the UPB of our guarantee portfolio by segment.

Table 10 - Guarantee Portfolio

	June 30, 2022			December 31, 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Guaranteed mortgage-related securities:						
Issued by consolidated trusts	$2,865,017	$23,798	$2,888,815	$2,744,899	$18,883	$2,763,782
Issued by nonconsolidated trusts	26,508	321,811	348,319	27,538	318,756	346,294
Total guaranteed mortgage-related securities	**2,891,525**	**345,609**	**3,237,134**	**2,772,437**	**337,639**	**3,110,076**
Other	**9,961**	**10,191**	**20,152**	**10,587**	**10,508**	**21,095**
Total guarantee portfolio	**$2,901,486**	**$355,800**	**$3,257,286**	**$2,783,024**	**$348,147**	**$3,131,171**

Investments Portfolio

Our investments portfolio consists of our mortgage-related investments portfolio and our other investments portfolio.

Mortgage-Related Investments Portfolio

The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum amount of $250 billion, which will be reduced to $225 billion on December 31, 2022. The calculation of mortgage assets subject to the Purchase Agreement cap includes the UPB of mortgage assets and 10% of the notional value of interest-only securities. We are also subject to additional limitations on the size and composition of our mortgage-related investments portfolio pursuant to FHFA guidance. For additional information on the restrictions on our mortgage-related investments portfolio, see the **Conservatorship and Related Matters** section in our 2021 Annual Report.

The table below presents the details of our mortgage-related investments portfolio.

Table 11 - Mortgage-Related Investments Portfolio

	June 30, 2022			December 31, 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Unsecuritized mortgage loans	$39,017	$16,270	$55,287	$41,783	$22,771	$64,554
Mortgage-related securities	21,161	4,398	25,559	43,357	3,100	46,457
Mortgage-related investments portfolio	**$60,178**	**$20,668**	**$80,846**	**$85,140**	**$25,871**	**$111,011**
10% of notional amount of interest-only securities			$22,668			$12,517
Mortgage-related investments portfolio for purposes of Purchase Agreement cap			103,514			123,528

Other Investments Portfolio

The table below presents the details of our other investments portfolio.

Table 12 - Other Investments Portfolio

	June 30, 2022				December 31, 2021			
(In millions)	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio (1)	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio (1)
Cash and cash equivalents	$4,401	$756	$100	$5,257	$8,455	$1,596	$99	$10,150
Securities purchased under agreements to resell	76,963	18,400	1,110	96,473	43,729	34,000	807	78,536
Non-mortgage-related securities	28,350	—	3,010	31,360	28,078	—	4,695	32,773
Other assets	—	—	6,780	6,780	—	—	8,194	8,194
Other investments portfolio	**$109,714**	**$19,156**	**$11,000**	**$139,870**	**$80,262**	**$35,596**	**$13,795**	**$129,653**

(1) Represents carrying value.

OUR BUSINESS SEGMENTS

As shown in the table below, we have two reportable segments, which are based on the way we manage our business.

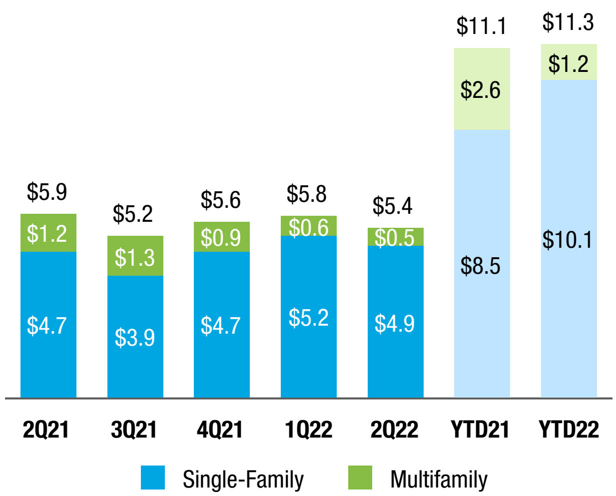
Segment	Description
Single-Family	Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment.
Multifamily	Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk.

Segment Net Revenues and Net Income (Loss)

The graphs below show our net revenues and net income (loss) by segment.

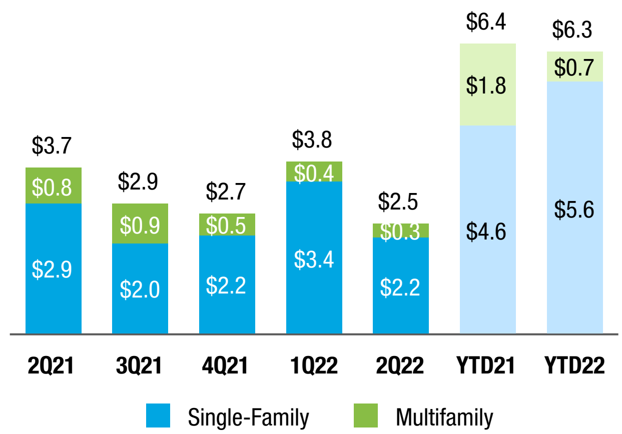
Segment Net Revenues

(In billions)



Segment Net Income (Loss)

(In billions)



Single-Family

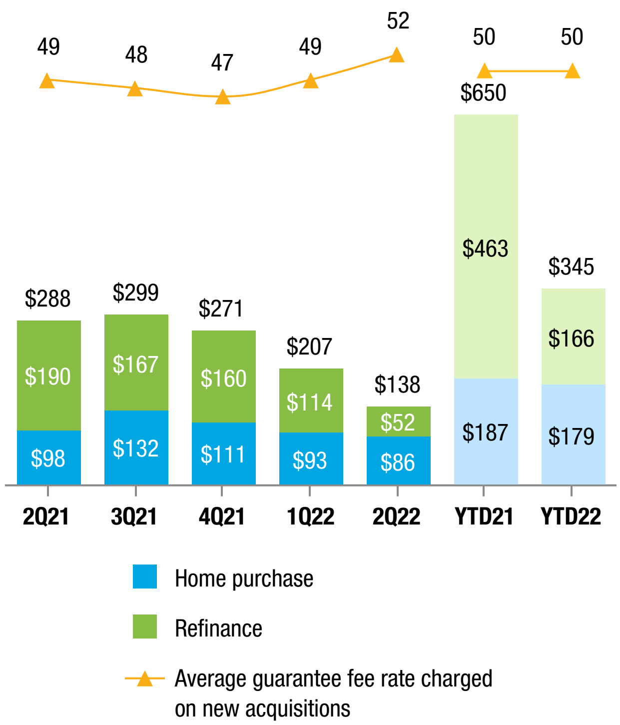
Business Results

The graphs, tables, and related discussion below present the business results of our Single-Family segment.

New Business Activity

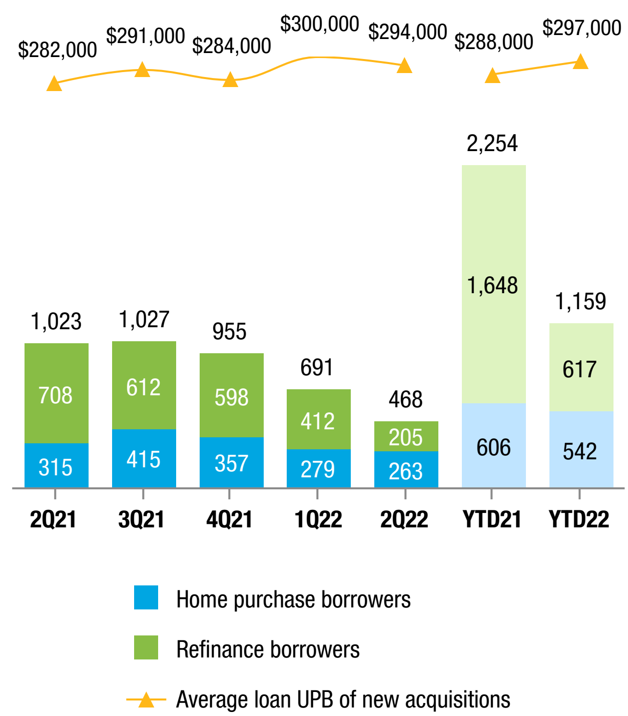
UPB of Single-Family Loan Purchases and Guarantees by Loan Purpose and Average Guarantee Fee Rate[1] Charged on New Acquisitions

(UPB in billions, guarantee fee rate in bps)



Number of Families Helped to Own a Home and Average Loan UPB of New Acquisitions

(Loan count in thousands)



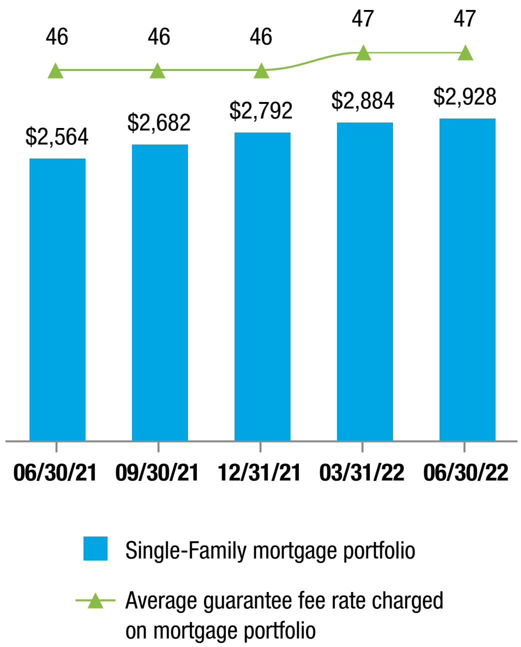
(1) Guarantee fee rate calculation excludes the legislated guarantee fees and includes deferred fees recognized over the estimated life of the related loans.

- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021**
  - Our loan purchase and guarantee activity decreased as refinance activity slowed significantly due to higher mortgage interest rates. We expect volume for the remainder of the year to be lower than 2021 due in part to higher mortgage interest rates.
  - The average loan size of new acquisitions increased due to a higher conforming loan limit and house price appreciation.
  - The average guarantee fee rate charged on new acquisitions increased in 2Q 2022 compared to 2Q 2021 primarily due to higher credit fees for certain high balance loans and second home loans we began to charge in April 2022.
  - We manage our new acquisitions in accordance with our risk limits and guidance from FHFA, including certain thresholds established by FHFA based on the ERCF framework. This may affect the volume and characteristics of our loan acquisitions.

Single-Family Mortgage Portfolio

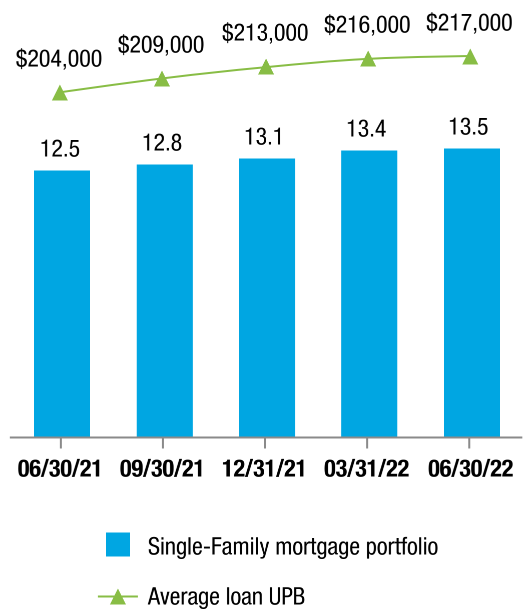
Single-Family Mortgage Portfolio and Average Guarantee Fee Rate[1] Charged on Mortgage Portfolio

(UPB in billions, guarantee fee rate in bps)



Single-Family Mortgage Loans

(Loan count in millions)



(1) Guarantee fee rate calculation excludes the legislated guarantee fees. Guarantee fee rate calculation also excludes certain loans, the majority of which are held by VIEs that we do not consolidate. The UPB of these excluded loans was $45 billion as of June 30, 2022.

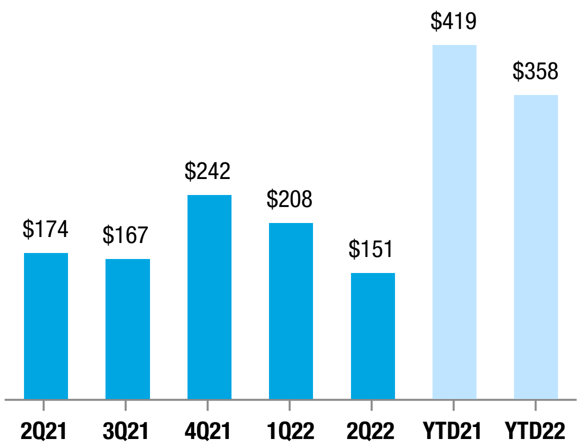
- Our Single-Family mortgage portfolio grew $364 billion, or 14%, year-over-year, primarily driven by an increase in average portfolio loan size and a higher share of the overall market. The increase in the average portfolio loan size was driven by house price appreciation contributing to new business acquisitions having a larger loan size compared to older vintages that continued to run off.
- The average guarantee fee rate charged on our Single-Family mortgage portfolio increased year-over-year as older vintages with lower charged guarantee fee rates were replaced by acquisitions of new loans with higher charged guarantee fee rates.

CRT Activities

We transfer credit risk on a portion of our Single-Family mortgage portfolio to the private market, reducing the risk of future losses to us when borrowers default. The graphs below show the issuance amounts associated with CRT transactions for loans in our Single-Family mortgage portfolio.

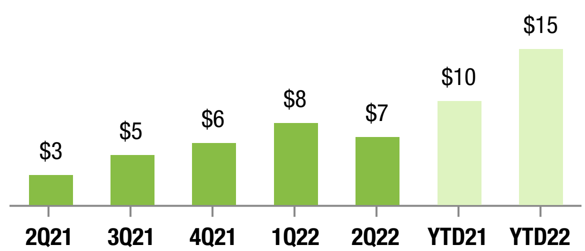
UPB Covered by New CRT Issuance

(In billions)



New CRT Issuance Maximum Coverage

(In billions)



- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021**
  - The percentage of our Single-Family acquisitions targeted for CRT transactions (primarily 30-year fixed rate loans with LTV ratios between 60% and 97%) increased to 73% and 70% during 2Q 2022 and YTD 2022, respectively, from 61% during the 2021 periods, primarily driven by higher LTV ratios of recently acquired loans and an increase in the percentage of 30-year loan acquisitions.
  - The UPB of mortgage loans covered by CRT transactions issued during the 2022 periods decreased compared to the 2021 periods due to a decrease in loan acquisition activity in recent quarters. The related maximum coverage increased as we obtained a higher amount of credit coverage on the recently acquired loans in response to higher capital requirements under the ERCF.

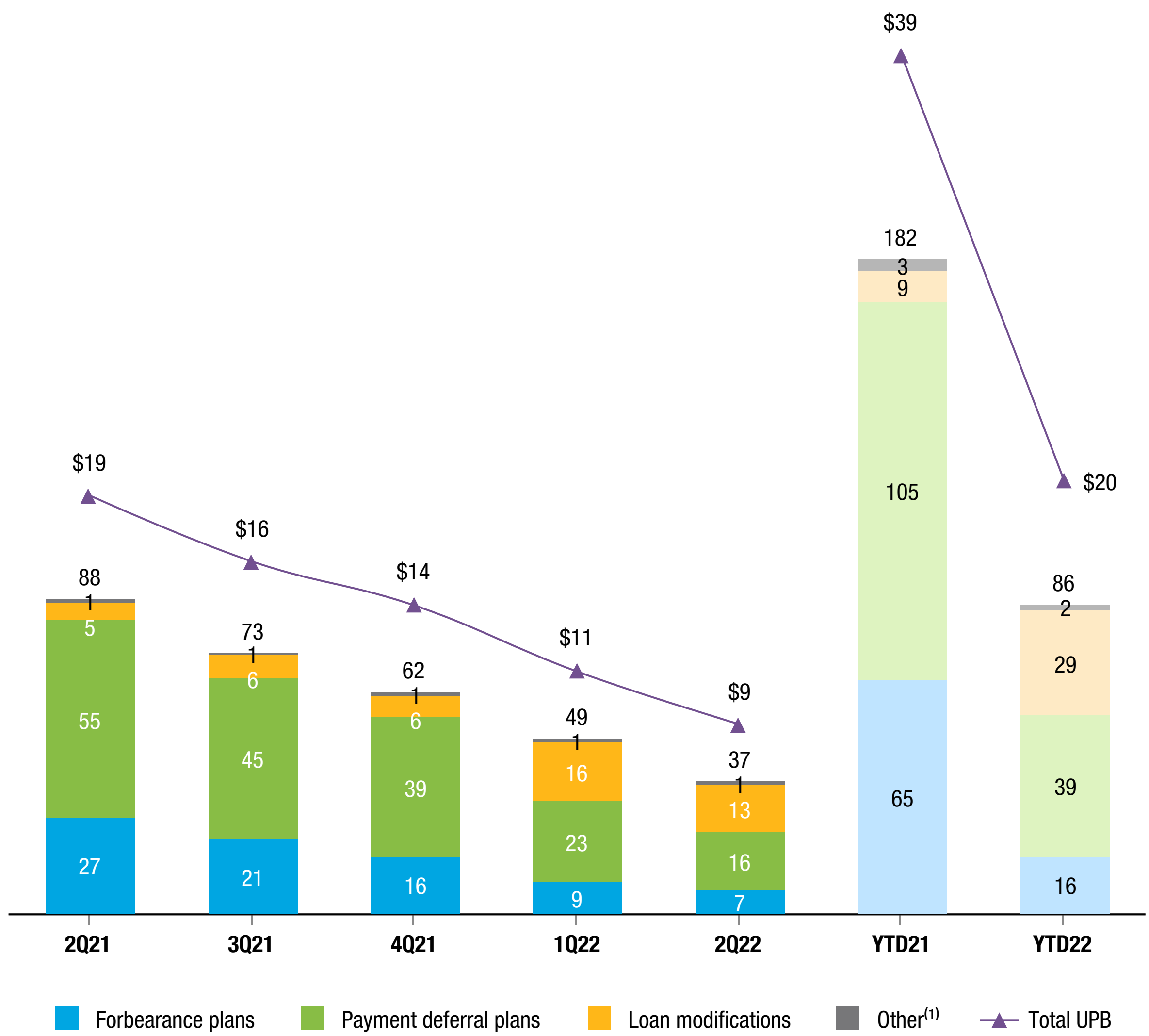
See **MD&A - Risk Management - *Single-Family Mortgage Credit Risk - Transferring Credit Risk to Third-Party Investors*** for additional information on our CRT activities and other credit enhancements. See **MD&A - Liquidity and Capital Resources - *Capital Resources*** for additional information on the ERCF.

Loss Mitigation Activities

The following graph provides details about the single-family loan workout activities that were completed during the period. The forbearance data included below is limited to loans in forbearance that are past due based on the loans' original contractual terms and excludes both loans for which we do not control servicing and loans included in certain legacy transactions, as the forbearance data for such loans is either not reported to us by the servicers or is otherwise not readily available to us.

Completed Loan Workout Activity

(UPB in billions, number of loan workouts in thousands)



(1) Other includes repayment plans and foreclosure alternatives.

- Completed loan workout activity includes forbearance plans where borrowers fully reinstated the loan to current status during or at the end of the forbearance period, payment deferral plans, loan modifications, successfully completed repayment plans, short sales, and deeds in lieu of foreclosure. Completed loan workout activity excludes active loss mitigation activity that was ongoing and had not been completed as of the end of the quarter, such as forbearance plans that had been initiated but not completed and trial period modifications. There were approximately 36,000 loans in active forbearance plans and 15,000 loans in other active loss mitigation activity as of June 30, 2022.
- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021** - Our loan workout activity decreased as the overall forbearance population continued to decline.

Financial Results

The table below presents the components of net income and comprehensive income for our Single-Family segment.

Table 13 - Single-Family Segment Financial Results

			Change				Change	
(Dollars in millions)	2Q 2022	2Q 2021	$	%	YTD 2022	YTD 2021	$	%
Net interest income	$4,535	$4,460	$75	2 %	$8,341	$7,768	$573	7 %
Non-interest income	336	255	81	32	1,744	796	948	119
Net revenues	**4,871**	**4,715**	**156**	**3**	**10,085**	**8,564**	**1,521**	**18**
Benefit (provision) for credit losses	(298)	686	(984)	(143)	533	832	(299)	(36)
Non-interest expense	(1,854)	(1,803)	(51)	(3)	(3,632)	(3,612)	(20)	(1)
Income (loss) before income tax (expense) benefit	**2,719**	**3,598**	**(879)**	**(24)**	**6,986**	**5,784**	**1,202**	**21**
Income tax (expense) benefit	(551)	(743)	192	26	(1,407)	(1,191)	(216)	(18)
Net income (loss)	**2,168**	**2,855**	**(687)**	**(24)**	**5,579**	**4,593**	**986**	**21**
Other comprehensive income (loss), net of taxes and reclassification adjustments	5	(74)	79	107	(7)	(402)	395	98
Comprehensive income (loss)	**$2,173**	**$2,781**	**($608)**	**(22)%**	**$5,572**	**$4,191**	**$1,381**	**33 %**

Key Business Drivers:

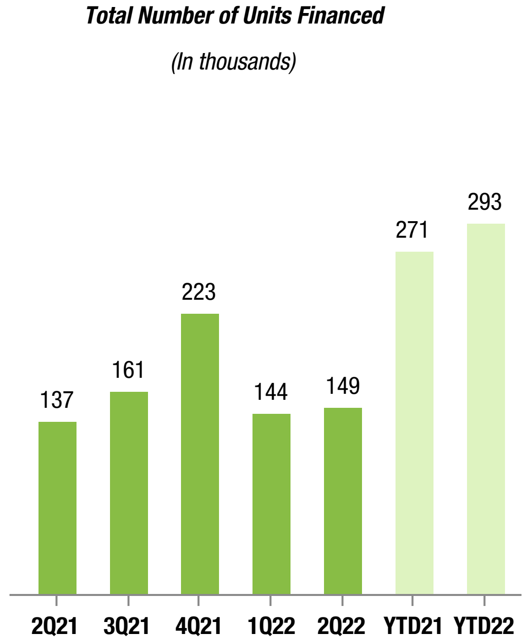
- **2Q 2022 vs. 2Q 2021 and YTD 2022 vs. YTD 2021**
  - A provision for credit losses in 2Q 2022, primarily driven by portfolio growth and deterioration in forecasted economic conditions, compared to a benefit for credit losses in 2Q 2021, which was primarily driven by a reserve release due to observed house price appreciation and improving economic conditions. The lower benefit for credit losses for YTD 2022 compared to YTD 2021 was driven by the same factors.
  - Higher net interest income primarily due to continued mortgage portfolio growth and higher average portfolio guarantee fee rates, partially offset by lower deferred fee income, which was driven by slower prepayments as a result of higher mortgage interest rates.

Multifamily

Business Results

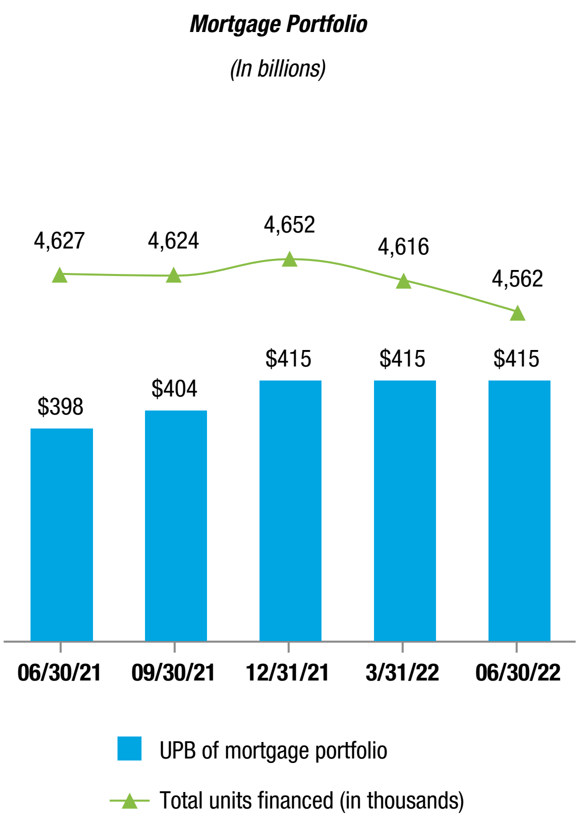
The graphs, tables, and related discussion below present the business results of our Multifamily segment.

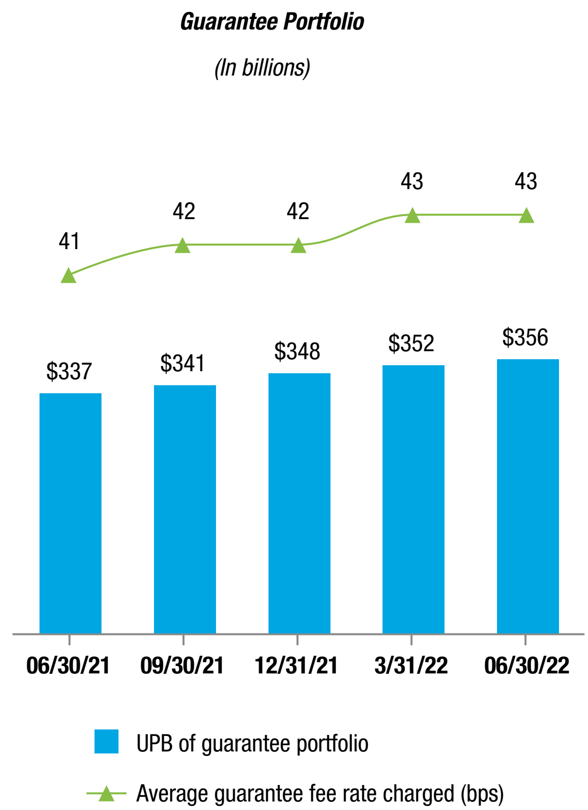
New Business Activity



- As of June 30, 2022, the total multifamily new business activity subject to the FHFA 2022 loan purchase cap of $78 billion was $29.6 billion. Approximately 75% of this activity, based on UPB, was mission-driven, affordable housing, with approximately 42% being affordable to renters at or below 60% of AMI, both currently exceeding FHFA's minimum requirements (50% and 25%, respectively).
- While our new business activity was higher year-over-year, ongoing competition from other market participants and rising interest rates are expected to negatively impact our new business activities for the remainder of 2022.
- Outstanding commitments, including index lock agreements and commitments to purchase or guarantee multifamily assets, were $19.4 billion and $18.7 billion as of June 30, 2022 and June 30, 2021, respectively.

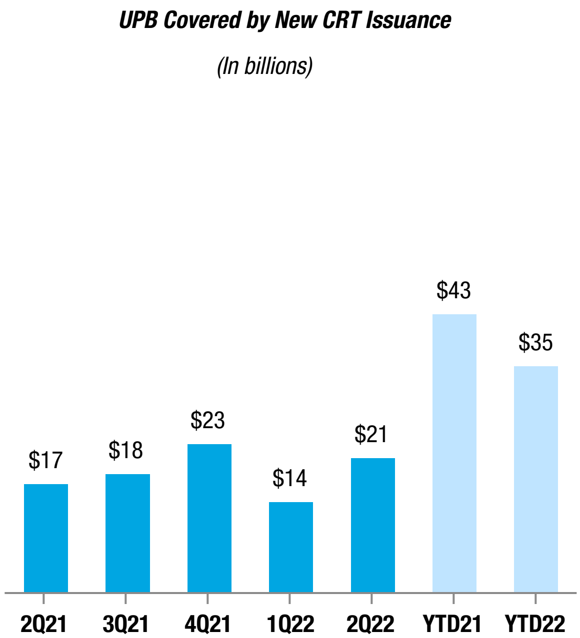
Multifamily Mortgage Portfolio and Guarantee Portfolio

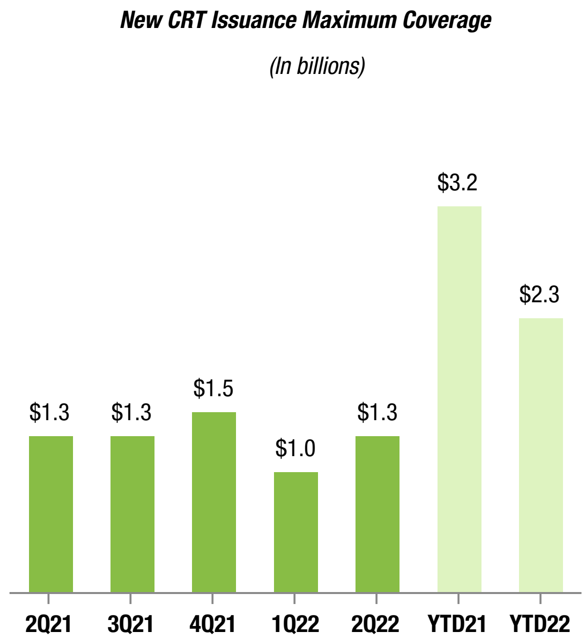




- Our Multifamily mortgage and guarantee portfolios increased year-over-year primarily due to ongoing loan purchase and securitization activities.
- While the mortgage portfolio increased year-over-year, total portfolio unit count decreased, primarily driven by the impact of portfolio payoffs and higher average per unit costs of newly financed multifamily properties as a result of property price appreciation.
- In addition to our Multifamily mortgage portfolio, we own equity interests in LIHTC fund partnerships with carrying values totaling $2.2 billion and $1.6 billion as of June 30, 2022 and June 30, 2021, respectively.

CRT Activities





- **2Q 2022 vs. 2Q 2021**
  - The UPB of mortgage loans covered by CRT transactions increased primarily due to the issuance of a SCR Trust note and a MCIP transaction in 2Q 2022. Despite the increase in CRT UPB, the maximum coverage provided by these activities remained flat due to lower average subordination levels on our K Certificate transactions issued during 2Q 2022. The lower subordination levels are still expected to absorb a substantial amount of expected and stressed credit losses.
- **YTD 2022 vs. YTD 2021**
  - The UPB of mortgage loans covered by CRT transactions and the maximum coverage decreased due to fewer securitizations during YTD 2022 as a result of a smaller average securitization pipeline.

See **MD&A - Risk Management - *Multifamily Mortgage Credit Risk - Transferring Credit Risk to Third-Party Investors*** for more information on risk transfer transactions and credit enhancements on our Multifamily mortgage portfolio.

Financial Results

The table below presents the components of net income and comprehensive income for our Multifamily segment.

Table 14 - Multifamily Segment Financial Results

			Change				Change	
(Dollars in millions)	2Q 2022	2Q 2021	$	%	YTD 2022	YTD 2021	$	%
Net interest income	$224	$307	($83)	(27)%	$522	$638	($116)	(18)%
Guarantee income	170	346	(176)	(51)	210	505	(295)	(58)
Investment gains (losses), net	89	499	(410)	(82)	350	1,407	(1,057)	(75)
Other income (loss)	50	(1)	51	5,100	83	25	58	232
Net revenues	**533**	**1,151**	**(618)**	**(54)**	**1,165**	**2,575**	**(1,410)**	**(55)**
Benefit (provision) for credit losses	(9)	54	(63)	(117)	(3)	104	(107)	(103)
Non-interest expense	(166)	(166)	—	—	(320)	(345)	25	7
Income (loss) before income tax (expense) benefit	**358**	**1,039**	**(681)**	**(66)**	**842**	**2,334**	**(1,492)**	**(64)**
Income tax (expense) benefit	(73)	(215)	142	66	(170)	(481)	311	65
Net income (loss)	**285**	**824**	**(539)**	**(65)**	**672**	**1,853**	**(1,181)**	**(64)**
Other comprehensive income (loss), net of taxes and reclassification adjustments	(71)	6	(77)	(1,283)	(179)	(55)	(124)	(225)
Comprehensive income (loss)	**$214**	**$830**	**($616)**	**(74)%**	**$493**	**$1,798**	**($1,305)**	**(73)%**

Key Business Drivers:

- **2Q 2022 vs. 2Q 2021**
  - Lower guarantee income as continued growth in our guarantee portfolio was offset by the impact of higher interest rates on the fair values of our guarantee assets.
  - Lower net investment gains due to lower margins on new loan purchases and securitizations.
- **YTD 2022 vs. YTD 2021**
  - Lower guarantee income as continued growth in our guarantee portfolio was offset by the impact of higher interest rates on the fair values of our guarantee assets.
  - Lower net investment gains due to spread widening and lower margins on new loan purchases and securitizations.

RISK MANAGEMENT

To achieve our mission, we take risks as an integral part of our business activities. We are exposed to the following key types of risk: credit risk, market risk, liquidity risk, operational risk, strategic risk, reputation risk, and legal risk.

Credit Risk

Allowance for Credit Losses

In 1Q 2022, we adopted accounting guidance that eliminates the recognition and measurement of TDRs. Upon adoption of this guidance, we no longer measure an allowance for credit losses for TDRs we reasonably expect will occur, and we no longer recognize an incremental allowance for credit losses for the economic concession granted to a borrower experiencing financial difficulty for changes in the timing and amount of contractual cash flows when a loan is restructured. See **Note 3** for additional information on the adoption of this new accounting guidance.

The tables below present a summary of the changes in our allowance for credit losses and key allowance for credit losses ratios.

Table 15 - Allowance for Credit Losses Activity

	2Q 2022			2Q 2021			YTD 2022			YTD 2021		
(Dollars in millions)	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total
Allowance for credit losses:												
Beginning balance	$4,849	$72	$4,921	$6,130	$150	$6,280	$5,440	$78	$5,518	$6,353	$200	$6,553
Provision (benefit) for credit losses	298	9	307	(686)	(54)	(740)	(533)	3	(530)	(832)	(104)	(936)
Charge-offs	(107)	—	(107)	(203)	—	(203)	(280)	—	(280)	(441)	—	(441)
Recoveries collected	43	—	43	61	—	61	95	—	95	107	—	107
Net charge-offs	(64)	—	(64)	(142)	—	(142)	(185)	—	(185)	(334)	—	(334)
Other[(1)]	259	—	259	211	—	211	620	—	620	326	—	326
Ending balance	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**
Average loans outstanding during the period[(2)]	$2,917,015	$29,805	$2,946,820	$2,544,845	$22,644	$2,567,489	$2,892,734	$28,942	$2,921,676	$2,483,190	$22,632	$2,505,822
Net charge-offs to average loans outstanding	— %	— %	— %	0.01 %	— %	0.01 %	0.01 %	— %	0.01 %	0.01 %	— %	0.01 %
Components of ending balance of allowance for credit losses:												
Mortgage loans held-for-investment	$4,904	$35	$4,939	$4,601	$47	$4,648						
Advances of pre-foreclosure costs	380	—	380	691	—	691						
Accrued interest receivable on mortgage loans	6	—	6	168	—	168						
Off-balance sheet credit exposures	52	46	98	53	49	102						
Total ending balance	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**						

(1) Primarily includes capitalization of past due interest related to non-accrual loans that received payment deferral plans and loan modifications.

(2) Based on amortized cost basis of held-for-investment loans.

Table 16 - Allowance for Credit Losses Ratios

	June 30, 2022			December 31, 2021		
(Dollars in millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Allowance for credit losses on mortgage loans held-for-investment	$4,904	$35	$4,939	$4,913	$34	$4,947
Total loans outstanding(1)	2,928,818	30,645	2,959,463	2,806,535	26,743	2,833,278
Non-accrual loans(1)	12,018	42	12,060	18,650	—	18,650
Allowance for credit losses(2) to total loans outstanding	0.17 %	0.11 %	0.17 %	0.18 %	0.13 %	0.17 %
Non-accrual loans to total loans outstanding	0.41	0.14	0.41	0.66	—	0.66
Allowance for credit losses(3) to non-accrual loans	40.81	83.33	40.95	26.34	NM	26.53

(1) Based on amortized cost basis of held-for-investment loans.

(2) Represents allowance for credit losses on total held-for-investment loans.

(3) NM - not meaningful due to the non-accrual loans balance rounding to zero.

The ratio of non-accrual loans to total loans outstanding decreased and the ratio of allowance for credit losses to non-accrual loans increased as of June 30, 2022 compared to December 31, 2021 as borrowers continued to exit forbearance and completed loan workout activities that returned their mortgages to current status.

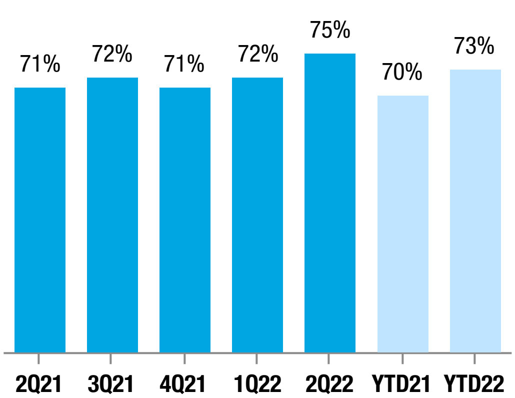
Single-Family Mortgage Credit Risk

Maintaining Prudent Underwriting Standards and Quality Control Practices and Managing Seller/Servicer Performance

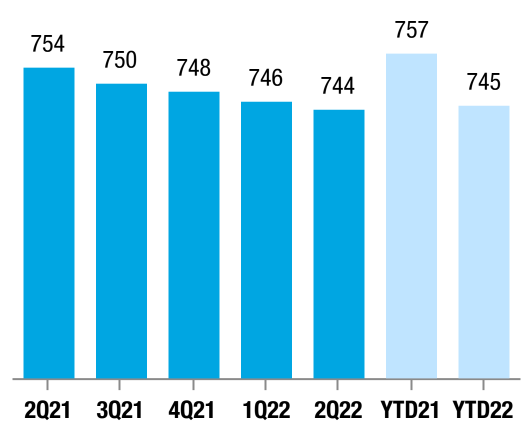
Loan Purchase Credit Characteristics

We monitor and evaluate market conditions that could affect the credit quality of our single-family loan purchases. The charts below show the credit profile of the single-family loans we purchased or guaranteed.

Weighted Average Original LTV Ratio



Weighted Average Original Credit Score(1)



(1) Weighted average original credit score is based on three credit bureaus (Equifax, Experian, and TransUnion).

The table below contains additional information about the single-family loans we purchased or guaranteed.

Table 17 - Single-Family New Business Activity

	2Q 2022		2Q 2021		YTD 2022		YTD 2021	
(Dollars in millions)	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
20- and 30-year or more, amortizing fixed-rate	$124,910	91 %	$241,604	84 %	$306,887	89 %	$552,014	85 %
15-year or less, amortizing fixed-rate	11,084	8	45,472	16	34,568	10	96,770	15
Adjustable-rate	1,671	1	1,391	—	3,298	1	1,499	—
Total	**$137,665**	**100 %**	**$288,467**	**100 %**	**$344,753**	**100 %**	**$650,283**	**100 %**
Percentage of purchases								
DTI ratio > 45%		17 %		11 %		16 %		10 %
Original LTV ratio > 90%		19		11		16		9
Transaction type:								
Cash window		30		46		27		55
Guarantor swap		70		53		73		45
Other		—		1		—		—
Property type:								
Detached single-family houses and townhouses		92		92		93		93
Condominium or co-op		8		8		7		7
Occupancy type:								
Primary residence		90		94		89		94
Second home		2		3		4		3
Investment property		8		3		7		3
Loan purpose:								
Purchase		62		34		52		29
Cash-out refinance		28		23		31		21
Other refinance		10		43		17		50

Transferring Credit Risk to Third-Party Investors

To reduce our credit risk exposure, we engage in various credit enhancement arrangements, which include CRT transactions and other credit enhancements.

Single-Family Mortgage Portfolio CRT Issuance

The table below provides the UPB of the mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions.

Table 18 - Single-Family Mortgage Portfolio CRT Issuance

	2Q 2022		2Q 2021	
(In millions)	UPB(1)	Maximum Coverage(2)	UPB(1)	Maximum Coverage(2)
STACR	$111,412	$4,783	$101,136	$1,500
Insurance/reinsurance	37,700	1,489	69,203	1,567
Other	1,551	248	3,232	409
Total CRT issuance	**$150,663**	**$6,520**	**$173,571**	**$3,476**

Referenced footnotes are included after the year-to-date table.

(In millions)	YTD 2022 UPB(1)	YTD 2022 Maximum Coverage(2)	YTD 2021 UPB(1)	YTD 2021 Maximum Coverage(2)
STACR	$234,974	$9,871	$277,843	$5,044
Insurance/reinsurance	121,691	4,715	297,510	4,281
Other	1,697	394	3,403	580
Less: UPB with more than one type of CRT	—	—	(159,835)	—
Total CRT issuance	**$358,362**	**$14,980**	**$418,921**	**$9,905**

(1) Represents the UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For STACR transactions, represents the balance held by third parties at issuance. For insurance/reinsurance transactions, represents the aggregate limit of insurance purchased from third parties at issuance.

Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding

The table below provides information on the UPB and maximum coverage associated with credit-enhanced loans in our Single-Family mortgage portfolio.

Table 19 - Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding

	June 30, 2022		
(Dollars in millions)	UPB(1)	% of Portfolio	Maximum Coverage(2)
Primary mortgage insurance(3)	$577,678	20%	$145,351
STACR	1,156,106	40	35,817
Insurance/reinsurance	937,143	32	19,146
Other	40,500	1	10,624
Less: UPB with multiple credit enhancements and other reconciling items(4)	(985,403)	(34)	—
Single-Family mortgage portfolio - credit-enhanced	**1,726,024**	**59**	**210,938**
Single-Family mortgage portfolio - non-credit-enhanced	1,201,905	41	N/A
Total	**$2,927,929**	**100%**	**$210,938**

	December 31, 2021		
(Dollars in millions)	UPB(1)	% of Portfolio	Maximum Coverage(2)
Primary mortgage insurance(3)	$545,293	20%	$135,330
STACR	1,024,013	37	32,641
Insurance/reinsurance	914,003	33	16,209
Other	42,273	1	10,598
Less: UPB with multiple credit enhancements and other reconciling items(4)	(1,034,546)	(38)	—
Single-Family mortgage portfolio - credit-enhanced	**1,491,036**	**53**	**194,778**
Single-Family mortgage portfolio - non-credit-enhanced	1,301,188	47	N/A
Total	**$2,792,224**	**100%**	**$194,778**

(1) Represents the current UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For STACR transactions, represents the outstanding balance held by third parties. For insurance/reinsurance transactions, represents the remaining aggregate limit of insurance purchased from third parties.

(3) Amounts exclude certain loans for which we do not control servicing, as the coverage information for these loans is not readily available to us.

(4) Other reconciling items primarily include timing differences in reporting cycles between the UPB of certain CRT transactions and the UPB of the underlying loans.

Credit Enhancement Coverage Characteristics

The table below provides the serious delinquency rates for the credit-enhanced and non-credit-enhanced loans in our Single-Family mortgage portfolio. The credit-enhanced categories are not mutually exclusive as a single loan may be covered by both primary mortgage insurance and other credit enhancements.

Table 20 - Serious Delinquency Rates for Credit-Enhanced and Non-Credit-Enhanced Loans in Our Single-Family Mortgage Portfolio

	June 30, 2022		December 31, 2021	
(% of portfolio based on UPB)[1]	% of Portfolio[2]	SDQ Rate	% of Portfolio[2]	SDQ Rate
Credit-enhanced:				
Primary mortgage insurance	20 %	1.22 %	20 %	1.79 %
CRT and other	53	0.77	47	1.24
Non-credit-enhanced	41	0.66	47	0.93
Total	**N/A**	**0.76**	**N/A**	**1.12**

(1) Excludes loans underlying certain securitization products for which loan-level data is not available.

(2) Percentages do not total to 100% as a single loan may be included in multiple line items.

Credit Enhancement Expenses and Recoveries

The table below presents the details of the credit enhancement recovery receivables we have recognized within other assets on our condensed consolidated balance sheets.

Table 21 - Single-Family Credit Enhancement Receivables

(In millions)	June 30, 2022	December 31, 2021
Freestanding credit enhancement expected recovery receivables, net of allowance	$110	$114
Primary mortgage insurance receivables[1], net of allowance	61	76
Total credit enhancement receivables	**$171**	**$190**

(1) Excludes $0.4 billion of deferred payment obligations associated with unpaid claim amounts as of both June 30, 2022 and December 31, 2021. We have reserved for substantially all of these unpaid amounts as collectability is uncertain.

See **MD&A - Consolidated Results of Operations** for additional information on credit enhancement expense.

Monitoring Loan Performance and Characteristics

We review loan performance, including delinquency statistics and related loan characteristics, in conjunction with housing market and economic conditions, to assess credit risk when estimating our allowance for credit losses. We also use this information to assess if our pricing and eligibility standards reflect the risk associated with the loans we purchase and guarantee.

Loan Characteristics

The table below contains details of the characteristics of the loans in our Single-Family mortgage portfolio.

Table 22 - Credit Quality Characteristics of Our Single-Family Mortgage Portfolio

	June 30, 2022					
(Dollars in millions)	UPB	Original Credit Score [1]	Current Credit Score[1][2]	Original LTV Ratio	Current LTV Ratio	Current LTV Ratio >100%
Single-Family mortgage portfolio year of origination:						
2022	$254,434	744	743	74 %	70 %	— %
2021	1,094,052	752	756	71	59	—
2020	811,154	760	768	71	50	—
2019	139,712	746	751	76	49	—
2018	56,792	736	736	76	46	—
2017 and prior	571,785	737	751	75	34	—
Total	**$2,927,929**	**750**	**756**	**72**	**52**	**—**

Referenced footnotes are included after the prior period table.

(Dollars in millions)	December 31, 2021 UPB	Original Credit Score (1)	Current Credit Score(1)(2)	Original LTV Ratio	Current LTV Ratio	Current LTV Ratio >100%
Single-Family mortgage portfolio year of origination:						
2021	$1,059,299	752	751	71 %	66 %	— %
2020	867,122	760	769	71	56	—
2019	157,971	746	751	76	55	—
2018	66,149	736	736	76	52	—
2017	88,800	741	746	75	46	—
2016 and prior	552,883	737	752	75	36	—
Total	**$ 2,792,224**	**751**	**756**	**72**	**55**	**—**

(1) Original credit score is based on three credit bureaus (Equifax, Experian, and TransUnion). Current credit score is based on Experian only.

(2) Credit scores for certain recently acquired loans may not have been updated by the credit bureau since the loan acquisition and therefore the original credit scores also represent the current credit scores.

The following table presents the combination of credit score and CLTV ratio attributes of loans in our Single-Family mortgage portfolio.

Table 23 - Single-Family Mortgage Portfolio Attribute Combinations

	June 30, 2022												
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans		
Original credit score	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate	% Modified(2)
< 620	0.8 %	6.18 %	0.1 %	11.06 %	— %	NM	— %	NM	— %	NM	0.9 %	6.69 %	8.5 %
620 to 679	5.1	2.31	1.9	2.09	0.2	2.01 %	—	NM	—	NM	7.2	2.26	3.6
≥ 680	60.8	0.50	25.7	0.48	4.2	0.35	1.1	0.19 %	—	NM	91.8	0.49	0.6
Not available	0.1	5.59	—	NM	—	NM	—	NM	—	NM	0.1	5.64	19.6
Total	**66.8 %**	**0.79**	**27.7 %**	**0.67**	**4.4 %**	**0.51**	**1.1 %**	**0.42**	**— %**	**NM**	**100.0 %**	**0.76**	**1.1**

	December 31, 2021												
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans		
Original credit score	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate(1)	% of Portfolio	SDQ Rate	% Modified(2)
< 620	0.8 %	6.69 %	0.2 %	11.68 %	— %	NM	— %	NM	— %	NM	1.0 %	7.50 %	8.5 %
620 to 679	4.4	3.29	2.3	3.05	0.3	2.56 %	0.1	2.57 %	—	NM	7.1	3.22	3.7
≥ 680	51.9	0.80	32.3	0.78	5.3	0.54	2.3	0.25	—	NM	91.8	0.78	0.6
Not available	0.1	6.58	—	NM	—	NM	—	NM	—	NM	0.1	6.85	18.7
Total	**57.2 %**	**1.19**	**34.8 %**	**1.04**	**5.6 %**	**0.77**	**2.4 %**	**0.47**	**— %**	**NM**	**100.0 %**	**1.12**	**1.0**

(1) NM - not meaningful due to the percentage of the portfolio rounding to zero.

(2) Primarily includes loans modified through the Freddie Mac Flex Modification program.

Geographic Concentrations

We purchase mortgage loans from across the U.S. However, local economic conditions can affect the borrower's ability to repay and the value of the underlying collateral, leading to concentrations of credit risk in certain geographic areas. In addition, certain states and municipalities have passed or may pass laws that limit our ability to foreclose or evict and make it more difficult and costly to manage our risk.

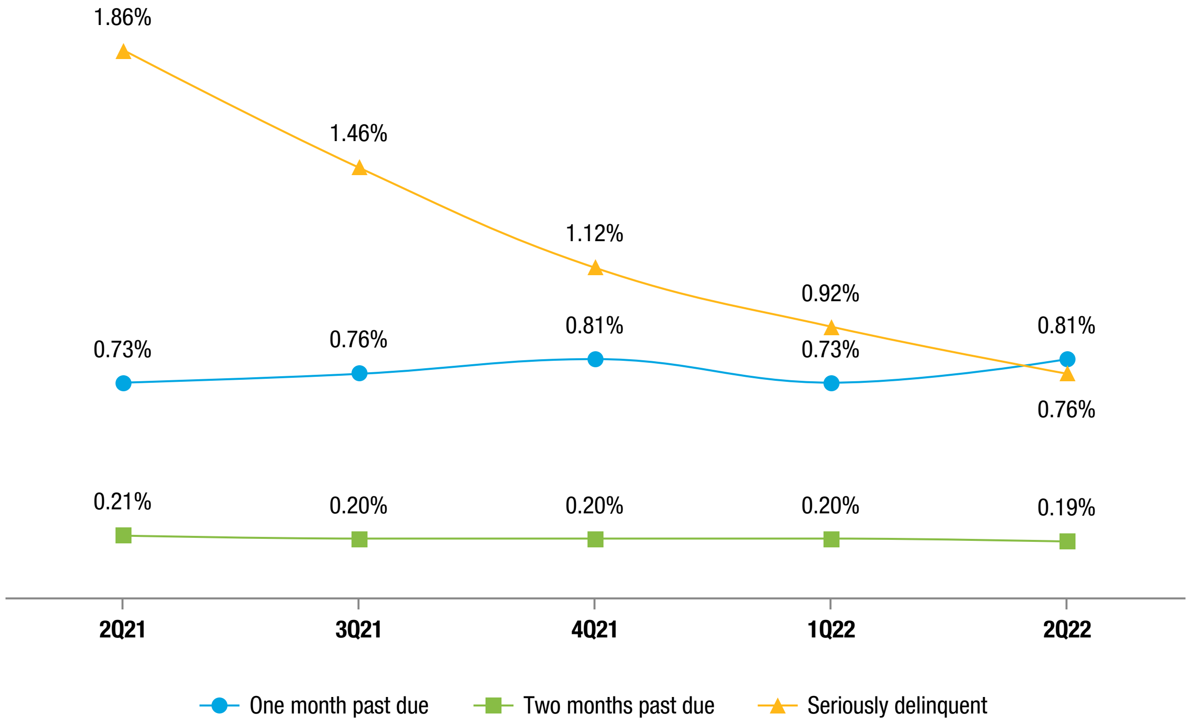
See **Note 12** for more information about the geographic distribution of our Single-Family mortgage portfolio.

Delinquency Rates

We report Single-Family delinquency rates based on the number of loans in our Single-Family mortgage portfolio that are past due as reported to us by our servicers as a percentage of the total number of loans in our Single-Family mortgage portfolio.

The chart below shows the delinquency rates of mortgage loans in our Single-Family mortgage portfolio.

Single-Family Delinquency Rates



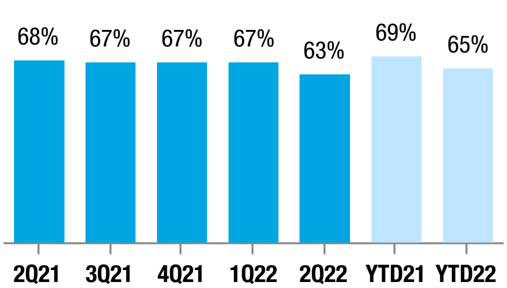
Our Single-Family serious delinquency rate decreased to 0.76% as of June 30, 2022, compared to 1.86% as of June 30, 2021, as borrowers continued to exit forbearance and completed loan workout activities that returned their mortgages to current status. See **Note 3** for additional information on the payment status of our single-family mortgage loans.

Multifamily Mortgage Credit Risk

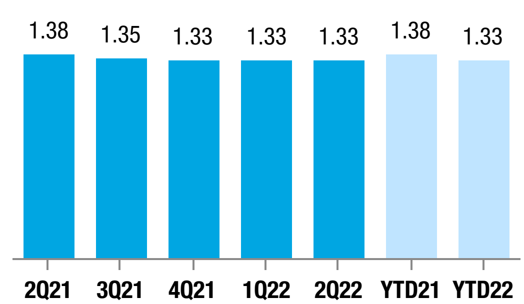
Maintaining Policies and Procedures for New Business Activity, Including Prudent Underwriting Standards

Our underwriting standards focus on the LTV ratio and DSCR, which estimates a borrower's ability to repay the loan using the secured property's cash flows, after expenses. The charts below provide the weighted average original LTV and DSCR for our new business activity for the periods presented.

Weighted Average Original LTV Ratio



Weighted Average Original DSCR



Transferring Credit Risk to Third-Party Investors

To reduce our credit risk exposure, we engage in a variety of CRT activities; however, securitizations remain our principal credit risk transfer mechanism. Through securitizations (i.e., subordination), we have transferred a substantial amount of the expected and stressed credit risk on the Multifamily mortgage portfolio, thereby reducing our overall credit risk exposure.

Multifamily Mortgage Portfolio CRT Issuance

The table below provides the UPB of the mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions.

Table 24 - Multifamily Mortgage Portfolio CRT Issuance

	2Q 2022		2Q 2021		YTD 2022		YTD 2021	
(In millions)	UPB(1)	Maximum Coverage(2)	UPB(1)	Maximum Coverage(2)	UPB(1)	Maximum Coverage(2)	UPB(1)	Maximum Coverage(2)
Subordination	$14,781	$940	$16,929	$1,351	$28,886	$1,914	$38,043	$2,969
SCR	5,982	141	—	—	5,982	141	4,852	277
Insurance/reinsurance	5,982	200	—	—	5,982	200	—	—
Lender risk-sharing	214	26	—	—	214	26	—	—
Less: UPB with more than one type of CRT	(5,982)	—	—	—	(5,982)	—	—	—
Total CRT issuance	**$20,977**	**$1,307**	**$16,929**	**$1,351**	**$35,082**	**$2,281**	**$42,895**	**$3,246**

(1) Represents the UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For subordination, represents the UPB of the securities that are held by third parties at issuance and are subordinate to the securities we guarantee. For SCR transactions, represents the UPB of securities held by third parties at issuance. For insurance/reinsurance transactions, represents the aggregate limit of insurance purchased from third parties at issuance. For lender risk-sharing, represents the amount of loss recovery that is available subject to the terms of counterparty agreements at issuance.

Multifamily Mortgage Portfolio Credit Enhancement Coverage Outstanding

While we obtain various forms of credit protection in connection with the acquisition, guarantee, and/or securitization of a loan or group of loans, our principal credit enhancement type is subordination, which is created through our securitization transactions. As of June 30, 2022 and December 31, 2021, our maximum coverage provided by subordination in nonconsolidated VIEs was $43.2 billion and $43.9 billion, respectively.

The table below presents the UPB and delinquency rates for both credit-enhanced and non-credit-enhanced loans underlying our Multifamily mortgage portfolio.

Table 25 - Credit-Enhanced and Non-Credit-Enhanced Loans Underlying Our Multifamily Mortgage Portfolio

	June 30, 2022		December 31, 2021	
(Dollars in millions)	UPB	Delinquency Rate	UPB	Delinquency Rate
Credit-enhanced:				
Subordination	$362,668	0.06 %	$360,113	0.08 %
Other	33,889	0.13	28,565	0.16
Total credit-enhanced	**396,557**	**0.07**	**388,678**	**0.08**
Non-credit-enhanced	18,498	0.14	25,985	0.05
Total	**$415,055**	**0.07**	**$414,663**	**0.08**

Market Risk

Overview

Our business segments have embedded exposure to market risk, which is the economic risk associated with adverse changes in interest rates, volatility, and spreads. Market risk can adversely affect future cash flows, or economic value, as well as earnings and net worth. The primary sources of interest-rate risk are our investments in mortgage-related assets, the debt we issue to fund these assets, and our Single-Family guarantees.

Interest-Rate Risk

Our primary interest-rate risk measures are duration gap and Portfolio Value Sensitivity (PVS). Duration gap measures the difference in price sensitivity to interest rate changes between our financial assets and liabilities and is expressed in months relative to the value of assets. PVS is an estimate of the change in the present value of the cash flows of our financial assets and liabilities from an instantaneous shock to interest rates, assuming spreads are held constant and no rebalancing actions are undertaken. PVS is measured in two ways, one measuring the estimated sensitivity of our portfolio value to a 50 basis point parallel movement in interest rates (PVS-L) and the other to a non-parallel movement resulting from a 25 basis point change in the slope of the yield curve (PVS-YC). While we believe that duration gap and PVS are useful risk management tools, they should be understood as estimates rather than as precise measurements.

The following tables provide our duration gap, estimated point-in-time and minimum and maximum PVS-L and PVS-YC results, and an average of the daily values and standard deviation. The table below also provides PVS-L estimates assuming an immediate 100 basis point shift in the yield curve. The interest-rate sensitivity of a mortgage portfolio varies across a wide range of interest rates.

Table 26 - PVS-YC and PVS-L Results Assuming Shifts of the Yield Curve

	June 30, 2022			December 31, 2021		
	PVS-YC	PVS-L		PVS-YC	PVS-L	
(In millions)	25 bps	50 bps	100 bps	25 bps	50 bps	100 bps
Assuming shifts of the yield curve, (gains) losses on:[1]						
Assets:						
Investments	($382)	($3,384)	($6,845)	$368	$3,531	$7,101
Guarantees[2]	96	616	1,333	(242)	(1,181)	(1,830)
Total assets	**(286)**	**(2,768)**	**(5,512)**	**126**	**2,350**	**5,271**
Liabilities	(33)	2,109	4,204	18	(2,385)	(4,870)
Derivatives	319	657	1,296	(144)	94	(217)
Total	**$—**	**($2)**	**($12)**	**$—**	**$59**	**$184**
PVS	**$—**	**$—**	**$—**	**$—**	**$59**	**$184**

(1) The categorization of the PVS impact between assets, liabilities, and derivatives in this table is based upon the economic characteristics of those assets and liabilities, not their accounting classification. For example, purchase and sale commitments of mortgage-related securities and debt of consolidated trusts held by the mortgage-related investments portfolio are both categorized as assets in this table.

(2) Represents the interest-rate risk from our Single-Family guarantees, which include buy-ups, float, and upfront fees (including buy-downs).

Table 27 - Duration Gap and PVS Results

	2Q 2022			2Q 2021		
(Duration gap in months, **dollars in millions**)	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps
Average	(0.1)	$7	$6	0.3	$7	$17
Minimum	(0.4)	—	—	(0.8)	—	—
Maximum	0.1	18	29	1.0	24	93
Standard deviation	0.1	5	9	0.3	6	23

	YTD 2022			YTD 2021		
(Duration gap in months, **dollars in millions**)	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps
Average	—	$8	$8	0.3	$7	$39
Minimum	(0.4)	—	—	(0.8)	—	—
Maximum	0.4	18	77	1.0	24	200
Standard deviation	0.2	5	15	0.3	6	49

Derivatives enable us to reduce our economic interest-rate risk exposure as we continue to align our derivative portfolio with the changing duration of our economically hedged assets and liabilities. The table below shows that the PVS-L risk levels, assuming a 50 basis point shift in the yield curve for the periods presented, would have been higher if we had not used derivatives.

Table 28 - PVS-L Results Before Derivatives and After Derivatives

	PVS-L (50 bps)		
(In millions)	Before Derivatives	After Derivatives	Effect of Derivatives
June 30, 2022(1)	$670	$—	($670)
December 31, 2021(2)	508	59	(449)

(1) Before derivatives, our adverse PVS-L rate movement was +50 bps, whereas after derivatives our adverse PVS-L rate movement was -50 bps.

(2) Before derivatives, our adverse PVS-L rate movement was -50 bps, whereas after derivatives our adverse PVS-L rate movement was +50 bps.

Earnings Sensitivity to Market Risk

The accounting treatment for our financial assets and liabilities (i.e., some are measured at amortized cost, while others are measured at fair value) creates variability in our GAAP earnings when interest rates and spreads change. We manage this variability of GAAP earnings, which may not reflect the economics of our business, using fair value hedge accounting. See **MD&A - Consolidated Results of Operations** and **MD&A - Our Business Segments** for additional information on the effect of changes in interest rates and market spreads on our financial results.

Interest Rate-Related Earnings Sensitivity

While we manage our interest-rate risk exposure on an economic basis to a low level as measured by our models, changes in interest rates may still result in significant earnings variability from period to period.

By electing fair value hedge accounting for certain single-family mortgage loans and certain debt instruments, we are able to reduce the potential variability in our earnings attributable to changes in interest rates. See **Note 8** for additional information on hedge accounting.

Earnings Sensitivity to Changes in Interest Rates

We evaluate a range of interest rate scenarios to determine the sensitivity of our earnings due to changes in interest rates and to determine our fair value hedge accounting strategies. The interest rate scenarios evaluated include parallel shifts in the yield curve in which interest rates increase or decrease by 100 basis points, non-parallel shifts in the yield curve in which long-term interest rates increase or decrease by 100 basis points, and non-parallel shifts in the yield curve in which short-term and medium-term interest rates increase or decrease by 100 basis points. This evaluation identifies the net effect on comprehensive income from changes in fair value attributable to changes in interest rates for financial instruments measured at fair value, including the effects of fair value hedge accounting, for each of the identified scenarios. This evaluation does not include the net effect on comprehensive income from interest-rate sensitive items that are not measured at fair value (e.g., amortization of mortgage loan premiums and discounts, changes in fair value of held-for-sale mortgage loans for which we have not elected the fair value option), or from changes in our future contractual net interest income due to repricing of our interest-bearing assets and liabilities. The before-tax results of this evaluation are shown in the table below.

Table 29 - Earnings Sensitivity to Changes in Interest Rates

(In millions)	June 30, 2022	June 30, 2021
Interest Rate Scenarios[1]		
Parallel yield curve shifts:		
+100 basis points	$76	$19
-100 basis points	(76)	(19)
Non-parallel yield curve shifts - long-term interest rates:		
+100 basis points	114	(179)
-100 basis points	(114)	179
Non-parallel yield curve shifts - short-term and medium-term interest rates:		
+100 basis points	(38)	197
-100 basis points	38	(197)

(1) The earnings sensitivity presented is calculated using the change in interest rates and net effective duration exposure.

The actual effect of changes in interest rates on our comprehensive income in any given period may vary based on a number of factors, including, but not limited to, the composition of our assets and liabilities, the actual changes in interest rates that are realized at different terms along the yield curve, and the effectiveness of our hedge accounting strategies. Even if implemented properly, our hedge accounting programs may not be effective in reducing earnings volatility, and our hedges may fail in any given future period, which could expose us to significant earnings variability in that period.

LIQUIDITY AND CAPITAL RESOURCES

Our business activities require that we maintain adequate liquidity to meet our financial obligations as they come due and to meet the needs of customers in a timely and cost-efficient manner. We are also required to comply with minimum liquidity requirements established by FHFA and to maintain adequate capital resources to avoid being placed into receivership by FHFA.

Liquidity

Primary Sources of Liquidity

The following table lists the sources of our liquidity, the balances as of the dates shown, and a brief description of their importance to Freddie Mac.

Table 30 - Liquidity Sources

(In millions)	June 30, 2022[(1)]	December 31, 2021[(1)]	Description
Other Investments Portfolio - Liquidity and Contingency Operating Portfolio	$109,714	$80,262	The liquidity and contingency operating portfolio, included within our other investments portfolio, is primarily used for short-term liquidity management.
Mortgage Loans and Mortgage-Related Securities	22,770	43,393	The liquid portion of our mortgage-related investments portfolio can be pledged or sold for liquidity purposes. The amount of cash we may be able to successfully raise may be substantially less than the balance.

(1) Represents carrying value for the liquidity and contingency operating portfolio, included within our other investments portfolio, and UPB for the liquid portion of the mortgage-related investments portfolio.

Other Investments Portfolio

Our other investments portfolio is important to our cash flow, collateral management, asset and liability management, and ability to provide liquidity and stability to the mortgage market.

Our liquidity and contingency operating portfolio primarily includes securities purchased under agreements to resell and non-mortgage-related securities. Our non-mortgage-related securities consist of U.S. Treasury securities and other investments that we could sell to provide us with an additional source of liquidity to fund our business operations. We also maintain non-interest-bearing deposits at the Federal Reserve Bank of New York and interest-bearing deposits at commercial banks. Our interest-bearing deposits at commercial banks totaled $4.0 billion and $3.5 billion as of June 30, 2022 and December 31, 2021, respectively.

The other investments portfolio also included cash collateral posted to us primarily by derivatives counterparties of $1.8 billion and $1.2 billion as of June 30, 2022 and December 31, 2021, respectively. We have primarily invested this collateral in securities purchased under agreements to resell and non-mortgage-related securities as part of our liquidity and contingency operating portfolio, although the collateral may be subject to return to our counterparties based on the terms of our master netting and collateral agreements. See **MD&A - Our Portfolios - *Investments Portfolio - Other Investments Portfolio*** for more information about our other investments portfolio.

Mortgage Loans and Mortgage-Related Securities

We invest principally in mortgage loans and mortgage-related securities, certain categories of which are largely unencumbered and liquid. Our primary source of liquidity among these mortgage assets is our holdings of agency securities.

Primary Sources of Funding

The following table lists the sources of our funding, the balances as of the dates shown, and a brief description of their importance to Freddie Mac.

Table 31 - Funding Sources

(In millions)	June 30, 2022[(1)]	December 31, 2021[(1)]	Description
Debt of Freddie Mac	$159,063	$177,131	Debt of Freddie Mac is used to fund our business activities.
Debt of Consolidated Trusts	2,934,115	2,803,054	Debt of consolidated trusts is used primarily to fund our Single-Family guarantee activities. This type of debt is principally repaid by the cash flows of the associated mortgage loans. As a result, our repayment obligation is limited to amounts paid pursuant to our guarantee of principal and interest and to purchase modified or seriously delinquent loans from the trusts.

(1) Represents the carrying value of debt balances after consideration of offsetting arrangements.

Debt of Freddie Mac

We issue debt of Freddie Mac to fund our business activities. Competition for funding can vary depending on economic, financial market, and regulatory environments. We issue debt of Freddie Mac based on a variety of factors, including an assessment of market conditions, debt funding spreads, and our liquidity requirements.

The table below summarizes the par value and the average rate of debt of Freddie Mac we issued or paid off, including regularly scheduled principal payments, payments resulting from calls, and payments for repurchases. We call, exchange, or repurchase our outstanding debt from time to time for a variety of reasons, including managing our funding composition and supporting the liquidity of our debt securities.

Table 32 - Debt of Freddie Mac Activity

	2Q 2022		2Q 2021	
(Dollars in millions)	Par Value	Average Rate[(1)]	Par Value	Average Rate[(1)]
Short-term:				
Beginning balance	$3,300	0.25 %	$10,910	0.03 %
Issuances	2,165	1.45	—	—
Repayments	—	—	(10,910)	0.03
Maturities	(2,350)	0.17	—	—
Ending balance	**3,115**	**1.14**	**—**	**—**
Securities sold under agreements to repurchase	9,977	1.06	4,620	(0.03)
Offsetting arrangements	(9,977)		(4,620)	
Securities sold under agreements to repurchase, net	**—**	**—**	**—**	**—**
Total short-term debt	**3,115**	**1.14**	**—**	**—**
Long-term:				
Beginning balance	164,876	1.21	251,548	1.13
Issuances	15,262	3.28	—	—
Repayments	(71)	4.36	(11,806)	0.55
Maturities	(14,634)	0.42	(9,266)	0.87
Total long-term debt	**165,433**	**1.52**	**230,476**	**1.17**
Total debt of Freddie Mac, net	**$168,548**	**1.52 %**	**$230,476**	**1.17 %**

Referenced footnote is included after the year-to-date table.

	YTD 2022		YTD 2021	
(Dollars in millions)	Par Value	Average Rate[(1)]	Par Value	Average Rate[(1)]
Short-term:				
Beginning balance	$—	—%	$4,955	1.31%
Issuances	7,718	0.51	22,050	0.04
Repayments	—	—	(24,570)	0.15
Maturities	(4,603)	0.09	(2,435)	1.48
Ending balance	**3,115**	**1.14**	**—**	**—**
Securities sold under agreements to repurchase	9,977	1.06	4,620	(0.03)
Offsetting arrangements	(9,977)		(4,620)	
Securities sold under agreements to repurchase, net	**—**	**—**	**—**	**—**
Total short-term debt	**3,115**	**1.14**	**—**	**—**
Long-term:				
Beginning balance	181,613	1.11	281,386	1.12
Issuances	17,072	3.17	1,090	0.60
Repayments	(1,905)	3.03	(37,016)	0.75
Maturities	(31,347)	0.26	(14,984)	1.40
Total long-term debt	**165,433**	**1.52**	**230,476**	**1.17**
Total debt of Freddie Mac, net	**$168,548**	**1.52 %**	**$230,476**	**1.17 %**

(1) Average rate is weighted based on par value.

Total debt issuance and repayments decreased year-over-year primarily due to a lower mortgage-related investments portfolio balance and lower cash window purchase volume. As of June 30, 2022, our aggregate indebtedness pursuant to the Purchase Agreement was $168.6 billion, which was below the current $300.0 billion debt cap limit. Our aggregate indebtedness calculation primarily includes the par value of short- and long-term debt. Our outstanding total debt of Freddie Mac balance decreased from December 31, 2021 to June 30, 2022 primarily due to lower funding needs as discussed above.

Maturity and Redemption Dates

The following table presents the debt of Freddie Mac by contractual maturity date and earliest redemption date. The earliest redemption date refers to the earliest call date for callable debt and the contractual maturity date for all other debt of Freddie Mac.

Table 33 - Maturity and Redemption Dates

	As of June 30, 2022		As of December 31, 2021	
(Par value in millions)	Contractual Maturity Date	Earliest Redemption Date	Contractual Maturity Date	Earliest Redemption Date
Debt of Freddie Mac[(1)]:				
1 year or less	$48,910	$123,997	$55,958	$118,436
1 year through 2 years	34,191	23,256	38,688	35,724
2 years through 3 years	20,921	3,972	13,274	1,745
3 years through 4 years	31,937	9,198	35,436	12,076
4 years through 5 years	5,145	46	4,717	87
Thereafter	31,089	11,724	31,736	11,741
STACR and SCR debt[(2)]	6,332	6,332	9,139	9,139
Total debt of Freddie Mac	**$178,525**	**$178,525**	**$188,948**	**$188,948**

(1) Includes payables related to securities sold under agreements to repurchase that we offset against receivables related to securities purchased under agreements to resell on our condensed consolidated balance sheets, when such amounts meet the conditions for offsetting in the accounting guidance.

(2) STACR debt notes and SCR debt notes are subject to prepayment risk as their payments are based upon the performance of a reference pool of mortgage assets that may be prepaid by the related mortgage borrower at any time generally without penalty and are, therefore, included as a separate category in the table.

Debt of Consolidated Trusts

The largest component of debt on our condensed consolidated balance sheets is debt of consolidated trusts, which relates to securitization transactions that we consolidate for accounting purposes. We primarily issue this type of debt by securitizing mortgage loans to fund our Single-Family activities.

The table below shows activity for the debt of consolidated trusts.

Table 34 - Debt of Consolidated Trusts Activity

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Beginning balance	$2,835,071	$2,376,691	$2,732,056	$2,240,602
Issuances	203,919	394,018	499,166	804,141
Repayments and extinguishments	(161,268)	(264,375)	(353,500)	(538,409)
Ending balance	**2,877,722**	**2,506,334**	**2,877,722**	**2,506,334**
Unamortized premiums and discounts	56,393	69,319	56,393	69,319
Debt of consolidated trusts	**$2,934,115**	**$2,575,653**	**$2,934,115**	**$2,575,653**

Off-Balance Sheet Arrangements

We enter into certain business arrangements that are not recorded on our condensed consolidated balance sheets or that may be recorded in amounts that differ from the full contractual or notional amount of the transaction that affect our short- and long-term liquidity needs. Certain of these arrangements present credit risk exposure. See **MD&A - Risk Management - *Credit Risk*** for additional information on our credit risk exposure on off-balance sheet arrangements.

Guarantees

We have certain off-balance sheet arrangements related to our securitization and other mortgage-related guarantee activities. Our off-balance sheet arrangements related to securitization activities primarily consist of guaranteed K Certificates and SB Certificates. Our guarantee of these securitization activities and other mortgage-related guarantees may result in liquidity needs to cover potential cash flow shortfalls from borrower defaults. As of June 30, 2022 and December 31, 2021, the outstanding UPB of the guaranteed securities was $367.0 billion and $366.0 billion, respectively.

In addition to our securitization and other mortgage-related guarantees, we have certain other guarantees that are accounted for as derivative instruments. These other guarantees are recognized on our condensed consolidated balance sheets at fair value and not included in the totals above. See **Note 8** for additional information on these guarantees.

We have the ability to commingle TBA-eligible Fannie Mae collateral in certain of our resecuritization products. When we resecuritize Fannie Mae securities in our commingled resecuritization products, our guarantee covers timely payments of principal and interest on such securities. Accordingly, commingling Fannie Mae collateral in our resecuritization transactions increases our off-balance sheet liquidity exposure as we do not have control over the Fannie Mae collateral. As of June 30, 2022 and December 31, 2021, the total amount of our off-balance sheet exposure related to Fannie Mae securities backing Freddie Mac resecuritization products was approximately $126.9 billion and $111.2 billion, respectively.

Cash Flows

Cash and cash equivalents (including restricted cash and cash equivalents) decreased by $5.9 billion from $11.2 billion as of June 30, 2021 to $5.3 billion as of June 30, 2022, primarily driven by an increase in securities purchased under agreements to resell.

Capital Resources

The table below presents activity related to our net worth.

Table 35 - Net Worth Activity

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Beginning balance	$31,711	$18,791	$28,033	$16,413
Comprehensive income (loss)	2,387	3,611	6,065	5,989
Capital draw from Treasury	—	—	—	—
Senior preferred stock dividends declared	—	—	—	—
Total equity / net worth	**$34,098**	**$22,402**	**$34,098**	**$22,402**
Remaining Treasury funding commitment	$140,162	$140,162	$140,162	$140,162
Aggregate draws under Purchase Agreement	71,648	71,648	71,648	71,648
Aggregate cash dividends paid to Treasury	119,680	119,680	119,680	119,680
Liquidation preference of the senior preferred stock	104,359	91,439	104,359	91,439

ERCF

FHFA has established the ERCF as a new enterprise regulatory capital framework for Freddie Mac and Fannie Mae. Our current capital levels are significantly below the levels that would be required under the ERCF. The ERCF has a transition period for compliance, and we are not required to comply with the regulatory capital requirements or the buffer requirements while in conservatorship. In general, the compliance date for the regulatory capital requirements will be the later of the date of termination of our conservatorship and any later compliance date provided in a transition order, and the compliance date for buffer requirements in the ERCF will be the date of termination of our conservatorship. Pursuant to the final rule, we are required to comply with the regulatory capital reporting requirements under the ERCF in 2022, and we filed with FHFA our initial quarterly capital report on May 27, 2022.

The ERCF establishes risk-based and leverage capital requirements and includes supplemental capital requirements relating to the amount and form of the capital we hold, based largely on definitions of capital used in U.S. banking regulators' regulatory capital framework. The ERCF capital requirements contain both statutory capital elements (total capital and core capital) and regulatory capital elements (common equity tier 1 (CET1) capital, Tier 1 capital, and adjusted total capital). The ERCF also includes a requirement that we hold prescribed capital buffers that can be drawn down in periods of financial stress and then rebuilt over time as economic conditions improve. If we fall below the prescribed buffer amounts, we must restrict capital distributions such as stock repurchases and dividends, as well as discretionary bonus payments to executives, until the buffer amounts are restored.

Risk-Based Capital Requirements

Under the ERCF risk-based capital requirements, we must maintain our CET1 capital, Tier 1 capital, and adjusted total capital ratios equal to at least 4.5%, 6%, and 8%, respectively, of risk-weighted assets. We must also maintain statutory total capital equal to at least 8% of risk-weighted assets. To avoid limits on capital distributions and discretionary bonus payments, we also must maintain CET1 capital that exceeds the risk-based capital requirements by at least the amount of the prescribed capital conservation buffer amount (PCCBA).

Leverage Capital Requirements

Under the ERCF leverage capital requirements, we must maintain our Tier 1 capital ratio equal to at least 2.5% of adjusted total assets. We must also maintain our statutory core capital ratio equal to at least 2.5% of adjusted total assets. To avoid limits on capital distributions and discretionary bonus payments, we also must maintain our Tier 1 capital that exceeds the leverage capital requirements by at least the amount of the prescribed leverage buffer amount (PLBA).

Capital Metrics

The table below presents our capital metrics under the ERCF.

Table 36 - Capital Metrics Under ERCF

(In billions)	June 30, 2022
Adjusted total assets	$3,655
Risk-weighted assets (standardized approach)	845

(In billions)	June 30, 2022
Stress capital buffer	$27
Stability capital buffer	23
Countercyclical capital buffer	—
PCCBA	$50
PLBA	$11

	June 30, 2022				
(Dollars in billions)	Minimum Capital Requirement	Applicable Buffer(1)	Capital Requirement (Including Buffer)	Available Capital (Deficit)	Capital Shortfall
Risk-based capital amounts:					
Total capital (statutory)(2)	$68	N/A	$68	($33)	($101)
CET1 capital(3)	38	$50	88	(58)	(146)
Tier 1 capital(3)	50	50	100	(44)	(144)
Adjusted total capital(3)	67	50	117	(44)	(161)
Risk-based capital ratios(4):					
Total capital (statutory)	8.0 %	N/A	8.0 %	(3.9)%	(11.9)%
CET1 capital	4.5	5.9 %	10.4	(6.9)	(17.3)
Tier 1 capital	6.0	5.9	11.9	(5.2)	(17.1)
Adjusted total capital	8.0	5.9	13.9	(5.2)	(19.1)
Leverage capital amounts:					
Core capital (statutory)(5)	$92	N/A	$92	($39)	($131)
Tier 1 capital(3)	92	$11	103	(44)	(147)
Leverage capital ratios(6):					
Core capital (statutory)	2.5 %	N/A	2.5 %	(1.1)%	(3.6)%
Tier 1 capital	2.5	0.3 %	2.8	(1.2)	(4.0)

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) Total capital is equal to core capital plus certain allowances for credit losses.

(3) Regulatory capital amounts exclude senior preferred stock, deferred tax assets arising from temporary differences that exceed 10% of CET1 capital, and certain other items.

(4) As a percentage of risk-weighted assets.

(5) Core capital excludes certain components of GAAP total equity (i.e., AOCI and senior preferred stock) as these items do not meet the statutory definition of core capital.

(6) As a percentage of adjusted total assets.

At June 30, 2022, our maximum payout ratio under the ERCF was 0.0%.

See **Note 15** for additional information on our amounts of capital and ratios under the ERCF. See **MD&A - Regulation and Supervision - *Legislative and Regulatory Developments - Final Rule on ERCF Public Disclosures*** and **MD&A - Regulation and Supervision - *Legislative and Regulatory Developments - Final Rule on Capital Planning*** for additional information on amendments to the ERCF published in June 2022.

CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates and policies relate to the Single-Family allowance for credit losses. For additional information about our critical accounting estimates and other significant accounting policies, see **Note 1** and Critical Accounting Estimates in our 2021 Annual Report.

Single-Family Allowance for Credit Losses

The Single-Family allowance for credit losses represents our estimate of expected credit losses over the contractual term of the mortgage loans. The Single-Family allowance for credit losses pertains to all held-for-investment single-family mortgage loans on our condensed consolidated balance sheets.

Determining the appropriateness of the Single-Family allowance for credit losses is a complex process that is subject to numerous estimates and assumptions requiring significant management judgment about matters that involve a high degree of subjectivity. This process involves the use of models that require us to make judgments about matters that are difficult to predict, the most significant of which are the probability of default and severity of expected credit losses.

Changes in forecasted house price growth rates can have a significant effect on our allowance for credit losses. The table below shows our nationwide forecasted house price growth rates that were used in determining our allowance for credit losses. See **Note 5** for additional information regarding our current period benefit (provision) for credit losses and estimation process.

Table 37 - Forecasted House Price Growth Rates

	2022	2023
June 30, 2022[(1)]	12.8 %	4.0 %
March 31, 2022[(1)]	10.4	5.0
December 31, 2021	6.2	2.5

(1) Current year forecast includes actual rates observed in the prior months.

REGULATION AND SUPERVISION

In addition to oversight by FHFA as our Conservator, we are subject to regulation and oversight by FHFA under our Charter and the GSE Act and to certain regulation by other government agencies. Furthermore, regulatory activities by other government agencies can affect us indirectly, even if we are not directly subject to such agencies' regulation or oversight. For example, regulations that modify requirements applicable to the purchase or servicing of mortgages can affect us.

Federal Housing Finance Agency

Equitable Housing Finance Plan

On June 8, 2022, FHFA announced the public release of the Enterprises' Equitable Housing Finance Plans for 2022-2024. The 2022-2024 plan activities are intended to identify and address barriers experienced by renters, aspiring homeowners, and current homeowners – particularly in traditionally underserved minority communities, including using special purpose credit programs to originate loans. The plan activities will be updated annually.

Additionally, FHFA has created a pilot transparency framework for the Enterprises to accompany these plans. This framework requires Freddie Mac and Fannie Mae to publish and maintain a list of pilots and test-and-learn activities on their public websites, which is intended to provide accountability in determining whether such activities are working to address the disparities identified in the Equitable Housing Finance Plans.

Resecuritization Fee for New Issuances of Commingled Securities

On June 14, 2022, we announced that, as a result of the recently implemented ERCF, Freddie Mac will begin to charge a 50 basis point fee for any newly-issued commingled security. The fee is effective for applicable commingled securities issued on or after July 1, 2022. Freddie Mac will apply the fee to collateral issued by Fannie Mae, at the time that such collateral is used for a new commingled security. Freddie Mac will not apply the fee to any Freddie Mac-issued collateral used for a new commingled security.

In June 2022, FHFA announced that it will explore alternatives to this fee to support the continued function and long-term viability of UMBS and the TBA market, including conducting a review of the ERCF in the near term to ensure that the risks of commingled securities are appropriately reflected. As directed by FHFA, the Enterprises are retaining the fee covering the collateral of the other Enterprise in commingled securities.

Legislative and Regulatory Developments

Final Rule on ERCF Public Disclosures

On June 2, 2022, FHFA published a final rule that amends the ERCF by introducing new public disclosure requirements for the Enterprises. The requirements include quarterly quantitative and annual qualitative disclosures related to risk management, corporate governance, capital structure, and capital requirements and buffers under the standardized approach. The required public disclosures cover 11 categories, with each category containing certain qualitative and quantitative disclosures, many of which are identical or similar to the disclosures applicable to U.S. banking organizations subject to the standardized approach. The compliance date for our first public disclosures under the new requirements is no later than 10 business days after we file our Annual Report on Form 10-K for the year ending December 31, 2022.

Final Rule on Capital Planning

On June 3, 2022, FHFA published a final rule that supplements the ERCF by requiring the Enterprises to submit annual capital plans to FHFA and provide prior notice for certain capital actions. The final rule also incorporates the determination of the stress capital buffer, an element of the ERCF, into the capital planning process. Under the final rule, we must submit our first capital plan to FHFA by May 20, 2023.

FORWARD-LOOKING STATEMENTS

We regularly communicate information concerning our business activities to investors, the news media, securities analysts, and others as part of our normal operations. Some of these communications, including this Form 10-Q, contain "forward-looking statements." Examples of forward-looking statements include, but are not limited to, statements pertaining to the conservatorship, our current expectations and objectives for the Single-Family and Multifamily segments of our business, our efforts to assist the housing market, our liquidity and capital management, economic and market conditions and trends, our market share, the effect of legislative and regulatory developments and new accounting guidance, the credit quality of loans we own or guarantee, the costs and benefits of our CRT transactions, the effects of natural disasters, other catastrophic events, including the COVID-19 pandemic, and significant climate change effects and actions taken in response thereto on our business, and our results of operations and financial condition. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond our control. Forward-looking statements are often accompanied by, and identified with, terms such as "could," "may," "will," "believe," "expect," "anticipate," "forecast," and similar phrases. These statements are not historical facts, but rather represent our expectations based on current information, plans, judgments, assumptions, estimates, and projections. Actual results may differ significantly from those described in or implied by such forward-looking statements due to various factors and uncertainties, including those described in the **Risk Factors** section in our 2021 Annual Report, and including, without limitation, the following:

- The actions the U.S. government (including FHFA, Treasury, and Congress) may take, require us to take, or restrict us from taking, including actions to support the housing market, such as programs implemented in response to the COVID-19 pandemic or to implement the recommendations in FHFA's Conservatorship Scorecards, recent requirements and guidance related to equitable housing, and other objectives for us;
- Changes in the fiscal and monetary policies of the Federal Reserve, including changes in target interest rates and in the amount of agency MBS and agency CMBS held by the Federal Reserve;
- Uncertainty regarding the duration and severity of the COVID-19 pandemic and the effects of the pandemic and actions taken in response thereto on the U.S. economy and housing market, which could, in turn, adversely affect our business in numerous ways, including, for example, by increasing our credit losses, impairing the value of our mortgage-related securities, decreasing our liquidity and capital levels, and increasing our credit risk and operational risk;
- The effect of the restrictions on our business due to the conservatorship and the Purchase Agreement;
- Changes in our Charter, applicable legislative or regulatory requirements (including any legislation affecting the future status of our company), or the Purchase Agreement;
- Changes to our capital requirements and potential effects of such changes on our business strategies;
- Changes in tax laws;
- Changes in privacy and cybersecurity laws and regulations;
- Changes in accounting policies, practices, or guidance;
- Changes in economic and market conditions generally, and as a result of the COVID-19 pandemic, including changes in employment rates, inflation, interest rates, spreads, and house prices;
- Changes in the U.S. residential mortgage market, including changes in the supply and type of loan products (e.g., refinance vs. purchase and fixed-rate vs. ARM);
- The success of our efforts to mitigate our losses on our Single-Family mortgage portfolio;
- The success of our strategy to transfer mortgage credit risk through STACR, ACIS, K Certificate, SB Certificate, and other CRT transactions;
- Our ability to maintain adequate liquidity to fund our operations;
- Our ability to maintain the security and resiliency of our operational systems and infrastructure, including against cyberattacks or other security incidents;
- Our ability to effectively execute our business strategies, implement new initiatives, and improve efficiency;
- The adequacy of our risk management framework, including the adequacy of our capital framework for measuring risk;
- Our ability to manage mortgage credit risk, including the effect of changes in underwriting and servicing practices;
- Our ability to limit or manage our economic exposure and GAAP earnings exposure to interest-rate volatility and spread volatility, including the availability of derivative financial instruments needed for interest-rate risk management purposes and our ability to apply hedge accounting;
- Our operational ability to issue new securities, make timely and correct payments on securities, and provide initial and ongoing disclosures;
- Our reliance on CSS and the CSP for the operation of the majority of our Single-Family securitization activities, limits on our influence over CSS Board decisions, and any additional changes FHFA may require in our relationship with, or support of, CSS;
- Changes in the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make

business decisions, and manage risks;

- Changes in investor demand for our debt or mortgage-related securities;
- Our ability to maintain market acceptance of the UMBS, including our ability to maintain alignment of the prepayment speeds of our and Fannie Mae's respective UMBS;
- Changes in the practices of loan originators, servicers, investors, and other participants in the secondary mortgage market;
- Competition from other market participants, which could affect the pricing we offer for our products, the credit characteristics of the loans we purchase, and our ability to meet our affordable housing goals;
- The discontinuance of, transition from, or replacement of LIBOR and the adverse consequences it could have on our business and operations;
- The availability of critical third parties, or their vendors and other business partners, to deliver products or services, or to manage risks effectively;
- The occurrence of a major natural disaster, other catastrophic event, or significant climate change effects in areas in which our offices, significant portions of our total mortgage portfolio, or the offices of critical third parties are located, and for which we may be uninsured or significantly underinsured; and
- Other factors and assumptions described in this Form 10-Q and our 2021 Annual Report, including in the **MD&A** section.

Forward-looking statements are made only as of the date of this Form 10-Q, and we undertake no obligation to update any forward-looking statements we make to reflect events or circumstances occurring after the date of this Form 10-Q.

Financial Statements

FREDDIE MAC

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) (Unaudited)

(In millions, except share-related amounts)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Net interest income				
Interest income	$20,008	$15,230	$37,748	$29,132
Interest expense	(15,249)	(10,463)	(28,885)	(20,726)
Net interest income	**4,759**	**4,767**	**8,863**	**8,406**
Non-interest income (loss)				
Guarantee income	205	356	275	604
Investment gains (losses), net	321	636	1,834	1,844
Other income (loss)	119	107	278	285
Non-interest income (loss)	**645**	**1,099**	**2,387**	**2,733**
Net revenues	**5,404**	**5,866**	**11,250**	**11,139**
Benefit (provision) for credit losses	**(307)**	**740**	**530**	**936**
Non-interest expense				
Salaries and employee benefits	(376)	(346)	(732)	(690)
Credit enhancement expense	(558)	(369)	(1,017)	(704)
Benefit for (decrease in) credit enhancement recoveries	(1)	(193)	(18)	(450)
Legislative assessments expense	(748)	(696)	(1,507)	(1,387)
Other expense	(337)	(365)	(678)	(726)
Non-interest expense	**(2,020)**	**(1,969)**	**(3,952)**	**(3,957)**
Income (loss) before income tax (expense) benefit	**3,077**	**4,637**	**7,828**	**8,118**
Income tax (expense) benefit	(624)	(958)	(1,577)	(1,672)
Net income (loss)	**2,453**	**3,679**	**6,251**	**6,446**
Other comprehensive income (loss), net of taxes and reclassification adjustments	(66)	(68)	(186)	(457)
Comprehensive income (loss)	**$2,387**	**$3,611**	**$6,065**	**$5,989**
Net income (loss)	$2,453	$3,679	$6,251	$6,446
Future increase in senior preferred stock liquidation preference	(2,387)	(3,611)	(6,065)	(5,989)
Net income (loss) attributable to common stockholders	**$66**	**$68**	**$186**	**$457**
Net income (loss) per common share	**$0.02**	**$0.02**	**$0.06**	**$0.14**
Weighted average common shares outstanding (in millions)	3,234	3,234	3,234	3,234

The accompanying notes are an integral part of these condensed consolidated financial statements.

FREDDIE MAC

Condensed Consolidated Balance Sheets (Unaudited)

(In millions, except share-related amounts)	June 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents (includes $855 and $1,695 of restricted cash and cash equivalents)	$5,257	$10,150
Securities purchased under agreements to resell	86,496	71,203
Investment securities, at fair value	48,937	53,015
Mortgage loans held-for-sale (includes $5,670 and $10,498 at fair value)	12,340	19,778
Mortgage loans held-for-investment (net of allowance for credit losses of $4,939 and $4,947)	2,954,524	2,828,331
Accrued interest receivable, net	7,871	7,474
Deferred tax assets, net	5,552	6,214
Other assets (includes $6,419 and $6,594 at fair value)	24,604	29,421
Total assets	**$3,145,581**	**$3,025,586**
Liabilities and equity		
Liabilities		
Accrued interest payable	$6,594	$6,268
Debt (includes $3,605 and $2,478 at fair value)	3,093,178	2,980,185
Other liabilities (includes $1,079 and $287 at fair value)	11,711	11,100
Total liabilities	**3,111,483**	**2,997,553**
Commitments and contingencies (Notes 4, 8, 14)		
Equity		
Senior preferred stock (liquidation preference of $104,359 and $97,959)	72,648	72,648
Preferred stock, at redemption value	14,109	14,109
Common stock, $0.00 par value, 4,000,000,000 shares authorized, 725,863,886 shares issued and 650,059,553 shares outstanding	—	—
Retained earnings (accumulated deficit)	(48,742)	(54,993)
AOCI, net of taxes, related to:		
Available-for-sale securities	107	297
Other	(139)	(143)
AOCI, net of taxes	(32)	154
Treasury stock, at cost, 75,804,333 shares	(3,885)	(3,885)
Total equity	**34,098**	**28,033**
Total liabilities and equity	**$3,145,581**	**$3,025,586**

The table below presents the carrying value and classification of the assets and liabilities of consolidated VIEs on our condensed consolidated balance sheets.

(In millions)	June 30, 2022	December 31, 2021
Assets:		
Cash and cash equivalents (includes $755 and $1,595 of restricted cash and cash equivalents)	$756	$1,596
Securities purchased under agreements to resell	18,400	34,000
Investment securities, at fair value	148	420
Mortgage loans held-for-investment, net	2,913,414	2,784,626
Accrued interest receivable, net	7,410	7,019
Other assets	7,469	11,265
Total assets of consolidated VIEs	**$2,947,597**	**$2,838,926**
Liabilities:		
Accrued interest payable	$6,175	$5,823
Debt	2,934,115	2,803,054
Total liabilities of consolidated VIEs	**$2,940,290**	**$2,808,877**

The accompanying notes are an integral part of these condensed consolidated financial statements.

FREDDIE MAC

Condensed Consolidated Statements of Equity (Unaudited)

	Shares Outstanding									
(In millions)	Senior Preferred Stock	Preferred Stock	Common Stock	Senior Preferred Stock	Preferred Stock, at Redemption Value	Common Stock, at Par Value	Retained Earnings (Accumulated Deficit)	AOCI, Net of Tax	Treasury Stock, at Cost	Total Equity
Balance at March 31, 2022	1	464	650	$72,648	$14,109	$—	($51,195)	$34	($3,885)	$31,711
Comprehensive income (loss):										
Net income (loss)	—	—	—	—	—	—	2,453	—	—	2,453
Other comprehensive income (loss):										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of $19 million)	—	—	—	—	—	—	—	(71)	—	(71)
Reclassification adjustment for gains on available-for-sale securities included in net income (net of taxes of $1 million)	—	—	—	—	—	—	—	3	—	3
Other (net of taxes of $1 million)	—	—	—	—	—	—	—	2	—	2
Comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**—**	**2,453**	**(66)**	**—**	**2,387**
Ending balance at June 30, 2022	**1**	**464**	**650**	**$72,648**	**$14,109**	**$—**	**($48,742)**	**($32)**	**($3,885)**	**$34,098**
Balance at March 31, 2021	1	464	650	$72,648	$14,109	$—	($64,335)	$254	($3,885)	$18,791
Comprehensive income (loss):										
Net income (loss)	—	—	—	—	—	—	3,679	—	—	3,679
Other comprehensive income (loss):										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of $2 million)	—	—	—	—	—	—	—	6	—	6
Reclassification adjustment for gains on available-for-sale securities included in net income (net of taxes of $20 million)	—	—	—	—	—	—	—	(79)	—	(79)
Other (net of taxes of $1 million)	—	—	—	—	—	—	—	5	—	5
Comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**—**	**3,679**	**(68)**	**—**	**3,611**
Ending balance at June 30, 2021	**1**	**464**	**650**	**$72,648**	**$14,109**	**$—**	**($60,656)**	**$186**	**($3,885)**	**$22,402**

	Shares Outstanding									
(In millions)	Senior Preferred Stock	Preferred Stock	Common Stock	Senior Preferred Stock	Preferred Stock, at Redemption Value	Common Stock, at Par Value	Retained Earnings (Accumulated Deficit)	AOCI, Net of Tax	Treasury Stock, at Cost	Total Equity
Balance at December 31, 2021	1	464	650	$72,648	$14,109	$—	($54,993)	$154	($3,885)	$28,033
Comprehensive income (loss):										
Net income (loss)	—	—	—	—	—	—	6,251	—	—	6,251
Other comprehensive income (loss):										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of $52 million)	—	—	—	—	—	—	—	(194)	—	(194)
Reclassification adjustment for gains on available-for-sale securities included in net income (net of taxes of $1 million)	—	—	—	—	—	—	—	4	—	4
Other (net of taxes of $1 million)	—	—	—	—	—	—	—	4	—	4
Comprehensive income (loss)	**—**	**—**	**—**	**—**	**—**	**—**	**6,251**	**(186)**	**—**	**6,065**
Ending balance at June 30, 2022	**1**	**464**	**650**	**$72,648**	**$14,109**	**$—**	**($48,742)**	**($32)**	**($3,885)**	**$34,098**
Balance at December 31, 2020	1	464	650	$72,648	$14,109	$—	($67,102)	$643	($3,885)	$16,413
Comprehensive income (loss):										
Net income (loss)	—	—	—	—	—	—	6,446	—	—	6,446
Other comprehensive income (loss):										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of $26 million)	—	—	—	—	—	—	—	(99)	—	(99)
Reclassification adjustment for gains on available-for-sale securities included in net income (net of taxes of $98 million)	—	—	—	—	—	—	—	(369)	—	(369)
Other (net of taxes of $1 million)	—	—	—	—	—	—	—	11	—	11
Comprehensive income (loss)	—	—	—	—	—	—	6,446	(457)	—	5,989
Ending balance at June 30, 2021	**1**	**464**	**650**	**$72,648**	**$14,109**	**$—**	**($60,656)**	**$186**	**($3,885)**	**$22,402**

The accompanying notes are an integral part of these condensed consolidated financial statements.

FREDDIE MAC

Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)	YTD 2022	YTD 2021
Net cash provided by (used in) operating activities	**$7,783**	**$16,070**
Cash flows from investing activities		
Purchases of investment securities	(80,629)	(70,102)
Proceeds from sales of investment securities	74,416	88,885
Proceeds from maturities and repayments of investment securities	7,993	3,879
Purchases of mortgage loans acquired as held-for-investment	(96,257)	(367,336)
Proceeds from sales of mortgage loans acquired as held-for-investment	2,159	5,199
Proceeds from repayments of mortgage loans acquired as held-for-investment	211,698	414,680
Advances under secured lending arrangements	(104,516)	(112,980)
Repayments of secured lending arrangements	363	92
Net proceeds from dispositions of real estate owned and other recoveries	130	144
Net (increase) decrease in securities purchased under agreements to resell	(17,889)	(13,314)
Derivative premiums and terminations, swap collateral, and exchange settlement payments, net	3,424	1,113
Other, net	(367)	(303)
Net cash provided by (used in) investing activities	**525**	**(50,043)**
Cash flows from financing activities		
Proceeds from issuance of debt of consolidated trusts	231,938	501,890
Repayments and redemptions of debt of consolidated trusts	(234,680)	(429,404)
Proceeds from issuance of debt of Freddie Mac	24,803	23,153
Repayments of debt of Freddie Mac	(37,903)	(79,001)
Net increase (decrease) in securities sold under agreements to repurchase	2,644	4,620
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	**(13,201)**	**21,255**
Net increase (decrease) in cash and cash equivalents (includes restricted cash and cash equivalents)	(4,893)	(12,718)
Cash and cash equivalents (includes restricted cash and cash equivalents) at beginning of year	10,150	23,889
Cash and cash equivalents (includes restricted cash and cash equivalents) at end of period	**$5,257**	**$11,171**
Supplemental cash flow information		
Cash paid for:		
Debt interest	$36,287	$34,301
Income taxes	1,500	2,590
Non-cash investing and financing activities (Note 3 and 6)		

The accompanying notes are an integral part of these condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

NOTE 1

Summary of Significant Accounting Policies

Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We are regulated by FHFA, the SEC, HUD, and Treasury, and are currently operating under the conservatorship of FHFA. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury, under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. Our Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For more information on the conservatorship, the roles of FHFA and Treasury, and the Purchase Agreement, see our 2021 Annual Report. Throughout our unaudited condensed consolidated financial statements and related notes, we use certain acronyms and terms which are defined in the **Glossary** of our 2021 Annual Report.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes in our 2021 Annual Report.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and include our accounts as well as the accounts of other entities in which we have a controlling financial interest. All intercompany balances and transactions have been eliminated.

We are operating under the basis that we will realize assets and satisfy liabilities in the normal course of business as a going concern and in accordance with the authority provided by FHFA to our Board of Directors to oversee management's conduct of our business operations. In the opinion of management, our unaudited consolidated financial statements contain all adjustments, which include only normal recurring adjustments, necessary for a fair statement of our results.

We have reclassified certain amounts within non-interest expense in our condensed consolidated statement of operations to better present the significant drivers of our non-interest expense activity. Prior period amounts have been reclassified to conform to the current period presentation. These reclassifications did not change the total amounts of non-interest expense, net income, or comprehensive income in any period presented.

Use of Estimates

The preparation of our condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Management has made significant estimates to report the allowance for credit losses on single-family mortgage loans. Actual results could be different from these estimates.

Recently Issued Accounting Guidance

Recently Adopted Accounting Guidance

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
ASU 2021-04, Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation-Stock Compensation (Topic 718), and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options	The amendments in this Update require issuers to account for modifications or exchanges of freestanding equity-classified written call options based on the reason for the modification or exchange, to issue equity, to issue or modify debt, or for other reasons.	January 1, 2022	The adoption of the amendments did not have a material effect on our consolidated financial statements.
ASU 2022-02, Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures	The amendments in this Update eliminate the recognition and measurement guidance related to TDRs in ASC Subtopic 310-40 for entities that have adopted ASC Topic 326.	January 1, 2022 for the amendments related to the elimination of the recognition and measurement of TDRs;	We elected to early adopt the amendments related to the elimination of the recognition and measurement of TDRs on January 1, 2022 on a prospective basis. This change did not have a material effect on our consolidated financial statements. See **Note 3** for additional information on the adoption of these amendments and the new required disclosures.
	The amendments in this Update also require disclosure of current period gross write-offs by year of origination for financing receivables within the scope of ASC Subtopic 326-20.	January 1, 2023 for the amendments related to disclosure of gross write-offs by year of origination.	We do not expect the adoption of the amendments related to disclosure of gross write-offs by year of origination to have a material effect on our consolidated financial statements.

Recently Issued Accounting Guidance, Not Yet Adopted Within Our Consolidated Financial Statements

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
ASU 2022-01, Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer method	The amendments in this Update provide clarifications of the guidance in ASC Topic 815 on fair value hedge accounting of interest rate risk for portfolios of financial assets. The ASU amends the guidance in ASU 2017-12 that, among other things, establishes the "last-of-layer" method for making the fair value hedge accounting for these portfolios more accessible by allowing the entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets.	January 1, 2023	We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements.

NOTE 2

Securitization Activities and Consolidation

Nonconsolidated VIEs

The following table presents the carrying amounts and classification of the assets and liabilities recorded on our condensed consolidated balance sheets related to VIEs for which we are not the primary beneficiary and with which we were involved in the design and creation and have a significant continuing involvement. Our involvement with such VIEs primarily consists of investments in debt securities issued by resecuritization trusts and guarantees of senior securities issued by certain Multifamily securitization trusts.

Table 2.1 - Nonconsolidated VIEs

(In millions)	June 30, 2022	December 31, 2021
Assets and Liabilities Recorded on our Condensed Consolidated Balance Sheets[1]		
Assets:		
Investment securities, at fair value	$15,781	$16,506
Accrued interest receivable, net	217	220
Other assets[2]	5,378	5,589
Liabilities:		
Debt	128	67
Other liabilities[2]	5,677	5,172

(1) Includes our variable interests in REMICs, Strips, commingled Supers, K Certificates, SB Certificates, certain senior subordinate securitization structures, and other securitization products that we do not consolidate.

(2) Includes our guarantee asset in other assets and our guarantee obligation in other liabilities.

The table below presents total assets and the maximum exposure to loss of the VIEs for which we are not the primary beneficiary and therefore do not consolidate.

Table 2.2 - Total Assets and Maximum Exposure to Loss for our Nonconsolidated VIEs[1]

	June 30, 2022		December 31, 2021	
(In millions)	Total Assets	Maximum Exposure[2]	Total Assets	Maximum Exposure[2]
Securitization Activities				
Single-Family:				
Other securitization products[3]	$32,554	$26,883	$33,603	$27,975
Multifamily:				
K Certificates	324,365	285,991	321,149	281,910
SB Certificates	24,750	22,166	24,944	22,389
Other securitization products	15,704	13,846	16,683	14,772
CRT Activities	30,521	19	23,605	44

(1) Excludes resecuritization products.

(2) For securitization activities, the maximum exposure primarily represents the contractual amounts that could be lost if counterparties or borrowers defaulted, without consideration of proceeds from related collateral liquidation and possible recoveries under credit enhancements. For CRT activities, the maximum exposure represents our recorded expected recovery receivable.

(3) Total assets excludes certain nonfinancial assets held by the VIEs.

In addition, the UPB of Fannie Mae securities underlying commingled Freddie Mac resecuritization trusts for which we are not the primary beneficiary totaled $126.8 billion and $110.8 billion as of June 30, 2022 and December 31, 2021, respectively. As a result of the recently implemented ERCF, we charge a 50 basis point fee for any commingled security issued on or after July 1, 2022. We apply the fee to collateral issued by Fannie Mae, at the time that such collateral is used for a new commingled security. See **Note 4** for additional information on our guarantee of Fannie Mae securities.

We also obtain interests in various other entities created by third parties through the normal course of business that may be VIEs, such as through our investments in certain non-Freddie Mac mortgage-related securities, purchases of multifamily loans, guarantees of multifamily housing revenue bonds, as a derivative counterparty, or through other activities. To the extent that we were not involved in the design or creation of these VIEs, they are excluded from the tables above. Our interests in these VIEs are generally passive in nature and are not expected to result in us obtaining a controlling financial interest in these VIEs in the future. As a result, we do not consolidate these VIEs and we account for our interests in these VIEs in the same manner that we account for our interests in other third-party transactions. See **Note 6** for additional information regarding our investments in non-Freddie Mac mortgage-related securities. See **Note 3** for more information regarding multifamily loans.

We do not believe the maximum exposure to loss from our involvement with VIEs for which we are not the primary beneficiary shown above is representative of the actual loss we are likely to incur, based on our historical loss experience and after consideration of proceeds from related collateral liquidation, including possible recoveries under credit enhancements. Certain of our interest-rate risk-related guarantees to VIEs for which we are not the primary beneficiary may create exposure to loss that is unlimited. We account for these interest-rate risk-related guarantees at fair value as discussed further in **Note 4** and generally reduce our exposure to these guarantees with unlimited interest rate exposure through separate derivative contracts with third parties. See **Note 8** for additional information on derivatives.

NOTE 3

Mortgage Loans

The table below provides details of the loans on our condensed consolidated balance sheets.

Table 3.1 - Mortgage Loans

	June 30, 2022			December 31, 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Held-for-sale UPB	$4,086	$9,302	$13,388	$5,446	$14,871	$20,317
Cost basis and fair value adjustments, net	(713)	(335)	(1,048)	(813)	274	(539)
Total held-for-sale loans, net	**3,373**	**8,967**	**12,340**	**4,633**	**15,145**	**19,778**
Held-for-investment UPB	2,881,547	30,585	2,912,132	2,742,851	26,657	2,769,508
Cost basis adjustments	47,271	60	47,331	63,684	86	63,770
Allowance for credit losses	(4,904)	(35)	(4,939)	(4,913)	(34)	(4,947)
Total held-for-investment loans, net	**2,923,914**	**30,610**	**2,954,524**	**2,801,622**	**26,709**	**2,828,331**
Total mortgage loans, net	**$2,927,287**	**$39,577**	**$2,966,864**	**$2,806,255**	**$41,854**	**$2,848,109**

For the purposes of certain single-family mortgage loan disclosures below, we present loans by class of financing receivable type. Financing receivable classes used for disclosure consist of: "20- and 30-year or more, amortizing fixed-rate," "15-year or less, amortizing fixed-rate," and "adjustable-rate and other." The "other" class consists of Alt-A, interest-only, and option ARM loans.

The table below provides details of the UPB of loans we purchased and sold during the periods presented.

Table 3.2 - Loans Purchased and Sold

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Single-Family:				
Purchases:				
Held-for-investment loans	$137,665	$287,096	$344,600	$647,668
Sale of held-for-sale loans[1]	1,429	3,037	1,444	3,037
Multifamily:				
Purchases:				
Held-for-investment loans	2,957	1,299	5,522	2,920
Held-for-sale loans	11,372	11,543	23,639	23,836
Sale of held-for-sale loans[2]	14,899	17,718	29,191	38,831

(1) Our sales of single-family loans reflect the sale of single-family seasoned loans.

(2) Our sales of multifamily loans occur primarily through the issuance of Multifamily K Certificates and SB Certificates.

Reclassifications

The table below presents the allowance for credit losses or valuation allowance that was reversed or established due to loan reclassifications between held-for-investment and held-for-sale during the periods presented.

Table 3.3 - Loan Reclassifications

	2Q 2022			2Q 2021		
(In millions)	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed
Single-Family reclassifications from:						
Held-for-investment to held-for-sale	$325	$10	$—	$469	$28	$—
Held-for-sale to held-for-investment[1]	75	(4)	3	67	6	—
Multifamily reclassifications from:						
Held-for-investment to held-for-sale	386	1	—	1,202	5	—
Held-for-sale to held-for-investment	39	—	—	12	—	—

Referenced footnote is included after the year-to-date table.

(In millions)	YTD 2022 UPB	YTD 2022 Allowance for Credit Losses Reversed or (Established)	YTD 2022 Valuation Allowance (Established) or Reversed	YTD 2021 UPB	YTD 2021 Allowance for Credit Losses Reversed or (Established)	YTD 2021 Valuation Allowance (Established) or Reversed
Single-family reclassifications from:						
Held-for-investment to held-for-sale	$573	$10	$—	$970	$35	$—
Held-for-sale to held-for-investment[1]	137	(7)	3	102	9	—
Multifamily reclassifications from:						
Held-for-investment to held-for-sale	701	1	—	1,730	6	—
Held-for-sale to held-for-investment	285	—	—	21	—	—

(1) Allowance for credit losses established upon loan reclassification from held-for-sale to held-for-investment to reflect the net amount we expect to collect on the loan. Loans with prior charge-offs may have a negative allowance for credit losses established upon reclassification.

Interest Income

The table below presents the amortized cost basis of non-accrual loans as of the beginning and the end of the periods presented, including the interest income recognized for the period that is related to the loans on non-accrual status as of period end.

Table 3.4 - Amortized Cost Basis of Held-for-Investment Loans on Non-Accrual

(In millions)	Non-Accrual Amortized Cost Basis March 31, 2022	Non-Accrual Amortized Cost Basis June 30, 2022	Interest Income Recognized[1] 2Q 2022	Interest Income Recognized[1] YTD 2022
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	$13,831	$11,021	$40	$80
15-year or less, amortizing fixed-rate	684	562	1	3
Adjustable-rate and other	580	435	1	3
Total Single-Family	**15,095**	**12,018**	**42**	**86**
Total Multifamily	**42**	**42**	**—**	**—**
Total Single-Family and Multifamily	**$15,137**	**$12,060**	**$42**	**$86**

(In millions)	Non-Accrual Amortized Cost Basis March 31, 2021	Non-Accrual Amortized Cost Basis June 30, 2021	Interest Income Recognized[1] 2Q 2021	Interest Income Recognized[1] YTD 2021
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	$21,137	$19,431	$35	$70
15-year or less, amortizing fixed-rate	1,031	914	1	3
Adjustable-rate and other	996	879	1	3
Total Single-Family	**23,164**	**21,224**	**37**	**76**
Total Multifamily	**—**	**—**	**—**	**—**
Total Single-Family and Multifamily	**$23,164**	**$21,224**	**$37**	**$76**

(1) Represents the amount of payments received during the period, including those received while the loans were on accrual status, for the held-for-investment loans on non-accrual status as of period end.

The table below provides the amount of accrued interest receivable, net presented on our condensed consolidated balance sheets and the amount of accrued interest receivable related to loans on non-accrual status at the end of the periods that was charged off.

Table 3.5 - Accrued Interest Receivable, Net and Related Charge-Offs

(In millions)	Accrued Interest Receivable, Net June 30, 2022	Accrued Interest Receivable, Net December 31, 2021	Accrued Interest Receivable Related Charge-Offs 2Q 2022	Accrued Interest Receivable Related Charge-Offs 2Q 2021	Accrued Interest Receivable Related Charge-Offs YTD 2022	Accrued Interest Receivable Related Charge-Offs YTD 2021
Single-Family loans	$7,458	$7,065	($58)	($119)	($145)	($285)
Multifamily loans	122	125	—	—	—	—

Credit Quality

Single-Family

The current LTV ratio is one key factor we consider when estimating our allowance for credit losses for single-family loans. As current LTV ratios increase, the borrower's equity in the home decreases, which may negatively affect the borrower's ability to refinance (outside of our relief refinance programs) or to sell the property for an amount at or above the balance of the outstanding loan.

The table below presents the amortized cost basis of single-family held-for-investment loans by current LTV ratio. Our current LTV ratios are estimates based on available data through the end of each period presented. For reporting purposes:

- Alt-A loans continue to be presented in the "adjustable-rate and other" category following modification, even though the borrower may have provided full documentation of assets and income to complete the modification and
- Option ARM loans continue to be presented in the "adjustable-rate and other" category following modification, even though the modified loan no longer provides for optional payment provisions.

Table 3.6 - Amortized Cost Basis of Single-Family Held-for-Investment Loans by Current LTV Ratio and Vintage

	June 30, 2022						
	Year of Origination						Total
(In millions)	2022	2021	2020	2019	2018	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	$47,446	$426,668	$526,497	$94,360	$42,009	$434,009	$1,570,989
> 60 to 80	108,231	432,622	183,489	29,468	8,160	11,300	773,270
> 80 to 90	36,712	88,209	3,088	497	135	548	129,189
> 90 to 100	29,808	1,700	227	25	14	194	31,968
> 100	14	1	—	1	4	210	230
Total 20- and 30-year or more, amortizing fixed-rate	**222,211**	**949,200**	**713,301**	**124,351**	**50,322**	**446,261**	**2,505,646**
15-year or less, amortizing fixed-rate							
≤ 60	13,108	121,324	116,182	15,904	6,189	78,186	350,893
> 60 to 80	9,712	28,266	3,872	218	26	27	42,121
> 80 to 90	817	654	9	—	1	3	1,484
> 90 to 100	252	7	—	—	—	2	261
> 100	—	—	—	—	—	2	2
Total 15-year or less, amortizing fixed-rate	**23,889**	**150,251**	**120,063**	**16,122**	**6,216**	**78,220**	**394,761**
Adjustable-rate and other							
≤ 60	817	3,052	1,661	711	481	16,911	23,633
> 60 to 80	1,211	2,002	214	75	31	454	3,987
> 80 to 90	350	168	2	1	1	37	559
> 90 to 100	206	4	—	—	—	13	223
> 100	—	—	—	—	—	9	9
Total adjustable-rate and other	**2,584**	**5,226**	**1,877**	**787**	**513**	**17,424**	**28,411**
Total Single-Family loans	**$248,684**	**$1,104,677**	**$835,241**	**$141,260**	**$57,051**	**$541,905**	**$2,928,818**
Total for all loan product types by current LTV ratio:							
≤ 60	$61,371	$551,044	$644,340	$110,975	$48,679	$529,106	$1,945,515
> 60 to 80	119,154	462,890	187,575	29,761	8,217	11,781	819,378
> 80 to 90	37,879	89,031	3,099	498	137	588	131,232
> 90 to 100	30,266	1,711	227	25	14	209	32,452
> 100	14	1	—	1	4	221	241
Total Single-Family loans	**$248,684**	**$1,104,677**	**$835,241**	**$141,260**	**$57,051**	**$541,905**	**$2,928,818**

(In millions)	December 31, 2021						
	Year of Origination						Total
	2021	2020	2019	2018	2017	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	$260,244	$397,680	$77,812	$39,143	$61,434	$405,467	$1,241,780
> 60 to 80	467,193	334,560	60,570	18,914	12,715	17,354	911,306
> 80 to 90	124,074	28,944	2,034	482	208	818	156,560
> 90 to 100	66,851	1,083	126	45	29	309	68,443
> 100	75	2	4	8	18	328	435
Total 20- and 30-year or more, amortizing fixed-rate	**918,437**	**762,269**	**140,546**	**58,592**	**74,404**	**424,276**	**2,378,524**
15-year or less, amortizing fixed-rate							
≤ 60	93,732	111,899	17,335	7,161	13,602	78,001	321,730
> 60 to 80	52,521	18,834	1,136	137	54	36	72,718
> 80 to 90	3,785	168	6	2	2	3	3,966
> 90 to 100	598	2	1	1	1	2	605
> 100	4	—	—	1	1	3	9
Total 15-year or less, amortizing fixed-rate	**150,640**	**130,903**	**18,478**	**7,302**	**13,660**	**78,045**	**399,028**
Adjustable-rate and other							
≤ 60	2,054	1,554	727	543	1,657	17,517	24,052
> 60 to 80	2,435	535	209	90	190	795	4,254
> 80 to 90	417	16	6	3	4	66	512
> 90 to 100	116	—	—	—	—	30	146
> 100	1	—	—	—	—	18	19
Total adjustable-rate and other	**5,023**	**2,105**	**942**	**636**	**1,851**	**18,426**	**28,983**
Total Single-Family loans	**$1,074,100**	**$895,277**	**$159,966**	**$66,530**	**$89,915**	**$520,747**	**$2,806,535**
Total for all loan product types by current LTV ratio:							
≤ 60	$356,030	$511,133	$95,874	$46,847	$76,693	$500,985	$1,587,562
> 60 to 80	522,149	353,929	61,915	19,141	12,959	18,185	988,278
> 80 to 90	128,276	29,128	2,046	487	214	887	161,038
> 90 to 100	67,565	1,085	127	46	30	341	69,194
> 100	80	2	4	9	19	349	463
Total Single-Family loans	**$1,074,100**	**$895,277**	**$159,966**	**$66,530**	**$89,915**	**$520,747**	**$2,806,535**

Multifamily

The table below presents the amortized cost basis of our multifamily held-for-investment loans, by credit quality indicator, based on available data through the end of each period presented. These indicators involve significant management judgment and are defined as follows:

- "Pass" is current and adequately protected by the borrower's current financial strength and debt service capacity;
- "Special mention" has administrative issues that may affect future repayment prospects but does not have current credit weaknesses. In addition, this category generally includes loans in forbearance;
- "Substandard" has a weakness that jeopardizes the timely full repayment; and
- "Doubtful" has a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions.

Table 3.7 - Amortized Cost Basis of Multifamily Held-for-Investment Loans by Credit Quality Indicator and Vintage

	June 30, 2022							
	Year of Origination							
(In millions)	2022	2021	2020	2019	2018	Prior	Revolving Loans	Total
Category:								
Pass	$4,153	$8,006	$6,651	$5,196	$957	$3,056	$1,857	$29,876
Special mention	—	—	40	397	7	63	—	507
Substandard	—	—	32	141	4	85	—	262
Doubtful	—	—	—	—	—	—	—	—
Total	**$4,153**	**$8,006**	**$6,723**	**$5,734**	**$968**	**$3,204**	**$1,857**	**$30,645**

	December 31, 2021							
	Year of Origination							
(In millions)	2021	2020	2019	2018	2017	Prior	Revolving Loans	Total
Category:								
Pass	$6,955	$7,116	$5,273	$979	$610	$2,795	$2,275	$26,003
Special mention	—	40	372	—	3	42	—	457
Substandard	—	62	171	4	2	44	—	283
Doubtful	—	—	—	—	—	—	—	—
Total	**$6,955**	**$7,218**	**$5,816**	**$983**	**$615**	**$2,881**	**$2,275**	**$26,743**

Past Due Status

The table below presents the amortized cost basis of our single-family and multifamily held-for-investment loans, by payment status.

Table 3.8 - Amortized Cost Basis of Held-for-Investment Loans by Payment Status

	June 30, 2022						
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure(1)	Total	Three Months or More Past Due, and Accruing Interest	Non-accrual With No Allowance(2)
Single-Family:							
20- and 30-year or more, amortizing fixed-rate	$2,472,518	$15,884	$3,318	$13,926	$2,505,646	$3,319	$717
15-year or less, amortizing fixed-rate	392,419	1,373	221	748	394,761	201	14
Adjustable-rate and other	27,539	303	73	496	28,411	35	93
Total Single-Family	**2,892,476**	**17,560**	**3,612**	**15,170**	**2,928,818**	**3,555**	**824**
Total Multifamily	**30,603**	**—**	**—**	**42**	**30,645**	**—**	**42**
Total Single-Family and Multifamily	**$2,923,079**	**$17,560**	**$3,612**	**$15,212**	**$2,959,463**	**$3,555**	**$866**

	December 31, 2021						
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure(1)	Total	Three Months or More Past Due, and Accruing Interest	Non-accrual with No Allowance(2)
Single-Family:							
20- and 30-year or more, amortizing fixed-rate	$2,338,076	$14,833	$3,214	$22,401	$2,378,524	$5,784	$857
15-year or less, amortizing fixed-rate	396,030	1,550	230	1,218	399,028	392	13
Adjustable-rate and other	27,752	280	89	862	28,983	95	102
Total Single-Family	**2,761,858**	**16,663**	**3,533**	**24,481**	**2,806,535**	**6,271**	**972**
Total Multifamily	**26,743**	**—**	**—**	**—**	**26,743**	**—**	**—**
Total Single-Family and Multifamily	**$2,788,601**	**$16,663**	**$3,533**	**$24,481**	**$2,833,278**	**$6,271**	**$972**

Referenced footnotes are on the next page.

(1) Includes $1.4 billion and $0.7 billion of single-family loans that were in the process of foreclosure as of June 30, 2022 and December 31, 2021, respectively.

(2) Loans with no allowance for loan losses primarily represent those loans that were previously charged off and therefore the collateral value is sufficiently in excess of the amortized cost to result in recovery of the entire amortized cost basis if the property were foreclosed upon or otherwise subject to disposition. We exclude the amounts of allowance for credit losses on accrued interest receivable and advances of pre-foreclosure costs when determining whether a loan has an allowance for credit losses.

Loan Restructurings

In 1Q 2022, we adopted accounting guidance in ASU 2022-02 that eliminates the recognition and measurement of TDRs. Upon adoption of this guidance, we no longer measure an allowance for credit losses for TDRs we reasonably expect will occur, and we evaluate all loan restructurings according to the accounting guidance for loan refinancing and restructuring to determine whether the restructuring should be accounted for as a new loan or a continuation of the existing loan. We derecognize the existing loan and account for the restructured loan as a new loan if the effective yield on the restructured loan is at least equal to the effective yield for comparable loans with similar collection risks and the modifications to the original loan are more than minor. If a loan restructuring does not meet these conditions, we carryforward the existing loan's amortized cost basis and account for the restructured loan as a continuation of the existing loan. Substantially all of our loan restructurings involving borrowers experiencing financial difficulty are accounted for as a continuation of the existing loan.

The discounted cash flow model we use in measuring our Single-Family allowance for credit losses forecasts cash flows we expect to collect using our historical experience, including the effects of our loss mitigation activities involving borrowers experiencing financial difficulty. When we account for a loan restructuring as a continuation of the existing loan, we update the loan's effective interest rate based on the restructured terms and recognize interest income prospectively using the new effective rate. We also update the prepayment-adjusted effective interest rate used to discount cash flows in measuring our allowance for credit losses to reflect the loan's restructured terms. As a result, subsequent to our adoption of the accounting guidance that eliminates the recognition and measurement of TDRs, we no longer recognize an allowance for credit losses for the economic concession granted to a borrower for changes in the timing and amount of contractual cash flows when a loan is restructured. However, because we adopted such guidance prospectively, we continue to use the loan's prepayment-adjusted effective interest rate just prior to the restructuring, with no adjustments made to the effective interest rate for changes in the timing of expected cash flows subsequent to the restructuring, for loans that were restructured and accounted for as TDRs prior to our adoption of the guidance and that have not been subsequently modified after our adoption of the guidance. As a result, we continue to measure an allowance for credit losses for the economic concession granted to a borrower for changes in the timing and amount of contractual cash flows for such loans.

Single-Family Loan Restructurings

We offer several types of restructurings to single-family borrowers that may result in a payment delay, interest rate reduction, term extension, or combination thereof. We do not offer principal forgiveness.

We offer the following types of restructurings to single-family borrowers that result in only a payment delay:

- **Forbearance plans** - Arrangements that require reduced or no payments during a defined period that provides borrowers additional time to return to compliance with the original mortgage terms or to implement another type of loan workout option. Borrowers may exit forbearance by repaying all past due amounts and fully reinstating the loan, paying off the loan in full, or entering into a repayment plan, a payment deferral plan, or a trial period plan pursuant to a loan modification. We offer forbearance of up to 12 months to single-family borrowers experiencing financial difficulty (and up to 18 months to certain borrowers affected by the COVID-19 pandemic). Borrowers may receive an initial forbearance term of one to six months and, if necessary, one or more forbearance term extensions of one to six months, as long as the delinquency of the mortgage does not exceed 12 months.
- **Repayment plans** - Contractual plans that allow borrowers a specific period of time to return to current status by paying the normal monthly payment plus additional agreed upon delinquent amounts. Repayment plans must have a term greater than one month and less than or equal to 12 months and the monthly repayment plan payment amount must not exceed 150% of the contractual mortgage payment amount.
- **Payment deferral plans** - Arrangements that allow borrowers to return to current status by deferring delinquent principal and interest into a non-interest-bearing principal balance that is due at the earlier of the payoff date, maturity date, or sale of the property. The remaining mortgage term, interest rate, payment schedule, and maturity date remain unchanged, and no trial period plan is required. The number of months of payments deferred varies based upon the type of hardship the borrower is experiencing.

In addition, we also offer single-family borrowers loan modifications, which are contractual plans that may involve changing the terms of the loan such as payment delays, interest rate reductions, term extensions, or a combination of these items. Payment delays in our loan modification programs most commonly consist of adding outstanding indebtedness, such as delinquent interest, to the UPB of the loan, and may also include principal forbearance, in which a portion of the principal balance becomes non-interest-bearing and is due at the earlier of the payoff date, maturity date, or sale of the property. Our modification programs generally require completion of a trial period of at least three months prior to receiving the modification.

Most of our modifications involve a combination of: (1) a payment delay in the form of adding outstanding indebtedness to the UPB of the loan, and (2) an interest rate reduction, a term extension, or both.

The table below presents the amortized cost basis of Single-Family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented.

Table 3.9 - Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty[1]

	2Q 2022				
(Dollars in millions)	Payment Delay[2]	Payment Delay and Term Extension[3]	Payment Delay, Term Extension, and Interest Rate Reduction[3]	Total	Total as % of Class of Financing Receivable[4]
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	$6,832	$520	$2,476	$9,828	0.4 %
15-year or less, amortizing fixed-rate	429	15	16	460	0.1
Adjustable-rate and other	139	14	50	203	0.7
Total Single-Family loan restructurings	**$7,400**	**$549**	**$2,542**	**$10,491**	**0.4**

	YTD 2022				
(Dollars in millions)	Payment Delay[2]	Payment Delay and Term Extension[3]	Payment Delay, Term Extension, and Interest Rate Reduction[3]	Total	Total as % of Class of Financing Receivable[4]
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	$14,268	$1,172	$5,361	$20,801	0.8 %
15-year or less, amortizing fixed-rate	910	28	69	1,007	0.3
Adjustable-rate and other	314	29	126	469	1.6
Total Single-Family loan restructurings	**$15,492**	**$1,229**	**$5,556**	**$22,277**	**0.8**

(1) Type of loan restructurings reflects the cumulative effects of the loan restructurings received during the period.

(2) Includes $3.6 billion and $8.4 billion related to payment deferral plans for 2Q 2022 and YTD 2022, respectively. Also includes forbearance plans, repayment plans, and loan modifications that only involve payment delays.

(3) Includes loan modifications in the period in which the borrower completes the trial period and the loan is permanently modified. The amortized cost basis of loans in trial period modification plans was $2.6 billion as of June 30, 2022.

(4) Based on the amortized cost basis as of period end, divided by the total period-end amortized cost basis of the corresponding financing receivable class of Single-Family held-for-investment loans.

The table below shows the financial effect of Single-Family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented.

Table 3.10 – Financial Effects of Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty[1]

	2Q 2022		
(Dollars in thousands)	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance[2]
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.4 %	185	$21
15-year or less, amortizing fixed-rate	0.6	359	22
Adjustable-rate and other	2.2	234	26

Referenced footnotes are included after the year-to-date table.

	YTD 2022		
(Dollars in thousands)	**Weighted-Average Interest Rate Reduction**	**Weighted-Average Months of Term Extension**	**Weighted-Average Payment Deferral or Principal Forbearance[(2)]**
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.5 %	187	$23
15-year or less, amortizing fixed-rate	0.6	358	24
Adjustable-rate and other	2.3	228	27

(1) Averages are based on payment deferral plans and loan modifications completed during the periods presented. The financial effects of forbearance plans and repayment plans consist of a payment delay of between one and twelve months. In addition, the financial effect of a forbearance plan is included at the time the forbearance plan is completed if the borrower exits forbearance by entering into a payment deferral plan or loan modification.

(2) Primarily related to payment deferral plans. Amounts are based on non-interest-bearing principal balances on the restructured loans.

The following table provides the amortized cost basis of single-family held-for-investment loans restructured during YTD 2022 involving borrowers experiencing financial difficulty that subsequently defaulted (i.e., loans that became two months delinquent) during the periods presented.

Table 3.11 - Subsequent Defaults of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty[(1)]

	2Q 2022			
(In millions)	**Payment Delay**	**Payment Delay and Term Extension**	**Payment Delay, Term Extension, and Interest Rate Reduction**	**Total**
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	$364	$30	$69	$463
15-year or less, amortizing fixed-rate	18	—	—	18
Adjustable-rate and other	10	2	1	13
Total Single-Family	**$392**	**$32**	**$70**	**$494**

	YTD 2022			
(In millions)	**Payment Delay**	**Payment Delay and Term Extension**	**Payment Delay, Term Extension, and Interest Rate Reduction**	**Total**
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	$717	$38	$76	$831
15-year or less, amortizing fixed-rate	45	—	—	45
Adjustable-rate and other	24	2	1	27
Total Single-Family	**$786**	**$40**	**$77**	**$903**

(1) Excludes forbearance plans and repayment plans as borrowers are typically past due based on the loan's original contractual terms at the time the borrowers enter into these plans.

The table below presents the amortized cost basis of single-family held-for-investment loans restructured during YTD 2022 by payment status. While a single-family loan is in a forbearance plan or repayment plan, payments continue to be due based on the loan's original contractual terms because the loan has not been permanently modified. As a result, we report single-family loans in forbearance plans and repayment plans as delinquent to the extent that payments are past due based on the loan's original contractual terms. Loans that have been restructured by entering into a payment deferral plan or loan modification are reported as delinquent to the extent that payments are past due based on the loan's restructured terms.

Table 3.12 - Payment Status of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty

	June 30, 2022				
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due	Total
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	$13,524	$1,905	$1,224	$4,148	$20,801
15-year or less, amortizing fixed-rate	610	97	72	228	1,007
Adjustable-rate and other	292	31	21	125	469
Total Single-Family	**$14,426**	**$2,033**	**$1,317**	**$4,501**	**$22,277**

Multifamily Loan Restructurings

We offer several types of restructurings to multifamily borrowers that may result in a payment delay, interest rate reduction, term extension, principal forgiveness, or combination thereof. In certain cases, we offer multifamily borrowers forbearance plans that allow borrowers to defer monthly payments during a defined period. After the forbearance period ends, the borrowers are required to repay forborne loan amounts in monthly installments. In addition, in certain cases, for maturing loans we may provide term extensions with no changes to the effective borrowing rate. In other cases, we may make more significant modifications of terms for borrowers experiencing financial difficulty, such as interest rate reductions, term extensions, principal forbearance and/or forgiveness, or some combination of these items. There were no restructuring activities related to Multifamily held-for-investment loans involving borrowers experiencing financial difficulty for the six months ended June 30, 2022.

Prior Period Troubled Debt Restructuring Information

The table below provides details of our single-family loan modifications that were classified as TDRs during the periods presented.

Table 3.13 - Single-Family TDR Modification Metrics

	2Q 2021	YTD 2021
Percentage of single-family loan modifications that were classified as TDRs with:		
Interest rate reductions and related term extensions	13%	14%
Principal forbearance and related interest rate reductions and term extensions	37	35
Average coupon interest rate reduction	0.4 %	0.4 %
Average months of term extension	145	149

The table below presents the volume of single-family and multifamily loans that were newly classified as TDRs during the periods presented. Loans classified as a TDR in one period may be subject to further action (such as a modification or remodification) in a subsequent period. In such cases, the subsequent action would not be reflected in the table below since the loan would already have been classified as a TDR.

Table 3.14 - TDR Activity

	2Q 2021		YTD 2021	
(Dollars in millions)	Number of Loans	Post-TDR Amortized Cost Basis	Number of Loans	Post-TDR Amortized Cost Basis
Single-Family:(1)(2)				
20- and 30-year or more, amortizing fixed-rate	3,729	$656	7,511	$1,327
15-year or less, amortizing fixed-rate	425	47	897	94
Adjustable-rate and other	208	30	407	58
Total Single-Family	**4,362**	**733**	**8,815**	**1,479**
Multifamily	—	—	—	—

(1) The pre-TDR amortized cost basis for single-family loans initially classified as TDRs during 2Q 2021 and YTD 2021 was $0.8 billion and $1.5 billion, respectively.

(2) Includes certain bankruptcy events and forbearance plans, repayment plans, payment deferral plans, and modification activities that do not qualify for the temporary relief related to TDRs provided by the CARES Act based on servicer reporting at the time of the TDR event.

The table below presents the volume of our TDR modifications that experienced payment defaults (i.e., loans that became two months delinquent or completed a loss event) during the periods presented and had completed a modification during the year preceding the payment default.

Table 3.15 - Payment Defaults of Completed TDR Modifications

	2Q 2021		YTD 2021	
(Dollars in millions)	Number of Loans	Post-TDR Amortized Cost Basis	Number of Loans	Post-TDR Amortized Cost Basis
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	682	$124	1,813	$322
15-year or less, amortizing fixed-rate	24	2	86	9
Adjustable-rate and other	95	14	237	38
Total Single-Family	**801**	**140**	**2,136**	**369**
Multifamily	**—**	**—**	**—**	**—**

Non-Cash Investing and Financing Activities

During YTD 2022 and YTD 2021, we acquired $247.8 billion and $295.5 billion, respectively, of loans held-for-investment in exchange for the issuance of debt of consolidated trusts in guarantor swap transactions. We received approximately $105.8 billion and $112.1 billion of loans held-for-investment from sellers during YTD 2022 and YTD 2021, respectively, to satisfy advances to lenders that were recorded in other assets on our condensed consolidated balance sheets.

NOTE 4

Guarantees and Other Off-Balance Sheet Credit Exposures

The table below shows our maximum exposure, recognized liability, and maximum remaining term of our guarantees to nonconsolidated VIEs and other third parties. This table does not include certain of our unrecognized guarantees, such as guarantees to consolidated VIEs or to resecuritization trusts that do not expose us to incremental credit risk. The maximum exposure disclosed in the table is not representative of the actual loss we are likely to incur, based on our historical loss experience and after consideration of proceeds from collateral liquidation, including possible credit enhancement recoveries.

Table 4.1 - Financial Guarantees

	June 30, 2022			December 31, 2021		
(**Dollars in millions**, terms in years)	Maximum Exposure(1)	Recognized Liability(2)	Maximum Remaining Term	Maximum Exposure(1)	Recognized Liability(2)	Maximum Remaining Term
Single-Family:						
Securitization activity guarantees	$26,883	$396	40	$27,975	$398	39
Other mortgage-related guarantees	9,961	226	30	10,588	251	30
Guarantees of Fannie Mae securities	126,927	—	39	111,150	—	40
Total Single-Family	**$163,771**	**$622**		**$149,713**	**$649**	
Multifamily:						
Securitization activity guarantees	$320,025	$4,828	38	$317,006	$4,663	38
Other mortgage-related guarantees	10,140	371	32	10,456	404	32
Total Multifamily	**$330,165**	**$5,199**		**$327,462**	**$5,067**	
Other guarantees:						
Written options	$27,724	$1,591	9	$34,861	$1,596	10
CRT-related derivatives	37,755	58	30	33,188	35	30
Other	5,881	330	30	1,750	21	29
Total other guarantees	**$71,360**	**$1,979**		**$69,799**	**$1,652**	

(1) The maximum exposure represents the contractual amounts that could be lost if counterparties or borrowers defaulted, without consideration of proceeds from collateral liquidation, including possible credit enhancement recoveries. For other guarantees, this amount primarily represents the notional amount or UPB of our interest rate and market value guarantees and guarantees of third-party derivatives. For certain of our other guarantees, our exposure may be unlimited; however, we generally reduce our exposure through separate derivative contracts with third parties.

(2) For securitization activity guarantees and other mortgage-related guarantees, this amount represents the guarantee obligation on our condensed consolidated balance sheets and excludes our allowance for credit losses on off-balance sheet credit exposures. For other guarantees, this amount represents the fair value of the contract.

The table below shows the payment status of the mortgage loans underlying our guarantees that are not measured at fair value.

Table 4.2 – UPB of Loans Underlying Our Guarantees by Payment Status

	June 30, 2022				
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total(1)
Single-Family	$37,686	$1,975	$701	$2,043	$42,405
Multifamily	372,726	14	5	218	372,963
Total	**$410,412**	**$1,989**	**$706**	**$2,261**	**$415,368**

	December 31, 2021				
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total(1)
Single-Family	$38,964	$2,040	$692	$2,341	$44,037
Multifamily	370,541	47	7	317	370,912
Total	**$409,505**	**$2,087**	**$699**	**$2,658**	**$414,949**

(1) Loan-level payment status is not available for certain guarantees totaling $0.3 billion and $0.4 billion as of June 30, 2022 and December 31, 2021, respectively, and therefore is not included in the table above.

NOTE 5

Allowance for Credit Losses

In 1Q 2022, we adopted accounting guidance that eliminates the recognition and measurement of TDRs. Upon adoption of this guidance, we no longer incorporate the expected credit losses for TDRs we reasonably expect will occur in our estimation of the allowance for credit losses. See **Note 3** for more information on the adoption of the new accounting guidance.

The table below summarizes changes in our allowance for credit losses.

Table 5.1 - Details of the Allowance for Credit Losses

	2Q 2022			2Q 2021			YTD 2022			YTD 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Beginning balance	$4,849	$72	$4,921	$6,130	$150	$6,280	$5,440	$78	$5,518	$6,353	$200	$6,553
Provision (benefit) for credit losses	298	9	307	(686)	(54)	(740)	(533)	3	(530)	(832)	(104)	(936)
Charge-offs	(107)	—	(107)	(203)	—	(203)	(280)	—	(280)	(441)	—	(441)
Recoveries collected	43	—	43	61	—	61	95	—	95	107	—	107
Other[1]	259	—	259	211	—	211	620	—	620	326	—	326
Ending balance	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**
Components of the ending balance of the allowance for credit losses:												
Mortgage loans held-for-investment	$4,904	$35	$4,939	$4,601	$47	$4,648						
Advances of pre-foreclosure costs	380	—	380	691	—	691						
Accrued interest receivable on mortgage loans	6	—	6	168	—	168						
Off-balance sheet credit exposures	52	46	98	53	49	102						
Total ending balance	**$5,342**	**$81**	**$5,423**	**$5,513**	**$96**	**$5,609**						

(1) Primarily includes capitalization of past due interest related to non-accrual loans that receive payment deferral plans and loan modifications.

- **2Q 2022 vs. 2Q 2021** - A provision for credit losses in 2Q 2022, primarily driven by portfolio growth and deterioration in forecasted economic conditions, compared to a benefit for credit losses in 2Q 2021, which was primarily driven by a reserve release due to observed house price appreciation and improving economic conditions.
- **YTD 2022 vs. YTD 2021** - Benefit for credit losses decreased primarily due to portfolio growth and deterioration in forecasted economic conditions.

In addition, charge-offs decreased year-over-year due to a decrease in charge-offs of accrued interest receivable during the 2022 periods.

NOTE 6

Investment Securities

The table below summarizes the fair values of our investments in debt securities by classification.

Table 6.1 - Investment Securities

(In millions)	June 30, 2022	December 31, 2021
Trading securities	$43,816	$49,003
Available-for-sale securities	5,121	4,012
Total fair value of investment securities	**$48,937**	**$53,015**

Trading Securities

The table below presents the fair values of our trading securities by major security type. Our non-mortgage-related securities primarily consist of investments in U.S. Treasury securities.

Table 6.2 - Trading Securities

(In millions)	June 30, 2022	December 31, 2021
Mortgage-related securities	$12,456	$16,231
Non-mortgage-related securities	31,360	32,772
Total fair value of trading securities	**$43,816**	**$49,003**

For trading securities held at June 30, 2022, we recorded net unrealized losses of $0.3 billion and $1.1 billion during 2Q 2022 and YTD 2022, respectively. For trading securities held at June 30, 2021, we recorded net unrealized losses of $0.4 billion and $0.8 billion during 2Q 2021 and YTD 2021, respectively.

Available-for-Sale Securities

The table below provides details of the securities classified as available-for-sale on our condensed consolidated balance sheets.

Table 6.3 - Available-for-Sale Securities

(In millions)	Amortized Cost Basis	Gross Unrealized Gains in Other Comprehensive Income	Gross Unrealized Losses in Other Comprehensive Income	Fair Value	Accrued Interest Receivable
June 30, 2022	$4,990	$253	($122)	$5,121	$12
December 31, 2021	3,638	376	(2)	4,012	10

The fair value of our available-for-sale securities held at June 30, 2022 scheduled to contractually mature after ten years was $1.7 billion, with $2.7 billion scheduled to contractually mature after five years through ten years.

The table below summarizes the gross realized gains and gross realized losses from the sale of available-for-sale securities.

Table 6.4 - Gross Realized Gains and Gross Realized Losses from Sales of Available-for-Sale Securities

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Gross realized gains	$1	$121	$1	$520
Gross realized losses	(3)	(22)	(4)	(53)
Net realized gains (losses)	**($2)**	**$99**	**($3)**	**$467**

Non-Cash Investing and Financing Activities

During YTD 2022 and YTD 2021, we recognized $8.3 billion and $23.9 billion, respectively, of investment securities in exchange for the issuance of debt of consolidated trusts through partial sales of commingled single-class resecuritization products that were previously consolidated.

During YTD 2022, we deconsolidated $7.7 billion of mortgage-related securities and debt of consolidated trusts where we were no longer deemed the primary beneficiary.

NOTE 7

Debt

The table below summarizes the balances of total debt on our condensed consolidated balance sheets.

Table 7.1 - Total Debt

(In millions)	June 30, 2022	December 31, 2021
Debt of consolidated trusts	$2,934,115	$2,803,054
Debt of Freddie Mac:		
Short-term debt	3,112	—
Long-term debt	155,951	177,131
Total debt of Freddie Mac	**159,063**	**177,131**
Total debt	**$3,093,178**	**$2,980,185**

As of June 30, 2022, our aggregate indebtedness pursuant to the Purchase Agreement was $168.6 billion, which was below the current $300.0 billion debt cap limit. Our aggregate indebtedness calculation primarily includes the par value of short- and long-term debt.

Debt of Consolidated Trusts

The table below summarizes the debt of consolidated trusts based on underlying loan product type.

Table 7.2 - Debt of Consolidated Trusts

	June 30, 2022				December 31, 2021			
(Dollars in millions)	Contractual Maturity	UPB	Carrying Amount(1)	Weighted Average Coupon(2)	Contractual Maturity	UPB	Carrying Amount(1)	Weighted Average Coupon(2)
Single-Family(3):								
20- and 30-year or more, fixed-rate	2022 - 2061	$2,440,644	$2,488,823	2.63 %	2022 - 2061	$2,297,650	$2,358,397	2.62 %
15-year or less, fixed-rate	2022 - 2037	387,599	395,094	2.11	2022 - 2037	390,320	399,647	2.13
Adjustable-rate and other	2022 - 2052	23,583	24,281	2.41	2022 - 2052	24,248	24,921	2.31
Total Single-Family		**2,851,826**	**2,908,198**			**2,712,218**	**2,782,965**	
Multifamily	2022 - 2052	25,896	25,917	2.35	2022 - 2051	19,838	20,089	2.17
Total debt of consolidated trusts		**$2,877,722**	**$2,934,115**			**$2,732,056**	**$2,803,054**	

(1) Includes $2.3 billion and $1.1 billion as of June 30, 2022 and December 31, 2021, respectively, of debt of consolidated trusts that represents the fair value of debt for which the fair value option was elected.

(2) The effective interest rate for debt of consolidated trusts was 2.08% and 1.71% as of June 30, 2022 and December 31, 2021, respectively.

(3) Prior period was revised to conform to the current period presentation.

Debt of Freddie Mac

The table below summarizes the balances and effective interest rates for debt of Freddie Mac.

Table 7.3 - Total Debt of Freddie Mac

	June 30, 2022			December 31, 2021		
(Dollars in millions)	Par Value	Carrying Amount[1]	Weighted Average Effective Rate[2]	Par Value	Carrying Amount[1]	Weighted Average Effective Rate[2]
Short-term debt:						
Discount notes and Reference Bills	$1,575	$1,572	1.20 %	$—	$—	— %
Medium-term notes	1,540	1,540	1.07	—	—	—
Securities sold under agreements to repurchase	9,977	9,977	1.06	7,333	7,333	(0.10)
Offsetting arrangements[3]	(9,977)	(9,977)		(7,333)	(7,333)	
Total short-term debt	**3,115**	**3,112**	**1.14**	**—**	**—**	**—**
Long-term debt:						
Original maturities on or before December 31,						
2022	18,369	18,379	0.46	48,625	48,641	0.18
2023	40,822	40,792	0.58	38,688	38,644	0.47
2024	20,783	20,766	1.47	13,274	13,257	0.46
2025	40,911	40,616	1.15	35,436	35,108	0.84
2026	4,984	4,982	0.97	4,717	4,715	0.83
Thereafter	33,232	31,661	2.95	31,736	30,052	2.91
STACR and SCR debt[4]	6,332	6,195	5.57	9,139	8,981	4.23
Hedging-related basis adjustments	N/A	(7,440)		N/A	(2,267)	
Total long-term debt	**165,433**	**155,951**	**1.49**	**181,615**	**177,131**	**1.07**
Total debt of Freddie Mac[5]	**$168,548**	**$159,063**		**$181,615**	**$177,131**	

(1) Represents par value, net of associated discounts or premiums and issuance cost. Includes $1.3 billion and $1.4 billion at June 30, 2022 and December 31, 2021, respectively, of long-term debt that represents the fair value of debt for which the fair value option was elected.

(2) Based on carrying amount.

(3) We offset payables related to securities sold under agreements to repurchase against receivables related to securities purchased under agreements to resell on our condensed consolidated balance sheets, when such amounts meet the conditions for offsetting in the accounting guidance.

(4) Contractual maturities of these debt securities are not presented because they are subject to prepayment risk, as their payments are based upon the performance of a reference pool of mortgage assets that may be prepaid by the related mortgage borrower at any time, generally without penalty.

(5) Carrying amount for debt of Freddie Mac includes callable debt of $85.5 billion and $68.5 billion at June 30, 2022 and December 31, 2021, respectively.

NOTE 8

Derivatives

We use derivatives primarily to hedge interest-rate sensitivity mismatches between our financial assets and liabilities. We analyze the interest-rate sensitivity of financial assets and liabilities across a variety of interest-rate scenarios based on market prices, models, and economics. When we use derivatives to mitigate our exposures, we consider a number of factors, including cost, exposure to counterparty risk, and our overall risk management strategy.

We apply fair value hedge accounting to certain single-family mortgage loans and certain issuances of debt where we hedge the changes in fair value of these items attributable to the designated benchmark interest rate, using interest-rate swaps.

Derivative Assets and Liabilities at Fair Value

The table below presents the notional value and fair value of derivatives reported on our condensed consolidated balance sheets.

Table 8.1 - Derivative Assets and Liabilities at Fair Value

	June 30, 2022			December 31, 2021		
	Notional or Contractual Amount	Derivatives at Fair Value		Notional or Contractual Amount	Derivatives at Fair Value	
(In millions)		Assets	Liabilities		Assets	Liabilities
Not designated as hedges						
Interest-rate risk management derivatives:						
Swaps	$539,173	$1,199	($900)	$561,393	$1,748	($3,319)
Written options	27,724	—	(1,591)	34,861	—	(1,597)
Purchased options[1]	105,270	4,081	—	137,873	3,585	—
Futures	111,420	—	—	126,528	—	—
Total interest-rate management derivatives	**783,587**	**5,280**	**(2,491)**	**860,655**	**5,333**	**(4,916)**
Mortgage commitment derivatives:						
Forward contracts to purchase mortgage loans	4,148	27	(4)	7,582	15	(5)
Forward contracts to purchase mortgage-related securities	19,239	115	(70)	16,605	26	(8)
Forward contracts to sell mortgage-related securities	34,299	99	(207)	59,469	38	(73)
Total mortgage commitment derivatives	**57,686**	**241**	**(281)**	**83,656**	**79**	**(86)**
CRT-related derivatives	37,892	102	(60)	33,351	15	(37)
Other	8,553	2	(330)	4,335	2	(21)
Total derivatives not designated as hedges	**887,718**	**5,625**	**(3,162)**	**981,997**	**5,429**	**(5,060)**
Designated as fair value hedges						
Interest-rate risk management derivatives:						
Swaps	159,549	144	(5,873)	154,819	37	(2,689)
Total derivatives designated as fair value hedges	**159,549**	**144**	**(5,873)**	**154,819**	**37**	**(2,689)**
Derivative interest receivable (payable)[2]		429	(727)		360	(413)
Netting adjustments[3]		(5,574)	8,699		(5,366)	7,880
Total derivative portfolio, net	**$1,047,267**	**$624**	**($1,063)**	**$1,136,816**	**$460**	**($282)**

(1) Includes swaptions on credit indices with a notional or contractual amount of $8.4 billion and $9.4 billion at June 30, 2022 and December 31, 2021, respectively, and a fair value of $5.0 million and $1.0 million at June 30, 2022 and December 31, 2021, respectively.

(2) Includes other derivative receivables and payables.

(3) Represents counterparty netting and cash collateral netting.

See **Note 9** for information related to our derivative counterparties and collateral held and posted.

Gains and Losses on Derivatives

The table below presents the gains and losses on derivatives, including the accrual of periodic cash settlements, while not designated in qualifying hedge relationships and reported on our condensed consolidated statements of operations and comprehensive income (loss) as investment gains (losses), net.

Table 8.2 - Gains and Losses on Derivatives

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Not designated as hedges				
Interest-rate risk management derivatives:				
Swaps	$126	$1,039	$754	$1,654
Written options	(320)	305	(684)	(156)
Purchased options	453	(586)	1,106	(634)
Futures	556	(127)	1,424	159
Total interest-rate risk management derivatives fair value gains (losses)	**815**	**631**	**2,600**	**1,023**
Mortgage commitment derivatives	880	(860)	2,719	616
CRT-related derivatives	49	15	33	(27)
Other	(24)	11	(35)	8
Total derivatives not designated as hedges fair value gains (losses)	**1,720**	**(203)**	**5,317**	**1,620**
Accrual of periodic cash settlements on swaps[1]	(212)	(360)	(386)	(812)
Total	**$1,508**	**($563)**	**$4,931**	**$808**

(1) Includes interest on variation margin on cleared interest-rate swaps.

Fair Value Hedges

The table below presents the effects of fair value hedge accounting by condensed consolidated statements of operations and comprehensive income (loss) line item, including the gains and losses on derivatives and hedged items designated in qualifying hedge relationships and other components due to the application of hedge accounting.

Table 8.3 - Gains and Losses on Fair Value Hedges

	2Q 2022		2Q 2021	
(In millions)	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income and expense line items presented in our condensed consolidated statements of operations and comprehensive income in which the effects of fair value hedges are recorded:	$20,008	($15,249)	$15,230	($10,463)
Interest contracts on mortgage loans held-for-investment:				
Gain (loss) on fair value hedging relationships:				
Hedged items	(1,523)	—	1,086	—
Derivatives designated as hedging instruments	1,408	—	(1,097)	—
Interest accruals on hedging instruments	(149)	—	(139)	—
Discontinued hedge-related basis adjustments amortization	(4)	—	(511)	—
Interest contracts on debt:				
Gain (loss) on fair value hedging relationships:				
Hedged items	—	1,300	—	(600)
Derivatives designated as hedging instruments	—	(1,328)	—	568
Interest accruals on hedging instruments	—	(44)	—	248
Discontinued hedge-related basis adjustments amortization	—	2	—	3

	YTD 2022		YTD 2021	
(In millions)	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income and expense line items presented in our condensed consolidated statements of operations and comprehensive income in which the effects of fair value hedges are recorded:	$37,748	($28,885)	$29,132	($20,726)
Interest contracts on mortgage loans held-for-investment:				
Gain (loss) on fair value hedging relationships:				
Hedged items	(4,150)	—	(437)	—
Derivatives designated as hedging instruments	3,463	—	437	—
Interest accruals on hedging instruments	(416)	—	(253)	—
Discontinued hedge-related basis adjustments amortization	(128)	—	(1,292)	—
Interest contracts on debt:				
Gain (loss) on fair value hedging relationships:				
Hedged items	—	5,161	—	1,514
Derivatives designated as hedging instruments	—	(5,224)	—	(1,620)
Interest accruals on hedging instruments	—	100	—	503
Discontinued hedge-related basis adjustments amortization	—	12	—	8

The table below presents the cumulative basis adjustments and the carrying amounts of the hedged item by its respective balance sheet line item.

Table 8.4 - Cumulative Basis Adjustments Due to Fair Value Hedging

	June 30, 2022					
		Cumulative Amount of Fair Value Hedging Basis Adjustments Included in the Carrying Amount			Closed Portfolio Under the Last-of-Layer Method	
(In millions)	Carrying Amount Assets / (Liabilities)	Total	Under the Last-of-Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	$1,027,104	($1,504)	($290)	($1,214)	$85,498	$11,516
Mortgage loans held-for-sale	39	1	—	1	—	—
Debt	(128,332)	7,440	—	(13)	—	—

	December 31, 2021					
		Cumulative Amount of Fair Value Hedging Basis Adjustments Included in the Carrying Amount			Closed Portfolio Under the Last-of-Layer Method	
(In millions)	Carrying Amount Assets / (Liabilities)	Total	Under the Last-of-Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	$855,173	$2,774	$—	$2,774	$—	$—
Debt	(124,235)	2,267	—	(30)	—	—

NOTE 9

Collateralized Agreements and Offsetting Arrangements

Offsetting of Financial Assets and Liabilities

The table below presents offsetting and collateral information related to derivatives, securities purchased under agreements to resell, and securities sold under agreements to repurchase which are subject to enforceable master netting agreements or similar arrangements.

Table 9.1 - Offsetting and Collateral Information of Financial Assets and Liabilities

	June 30, 2022					
		Amount Offset in the Condensed Consolidated Balance Sheets				
(In millions)	Gross Amount Recognized	Counterparty Netting	Cash Collateral Netting[1]	Net Amount Presented in the Condensed Consolidated Balance Sheets	Gross Amount Not Offset in the Condensed Consolidated Balance Sheets[2]	Net Amount
Assets:						
Derivatives:						
OTC derivatives	$5,848	($4,566)	($1,026)	$256	($19)	$237
Cleared and exchange-traded derivatives	5	—	18	23	—	23
Mortgage commitment derivatives	241	—	—	241	—	241
Other	104	—	—	104	—	104
Total derivatives	**6,198**	**(4,566)**	**(1,008)**	**624**	**(19)**	**605**
Securities purchased under agreements to resell	96,473	(9,977)	—	86,496	(86,496)	—
Total	**$102,671**	**($14,543)**	**($1,008)**	**$87,120**	**($86,515)**	**$605**
Liabilities:						
Derivatives:						
OTC derivatives	($8,837)	$4,566	$4,094	($177)	$4	($173)
Cleared and exchange-traded derivatives	(254)	—	39	(215)	215	—
Mortgage commitment derivatives	(281)	—	—	(281)	—	(281)
Other	(390)	—	—	(390)	—	(390)
Total derivatives	**(9,762)**	**4,566**	**4,133**	**(1,063)**	**219**	**(844)**
Securities sold under agreements to repurchase	(9,977)	9,977	—	—	—	—
Total	**($19,739)**	**$14,543**	**$4,133**	**($1,063)**	**$219**	**($844)**

Referenced footnotes are included after the next table.

	December 31, 2021					
		Amount Offset in the Condensed Consolidated Balance Sheets				
(In millions)	Gross Amount Recognized	Counterparty Netting	Cash Collateral Netting(1)	Net Amount Presented in the Condensed Consolidated Balance Sheets	Gross Amount Not Offset in the Condensed Consolidated Balance Sheets(2)	Net Amount
Assets:						
Derivatives:						
OTC derivatives	$5,670	($4,437)	($963)	$270	($250)	$20
Cleared and exchange-traded derivatives	60	(4)	38	94	—	94
Mortgage commitment derivatives	79	—	—	79	—	79
Other	17	—	—	17	—	17
Total derivatives	**5,826**	**(4,441)**	**(925)**	**460**	**(250)**	**210**
Securities purchased under agreements to resell	78,536	(7,333)	—	71,203	(71,203)	—
Total	**$84,362**	**($11,774)**	**($925)**	**$71,663**	**($71,453)**	**$210**
Liabilities:						
Derivatives:						
OTC derivatives	($7,979)	$4,437	$3,417	($125)	$—	($125)
Cleared and exchange-traded derivatives	(39)	4	22	(13)	13	—
Mortgage commitment derivatives	(86)	—	—	(86)	—	(86)
Other	(58)	—	—	(58)	—	(58)
Total derivatives	**(8,162)**	**4,441**	**3,439**	**(282)**	**13**	**(269)**
Securities sold under agreements to repurchase	(7,333)	7,333	—	—	—	—
Total	**($15,495)**	**$11,774**	**$3,439**	**($282)**	**$13**	**($269)**

(1) Excess cash collateral held is presented as a derivative liability, while excess cash collateral posted is presented as a derivative asset.

(2) Does not include the fair value amount of non-cash collateral posted or held that exceeds the associated net asset or liability, netted by counterparty, presented on the condensed consolidated balance sheets. For mortgage commitment derivatives, excludes collateral posted totaling $0.2 billion and $0.8 billion as of June 30, 2022 and December 31, 2021, respectively.

Collateral Pledged

Collateral Pledged to Freddie Mac

We have cash pledged to us as collateral primarily related to OTC derivative transactions. We had $1.8 billion and $1.2 billion pledged to us as collateral that was invested as part of our other investments portfolio as of June 30, 2022 and December 31, 2021, respectively.

We primarily execute securities purchased under agreements to resell transactions with central clearing organizations where we have the right to repledge the collateral that has been pledged to us, either with the central clearing organization or with other counterparties. At June 30, 2022 and December 31, 2021, we had $21.6 billion and $32.7 billion, respectively, of securities pledged to us in these transactions. In addition, as of June 30, 2022 and December 31, 2021, we had $1.1 billion and $0.8 billion, respectively, of securities pledged to us for transactions involving securities purchased under agreements to resell not executed with central clearing organizations that we had the right to repledge.

Collateral Pledged by Freddie Mac

For cash collateral related to commitments and securities purchased under agreements to resell transactions primarily with central clearing organizations, we posted $0.2 billion and less than $0.1 billion as of June 30, 2022 and December 31, 2021, respectively.

The table below summarizes the fair value of the securities pledged as collateral by us for derivatives and collateralized borrowing transactions, including securities that the secured party may repledge.

Table 9.2 - Collateral in the Form of Securities Pledged

	June 30, 2022			
(In millions)	Derivatives	Securities Sold Under Agreements to Repurchase	Other[1]	Total
Debt of consolidated trusts[2]	$—	$—	$29	$29
Trading securities	1,707	9,007	645	11,359
Total securities pledged	**$1,707**	**$9,007**	**$674**	**$11,388**

	December 31, 2021			
(In millions)	Derivatives	Securities Sold Under Agreements to Repurchase	Other[1]	Total
Debt of consolidated trusts[2]	$—	$—	$161	$161
Trading securities	1,542	7,333	1,115	9,990
Total securities pledged	**$1,542**	**$7,333**	**$1,276**	**$10,151**

(1) Includes other collateralized borrowings and collateral related to transactions with certain clearinghouses.

(2) Represents debt of consolidated trusts held by us in our mortgage-related investments portfolio which are recorded as a reduction to debt of consolidated trusts on our condensed consolidated balance sheets.

The table below summarizes the underlying collateral pledged and the remaining contractual maturity of our gross obligations under securities sold under agreements to repurchase.

Table 9.3 - Underlying Collateral Pledged

	June 30, 2022				
(In millions)	Overnight and Continuous	30 Days or Less	After 30 Days Through 90 Days	Greater Than 90 Days	Total
U.S. Treasury securities and other	$2,729	$—	$6,278	$—	$9,007

NOTE 10

Net Interest Income

The table below presents the components of net interest income per our condensed consolidated statements of operations and comprehensive income (loss).

Table 10.1 - Components of Net Interest Income

(In millions)	2Q 2022	2Q 2021	YTD 2022	YTD 2021
Interest income				
Mortgage loans	$19,324	$14,590	$36,634	$27,845
Investment securities	464	617	848	1,227
Other	220	23	266	60
Total interest income	**20,008**	**15,230**	**37,748**	**29,132**
Interest expense				
Debt of consolidated trusts	(14,595)	(10,032)	(27,844)	(19,788)
Debt of Freddie Mac:				
Short-term debt	(20)	—	(20)	(2)
Long-term debt	(634)	(431)	(1,021)	(936)
Total interest expense	**(15,249)**	**(10,463)**	**(28,885)**	**(20,726)**
Net interest income	**4,759**	**4,767**	**8,863**	**8,406**
Benefit (provision) for credit losses	(307)	740	530	936
Net interest income after benefit (provision) for credit losses	**$4,452**	**$5,507**	**$9,393**	**$9,342**

NOTE 11

Segment Reporting

As shown in the table below, we have two reportable segments, Single-Family and Multifamily.

Segment	Description
Single-Family	Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment.
Multifamily	Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk.

Segment Allocations and Results

The results of each reportable segment include directly attributable revenues and expenses. We allocate interest expense and other funding and hedging-related costs and returns on certain investments to each reportable segment using a funds transfer pricing process. We fully allocate to each reportable segment administrative expenses and other centrally-incurred costs that are not directly attributable to a particular segment using various methodologies depending on the nature of the expense. As a result, the sum of each income statement line item for the two reportable segments is equal to that same income statement line item for the consolidated entity.

The table below presents the financial results for our Single-Family and Multifamily segments.

Table 11.1 - Segment Financial Results

	2Q 2022			2Q 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Net interest income	**$4,535**	**$224**	**$4,759**	**$4,460**	**$307**	**$4,767**
Non-interest income (loss)						
Guarantee income	35	170	205	10	346	356
Investment gains (losses), net	232	89	321	137	499	636
Other income (loss)	69	50	119	108	(1)	107
Non-interest income (loss)	**336**	**309**	**645**	**255**	**844**	**1,099**
Net revenues	**4,871**	**533**	**5,404**	**4,715**	**1,151**	**5,866**
Benefit (provision) for credit losses	(298)	(9)	(307)	686	54	740
Non-interest expense	(1,854)	(166)	(2,020)	(1,803)	(166)	(1,969)
Income (loss) before income tax (expense) benefit	**2,719**	**358**	**3,077**	**3,598**	**1,039**	**4,637**
Income tax (expense) benefit	(551)	(73)	(624)	(743)	(215)	(958)
Net income (loss)	**2,168**	**285**	**2,453**	**2,855**	**824**	**3,679**
Other comprehensive income (loss), net of taxes and reclassification adjustments	5	(71)	(66)	(74)	6	(68)
Comprehensive income (loss)	**$2,173**	**$214**	**$2,387**	**$2,781**	**$830**	**$3,611**

	YTD 2022			YTD 2021		
(In millions)	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Net interest income	**$8,341**	**$522**	**$8,863**	**$7,768**	**$638**	**$8,406**
Non-interest income (loss)						
Guarantee income	65	210	275	99	505	604
Investment gains (losses), net	1,484	350	1,834	437	1,407	1,844
Other income (loss)	195	83	278	260	25	285
Non-interest income (loss)	**1,744**	**643**	**2,387**	**796**	**1,937**	**2,733**
Net revenues	**10,085**	**1,165**	**11,250**	**8,564**	**2,575**	**11,139**
Benefit (provision) for credit losses	533	(3)	530	832	104	936
Non-interest expense	(3,632)	(320)	(3,952)	(3,612)	(345)	(3,957)
Income (loss) before income tax (expense) benefit	**6,986**	**842**	**7,828**	**5,784**	**2,334**	**8,118**
Income tax (expense) benefit	(1,407)	(170)	(1,577)	(1,191)	(481)	(1,672)
Net income (loss)	**5,579**	**672**	**6,251**	**4,593**	**1,853**	**6,446**
Other comprehensive income (loss), net of taxes and reclassification adjustments	(7)	(179)	(186)	(402)	(55)	(457)
Comprehensive income (loss)	**$5,572**	**$493**	**$6,065**	**$4,191**	**$1,798**	**$5,989**

We measure total assets for our reportable segments based on the mortgage portfolio for each segment. We operate our business in the U.S. and its territories, and accordingly, we generate no revenue from and have no long-lived assets, other than financial instruments, in geographic locations other than the U.S. and its territories.

The table below presents total assets for our Single-Family and Multifamily segments.

Table 11.2 - Segment Assets

(In millions)	June 30, 2022	December 31, 2021
Single-Family	$2,927,929	$2,792,224
Multifamily	415,055	414,663
Total segment assets	**3,342,984**	**3,206,887**
Reconciling items[1]	(197,403)	(181,301)
Total assets per condensed consolidated balance sheets	**$3,145,581**	**$3,025,586**

(1) Reconciling items include assets in our mortgage portfolio that are not recognized on our condensed consolidated balance sheets and assets recognized on our condensed consolidated balance sheets that are not allocated to the reportable segments.

NOTE 12

Concentration of Credit and Other Risks

Single-Family Mortgage Portfolio

The table below summarizes the concentration by geographic area of our Single-Family mortgage portfolio. See **Note 3**, **Note 4**, and **Note 5** for more information about credit risk associated with single-family loans that we hold or guarantee.

Table 12.1 - Concentration of Credit Risk of Our Single-Family Mortgage Portfolio[1]

	June 30, 2022			December 31, 2021		
(Dollars in millions)	Portfolio UPB[2]	% of Portfolio	SDQ Rate	Portfolio UPB[2]	% of Portfolio	SDQ Rate
Region:[3]						
West	$898,612	31 %	0.56 %	$858,535	31 %	0.92 %
Northeast	685,058	23	0.96	660,103	24	1.37
North Central	428,839	15	0.72	416,214	15	0.98
Southeast	494,452	17	0.80	461,084	16	1.21
Southwest	420,672	14	0.74	395,953	14	1.14
Total	**$2,927,633**	**100 %**	**0.76**	**$2,791,889**	**100 %**	**1.12**
State:						
California	$516,523	18 %	0.60	$497,521	18 %	0.99
Texas	191,047	7	0.76	176,501	6	1.23
Florida	183,427	6	0.84	168,572	6	1.36
New York	127,168	4	1.44	120,655	4	2.07
Illinois	111,472	4	1.03	109,171	4	1.44
All other	1,797,996	61	0.71	1,719,469	62	1.03
Total	**$2,927,633**	**100 %**	**0.76**	**$2,791,889**	**100 %**	**1.12**

(1) Credit loss amounts related to our Single-Family mortgage portfolio were insignificant during both the 2022 periods and the 2021 periods.

(2) Excludes UPB of loans underlying certain securitization products for which data was not available.

(3) Region designation: West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA); Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY).

NOTE 13

Fair Value Disclosures

We use fair value measurements for the initial recording of certain assets and liabilities and periodic remeasurement of certain assets and liabilities on a recurring or non-recurring basis.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The table below presents our assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis subsequent to initial recognition, including instruments where we have elected the fair value option.

Table 13.1 - Assets and Liabilities Measured at Fair Value on a Recurring Basis

	June 30, 2022				
(In millions)	Level 1	Level 2	Level 3	Netting Adjustments[1]	Total
Assets:					
Investment securities:					
Available-for-sale	$—	$3,997	$1,124	$—	$5,121
Trading:					
Mortgage-related securities	—	9,137	3,319	—	12,456
Non-mortgage-related securities	30,596	764	—	—	31,360
Total trading securities	**30,596**	**9,901**	**3,319**	**—**	**43,816**
Total investment securities	**30,596**	**13,898**	**4,443**	**—**	**48,937**
Mortgage loans held-for-sale	—	5,331	339	—	5,670
Other assets:					
Guarantee assets	—	—	5,649	—	5,649
Derivative assets, net	—	5,758	11	—	5,769
Netting adjustments[1]	—	—	—	(5,145)	(5,145)
Total derivative assets, net	**—**	**5,758**	**11**	**(5,145)**	**624**
Other assets	—	25	121	—	146
Total other assets	**—**	**5,783**	**5,781**	**(5,145)**	**6,419**
Total assets carried at fair value on a recurring basis	**$30,596**	**$25,012**	**$10,563**	**($5,145)**	**$61,026**
Liabilities:					
Debt:					
Debt of consolidated trusts	$—	$1,978	$346	$—	$2,324
Debt of Freddie Mac	—	1,170	111	—	1,281
Total debt	**—**	**3,148**	**457**	**—**	**3,605**
Other liabilities:					
Derivative liabilities, net	10	8,967	58	—	9,035
Netting adjustments[1]	—	—	—	(7,972)	(7,972)
Total derivative liabilities, net	**10**	**8,967**	**58**	**(7,972)**	**1,063**
Other liabilities	—	16	—	—	16
Total other liabilities	**10**	**8,983**	**58**	**(7,972)**	**1,079**
Total liabilities carried at fair value on a recurring basis	**$10**	**$12,131**	**$515**	**($7,972)**	**$4,684**

Referenced footnote is included after the prior period table.

(In millions)	December 31, 2021 Level 1	Level 2	Level 3	Netting Adjustments[1]	Total
Assets:					
Investment securities:					
Available-for-sale	$—	$2,726	$1,286	$—	$4,012
Trading:					
Mortgage-related securities:	—	12,845	3,386	—	16,231
Non-mortgage-related securities	31,780	992	—	—	32,772
Total trading securities	**31,780**	**13,837**	**3,386**	**—**	**49,003**
Total investment securities	**31,780**	**16,563**	**4,672**	**—**	**53,015**
Mortgage loans held-for-sale	—	10,498	—	—	10,498
Other assets:					
Guarantee assets	—	—	5,919	—	5,919
Derivative assets, net	33	5,416	17	—	5,466
Netting adjustments[1]	—	—	—	(5,006)	(5,006)
Total derivative assets, net	**33**	**5,416**	**17**	**(5,006)**	**460**
Other assets	—	131	84	—	215
Total other assets	**33**	**5,547**	**6,020**	**(5,006)**	**6,594**
Total assets carried at fair value on a recurring basis	**$31,813**	**$32,608**	**$10,692**	**($5,006)**	**$70,107**
Liabilities:					
Debt:					
Debt of consolidated trusts	$—	$910	$184	$—	$1,094
Debt of Freddie Mac	—	1,274	110	—	1,384
Total debt	**—**	**2,184**	**294**	**—**	**2,478**
Other liabilities:					
Derivative liabilities, net	—	7,726	23	—	7,749
Netting adjustments[1]	—	—	—	(7,467)	(7,467)
Total derivative liabilities, net	**—**	**7,726**	**23**	**(7,467)**	**282**
Other liabilities	—	4	1	—	5
Total other liabilities	**—**	**7,730**	**24**	**(7,467)**	**287**
Total liabilities carried at fair value on a recurring basis	**$—**	**$9,914**	**$318**	**($7,467)**	**$2,765**

(1) Represents counterparty netting, cash collateral netting, and net derivative interest receivable or payable.

Level 3 Fair Value Measurements

The table below presents a reconciliation of all assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis using significant unobservable inputs (Level 3), including transfers into and out of Level 3. The table also presents gains and losses due to changes in fair value, including both realized and unrealized gains and losses, recognized on our condensed consolidated statements of operations and comprehensive income (loss) for Level 3 assets and liabilities.

Table 13.2 - Fair Value Measurements of Assets and Liabilities Using Significant Unobservable Inputs

	2Q 2022											
		Total Realized/Unrealized Gains (Losses)										
(In millions)	Balance, April 1, 2022	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2022	Change in Unrealized Gains (Losses) Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2022[2]	Change in Unrealized Gains (Losses), Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2022
Assets												
Investment securities:												
Available-for-sale	$1,188	$—	($7)	$43	$—	($1)	($99)	$—	$—	$1,124	$—	($5)
Trading	3,165	(232)	—	436	—	—	(15)	—	(35)	3,319	(57)	—
Total investment securities	**4,353**	**(232)**	**(7)**	**479**	**—**	**(1)**	**(114)**	**—**	**(35)**	**4,443**	**(57)**	**(5)**
Mortgage loans held-for-sale	—	(14)	—	—	—	(5)	(25)	383	—	339	(14)	—
Other assets:												
Guarantee assets	5,696	(194)	—	—	376	—	(229)	—	—	5,649	(194)	—
Other assets	114	33	—	(6)	5	(5)	(9)	—	—	132	33	—
Total other assets	5,810	(161)	—	(6)	381	(5)	(238)	—	—	5,781	(161)	—
Total assets	**$10,163**	**($407)**	**($7)**	**$473**	**$381**	**($11)**	**($377)**	**$383**	**($35)**	**$10,563**	**($232)**	**($5)**

		Total Realized/Unrealized (Gains) Losses										
	Balance, April 1, 2022	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2022	Change in Unrealized (Gains) Losses Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2022[2]	Change in Unrealized (Gains) Losses, Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2022
Liabilities												
Debt	$402	$12	$—	($6)	$55	$—	($6)	$—	$—	$457	$23	$—
Other liabilities	47	14	—	—	—	—	(3)	—	—	58	13	—
Total liabilities	**$449**	**$26**	**$—**	**($6)**	**$55**	**$—**	**($9)**	**$—**	**$—**	**$515**	**$36**	**$—**

Referenced footnotes are included after the prior period table.

	YTD 2022											
		Total Realized/Unrealized Gains (Losses)										
(In millions)	Balance, January 1, 2022	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2022	Change in Unrealized Gains (Losses) Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2022[2]	Change in Unrealized Gains (Losses), Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2022
Assets												
Investment securities:												
Available-for-sale	$1,286	$—	($43)	$43	$—	($1)	($191)	$30	$—	$1,124	($1)	($33)
Trading	3,386	(658)	—	644	—	—	(33)	—	(20)	3,319	(312)	—
Total investment securities	**4,672**	**(658)**	**(43)**	**687**	**—**	**(1)**	**(224)**	**30**	**(20)**	**4,443**	**(313)**	**(33)**
Mortgage loans held-for-sale	—	(14)	—	—	—	(5)	(25)	383	—	339	(14)	—
Other assets:												
Guarantee assets	5,919	(510)	—	—	708	—	(468)	—	—	5,649	(510)	—
Other assets	101	47	—	(9)	9	(5)	(11)	—	—	132	48	—
Total other assets	6,020	(463)	—	(9)	717	(5)	(479)	—	—	5,781	(462)	—
Total assets	**$10,692**	**($1,135)**	**($43)**	**$678**	**$717**	**($11)**	**($728)**	**$413**	**($20)**	**$10,563**	**($789)**	**($33)**

		Total Realized/Unrealized (Gains) Losses										
	Balance, January 1, 2022	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2022	Change in Unrealized (Gains) Losses Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2022[2]	Change in Unrealized (Gains) Losses, Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2022
Liabilities												
Debt	$294	$35	$—	($6)	$141	$—	($7)	$—	$—	$457	$56	$—
Other liabilities	24	37	—	1	—	—	(4)	—	—	58	35	—
Total liabilities	**$318**	**$72**	**$—**	**($5)**	**$141**	**$—**	**($11)**	**$—**	**$—**	**$515**	**$91**	**$—**

	2Q 2021											
		Total Realized/Unrealized Gains (Losses)										
(In millions)	Balance, April 1, 2021	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2021	Change in Unrealized Gains (Losses) Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2021[2]	Change in Unrealized Gains (Losses), Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2021
Assets												
Investment securities:												
Available-for-sale	$1,836	$5	$9	$—	$—	($296)	($80)	$—	$—	$1,474	$6	$7
Trading	3,062	(171)	—	737	—	—	(23)	—	(82)	3,523	(177)	—
Total investment securities	4,898	(166)	9	737	—	(296)	(103)	—	(82)	4,997	(171)	7
Other assets:												
Guarantee assets	5,688	5	—	—	416	—	(240)	—	—	5,869	48	—
Other assets	145	(44)	—	5	4	(9)	(6)	—	—	95	(44)	—
Total other assets	5,833	(39)	—	5	420	(9)	(246)	—	—	5,964	4	—
Total assets	**$10,731**	**($205)**	**$9**	**$742**	**$420**	**($305)**	**($349)**	**$—**	**($82)**	**$10,961**	**($167)**	**$7**

		Total Realized/Unrealized (Gains) Losses										
	Balance, April 1, 2021	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2021	Change in Unrealized (Gains) Losses Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2021[2]	Change in Unrealized (Gains) Losses, Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2021
Liabilities												
Debt	$380	($16)	$—	$—	$35	$—	($31)	$—	$—	$368	($14)	$—
Other liabilities	34	(9)	—	1	—	—	(3)	—	—	23	(12)	—
Total liabilities	**$414**	**($25)**	**$—**	**$1**	**$35**	**$—**	**($34)**	**$—**	**$—**	**$391**	**($26)**	**$—**

	YTD 2021											
		Total Realized/Unrealized Gains (Losses)										
(In millions)	Balance, January 1, 2021	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2021	Change in Unrealized Gains (Losses) Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2021[2]	Change in Unrealized Gains (Losses), Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2021
Assets												
Investment securities:												
Available-for-sale	$1,588	$12	$4	$—	$—	$—	($130)	$—	$—	$1,474	$12	$3
Trading	3,259	(356)	—	1,112	—	(269)	(43)	—	(180)	3,523	(364)	—
Total investment securities	4,847	(344)	4	1,112	—	(269)	(173)	—	(180)	4,997	(352)	3
Other assets:												—
Guarantee assets	5,509	(83)	—	—	905	—	(462)	—	—	5,869	(79)	—
Other assets	171	(67)	—	1	10	(9)	(11)	—	—	95	(67)	—
Total other assets	5,680	(150)	—	1	915	(9)	(473)	—	—	5,964	(146)	—
Total assets	**$10,527**	**($494)**	**$4**	**$1,113**	**$915**	**($278)**	**($646)**	**$—**	**($180)**	**$10,961**	**($498)**	**$3**

		Total Realized/Unrealized (Gains) Losses										
	Balance, January 1, 2021	Included in Earnings	Included in Other Comprehensive Income	Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3[1]	Balance, June 30, 2021	Change in Unrealized (Gains) Losses Included in Net Income Related to Assets and Liabilities Still Held as of June 30, 2021[2]	Change in Unrealized (Gains) Losses, Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of June 30, 2021
Liabilities												
Debt	$323	($10)	$—	$—	$89	$—	($34)	$—	$—	$368	($8)	$—
Other liabilities	19	6	—	2	2	—	(6)	—	—	23	—	—
Total liabilities	**$342**	**($4)**	**$—**	**$2**	**$91**	**$—**	**($40)**	**$—**	**$—**	**$391**	**($8)**	**$—**

(1) Transfers out of Level 3 consisted primarily of certain mortgage-related securities due to an increased volume and level of activity in the market and availability of price quotes from dealers and third-party pricing services. Certain agency securities are classified as Level 3 at issuance and generally are classified as Level 2 when they begin trading.

(2) Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains and losses related to assets and liabilities classified as Level 3 that were still held at June 30, 2022 and June 30, 2021, respectively.

The table below provides valuation techniques, the range, and the weighted average of significant unobservable inputs for Level 3 assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis.

Table 13.3 - Quantitative Information about Recurring Level 3 Fair Value Measurements

	June 30, 2022				
			Unobservable Inputs		
(Dollars in millions, except for certain unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	Type	Range	Weighted Average(1)
Assets					
Investment securities:					
Available-for-sale	$714	Median of external sources	External pricing sources	$66.2 - $75.7	$69.8
	410	Other			
Trading	2,705	Single external source	External pricing source	$0.0 - $6,510.7	$269.7
	614	Other			
Mortgage loans held-for-sale	339	Single external source	External pricing source	$39.6 - $102.9	$85.7
Guarantee assets	5,264	Discounted cash flows	OAS	17 - 186 bps	45 bps
	385	Other			
Insignificant Level 3 assets(2)	132				
Total level 3 assets	**$10,563**				
Liabilities					
Insignificant Level 3 liabilities(2)	515				
Total level 3 liabilities	**$515**				

	December 31, 2021				
			Unobservable Inputs		
(Dollars in millions, except for certain unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	Type	Range	Weighted Average(1)
Assets					
Investment securities:					
Available-for-sale	$839	Median of external sources	External pricing sources	$72.8 - $83.7	$77.0
	446	Other			
Trading	2,846	Single external source	External pricing source	$0.0 - $7,343.1	$396.7
	541	Other			
Guarantee assets	5,531	Discounted cash flows	OAS	17 - 186 bps	45 bps
	388	Other			
Insignificant Level 3 assets(2)	101				
Total level 3 assets	**$10,692**				
Liabilities(2)					
Insignificant Level 3 liabilities(2)	318				
Total level 3 liabilities	**$318**				

(1) Unobservable inputs were weighted primarily by the relative fair value of the financial instruments.

(2) Represents the aggregate amount of Level 3 assets or liabilities measured at fair value on a recurring basis that are individually and in the aggregate insignificant.

Assets Measured at Fair Value on a Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis. These adjustments usually result from the application of lower-of-cost-or-fair-value accounting or measurement of impairment based on the fair value of the underlying collateral. Certain of the fair values in the tables below were not obtained as of period end, but were obtained during the period.

The table below presents assets measured on our condensed consolidated balance sheets at fair value on a non-recurring basis.

Table 13.4 - Assets Measured at Fair Value on a Non-Recurring Basis

	June 30, 2022				December 31, 2021			
(In millions)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a non-recurring basis:								
Mortgage loans(1)	$—	$—	$1,335	$1,335	$—	$12	$797	$809

(1) Includes loans that are classified as held-for-investment and have an allowance for credit losses based on the fair value of the underlying collateral and held-for-sale loans where the fair value is below cost.

The table below provides valuation techniques, the range, and the weighted average of significant unobservable inputs for Level 3 assets measured on our condensed consolidated balance sheets at fair value on a non-recurring basis.

Table 13.5 - Quantitative Information About Non-Recurring Level 3 Fair Value Measurements

	June 30, 2022				
			Unobservable Inputs		
(Dollars in millions, except for unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	Type	Range	Weighted Average(1)
Non-recurring fair value measurements					
Mortgage loans	$1,176	Median of external sources	External pricing sources	$81.5 - $103.1	$92.7
	159	Other			
Total	**$1,335**				

	December 31, 2021				
			Unobservable Inputs		
(Dollars in millions, except for unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	Type	Range	Weighted Average(1)
Non-recurring fair value measurements					
Mortgage loans	$625	Median of external sources	External pricing sources	$61.9 - $107.1	$97.3
	172	Other			
Total	**$797**				

(1) Unobservable inputs were weighted primarily by the relative fair value of the financial instruments.

Fair Value of Financial Instruments

The table below presents the carrying value and estimated fair value of our financial instruments. For certain types of financial instruments, such as cash and cash equivalents, securities purchased under agreements to resell, secured lending, and certain debt, the carrying value on our condensed consolidated balance sheets approximates fair value, as these assets and liabilities are short-term in nature and have limited fair value volatility.

Table 13.6 - Fair Value of Financial Instruments

	June 30, 2022						
			Fair Value				
(In millions)	GAAP Measurement Category[1]	GAAP Carrying Amount	Level 1	Level 2	Level 3	Netting Adjustments[2]	Total
Financial Assets							
Cash and cash equivalents	Amortized cost	$5,257	$5,257	$—	$—	$—	$5,257
Securities purchased under agreements to resell	Amortized cost	86,496	—	96,473	—	(9,977)	86,496
Investment securities:							
Available-for-sale	FV - OCI	5,121	—	3,997	1,124	—	5,121
Trading	FV - NI	43,816	30,596	9,901	3,319	—	43,816
Total investment securities		**48,937**	**30,596**	**13,898**	**4,443**	**—**	**48,937**
Mortgage loans:							
Loans held by consolidated trusts		2,913,414	—	2,436,417	202,651	—	2,639,068
Loans held by Freddie Mac		53,450	—	21,552	30,411	—	51,963
Total mortgage loans	**Various[3]**	**2,966,864**	**—**	**2,457,969**	**233,062**	**—**	**2,691,031**
Guarantee assets	FV - NI	5,649	—	—	5,651	—	5,651
Derivative assets, net	FV - NI	624	—	5,758	11	(5,145)	624
Non-derivative purchase and other commitments	FV - NI	25	—	57	—	—	57
Advances to lenders	Amortized cost	3,672	—	—	3,672	—	3,672
Secured lending	Amortized cost	900	—	899	1	—	900
Total financial assets		**$3,118,424**	**$35,853**	**$2,575,054**	**$246,840**	**($15,122)**	**$2,842,625**
Financial Liabilities							
Debt:							
Debt of consolidated trusts		$2,934,115	$—	$2,640,532	$786	$—	$2,641,318
Debt of Freddie Mac		159,063	—	167,396	3,408	(9,977)	160,827
Total debt	**Various[4]**	**3,093,178**	**—**	**2,807,928**	**4,194**	**(9,977)**	**2,802,145**
Guarantee obligations	Amortized cost	5,821	—	—	6,235	—	6,235
Derivative liabilities, net	FV - NI	1,063	10	8,967	58	(7,972)	1,063
Non-derivative purchase and other commitments	FV - NI	27	—	16	1,509	—	1,525
Total financial liabilities		**$3,100,089**	**$10**	**$2,816,911**	**$11,996**	**($17,949)**	**$2,810,968**

(1) FV - NI denotes fair value through net income. FV - OCI denotes fair value through other comprehensive income.

(2) Represents counterparty netting, cash collateral netting, and net derivative interest receivable or payable.

(3) As of June 30, 2022, the GAAP carrying amounts measured at amortized cost, lower-of-cost-or-fair-value, and FV - NI were $3.0 trillion, $6.7 billion, and $5.7 billion, respectively.

(4) As of June 30, 2022, the GAAP carrying amounts measured at amortized cost and FV - NI were $3.1 trillion and $3.6 billion, respectively.

(In millions)	GAAP Measurement Category[(1)]	GAAP Carrying Amount	December 31, 2021 Fair Value Level 1	Level 2	Level 3	Netting Adjustments[(2)]	Total
Financial Assets							
Cash and cash equivalents	Amortized cost	$10,150	$10,150	$—	$—	$—	$10,150
Securities purchased under agreements to resell	Amortized cost	71,203	—	78,536	—	(7,333)	71,203
Investment securities:							
Available-for-sale	FV - OCI	4,012	—	2,726	1,286	—	4,012
Trading	FV - NI	49,003	31,780	13,837	3,386	—	49,003
Total investment securities		**53,015**	**31,780**	**16,563**	**4,672**	**—**	**53,015**
Mortgage loans:							
Loans held by consolidated trusts		2,784,626	—	2,563,588	238,133	—	2,801,721
Loans held by Freddie Mac		63,483	—	35,856	29,803	—	65,659
Total mortgage loans	**Various[(3)]**	**2,848,109**	**—**	**2,599,444**	**267,936**	**—**	**2,867,380**
Guarantee assets	FV - NI	5,919	—	—	5,923	—	5,923
Derivative assets, net	FV - NI	460	33	5,416	17	(5,006)	460
Non-derivative purchase and other commitments	FV - NI	131	—	217	—	—	217
Advances to lenders	Amortized cost	4,932	—	—	4,932	—	4,932
Secured lending	Amortized cost	1,263	—	1,187	76	—	1,263
Total financial assets		**$2,995,182**	**$41,963**	**$2,701,363**	**$283,556**	**($12,339)**	**$3,014,543**
Financial Liabilities							
Debt:							
Debt of consolidated trusts		$2,803,054	$—	$2,803,030	$656	$—	$2,803,686
Debt of Freddie Mac		177,131	—	185,793	3,957	(7,333)	182,417
Total debt	**Various[(4)]**	**2,980,185**	**—**	**2,988,823**	**4,613**	**(7,333)**	**2,986,103**
Guarantee obligations	Amortized cost	5,716	—	—	6,240	—	6,240
Derivative liabilities, net	FV - NI	282	—	7,726	23	(7,467)	282
Non-derivative purchase and other commitments	FV - NI	13	—	4	101	—	105
Total financial liabilities		**$2,986,196**	**$—**	**$2,996,553**	**$10,977**	**($14,800)**	**$2,992,730**

(1) FV - NI denotes fair value through net income. FV - OCI denotes fair value through other comprehensive income.

(2) Represents counterparty netting, cash collateral netting, and net derivative interest receivable or payable.

(3) As of December 31, 2021, the GAAP carrying amounts measured at amortized cost, lower-of-cost-or-fair-value, and FV - NI were $2.8 trillion, $9.3 billion, and $10.5 billion, respectively.

(4) As of December 31, 2021, the GAAP carrying amounts measured at amortized cost and FV - NI were $3.0 trillion and $2.5 billion, respectively.

Fair Value Option

We elected the fair value option for certain multifamily held-for-sale loans, multifamily held-for-sale loan purchase commitments, and debt.

The table below presents the fair value and UPB related to certain loans and debt for which we have elected the fair value option. This table does not include interest-only securities related to debt of consolidated trusts and debt of Freddie Mac with a fair value of $0.5 billion and $0.3 billion as of June 30, 2022 and December 31, 2021, respectively.

Table 13.7 - Difference between Fair Value and UPB for Certain Financial Instruments with Fair Value Option Elected

	June 30, 2022				December 31, 2021			
(In millions)	Multifamily Held-For-Sale Loan Purchase Commitments	Multifamily Held-For-Sale Loans	Debt of Freddie Mac	Debt of Consolidated Trusts	Multifamily Held-For-Sale Loan Purchase Commitments	Multifamily Held-For-Sale Loans	Debt of Freddie Mac	Debt of Consolidated Trusts
Fair value	$8	$5,670	$1,081	$2,026	$127	$10,498	$1,252	$958
UPB	N/A	6,001	1,064	2,098	N/A	10,224	1,220	958
Difference	**N/A**	**($331)**	**$17**	**($72)**	**N/A**	**$274**	**$32**	**$—**

Changes in Fair Value Under the Fair Value Option Election

The table below presents the changes in fair value included in investment gains (losses), net, on our condensed consolidated statements of operations and comprehensive income (loss), related to items for which we have elected the fair value option.

Table 13.8 - Changes in Fair Value Under the Fair Value Option Election

	2Q 2022	2Q 2021	YTD 2022	YTD 2021
(In millions)	Gains (Losses)		Gains (Losses)	
Multifamily held-for-sale loans	($273)	$221	($949)	($230)
Multifamily held-for-sale loan purchase commitments	(170)	342	(206)	537
Debt of Freddie Mac	(15)	22	(26)	30
Debt of consolidated trusts	171	13	243	9

Changes in fair value attributable to instrument-specific credit risk were not material for 2Q 2022, YTD 2022, 2Q 2021, and YTD 2021 for assets or liabilities for which we elected the fair value option.

NOTE 14

Legal Contingencies

We are involved as a party in a variety of legal and regulatory proceedings arising from time to time in the ordinary course of business including, among other things, contractual disputes, personal injury claims, employment-related litigation, and other legal proceedings incidental to our business. We are frequently involved, directly or indirectly, in litigation involving mortgage foreclosures. From time to time, we are also involved in proceedings arising from our termination of a seller's or servicer's eligibility to sell loans to, and/or service loans for, us. In these cases, the former seller or servicer sometimes seeks damages against us for wrongful termination under a variety of legal theories. In addition, we are sometimes sued in connection with the origination or servicing of loans. These suits typically involve claims alleging wrongful actions of sellers and servicers. Our contracts with our sellers and servicers generally provide for indemnification of Freddie Mac against liability arising from sellers' and servicers' wrongful actions with respect to loans sold to or serviced for Freddie Mac.

Litigation and claims resolution are subject to many uncertainties and are not susceptible to accurate prediction. In accordance with the accounting guidance for contingencies, we reserve for litigation claims and assessments asserted or threatened against us when a loss is probable (as defined in such guidance) and the amount of the loss can be reasonably estimated.

Putative Securities Class Action Lawsuit: Ohio Public Employees Retirement System vs. Freddie Mac, Syron, Et Al.

This putative securities class action lawsuit was filed against Freddie Mac and certain former officers on January 18, 2008 in the U.S. District Court for the Northern District of Ohio purportedly on behalf of a class of purchasers of Freddie Mac stock from August 1, 2006 through November 20, 2007. FHFA later intervened as Conservator, and the plaintiff amended its complaint on several occasions. The plaintiff alleged, among other things, that the defendants violated federal securities laws by making false and misleading statements concerning our business, risk management, and the procedures we put into place to protect the company from problems in the mortgage industry. The plaintiff seeks unspecified damages and interest, and reasonable costs and expenses, including attorney and expert fees.

In October 2013, defendants filed motions to dismiss the complaint. In October 2014, the District Court granted defendants' motions and dismissed the case in its entirety against all defendants, with prejudice. In November 2014, plaintiff filed a notice of appeal in the U.S. Court of Appeals for the Sixth Circuit. In July 2016, the Sixth Circuit reversed the District Court's dismissal and remanded the case to the District Court for further proceedings. In August 2018, the District Court denied the plaintiff's motion for class certification, and in January 2019, the Sixth Circuit denied plaintiff's petition for leave to appeal that decision. On September 17, 2020, the District Court granted a request from the plaintiff for summary judgment and entered final judgment in favor of Freddie Mac and the other defendants. On October 9, 2020, the plaintiff filed a notice of appeal in the Sixth Circuit. On January 27, 2021, Freddie Mac filed a motion to dismiss the appeal, which the Sixth Circuit denied on January 6, 2022.

At present, it is not possible for us to predict the probable outcome of this lawsuit or any potential effect on our business, financial condition, liquidity, or results of operations. In addition, we are unable to reasonably estimate the possible loss or range of possible loss in the event of an adverse judgment in the foregoing matter due to the following factors, among others: the inherent uncertainty of the appellate process, and the inherent uncertainty of pre-trial litigation in the event the case is ultimately remanded to the District Court in whole or in part. In particular, while the District Court denied plaintiff's motion for class certification, this decision and the entry of final judgment in defendants' favor have been appealed. Absent a final resolution of whether a class will be certified, the identification of a class if one is certified, and the identification of the alleged statement or statements that survive dispositive motions, we cannot reasonably estimate any possible loss or range of possible loss.

LIBOR Lawsuit

On March 14, 2013, Freddie Mac filed a lawsuit in the U.S. District Court for the Eastern District of Virginia against the British Bankers Association and the 16 U.S. Dollar LIBOR panel banks and a number of their affiliates. The case was subsequently transferred to the U.S. District Court for the Southern District of New York. The complaint alleges, among other things, that the defendants fraudulently and collusively depressed LIBOR, a benchmark interest rate indexed to trillions of dollars of financial products, and asserts claims for antitrust violations, breach of contract, tortious interference with contract, and fraud. Freddie Mac filed an amended complaint in July 2013, and a second amended complaint in October 2014. In August 2015, the District Court dismissed the portion of our claim related to antitrust violations and fraud and we filed a motion for reconsideration. In March 2016, the District Court granted a portion of our motion, finding personal jurisdiction over certain defendants, and denied the portion of our motion with respect to statutes of limitation for our fraud claims.

In May 2016, in a related case, the U.S. Court of Appeals for the Second Circuit reversed the District Court's dismissal of certain plaintiffs' antitrust claims and remanded the case to the District Court for consideration of whether, among other things, the plaintiffs are "efficient enforcers" of the antitrust laws. In December 2016, the District Court denied in part and granted in part defendants' renewed motions to dismiss on personal jurisdiction and efficient enforcer grounds. The District Court held that Freddie Mac is an efficient enforcer of the antitrust laws, but dismissed on personal jurisdiction grounds Freddie Mac's antitrust claims against all defendants except HSBC USA, N.A. (HSBC). In February 2017, the District Court effectively dismissed Freddie Mac's remaining antitrust claim against HSBC.

In February 2018, in a related case, the Second Circuit reversed the District Court's dismissal of certain plaintiffs' state law fraud and unjust enrichment claims on statutes of limitations grounds. The Second Circuit also reversed certain aspects of the District Court's personal jurisdiction rulings and remanded with instructions to allow the named appellant to amend its complaint. The District Court subsequently granted in part Freddie Mac's motion for leave to amend its complaint, and Freddie Mac filed its third amended complaint in April 2019. Subsequently, the District Court held that Freddie Mac's fraud claims were not reinstated by the Second Circuit's February 2018 decision.

In December 2021, in a related case, the Second Circuit reversed the District Court's December 2016 ruling with respect to certain personal jurisdiction issues. While Freddie Mac was not a party to that appeal, this ruling may apply to Freddie Mac's claims.

In January 2022, in a related case, the Second Circuit reversed the District Court's dismissal of certain class plaintiffs' state law fraud claims on personal jurisdiction and statutes of limitations grounds. While Freddie Mac was not a party to that appeal, this ruling may apply to Freddie Mac's claims.

At present, Freddie Mac's only remaining causes of action are certain contract-based claims against Bank of America, N.A., Barclays Bank, Citibank, N.A., Credit Suisse, Deutsche Bank, Royal Bank of Scotland, and UBS AG. The court has established a process to determine the impact of the appellate decisions on the previously dismissed claims.

Litigation Concerning the Purchase Agreement

Since July 2013, a number of lawsuits have been filed against us concerning the August 2012 amendment to the Purchase Agreement, which created the net worth sweep dividend provisions of the senior preferred stock. The plaintiffs in the lawsuits allege that they are holders of common stock and/or junior preferred stock issued by Freddie Mac and Fannie Mae. (For purposes of this discussion, junior preferred stock refers to the various series of preferred stock of Freddie Mac and Fannie Mae other than the senior preferred stock issued to Treasury.) It is possible that similar lawsuits will be filed in the future. The lawsuits against us are described below.

Litigation in the U.S. District Court for the District of Columbia

In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations. This is a consolidated class action lawsuit filed by private individual and institutional investors (collectively, "Class Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

Fairholme Funds, Inc., et al. v. FHFA, et al. This is an individual plaintiffs' lawsuit filed by certain institutional investors ("Individual Plaintiffs") against FHFA and its Director, Treasury, Fannie Mae, and Freddie Mac.

Plaintiffs in each of the District of Columbia lawsuits filed an amended complaint on November 1, 2017 alleging claims for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duties, and violation of Delaware and Virginia corporate law. Additionally, the Class Plaintiffs brought derivative claims against FHFA for breach of fiduciary duties and the Individual Plaintiffs brought claims under the Administrative Procedure Act. Both sets of claims are generally based on allegations that the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to the August 2012 amendments nullified certain of the shareholders' rights, including the rights to receive dividends and a liquidation preference. Class Plaintiffs and Individual Plaintiffs seek unspecified damages, equitable and injunctive relief, and costs and expenses, including attorneys' fees.

On January 10, 2018, FHFA and its Director, Fannie Mae, and Freddie Mac moved to dismiss the amended complaints. On September 28, 2018, the District Court dismissed all of the claims except those for breach of the implied covenant of good faith and fair dealing. On December 7, 2021, the District Court certified three classes in the *In Re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations* based on share type, including a "Freddie Preferred Class" for holders of Freddie Mac junior preferred stock and a "Freddie Common Class" for holders of Freddie Mac common stock. To be included in one of these classes, shareholders must have held their shares as of December 7, 2021 or acquired their shares after December 7, 2021 and before any final judgment is entered or settlement is reached in the lawsuit. The parties filed motions for summary judgment on March 21, 2022 in both the *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations* and the *Fairholme Funds* lawsuit. Trial in both cases is currently scheduled to begin on October 17, 2022.

Litigation in the U.S. Court of Federal Claims

Reid and Fisher vs. the United States of America and Federal Home Loan Mortgage Corporation. This case was filed as a derivative lawsuit, purportedly on behalf of Freddie Mac as a "nominal" defendant, on February 26, 2014. The complaint alleges, among other items, that the net worth sweep dividend provisions of the senior preferred stock constitute an unlawful taking of private property for public use without just compensation. The plaintiffs ask that Freddie Mac be awarded just compensation for the U.S. government's alleged taking of its property, attorneys' fees, costs, and other expenses. On March 8, 2018, the plaintiffs filed an amended complaint under seal, with a redacted copy filed on November 14, 2018. The United States filed a motion to dismiss on August 1, 2018 and an amended motion to dismiss on October 1, 2018. The Court denied the United States' motion to dismiss on May 8, 2020 and granted plaintiffs' motion to certify the decisions for interlocutory appeal on June 11, 2020. The Federal Circuit denied the petition for interlocutory appeal on August 21, 2020. These proceedings are stayed pending final resolution of the *Fairholme Funds* appeals discussed below.

Fairholme Funds, Inc., et al. vs. the United States of America, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. This case was originally filed on July 9, 2013 against the United States of America. On March 8, 2018, plaintiffs filed an amended complaint under seal. A redacted public version was filed on May 11, 2018 and adds Freddie Mac and Fannie Mae as nominal defendants. The amended complaint alleges, among other items, that the net worth sweep dividend provisions of the senior preferred stock constitute an unlawful taking or exaction of private property for public use without just compensation, and that by enacting the net worth sweep, the government breached the fiduciary duty it owed to Freddie Mac and Fannie Mae, and implied-in-fact contracts between the United States on the one hand and Freddie Mac and Fannie Mae on the other. The plaintiffs ask that plaintiffs, Freddie Mac, and Fannie Mae be awarded (1) just compensation for the government's alleged taking or exaction of their property, (2) damages for the government's breach of fiduciary duties, and (3) damages for the government's breach of the alleged implied-in-fact contracts. In addition, plaintiffs seek pre- and post-judgment interest, attorneys' fees, costs, and other expenses. The United States filed a motion to dismiss on August 1, 2018 and an amended motion to dismiss on October 1, 2018. On December 6, 2019, the Court dismissed the claims plaintiffs labeled as direct claims and denied defendant's motion to dismiss with respect to the claims plaintiffs labeled as derivative. Accordingly, derivative takings, exaction, breach of fiduciary duty, and breach of implied-in-fact contract claims remained. By order dated March 9, 2020, the Court granted unopposed motions by plaintiffs and defendant to certify the December 6 opinion for interlocutory review, modified its December 6 opinion to include the language necessary for an interlocutory appeal to the U.S. Court of Appeals for the Federal Circuit, and stayed further proceedings in the case pending the completion of the interlocutory appeal process. The Federal Circuit granted the petition for interlocutory appeal and, on February 22, 2022, held that all of the plaintiffs' claims should be dismissed.

Perry Capital LLC vs. the United States of America, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. This case was filed as a derivative lawsuit, purportedly on behalf of Freddie Mac and Fannie Mae as "nominal" defendants, on August 15, 2018. The complaint alleges, among other items, that the net worth sweep dividend provisions of the senior preferred stock constitute an unlawful taking of private property for public use without just compensation or an illegal exaction in violation of the Fifth Amendment, and that by enacting the net worth sweep, the government breached the fiduciary duty it owed to Freddie Mac and Fannie Mae, and implied-in-fact contracts between the United States on the one hand and Freddie Mac and Fannie Mae on the other. The plaintiff asks that it, Freddie Mac, and Fannie Mae be awarded just compensation for the government's alleged taking of their property or damages for the illegal exaction; damages for the government's breach of fiduciary duties; and damages for the government's breach of the alleged implied-in-fact contracts. These proceedings are stayed pending final resolution of the *Fairholme Funds* appeals discussed in the paragraph immediately above.

At present, it is not possible for us to predict the probable outcome of the lawsuits discussed above in the U.S. District Courts and the U.S. Court of Federal Claims (including the resolution of any appeals) or any potential effect on our business, financial condition, liquidity, or results of operations. In addition, we are unable to reasonably estimate the possible loss or range of possible loss in the event of an adverse judgment in the foregoing matters due to a number of factors, including the inherent uncertainty of pre-trial litigation. In addition, with respect to the *In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations* case, the plaintiffs have not demanded a stated amount of damages they believe are due.

NOTE 15

Regulatory Capital

ERCF

The GSE Act specifies certain capital requirements for us and authorizes FHFA to establish other capital requirements as well as to increase our minimum capital levels or to establish additional capital and reserve requirements for particular purposes. In October 2008, FHFA suspended capital classification of us during conservatorship, in light of the Purchase Agreement.

FHFA has established the ERCF as a new enterprise regulatory capital framework for Freddie Mac and Fannie Mae. Our current capital levels are significantly below the levels that would be required under the ERCF. The ERCF has a transition period for compliance, and we are not required to comply with the regulatory capital requirements or the buffer requirements while in conservatorship. In general, the compliance date for the regulatory capital requirements will be the later of the date of termination of our conservatorship and any later compliance date provided in a transition order, and the compliance date for buffer requirements in the ERCF will be the date of termination of our conservatorship. Pursuant to the final rule, we are required to comply with the regulatory capital reporting requirements under the ERCF in 2022, and we filed with FHFA our initial quarterly capital report on May 27, 2022.

The ERCF establishes risk-based and leverage capital requirements and includes supplemental capital requirements relating to the amount and form of the capital we hold, based largely on definitions of capital used in U.S. banking regulators' regulatory capital framework. The ERCF capital requirements contain both statutory capital elements (total capital and core capital) and regulatory capital elements (CET1 capital, Tier 1 capital, and adjusted total capital). The ERCF also includes a requirement that we hold prescribed capital buffers that can be drawn down in periods of financial stress and then rebuilt over time as economic conditions improve. If we fall below the prescribed buffer amounts, we must restrict capital distributions such as stock repurchases and dividends, as well as discretionary bonus payments to executives, until the buffer amounts are restored.

Risk-Based Capital Requirements

Under the ERCF risk-based capital requirements, we must maintain our CET1 capital, Tier 1 capital, and adjusted total capital ratios equal to at least 4.5%, 6%, and 8%, respectively, of risk-weighted assets. We must also maintain statutory total capital equal to at least 8% of risk-weighted assets. To avoid limits on capital distributions and discretionary bonus payments, we also must maintain CET1 capital that exceeds the risk-based capital requirements by at least the amount of the prescribed capital conservation buffer amount (PCCBA).

Leverage Capital Requirements

Under the ERCF leverage capital requirements, we must maintain our Tier 1 capital ratio equal to at least 2.5% of adjusted total assets. We must also maintain our statutory core capital ratio equal to at least 2.5% of adjusted total assets. To avoid limits on capital distributions and discretionary bonus payments, we also must maintain our Tier 1 capital that exceeds the leverage capital requirements by at least the amount of the prescribed leverage buffer amount (PLBA).

Capital Metrics

The table below presents our capital metrics under the ERCF.

Table 15.1 - ERCF Available Capital and Capital Requirements

(In billions)	June 30, 2022
Adjusted total assets	$3,655
Risk-weighted assets (standardized approach)	845

	June 30, 2022		
(Dollars in billions)	Minimum Capital Requirement	Capital Requirement (Including Buffer[1])	Available Capital (Deficit)
Risk-based capital amounts:			
Total capital (statutory)[2]	$68	$68	($33)
CET1 capital[3]	38	88	(58)
Tier 1 capital[3]	50	100	(44)
Adjusted total capital[3]	67	117	(44)
Risk-based capital ratios[4]:			
Total capital (statutory)	8.0 %	8.0 %	(3.9)%
CET1 capital	4.5	10.4	(6.9)
Tier 1 capital	6.0	11.9	(5.2)
Adjusted total capital	8.0	13.9	(5.2)
Leverage capital amounts:			
Core capital (statutory)[5]	$92	$92	($39)
Tier 1 capital[3]	92	103	(44)
Leverage capital ratios[6]:			
Core capital (statutory)	2.5 %	2.5 %	(1.1)%
Tier 1 capital	2.5	2.8	(1.2)

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) Total capital is equal to core capital plus certain allowances for credit losses.

(3) Regulatory capital amounts exclude senior preferred stock, deferred tax assets arising from temporary differences that exceed 10% of CET1 capital, and certain other items.

(4) As a percentage of risk-weighted assets.

(5) Core capital excludes certain components of GAAP total equity (i.e., AOCI and senior preferred stock) as these items do not meet the statutory definition of core capital.

(6) As a percentage of adjusted total assets.

END OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

Other Information

LEGAL PROCEEDINGS

We are involved as a party to a variety of legal proceedings. For more information, see **Note 14**.

In addition, a number of lawsuits have been filed against the U.S. government related to the conservatorship and the Purchase Agreement. Some of these cases also have challenged the constitutionality of the structure of FHFA. For information on these lawsuits, see the **Legal Proceedings** section in our 2021 Annual Report. Freddie Mac is not a party to any of these lawsuits.

RISK FACTORS

This Form 10-Q should be read together with the **Risk Factors** section in our 2021 Annual Report, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties could, directly or indirectly, adversely affect our business, financial condition, results of operations, cash flows, strategies, and/or prospects.

UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

The securities we issue are "exempted securities" under the Securities Act of 1933, as amended. As a result, we do not file registration statements with the SEC with respect to offerings of our securities.

Following our entry into conservatorship, we suspended the operation of, and ceased making grants under, equity compensation plans. Previously, we had provided equity compensation under those plans to employees and members of the Board of Directors. Under the Purchase Agreement, we cannot issue any new options, rights to purchase, participations, or other equity interests without Treasury's prior approval.

Information About Certain Securities Issuances by Freddie Mac

We make available, free of charge through our website at **www.freddiemac.com**, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with the SEC. The SEC also maintains an internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

We provide disclosure about our debt securities on our website at **www.freddiemac.com/debt**. From this address, investors can access the offering circular and related supplements for debt securities offerings under Freddie Mac's global debt facility, including pricing supplements for individual issuances of debt securities. Similar information about our STACR transactions and SCR debt notes is available at **crt.freddiemac.com** and **mf.freddiemac.com/investors**, respectively.

We provide disclosure about our mortgage-related securities, some of which are off-balance sheet obligations (e.g., K Certificates and SB Certificates), on our website at **www.freddiemac.com/mbs** and **mf.freddiemac.com/investors**. From these addresses, investors can access information and documents, including offering circulars and offering circular supplements, for mortgage-related securities offerings.

We provide additional information, including product descriptions, investor presentations, securities issuance calendars, transactions volumes and details, redemption notices, Freddie Mac research, and material developments or other events that may be important to investors, in each case as applicable, on the websites for our business activities, which can be found at **sf.freddiemac.com**, **mf.freddiemac.com**, and **capitalmarkets.freddiemac.com/capital-markets**.

We provide information on our ESG efforts on our website at **freddiemac.com/about/esg**.

EXHIBITS

The exhibits are listed in the **Exhibit Index** of this Form 10-Q.

Controls and Procedures

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms and that such information is accumulated and communicated to management of the company, including the company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we must apply judgment in implementing possible controls and procedures.

Management, including the company's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2022. As a result of management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of June 30, 2022, at a reasonable level of assurance, because we have not been able to update our disclosure controls and procedures to provide reasonable assurance that information known by FHFA on an ongoing basis is communicated from FHFA to Freddie Mac's management in a manner that allows for timely decisions regarding our required disclosure under the federal securities laws. We consider this situation to be a material weakness in our internal control over financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING DURING 2Q 2022

We evaluated the changes in our internal control over financial reporting that occurred during 2Q 2022 and concluded that there were no changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MITIGATING ACTIONS RELATED TO THE MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As described above under ***Evaluation of Disclosure Controls and Procedures***, we have one material weakness in internal control over financial reporting as of June 30, 2022 that we have not remediated.

Given the structural nature of this material weakness, we believe it is likely that we will not remediate it while we are under conservatorship. However, both we and FHFA have continued to engage in activities and employ procedures and practices intended to permit accumulation and communication to management of information needed to meet our disclosure obligations under the federal securities laws. These include the following:

- FHFA has established the Division of Conservatorship Oversight and Readiness, which is intended to facilitate operation of the company with the oversight of the Conservator.
- We provide drafts of our SEC filings to FHFA personnel for their review and comment prior to filing. We also provide drafts of certain external press releases and statements to FHFA personnel for their review and comment prior to release.
- FHFA personnel, including senior officials, review our SEC filings prior to filing, including this Form 10-Q, and engage in discussions with us regarding issues associated with the information contained in those filings. Prior to filing this Form 10-Q, FHFA provided us with a written acknowledgment that it had reviewed the Form 10-Q, was not aware of any material misstatements or omissions in the Form 10-Q, and had no objection to our filing the Form 10-Q.
- The Director of FHFA is in frequent communication with our Chief Executive Officer, typically meeting (in person or by phone) on at least a bi-weekly basis.
- FHFA representatives attend meetings frequently with various groups within the company to enhance the flow of information and to provide oversight on a variety of matters, including accounting, credit and capital markets management, external communications, and legal matters.
- Senior officials within FHFA's accounting group meet frequently with our senior financial executives regarding our accounting policies, practices, and procedures.

In view of our mitigating actions related to this material weakness, we believe that our condensed consolidated financial statements for 2Q 2022 have been prepared in conformity with GAAP.

Exhibit Index

Exhibit	Description*
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)
31.2	Certification of Executive Vice President and Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema
101. CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Label
101. PRE	XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

* The SEC file numbers for the Registrant's Registration Statement on Form 10, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K are 000-53330 and 001-34139.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Federal Home Loan Mortgage Corporation

By: /s/ Michael J. DeVito

Michael J. DeVito
Chief Executive Officer
(Principal Executive Officer)

Date: July 28, 2022

By: /s/ Christian M. Lown

Christian M. Lown
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: July 28, 2022

Form 10-Q Index

Exhibit 31.1

CERTIFICATION

PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)

I, Michael J. DeVito, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of the Federal Home Loan Mortgage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2022

/s/ Michael J. DeVito

Michael J. DeVito

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)

I, Christian M. Lown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of the Federal Home Loan Mortgage Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2022

/s/ Christian M. Lown

Christian M. Lown

Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. DeVito, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2022

/s/ Michael J. DeVito

Michael J. DeVito
Chief Executive Officer

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christian M. Lown, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2022

/s/ Christian M. Lown

Christian M. Lown

Executive Vice President and Chief Financial Officer