

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**FORM 10-K**

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

For the fiscal year ended December 31, 2025

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



**Federal Home Loan Mortgage Corporation**

*(Exact name of registrant as specified in its charter)*

**Federally chartered corporation**

*(State or other jurisdiction of incorporation or organization)*

**52-0904874**

*(I.R.S. Employer Identification No.)*

**8200 Jones Branch Drive  
McLean, Virginia**

*(Address of principal executive offices)*

**22102-3110**

*(Zip Code)*

**(703) 903-2000**

*(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

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

Voting Common Stock, no par value per share (OTCQB: FMCC)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCI)  
 5% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCKK)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCG)  
 5.1% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCH)  
 5.79% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCJ)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCK)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCL)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCM)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCN)  
 5.81% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCO)  
 6% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCP)  
 Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCCQ)  
 5.7% Non-Cumulative Preferred Stock, par value \$1.00 per share (OTCQB: FMCKP)  
 Variable Rate, Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCCS)  
 6.42% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCCCT)  
 5.9% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKO)  
 5.57% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKM)  
 5.66% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKN)  
 6.02% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKL)  
 6.55% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKI)  
 Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share (OTCQB: FMCKJ)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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  Emerging growth company   
 Non-accelerated filer  Smaller reporting 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 has filed a report on and attestation to its management's assessment of the effectiveness of internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the common stock held by non-affiliates computed by reference to the price at which the common stock was last sold on June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was \$5.4 billion.

As of January 31, 2026, there were 650,059,553 shares of the registrant's common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE:** None

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# Introduction

This Annual Report on Form 10-K 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-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-K. 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 **Forward-Looking Statements** and **Risk Factors** sections of this Form 10-K.

Throughout this Form 10-K, we use certain acronyms and terms that are defined in the **Glossary**.

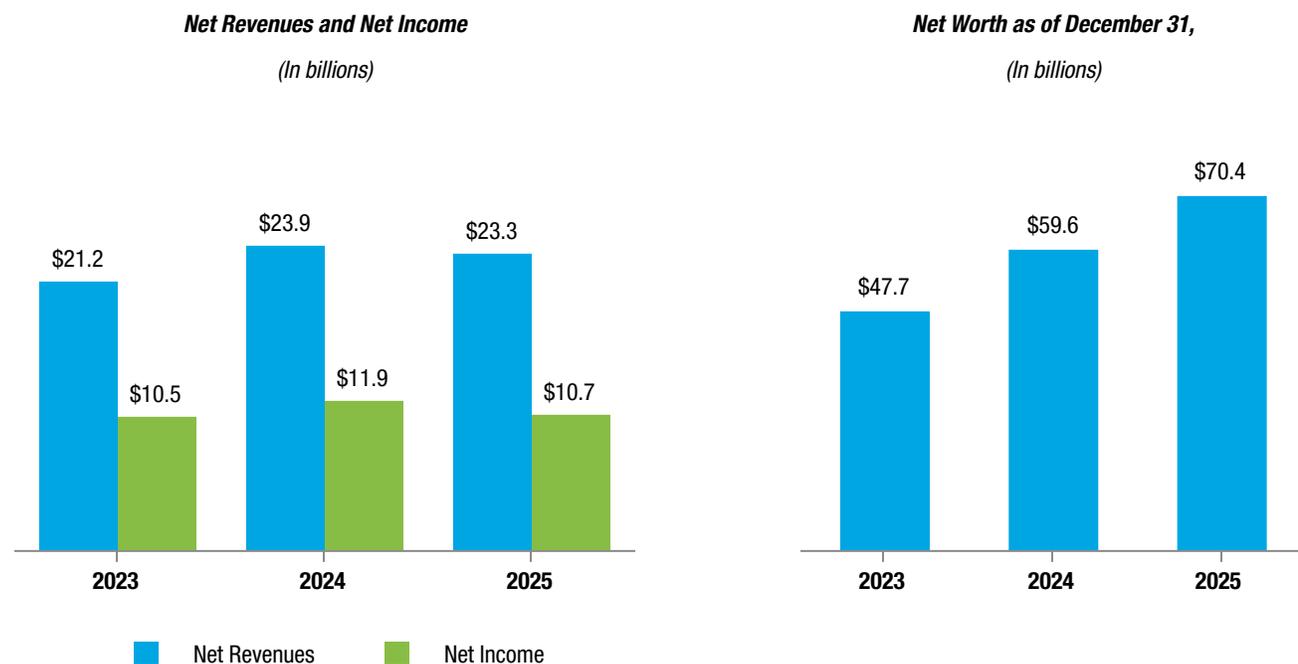
## ABOUT FREDDIE MAC

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 a portion of our 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, mortgage-related securities, and other types of assets. 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.

## Business Results

### Consolidated Financial Results



#### Key Drivers:

##### ■ 2025 vs. 2024

- Net income was \$10.7 billion, a decrease of 10% year-over-year, primarily driven by lower net revenues and an increase in the provision for credit losses.
- Net revenues were \$23.3 billion, a decrease of 3% year-over-year, driven by lower non-interest income, partially offset by higher net interest income.
- Net worth was \$70.4 billion as of December 31, 2025, up from \$59.6 billion as of December 31, 2024.

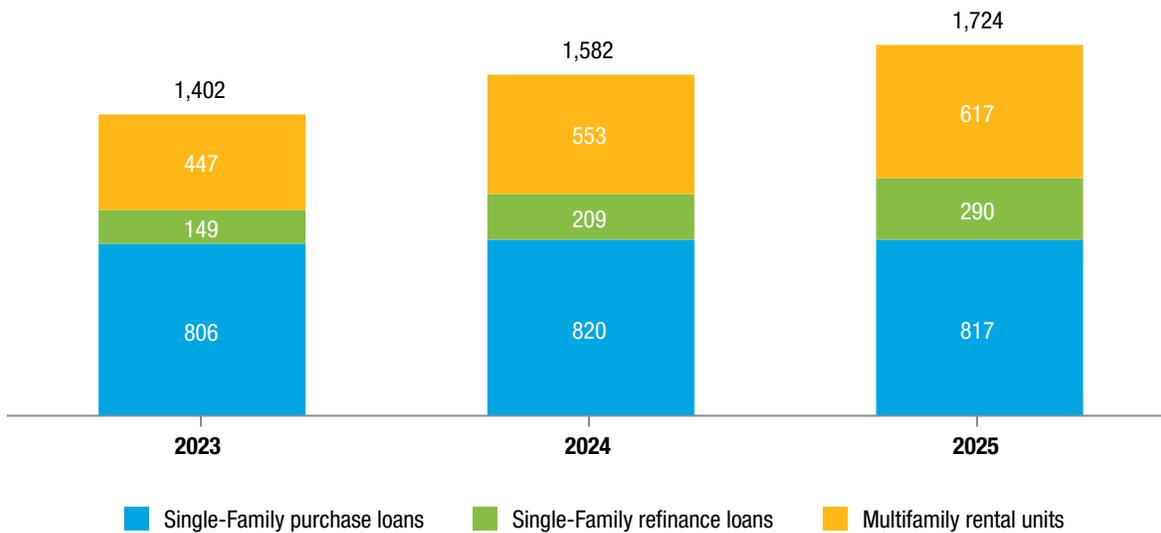
### ■ 2024 vs. 2023

- Net income was \$11.9 billion, an increase of 13% year-over-year, primarily driven by higher net revenues, partially offset by a credit reserve build in Single-Family in 2024 compared to a credit reserve release in Single-Family in 2023.
- Net revenues were \$23.9 billion, up 13% year-over-year, driven by higher net interest income and higher non-interest income.
- Net worth was \$59.6 billion as of December 31, 2024, up from \$47.7 billion as of December 31, 2023.

## Market Liquidity

### Market Liquidity

(In thousands)

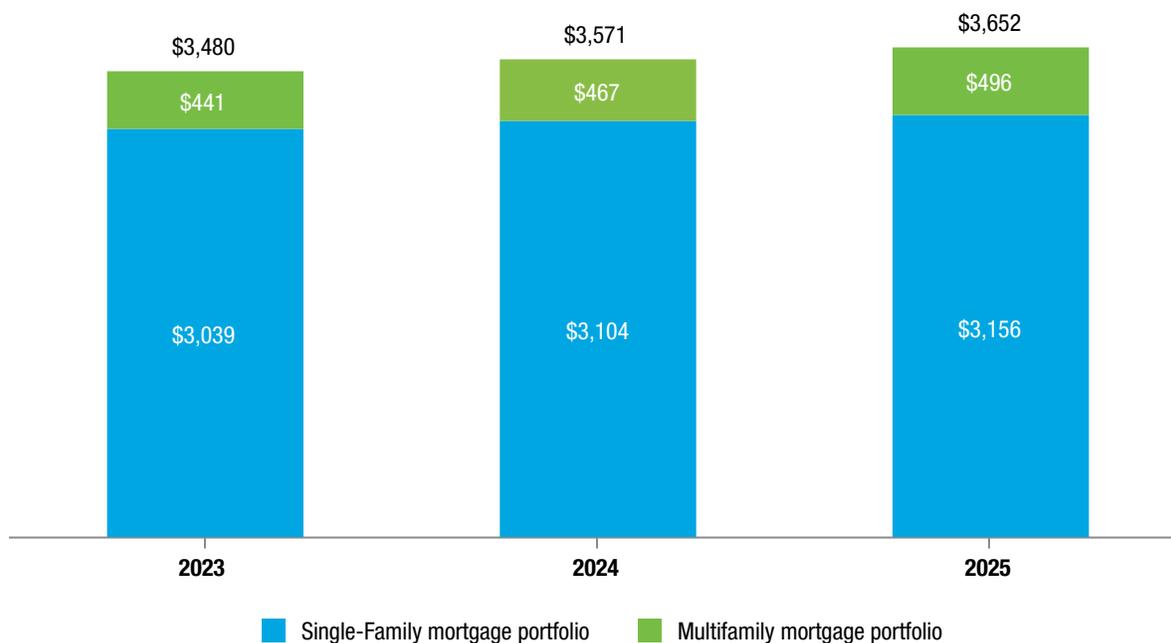


We support the U.S. housing market by executing our mission to provide liquidity and help maintain credit availability for new and refinanced single-family mortgages as well as for rental housing. We provided \$465 billion in liquidity to the mortgage market in 2025, which enabled the financing of 1.7 million home purchases, refinancings, and rental units.

## Portfolio Balances

### Mortgage Portfolio as of December 31,

(UPB in billions)



#### Key Drivers:

##### ■ 2025 vs. 2024

- Our mortgage portfolio increased 2% year-over-year to \$3.7 trillion at December 31, 2025, continuing to grow at a moderate pace.
  - Our Single-Family mortgage portfolio was \$3.2 trillion at December 31, 2025, up 2% year-over-year.
  - Our Multifamily mortgage portfolio was \$496 billion at December 31, 2025, up 6% year-over-year.

##### ■ 2024 vs. 2023

- Our mortgage portfolio increased 3% year-over-year to \$3.6 trillion at December 31, 2024, continuing to grow at a moderate pace.
  - Our Single-Family mortgage portfolio was \$3.1 trillion at December 31, 2024, up 2% year-over-year.
  - Our Multifamily mortgage portfolio was \$467 billion at December 31, 2024, up 6% year-over-year.

## Conservatorship and Government Support for Our Business

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 in consideration for Treasury's commitment to provide funding to us. The 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 that the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities.

The Purchase Agreement with Treasury significantly affects our business activities, including by limiting: our secondary market activities; our single-family loan acquisitions; the amount of indebtedness we can incur; the size of our mortgage-related investments portfolio; and our ability to pay dividends, transfer certain assets, raise capital, pay down the liquidation preference of the senior preferred stock, and our exit from conservatorship.

Treasury, as the holder of the senior preferred stock, is entitled to receive cumulative quarterly cash dividends, when, as, and if declared by the Board of Directors. The dividends we have paid to Treasury on the senior preferred stock have been declared by, and paid at the direction of, the Conservator, acting as successor to the rights, titles, powers, and privileges of the Board of Directors.

Pursuant to the January 2021 Letter Agreement amending the Purchase Agreement, Freddie Mac will not be required to pay a dividend to Treasury on the senior preferred stock until it has built sufficient net worth to meet the capital requirements and buffers set forth in the ERCF. As the company builds capital during this period, increases in our Net Worth Amount have been, or will be, added to the aggregate liquidation preference of the senior preferred stock. To the extent our Net Worth Amount exceeds capital requirements and buffers set forth in the ERCF, dividends on the senior preferred stock will be payable to Treasury. After we have maintained the level of capital prescribed in the Purchase Agreement for the requisite time, we will be subject to a new periodic cash dividend requirement, as well as a periodic commitment fee to be agreed upon with Treasury in consultation with the Chairman of the Federal Reserve. While Freddie Mac is required to comply with the ERCF as it is amended from time to time pursuant to the January 2025 Letter Agreement, compliance with certain provisions of the ERCF is suspended during conservatorship. See **MD&A - Liquidity and Capital Resources - Capital Resources - ERCF** for additional information.

See **MD&A - Regulation and Supervision** and **Note 2** for additional information on the Purchase Agreement, senior preferred stock, and warrant and **Risk Factors - Conservatorship and Related Matters** for related risks.

The charts below show our net worth, the liquidation preference of the senior preferred stock, the remaining amount of Treasury's funding commitment to us, the cumulative senior preferred stock dividends we have paid to Treasury, and the cumulative funds we have drawn from Treasury pursuant to its funding commitment.

**Net Worth, Liquidation Preference, and Treasury Funding Commitment**  
(In billions)



- Net worth
- Senior preferred stock liquidation preference
- Remaining Treasury funding commitment

**Draws and Dividend Payments**  
(In billions)



- Cumulative draws from Treasury
- Cumulative dividend payments to Treasury

## OUR BUSINESS

### Primary Business Strategies

Freddie Mac's overall strategic direction is recommended by management and affirmed by the Board of Directors and FHFA through the approval of our Strategic Framework, which sets forth our strategic priorities and generally covers a three-year timeframe. FHFA, the Administration, or Congress could take actions that cause us to alter our Strategic Framework. FHFA, as Conservator, has influenced, and may in the future influence, our strategic direction, such as through our new initiatives, credit and pricing policies, and capital, liquidity, and risk appetite constraints.

### Our Charter and Mission

We are a GSE with a specific and limited corporate purpose to support the liquidity, stability, and affordability of the U.S. housing market as a participant in the secondary mortgage market, while operating as a commercial enterprise earning an appropriate return. All actions we take must be conducted within the constraints of our Charter.

As a result, our Charter forms the framework for our business activities. Pursuant to our Charter, our role in the secondary mortgage market is to:

- Provide stability in the secondary mortgage market for residential loans;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary mortgage market for residential loans (including activities relating to loans for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- Promote access to mortgage loan credit throughout the United States (including central cities, rural areas, and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Our Charter requires certain specified credit protections, which include mortgage insurance from a qualified insurer on the portion of the UPB of the loan that exceeds an 80% LTV ratio, a seller's agreement to repurchase or replace a defaulted loan, or the retention by the seller of at least a 10% participation interest in the loan for the purchase of first-lien single-family loans with LTV ratios at the time of purchase of greater than 80%. This Charter requirement does not apply to multifamily loans or to loans that have the benefit of any guarantee, insurance, or other obligation by the U.S. or any of its agencies or instrumentalities (e.g., the FHA, VA, or USDA Rural Development).

Our Charter does not permit us to originate mortgage loans or lend money directly to mortgage borrowers in the primary mortgage market. Our Charter limits our purchase of single-family loans to the conforming loan market, which consists of loans originated with UPBs at or below limits determined annually based on changes in FHFA's housing price index. In most of the U.S., the maximum conforming loan limit for a one-family residence has been set at \$832,750 for 2026, an increase from \$806,500 for 2025, \$766,550 for 2024, and \$726,200 for 2023. Higher limits have been established in certain "high-cost" areas (for 2026, up to \$1,249,125 for a one-family residence). Higher limits also apply to two- to four-family residences and to one- to four-family residences in Alaska, Guam, Hawaii, and the U.S. Virgin Islands.

### Human Capital Management

#### **Attracting, Developing, and Retaining Talent**

Freddie Mac is committed to attracting, developing and retaining top talent, fostering a culture where employees are engaged, empowered and driven to make home possible for hundreds of thousands of families every year. We invest in our human capital, supporting leadership capabilities, career growth and development, and innovation to enable our workforce to deliver meaningful impact for our business and the nation's housing finance system.

We offer benefits that are designed to support our employees and provide them with the ability to develop their careers and care for their families as well as to plan for their financial well-being.

Our professional development opportunities include in-person and virtual courses on various topics, such as leadership, business, communications, technology, and individual skill development; and our educational assistance program.

We also strive to implement competitive compensation programs and practices within the constraints of the conservatorship. We evaluate the success of our human capital management by measuring and monitoring the performance, development, retention, and engagement of our employees.

## Employees

At January 31, 2026, we had 7,334 full-time and 21 part-time employees. Our headquarters are in McLean, Virginia, and the majority of our employees reside in the Washington, D.C. metropolitan area.

## Board and FHFA Oversight

We engage with the CMD Committee by providing workforce insights that support their oversight of compensation and benefits, employee experience, and strategies to strengthen our culture. Although the CMD Committee plays a role in these matters, FHFA is actively involved in its role as both our conservator and regulator. For additional information, see **Directors, Corporate Governance, and Executive Officers - Corporate Governance - Board and Board Committee Information - Authority of the Board and Board Committees**.

## Business Segments

We have two reportable segments: Single-Family and Multifamily. For additional information on our segments, see **MD&A - Our Business Segments** and **Note 14**.

## Properties

Our principal offices consist of four office buildings we own in McLean, Virginia, comprising approximately 1.3 million square feet. We operate our business in the United States 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 United States and its territories.

## Government Regulation and Supervision

Our business is subject to extensive laws, regulations, and supervision. The laws and regulations to which we are subject cover all key aspects of our business, and directly and indirectly impact the key drivers of our results including, for example, our product offerings, guarantee fees, pricing, competitive position and strategic priorities, relationship with sellers and servicers, capital structure, cash needs and uses, liquidity, privacy for borrowers and others, risk management, cybersecurity, and costs of compliance. Failure to comply with our legal and regulatory requirements could result in litigation, investigations, enforcement actions, fines, monetary and other penalties, and harm to our reputation. Our business and results of operations may also be directly and adversely affected by future legislative, regulatory, or judicial actions. Such actions could affect us in a number of ways, including by imposing significant additional legal, compliance, and other costs on us and limiting our business activities. For example, changes to our capital requirements have affected our business and risk management strategies, including our risk appetite, our risk-adjusted returns, and the impact of our CRT transactions on our capital needs, and have increased the amount of capital we will be required to retain or raise to exit from conservatorship.

In addition, our conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. We are under the control of FHFA, as our Conservator, and are not managed to maximize stockholder returns. FHFA determines our strategic direction. We face a variety of different, and sometimes competing, business objectives and FHFA-mandated activities. FHFA has required us to make changes to our business that have adversely affected our financial results and could require us to make additional changes at any time. FHFA may require us to undertake activities that reduce our profitability, expose us to additional credit, market, funding, operational, legal, and other risks, or provide additional support for the mortgage market that serves our mission but adversely affects our financial results. Further, we can be put into receivership at the discretion of the Director of FHFA at any time, consistent with the GSE Act and the Purchase Agreement, to the extent applicable by law.

FHFA is also Conservator of Fannie Mae, our primary competitor. FHFA's actions, as Conservator of both companies, could affect competition between us. It is also possible that FHFA could require us and Fannie Mae to take a uniform approach to certain activities, limiting innovation and competition, and possibly putting us at a competitive disadvantage because of differences in our respective businesses. FHFA also could limit our ability to compete with new entrants and other institutions. For additional information on conservatorship and related risks, see **Introduction - About Freddie Mac - Conservatorship and Government Support for Our Business** and **Risk Factors - Conservatorship and Related Matters**.

For additional information on government regulation and supervision and related risks, see **MD&A - Regulation and Supervision** and **Risk Factors - Legal and Compliance Risks**.

## Available Information

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We file reports and other information with the SEC. In view of the Conservator's succession to all of the voting power of our stockholders, we have not prepared or provided proxy statements for the solicitation of proxies from stockholders since we entered into conservatorship, and do not expect to do so while we remain in conservatorship. Pursuant to SEC rules, our annual reports on Form 10-K contain certain information typically provided in an annual proxy statement.

We make available, free of charge through our website at [www.freddiemac.com/investors](http://www.freddiemac.com/investors), 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 a website ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

We are providing our website addresses and the website address of the SEC here and elsewhere in this Form 10-K solely for your information. Information appearing on our website or on the SEC's website is not incorporated into this Form 10-K.

We provide information on the ERCF on our website at [www.freddiemac.com/investors](http://www.freddiemac.com/investors).

We provide disclosure about our debt securities on our website at [capitalmarkets.freddiemac.com/debt](http://capitalmarkets.freddiemac.com/debt). From this address, investors can access the offering circular and issuance information for debt securities offerings under Freddie Mac's global debt facility, including any required pricing supplements for individual issuances of debt securities. Similar information about our STACR<sup>®</sup> transactions and MSCR transactions is available at [capitalmarkets.freddiemac.com/crt](http://capitalmarkets.freddiemac.com/crt) and [mf.freddiemac.com/investors](http://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), on our website at [www.freddiemac.com/mbs](http://www.freddiemac.com/mbs) and [mf.freddiemac.com/investors](http://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, transaction 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 divisions, which can be found at [sf.freddiemac.com](http://sf.freddiemac.com), [mf.freddiemac.com](http://mf.freddiemac.com), and [capitalmarkets.freddiemac.com/capital-markets](http://capitalmarkets.freddiemac.com/capital-markets).

## 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-K, 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 including, but not limited to, changes in house prices and house price forecasts, our market coverage, the effect of legislative and regulatory developments, judicial rulings, and new accounting guidance, the credit quality of loans we own or guarantee, the costs and benefits of our CRT transactions, the impact of banking crises or failures, the effects of natural disasters or catastrophic events 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 of this Form 10-K and:

- The actions the federal government (including FHFA, Treasury, the executive branch, and Congress) and state governments may take, require us to take, or restrict us from taking, including actions regarding our operations, conservatorship, access to affordable and sustainable housing, such as programs to implement the expectations in FHFA's Conservatorship Scorecards, and other objectives for us;
- The impacts of a transaction involving us and Fannie Mae, including a public offering of our equity securities while in conservatorship or outside of conservatorship, and the potential for our exit from conservatorship;
- Changes in economic and market conditions, including trade laws or policies such as tariffs, volatility in the financial services industry, changes in employment rates, immigration policy, inflation, interest rates, spreads, and house prices;
- 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;
- The effect of the restrictions on our business due to the conservatorship and the Purchase Agreement including any amendments thereto;
- The impact of any changes in our credit ratings or those of the U.S. government;
- Changes in our Charter, applicable legislative or regulatory requirements (including any legislative or executive action 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, standards, or guidance;
- Changes in the U.S. mortgage market, including the supply of houses available for sale, the supply of multifamily rental housing, and changes in the supply and type of loan products;
- The success of our efforts to mitigate our losses;
- The success of our strategy to transfer mortgage credit risk;
- 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 cybersecurity incidents or other security incidents, whether due to insider error or malfeasance or system errors or vulnerabilities in our or our third parties' systems;
- Our ability to effectively execute our business strategies, implement significant changes, and improve efficiency;
- The adequacy of our risk management framework, including the adequacy of our regulatory capital framework prescribed by FHFA and internal models for measuring risk;
- Our ability to manage mortgage credit risk, including the effect of changes in underwriting and servicing practices;
- Changes in credit reporting at the credit reporting bureaus due to regulatory and legal developments, as well as lender 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 and spread 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 U.S. FinTech and the mortgage securitization platform for the operation of the majority of our Single-Family securitization activities, limits on our influence over U.S. FinTech Board decisions, and any additional changes FHFA may

require in our relationship with, or support of, U.S. FinTech;

- Performance of and 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 and pricing performance of our and Fannie Mae's respective UMBS;
- Changes in the practices or performance of loan originators, servicers, property managers, investors, insurers, and other participants in the secondary mortgage market, including changes as a result of the use and/or regulation of AI technologies or other emerging technologies;
- Competition from other market participants, which could affect the pricing we offer for and the performance of our mortgage-related products, the credit characteristics of the loans we purchase, and our ability to meet our affordable housing goals and other mandated activities;
- The availability of critical third parties or their vendors and other business partners, to deliver products or services, or to manage risks, including cybersecurity risk, effectively;
- The occurrence of a catastrophic event or natural disaster 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-K, including in the **MD&A** section.

Forward-looking statements are made only as of the date of this Form 10-K, 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-K.

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

## CONSOLIDATED RESULTS OF OPERATIONS

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

The table below compares our consolidated results of operations for the past three years.

**Table 1 - Summary of Consolidated Statements of Income and Comprehensive Income**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
				2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Net interest income	\$21,403	\$19,737	\$18,542	\$1,666	8%	\$1,195	6%
Non-interest income	1,868	4,175	2,687	(2,307)	(55)	1,488	55
<b>Net revenues</b>	<b>23,271</b>	<b>23,912</b>	<b>21,229</b>	<b>(641)</b>	<b>(3)</b>	<b>2,683</b>	<b>13</b>
(Provision) benefit for credit losses	(1,290)	(476)	872	(814)	(171)	(1,348)	NM
Non-interest expense	(8,620)	(8,658)	(8,902)	38	—	244	3
<b>Income before income tax expense</b>	<b>13,361</b>	<b>14,778</b>	<b>13,199</b>	<b>(1,417)</b>	<b>(10)</b>	<b>1,579</b>	<b>12</b>
Income tax expense	(2,630)	(2,920)	(2,661)	290	10	(259)	(10)
<b>Net income</b>	<b>10,731</b>	<b>11,858</b>	<b>10,538</b>	<b>(1,127)</b>	<b>(10)</b>	<b>1,320</b>	<b>13</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	78	(5)	166	83	NM	(171)	NM
<b>Comprehensive income</b>	<b>\$10,809</b>	<b>\$11,853</b>	<b>\$10,704</b>	<b>(\$1,044)</b>	<b>(9)%</b>	<b>\$1,149</b>	<b>11%</b>

See **MD&A - Critical Accounting Estimates** for information concerning certain significant accounting policies and estimates applied in determining our reported results of operations and **Note 1** for a summary of our accounting policies and the related notes in which information about them can be found.

During 2025, we changed our Multifamily business strategy to primarily issue fully guaranteed securitizations instead of senior subordinate securitizations. In a senior subordinate securitization, we generally treat securitized loans as sold, record guarantee fees as guarantee income, transfer first-loss risk to third-party investors, and record credit losses only when expected losses exceed the subordination amount. In a fully guaranteed securitization, we retain the securitized loans on our consolidated balance sheet, record guarantee fees in net interest income, and retain all associated credit risk, resulting in an allowance for expected credit losses on the full loan balance. We subsequently reduce our exposure to this credit risk through MCIP and MSCR note transactions. This change impacts our consolidated results of operations and the financial results of our Multifamily segment, as discussed further below.

## Net Revenues

### Net Interest Income

Net interest income primarily consists of guarantee net interest income. We consolidate most of our securitization trusts and, therefore, we recognize the loans held by the trust and the debt securities issued by the trust on our consolidated balance sheets. The difference between the interest income on these loans and the interest expense on the related debt securities primarily represents the guarantee fees we receive as compensation for our guarantee of the principal and interest payments of the issued debt securities. Guarantee net interest income includes two components:

- Contractual net interest income, which represents the ongoing monthly guarantee fee we receive for managing the credit risk associated with mortgage loans held by consolidated trusts, including the legislated guarantee fees that we are required to remit to Treasury and
- Deferred fee income, which primarily consists of recognition of premiums and discounts on mortgage loans and debt issued by consolidated trusts and the fees that we receive or pay when we acquire single-family loans. These amounts are recognized in net interest income based on the effective yield over the contractual life of the associated financial

instrument and may vary significantly from period to period, primarily based on changes in actual prepayments on the underlying loans.

Due to the change in our Multifamily business strategy, we expect the amount of guarantee net interest income from our Multifamily segment to increase in future periods.

Net interest income also includes investments net interest income, which primarily consists of the difference between the interest income earned on the assets in our investments portfolio and the interest expense incurred on the liabilities used to fund those assets, and the impact on net interest income from hedge accounting, which primarily consists of amortization of previously deferred hedge accounting basis adjustments and the earnings mismatch on qualifying fair value hedge relationships. See **Note 9** for additional information on hedge accounting.

The table below presents the components of net interest income.

**Table 2 - Components of Net Interest Income**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
	2025 vs. 2024			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Guarantee net interest income:							
Contractual net interest income	\$16,102	\$15,338	\$14,753	\$764	5%	\$585	4%
Deferred fee income	795	773	1,012	22	3	(239)	(24)
<b>Total guarantee net interest income</b>	<b>16,897</b>	<b>16,111</b>	<b>15,765</b>	<b>786</b>	<b>5</b>	<b>346</b>	<b>2</b>
Investments net interest income	5,383	6,032	6,280	(649)	(11)	(248)	(4)
Impact on net interest income from hedge accounting	(877)	(2,406)	(3,503)	1,529	64	1,097	31
<b>Net interest income</b>	<b>\$21,403</b>	<b>\$19,737</b>	<b>\$18,542</b>	<b>\$1,666</b>	<b>8%</b>	<b>\$1,195</b>	<b>6%</b>

**Key Drivers:**

■ **Guarantee net interest income**

- **2025 vs. 2024** - Increased primarily due to continued mortgage portfolio growth in Single-Family and an increase in the volume of fully guaranteed securitizations in Multifamily.
- **2024 vs. 2023** - Increased primarily due to continued mortgage portfolio growth.

■ **Investments net interest income**

- **2025 vs. 2024** - Decreased primarily due to lower income from securities purchased under agreements to resell driven by a decrease in short-term interest rates.
- **2024 vs. 2023** - Decreased primarily due to higher debt expense from issuance of higher yielding debt, partially offset by the impact of the increase in non-interest bearing funding.

■ **Impact on net interest income from hedge accounting**

- **2025 vs. 2024** - Decreased due to lower expense related to debt in hedge accounting relationships.
- **2024 vs. 2023** - Decreased due to lower expense related to debt in hedge accounting relationships.

## Net Interest Yield Analysis

The table below presents an analysis of interest-earning assets and interest-bearing liabilities. To calculate the average balances, we generally use a daily weighted average of amortized cost. When daily average balance information is not available, such as for mortgage loans, we use monthly averages. Mortgage loans on non-accrual status, where interest income is generally recognized when collected, are included in the average balances.

**Table 3 - Analysis of Net Interest Yield**

(Dollars in millions)	Year Ended December 31,								
	2025			2024			2023		
	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate
Interest-earning assets:									
Cash and cash equivalents	\$9,073	\$282	3.11 %	\$10,979	\$445	4.05 %	\$13,466	\$532	3.95 %
Securities purchased under agreements to resell	104,090	4,573	4.39	114,028	6,083	5.34	118,579	6,135	5.17
Investment securities	75,465	3,337	4.42	45,498	2,069	4.55	40,481	1,571	3.88
Mortgage loans held by consolidated trusts <sup>(1)</sup>	3,152,223	118,008	3.74	3,066,496	106,162	3.46	3,001,723	94,187	3.14
Mortgage loans held by Freddie Mac <sup>(1)</sup>	75,813	3,465	4.57	63,024	2,955	4.69	59,915	2,798	4.67
Other assets	2,867	155	5.40	2,414	163	6.75	2,479	140	5.65
<b>Total interest-earning assets</b>	<b>3,419,531</b>	<b>129,820</b>	<b>3.80</b>	<b>3,302,439</b>	<b>117,877</b>	<b>3.57</b>	<b>3,236,643</b>	<b>105,363</b>	<b>3.25</b>
Interest-bearing liabilities:									
Debt issued by consolidated trusts	3,145,338	(99,180)	(3.15)	3,062,029	(88,227)	(2.88)	2,997,841	(76,703)	(2.56)
Short-term debt	24,191	(1,018)	(4.15)	11,089	(578)	(5.13)	7,703	(388)	(4.96)
Long-term debt	171,861	(7,962)	(4.63)	164,096	(8,947)	(5.45)	176,556	(9,329)	(5.28)
Securities sold under agreements to repurchase	6,102	(257)	(4.20)	7,521	(388)	(5.16)	8,251	(401)	(4.87)
<b>Total interest-bearing liabilities</b>	<b>3,347,492</b>	<b>(108,417)</b>	<b>(3.24)</b>	<b>3,244,735</b>	<b>(98,140)</b>	<b>(3.02)</b>	<b>3,190,351</b>	<b>(86,821)</b>	<b>(2.72)</b>
<b>Net interest income/yield</b>		<b>\$21,403</b>	<b>0.63 %</b>		<b>\$19,737</b>	<b>0.60 %</b>		<b>\$18,542</b>	<b>0.57 %</b>

(1) Loan fees included in interest income were \$1.2 billion, \$1.1 billion, and \$1.0 billion for mortgage loans held by consolidated trusts and \$0.1 billion, \$0.0 billion, and \$0.1 billion for mortgage loans held by Freddie Mac during 2025, 2024, and 2023, respectively.

## Net Interest Income Rate / Volume Analysis

The table below presents a rate and volume analysis of our net interest income. Our net interest income reflects the reversal of interest income accrued, net of interest received on a cash basis, related to mortgage loans that are on non-accrual status.

**Table 4 - Net Interest Income Rate / Volume Analysis**

(In millions)	Variance Analysis					
	2025 vs. 2024			2024 vs. 2023		
	Rate <sup>(1)</sup>	Volume <sup>(1)</sup>	Total Change	Rate <sup>(1)</sup>	Volume <sup>(1)</sup>	Total Change
Interest-earning assets:						
Cash and cash equivalents	(\$74)	(\$89)	(\$163)	\$50	(\$137)	(\$87)
Securities purchased under agreements to resell	(1,012)	(498)	(1,510)	192	(244)	(52)
Investment securities	47	1,221	1,268	312	186	498
Mortgage loans held by consolidated trusts	8,821	3,025	11,846	9,910	2,065	11,975
Mortgage loans held by Freddie Mac	(76)	586	510	11	146	157
Other assets	(44)	36	(8)	8	15	23
<b>Total interest-earning assets</b>	<b>7,662</b>	<b>4,281</b>	<b>11,943</b>	<b>10,483</b>	<b>2,031</b>	<b>12,514</b>
Interest-bearing liabilities:						
Debt issued by consolidated trusts	(8,502)	(2,451)	(10,953)	(9,852)	(1,672)	(11,524)
Short-term debt	130	(570)	(440)	(15)	(175)	(190)
Long-term debt	1,393	(408)	985	(292)	674	382
Securities sold under agreements to repurchase	65	66	131	(24)	37	13
<b>Total interest-bearing liabilities</b>	<b>(6,914)</b>	<b>(3,363)</b>	<b>(10,277)</b>	<b>(10,183)</b>	<b>(1,136)</b>	<b>(11,319)</b>
<b>Net interest income</b>	<b>\$748</b>	<b>\$918</b>	<b>\$1,666</b>	<b>\$300</b>	<b>\$895</b>	<b>\$1,195</b>

(1) The total change variances are allocated between rate and volume based on the relative size of each variance.

## Non-Interest Income

Non-interest income primarily consists of guarantee income and investment gains, net.

Guarantee income relates primarily to our Multifamily senior subordinate securitizations. We generally do not consolidate the trusts used in these transactions and therefore do not recognize the loans held by the trust or the debt securities issued by the trust on our consolidated balance sheets. Rather, we separately account for our guarantee to the trust and recognize the revenue from our guarantee as guarantee income. Guarantee income includes the amortization of our guarantee obligation as we are released from risk under our guarantee and changes in fair value of our guarantee assets, net of contractual guarantee fees received. Due to the change in our Multifamily business strategy, we expect guarantee income to decline in future periods as we focus primarily on issuing fully guaranteed securities.

Net investment gains consist of revenues from sales of multifamily loans and single-family delinquent and reperforming loans, gains and losses on investment securities, gains and losses from debt extinguishments and debt recorded at fair value, and gains and losses from interest-rate risk management activities. Net investment gains can vary significantly from period-to-period based on the volume and nature of our investment, funding, and hedging activities and changes in market conditions, such as interest rates and market spreads. Due to the change in our Multifamily business strategy, we expect net investment gains related to sales of multifamily loans to be lower in future periods as we focus primarily on issuing fully guaranteed securitizations.

Derivative instruments are a key component of our interest-rate risk management strategy. We use derivatives to economically hedge the interest-rate risk of our financial assets and liabilities and manage our exposure to interest-rate risk on an economic basis to a low level as measured by our models. We align our derivatives portfolio to economically hedge the changing duration of our assets and liabilities and apply fair value hedge accounting to certain single-family mortgage loans and debt to reduce our GAAP earnings variability. As a result, interest-rate-related fair value gains and losses that we recognize on financial instruments that we measure at fair value generally have offsetting impacts from the derivative instruments that we use to economically hedge interest-rate risk. For additional information about our interest-rate risk management activities and the sensitivity of reported GAAP earnings to those activities, see **MD&A - Risk Management - Market Risk**. For additional information on derivative instruments, see **Note 9**.

The table below presents the components of non-interest income.

**Table 5 - Components of Non-Interest Income**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
	2025 vs. 2024			2024 vs. 2023			
	2025	2024	2023	\$	%	\$	%
Guarantee income	\$1,592	\$1,611	\$1,615	(\$19)	(1)%	(\$4)	— %
Investment gains (losses), net	(209)	2,076	707	(2,285)	NM	1,369	194
Other income	485	488	365	(3)	(1)	123	34
<b>Non-interest income</b>	<b>\$1,868</b>	<b>\$4,175</b>	<b>\$2,687</b>	<b>(\$2,307)</b>	<b>(55)%</b>	<b>\$1,488</b>	<b>55 %</b>

**Key Drivers:**

■ **Investment gains (losses), net**

- **2025 vs. 2024** - Decreased primarily due to interest rate and spread changes in Single-Family, as well as lower revenues from held-for-sale loan purchase and securitization activities and impacts from interest-rate risk management activities in Multifamily.
- **2024 vs. 2023** - Increased primarily due to higher revenues from held-for-sale loan purchase and securitization activities, lower realized losses on sales of available-for-sale securities, and net impacts from index lock activities.

## (Provision) Benefit for Credit Losses

Our provision for credit losses relates primarily to loans held-for-investment and can vary substantially from period to period based on a number of factors, such as changes in estimated market values of single-family properties based on our internal house price index, changes in forecasted house price growth rates, changes in interest rates, borrower prepayments and delinquency rates, changes in the nature and volume of our CRT activities, events such as natural disasters and pandemics, the type and volume of our loss mitigation and foreclosure activity, and government assistance provided to borrowers. See **MD&A - Critical Accounting Estimates** for additional information.

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

**Table 6 - (Provision) Benefit for Credit Losses**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
	2025 vs. 2024			2024 vs. 2023			
	2025	2024	2023	\$	%	\$	%
Single-Family	(\$758)	(\$374)	\$1,172	(\$384)	(103)%	(\$1,546)	NM
Multifamily	(532)	(102)	(300)	(430)	(422)	198	66
<b>(Provision) benefit for credit losses</b>	<b>(\$1,290)</b>	<b>(\$476)</b>	<b>\$872</b>	<b>(\$814)</b>	<b>(171)%</b>	<b>(\$1,348)</b>	<b>NM</b>

**Key Drivers:**

- **2025 vs. 2024** - The provision for credit losses for 2025 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions, changes in estimated market values of single-family properties based on our internal house price index, and changes in forecasted house price growth rates. The provision for credit losses in 2025 was also driven by a credit reserve build in Multifamily attributable to new loan purchase commitment and acquisition activities due to the change in our Multifamily business strategy and deterioration in the credit performance of certain delinquent loans. The provision for credit losses for 2024 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions.
- **2024 vs. 2023** - The provision for credit losses for 2024 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions. The benefit for credit losses for 2023 was primarily driven by a credit reserve release in Single-Family due to improvements in house prices.

## Non-Interest Expense

Non-interest expense consists of salaries and employee benefits, professional services, technology, and occupancy, credit enhancement expense, legislative and regulatory assessments, and other expenses we incur to run our business.

Credit enhancement expense includes the premiums and other costs related to certain CRT transactions that are accounted for as freestanding contracts, primarily STACR and ACIS transactions in Single-Family.

Legislative and regulatory assessments relate to three fees: (1) the legislated guarantee fees on single-family loans that we are required to remit to Treasury, (2) the fee imposed on Freddie Mac's total new business purchases that is allocated to certain affordable housing funds and remitted to Treasury and HUD, and (3) the FHFA regulatory assessment. The legislated guarantee fees relate to the 10 bps 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 of 2021. The affordable housing funds allocation relates to the GSE Act requirement to set aside in each fiscal year an amount equal to 4.2 bps 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 regulatory assessment relates to FHFA's annual assessment on regulated entities, including Freddie Mac. The assessment, which is required under the GSE Act, is for FHFA's costs and expenses, as well as to maintain FHFA's working capital.

The table below presents the components of non-interest expense.

**Table 7 - Components of Non-Interest Expense**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
	2025	2024	2023	2025 vs. 2024		2024 vs. 2023	
				\$	%	\$	%
Salaries and employee benefits	(\$1,711)	(\$1,677)	(\$1,606)	(\$34)	(2)%	(\$71)	(4)%
Professional services, technology, and occupancy	(1,175)	(1,166)	(1,189)	(9)	(1)	23	2
Credit enhancement expense	(2,082)	(2,345)	(2,339)	263	11	(6)	—
Legislative and regulatory assessments:							
Legislated guarantee fees expense	(2,994)	(2,923)	(2,856)	(71)	(2)	(67)	(2)
Affordable housing funds allocation	(195)	(173)	(146)	(22)	(13)	(27)	(18)
Regulatory assessment	(134)	(137)	(129)	3	2	(8)	(6)
<b>Total legislative and regulatory assessments</b>	<b>(3,323)</b>	<b>(3,233)</b>	<b>(3,131)</b>	<b>(90)</b>	<b>(3)</b>	<b>(102)</b>	<b>(3)</b>
Other expense	(329)	(237)	(637)	(92)	(39)	400	63
<b>Non-interest expense</b>	<b>(\$8,620)</b>	<b>(\$8,658)</b>	<b>(\$8,902)</b>	<b>\$38</b>	<b>—%</b>	<b>\$244</b>	<b>3%</b>

### Key Drivers:

#### ■ Credit enhancement expense

- **2025 vs. 2024** - Decreased primarily due to a lower volume of outstanding CRT transactions in Single-Family and lower losses on STACR Trust note repurchases.

## CONSOLIDATED BALANCE SHEETS ANALYSIS

The table below compares our summarized consolidated balance sheets.

**Table 8 - Summarized Consolidated Balance Sheets**

(Dollars in millions)	December 31,		Year Over Year Change	
	2025	2024	\$	%
<b>Assets:</b>				
Cash and cash equivalents	\$5,327	\$5,534	(\$207)	(4)%
Securities purchased under agreements to resell	71,919	100,118	(28,199)	(28)
Investment securities, at fair value	85,412	55,771	29,641	53
Mortgage loans held-for-sale	1,014	15,560	(14,546)	(93)
Mortgage loans held-for-investment	3,290,066	3,172,329	117,737	4
Accrued interest receivable	12,254	11,029	1,225	11
Deferred tax assets, net	5,040	5,018	22	—
Other assets	26,566	21,333	5,233	25
<b>Total assets</b>	<b>\$3,497,598</b>	<b>\$3,386,692</b>	<b>\$110,906</b>	<b>3%</b>
<b>Liabilities and Equity:</b>				
<b>Liabilities:</b>				
Accrued interest payable	\$10,597	\$9,822	\$775	8%
Debt issued by consolidated trusts	3,198,008	3,122,941	75,067	2
Short-term debt	37,718	14,675	23,043	157
Long-term debt	169,296	167,333	1,963	1
Other liabilities	11,595	12,346	(751)	(6)
<b>Total liabilities</b>	<b>3,427,214</b>	<b>3,327,117</b>	<b>100,097</b>	<b>3</b>
<b>Total equity</b>	<b>70,384</b>	<b>59,575</b>	<b>10,809</b>	<b>18</b>
<b>Total liabilities and equity</b>	<b>\$3,497,598</b>	<b>\$3,386,692</b>	<b>\$110,906</b>	<b>3%</b>

### Key Drivers:

As of December 31, 2025 compared to December 31, 2024:

- **Securities purchased under agreements to resell** decreased and **investment securities** increased primarily due to a change in strategy to increase investments in U.S. Treasury securities.
- **Mortgage loans held-for-sale** decreased primarily due to Multifamily designating a greater percentage of new mortgage loan purchases as held-for-investment to support increased issuances of fully guaranteed securitizations.
- **Mortgage loans held-for-investment** and **debt issued by consolidated trusts** increased primarily due to growth in our mortgage portfolio.
- **Short-term debt** increased primarily due to year-end funding needs.

## OUR PORTFOLIOS

### Mortgage Portfolio

Our mortgage portfolio includes assets held by both business segments and consists of mortgage loans held-for-investment, mortgage loans held-for-sale, and mortgage loans underlying our mortgage-related guarantees. See **Note 4** for additional information on our mortgage loans and **Note 5** for additional information on our mortgage-related guarantees.

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

**Table 9 - Mortgage Portfolio**

(In millions)	December 31, 2025			December 31, 2024		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Mortgage loans held-for-investment:						
By consolidated trusts	\$3,063,232	\$115,354	\$3,178,586	\$3,021,161	\$70,701	\$3,091,862
By Freddie Mac	54,713	37,770	92,483	42,050	16,715	58,765
<b>Total mortgage loans held-for-investment</b>	<b>3,117,945</b>	<b>153,124</b>	<b>3,271,069</b>	<b>3,063,211</b>	<b>87,416</b>	<b>3,150,627</b>
Mortgage loans held-for-sale	1,108	136	1,244	2,984	13,265	16,249
<b>Total mortgage loans</b>	<b>3,119,053</b>	<b>153,260</b>	<b>3,272,313</b>	<b>3,066,195</b>	<b>100,681</b>	<b>3,166,876</b>
Mortgage-related guarantees:						
Mortgage loans held by nonconsolidated trusts	30,025	332,572	362,597	30,038	355,108	385,146
Other mortgage-related guarantees	7,212	10,003	17,215	7,941	10,846	18,787
<b>Total mortgage-related guarantees</b>	<b>37,237</b>	<b>342,575</b>	<b>379,812</b>	<b>37,979</b>	<b>365,954</b>	<b>403,933</b>
<b>Total mortgage portfolio</b>	<b>\$3,156,290</b>	<b>\$495,835</b>	<b>\$3,652,125</b>	<b>\$3,104,174</b>	<b>\$466,635</b>	<b>\$3,570,809</b>
Guaranteed mortgage-related securities:						
Issued by consolidated trusts	\$3,084,668	\$115,610	\$3,200,278	\$3,033,506	\$70,764	\$3,104,270
Issued by non-consolidated trusts	24,604	299,507	324,111	24,470	317,611	342,081
<b>Total guaranteed mortgage-related securities</b>	<b>\$3,109,272</b>	<b>\$415,117</b>	<b>\$3,524,389</b>	<b>\$3,057,976</b>	<b>\$388,375</b>	<b>\$3,446,351</b>

### Investments Portfolio

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

#### Mortgage-Related Investments Portfolio

We primarily use our mortgage-related investments portfolio to provide liquidity to the mortgage market and support our loss mitigation activities. Our mortgage-related investments portfolio includes assets held by both business segments and consists of unsecuritized mortgage loans and mortgage-related securities. We primarily invest in mortgage-related securities that we issue or guarantee, although we may also invest in other agency mortgage-related securities.

The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum amount of \$225 billion. 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 **MD&A - Conservatorship and Related Matters**.

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

**Table 10 - Mortgage-Related Investments Portfolio**

(In millions)	December 31, 2025			December 31, 2024		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Unsecured mortgage loans <sup>(1)</sup>	\$55,821	\$37,906	\$93,727	\$45,034	\$29,980	\$75,014
Mortgage-related securities:						
Investment securities	4,438	3,891	8,329	3,136	4,020	7,156
Debt issued by consolidated trusts	35,758	1,413	37,171	18,188	634	18,822
<b>Total mortgage-related securities</b>	<b>40,196</b>	<b>5,304</b>	<b>45,500</b>	<b>21,324</b>	<b>4,654</b>	<b>25,978</b>
<b>Mortgage-related investments portfolio</b>	<b>\$96,017</b>	<b>\$43,210</b>	<b>\$139,227</b>	<b>\$66,358</b>	<b>\$34,634</b>	<b>\$100,992</b>
10% of notional amount of interest-only securities			\$21,995			\$22,495
Mortgage-related investments portfolio for purposes of Purchase Agreement cap			161,222			123,487

(1) Includes \$35.9 billion and \$30.0 billion of single-family loans that we have purchased from securitization trusts as of December 31, 2025 and December 31, 2024, respectively.

## Other Investments Portfolio

Our other investments portfolio, which includes the liquidity and contingency operating portfolio, is primarily used for short-term liquidity management, collateral management, and asset and liability management. The assets in the other investments portfolio are primarily allocated to the Single-Family segment.

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

**Table 11 - Other Investments Portfolio**

(In millions)	December 31, 2025				December 31, 2024			
	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio
Cash and cash equivalents	\$4,092	\$1,136	\$99	\$5,327	\$4,369	\$1,055	\$110	\$5,534
Securities purchased under agreements to resell	57,181	19,107	2,090	78,378	92,787	12,764	2,787	108,338
Non-mortgage related securities <sup>(1)</sup>	65,088	—	6,076	71,164	37,249	—	5,465	42,714
Other assets <sup>(2)</sup>	—	—	7,776	7,776	—	—	6,091	6,091
<b>Other investments portfolio</b>	<b>\$126,361</b>	<b>\$20,243</b>	<b>\$16,041</b>	<b>\$162,645</b>	<b>\$134,405</b>	<b>\$13,819</b>	<b>\$14,453</b>	<b>\$162,677</b>

(1) Primarily consists of U.S. Treasury securities.

(2) Primarily includes LIHTC investments and advances to lenders.

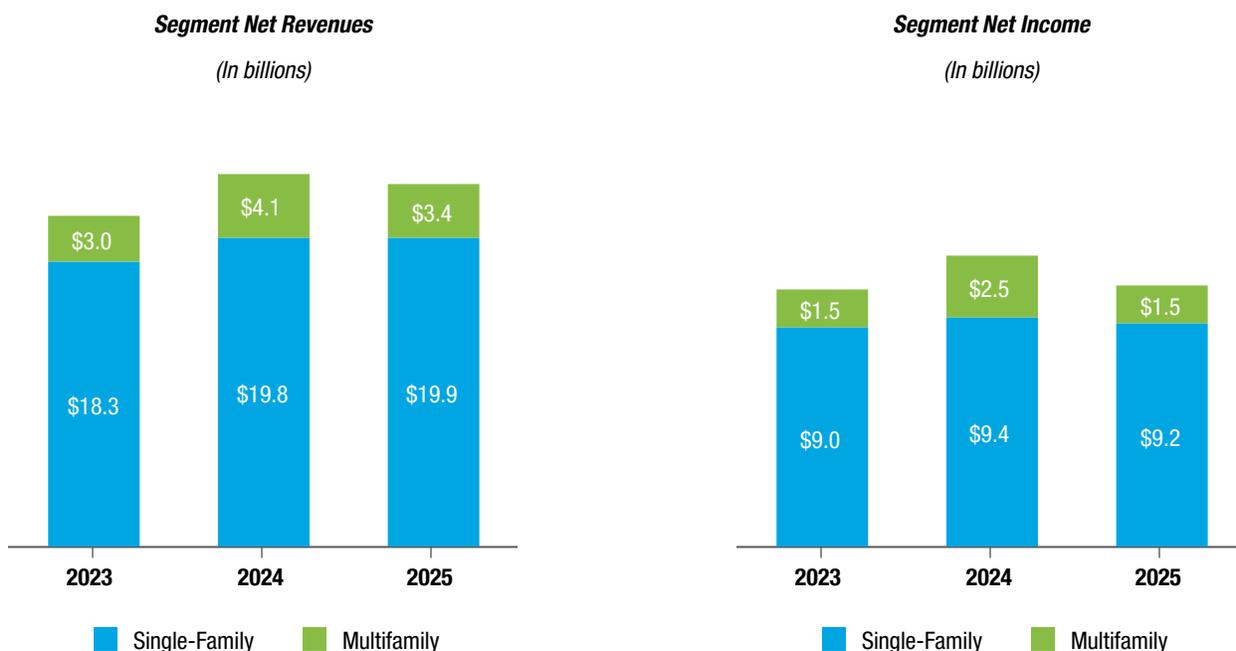
# OUR BUSINESS SEGMENTS

As shown in the table below, we have two reportable segments, which are based on the way we manage our business. See **Note 14** for additional financial information for our reportable segments.

Segment	Description
<b>Single-Family</b>	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.
<b>Multifamily</b>	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

The charts below show our net revenues and net income by segment.



# Single-Family

## Business Overview

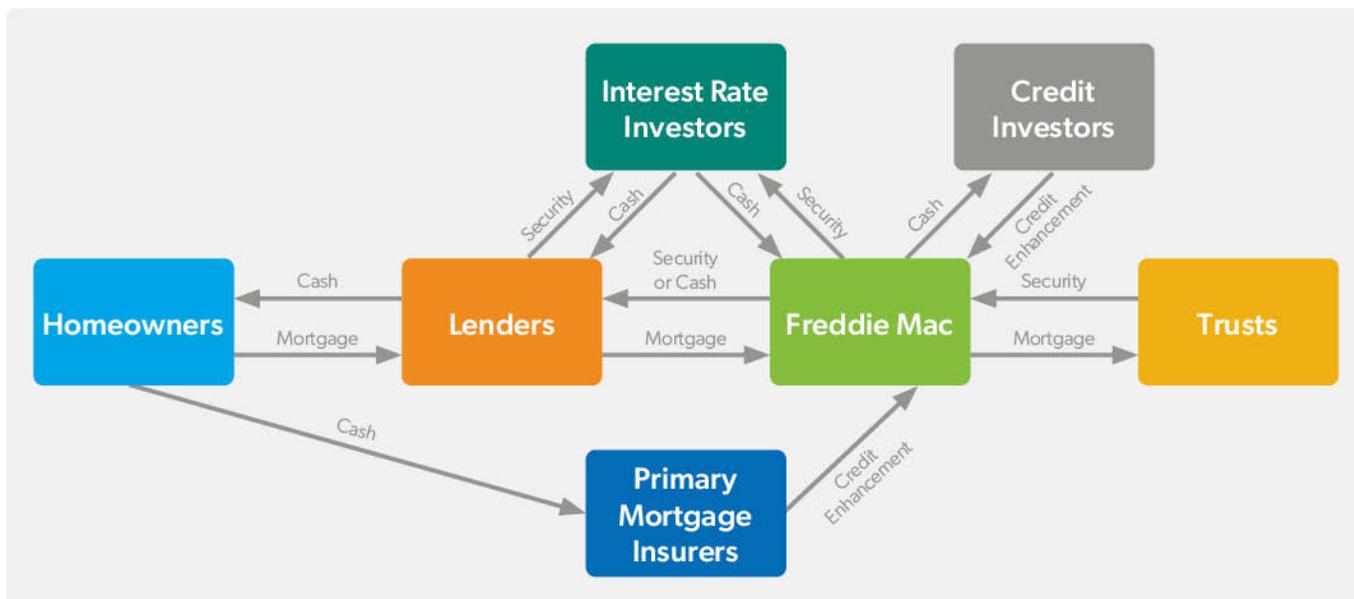
Our Single-Family segment provides liquidity and support to the single-family mortgage market through a variety of activities that include the purchase, securitization, and guarantee of single-family loans originated by lenders. Through our business activities we help families attain affordable and sustainable housing and increase access to housing finance.

The U.S. residential mortgage market consists of a primary mortgage market that links homebuyers and lenders, and a secondary mortgage market that links lenders and investors. The size of the U.S. residential mortgage market is affected by many factors, including changes in interest rates, unemployment rates, homeownership rates, house prices, the supply of housing, lender preferences regarding credit risk, and borrower preferences regarding mortgage debt.

In accordance with our Charter, we participate in the secondary mortgage market. The mix of loan products we purchase is affected by several factors, including the volume of loans meeting the requirements of our Charter, the volume meeting our risk appetite and originated according to our purchase standards, the loan purchase and securitization activity of other financial institutions, and instruction from FHFA related to pricing policies and the volume and type of new loans we acquire.

Our primary business model is to acquire loans from lenders shortly after origination and then pool those loans into guaranteed mortgage-related securities that transfer interest-rate, prepayment, and liquidity risk to investors and can be sold in the capital markets. We consolidate most of our Single-Family securitization trusts and, therefore, we recognize the loans held by such trusts and the debt securities issued by such trusts on our balance sheet and recognize the guarantee fees we receive as net interest income. To reduce our exposure under our guarantees, we transfer credit risk on a portion of our Single-Family mortgage portfolio to the private market in certain instances. Most of our loans with LTV ratios above 80% at the time of purchase are also credit enhanced by primary mortgage insurance. The returns we generate from our business activities are primarily derived from the guarantee fees we receive in exchange for providing our guarantee of the principal and interest payments of the issued mortgage-related securities.

The diagram below illustrates our primary business model.



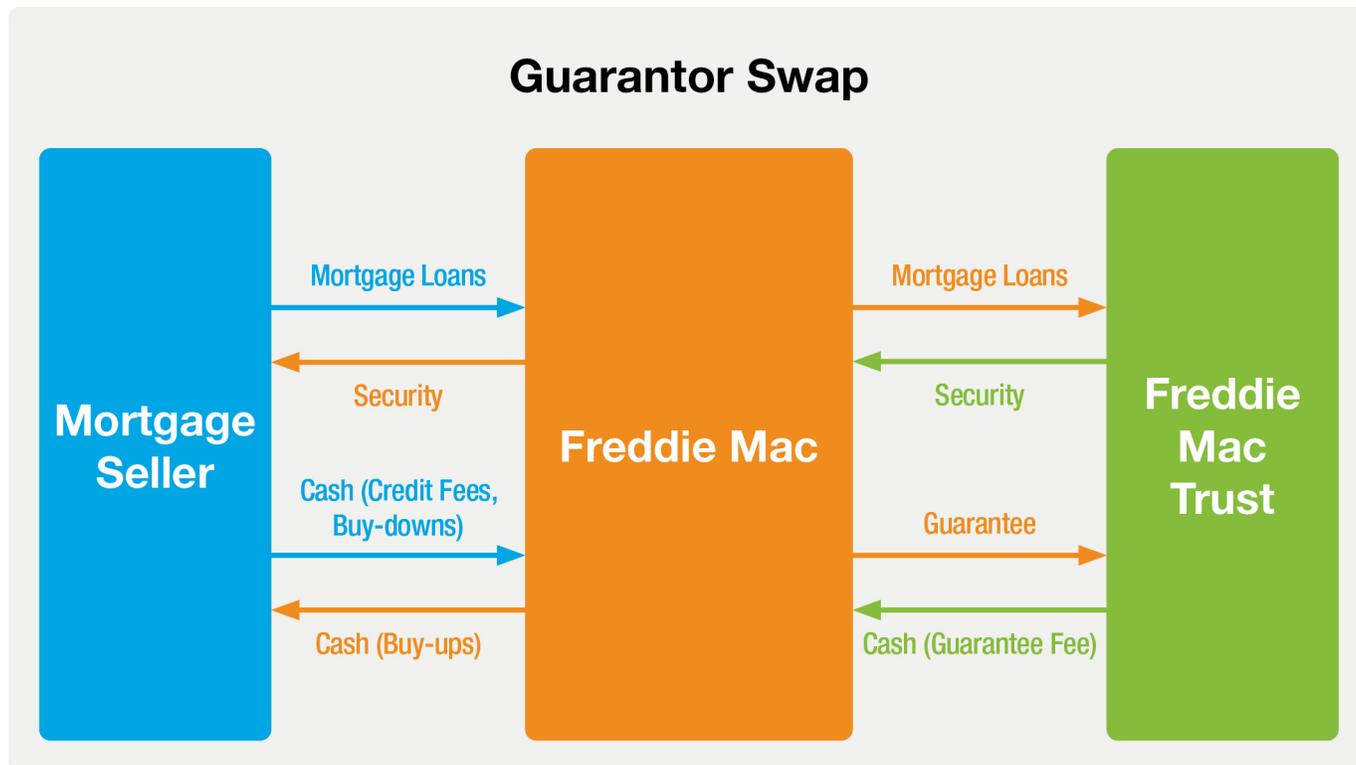
## Products and Activities

Our Single-Family business primarily consists of activities related to providing market liquidity by purchasing and securitizing mortgage loans and issuing guaranteed mortgage-related securities. Additionally, we invest in mortgage-related and other investments. Certain of our loan products and programs have been designed to address affordability challenges, particularly in underserved markets, while others aim to support housing supply efforts.

## Loan Purchase, Securitization, and Guarantee Activities

### Guarantor Swap Transactions

One of the primary ways we acquire mortgage loans and provide liquidity to our Single-Family lender customers is by securitizing loans into guaranteed mortgage-related securities in guarantor swap transactions. Our largest guarantor swap customers are primarily large mortgage banking companies and commercial banks. In these transactions, we purchase mortgage loans from our customers in exchange for a security backed by those same loans, as shown in the diagram below:



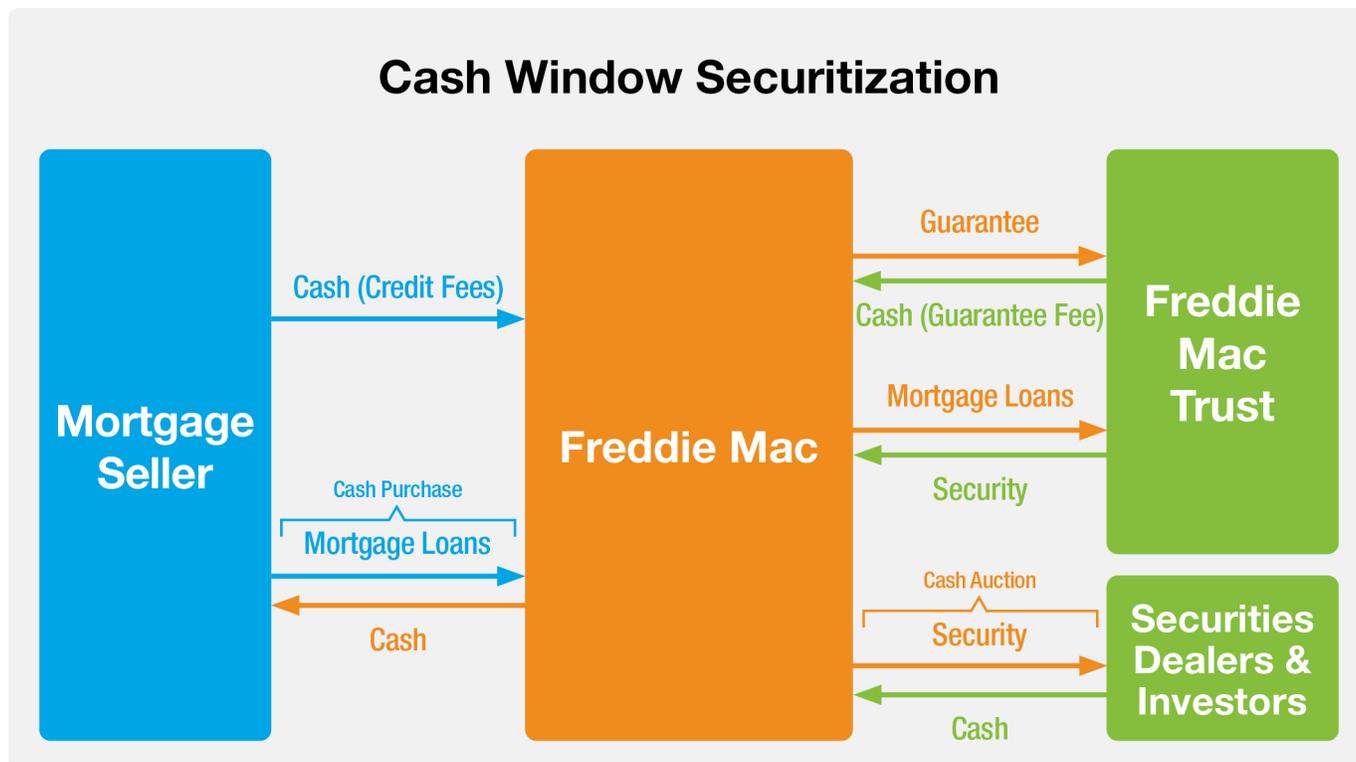
### Cash Window Transactions

In addition to guarantor swap transactions, another primary way we acquire loans and provide liquidity to our Single-Family lender customers is by purchasing loans through our cash window for future aggregation and securitization via our securitization pipeline. In these transactions, we purchase mortgage loans from our customers in exchange for cash consideration. We enter into forward commitments with lenders in advance of the loan purchase date to purchase loans through our cash window at a fixed price for our securitization pipeline, allowing lenders to offer borrowers the opportunity to lock in the interest rate on the mortgage prior to loan origination. We refer to the loan as being in our securitization pipeline for the period of time between loan purchase and securitization.

We typically economically hedge the market risk exposure of our forward loan purchase commitments with lenders and our securitization pipeline by entering into forward sale commitments and obtain permanent financing for the loans in our securitization pipeline after a short aggregation period by securitizing the loans into guaranteed mortgage-related securities and selling the resulting securities to third-party investors, typically through cash auctions. We may also retain certain of these securities in our mortgage-related investments portfolio prior to selling them to third parties.

The Purchase Agreement requires us to purchase loans for cash consideration; operate the cash window with non-discriminatory pricing; and comply with directives, regulations, restrictions, and other requirements prescribed by FHFA related to equitable secondary market access by community lenders. We manage cash window activities in accordance with our risk limits and limitations imposed by FHFA. For additional information about the Purchase Agreement, see **MD&A - Conservatorship and Related Matters**.

The diagram below shows the process for acquiring and securitizing loans in our cash window transactions.



#### **Advances to Lenders**

We also provide liquidity to certain lenders through our early funding programs, where we advance funds to lenders for mortgage loans prior to the loans being pooled and securitized generally through our guarantor swap transactions. In some cases, the early funded mortgages are ultimately delivered through cash window purchase transactions. We account for these transactions as advances that are fully collateralized by the mortgage loans and recognize the associated fees as interest income on the advances from the early funding date to the final settlement date.

#### **Securitization Products**

We offer the following types of securitization products to our customers.

##### **Level 1 Securitization Products**

We refer to the securities we issue in guarantor swap transactions and cash window securitizations as Level 1 Securitization Products, which are pass-through securities that represent undivided beneficial interests in trusts that hold pools of loans or participation interests in loans.

We issue the following types of Level 1 Securitization Products:

- **UMBS** - Single-class pass-through securities issued through the mortgage securitization platform with a 55-day payment delay for TBA-eligible fixed-rate mortgage loans. The UMBS is a single (common) security that is issued by either Fannie Mae or us. The UMBS market is designed to enhance the overall liquidity of TBA-eligible Freddie Mac and Fannie Mae securities by supporting their fungibility without regard to which company is the issuer. SIFMA permits UMBS TBA contracts to be settled by delivery of UMBS issued by either Freddie Mac or Fannie Mae under its good-delivery guidelines.
- **55-day MBS** - Single-class pass-through securities issued through the mortgage securitization platform with a 55-day payment delay for non-TBA-eligible fixed-rate mortgage loans.
- **ARM PCs** - Single-class pass-through securities with a 75-day payment delay for ARM products. We have not used the mortgage securitization platform to issue ARM PCs; however, we plan to use the platform for issuance of these securities sometime later this year.

In prior years, we also issued Gold PCs, which were single-class pass-through securities with a 45-day payment delay for fixed-rate mortgage loans. We discontinued the issuance of Gold PCs in 2019. Existing Gold PCs that are not entirely resecuritized are eligible for exchange into UMBS (for TBA-eligible securities) or 55-day MBS (for non-TBA-eligible securities) through December 18, 2026.

All Level 1 Securitization Products we issue are backed only by mortgage loans that we have acquired. We offer (or previously offered) all of the above products through both guarantor swap and cash window programs.

We also periodically use Level 1 Securitization Products to securitize certain reperforming loans subsequent to purchasing them from the original securities pool, depending on market conditions, business strategy, credit risk considerations, and operational efficiency.

When we issue a Level 1 Securitization Product, we retain the credit risk of the underlying mortgage loans by guaranteeing the principal and interest payments of the issued securities and transfer the interest-rate, prepayment, and liquidity risks of those loans to the investors in the securities. For our fixed-rate Level 1 Securitization Products, we guarantee the timely payment of principal and interest. For our ARM PCs, we guarantee the timely payment of the weighted average coupon interest rate for the underlying loans, and we also guarantee the full and final payment of principal, but not the timely payment of principal. In exchange for our guarantee of Level 1 Securitization Products, we receive guarantee fees that are designed to be commensurate with the risks assumed and that we expect will, over the long-term, provide income that exceeds the credit-related and administrative expenses on the underlying loans and also provide a return on the capital that would be needed to support the related credit risk. The guarantee fees charged on new acquisitions generally consist of:

- A contractual monthly fee paid as a percentage of the UPB of the underlying loan, including the legislated guarantee fees and
- Fees we receive or pay when we acquire a loan, which include credit fees and buy-up and buy-down fees. Credit fees are calculated based on credit risk factors such as the loan product type, loan purpose, LTV ratio, and credit score, and are charged to compensate us for higher levels of risk in some loan products. Buy-up and buy-down fees are payments made or received to buy up or buy down, respectively, the monthly contractual guarantee fee rate and are paid in conjunction with the formation of a security to provide for a uniform net coupon rate for the mortgage pool underlying the security.

In general, we must obtain FHFA's approval to implement significant or broad-based changes to our credit fees. In addition, FHFA has established minimum guarantee fees for the GSEs and, from time to time, FHFA issues directives or guidance to us affecting the levels of guarantee fees that we may charge, including minimum returns.

In order to issue mortgage-related securities, we establish trusts pursuant to our Master Trust Agreements and place the mortgage loans in the trust, which issues securities backed by those mortgage loans. The servicer administers the collection of borrowers' payments on their loans and remits the collected funds to us, net of servicing fees. We administer the distribution of payments to the investors in the mortgage-related securities, net of any applicable guarantee fees. When we securitize mortgage loans using trusts, Freddie Mac typically functions in its capacity as depositor, guarantor, administrator, and trustee of the trusts. We consolidate our Single-Family Level 1 Securitization Product trusts and recognize the mortgage loans held and debt issued by those trusts on our consolidated balance sheets. The difference between the interest income on the loans and the interest expense on the debt primarily represents the guarantee fees we receive as compensation for our guarantee. This amount is referred to as guarantee net interest income.

When a borrower prepays a loan that we have securitized, the outstanding balance of the security owned by investors is reduced by the amount of the prepayment. If the borrower becomes delinquent, we continue to make the applicable payments to the investors in the mortgage-related securities pursuant to our guarantee until we purchase the loan out of the securitization trust. We have the option to purchase loans from the trusts under certain circumstances (including certain levels of delinquency) at a purchase price equal to the current UPB of the loan, less any outstanding advances of principal that have been previously distributed. At the instruction of FHFA, we purchase loans from trusts when they reach 24 months of delinquency, except for loans that meet certain criteria (e.g., permanently modified or foreclosure referral), which may be purchased sooner. Many delinquent loans are purchased from trusts before they reach 24 months of delinquency under one of the exceptions provided. We must obtain FHFA's approval to implement changes to our policy to purchase loans from trusts.

### **Other Securitization Products**

We securitize certain seasoned loans in transactions where we issue guaranteed senior securities and unguaranteed subordinated securities. The collateral for these structures primarily consists of reperforming loans. The unguaranteed subordinated securities absorb first losses on the related loans. After securitization, we do not control the servicing, and the loans are not serviced in accordance with our Guide.

In prior years, we offered additional types of securitization products to our customers, including senior subordinate securitizations backed by recently originated loans and other securitization products collateralized by non-Freddie Mac mortgage-related securities. We no longer offer these products on a regular basis and have not entered into these types of transactions recently.

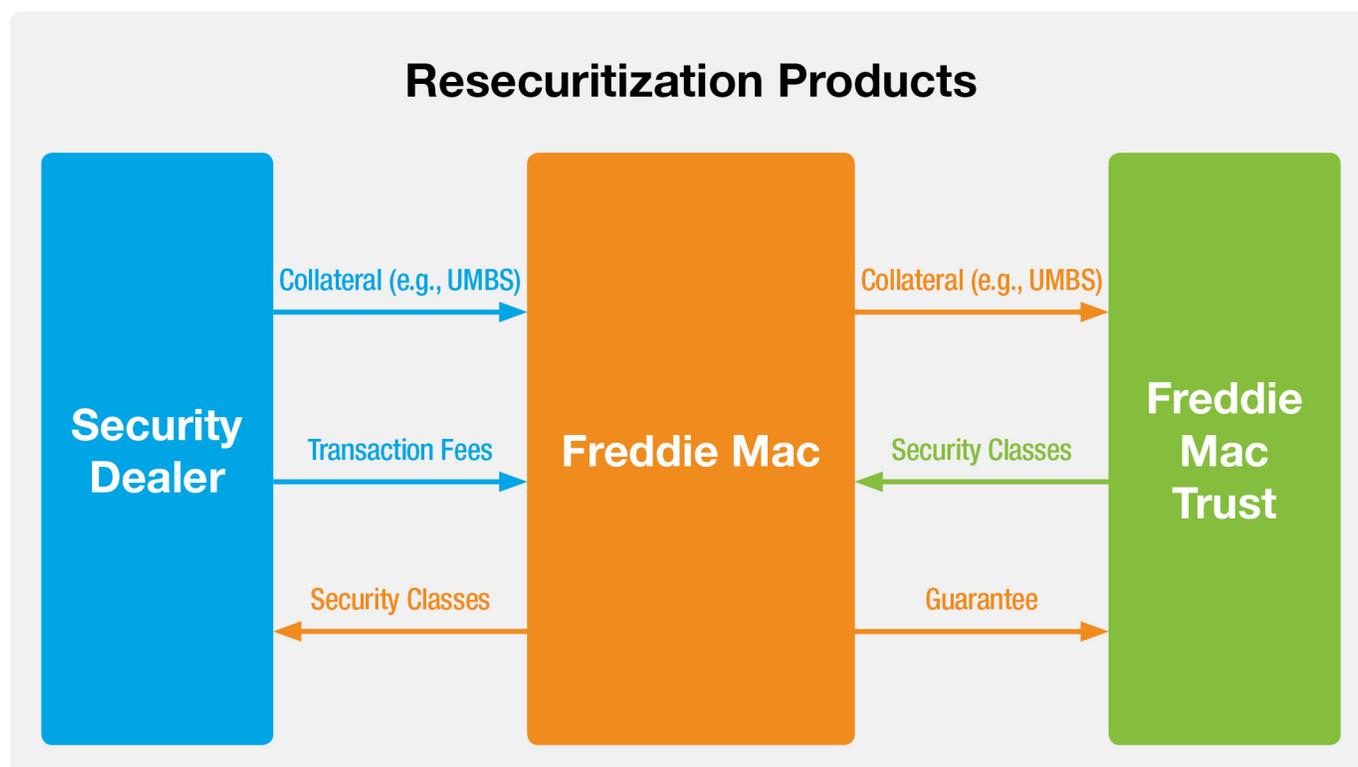
### **Resecuritization Products**

Resecuritization products represent beneficial interests in pools of Level 1 Securitization Products and certain other types of mortgage assets. We generally create these securities by using Level 1 Securitization Products or our previously issued resecuritization products as the underlying collateral. We leverage the issuance of these securities to expand the range of investors in our mortgage-related securities to include those seeking specific security attributes. Similar to our Level 1

Securitization Products, we guarantee the payment of principal and interest to the investors in our resecuritization products. We do not charge a guarantee fee for these securities if the underlying collateral is already guaranteed by us since no additional credit risk is introduced, although we typically receive a transaction fee as compensation for creating the security and future administrative responsibilities. We use the mortgage securitization platform for many of the securities issuance and administration activities for our resecuritization products.

We have the ability to commingle TBA-eligible Fannie Mae collateral in certain of our resecuritization products. When we resecuritize Fannie Mae securities, which are separately guaranteed by Fannie Mae, in our commingled resecuritization products, our guarantee covers timely payment of principal and interest on such products from the underlying Fannie Mae securities. If Fannie Mae were to fail to make a payment on a Fannie Mae security that we resecuritized, we would be responsible for making the payment. We are required to hold incremental capital for our guarantees of Fannie Mae securities under the ERCF.

All of the cash flows from the collateral underlying our resecuritization products are generally passed through to investors in these securities. We do not issue resecuritization products that have concentrations of credit risk beyond those embedded in the underlying assets. In many of our resecuritization transactions, securities dealers or investors deliver mortgage assets in exchange for the resecuritization product. In certain cases, we may also transfer our own mortgage assets in exchange for the resecuritization product. The diagram below provides a general example of how we create resecuritization products.



We offer the following types of resecuritization products:

- **Single-class resecuritization products** - Involve the direct pass through of all cash flows of the underlying collateral to the beneficial interest holders and include:
  - **Supers** - Resecuritizations of UMBS and certain other TBA-eligible mortgage securities. This structure allows commingling of Freddie Mac and Fannie Mae collateral, where previously issued or exchanged UMBS and Supers issued by us or Fannie Mae may be commingled to back Supers issued by us. Fannie Mae also issues Supers. Supers can be backed by:
    - UMBS and/or other Supers issued by us or Fannie Mae;
    - Existing TBA-eligible Fannie Mae "MBS" and/or "Megs"; and/or
    - UMBS and Supers that we have issued in exchange for TBA-eligible PCs and Giant PCs that have been delivered to us in response to our offer to exchange 45-day payment delay securities for corresponding 55-day payment delay securities.

- **Giant MBS** - Resecuritizations of:
    - Previously issued 55-day MBS and/or Giant MBS and/or
    - 55-day MBS and/or Giant MBS that we have issued in exchange for non-TBA-eligible PCs and non-TBA-eligible Giant PCs that have been delivered to us in response to our offer to exchange 45-day payment delay securities for corresponding 55-day payment delay securities.
  - **Giant PCs** - Resecuritizations of previously issued PCs or Giant PCs. Although we no longer issue Gold PCs, existing Gold PCs may continue to be resecuritized into Giant PCs. In addition, ARM PCs may continue to be resecuritized into ARM Giant PCs. Fixed-rate Giant PCs are eligible for exchange into Supers (for TBA-eligible securities) or Giant MBS (for non-TBA-eligible securities).
- **Multiclass resecuritization products**
- **REMICs** - Resecuritizations of previously issued mortgage securities that divide all cash flows of the underlying collateral into two or more classes of varying maturities, payment priorities, and coupons. This structure allows commingling of TBA-eligible Freddie Mac and Fannie Mae collateral.
  - **Strips** - Resecuritizations of previously issued Level 1 Securitization Products or single-class resecuritization products and issuance of stripped securities, including principal-only and interest-only securities or floating rate and inverse floating rate securities, backed by the cash flows from the underlying collateral. This structure allows commingling of TBA-eligible Freddie Mac and Fannie Mae collateral. Strips also include stripped interest certificates; these are interest-only securities that pass through certain excess yield amounts transferred to us by mortgage sellers or servicers in respect of mortgages that have been included in previously issued Level 1 Securitization Products.

### **Other Mortgage-Related Guarantees**

We previously offered a guarantee on mortgage assets held by third parties, in exchange for guarantee fees, without securitizing those assets. These arrangements, referred to as long-term standby commitments, have obligated us to purchase seriously delinquent loans that are covered by those commitments. From time to time, we have consented to the termination of our long-term standby commitments and simultaneously entered into guarantor swap transactions with the same counterparty, issuing securities backed by many of the same loans.

## Investing Activities

We primarily use our Single-Family mortgage-related investments portfolio to provide liquidity to the mortgage market by purchasing loans for our securitization pipeline and by purchasing delinquent and modified loans from securitization trusts. We also invest in agency mortgage-related securities. We manage the portfolio's risk-versus-return profile using our internal economic framework and make risk and capital management decisions intended to execute our business strategy and be responsive to market conditions. For additional information on our mortgage-related investments portfolio, see **MD&A - Our Portfolios - Investments Portfolio - Mortgage-Related Investments Portfolio**.

We may use our Single-Family mortgage-related investments portfolio to undertake various activities to support our presence in the agency securities market or to support the liquidity of our securities, including their price performance relative to comparable Fannie Mae securities. Depending upon market conditions, there may be substantial variability in any period in the total amount of securities we purchase or sell. The purchase or sale of agency securities could, at times, adversely affect the price performance of our securities relative to comparable Fannie Mae securities. We may incur costs to support our presence in the agency securities market and to support the liquidity and price performance of our securities. For additional information, see **Risk Factors - Market Risks - A significant decline in the price performance of our UMBS could adversely affect the volume and/or profitability of our Single-Family business**. For additional information on the limits on the mortgage-related investments portfolio established by the Purchase Agreement and by FHFA, see **MD&A - Conservatorship and Related Matters - Limits on Our Mortgage-Related Investments Portfolio and Indebtedness**. In addition, we may forgo investment opportunities for a variety of reasons, including the limits on our mortgage-related investments portfolio or the risk that an accounting treatment may create earnings variability.

Our company-wide Treasury function primarily includes issuing, calling, and repurchasing our unsecured debt securities, managing our other investments portfolio, and managing interest-rate risk, which includes monitoring and economically hedging interest-rate risk for the entire company, primarily through the use of derivative instruments. We allocate debt funding costs and interest-rate risk management gains and losses to specific assets and liabilities included in each segment. The residual financial impact of our company-wide Treasury function and interest-rate risk management function is primarily allocated to the Single-Family segment. For additional information on the company-wide Treasury function, see **MD&A - Liquidity and Capital Resources**. For additional information on interest-rate risk management, see **MD&A - Risk Management - Market Risk**.

## Customers

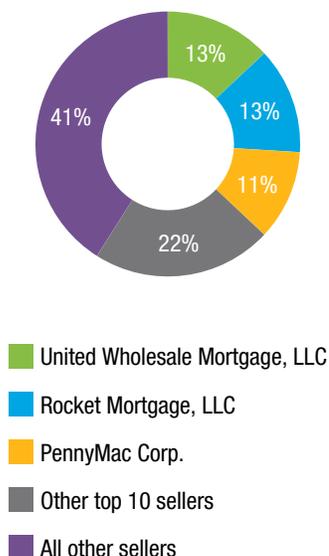
Our Single-Family customers are investors in our mortgage-related securities, CRT offerings, and unsecured debt securities, including banks and other depository institutions, insurance companies, money managers, central banks, pension funds, state and local governments, REITs, non-depository institutions, and brokers and dealers. We also maintain relationships with dealers in our guaranteed mortgage-related securities and unsecured debt securities. Our unsecured debt securities and structured mortgage-related securities are initially purchased by dealers and redistributed to their customers. Our Single-Family customers also include institutions that originate, sell, and perform the ongoing servicing of loans for new or existing homeowners. These companies include mortgage banking companies, commercial banks, regional banks, community banks, credit unions, HFAs, savings institutions, and non-depository institutions. Many of these companies are both sellers and servicers for us. Servicers who hold the right to service our loans may either operationally perform the servicing activities themselves or engage other servicers to operationally perform servicing activities on their behalf. Servicers who hold the right to service the loans remain responsible for servicing activities even if other servicers operationally perform servicing activities on their behalf.

We enter into loan purchase agreements with many of our Single-Family customers that outline the terms under which we agree to purchase loans from them over a period of time. For most of the loans we purchase, the guarantee fees are not specified contractually. Instead, we bid for some or all of the lender's loan volume on a monthly basis at a guarantee fee that we specify. As a result, our loan purchase volumes from individual customers can fluctuate significantly.

We acquire a significant portion of our loans from several lenders that are among the largest originators in the U.S. In addition, a significant portion of our single-family loans is serviced by several large servicers. The following charts show the concentration of our 2025 Single-Family purchase volume by our largest sellers and our Single-Family loan servicing by our largest servicers, based on the volume of servicing they operationally performed, as of December 31, 2025. Any seller or servicer with a 10% or greater share is listed separately. On October 1, 2025, Rocket Companies, Inc., the parent company of Rocket Mortgage LLC, announced that it had completed its acquisition of Mr. Cooper Group Inc. As a result, the purchase and servicing volume of Rocket Mortgage includes the purchase and servicing volume of Mr. Cooper Group Inc.

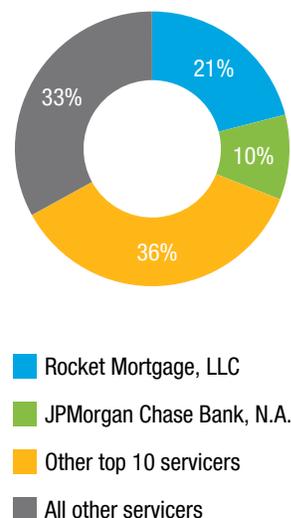
**Percentage of Single-Family Purchase Volume**

*(Based on UPB of \$389 billion)*



**Percentage of Single-Family Servicing Volume**

*(Based on UPB of \$3,156 billion)*



For additional information about seller and servicer concentration risk and our relationships with our seller and servicer customers, see **MD&A - Risk Management - Counterparty Credit Risk - Single-Family Sellers and Servicers** and **Note 15**.

## Competition

Our principal competitors in the single-family mortgage market are Fannie Mae and FHA/VA (with Ginnie Mae securitization). Other institutions, such as commercial and investment banks, dealers, savings institutions, REITs, insurance companies, the Federal Farm Credit Banks, the FHLBs, and independent mortgage companies, also compete with us by retaining or securitizing loans that would otherwise be eligible for purchase by us.

We operate in a competitive market by varying our pricing for different customers, loan products, and underwriting characteristics. We seek to maintain a broad mix of loan quality for the loans we purchase. However, sellers may elect to retain loans with better credit characteristics or deliver the loans into the private label securitization market. A seller's decision to retain or deliver the loans into the private label securitization market, or its decision concerning the loans it sells to Freddie Mac based on the credit standards and pricing policies of other secondary market participants, could result in Freddie Mac purchasing loans with a more adverse credit profile.

The conservatorship, including direction provided to us by our Conservator, may affect our ability to compete with Fannie Mae through required alignment of, or other constraints on, single-family mortgage purchase offerings, servicing practices, pricing, and securitization activities. See **MD&A - Conservatorship and Related Matters - Limits on Our Secondary Market Activities and Single-Family Loan Acquisitions** for additional details.

## Housing and Mortgage Market Metrics

The table below presents certain single-family housing and mortgage market indicators that can significantly affect our business and financial results. Certain market and macroeconomic prior period data have been updated to reflect revised historical data.

**Table 12 - Single-Family Housing and Mortgage Market Metrics<sup>(1)</sup>**

(Mortgage amounts in billions, home sales in thousands)	Year Ended December 31,		
	2025	2024	2023
Home sales:			
Total home sales <sup>(2)</sup>	\$4,738	\$4,746	\$4,756
Sales of existing homes	4,060	4,060	4,090
Sales of new homes <sup>(2)</sup>	678	686	666
Mortgage originations (estimates)	1,944	1,695	1,503
Mortgage debt outstanding <sup>(3)</sup>	14,639	14,359	13,971
House price growth rate (seasonally adjusted annual rate)	0.7 %	4.2 %	6.6 %
30-year PMMS rate at period end	6.15 %	6.85 %	6.61 %

(1) Sources: Home sales - National Association of Realtors and U.S Census Bureau; Mortgage originations - Fannie Mae; Mortgage debt outstanding - Federal Reserve Financial Accounts of the United States of America; House price growth rate and 30-year PMMS rate - Freddie Mac

(2) For 2025, the sales of new homes amount is based on annualized seasonally adjusted data through October 31, 2025 (the latest available information).

(3) For 2025, the mortgage debt outstanding balance is as of September 30, 2025 (the latest available information).

## Business Results

The table and related discussion below present selected business results of our Single-Family segment.

**Table 13 - Single-Family Segment Business Results**

(UPB in millions, loan count in thousands)	Year Ended December 31,			Year Over Year Change			
				2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	Amount	%	Amount	%
<b>New business activity:</b>							
UPB:							
Total UPB	\$388,665	\$346,408	\$299,886	\$42,257	12%	\$46,522	16%
Home purchase	295,414	286,261	264,624	9,153	3	21,637	8
Refinance	93,251	60,147	35,262	33,104	55	24,885	71
Number of loans:							
Total number of loans	1,107	1,029	955	78	8	74	8
Home purchase	817	820	806	(3)	—	14	2
Refinance	290	209	149	81	39	60	40
Average estimated guarantee fee rate (bps) <sup>(1)</sup>	54	55	56				
<b>Mortgage portfolio at period end:</b>							
UPB	\$3,156,290	\$3,104,174	\$3,038,910	\$52,116	2	\$65,264	2
Average estimated guarantee fee rate (bps) <sup>(1)(2)</sup>	50	49	48				

(1) Estimated guarantee fee rate calculations exclude the legislated guarantee fees and include deferred fees recognized over the estimated life of the related loans based on month-end market rates for the month of acquisition.

(2) Estimated guarantee fee rate calculations for the Single-Family mortgage portfolio exclude certain loans, the majority of which are held by VIEs that we do not consolidate. The UPB of these excluded loans was \$39 billion, \$40 billion, and \$41 billion as of December 31, 2025, December 31, 2024, and December 31, 2023, respectively.

- Our loan purchase and guarantee activity increased in 2025 compared to 2024 primarily driven by an increase in refinance activity.
- Our Single-Family mortgage portfolio was \$3.2 trillion at December 31, 2025, up 2% year-over-year. The mortgage portfolio continued to grow at a moderate pace.
- The average estimated guarantee fee rate on new acquisitions consists of the contractual guarantee fee rate and deferred fee income, including the expected gains (losses) from buy-up and buy-down fees, recognized over the estimated life of the related loans based on our expectations of prepayments and other liquidations. The average estimated guarantee fee rate on new acquisitions decreased slightly in 2025 compared to 2024.

## Financial Results

The table below presents the financial results for our Single-Family segment. See **Note 14** for additional information about segment financial results.

**Table 14 - Single-Family Segment Financial Results**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
				2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Net interest income	\$19,778	\$18,513	\$17,657	\$1,265	7%	\$856	5%
Non-interest income	81	1,306	610	(1,225)	(94)	696	114
<b>Net revenues</b>	<b>19,859</b>	<b>19,819</b>	<b>18,267</b>	<b>40</b>	<b>—</b>	<b>1,552</b>	<b>8</b>
(Provision) benefit for credit losses	(758)	(374)	1,172	(384)	(103)	(1,546)	NM
Non-interest expense	(7,649)	(7,783)	(8,118)	134	2	335	4
<b>Income before income tax expense</b>	<b>11,452</b>	<b>11,662</b>	<b>11,321</b>	<b>(210)</b>	<b>(2)</b>	<b>341</b>	<b>3</b>
Income tax expense	(2,254)	(2,305)	(2,282)	51	2	(23)	(1)
<b>Net income</b>	<b>9,198</b>	<b>9,357</b>	<b>9,039</b>	<b>(159)</b>	<b>(2)</b>	<b>318</b>	<b>4</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	22	(1)	10	23	NM	(11)	NM
<b>Comprehensive income</b>	<b>\$9,220</b>	<b>\$9,356</b>	<b>\$9,049</b>	<b>(\$136)</b>	<b>(1)%</b>	<b>\$307</b>	<b>3%</b>

### Key Drivers:

#### ■ 2025 vs. 2024

- Net income of \$9.2 billion, down 2% year-over-year.
  - Net revenues remained \$19.9 billion.
    - Net interest income was \$19.8 billion, up 7% year-over-year, primarily driven by continued mortgage portfolio growth and lower funding costs, partially offset by lower yields on short-term investments.
    - Non-interest income was \$0.1 billion, down from \$1.3 billion for 2024, primarily driven by interest rate and spread changes.
  - Provision for credit losses was \$0.8 billion for 2025, primarily driven by a credit reserve build attributable to new acquisitions, changes in estimated market values of single-family properties based on our internal house price index, and changes in forecasted house price growth rates. The provision for credit losses was \$0.4 billion for 2024, primarily driven by a credit reserve build attributable to new acquisitions.

#### ■ 2024 vs. 2023

- Net income of \$9.4 billion, up 4% year-over-year.
  - Net revenues were \$19.8 billion, up 8% year-over-year.
    - Net interest income was \$18.5 billion, up 5% year-over-year, primarily driven by continued mortgage portfolio growth and lower funding costs due to increasing net worth.
    - Non-interest income was \$1.3 billion, up from \$0.6 billion for 2023, due to impacts from interest-rate risk management activities.
  - Provision for credit losses was \$0.4 billion for 2024, primarily driven by a credit reserve build attributable to new acquisitions. The benefit for credit losses was \$1.2 billion for 2023, primarily driven by a credit reserve release due to improvements in house prices.

# Multifamily

## Business Overview

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Our Multifamily segment provides liquidity and support to the multifamily mortgage market through a variety of activities that include the purchase, securitization, and guarantee of multifamily loans originated by our Optigo® network of approved lenders. Our support of the multifamily mortgage market occurs through all economic cycles and is especially important during periods of economic stress. During these periods, we serve a critical countercyclical role by providing liquidity when many other capital providers reduce their support of or otherwise exit the market. Through our business activities we support greater access to quality, affordable, and sustainable rental housing, particularly in underserved markets.

Multifamily loans are typically originated by our Optigo lenders without recourse to the borrower, making repayment dependent on the cash flows generated by the underlying property. Cash flows generated by a property are significantly influenced by vacancy and rental rates, conditions in the local rental market, rent restrictions, the physical condition of the property, the quality of property management, and the level of operating expenses. The overall market demand for multifamily loans is generally affected by local and regional economic factors, such as unemployment rates, construction cycles, property prices, preferences for homeownership versus renting, and the relative affordability of single-family homes, as well as certain macroeconomic factors, such as interest rates.

Our primary business model is to acquire loans that lenders originate and then securitize those loans into mortgage-related securities that transfer interest-rate and liquidity risk to investors and can be sold in the capital markets. We guarantee some or all of the issued mortgage-related securities in exchange for guarantee fees. In transactions where we guarantee all issued mortgage-related securities (i.e., fully guaranteed securitizations), we typically consolidate the securitization trusts. Therefore, we recognize the loans held by the trusts and the debt securities that the trusts issue on our balance sheet. We also recognize the guarantee fees we receive as compensation for retaining the credit risk of the underlying mortgage loans as net interest income. In senior subordinate securitization transactions, we typically do not consolidate the securitization trusts. Therefore, we account for these securitizations as sales of the underlying loans and recognize the guarantee fees we receive as guarantee income. Historically, senior subordinate securitization transactions were our primary securitization structure, but we have recently changed our business strategy to focus primarily on issuing fully guaranteed securitizations.

To reduce our exposure under our guarantees, we generally transfer mortgage credit risk to third-party investors, either through the issuance of subordinate securities as part of the securitization transaction or by entering into a freestanding CRT transaction. The returns we generate from our business activities are primarily derived from (1) the net interest income we earn on the loans held on our balance sheet, (2) the ongoing guarantee fees we receive in exchange for providing our guarantee on the issued mortgage-related securities, net of credit losses, (3) the cost of CRT transactions, net of freestanding credit enhancement benefits, and (4) the gains on sale of mortgage loans, net of interest-rate risk management activities, from our senior subordinate securitization transactions. We evaluate these factors collectively to assess the profitability of any given transaction.

## Products and Activities

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Our Multifamily business primarily consists of activities related to providing market liquidity by purchasing and securitizing mortgage loans and issuing guaranteed mortgage-related securities, transferring credit risk, and investing in mortgage-related and other investments. Certain of our loan and securitization products have been designed to support increased access to and preservation of affordable housing, particularly in underserved markets.

### Loan Purchase, Securitization, and Guarantee Activities

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#### **Loan Purchase**

Our Optigo network allows lenders to offer borrowers a variety of loan products for the acquisition, refinance, and/or rehabilitation of multifamily properties. While our Optigo lenders originate the loans that we purchase, we generally use a prior-approval underwriting approach. Under this approach, we maintain credit discipline by completing our own underwriting, credit review, and legal review for a loan prior to issuing a loan purchase commitment, including reviewing third-party appraisals, performing cash flow analysis, and evaluating a borrower's ability to exit at maturity. Additionally, to protect against prepayments, most multifamily mortgage loans impose prepayment charges, such as a yield maintenance fee.

Our multifamily loan products are designed to support the purchase and/or rehabilitation of apartment properties, including market-rate, affordable housing, seniors housing, student housing, and cooperative properties. We offer fixed-rate or floating-rate financing and provide financing for both large properties and small properties (i.e., 5 to 50 units). We are particularly focused on providing financing for properties located in underserved areas that have restricted units affordable to households with low income (earning 80% or less of AMI) and/or very-low income (earning 50% or less of AMI) and/or that typically receive government subsidies.

The volume and type of multifamily loans that we purchase are influenced by the Multifamily loan purchase cap and the Multifamily Affordable Housing goals established by FHFA. In November 2025, FHFA announced that the 2026 Multifamily loan purchase cap will be \$88 billion, up from \$73 billion in 2025. The purchase cap is subject to reassessment throughout the year by FHFA to determine whether an increase in the cap is appropriate based on a stronger than expected overall market. For additional information on Multifamily's loan purchase cap, see **MD&A - Conservatorship and Related Matters** and for information on the Multifamily Affordable Housing goals, see **MD&A - Regulation and Supervision**.

Our process for purchasing multifamily loans generally begins with a loan purchase commitment. Prior to issuing a commitment to purchase a multifamily loan, we negotiate with the lender and quote the specific economic terms and conditions of our commitment, including the loan's purchase price, index, and mortgage spread. Decisions related to the commitment price and/or mortgage spread are generally influenced by our current business strategy, competition in the market, the type of loan that we acquire (e.g., the loan product and whether it qualifies as mission-driven), the loan's credit characteristics, the amount available under the loan purchase cap, current securitization spreads, and changing market conditions. We may offer pricing for a loan that furthers certain elements of our mission and/or supports our affordable housing goals that results in lower profitability as compared to the pricing we offer generally. We also offer borrowers an option to lock the Treasury index component of their fixed rate loans anytime during the quote or underwriting process. This option enables borrowers, through our lenders, to lock the most volatile part of their coupon, thereby providing an enhanced level of risk mitigation against their interest-rate volatility. The index lock period offered for most loans is 60 days and is generally followed by a loan purchase commitment.

At the time we commit to purchase a multifamily loan, we preliminarily determine our intent with respect to that loan. Previously, the majority of the multifamily loans that we purchased were intended to be sold in our senior subordinate securitizations and therefore designated as held-for-sale. However, we have recently changed our business strategy to focus primarily on issuing fully guaranteed securitizations and therefore generally designate new loan purchases as held-for-investment.

Through our multifamily commitments and funded loans we are exposed to interest-rate risk and spread risk. Interest-rate risk exposures from these assets are centrally managed, with our business segment being allocated debt funding and hedging-related costs using a funds transfer pricing process. As a result, we have minimal net exposure from changes in interest rates. As our ability to manage spread risk is more limited than our ability to manage interest-rate risk, we have exposure to changes in spreads. To manage this exposure, we may enter into certain spread-related derivative transactions.

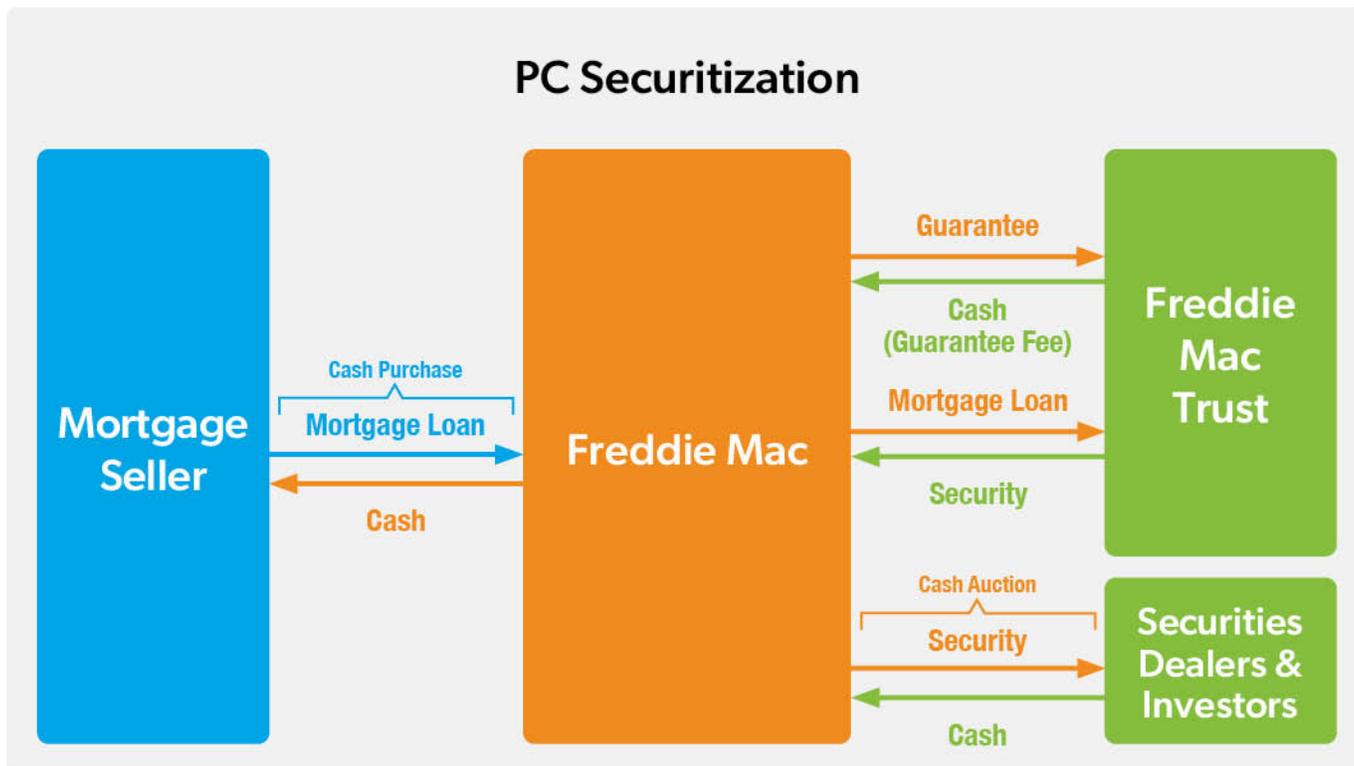
### **Securitization Products**

We securitize substantially all the loans we purchase. Loans awaiting securitization are generally referred to as being in our securitization pipeline. We offer two main types of securitization products: Multifamily PCs, which are fully guaranteed securities where we retain the credit risk of the underlying mortgage loans, and K Certificates, which could either be fully guaranteed or senior subordinate securitizations. The securitization structure and product selected is generally designed to achieve an appropriate economic return, which may vary based on the characteristics of the underlying loans. We continue to issue securitization products focused on addressing affordable housing challenges. We may accept lower economic returns for securitizations that further certain elements of our mission and/or support our affordable housing goals while operating in a safe and sound manner.

### **Multifamily PCs**

Multifamily PCs are fully guaranteed securitizations. In a Multifamily PC securitization, we retain the credit risk of the underlying mortgage loan by guaranteeing the principal and interest payments of the issued security while transferring the interest-rate and liquidity risks to the PC investors. Multifamily PCs are fully guaranteed pass-through securities with a 55-day payment delay that are collateralized by a single underlying mortgage loan. In exchange for providing our guarantee, we receive an ongoing guarantee fee that is designed to be commensurate with the risks assumed and that will, over the long-term, provide us with guarantee net interest income that is expected to exceed the credit, administrative, and implied capital costs of the underlying loans. We consolidate the securitization trusts used in these transactions and therefore do not account for Multifamily PC securitizations as sales of the underlying loans. As a result, we classify loans that we intend to securitize in Multifamily PC transactions as held-for-investment. After securitization, we often enter into CRT transactions, primarily MCIP and MSCR note transactions, to reduce our credit risk exposure to Multifamily PCs. See **MD&A - Risk Management - Credit Risk - Multifamily Mortgage Credit Risk - Credit Enhancements** for additional information on our CRT products.

The diagram below shows the process for acquiring and securitizing a mortgage loan into a PC transaction.



#### K Certificates

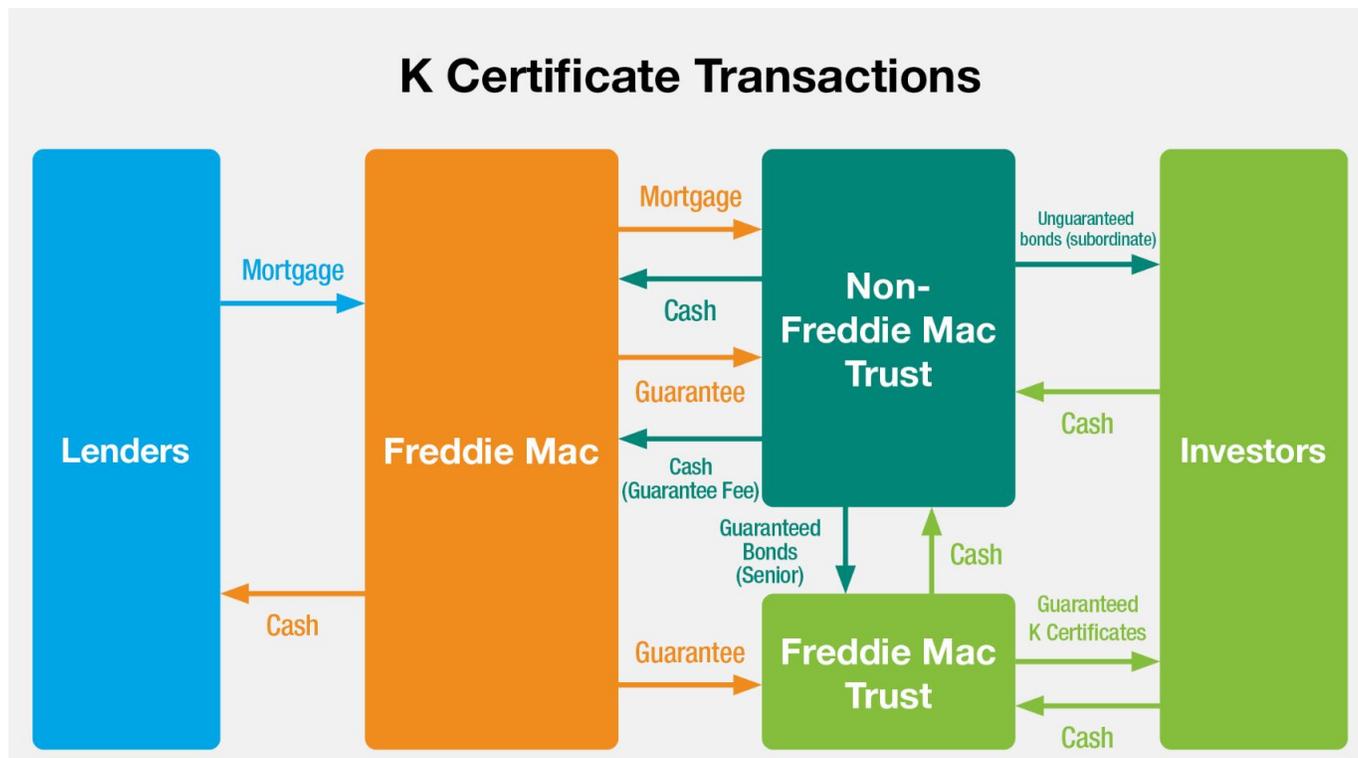
Our K Certificate product offers investors a variety of structural and collateral options that provide for stable cash flows, plus the Freddie Mac guarantee. The volume and type of our K Certificate securitizations are generally influenced by our business strategy, the product mix and size of our securitization pipeline, and market demand for multifamily securities. While the amount of guarantee fees we receive may vary by collateral type and deal structure, it is generally fixed for those K Certificate series that we issue with regular frequency (e.g., 5-, 7- and 10-year fixed-rate K Certificates and floating rate K Certificates).

While K Certificates have historically been our principal securitization offering, we have recently changed our business strategy to focus primarily on issuing fully guaranteed securitizations.

In a senior subordinate K Certificate securitization, we transfer the interest-rate risk, liquidity risk, and a portion of the credit risk of the underlying collateral to third-party investors. The structures of these transactions involve the issuance of senior and subordinate securities that represent undivided beneficial interests in trusts that hold pools of multifamily loans that we previously purchased. In these securitizations, we sell multifamily loans to a non-Freddie Mac securitization trust that issues senior and subordinate securities and simultaneously purchase and place the senior securities into a Freddie Mac securitization trust that issues guaranteed K Certificates. We do not issue or guarantee the subordinate securities. Because we do not consolidate our senior subordinate securitization trusts, we account for these transactions as sales of the underlying loans at securitization.

At inception of a senior subordinate K Certificate transaction, we recognize a guarantee asset. This asset, which represents the right to collect contractual fees in exchange for our guarantee of the issued senior mortgage-related securities, is recorded at fair value with subsequent changes in fair value recognized in earnings. The fair value of our guarantee assets may vary significantly from period-to-period based on changes in market conditions, including interest rates and credit spreads. Because our multifamily loans typically contain prepayment protection, decreasing interest rates generally result in higher guarantee asset fair values, with the opposite effect occurring when interest rates increase. Pursuant to our funds transfer pricing methodologies, gains and losses on interest-rate risk management derivative instruments are allocated to Multifamily to offset interest rate-related changes in fair value on guarantee assets. See **Note 5** for additional information on our accounting for guarantees.

The diagram below shows a senior subordinate K Certificate transaction.



In a fully guaranteed K Certificate transaction, we retain the credit risk of the underlying mortgage pool by guaranteeing the principal and interest payments of the issued securities, while transferring the interest-rate and liquidity risks to the K Certificate investors. Although we initially retain the credit risk of the mortgage pool, we expect to subsequently transfer a portion of the credit risk using MCIP and MSCR notes.

Consistent with Multifamily PCs, we consolidate the securitization trusts used in our fully guaranteed K Certificate transactions and therefore do not account for these securitizations as sales of the underlying loans. We account for the ongoing fees that we receive in exchange for issuing our guarantee as guarantee net interest income.

#### Other Securitization Products

Our other securitization products involve the issuance of mortgage-related securities that represent beneficial interests in trusts that hold pools of multifamily loans. The collateral for these securitizations may include loans underwritten and purchased by us at loan origination and loans we do not own prior to securitization and that we underwrite after (rather than at) origination. These transactions involve a variety of structures and the mortgage-related securities issued in these transactions may include guaranteed senior and unguaranteed subordinate securities or fully guaranteed pass-through securities. We generally do not consolidate the securitization trusts used in these transactions as we do not direct loss mitigation activities.

#### Resecuritization Products

We also offer Multifamily Giant PCs. Similar to the Single-Family Giant program, Multifamily Giant PCs enable investors to pool eligible PCs into a larger, single security to manage their portfolios more efficiently.

#### Other Mortgage-Related Guarantees

We also guarantee mortgage-related assets held by third parties in exchange for guarantee fees, without securitizing those assets. For example, we provide guarantees on certain tax-exempt multifamily housing revenue bonds issued by state and local housing finance authorities that are secured by low- and moderate-income multifamily loans.

## Investing Activities

We primarily use our Multifamily mortgage-related investments portfolio to provide liquidity to the multifamily mortgage market by purchasing loans for our securitization pipeline. We may also hold certain multifamily mortgage loans or agency mortgage-related securities as investments. Depending on market conditions and our business strategy, we may purchase or sell Multifamily PCs, guaranteed K Certificates, or other securitization products at issuance or in the secondary market, including interest-only securities. Through our ownership of the securities, we are exposed to the market risk on the loans underlying our securitizations. We also invest in certain non-mortgage investments, including LIHTC partnerships and other secured lending activities. Our current investment in the LIHTC market is limited to \$2 billion annually. Our ongoing investment in LIHTC partnerships helps to support and preserve the supply of affordable housing. We had investments in LIHTC partnerships with carrying values of \$5.2 billion and \$4.3 billion as of December 31, 2025 and December 31, 2024, respectively.

For additional information, see **Risk Factors - Market Risks - The profitability of our Multifamily business could be adversely affected by market competition and/or decreased investor demand for our securities.**

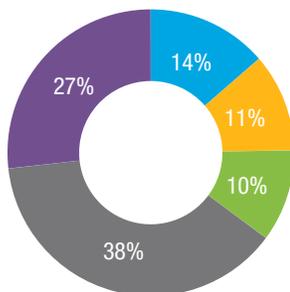
## Customers

Our Multifamily customers include both investors in our securitization products and other CRT products, as well as financial institutions that originate, sell, and service multifamily mortgage loans to us. Investors include banks and other financial institutions, insurance companies, money managers, hedge funds, pension funds, state and local governments, and broker dealers. Our multifamily loan purchases are generally sourced through our Optigo network of approved lenders, which are primarily non-bank real estate finance companies and banks. Many of these lenders are both sellers and servicers to us.

The following charts show the concentration of our 2025 Multifamily new business activity by our largest sellers and loan servicing by our largest servicers as of December 31, 2025. Any seller or servicer with a 10% or greater share is listed separately.

**Percentage of New Business Activity**

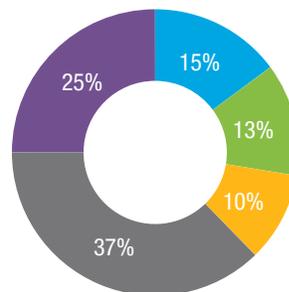
(Based on UPB of \$76 billion)



- Berkadia Commercial Mortgage LLC
- JLL Real Estate Capital, LLC
- Walker & Dunlop, LLC
- Other top 10 sellers
- All other sellers

**Percentage of Servicing Volume**

(Based on UPB of \$496 billion)



- Berkadia Commercial Mortgage LLC
- CBRE Capital Markets, Inc.
- JLL Real Estate Capital, LLC
- Other top 10 servicers
- All other servicers

## Competition

We compete on the basis of price, service, and products, including our use of certain securitization structures. When evaluating new business and/or CRT opportunities, we consider a number of factors, including expected profitability, our risk limits, the Multifamily loan purchase cap, and the affordable housing goals established by FHFA. Our principal competitors in the multifamily mortgage market are Fannie Mae, FHA, commercial and investment banks, CMBS conduits, savings institutions, debt funds, and life insurance companies.

## Housing and Mortgage Market Metrics

The table below presents certain multifamily housing and mortgage market indicators that can significantly affect our business and financial results. For example, vacancy rates provide insight into the balance between supply and demand. Meanwhile, effective rent growth, which accounts for concessions and discounts offered by landlords, represents the actual change in average rental income over time. Certain market and macroeconomic prior period data have been updated to reflect revised historical data.

**Table 15 - Multifamily Housing and Mortgage Market Metrics<sup>(1)</sup>**

(UPB in billions)	Year Ended December 31,		
	2025	2024	2023
Apartment vacancy rates	6.7 %	6.4 %	5.8 %
Change in effective rents (for the year ended December 31)	— %	1.7 %	0.1 %
Mortgage debt outstanding <sup>(2)</sup>	\$2,396	\$2,305	\$2,203
Property price growth rate	(1.3)%	(3.0)%	(9.9)%

(1) Sources: Apartment vacancy rates and change in effective rents - Moody's Analytics; Mortgage debt outstanding - Federal Reserve Financial Accounts of the United States of America; Property price growth rate - Real Capital Analytics Commercial Property Price Index (RCA CPPI).

(2) For 2025, the mortgage debt outstanding balance is as of September 30, 2025 (the latest available information).

## Business Results

The table and related discussion below present selected business results of our Multifamily segment.

**Table 16 - Multifamily Segment Business Results**

(UPB in millions, units in thousands)	Year Ended December 31,			Year Over Year Change			
	2025   2024   2023			2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	Amount	%	Amount	%
<b>New business activity:</b>							
UPB <sup>(1)</sup>	\$76,421	\$65,082	\$48,349	\$11,339	17%	\$16,733	35%
Total units financed <sup>(2)</sup>	617	553	447	64	12	106	24
Mission-driven affordable housing percentage	66 %	65 %	66 %				
Outstanding index lock agreements and commitments <sup>(3)</sup>	\$17,919	\$15,733	\$16,284	\$2,186	14	(\$551)	(3)
<b>New securitization activity<sup>(4)</sup>:</b>							
Total UPB	\$66,808	\$55,243	\$52,644	\$11,565	21	\$2,599	5
Senior subordinate securitizations	18,819	29,856	35,343	(11,037)	(37)	(5,487)	(16)
Fully guaranteed securitizations	47,989	25,387	17,301	22,602	89	8,086	47
<b>Mortgage portfolio at period end:</b>							
UPB	\$495,835	\$466,635	\$440,797	\$29,200	6	\$25,838	6
Fixed-rate percentage	84 %	83 %	80 %				
Average guarantee fees rate charged (bps) <sup>(5)</sup>	56	51	46				

(1) Excludes new LIHTC investments of \$1.2 billion, \$1.0 billion, and \$0.9 billion for 2025, 2024, and 2023, respectively.

(2) Includes rental units financed by supplemental loans.

(3) At period end.

(4) Excludes rescureitizations.

- (5) Based on guarantee exposure of \$425 billion, \$399 billion, and \$379 billion for 2025, 2024, and 2023, respectively, which includes guaranteed mortgage related securities that are consolidated on our balance sheet where income from guarantee fees is recognized in net interest income.
- Our new business activity was \$76.4 billion in 2025, up 17% compared to 2024, primarily driven by a larger multifamily originations market, coupled with the execution of our competitive strategies. Approximately 66% of this activity in 2025, based on UPB, was mission-driven, affordable housing, exceeding FHFA's minimum requirement of 50%. In 2025, \$3.4 billion of our \$76.4 billion new business activity was not subject to the \$73 billion loan purchase cap.
  - Total securitization issuance UPB was \$66.8 billion in 2025, up 21% compared to 2024, driven by a larger average securitization pipeline.
  - Our Multifamily mortgage portfolio was \$496 billion as of December 31, 2025, up 6% compared to December 31, 2024, primarily driven by our new business activity.
  - The average guarantee fee rate on our guarantee exposures increased as of December 31, 2025 compared to December 31, 2024, primarily due to continued growth of fully guaranteed securitization issuances for which we charge higher guarantee fee rates. The average remaining guarantee term was six years and seven years as of December 31, 2025 and December 31, 2024, respectively. The profitability of our guarantee activities may vary and will depend on the actual performance of the underlying collateral that we have guaranteed.

## Financial Results

The table below presents the financial results for our Multifamily segment. See **Note 14** for additional information about segment financial results.

**Table 17 - Multifamily Segment Financial Results**

(Dollars in millions)	Year Ended December 31,			Year Over Year Change			
				2025 vs. 2024		2024 vs. 2023	
	2025	2024	2023	\$	%	\$	%
Net interest income	\$1,625	\$1,224	\$885	\$401	33%	\$339	38%
Non-interest income	1,787	2,869	2,077	(1,082)	(38)	792	38
<b>Net revenues</b>	<b>3,412</b>	<b>4,093</b>	<b>2,962</b>	<b>(681)</b>	<b>(17)</b>	<b>1,131</b>	<b>38</b>
(Provision) benefit for credit losses	(532)	(102)	(300)	(430)	(422)	198	66
Non-interest expense	(971)	(875)	(784)	(96)	(11)	(91)	(12)
<b>Income before income tax expense</b>	<b>1,909</b>	<b>3,116</b>	<b>1,878</b>	<b>(1,207)</b>	<b>(39)</b>	<b>1,238</b>	<b>66</b>
Income tax expense	(376)	(615)	(379)	239	39	(236)	(62)
<b>Net income</b>	<b>1,533</b>	<b>2,501</b>	<b>1,499</b>	<b>(968)</b>	<b>(39)</b>	<b>1,002</b>	<b>67</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	56	(4)	156	60	NM	(160)	NM
<b>Comprehensive income</b>	<b>\$1,589</b>	<b>\$2,497</b>	<b>\$1,655</b>	<b>(\$908)</b>	<b>(36)%</b>	<b>\$842</b>	<b>51%</b>

### Key Drivers:

#### ■ 2025 vs. 2024

- Net income of \$1.5 billion, down 39% year-over-year.
  - Net revenues were \$3.4 billion, down 17% year-over-year.
    - Net interest income was \$1.6 billion, up 33% year-over-year, primarily driven by an increase in the volume of fully guaranteed securitizations.
    - Non-interest income was \$1.8 billion, down 38% year-over-year, primarily driven by lower revenues from held-for-sale loan purchase and securitization activities and impacts from interest-rate risk management activities.
  - Provision for credit losses was \$0.5 billion for 2025, primarily driven by a credit reserve build attributable to new loan purchase commitment and acquisition activities due to the change in our Multifamily business strategy and deterioration in the credit performance of certain delinquent loans.

#### ■ 2024 vs. 2023

- Net income of \$2.5 billion, up 67% year-over-year.
  - Net revenues were \$4.1 billion, up 38% year-over-year.
    - Net interest income was \$1.2 billion, up 38% year-over-year, primarily driven by continued mortgage portfolio growth.

- Non-interest income was \$2.9 billion, up 38% year-over-year, primarily driven by higher revenues from held-for-sale loan purchase and securitization activities, lower realized losses on sales of available-for-sale securities, and net impacts from index lock activities.
- Provision for credit losses was \$0.1 billion for 2024, primarily driven by a credit reserve build attributable to deterioration in overall loan performance and new loan purchases, partially offset by a credit reserve release due to enhancements in our credit loss estimation process.

# RISK MANAGEMENT

## Overview

To achieve our mission of providing liquidity, stability, and affordability to the U.S. housing market, we take risks as an integral part of our business activities. Risk is the possibility that events will occur that adversely impact our financial strength, safe and sound operations, and ability to achieve our mission, strategic, and business objectives. Risk can manifest itself in many ways and the responsibility for risk management resides at all levels of the company. We seek to take risks in a safe and sound, well-controlled manner to earn acceptable risk-adjusted returns on a corporate-wide, divisional, and, where applicable, transaction basis. Our goal is to maintain an effective risk culture where employees are risk aware, collaborative, transparent, and individually accountable for their decisions, and to conduct business in an effective, legal, and ethical manner.

We utilize a risk taxonomy to define, classify, and report risks that we face in operating our business. These risks have the potential to adversely affect our current or projected financial and operational resilience. Risks are classified into the following categories:

- Credit Risk;
- Market Risk;
- Liquidity Risk;
- Operational Risk;
- Compliance Risk;
- Legal Risk;
- Strategic Risk; and
- Reputation Risk.

These risks are factored into our business decisions, as appropriate. For additional discussion of these and other risks facing our business, see **Risk Factors**. See **MD&A - Liquidity and Capital Resources** for a discussion of liquidity risk.

## Enterprise Risk Framework

The Risk Framework defines how we manage risk to achieve our mission, strategic, and business objectives. By serving as the basis for managing risk in a consistent, effective, and efficient manner, the Risk Framework supports our financial strength and safe and sound operations through a range of stressful conditions. The Risk Framework is implemented through the Enterprise Risk Program, which consists of our enterprise-wide risk management practices and processes.

The Risk Framework includes the following components:

- **Risk Culture** - Risk culture is the set of corporate values, competencies, and behaviors related to risk taking and risk management at Freddie Mac. Management supports an effective risk culture by establishing clear risk objectives, assigning accountability, and setting a tone at the top so that employees feel empowered to challenge business decisions without fear of negative consequences. An effective risk culture promotes an environment where employees who take, accept, and manage risks for the company are risk aware, collaborative, and transparent.
- **Risk Governance** - Risk governance is the set of corporate requirements and processes that must be followed to make and implement risk decisions across the company. Effective risk governance establishes a reporting and escalation path for risks and issues across the company. Freddie Mac's risk governance structure provides forums for transparent communication of risks and issues, as well as risk management and control activities. Risk governance is established through:
  - **Risk Authority** - Authority to take or accept risk is vested in an individual employee. Individual business or functional risk officers may be assigned risk authority for specific risk areas and functions, as appropriate.
  - **Corporate Risk Policies and Standards** - Corporate risk policies and standards define roles and responsibilities with respect to risk management, establish limits to risk taking authority, and set forth escalation and reporting requirements.
  - **Risk Governance Structure** - The risk governance structure consists of management- and Board-level committees with roles and responsibilities formalized in their charters.
- **Risk Appetite** - Risk appetite is the level of risk, both in aggregate and by risk type, within the company's risk capacity (the maximum amount of risk the enterprise can absorb before breaching capital, liquidity, and other constraints) that the Board of Directors and management are willing to assume to achieve the company's strategic goals. The risk appetite is integrated and aligned with the Company Strategic Plan, the consolidated business plan, and divisional business plans (collectively, the Annual Business Plan). The risk appetite consists of qualitative risk appetite statements and quantitative metrics with limits, and it is approved by the Board of Directors. FHFA as Conservator then approves the quantitative

metrics with limits.

- **Risk Identification, Assessment, Control, and Monitoring Processes** - Our Enterprise Risk Program supports risk management through enterprise-wide practices and processes designed to identify, assess, control, monitor, and report on all risks, including material and emerging risks.
- **Risk Profile** - Risk profile represents an aggregate view of risk exposures and trends across risk types, relative to risk appetite and tolerance levels as of a given point in time. Risk profile reporting provides an advance warning of increasing risk exposure to stimulate a risk response. The Risk Framework requires accurate and timely reporting needed to manage risks. Regular reporting is provided to senior management and to the Board of Directors.

FHFA continues to increase supervisory expectations related to how risk is managed and overseen by management and the Board of Directors, and specifically the role of Enterprise Risk in providing independent risk oversight and effective challenge. As a result, we must continue to invest in our risk management practices to meet these expectations.

## Enterprise Risk Governance Structure

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We manage risk using a three lines model and our risk governance structure includes enterprise-wide oversight by the Board of Directors and its committees, the CRO, and senior management. Only legal risk is managed outside of the three lines model.

The first line consists of Business Divisions which have the responsibility to identify, assess, control, monitor, and report on all risks in executing their functions. First line is responsible for providing senior management and the Board and/or its committees with regular reporting on their division's risk profile.

The second line consists of Enterprise Risk, which designs and implements a comprehensive and integrated risk and compliance program. In addition, Enterprise Risk provides independent oversight and effective challenge of first line divisions. Enterprise Risk is responsible for reporting on the enterprise risk profile to senior management, the Board of Directors, and the Board Risk and Audit Committees, including on significant risk exposures, adherence to Board Risk Appetite, outcomes of risk management reviews, significant changes, adequacy of the compliance program and adequacy of and adherence to corporate risk policies and standards.

The third line consists of Internal Audit, which provides independent and objective assurance, advice, insight, and foresight. Internal Audit's activities evaluate the effectiveness and efficiency of governance, risk management, and control processes.

The Enterprise Risk Committee is a management level committee that reviews and discusses business-specific and enterprise-wide risks, mitigation actions, and risk matters that may be escalated to the Board or Board committees.

The Board of Directors provides enterprise-wide risk oversight, including through its committees. The Board of Directors also approves the Enterprise Risk Policy, which establishes the enterprise risk management program and framework; the Company Strategic Plan and the Annual Business Plan; and the enterprise risk appetite, which must be aligned with the Company Strategic Plan and the Annual Business Plan, subject to FHFA approval as Conservator. For additional information on the role of the Board of Directors' committees risk oversight responsibilities, see **Directors, Corporate Governance, and Executive Officers - Corporate Governance - Board and Board Committee Information**.

# Credit Risk

## Overview

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Credit risk is the risk associated with the inability or failure of a borrower, issuer, or counterparty to meet its financial and/or contractual obligations. We are exposed to both mortgage credit risk and counterparty credit risk.

Mortgage credit risk is the risk associated with the inability or failure of a borrower to meet its financial and/or contractual obligations. We are exposed to two types of mortgage credit risk:

- **Single-Family mortgage credit risk**, through our ownership or guarantee of loans in our Single-Family mortgage portfolio and
- **Multifamily mortgage credit risk**, through our ownership or guarantee of loans in our Multifamily mortgage portfolio.

Counterparty credit risk is the risk associated with the inability or failure of a counterparty to meet its contractual obligations.

In the sections below, we provide a general discussion of our Enterprise Risk Framework and current risk environment for mortgage credit risk and for counterparty credit risk.

## Allowance for Credit Losses

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For financial assets measured at amortized cost, we recognize an allowance for credit losses that is deducted from or added to the amortized cost basis of the financial asset to present the net amount expected to be collected on the financial asset on the balance sheet.

For Single-Family credit exposures, we estimate the allowance for credit losses for loans on a pooled basis using a discounted cash flow model that evaluates a variety of factors to estimate the cash flows we expect to collect. The discounted cash flow model forecasts cash flows over the loan's remaining contractual life, adjusted for expectations of prepayments, and using our historical experience (which includes the effects of natural disasters), adjusted for current and forecasted economic conditions. These projections require significant management judgment, and we face uncertainties and risks related to the models we use for financial accounting and reporting purposes. For further information on our accounting policies and methods for estimating our allowance for credit losses and related management judgments, see **MD&A - Critical Accounting Estimates**.

For Multifamily credit exposures, we estimate the allowance for credit losses using a loss-rate method to estimate the net amount of cash flows we expect to collect. The loss rate method is based on a probability of default and loss given default framework that estimates credit losses by considering a loan's underlying characteristics, our historical experience (which includes the effects of natural disasters), and current and forecasted economic conditions. Loan characteristics considered by our model include vintage, loan term, current DSCR, current NOI, current LTV ratio, interest rate type, underlying property type, and property location. We simulate multiple forecast paths of economic variables, property values, and NOI over the loan's remaining contractual life. We also consider as model inputs expected recoveries from credit enhancements that are not freestanding contracts. Management adjustments to our model output may be necessary to take into consideration current economic events and other factors not considered within the model.

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

**Table 18 - Allowance for Credit Losses Activity**

(Dollars in millions)	December 31, 2025			December 31, 2024			December 31, 2023		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
<b>Allowance for credit losses:</b>									
Beginning balance	\$6,691	\$548	\$7,239	\$6,402	\$447	\$6,849	\$7,746	\$147	\$7,893
Provision (benefit) for credit losses	758	532	1,290	374	102	476	(1,172)	300	(872)
Charge-offs	(478)	(126)	(604)	(511)	(2)	(513)	(643)	—	(643)
Recoveries collected	149	2	151	115	—	115	144	—	144
Net charge-offs	(329)	(124)	(453)	(396)	(2)	(398)	(499)	—	(499)
Other <sup>(1)</sup>	429	—	429	311	1	312	327	—	327
<b>Ending balance</b>	<b>\$7,549</b>	<b>\$956</b>	<b>\$8,505</b>	<b>\$6,691</b>	<b>\$548</b>	<b>\$7,239</b>	<b>\$6,402</b>	<b>\$447</b>	<b>\$6,849</b>
Average loans outstanding during the year <sup>(2)</sup>	\$3,118,201	\$106,081	\$3,224,282	\$3,055,472	\$66,741	\$3,122,213	\$3,002,523	\$50,602	\$3,053,125
Net charge-offs to average loans outstanding	0.01 %	0.12 %	0.01 %	0.01 %	— %	0.01 %	0.02 %	— %	0.02 %

(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 mortgage loans held-for-investment for which we have not elected the fair value option.

- **2025 vs. 2024** - The increase in charge-offs was primarily driven by a pool of Multifamily senior housing loans during 3Q 2025.

**Table 19 - Allowance for Credit Losses Ratios**

(Dollars in millions)	December 31, 2025			December 31, 2024		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
<b>Allowance for credit losses ratios:</b>						
Allowance for credit losses <sup>(1)</sup> to total loans outstanding	0.23 %	0.46 %	0.24 %	0.21 %	0.46 %	0.21 %
Non-accrual loans to total loans outstanding	0.55	0.16	0.54	0.51	0.15	0.50
Allowance for credit losses to non-accrual loans	41.84	295.59	45.10	40.11	314.40	42.25
<b>Balances:</b>						
Allowance for credit losses on mortgage loans held-for-investment	\$7,297	\$671	\$7,968	\$6,381	\$393	\$6,774
Total loans outstanding <sup>(2)</sup>	3,145,436	145,593	3,291,029	3,092,137	84,554	3,176,691
Non-accrual loans <sup>(2)</sup>	17,442	227	17,669	15,908	125	16,033

(1) Represents allowance for credit losses on mortgage loans held-for-investment.

(2) Based on amortized cost basis of mortgage loans held-for-investment for which we have not elected the fair value option.

- **December 31, 2025 vs. December 31, 2024** - The increase in the balance of loans in non-accrual status is primarily driven by an increase in average UPB of seriously delinquent loans.

See **Note 6** for additional information on our allowance for credit losses and **Note 4** for additional information on our non-accrual policy.

The table below shows the contractual principal payments due by specified timeframe for held-for-investment loans outstanding as of the period end.

**Table 20 - Principal Amounts Due for Held-for-Investment Loans**

(In millions)	December 31, 2025				
	Due in One Year or Less	Due after One Year through Five Years	Due after Five Years through 15 Years	Due after 15 Years	Total
<b>Single-Family:</b>					
Fixed-rate	\$94,713	\$404,998	\$1,112,877	\$1,475,943	\$3,088,531
Adjustable-rate	731	3,317	9,782	15,584	29,414
<b>Total Single-Family</b>	<b>95,444</b>	<b>408,315</b>	<b>1,122,659</b>	<b>1,491,527</b>	<b>3,117,945</b>
<b>Multifamily:</b>					
Fixed-rate	2,430	64,347	66,172	3,426	136,375
Adjustable-rate	1,065	3,066	12,618	—	16,749
<b>Total Multifamily</b>	<b>3,495</b>	<b>67,413</b>	<b>78,790</b>	<b>3,426</b>	<b>153,124</b>
<b>Cost basis and fair value adjustments, net</b>					<b>26,965</b>
<b>Total<sup>(1)</sup></b>					<b>\$3,298,034</b>

(1) Includes \$7.0 billion multifamily held-for-investment loans for which we have elected the fair value option as of December 31, 2025.

## Single-Family Mortgage Credit Risk

We manage our exposure to Single-Family mortgage credit risk, which is a type of consumer credit risk, using the following principal strategies:

- Maintaining credit quality of new business activity through eligibility standards, quality control practices, and monitoring seller/servicer performance;
- Obtaining credit enhancements and transferring credit risk to third-party investors;
- Monitoring loan performance and characteristics;
- Engaging in loss mitigation activities; and
- Managing foreclosure and REO activities.

## Credit Quality of New Business Activity

We employ multiple strategies to maintain loan quality:

- Our eligibility requirements are set forth in our underwriting standards, which are published in our Guide and in various contracts with sellers, and incorporated where practical in Freddie Mac Loan Advisor<sup>®</sup>. These underwriting standards establish the requirements our sellers apply when originating loans in compliance with representations and warranties to us;
- Loan quality control practices, including post-closing review and our remedy management repurchase process, help to validate that the loan origination process is acceptable to us; and
- Seller/servicer monitoring, including review of their in-house quality control as well as our loan performance monitoring, helps to maintain quality control for loans sold and/or serviced by third parties.

### Underwriting Standards

We use a delegated underwriting process in connection with our acquisition of single-family loans whereby we set eligibility and underwriting standards, and sellers represent and warrant to us that loans they sell to us meet these standards. Our eligibility and underwriting standards are used to assess loans based on a number of characteristics.

We establish more strict eligibility standards for loans with certain higher risk characteristics. These standards are designed to balance our credit risk exposure while supporting affordable housing in a responsible manner. Our purchase guidelines generally provide for:

- A maximum original LTV ratio of 97% for purchase and no cash-out refinance loans and
- A maximum original LTV ratio of 80% for cash-out refinance loans.

Our ability to assess the credit quality of our Single-Family mortgage portfolio and loan acquisitions could be adversely affected by changes resulting from the COVID-19 pandemic. The CARES Act required creditors to report to credit bureaus that loans in

relief programs, such as forbearance plans, repayment plans, and loan modification programs, are current as long as the loans were current prior to entering into the relief programs and the borrowers remain in compliance with the programs. In addition, the Department of Education provided borrowers of federal student loans with additional assistance, such as forbearance plans and other debt relief programs, and suspended the delinquency reporting to the credit bureaus until 4Q 2024. As a result, credit scores may not fully reflect the impact of relief programs, offered by us or other creditors, into which borrowers may have entered during the affected periods.

Loan Advisor is our main tool for assessing loan eligibility and documentation. Loan Advisor is a set of software applications and services designed to give lenders access to our view of risk, loan quality, and eligibility during the origination process. As a component of Loan Advisor, Loan Product Advisor® (LPA) helps lenders validate that submitted loans meet our underwriting standards.

Substantially all of the loans we purchase are assessed by Freddie Mac's proprietary underwriting software tools, LPA or Loan Quality Advisor®, prior to purchase, helping validate their compatibility with our risk appetite. Any loans that are not assessed by Freddie Mac's proprietary underwriting software are manually underwritten by the seller in accordance with contractual requirements.

We offer limited representation and warranty relief for certain loan components that satisfy automated data evaluation related to appraisal quality, valuation, borrower assets, borrower income, borrower employment status, and certain condominium project requirements. In general, limited representation and warranty relief is offered when information is validated through the use of independent data sources and/or Freddie Mac analytics and risk assessments.

If we discover that the representations or warranties related to a loan were breached (i.e., that contractual standards were not followed), we can exercise certain contractual remedies to mitigate our actual or potential credit losses. These contractual remedies may include, but are not limited to, the ability to require the seller or servicer to repurchase the loan at its current UPB, reimburse us for losses realized with respect to the loan after consideration of any other recoveries, and/or indemnify us. Our current remedies framework provides for the categorization of loan origination defects for loans with settlement dates on or after January 1, 2016. Among other items, the framework provides that "significant defects" may result in a repurchase request or a repurchase alternative, such as recourse or indemnification. We implemented a pilot program in 2024 that provides participating sellers with a fee-based alternative to performing loan repurchases. Beginning in 1Q 2025 the pilot program was expanded to all eligible sellers and now comprises a significant share of our new business activity. The pilot program continues to maintain the protections related to delinquent loans and charter violations outlined in the selling and servicing representation and warranty framework for mortgage loans. Sellers that choose not to participate in the pilot program still have access to other repurchase alternatives, including the new fee-only alternative we implemented in 1Q 2025 for eligible loans. If the fee-only alternative is offered on a performing loan, sellers will be able to pay a fee in exchange for immediate representation and warranty relief on that loan.

Under our current selling and servicing representation and warranty framework for our mortgage loans, we relieve sellers of repurchase obligations for breaches of certain selling representations and warranties for certain types of loans, including:

- Loans that have established an acceptable payment history for 36 months of consecutive, on-time payments after purchase, subject to certain exclusions and
- Loans that have satisfactorily completed a quality control review.

Solely for the purpose of determining whether the acceptable payment history requirements are met, payments due during the COVID-19-related forbearance period are considered to have been made on time, provided that the mortgage was reported by the servicer as having entered into a COVID-19-related forbearance plan between March 13, 2020 and October 31, 2023 and met certain other criteria as described in our Guide.

An independent dispute resolution process for alleged breaches of selling or servicing representations and warranties on our loans allows for a neutral third party to render a decision on demands that remain unresolved after the existing appeal and escalation processes have been exhausted.

### **Quality Control Practices**

We employ a quality control process to review underwriting documentation and decision-making for compliance with our standards using both statistical random and targeted sampling. Pursuant to Guide requirements, we initiate these sampling reviews to timely identify breaches of representations and warranties. Sellers may appeal our ineligible loan determination.

We also perform quality control reviews on loans that have defaulted and have not obtained representation and warranty relief under the representation and warranty relief framework. These loans are subject to repurchase if a significant breach of our Guide is identified.

### **Monitoring Seller/Servicer Performance**

We actively monitor seller and servicer performance, including compliance with our standards. We maintain approval standards for our seller/servicers, which include requiring our sellers to maintain an in-house quality control program with written procedures that operates independently of the seller's underwriting and origination functions. We monitor servicer performance

using our Servicer Success Scorecard. In addition, we perform servicing and loan modification quality control reviews on selected servicers through random sampling of delinquent loans and loan modifications.

**Underwriting Restrictions Related to Purchase Agreement**

Pursuant to the Purchase Agreement and subject to such exceptions as FHFA may prescribe, we were required to implement a program reasonably designed to ensure that each single-family mortgage loan acquired is: (1) a qualified mortgage; (2) exempt from the CFPB’s ability-to-repay requirements; (3) secured by an investment property; (4) a refinancing with streamlined underwriting for high LTV ratios; (5) a loan with temporary underwriting flexibilities due to exigent circumstances, as determined in consultation with FHFA; or (6) secured by manufactured housing.

For additional information, see **MD&A - Conservatorship and Related Matters - Limits on our Secondary Market Activities and Single-Family Loan Acquisitions**.

**Supporting Affordable Housing**

We continued working to improve access to affordable and sustainable housing. For example, our Home Possible® and Home One® initiatives offer down payment options as low as 3% and are designed to help qualified borrowers with limited savings buy a home. We purchased approximately 172,000 loans under these initiatives in 2025. Our Refi Possible® initiative provides more flexibility to help low- and moderate-income borrowers refinance their existing mortgages and lower their monthly payments. We offer programs that support responsible access to affordable housing by:

- Providing homebuyer and financial education through our CreditSmart® learning suite and our Borrower Help Centers and
- Implementing the Duty to Serve underserved markets plan.

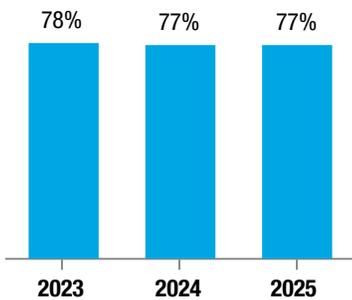
While we are responsibly serving low- and moderate-income borrowers and underserved markets, these loans may result in increased credit risk. See **MD&A - Regulation and Supervision - Federal Housing Finance Agency - Duty to Serve Underserved Markets Plan** for additional information.

**Loan Purchase Credit Characteristics**

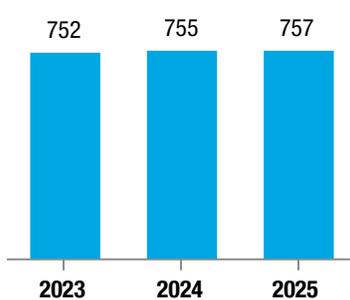
We monitor and evaluate market conditions that could affect the credit quality of our single-family loan purchases. See **MD&A - Our Business Segments - Single-Family - Housing and Mortgage Market Metrics** for additional information on market conditions. Additionally, when managing our new acquisitions, we consider our risk limits and guidance from FHFA and capital requirements under the ERCF. This may affect the volume and characteristics of our loan acquisitions. See **MD&A - Regulation and Supervision - Federal Housing Finance Agency** for additional information on guidance from FHFA.

The charts below show the credit profile of the single-family loans we purchased or guaranteed.

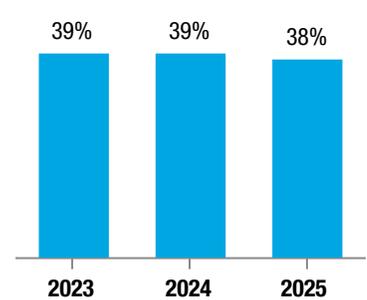
**Weighted Average Original LTV Ratio**



**Weighted Average Original Credit Score**



**Weighted Average Original DTI Ratio**



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

**Table 21 - Single-Family New Business Activity**

(Dollars in millions, except average loan UPB)	Year Ended December 31,					
	2025		2024		2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
20- and 30-year, amortizing fixed-rate	\$352,376	90 %	\$329,516	95 %	\$285,854	95 %
15-year or less, amortizing fixed-rate	26,424	7	14,120	4	10,769	4
Adjustable-rate	9,865	3	2,772	1	3,263	1
<b>Total</b>	<b>\$388,665</b>	<b>100 %</b>	<b>\$346,408</b>	<b>100 %</b>	<b>\$299,886</b>	<b>100 %</b>
Average loan UPB (in thousands)	\$351		\$337		\$314	
<b>Percentage of purchases</b>						
DTI ratio > 45%		27 %		29 %		27 %
Original LTV ratio > 90%		23		24		26
Transaction type:						
Guarantor swap		68		66		72
Cash window		32		34		28
Property type:						
Detached single-family houses and townhouses		92		91		91
Condominium or co-op		8		9		9
Occupancy type:						
Primary residence		94		93		92
Second home		2		2		2
Investment property		4		5		6
Loan purpose:						
Purchase		76		83		88
Cash-out refinance		9		8		8
Other refinance		15		9		4

## Credit Enhancements

To reduce our credit risk exposure, we engage in various types of credit enhancements, including primary mortgage insurance and CRT transactions. Our Charter requires coverage by specified credit enhancements or participation interests on single-family loans with LTV ratios above 80% at the time of purchase. Most of our loans with LTV ratios above 80% are credit enhanced by primary mortgage insurance, which provides loan-level credit enhancement against loss up to a specified amount, the premium for which is typically paid by the borrower. Generally, an insured loan must be in default and the borrower's interest in the underlying property must have been extinguished, such as through a short sale or foreclosure sale, before a claim can be filed under a primary mortgage insurance policy (such policies do not cover losses from payment deferral plans and loan modifications). The mortgage insurer has a prescribed period of time within which to process a claim and make a determination as to its validity and amount.

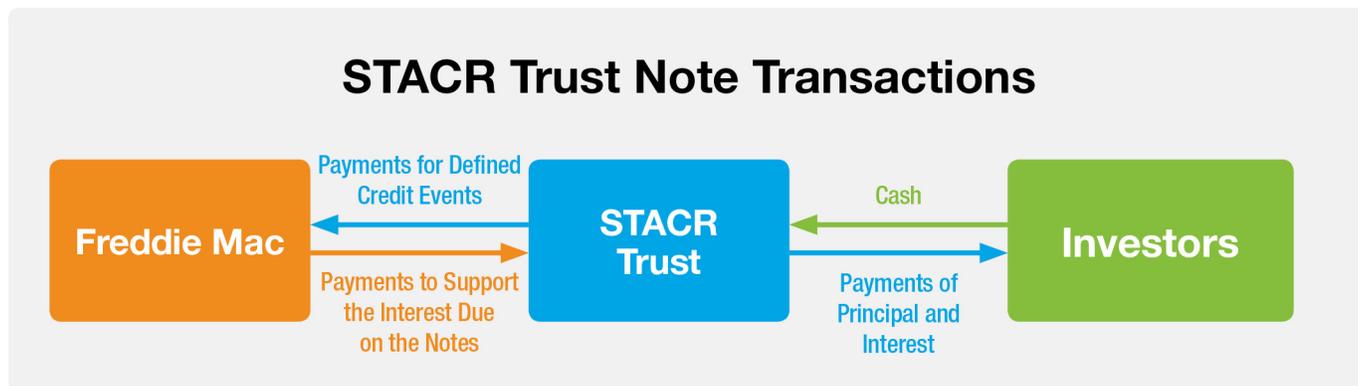
We define CRT transactions as those arrangements where we actively transfer the credit risk exposure on mortgages that we own or guarantee. Our CRT transactions are designed to reduce the amount of required capital related to credit risk, to transfer portions of credit losses on groups of previously acquired loans to third-party investors, and to reduce the risk of future losses to us when borrowers default. The costs we incur in exchange for this credit protection effectively reduce our guarantee income from the associated mortgages. We evaluate and update our CRT activities as needed depending on our business strategy, market conditions, and regulatory requirements.

Each CRT transaction is designed to transfer a certain portion of the credit risk that we assume for loans with certain targeted characteristics. Risk positions may be transferred to third-party investors through one or more CRT transactions. The risk transfer could occur prior to, or simultaneously with, our purchase of the loan (i.e., front-end coverage) or after the purchase of the loan (i.e., back-end coverage).

### STACR and ACIS Offerings

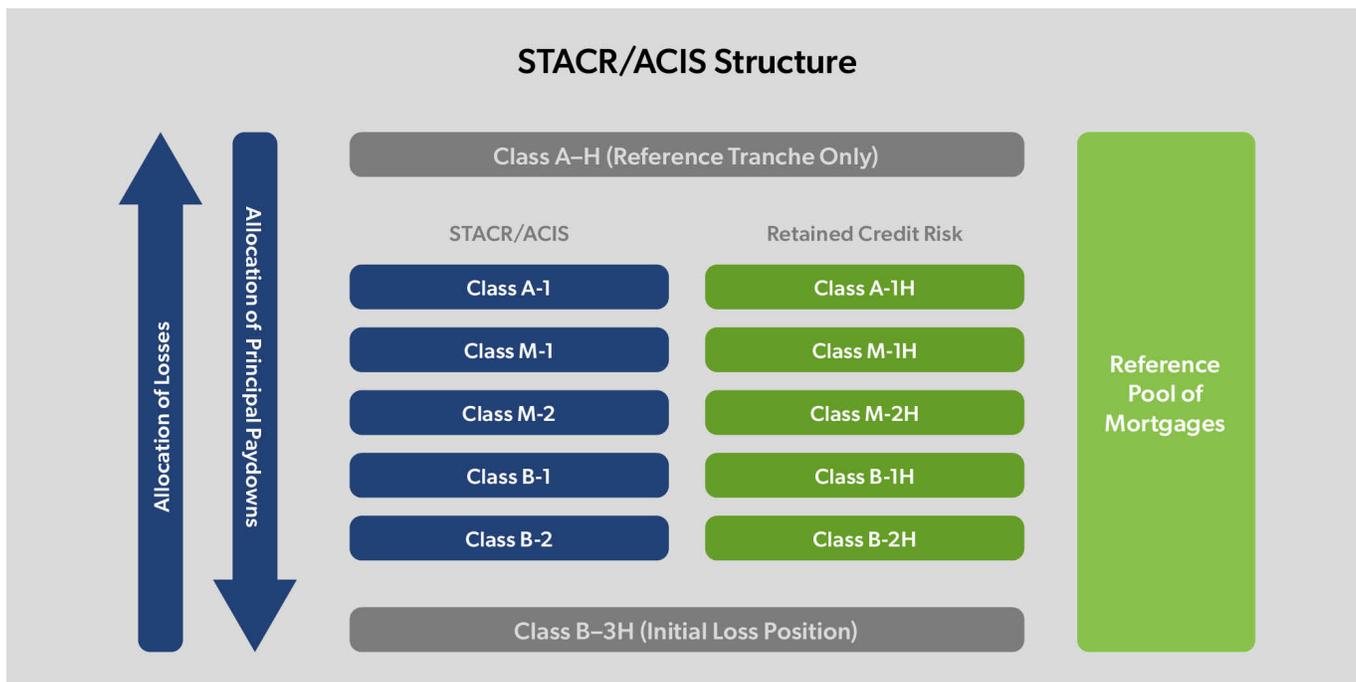
Our two primary CRT programs are STACR and ACIS.

- STACR** - Our primary Single-Family securities-based credit risk sharing transaction. STACR Trust note transactions transfer risk to the private capital markets through the issuance of unguaranteed notes using a third-party trust. In a STACR transaction, we create a reference pool of loans from our Single-Family mortgage portfolio, and a third-party trust issues credit notes linked to the reference pool. The trust makes periodic payments of principal and interest on the notes to noteholders, but is not required to repay principal to the extent that the note balance is reduced as a result of specified credit events on the mortgage loans in the related reference pool. We make payments to the trust to support payment of the interest due on the notes. The amount of risk transferred in each transaction affects the amounts we are required to pay. We receive payments from the trust that otherwise would have been made to the noteholders to the extent there are certain defined credit events on the mortgage loans in the related reference pool. The note balance is reduced by the amount of the payments to us, thereby transferring the related credit risk of the loans in the reference pool to the note investors. Generally, the note balance is also reduced based on principal payments that occur on the loans in the reference pool. The diagram below illustrates a typical STACR transaction.



- ACIS** - Our primary insurance-based credit risk sharing transaction. ACIS transactions are insurance policies we enter into with global insurance and reinsurance companies to cover a portion of credit risk on the mortgage loans in the related reference pools. We pay monthly premiums to the insurers or reinsurers in exchange for claim coverage on specified credit events on the mortgage loans in the related reference pool. We require our ACIS counterparties to partially collateralize their exposure to reduce the risk that we will not be reimbursed for our claims under the policies.

We primarily use STACR and ACIS transactions to transfer credit risk on certain recently acquired fixed rate mortgage loans with maturity terms greater than 20 years and original LTV ratios between 60% and 97%. In a typical STACR or ACIS transaction, we transfer to third-party investors a portion of the credit risk between a specified attachment point and a detachment point which may vary based on numerous factors, such as the type of collateral and market conditions. We generally retain the initial loss position and at least 5% of the credit risk of all the positions sold to align our interests with those of the investors. The diagram below illustrates a typical STACR and ACIS structure.



We monitor the costs and potential benefits provided by the CRT coverage we have obtained on a regular basis, including the impact of CRT on our capital requirements under the ERCF. We may periodically terminate certain CRT transactions, through the exercise of contractual call options, repurchases of outstanding securities, or other means, if we determine prior to contractual maturity that they are no longer economically sensible.

**Additional Offerings**

We also transfer credit risk through issuance of senior subordinate securitizations, additional types of insurance and reinsurance transactions, and risk-sharing arrangements with certain single-family lenders.

We also periodically sell certain delinquent loans that we have previously repurchased from securitization trusts. See **Note 4** for additional information on sales of mortgage loans.

**Single-Family Mortgage Portfolio Newly Acquired Credit Enhancements**

The table below provides the UPB of the mortgage loans acquired during the periods presented that were covered by primary mortgage insurance, the UPB of the mortgage loans covered by CRT transactions we entered into during the periods presented, and maximum coverage related to these newly acquired credit enhancements. The amount of risk transferred through new CRT transactions can be affected by a number of factors, including current market conditions, the volume and characteristics of newly acquired loans, our risk appetite, the cost of CRT transactions, and FHFA guidance. In recent periods, we have changed our business strategy and revised our CRT transactions by retaining higher levels of initial losses. As a result, the benefits provided by these revised CRT transactions may be lower than those provided by the earlier CRT transactions even if the maximum coverage provided by the more recent CRT transactions is similar to that provided by the earlier CRT transactions.

**Table 22 - Single-Family Mortgage Portfolio Newly Acquired Credit Enhancements**

(In millions)	Year Ended December 31,					
	2025		2024		2023	
	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>
<b>Primary mortgage insurance</b>	<b>\$145,988</b>	<b>\$37,974</b>	<b>\$135,459</b>	<b>\$35,595</b>	<b>\$125,352</b>	<b>\$33,032</b>
<b>CRT transactions:</b>						
STACR	98,509	3,040	131,388	3,785	85,693	2,838
ACIS	64,784	2,054	47,301	1,625	28,080	999
Other	2,544	572	2,278	547	1,046	317
<b>Total CRT issuance</b>	<b>\$165,837</b>	<b>\$5,666</b>	<b>\$180,967</b>	<b>\$5,957</b>	<b>\$114,819</b>	<b>\$4,154</b>

- (1) The primary mortgage insurance and CRT transactions presented in this table are not mutually exclusive as a single loan may be covered by both primary mortgage insurance and CRT transactions.
- (2) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.

### 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 23 - Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding**

(Dollars in millions)	December 31, 2025		
	UPB	% of Portfolio	Maximum Coverage <sup>(1)</sup>
Primary mortgage insurance <sup>(2)</sup>	\$680,950	22%	\$181,462
STACR	1,165,412	37	24,935
ACIS	594,409	19	15,081
Other	38,373	1	10,361
Less: UPB with multiple credit enhancements and other reconciling items <sup>(3)</sup>	(552,393)	(18)	—
<b>Single-Family mortgage portfolio - credit-enhanced</b>	<b>1,926,751</b>	<b>61</b>	<b>231,839</b>
Single-Family mortgage portfolio - non-credit-enhanced	1,229,539	39	N/A
<b>Total</b>	<b>\$3,156,290</b>	<b>100%</b>	<b>\$231,839</b>

(Dollars in millions)	December 31, 2024		
	UPB	% of Portfolio	Maximum Coverage <sup>(1)</sup>
Primary mortgage insurance <sup>(2)</sup>	\$658,104	21%	\$174,445
STACR	1,196,740	39	28,471
ACIS	754,489	24	16,474
Other	38,951	1	10,643
Less: UPB with multiple credit enhancements and other reconciling items <sup>(3)</sup>	(733,818)	(23)	—
<b>Single-Family mortgage portfolio - credit-enhanced</b>	<b>1,914,466</b>	<b>62</b>	<b>230,033</b>
Single-Family mortgage portfolio - non-credit-enhanced	1,189,708	38	N/A
<b>Total</b>	<b>\$3,104,174</b>	<b>100%</b>	<b>\$230,033</b>

- (1) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.
- (2) Amounts exclude certain loans for which we do not control servicing, as the coverage information for these loans is not readily available to us.
- (3) 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 24 - Serious Delinquency Rates for Credit-Enhanced and Non-Credit-Enhanced Loans in Our Single-Family Mortgage Portfolio**

(% of portfolio based on UPB) <sup>(1)</sup>	December 31, 2025		December 31, 2024	
	% of Portfolio <sup>(2)</sup>	SDQ Rate	% of Portfolio <sup>(2)</sup>	SDQ Rate
Credit-enhanced:				
Primary mortgage insurance	22 %	1.19 %	21 %	1.12 %
CRT and other	52	0.68	54	0.66
Non-credit-enhanced	39	0.40	38	0.43
<b>Total</b>	<b>N/A</b>	<b>0.59</b>	<b>N/A</b>	<b>0.59</b>

- (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.

The table below provides information on the percentage of UPB of the Single-Family mortgage portfolio with credit enhancement coverage by year of origination.

**Table 25 - Credit Enhancement Coverage by Year of Origination**

(Dollars in millions)	December 31, 2025		December 31, 2024	
	UPB	% of UPB with Credit Enhancement	UPB	% of UPB with Credit Enhancement
<b>Year of Loan Origination</b>				
2025	\$333,408	38 %	N/A	N/A
2024	291,739	68	\$309,757	39 %
2023	211,793	76	250,712	73
2022	364,361	69	399,741	69
2021	841,701	64	912,364	64
2020 and prior	1,113,288	58	1,231,600	61
<b>Total</b>	<b>\$3,156,290</b>	<b>61</b>	<b>\$3,104,174</b>	<b>62</b>

The following table provides information on the characteristics of the loans in our Single-Family mortgage portfolio without credit enhancement.

**Table 26 - Single-Family Mortgage Portfolio Without Credit Enhancement<sup>(1)</sup>**

(Dollars in millions)	December 31, 2025		December 31, 2024	
	UPB	% of Portfolio	UPB	% of Portfolio
Low original LTV ratio <sup>(1)(2)</sup>	\$666,337	21 %	\$675,499	22 %
Short-term <sup>(1)(3)</sup>	179,203	6	178,179	6
Recently acquired <sup>(1)(4)</sup>	247,283	8	206,274	7
Other <sup>(1)(5)</sup>	136,716	4	129,756	3
<b>Single-Family mortgage portfolio - non-credit-enhanced</b>	<b>\$1,229,539</b>	<b>39 %</b>	<b>\$1,189,708</b>	<b>38 %</b>

- (1) Loans with multiple characteristics are assigned to categories in this table based on the following prioritization: low original LTV ratio, short-term, and recently acquired.
- (2) Represents loans with an original LTV ratio less than or equal to 60%.
- (3) Represents loans with an original maturity of 20 years or less.
- (4) Represents loans that were recently acquired and have not been included in a reference pool.
- (5) Primarily includes ARM loans, loans with an original LTV ratio greater than 97%, loans that fail the delinquency requirements for CRT transactions, and relief refinance loans and loans that were acquired before the inception of our CRT programs in 2013.

### Credit Enhancement Recoveries

Our expected recovery receivable from freestanding credit enhancements was \$0.1 billion as of both December 31, 2025 and December 31, 2024. These amounts are included in other assets on our consolidated balance sheets. See **Note 3** and **Note 6** for additional information on accounting for credit enhancements.

## 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 review the payment performance of our loans to facilitate early identification of potential problem loans, which could inform our loss mitigation strategies. We also review performance metrics for additional loan characteristics that may expose us to concentrations of credit risk.

### Loan Characteristics

The table below contains a description of some of the credit characteristics that we monitor for loans in our Single-Family mortgage portfolio.

Credit Characteristic	Description	Impact on Credit Quality
<b>LTV ratio<sup>(1)</sup></b>	Loan-to-value ratio. The ratio of the unpaid principal amount of the loan to the value of the property that serves as collateral for the loan, expressed as a percentage	<ul style="list-style-type: none"> <li>Measures ability of the underlying property to cover our exposure on the loan</li> <li>Higher LTV ratios indicate higher risk, as proceeds from sale of the property may not cover our exposure on the loan</li> <li>Lower LTV ratios indicate borrowers are more likely to repay</li> </ul>
<b>Credit score<sup>(1)</sup></b>	Statistically-derived number that may indicate a borrower's likelihood to repay debt	<ul style="list-style-type: none"> <li>Borrowers with higher credit scores are generally more likely to repay or have the ability to refinance their loans than those with lower scores</li> </ul>
<b>Loan purpose</b>	Indicates how the borrower intends to use the proceeds from a loan (i.e., purchase, cash-out refinance, or other refinance)	<ul style="list-style-type: none"> <li>Cash-out refinancings, which increase the LTV ratios, generally have a higher risk of default than loans originated in purchase or other refinance transactions</li> </ul>
<b>Property type</b>	Indicates whether the property is a detached single-family house, townhouse, condominium, or co-op	<ul style="list-style-type: none"> <li>Condominiums historically have experienced greater volatility in house prices than detached single-family houses, which may expose us to more risk</li> <li>Condominiums face additional risks. These risks, typically managed by the property's condominium association, include the association's financial stability and the physical condition of buildings and common areas</li> </ul>
<b>Occupancy type</b>	Indicates whether the borrower intends to use the property as a primary residence, second home, or investment property	<ul style="list-style-type: none"> <li>Loans on primary residence properties tend to have lower credit risk than loans on second homes or investment properties</li> </ul>
<b>Product type</b>	Indicates the type of loan based on key loan terms, such as the contractual maturity, type of interest rate, and payment characteristics of the loan	<ul style="list-style-type: none"> <li>Loan products that contain terms which result in scheduled changes in monthly payments may result in higher risk</li> <li>Shorter loan terms result in faster repayment of principal and may indicate lower risk</li> </ul>
<b>DTI ratio<sup>(1)</sup></b>	Debt-to-income ratio. The ratio of borrowers' total monthly debt payments to gross monthly income	<ul style="list-style-type: none"> <li>Borrowers with lower DTI ratios are generally more likely to repay their loans than those with higher DTI ratios</li> <li>DTI ratios are at the time of origination and may not be indicative of borrowers' current creditworthiness</li> </ul>
<b>Geographic concentration</b>	Indicates whether our mortgage portfolio is diversified geographically	<ul style="list-style-type: none"> <li>Geographic concentrations may increase the exposure of our mortgage portfolio to credit risk, as regional economic conditions may affect a borrower's ability to repay and the underlying property value</li> <li>Geographic diversification reduces the credit risk impact of an economic downturn in or a catastrophic event that disproportionately affects a particular geographic area</li> </ul>
<b>Loan age</b>	Number of years since loan origination	<ul style="list-style-type: none"> <li>Credit losses on mortgage loans typically are low during the first few years after origination and may increase subsequently depending on macroeconomic conditions and other factors as the benefit of underwriting wanes. We generally purchase loans shortly after origination and, as a result, the period of loan origination may be different from the period of loan acquisition</li> </ul>

(1) See **Glossary** for additional details.

**Loan Characteristics and Serious Delinquency Rate**

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

**Table 27 - Credit Quality Characteristics and Serious Delinquency Rates of Our Single-Family Mortgage Portfolio<sup>(1)</sup>**

(Dollars in millions)	December 31, 2025					
	UPB	Original Credit Score	Current Credit Score	Original LTV Ratio	Current LTV Ratio	SDQ Rate
Single-Family mortgage portfolio year of origination:						
2025	\$333,409	757	753	77 %	76 %	0.06 %
2024	291,738	753	752	78	74	0.56
2023	211,793	750	743	79	71	1.06
2022	364,361	746	741	76	63	1.01
2021	841,701	752	755	71	49	0.44
2020 and prior	1,113,288	750	761	73	37	0.60
<b>Total</b>	<b>\$3,156,290</b>	<b>751</b>	<b>754</b>	<b>74</b>	<b>53</b>	<b>0.59</b>

(Dollars in millions)	December 31, 2024					
	UPB	Original Credit Score	Current Credit Score	Original LTV Ratio	Current LTV Ratio	SDQ Rate
Single-Family mortgage portfolio year of origination:						
2024	\$309,757	754	749	78 %	76 %	0.12 %
2023	250,712	751	749	79	72	0.68
2022	399,741	746	743	76	65	0.95
2021	912,364	752	756	71	50	0.42
2020	665,137	761	768	71	43	0.25
2019 and prior	566,463	738	752	75	33	0.91
<b>Total</b>	<b>\$3,104,174</b>	<b>751</b>	<b>755</b>	<b>74</b>	<b>52</b>	<b>0.59</b>

(1) Excludes certain credit quality characteristics and serious delinquency rate information on loans underlying certain securitization products for which data was not available.

**Table 28 - Characteristics of the Loans in Our Single-Family Mortgage Portfolio**

(Dollars in millions, except average loan UPB)	December 31, 2025		December 31, 2024	
	Amount	% of Total	Amount	% of Total
20- and 30-year or more, amortizing fixed-rate	\$2,847,499	91 %	\$2,775,489	90 %
15-year or less, amortizing fixed-rate	267,548	8	292,763	9
Adjustable-rate and other	41,243	1	35,922	1
<b>Total</b>	<b>\$3,156,290</b>	<b>100 %</b>	<b>\$3,104,174</b>	<b>100 %</b>
Loan count (in thousands)	13,933		13,882	
Average loan UPB (in thousands)	\$227		\$224	
<b>Percentage of portfolio based on UPB</b>				
Original LTV ratio range:				
60% and below		21 %		22 %
Above 60% to 80%		49		49
Above 80% to 90%		13		12
Above 90% to 100%		17		16
Above 100%		—		1
Portfolio weighted average original LTV ratio		74		74
Current LTV ratio range:				
60% and below		65		68
Above 60% to 80%		23		23
Above 80% to 90%		7		6
Above 90% to 100%		5		3
Above 100%		—		—
Portfolio weighted average current LTV ratio		53		52
Original credit score:				
740 and above		66		64
700 to 739		20		21
680 to 699		6		7
660 to 679		4		4
620 to 659		3		3
Less than 620		1		1
Portfolio weighted average original credit score		751		751
Current credit score:				
740 and above		72		72
700 to 739		13		13
680 to 699		4		4
660 to 679		3		3
620 to 659		3		4
Less than 620		5		4
Portfolio weighted average current credit score		754		755
DTI ratio:				
Above 45%		19		18
Portfolio weighted average DTI ratio		36		36
Property type:				
Detached single-family houses and townhouse		92		92
Condominium or co-op		8		8
Occupancy type at origination:				
Primary residence		92		92
Second home		3		3
Investment property		5		5
Loan purpose:				
Purchase		53		50
Cash-out refinance		18		19
Other refinance		29		31

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

**Table 29 - Single-Family Mortgage Portfolio Attribute Combinations<sup>(1)</sup>**

Current credit score	December 31, 2025											
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans	
	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate
740 and above	49 %	0.04 %	16 %	0.05 %	5 %	0.07 %	2 %	0.09 %	— %	NM	72 %	0.04 %
700 to 739	7	0.21	3	0.19	1	0.26	2	0.22	—	NM	13	0.21
680 to 699	2	0.40	1	0.41	—	NM	1	0.48	—	NM	4	0.41
660 to 679	2	0.64	1	0.64	—	NM	—	NM	—	NM	3	0.66
620 to 659	2	1.41	1	1.40	—	NM	—	NM	—	NM	3	1.45
Less than 620	3	6.60	1	9.14	1	11.05	—	NM	—	NM	5	7.66
<b>Total</b>	<b>65 %</b>	<b>0.47</b>	<b>23 %</b>	<b>0.81</b>	<b>7 %</b>	<b>1.04</b>	<b>5 %</b>	<b>1.00</b>	<b>— %</b>	<b>NM</b>	<b>100 %</b>	<b>0.59</b>

Current credit score	December 31, 2024											
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans	
	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate
740 and above	50 %	0.04 %	16 %	0.05 %	4 %	0.09 %	2 %	0.10 %	— %	NM	72 %	0.05 %
700 to 739	9	0.22	2	0.22	2	0.25	1	0.18	—	NM	14	0.22
680 to 699	2	0.45	2	0.40	—	NM	—	NM	—	NM	4	0.44
660 to 679	2	0.73	1	0.66	—	NM	—	NM	—	NM	3	0.71
620 to 659	2	1.60	1	1.62	—	NM	—	NM	—	NM	3	1.60
Less than 620	3	7.95	1	10.62	—	NM	—	NM	—	NM	4	8.80
<b>Total</b>	<b>68 %</b>	<b>0.51</b>	<b>23 %</b>	<b>0.82</b>	<b>6 %</b>	<b>1.00</b>	<b>3 %</b>	<b>0.75</b>	<b>— %</b>	<b>NM</b>	<b>100 %</b>	<b>0.59</b>

(1) Excludes loans underlying certain securitization products for which current credit score is not available.

Certain of the loan attributes shown above may indicate a higher risk of default. For example, loans with LTV ratios over 90% or credit scores below 620 may be higher risk. A single loan may fall within more than one risk category. Certain combinations of loan attributes can indicate an even higher degree of credit risk, such as loans with both higher LTV ratios and lower credit scores.

### Geographic Concentrations

We purchase mortgage loans from across the U.S. but do not purchase an equal number of loans from each geographic area, leading to concentrations of credit risk in certain geographic areas. Local economic and other conditions can affect the borrower's ability to repay and the value of the underlying collateral. Property insurance markets in certain geographic areas, including areas with high risk of natural disaster events, have observed increases in property insurance premiums and reduction in the availability of coverage in recent years. 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 15** for additional information about the geographic distribution of our Single-Family mortgage portfolio.

### Natural Disaster Risk Management

Natural disasters in areas where we own or guarantee mortgage loans expose us to credit risk by damaging properties that secure loans in our mortgage portfolio and by negatively impacting the ability of borrowers to make payments on mortgage loans.

We require all homes underlying single-family mortgages in our portfolio to have homeowners insurance coverage throughout the life of the loan; however, we do not require earthquake insurance. Sellers are required to confirm that adequate homeowners insurance coverage exists at the time the loan is sold to Freddie Mac, and servicers are required to confirm and provide evidence that homeowners insurance is maintained, directly placing coverage when necessary. For homes located in SFHAs, we also require flood insurance coverage. Sellers are required to determine whether homes underlying single-family mortgages are located in an SFHA and, if so, to confirm that flood insurance coverage exists at the time the loan is sold to Freddie Mac. Servicers are also required to confirm and provide evidence that flood insurance on these homes is maintained throughout the life of the loan and is in amounts needed to comply with federal government and Freddie Mac requirements. If a borrower fails to obtain and maintain required flood insurance coverage, servicers must directly place such coverage.

The severity and frequency of hazard events, as well as conditions that make these hazard events more likely, could impact the effectiveness of current risk mitigation, as property insurers may have to raise premiums or limit the level of coverage offered, which could affect the availability and affordability of coverage for borrowers. Changes in the insurance market are already observable in certain locations that experience the highest risk of hazard events.

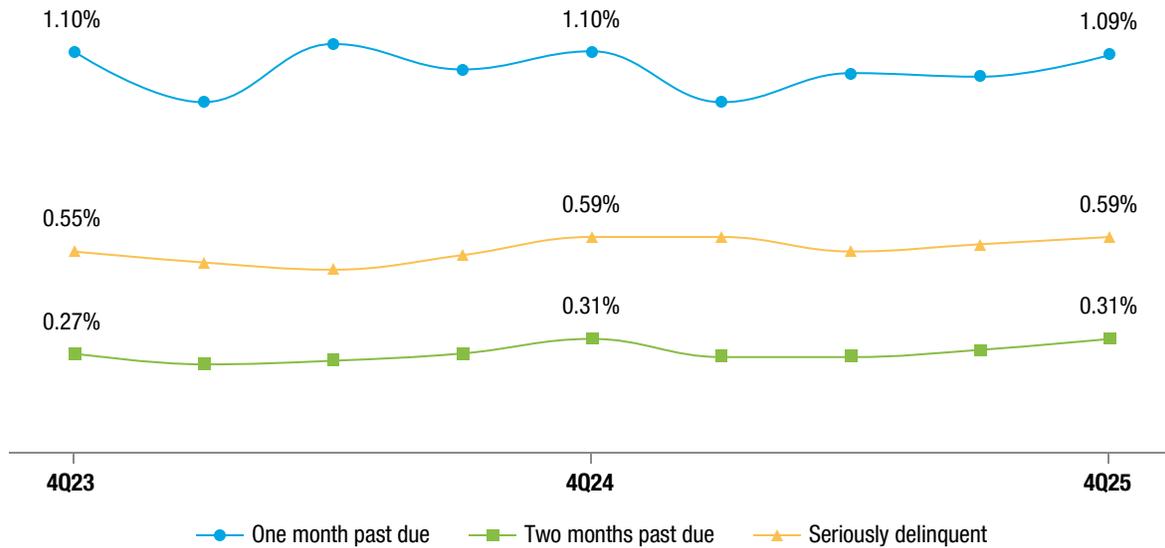
For additional information, see **Risk Factors - Credit Risks - We are exposed to increased credit losses and credit-related expenses in the event of a natural disaster or catastrophic event** and **Operational Risks - Natural disasters could adversely affect our business**.

**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 presents the delinquency rates of mortgage loans in our Single-Family mortgage portfolio.

**Single-Family Delinquency Rates**



The percentage of loans that were one month past due decreased as of December 31, 2025 compared to December 31, 2024 while the percentage of loans that were two months past due stayed flat as of December 31, 2025 compared to December 31, 2024. The percentage of loans one month past due can be volatile due to seasonality, whether the last day of the period falls on a weekend, and other factors that may not be indicative of default. As a result, the percentage of loans two months past due tends to be a better early performance indicator than the percentage of loans one month past due.

Our Single-Family serious delinquency rate stayed flat at 0.59% as of December 31, 2025 compared to December 31, 2024. See **Note 4** for additional information on the payment status of our single-family mortgage loans.

The longer a loan remains delinquent, the greater the associated costs we incur. Loans that remain delinquent for more than one year, and are not in active forbearance plans, are more challenging to resolve as many of these borrowers may not be in contact with the servicer, may not be eligible for loan modifications, or may determine that it is not economically beneficial for them to enter into a loan modification due to the amount of costs incurred on their behalf while the loan was delinquent. The table below presents the length of time loans in our Single-Family mortgage portfolio have been seriously delinquent.

**Table 30 - Seriously Delinquent Single-Family Loans**

(Dollars in millions)	December 31, 2025			December 31, 2024		
	UPB	Loan Count	% of Total <sup>(1)</sup>	UPB	Loan Count	% of Total <sup>(1)</sup>
<= 1 year	\$15,559	67,178	83 %	\$14,885	67,264	82 %
> 1 year and <= 2 years	2,418	10,649	13	2,136	10,250	12
> 2 years and <= 4 years	527	2,493	3	558	2,970	4
> 4 years	270	1,150	1	417	1,861	2
<b>Total</b>	<b>\$18,774</b>	<b>81,470</b>	<b>100 %</b>	<b>\$17,996</b>	<b>82,345</b>	<b>100 %</b>

(1) Based on loan count.

See **Note 4** for additional information on the payment status of our single-family mortgage loans.

## Loss Mitigation Activities

We offer a variety of borrower assistance programs. Servicers perform loss mitigation activities as well as foreclosures on loans that they service for us. Our loss mitigation strategy emphasizes early intervention by servicers in delinquent loans and offers alternatives to foreclosure by providing servicers with default management programs designed to manage delinquent loans and to assist borrowers in maintaining homeownership or facilitate foreclosure alternatives. FHFA has required, and could require in the future, that we make changes to our loss mitigation activities. For purposes of the disclosures below related to loss mitigation activities, we generally exclude loans for which we do not control servicing. See **Note 4** for additional information on our loss mitigation activities.

Our loan workouts include both home retention options and foreclosure alternatives.

### Loan Workout Activities

#### Home Retention Options

We require our servicers to attempt to establish contact with the borrowers to discuss the most appropriate options for delinquency resolution. When the contact is established, we require our servicers first to evaluate the loan for a forbearance plan, repayment plan, payment deferral plan, or loan modification, because our level of recovery on a loan that reperforms is often higher than for a loan that proceeds to a foreclosure alternative or foreclosure. Although workout options are often less costly than a foreclosure, we incur costs as a result of our loss mitigation activities. Specifically, payment deferral plans result in non-interest-bearing balances we have to finance for the life of the mortgage, resulting in economic costs to us. Additionally, we incur economic losses on loan modifications that involve an interest rate reduction or principal forbearance, and we incur expenses related to incentive fees we pay to servicers for certain successfully completed loan workouts.

We offer the following types of home retention options:

- **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 thus 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. 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.
- **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 earliest of the payoff date, maturity date, or sale or transfer 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.
- **Loan modifications** - 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 earliest of the payoff date, maturity date, or sale or transfer of the property. Our modification programs generally require completion of a trial period of at least three months prior to receiving the modification. If a borrower fails to complete the trial period, the loan is considered for our other workout activities. These modification programs offer certain terms to eligible borrowers, including extension of the loan's term up to 480 months and a fixed interest rate. Servicers are paid incentive fees for each completed modification, and there are limits on the number of times a loan may be modified. Our primary loan modification program is the Freddie Mac Flex Modification® program, which is designed to create a suitable payment reduction through payment delays, interest rate reduction, and term extension. Freddie Mac announced updates to the Flex Modification® program on May 29, 2024 and those updates went into effect with all new evaluations beginning December 1, 2024. These updates revised how payment delays, rate reductions, and term extensions are determined in order to create greater borrower eligibility and create greater consistency in suitable payment reduction percentages.

### Foreclosure Alternatives

When a seriously delinquent single-family loan cannot be resolved through an economically sensible home retention option, we typically seek to pursue a foreclosure alternative before we pursue a foreclosure sale. We pay servicers incentive fees for each completed foreclosure alternative. In some cases, we provide cash relocation assistance to the borrower, while allowing the borrower to exit the home in an orderly manner. We offer the following types of foreclosure alternatives:

- **Short sale** - The borrower sells the property for less than the total amount owed under the terms of the loan. A short sale is preferable for a borrower because we provide limited relief to the borrower from repaying the entire amount owed on the loan. A short sale allows us to avoid the costs we would otherwise incur to complete the foreclosure and subsequently sell the property.
- **Deed in lieu of foreclosure** - The borrower voluntarily agrees to transfer title of the property to us without going through formal foreclosure proceedings.

The table below provides details about the single-family loan workout activities that were completed during the periods presented.

**Table 31 - Single-Family Completed Loan Workout Activity**

(UPB in millions, loan count in thousands)	Year Ended December 31,					
	2025		2024		2023	
	UPB	Loan Count	UPB	Loan Count	UPB	Loan Count
Payment deferral plans	\$9,134	35	\$8,652	32	\$9,126	35
Loan modifications	9,786	35	6,318	25	4,956	22
Forbearance plans and other <sup>(1)</sup>	5,841	24	4,642	20	5,318	24
<b>Total</b>	<b>\$24,761</b>	<b>94</b>	<b>\$19,612</b>	<b>77</b>	<b>\$19,400</b>	<b>81</b>

(1) The forbearance data is limited to loans in forbearance that are past due based on the loans' original contractual terms and excludes 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. 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, finalized payment deferral plans, settled 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 year, such as forbearance plans that had been initiated but not completed and trial period modifications. There were approximately 21,000 loans in active forbearance plans and approximately 17,000 loans in other active loss mitigation activity as of December 31, 2025.

The table below contains credit characteristic data on our single-family modified loans.

**Table 32 - Credit Characteristics of Single-Family Modified Loans<sup>(1)</sup>**

(Dollars in millions)	December 31, 2025	December 31, 2024
UPB	\$33,661	\$29,730
Percent of portfolio	1 %	1 %
CLTV ratio	52	47
SDQ rate	7.67	7.26

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

The table below contains information about the payment performance of modified loans in our Single-Family mortgage portfolio, based on the number of loans that were current or paid off one year and, if applicable, two years after modification.

**Table 33 - Payment Performance of Single-Family Modified Loans<sup>(1)</sup>**

	Quarter of Loan Modification Completion							
	4Q 2024	3Q 2024	2Q 2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023
Current or paid off one year after modification:	63 %	65 %	66 %	66 %	66 %	68 %	73 %	73 %
Current or paid off two years after modification:	N/A	N/A	N/A	N/A	69	70	74	75

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

### Relief Refinance Program

We previously offered relief refinance programs for eligible homeowners whose loans we already owned or guaranteed to refinance with more favorable terms (such as reduction in payment, reduction in interest rate, or movement to a more stable loan product) and without the need to obtain additional mortgage insurance. These programs also provided liquidity for borrowers who were current on their mortgages but were unable to refinance because their LTV ratios exceeded our standard refinance limits. Our most recent relief refinance offering, the Enhanced Relief Refinance<sup>SM</sup> program, has been suspended until further notice. However, our Single-Family mortgage portfolio continues to include loans that we acquired under these programs in prior periods.

The following table includes information about the performance of our relief refinance mortgage portfolio.

**Table 34 - Single-Family Relief Refinance Loans**

(Dollars in millions)	December 31, 2025			December 31, 2024		
	UPB	Loan Count	SDQ Rate	UPB	Loan Count	SDQ Rate
Above 125% original LTV	\$4,496	40,421	0.72 %	\$5,111	44,151	0.78 %
Above 100% to 125% original LTV	8,566	77,119	0.71	9,837	84,958	0.76
Above 80% to 100% original LTV	14,725	146,459	0.59	16,983	162,335	0.66
80% and below original LTV	20,413	275,141	0.50	24,155	316,960	0.52
<b>Total</b>	<b>\$48,200</b>	<b>539,140</b>	<b>0.57</b>	<b>\$56,086</b>	<b>608,404</b>	<b>0.61</b>

## Foreclosure and REO

When we are unable to successfully execute a loan workout and the loan remains delinquent, we may ultimately pursue foreclosure. In a foreclosure, we may acquire the underlying property and later sell it, using the proceeds of the sale to reduce our losses. We typically acquire properties as a result of borrower defaults and subsequent foreclosures or deeds in lieu of foreclosure on loans that we own or guarantee. We evaluate the market for, and condition of, newly acquired REO properties, determine if repairs will be performed and manage such repairs, determine occupancy status and whether there are legal or other issues to be addressed, and determine our sale or disposition strategy. We monitor and adjust our REO repair and maintenance strategies based upon a number of factors including market conditions and regulatory requirements, which could increase our costs and extend the time needed to dispose of REO properties. When we sell REO properties, we typically provide an initial period where we consider offers by owner occupants and entities engaged in community stabilization activities before offers by investors. We also consider disposition strategies, such as auctions, as appropriate to improve collateral recoveries and/or when traditional sales strategies (i.e., marketing via Multiple Listing Service and a real estate agent) may not be as effective. Our management of REO properties is also governed by federal fair housing/fair lending requirements.

We are subject to various state and local laws that affect the foreclosure process. The pace and volume of REO acquisitions are affected not only by the delinquent loan population but also by when we can initiate the foreclosure process and the length of the process. These factors extend the time it takes for loans to be foreclosed upon and for the underlying properties to transition to REO.

The volume of our foreclosure sales, which include foreclosure sales that result in our acquisition of the underlying properties and third-party foreclosure sales, was approximately 5,000, 4,000, and 5,000 in 2025, 2024, and 2023, respectively.

The table below shows our Single-Family REO activity.

**Table 35 - Single-Family REO Activity**

(Dollars in millions)	Year Ended December 31,					
	2025		2024		2023	
	Number of Properties	Amount	Number of Properties	Amount	Number of Properties	Amount
Beginning balance - REO	2,324	\$388	2,499	\$354	2,218	\$280
Additions	2,813	555	2,223	379	2,600	363
Dispositions	(2,796)	(477)	(2,398)	(345)	(2,319)	(289)
<b>Ending balance - REO</b>	<b>2,341</b>	<b>466</b>	<b>2,324</b>	<b>388</b>	<b>2,499</b>	<b>354</b>
Beginning balance, valuation allowance		(9)		(3)		(2)
Change in valuation allowance		(27)		(6)		(1)
<b>Ending balance, valuation allowance</b>		<b>(36)</b>		<b>(9)</b>		<b>(3)</b>
<b>Ending balance - REO, net</b>		<b>\$430</b>		<b>\$379</b>		<b>\$351</b>

### Collateral Deficiency Ratios

Collateral deficiency ratios are the percentages of our realized losses when loans are resolved by the completion of REO dispositions and third-party foreclosure sales or short sales. Collateral deficiency ratios are calculated as the amount of our recognized losses divided by the aggregate UPB of the related loans. The amount of recognized losses is equal to the amount by which the UPB of the loans exceeds the amount of sales proceeds from disposition of the properties, net of capitalized repair and selling expenses, if applicable. Collateral deficiency excludes recoveries from credit enhancements and certain expenses and costs related to the foreclosure process that are recognized on our consolidated financial statements, such as property taxes, homeowner's insurance premiums, property maintenance costs, and the cost of funding the loans after they are repurchased from the associated security pool. Our overall loss severity is typically higher than the collateral deficiency when these items are included.

The table below presents Single-Family collateral deficiency ratios for REO dispositions and third-party foreclosure sales. We did not have a significant number of short sales in 2025.

**Table 36 - Single-Family Collateral Deficiency Ratios**

	Year Ended December 31,		
	2025	2024	2023
REO dispositions and third-party foreclosure sales <sup>(1)</sup>	5.5 %	(1.8)%	(5.2)%

(1) Negative ratios indicate that the amount of sales proceeds from disposition of the properties, net of capitalized repair and selling expenses, exceeded the UPB of the related loan.

### REO Property Status

A portion of our REO portfolio is unable to be marketed at any given time because the properties are occupied, involved in legal matters (e.g., bankruptcy or other litigation), or subject to a redemption period, which is a post-foreclosure period during which borrowers may reclaim a foreclosed property. Redemption periods increase the average holding period of our inventory by 10% or more. As of December 31, 2025, approximately 27% of our REO properties were unable to be marketed because the properties were occupied, located in states with a redemption period, or subject to other legal matters. Another 18% of the properties were being prepared for sale (i.e., valued, marketing strategies determined, and repaired). As of December 31, 2025, approximately 37% of our REO properties were listed and available for sale, and 18% of our inventory was pending the settlement of sales. Though it varied significantly by state, the average holding period of our single-family REO properties, excluding any redemption period, was 313 days and 345 days for our REO dispositions during 2025 and 2024, respectively.

## Multifamily Mortgage Credit Risk

We manage our exposure to multifamily mortgage credit risk, which is a type of commercial real estate credit risk, using the following principal strategies:

- Maintaining credit quality of new business activity through completing our own underwriting, credit, and legal review;
- Obtaining credit enhancements and transferring credit risk to third-party investors; and
- Managing our portfolio, including loss mitigation activities.

## Credit Quality of New Business Activity

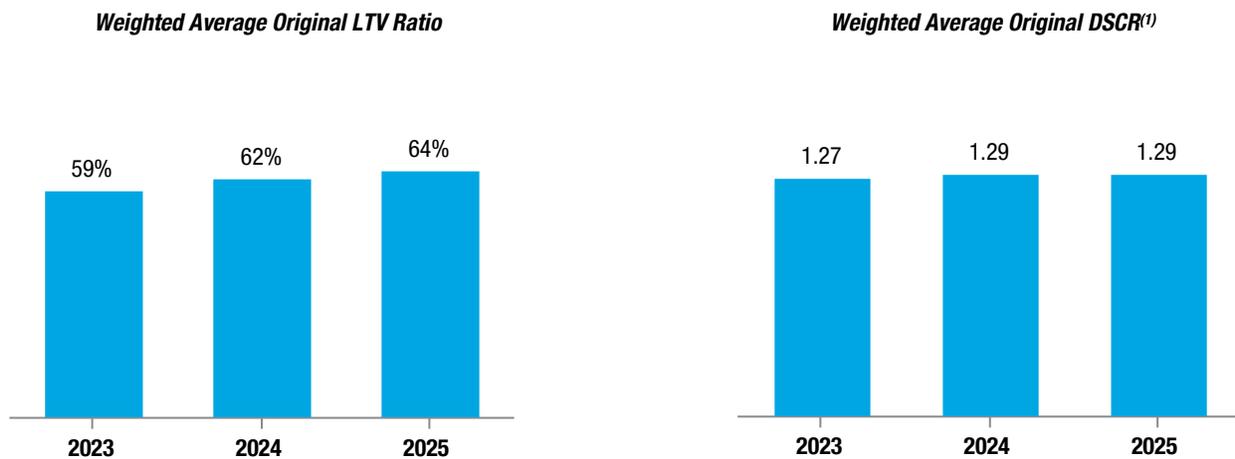
We use a prior-approval underwriting approach for multifamily loans, completing our own underwriting, credit review, and legal review for each new loan prior to issuing a loan purchase commitment. This helps us to maintain credit discipline throughout the process. Occasionally, we securitize loans or bonds contributed by third parties that are underwritten by us after origination. As multifamily loans are generally nonrecourse to the borrower, 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. A higher DSCR and/or a lower LTV indicates lower credit risk. Our standards define maximum LTV ratios and minimum DSCRs that vary based on the characteristics and features of the loan. Loans are generally underwritten with a maximum original LTV ratio of 80% and a DSCR of greater than 1.25, assuming monthly payments that reflect amortization of principal. However, certain loans may have a higher LTV ratio and/or a lower DSCR, typically when this will serve our mission and contribute to achieving our affordable housing goals.

Underwriting consideration is also given to qualitative factors, such as borrower experience and financial strength, the type and location of the property, and the strength of the local market. These and other factors, including the LTV ratio and DSCR, ultimately affect the amount of expected credit loss on a given loan. Sellers provide certain representations and warranties regarding the loans they sell to us and are required to repurchase loans or indemnify us when there has been a breach of representation or warranty. These representations and warranties are made as of the date the loan is sold to Freddie Mac, and unless Freddie Mac agrees to an exception to the representation and warranty at purchase, the repurchase remedy may be claimed upon proof of the breach. While there has been an increase in the volume of seller repurchase and indemnification activities attributable to breaches of seller representation and warranties, these activities have remained limited. However, the volume of these activities may increase in the future.

Multifamily loans may be amortizing or interest-only (for the full term or a portion thereof) and have a fixed or variable rate of interest. Multifamily loans generally amortize over a thirty-year period, but have shorter contractual maturity terms than single-family loans, typically ranging from five to ten years. As a result, most multifamily loans require a balloon payment at maturity, making a borrower's ability to refinance or pay off the loan at maturity a key attribute. Some borrowers may be unable to refinance during periods of high interest rates or adverse market conditions, increasing the likelihood of borrower default.

To reduce credit risk exposure to floating rate loans, we generally require borrowers to purchase interest rate caps to protect against large movements in interest rates. This underwriting requirement protects both the borrower and Freddie Mac as rising interest rates generally result in higher debt service payments and financing costs, thereby reducing net property cash flows. We generally require a minimum term two-year interest rate cap to be in place at origination with an escrow established for the cost to purchase replacement caps through the maturity of the loan. Replacing a required interest rate cap, especially one with a longer term and/or lower strike rate, becomes more expensive in volatile and rising interest rate environments. The cost of interest rate caps has risen significantly in recent years and while there is no guarantee that this escrow will be sufficient to purchase the required replacement cap, the escrow amount is reevaluated every six months to help reduce the risk that there are inadequate funds available to purchase a replacement cap.

The charts below provide the weighted average original LTV ratio and original DSCR for our new business activity.



(1) Assumes monthly payments that reflect amortization of principal.

The table below presents the percentage of our Multifamily new business activity that had certain characteristics that may be considered higher risk.

**Table 37 - Percentage of Multifamily New Business Activity With Higher Risk Characteristics**

	Year Ended December 31,		
	2025	2024	2023
Original LTV ratio greater than 80%	— %	1 %	1 %
Original DSCR less than or equal to 1.10	2	2	5

## Credit Enhancements

### Types of Credit Enhancements

In connection with the acquisition, guarantee, and/or securitization of a loan or group of loans, we may obtain various forms of credit protection that reduce our credit risk exposure to the underlying mortgage borrower and reduce our required capital. For example, at the time of loan acquisition or guarantee, we may obtain recourse and/or indemnification protection from our lenders or sellers. After acquisition, we reduce our credit risk exposure to the underlying borrower through our senior subordinate securitizations and our MCIP and MSCR notes. The timing of our MCIP and MSCR notes transactions can vary as we aggregate adequately sized reference pools to execute transactions.

Historically, we transferred credit risk to third parties primarily through subordination, which is created through our securitization products. With the recent business strategy change to focus primarily on issuing fully guaranteed securitization transactions, we have shifted our approach to primarily using MCIP and MSCR notes to transfer credit risk. In determining the nature and extent of our credit enhancement activities, we consider a number of factors, including the degree of regulatory capital relief provided by a transaction, our risk appetite, the cost of CRT transactions, and our internal view of future multifamily market conditions.

- **MCIP** - Insurance coverage underwritten by a group of insurers and/or reinsurers that generally provides mezzanine loss credit protection. These transactions are similar in structure to ACIS contracts purchased in Single-Family, except the reference pool may include bonds for which we provided credit enhancement, in addition to loans, underlying our other mortgage-related guarantees. When specific credit events occur, we receive compensation from the insurance policy up to an aggregate limit based on actual losses. We require our counterparties to partially collateralize their exposure to reduce the risk that we will not be reimbursed for our claims under the policies.
- **MSCR notes** - A securities-based credit risk sharing vehicle similar to STACR Trust notes in Single-Family. In a MSCR notes transaction, we create a reference pool of loans from our Multifamily mortgage portfolio and a trust issues notes linked to the reference pool. The trust makes periodic payments of principal and interest on the notes to noteholders, but is not required to repay principal to the extent the note balance is reduced as a result of specified credit events on the mortgage loans in the reference pool. We make payments to the trust to support the interest due on the notes. The amount of risk transferred in each transaction affects the amounts we are required to pay. We receive payments from the trust that otherwise would have been made to the noteholders to the extent that a defined credit event occurs on the mortgage loans in the reference pool. The note balance is reduced by any payments made to us, thereby transferring the related credit risk of the loans in the reference pool to the noteholders. Generally, the note balance is also reduced based on principal payments that occur on the loans in the reference pool.

In a typical MCIP or MSCR notes transaction, we transfer to third-party investors a portion of the credit risk between a specified attachment point and a detachment point which may vary based on numerous factors, such as the type of collateral and market conditions. We generally retain the initial loss position and at least 5% of the credit risk of all the positions sold to align our interests with those of the investors.

In addition to these CRT products, we may engage in whole loan sales to eliminate our interest-rate risk, liquidity risk, and credit risk exposure to certain loans.

### Multifamily Mortgage Portfolio CRT Issuance

The table below provides the UPB of the multifamily mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions upon issuance. We evaluate and update our risk transfer strategy as needed depending on our business strategy, market conditions, and regulatory requirements.

**Table 38 - Multifamily Mortgage Portfolio CRT Issuance**

(In millions)	Year Ended December 31,					
	2025		2024		2023	
	UPB	Maximum Coverage <sup>(1)</sup>	UPB	Maximum Coverage <sup>(1)</sup>	UPB	Maximum Coverage <sup>(1)</sup>
Subordination	\$16,905	\$1,090	\$27,873	\$1,670	\$34,034	\$2,250
MSCR	42,899	837	17,504	412	17,026	407
MCIP	42,899	848	33,243	703	15,860	340
Lender risk-sharing	1,001	107	1,081	119	808	104
Less: UPB with more than one type of CRT	(42,899)	—	(33,243)	—	(15,860)	—
<b>Total CRT issuance</b>	<b>\$60,805</b>	<b>\$2,882</b>	<b>\$46,458</b>	<b>\$2,904</b>	<b>\$51,868</b>	<b>\$3,101</b>

(1) The credit risk positions to which the maximum coverage applies may vary on a transaction-by-transaction basis.

### Multifamily Mortgage Portfolio Credit Enhancement Coverage Outstanding

While subordination continues to be the primary form of credit enhancement coverage on our mortgage portfolio, we have shifted away from subordination being the primary credit enhancement type for new business activities due to our business strategy change to focus primarily on issuing fully guaranteed securitizations. For new business activities during 2025, we have primarily obtained credit enhancement coverage through our MCIP and MSCR notes. We typically retain more credit risk in a MCIP or MSCR note transaction compared to a senior subordinate securitization transaction. As a result, we expect the amount of credit risk that we retain to increase in future periods due to the change in our business strategy.

We also have various other credit enhancements in the form of collateral posting requirements, pool insurance, bond insurance, loss sharing agreements, and other similar arrangements.

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

**Table 39 - Credit-Enhanced and Non-Credit-Enhanced Loans Underlying Our Multifamily Mortgage Portfolio**

(Dollars in millions)	December 31,			
	2025		2024	
	UPB	Delinquency Rate	UPB	Delinquency Rate
Credit-enhanced:				
Subordination <sup>(1)</sup>	\$329,709	0.56 %	\$352,566	0.45 %
MSCR/MCIP	102,444	0.24	62,870	0.25
Other	8,903	0.39	9,737	0.82
<b>Total credit-enhanced</b>	<b>441,056</b>	<b>0.48</b>	<b>425,173</b>	<b>0.43</b>
Non-credit-enhanced	54,779	0.13	41,462	0.15
<b>Total</b>	<b>\$495,835</b>	<b>0.44</b>	<b>\$466,635</b>	<b>0.40</b>

(1) As of December 31, 2025 and December 31, 2024, our maximum coverage outstanding provided by subordination in nonconsolidated VIEs was \$33.2 billion and \$37.4 billion, respectively.

The Multifamily delinquency rate was 0.44% at December 31, 2025. As of December 31, 2025, 97% of the delinquent loans in the Multifamily mortgage portfolio have credit enhancement coverage.

### Credit Enhancement Recoveries

Our expected recovery receivable from freestanding credit enhancements was \$0.1 billion as of both December 31, 2025 and December 31, 2024. These amounts are included in other assets on our consolidated balance sheets. See **Note 3** and **Note 6** for additional information on accounting for credit enhancements.

## Managing Our Portfolio, Including Loss Mitigation Activities

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Freddie Mac oversees the financial performance and physical condition of our multifamily mortgage portfolio throughout the life of each loan to identify, monitor, and mitigate risks that could adversely affect loan performance or asset value.

We are exposed to mortgage credit risk through our ownership or guarantee of loans in our multifamily mortgage portfolio. Our primary mortgage credit risk exposure stems from on-balance sheet loans (i.e., unsecuritized loans and consolidated loans underlying our fully guaranteed securitizations) and certain guarantees for which we have first loss exposure. Secondly, we have potential exposure on loans we guarantee where there is first loss credit protection, though this exposure is significantly mitigated.

For the on-balance sheet loans and certain guarantees for which we have first loss exposure, we utilize surveillance and risk management practices to monitor a variety of risk factors. These include declining property cash flow, low occupancy, poor property condition, reduced property value, irregular payment history, increased borrower concerns, market or local regulatory environment, negative news alerts, and insufficient credit enhancement coverage. Loans that exhibit one or more of the above risk factors may be subject to enhanced risk management practices which may include monthly servicer updates and comprehensive quarterly reviews of financial performance, occupancy, property condition, borrower strength, and market developments.

If risks related to balance sheet loans are sufficiently elevated, these loans are transferred to our Asset Resolution team who regularly engages with servicers and borrowers to develop tailored loss mitigation plans. In certain cases, we may take ownership of the troubled assets through the REO process. While the incidence of multifamily loan modifications and workouts has historically been low, we have observed an increase in loans potentially requiring loss mitigation. We anticipate that modification and other workout activities may increase in the future as we continue to manage evolving portfolio risks.

For guarantees where we have first loss credit protection provided by securitizations with subordination, we generally perform a narrower scope of surveillance activities, as surveillance is formally the responsibility of the master servicer of the securitization, but we still maintain oversight as guarantor. Our ability to influence loss mitigation decisions in securitizations with subordination are typically constrained, as these decisions are generally directed by third-party special servicers, subject to the consent of the most subordinate security investor who is subject to first loss.

### **REO Activity**

We had two REO properties with a carrying value of \$13 million and four REO properties with a carrying value of \$35 million as of December 31, 2025 and December 31, 2024, respectively.

### **Geographic Concentrations**

Numerous factors affect the credit risk related to multifamily borrowers, including effective rents paid and capitalization rates for the mortgaged property. Effective rents paid vary among geographic regions of the United States. Geographic concentrations may increase the exposure of our portfolio to credit risk, as regional economic conditions may affect a multifamily borrower's ability to repay and the underlying property value. See **Note 15** for additional information about the geographic distribution of our Multifamily mortgage portfolio.

### **Natural Disaster Risk Management**

Natural disasters in areas where we own or guarantee mortgage loans expose us to credit risk by damaging properties that secure loans in our mortgage portfolio and by negatively impacting the ability of borrowers to make payments on mortgage loans.

For multifamily mortgages, we have insurance requirements to address catastrophic risks for properties. Seller/servicers are required to determine whether any buildings at multifamily properties are located in SFHAs and to confirm flood insurance is in place and complies with federal government and Freddie Mac requirements throughout the life of the mortgage. In addition, we require property insurance to cover earthquake damage indicated by results of a seismic risk assessment. Insurance for all relevant perils is required to cover building replacement cost as well as to cover business income rental value. If a multifamily borrower fails to maintain required insurance, servicers must directly place required coverage. We confirm insurance compliance prior to loan purchase during the underwriting process. We also review insurance compliance post-purchase and prior to securitization and require our seller/servicers to report details of insurance compliance annually. Our Multifamily business uses property surveys, virtual maps, and environmental and property condition reports to identify properties that are potentially at higher risk for natural disasters.

For additional information, see **Risk Factors - Credit Risks - We are exposed to increased credit losses and credit-related expenses in the event of a natural disaster or catastrophic event** and **Operational Risks - Natural disasters could adversely affect our business**.

## Counterparty Credit Risk

We are exposed to counterparty credit risk as a result of our contracts with sellers and servicers, credit enhancement providers, financial intermediaries, clearinghouses, and other counterparties, as well as through our guarantees of Fannie Mae securities underlying commingled resecuritization transactions. We primarily manage our exposure to counterparty credit risk by maintaining eligibility standards, evaluating creditworthiness and monitoring performance, and working with underperforming counterparties and limiting our losses from their nonperformance of obligations, when possible.

In the sections below, we discuss our management of counterparty credit risk for each type of counterparty to which we have significant exposure.

### Single-Family Sellers and Servicers

In our Single-Family business, we do not originate mortgage loans or have our own loan servicing operation. Instead, we purchase loans from sellers and engage servicers, which perform loan servicing functions on our behalf. We establish underwriting and servicing standards for our sellers and servicers to follow and have contractual arrangements with them under which they represent and warrant that the loans they sell to us meet our standards and that they will service loans in accordance with our standards. We acquire a significant portion of our single-family loan purchase volume from several large lenders, and a large percentage of our loans are also serviced by several large servicers. If our sellers or servicers lack appropriate controls, experience a failure in their controls, or experience an operational disruption, including as a result of cybersecurity incidents, legal or regulatory actions, or financial difficulties, we could experience a decline in mortgage servicing quality and/or be less likely to recover losses through lender repurchases, recourse agreements, or other credit enhancements, where applicable. We are also exposed to the settlement risk from the non-performance of single-family sellers as a result of our forward settlement loan purchase programs, as discussed in the **Financial Intermediaries, Clearinghouses, and Other Counterparties - Forward Settlement Counterparties** section below.

For our mortgage-related securities, we guarantee the payment of principal and interest, and when the underlying borrowers do not make their mortgage payments, our Guide generally requires Single-Family servicers to advance the missed mortgage interest payments for up to 120 days. After this time, Freddie Mac will make the missed mortgage principal and interest payments until the mortgages are no longer held by the securitization trust.

In addition, when borrowers do not pay certain other expenses, such as property taxes and homeowner's insurance premiums, our Guide generally requires single-family servicers to advance the funds for these expenses in order to protect or preserve our interest in or legal right to the properties. These advances are ultimately collectible from the borrowers. If the borrowers reperform through loan workout activities, the missed payments and incurred expenses will be collected from the borrowers. Should the borrower not reinstate the loan, we will reimburse the servicer for the advanced amounts at completion of foreclosure or loan workout activities.

Our eligibility standards for sellers and servicers require the following: a demonstrated operating history in residential mortgage origination and servicing, or an eligible agent acceptable to us; a quality control program that meets our standards; and sufficient net worth, capital, liquidity, and funding sources, as well as adequate insurance coverage. We perform ongoing monitoring and review of our exposure to individual sellers or servicers in accordance with our counterparty credit risk management practices, including requiring our counterparties to provide regular financial reporting to us. We also monitor and rate our sellers and servicers' compliance with our standards and periodically review their operational processes.

We actively manage the current quality of loan originations of our largest single-family sellers by performing loan quality control sampling reviews and communicating loan defect rates and the causes of those defects to such sellers on a monthly basis. If we discover that the representations or warranties related to a loan were breached (i.e., that contractual standards were not followed), we can exercise certain contractual remedies to mitigate our actual or potential credit losses. If necessary, we work with these sellers to develop an appropriate plan of corrective action.

We use a variety of tools and techniques to engage our single-family sellers and servicers and limit our losses, including the following:

- **Repurchases and other remedies** - For certain violations of our single-family selling or servicing policies, we may require the counterparty to repurchase loans or provide alternative remedies, such as reimbursement of realized losses or indemnification, and/or suspend or terminate the selling and servicing relationship, in addition to pursuing other remedies as may be appropriate. As of December 31, 2025 and December 31, 2024, the UPB of loans subject to repurchase requests issued to our single-family sellers and servicers was approximately \$0.4 billion and \$0.6 billion, respectively. See **Note 15** for additional information about loans subject to repurchase requests.
- **Incentives and compensatory fees** - We pay various incentives to single-family servicers for completing workouts of problem loans. We also assess compensatory fees if single-family servicers do not achieve certain benchmarks with respect to servicing delinquent loans.

- **Servicing transfers** - From time to time, we may facilitate the transfer of servicing as a result of poor servicer performance, or for certain groups of single-family loans that are delinquent or are deemed at risk of default, to servicers that we believe have the capabilities and resources necessary to improve the loss mitigation associated with the loans. We may also facilitate the transfer of servicing on loans at the request of the servicer.

We may disqualify or suspend a seller or servicer with or without cause at any time. Once a seller or servicer is disqualified or suspended, we no longer purchase loans from that counterparty and generally no longer allow that counterparty to service additional loans for us, while seeking to transfer servicing of existing portfolios.

### **Non-depository Sellers and Servicers**

We have significant exposure to non-depository institutions in our Single-Family business. We acquire a large portion of our business from non-depository institutions, and some of these non-depository institutions service a large share of our loans. These institutions may not have the same financial strength or operational capacity, or be subject to the same level of regulatory oversight, as large depository institutions. We monitor and review the financial stability of our non-depository counterparties. However, if these counterparties experience financial difficulty, we could see a decline in mortgage servicing quality and/or be less likely to recover losses. In 2026, we expect the risk from non-depository counterparties to remain elevated, and possibly increase, due to continuing difficult operating conditions.

The table below summarizes the concentration of our Single-Family mortgage purchases acquired from non-depository sellers.

**Table 40 - Single-Family Mortgage Purchases from Non-Depository Sellers**

	2025	2024
	% of Purchases	% of Purchases
Top five non-depository sellers	46 %	42 %
Other non-depository sellers	34	36
<b>Total</b>	<b>80 %</b>	<b>78 %</b>

The table below summarizes the concentration of non-depository servicers of our Single-Family mortgage portfolio based on the volume of servicing operationally performed.

**Table 41 - Single-Family Mortgage Portfolio Non-Depository Servicers**

	December 31, 2025		December 31, 2024	
	% of Portfolio <sup>(1)</sup>	% of Seriously Delinquent Single-Family Loans	% of Portfolio <sup>(1)</sup>	% of Seriously Delinquent Single-Family Loans
Top five non-depository servicers	41 %	38 %	37 %	40 %
Other non-depository servicers	18	30	18	28
<b>Total</b>	<b>59 %</b>	<b>68 %</b>	<b>55 %</b>	<b>68 %</b>

(1) Excludes loans for which we do not exercise control over the associated servicing.

## Multifamily Sellers and Servicers

We acquire a significant portion of our multifamily loan purchase volume from several large lenders, and a large percentage of our loans are also serviced by several large servicers. We are exposed to the risk that multifamily sellers and servicers could come under financial stress, which could potentially cause degradation in the quality of the servicing they provide us, including their monitoring of each property's financial performance and physical condition. This could also, in certain cases, reduce the likelihood that we could recover losses through lender repurchases, recourse agreements, or other credit enhancements, where applicable. This risk primarily relates to multifamily loans that we hold on our consolidated balance sheets where we retain all of the related credit risk.

The majority of our multifamily loans are securitized using trusts that are administered by master servicers who bear responsibility to advance funds in the event of payment shortfalls, including principal and interest payments related to loans in forbearance. We typically transfer the role of master servicer in our senior subordinate K Certificate transactions to third parties, but retain that role in our fully guaranteed K Certificate transactions and certain other securitization products. For the majority of our K Certificate transactions, we utilize one of three large depository institutions as master servicer. In instances where payment shortfalls occur, the master servicer is required to make advances as long as such advances have not been deemed non-recoverable. For multifamily loans purchased and held in our mortgage-related investments portfolio, the primary servicers are not required to advance funds in the event of payment shortfalls and therefore do not present significant counterparty credit risk from this source.

On May 30, 2025, Fitch Ratings revised the Ratings Outlook of Freddie Mac's Multifamily division commercial master servicer rating of CMS1 and commercial special servicer ratings of CSS1- to Negative from Stable. On October 6, 2025, Fitch Ratings revised the Ratings Outlook for both ratings to Stable from Negative.

## Credit Enhancement Providers

We have exposure to credit enhancement providers through certain credit enhancements we obtain. If any of our credit enhancement providers fail to fulfill their obligations, we may not receive reimbursement for credit losses to which we are contractually entitled pursuant to our credit enhancements.

We maintain eligibility standards for mortgage insurers and other insurers and reinsurers. For mortgage insurers, our eligibility requirements include financial requirements determined using a risk-based framework and are designed to promote their ability to provide consistent liquidity throughout the mortgage cycle. Our mortgage insurers are required to submit audited financial information and certify compliance with the PMIERS on an annual basis. Our eligibility requirements also include operational requirements.

During 3Q 2024, Freddie Mac, in coordination with FHFA and in alignment with Fannie Mae, issued updates to the PMIERS. The updates to PMIERS relate to the standards for available assets held by mortgage insurers to pay claims to ensure that these assets are high quality, highly liquid, and readily available when needed. The updated standards differentiate between bonds based on credit quality and liquidity, and also establish limits for assets backed by residential mortgages or commercial real estate, to mitigate the impact if such assets lose value during periods of housing stress. The updates have been and will continue to be implemented over an approximately two-year period using a phased-in approach and are expected to be fully effective on September 30, 2026.

We monitor our exposure to individual insurers by performing periodic analysis of the ability of each insurer to remain solvent under various adverse economic conditions. Monitoring performance and potentially identifying underperformance allows us to plan for loss mitigation. If our credit enhancement providers fail to meet their obligations to reimburse us for claims, we could experience an increase in credit losses.

### Primary Mortgage Insurers

We currently cannot differentiate pricing for primary mortgage insurers based on counterparty strength or revoke a primary mortgage insurer's status as an eligible insurer without FHFA approval. Further, we generally do not select the insurance provider on a specific loan, because the selection is made by the lender at the time the loan is originated. Accordingly, we are limited in our ability to manage our concentration risk with respect to primary mortgage insurers. Although the financial condition of our mortgage insurers improved in recent years, there is still a risk that some of these counterparties may fail to fully meet their obligations under a stress economic scenario because they are monoline entities primarily exposed to mortgage credit risk. We continue to acquire new loans with mortgage insurance from the mortgage insurers shown in the table below. For additional information about counterparty credit risk associated with mortgage insurers, see **Note 15**.

The table below summarizes our exposure to single-family mortgage insurers as of December 31, 2025. In the event a mortgage insurer fails to perform, the coverage amounts represent our maximum exposure to credit losses resulting from such a failure.

**Table 42 - Single-Family Primary Mortgage Insurers**

(In millions)	December 31, 2025		December 31, 2024	
	UPB	Coverage <sup>(1)</sup>	UPB	Coverage <sup>(1)</sup>
Radian Guaranty Inc. (Radian)	\$120,419	\$31,756	\$116,412	\$30,308
Mortgage Guaranty Insurance Corporation (MGIC)	119,247	32,063	115,146	30,792
Essent Guaranty, Inc.	116,213	31,739	110,180	29,982
Enact	111,004	29,095	107,583	28,013
Arch Mortgage Insurance Company	109,554	28,914	109,869	29,086
National Mortgage Insurance (NMI)	102,663	27,477	96,762	25,770
Others	1,850	418	2,152	494
<b>Total</b>	<b>\$680,950</b>	<b>\$181,462</b>	<b>\$658,104</b>	<b>\$174,445</b>

(1) Coverage amounts exclude coverage primarily related to certain loans for which we do not control servicing, and may include coverage provided by consolidated affiliates and subsidiaries of the counterparty.

### ACIS Counterparties

As part of our ACIS transactions, we regularly obtain insurance coverage from global insurers and reinsurers. These transactions incorporate features designed to increase the likelihood that we will recover on the claims we file with the insurers and reinsurers. In each transaction, we require the individual insurers and reinsurers to post collateral to cover portions of their exposure, which helps to promote certainty and timeliness of claim payment. In addition, while private mortgage insurance companies are required to be monoline (i.e., to participate solely in the mortgage insurance business, although the holding company may be a diversified insurer), our insurers and reinsurers generally participate in multiple types of insurance businesses, which helps to diversify their risk exposure.

The table below displays the concentration of our single-family credit risk exposure to our ACIS counterparties.

**Table 43 - Single-Family ACIS Counterparties**

(In millions)	December 31, 2025		December 31, 2024	
	Maximum Coverage <sup>(1)</sup>	% of Total	Maximum Coverage <sup>(1)</sup>	% of Total
Top five ACIS counterparties	\$6,948	46 %	\$8,156	50 %
All other ACIS counterparties	8,133	54	8,318	50
<b>Total</b>	<b>\$15,081</b>	<b>100 %</b>	<b>\$16,474</b>	<b>100 %</b>

(1) Represents maximum coverage exclusive of the collateral posted to secure the counterparties' obligations.

As of December 31, 2025 and December 31, 2024, our ACIS counterparties posted collateral, which may include cash, U.S. Treasury securities, and agency securities, of \$3.5 billion and \$3.7 billion, respectively. There is a possibility that, if our ACIS counterparties become insolvent, a third-party involved in the restructure process could cancel a contract or contracts and prevent us from accessing collateral for future claims despite current collateral provisions.

### **MCIP Counterparties**

We also regularly obtain insurance coverage from global insurers and reinsurers as part of our MCIP transactions. When specific credit events occur, we receive compensation from the insurance policy up to an aggregate limit based on actual losses. We require our counterparties to partially collateralize their exposure to reduce the risk that we will not be reimbursed for our claims under the policies. Our maximum coverage exposure to MCIP counterparties was \$2.3 billion and \$1.6 billion as of December 31, 2025 and December 31, 2024, respectively. Our top five MCIP counterparties represented 58% and 65% of the total maximum exposure at December 31, 2025 and December 31, 2024, respectively.

As of December 31, 2025 and December 31, 2024, our MCIP counterparties posted collateral, which may include cash, U.S. Treasury securities, and agency securities, of \$0.4 billion and \$0.3 billion, respectively. There is a possibility that, if our MCIP counterparties become insolvent, a third-party involved in the restructure process could cancel a contract or contracts and prevent us from accessing collateral for future claims despite current collateral provisions.

## Financial Intermediaries, Clearinghouses, and Other Counterparties

### **Derivative Counterparties**

We use cleared derivatives, exchange-traded derivatives, OTC derivatives, and forward sales and purchase commitments to mitigate risk, and are exposed to the non-performance of each of the related financial intermediaries, clearinghouses, and individual counterparties. Our financial intermediaries and clearinghouse credit exposure relates principally to interest-rate derivative contracts. We maintain internal standards for approving new derivative counterparties, clearinghouses, and clearing members.

Cleared and exchange-traded derivatives expose us to counterparty credit risk of central clearinghouses and our clearing members. The use of cleared and exchange-traded derivatives mitigates our counterparty credit risk exposure to individual counterparties because a central counterparty is substituted for individual counterparties, and changes in the value of open contracts are settled daily via payments made through the clearinghouse. We are required to post initial and variation margin to the clearinghouses. The amount of initial margin we must post for cleared and exchange-traded derivatives may be based, in part, on S&P or Moody's credit rating of our long-term senior unsecured debt securities. Our obligation to post margin may increase as a result of the lowering or withdrawal of our credit rating by S&P or Moody's.

OTC derivatives expose us to counterparty credit risk of individual counterparties because these transactions are executed and settled directly between us and each counterparty, exposing us to potential losses if a counterparty fails to meet its contractual obligations. When a counterparty in OTC derivatives that is subject to a master netting agreement has a net obligation to us, generally, the counterparty is obligated to deliver collateral in the form of cash, securities, or a combination of both, to satisfy its obligation to us under the master netting agreement. Our OTC derivatives also require us to post collateral to counterparties when we are in a derivative liability position. See **Note 9** for additional information on our collateral posting for our OTC derivatives.

We also execute forward purchase and sale commitments of mortgage-related securities, that are treated as derivatives for accounting purposes and utilize the MBSD/FICC as a clearinghouse. As a clearing member of the clearinghouse, we post margin to the MBSD/FICC and are exposed to the counterparty credit risk of the organization. In the event a clearing member fails and causes losses to the MBSD/FICC, we could be subject to the loss of the margin that we have posted to the MBSD/FICC. Moreover, our exposure could exceed the amount of margin we have posted to the MBSD/FICC, as clearing members are generally required to cover losses caused by defaulting members on a pro rata basis. As of December 31, 2025, the gross fair value of such forward purchase and sale commitments that were in derivative asset positions was \$21 million.

Over time, our exposure to derivative counterparties varies depending on changes in fair values, which are affected by changes

in interest rates and other factors. Due to risk limits with certain counterparties, we may be forced to execute transactions with lower returns with other counterparties when managing our interest-rate risk. We manage our exposure through master netting and collateral agreements and stress-testing to evaluate potential exposure under possible adverse market scenarios. Collateral is typically transferred within one business day based on the values of the related derivatives. We regularly review the market values of the securities pledged to us, primarily agency and U.S. Treasury securities, to manage our exposure to loss. We conduct additional reviews of our exposure when market conditions dictate or certain events affecting an individual counterparty occur. When non-cash collateral is posted to us, we require collateral in excess of our exposure to satisfy the net obligation to us in accordance with the counterparty agreement.

In the event a counterparty defaults, our economic loss may be higher than the uncollateralized exposure of our derivatives if we are not able to replace the defaulted derivatives in a timely and cost-effective fashion (e.g., due to a significant interest rate movement during the period or other factors). We could also incur economic losses if non-cash collateral posted to us by the defaulting counterparty cannot be liquidated at prices that are sufficient to recover the amount of such exposure.

The table below compares the gross fair value of our derivative asset positions after counterparty netting with our net exposure to these positions after considering cash and non-cash collateral held.

**Table 44 - Derivative Counterparty Credit Exposure**

(Dollars in millions)	December 31, 2025		
	Number of Counterparties	Fair Value - Gain Positions	Fair Value - Gain Positions, Net of Collateral
OTC interest-rate swap and swaption counterparties (by rating):			
AA- or above	2	\$255	\$20
A+, A, or A-	13	1,994	8
Cleared and exchange-traded derivatives	2	77	161
<b>Total</b>	<b>17</b>	<b>\$2,326</b>	<b>\$189</b>

Approximately 99% of our exposure at fair value for OTC interest-rate swap and option-based derivatives, excluding amounts related to our posting of cash collateral in excess of our derivative liability determined at the counterparty level, was collateralized at December 31, 2025. The remaining exposure was generally due to market movements between the measurement of a derivative at fair value and our receipt of the related collateral. The concentration of our derivative exposure among our primary OTC derivative counterparties remains high and could further increase.

#### **Other Investments Counterparties**

We are exposed to the non-performance of institutions relating to other investments (including non-mortgage-related securities and cash and cash equivalents) transactions, including those entered into on behalf of our securitization trusts. Our policies require that the institution be evaluated using our internal rating model prior to our entering into such transactions. We monitor the financial strength of these institutions and may use collateral maintenance requirements to manage our exposure to individual counterparties.

The major financial institutions with which we transact regarding our other investments (including non-mortgage-related securities and cash and cash equivalents) include other GSEs, Treasury, the Federal Reserve Bank of New York, GSD/FICC, highly-rated supranational institutions, depository and non-depository institutions, brokers and dealers, and government money market funds. For additional information on our other investments portfolio, see **MD&A - Liquidity and Capital Resources**.

We utilize the GSD/FICC as a clearinghouse to transact many of our trades involving securities purchased under agreements to resell, securities sold under agreements to repurchase, and other non-mortgage related securities. As a clearing member of GSD/FICC, we are required to post initial and variation margin payments and are exposed to the counterparty credit risk of GSD/FICC (including its clearing members). In the event a clearing member fails and causes losses to the GSD/FICC clearing system, we could be subject to the loss of the margin that we have posted to the GSD/FICC. Moreover, our exposure could exceed that amount, as members are generally required to cover losses caused by defaulting members on a pro rata basis.

As part of our other investments portfolio, we enter into secured lending arrangements to provide financing for certain Freddie Mac securities and other assets related to our guarantee businesses. These transactions differ from those we use for liquidity purposes, as the borrowers may not be major financial institutions, potentially exposing us to the institutional credit risk of these institutions. We also provide liquidity to certain lenders through our early funding programs, where we advance funds to lenders for mortgage loans prior to the loans being pooled and securitized. In some cases, the early funded mortgages are ultimately delivered through cash window purchase transactions.

### Forward Settlement Counterparties

We are exposed to the non-performance (settlement risk) of counterparties relating to the forward settlement of loans and securities (including agency debt, agency residential mortgage-backed securities, and cash window loans). Our policies require that the counterparty be evaluated using our internal counterparty rating model prior to our entering into such transactions. We monitor the financial strength of these counterparties and may use collateral maintenance requirements or offsetting transactions to manage our exposure to individual counterparties.

### Fannie Mae

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We have counterparty credit risk exposure to Fannie Mae through our 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. If Fannie Mae were to fail to make a payment on a Fannie Mae security that we resecuritized, we would be responsible for making the payment to the securities holders. We will be dependent on FHFA, Fannie Mae, and Treasury (pursuant to Fannie Mae's and our respective Purchase Agreements with Treasury) to avoid a liquidity event or default in the event of a payment failure by Fannie Mae. For additional information on commingled resecuritizations and the associated risks, see **MD&A - Our Business Segments - Single-Family** and **Risk Factors**.

### Document Custodians

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We use third-party document custodians to provide loan document certification and custody services for the loans that we purchase and securitize. In many cases, our sellers and servicers or their affiliates also serve as document custodians for us. Our ownership rights to the loans that we own or that back our securitization products could be challenged if a seller or servicer intentionally or negligently pledges, sells, or fails to obtain a release of prior liens on the loans that we purchased, which could result in financial losses to us. When a seller or servicer, or one of its affiliates, acts as a document custodian for us, the risk that our ownership interest in the loans may be adversely affected is increased, particularly in the event the seller or servicer were to become insolvent. To manage these risks, we establish qualifying standards for our document custodians and maintain legal and contractual arrangements that identify our ownership interest in the loans. We also monitor the financial strength of our document custodians on an ongoing basis in accordance with our counterparty credit risk management framework, and we require transfer of documents to a different third-party document custodian if we have concerns about the solvency or competency of the document custodian.

### Custodial Depository Institutions

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We require our mortgage servicers to open and use custodial accounts at an FDIC- or NCUSIF-insured depository institution to hold, on our behalf, custodial funds, including principal and interest payments, received for Freddie Mac-owned and Freddie Mac guaranteed mortgages. As a result, the failure of a custodial depository institution holding such funds may expose Freddie Mac to financial losses if the account balances are in excess of applicable deposit insurance protection and impacted servicers are unable or unwilling to cover the shortfall. To manage this risk, the Guide requires Freddie Mac servicers to utilize depository institutions that are rated as "well capitalized" by their regulator and in compliance with minimum financial ratings criteria. We also monitor the financial strength of the depository institutions on an ongoing basis in accordance with our counterparty credit risk management framework and may require the replacement of a depository institution if we have concerns about its solvency or competency.

## Market Risk

### Overview

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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 from our investments in mortgage-related assets, the debt we issue to fund these assets, and our Single-Family guarantees.

Our mortgage-related assets are held in both business segments and consist of unsecuritized mortgage loans and mortgage-related securities. Typically, an existing loan or bond investment in our investments portfolio is worth less to an investor when interest rates (yields) rise and worth more when they decline. For a majority of our single-family mortgage-related assets, the borrower has the option to make unscheduled principal payments at any time before maturity without incurring a prepayment penalty. Thus, our mortgage-related asset portfolio is also exposed to uncertainty as to when borrowers will exercise their option and pay the outstanding principal balance of their loans. We face similar (and in most cases directionally opposite) exposure related to unsecured debt. Unsecured debt is typically worth less to an investor when interest rates (yields) rise and

worth more when they decline. In addition, certain of our financing transactions contain embedded options which can affect the timing of cash flows.

Our Single-Family guarantee market risk exposure results from upfront fees (including buy-downs), buy-ups, and float. Upfront fees are cash we receive at loan acquisition as compensation for our guarantee. From an interest-rate risk standpoint, receiving upfront fees increases risk as the actual prepayment rate of the loans we purchase may be different than our original estimates and may vary based on changes in interest rates. As interest rates decrease, loans typically prepay more quickly, resulting in accelerated recognition of upfront fees in earnings and a higher annualized rate of income. The opposite occurs as interest rates increase, resulting in slower recognition of upfront fees in earnings and a lower annualized rate of income. We incorporate upfront fees in our interest-rate risk metrics by assuming upfront fees are equivalent to the sale of an interest-only asset, allowing for modeling and aggregation of the interest-rate exposure of upfront fees with the rest of our interest-rate exposures. Conversely, buy-ups are treated as the purchase of an interest-only asset as they represent the excess borrower interest payments remaining from the securitization process that we effectively purchase from the seller.

Interest-rate risk related to float arises from the timing differences between the borrowers' principal payments on the loans and the reduction of the security balance. This can lead to significant interest expense if the interest amount paid to a security investor is higher than the reinvestment amount earned by the securitization trust on payments received from borrowers and paid to us as trust management income. In general, as interest rates decrease and prepayments increase, this expense to Freddie Mac increases. Conversely, as interest rates increase and prepayments decrease, this expense to Freddie Mac decreases.

We actively manage our economic exposure to interest rate fluctuations. Our primary goal in managing interest-rate risk is to reduce the amount of change in the value of our future cash flows due to future changes in interest rates. We use models to analyze possible future interest-rate scenarios, along with the cash flows of our assets and liabilities over those scenarios.

Prior to 1Q 2025, our interest-rate risk limits required asset duration to match liability duration, net of derivatives. When capital increased, excess net assets were invested in investments with little to no duration, such as overnight reverse repurchase agreements, increasing our earnings sensitivity to short-term interest rates. Beginning in 1Q 2025, we updated our interest-rate risk limits to allow for longer-term investments, reducing our earnings sensitivity to changes in short-term interest rates. We continue to manage interest-rate risk related to financial instruments primarily funded by debt as before, targeting a low level of interest rate exposure as measured by our models. For all other financial instruments, we manage interest-rate risk to a target duration, which reduces our long-term earnings volatility related to changes in overnight rates. Such financial instruments may include U.S. Treasury securities, mortgage-related securities, repurchase agreements, and derivatives.

In addition to managing market risk from an economic perspective, our GAAP financial results are subject to significant earnings variability from period-to-period based on changes in market conditions, including interest rates and market spreads. The GAAP accounting treatment for our financial assets and liabilities in which some are measured at amortized cost, while others are measured at fair value creates variability in our reported earnings when interest rates and spreads change. To reduce this GAAP earnings variability and better align our results with the economics of our business, we elect hedge accounting for certain single-family mortgage loans and debt instruments. We regularly evaluate a range of interest rate scenarios to determine the sensitivity of our earnings due to changes in interest rates and to inform our fair value hedge accounting strategies. For additional information on the effect of changes in interest rates and market spreads on our financial results, see **MD&A - Consolidated Results of Operations** and **Note 9**.

## Management of Market Risk

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We employ risk management practices that seek to maintain certain interest-rate characteristics of our assets and liabilities within our risk limits through a number of different strategies, including:

- Asset selection and structuring, such as acquiring or structuring mortgage-related securities with certain expected prepayment and other characteristics;
- Issuance of both callable and non-callable unsecured debt; and
- Use of interest-rate derivatives, including swaps, swaptions, and futures.

Our use of derivatives is an important part of our strategy to manage interest-rate risk. When deciding to use derivatives to mitigate our exposures, we consider a number of factors, including cost, exposure to counterparty credit risks, and our overall risk management strategy. See **MD&A - Risk Management - Counterparty Credit Risk** and **Risk Factors** for additional discussion of our market risk exposures, including those related to derivatives, institutional counterparties, and other market risks.

Although we have limited ability to manage spread risk, we employ the following strategies:

- Limiting the size of our assets that are exposed to spread risk;
- Using short-TBA positions to hedge certain assets, primarily loans acquired through our cash window that are awaiting securitization and portions of our agency mortgage-related securities portfolio; and
- Entering into certain transactions and spread-related derivatives to offset our spread exposures.

## Interest-Rate Risk

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Interest-rate risk is the economic risk related to adverse changes in the level or volatility of interest rates. A change in the level of interest rates (represented by a parallel shift of the yield curve, all else constant) exposes our assets and liabilities to risk, potentially affecting expected future cash flows and their present values. This is reflected in our PVS-L and duration gap disclosures. Similarly, changes in the shape or slope of the yield curve (often reflecting changes in the market's expectation of future interest rates) expose our assets and liabilities to risk, potentially affecting expected future cash flows and their present values. This is reflected in our PVS-YC disclosure. Volatility risk is the risk that changes in the market's expectation of the magnitude of future variations in interest rates will adversely affect our economic value. We are exposed to volatility risk in both our mortgage-related assets and liabilities, especially in instruments with embedded options.

### **Measurement of Interest-Rate Risk**

We calculate our exposure to changes in interest rates for our interest-rate sensitive assets and liabilities using effective duration and effective convexity, based on our models.

- Effective duration measures the percentage change in the price of financial instruments from a 100 bps change in interest rates. Financial instruments with positive duration increase in value as interest rates decline. Conversely, financial instruments with negative duration increase in value as interest rates rise.
- Effective convexity measures the change in effective duration for a 100 bps change in interest rates. Effective duration is not constant over the entire yield curve and effective convexity measures how effective duration changes over large changes in interest rates.

Together, effective duration and effective convexity provide a measure of an instrument's overall price sensitivity to changes in interest rates. We utilize the concepts of effective duration and effective convexity in calculating our primary interest-rate risk measures: duration gap and PVS.

- **Duration gap** - The net effective duration of our overall portfolio of interest-rate sensitive assets and liabilities is expressed in months as our duration gap. 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. For example, assets with a six-month duration and liabilities with a five-month duration would result in a positive duration gap of one month.

The table below shows various duration gap measurements and the effects that changes in interest rates would generally have on portfolio value.

Negative Duration Gap	Zero Duration Gap	Positive Duration Gap
Asset Duration < Liability Duration	Asset Duration = Liability Duration	Asset Duration > Liability Duration
Net portfolio will increase in value when interest rates rise and decrease in value when interest rates fall.	Net portfolio economic value will be unchanged. The change in the value of assets from an instantaneous move in interest rates, either up or down, would be expected to be accompanied by an equal and offsetting change in the value of liabilities.	Net portfolio will increase in value when interest rates fall and decrease in value when interest rates rise.

We actively measure and manage our duration gap exposure. In addition to duration gap management, we also measure and manage the price sensitivity of our portfolio to a number of different specific interest rate changes along the yield curve. The price sensitivity of an instrument to specific changes in interest rates is known as the instrument's key rate duration risk. By managing our duration exposure both in aggregate through duration gap and to specific changes in interest rates through key rate duration, we expect to limit our exposure to interest rate changes for a wide range of interest rate yield curve scenarios.

- **PVS** - 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's value to a 50 bps parallel movement in interest rates (PVS-L) and the other to a nonparallel movement (PVS-YC), resulting from a 25 bps change in slope of the yield curve. The 50 bps shift and 25 bps change in slope of the yield curve used for our PVS measures reflect reasonably possible near-term changes that we believe provide a meaningful measure of our interest-rate risk sensitivity.

To calculate PVS, the interest rate shock is applied to the duration (and convexity for PVS-L) of all interest-rate sensitive financial instruments. The resulting change in value for the aggregate portfolio is computed for both the up-rate and down-rate shock, and whichever produces the more adverse outcome is the PVS. In cases where both the up-rate and down-rate shocks result in a positive effect, the PVS is zero. PVS results are shown on a pre-tax basis.

### Interest-Rate Risk Results

The tables below 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 estimated present value (gains) losses assuming an immediate 100 bps shift in the yield curve. The interest-rate sensitivity of a mortgage portfolio varies across a wide range of interest rates.

**Table 45 - Duration Gap and PVS-YC and PVS-L Results Assuming Shifts of the Yield Curve**

(Dollars in millions, duration gap in months)	December 31, 2025				December 31, 2024					
	Duration Gap	PVS-YC <sup>(1)</sup>		PVS-L <sup>(1)</sup>		Duration Gap	PVS-YC <sup>(1)</sup>		PVS-L <sup>(1)</sup>	
		25 bps	50 bps	100 bps	25 bps		50 bps	100 bps		
Interest-rate risk related to:										
Financial instruments primarily funded by debt	0.4	\$5	\$26	\$18	0.3	\$—	\$6	(\$28)		
All other financial instruments <sup>(2)</sup>	29.5	82	1,009	2,137	0.2	1	5	10		
<b>All financial instruments</b>	<b>7.3</b>	<b>76</b>	<b>1,035</b>	<b>2,154</b>	<b>0.3</b>	<b>2</b>	<b>11</b>	<b>(18)</b>		
<b>PVS</b>		<b>\$76</b>	<b>\$1,035</b>	<b>\$2,154</b>		<b>\$2</b>	<b>\$11</b>	<b>\$—</b>		

(1) Positive amounts indicate the associated shift in the yield curve results in estimated present value losses. Negative amounts indicate the associated shift in the yield curve results in estimated present value gains.

(2) The UPB was \$75.7 billion as of December 31, 2025 and \$64.0 billion as of December 31, 2024.

**Table 46 - Duration Gap and PVS Results**

(Dollars in millions, duration gap in months)	Year Ended December 31,					
	2025			2024		
	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps
Average	3.2	\$34	\$431	0.1	\$3	\$1
Minimum	—	1	—	(0.5)	—	—
Maximum	7.4	84	1,038	0.3	10	37
Standard deviation	1.9	20	282	0.1	2	4

The disclosure in our Monthly Volume Summary reports, which are available on our website [www.freddiemac.com/investors/financials/monthly-volume-summaries.html](http://www.freddiemac.com/investors/financials/monthly-volume-summaries.html), reflects the average of the daily PVS-L, PVS-YC, and duration gap estimates for a given reporting period (a month, a quarter, or a year).

Derivatives enable us to reduce our economic interest-rate risk exposure as we continue to align our derivatives 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 bps shift in the yield curve for the periods presented, would have been higher if we had not used derivatives.

**Table 47 - PVS-L Results Before Derivatives and After Derivatives**

(In millions)	December 31, 2025	December 31, 2024
PVS-L (50 bps):		
Before derivatives	\$3,364	\$2,006
After derivatives	1,035	11
Effect of derivatives	(2,329)	(1,995)

When managing interest-rate risk related to financial instruments not funded primarily by debt, we also consider the sensitivity of coupon income (interest income based on the stated or reinvestment rates) attributable to these instruments, which we believe is an appropriate measure as we are targeting duration to reduce our income volatility. We estimate the impact of a parallel 100 basis point increase and decrease in interest rates on coupon income attributable to these instruments over the next 12-months relative to the baseline scenario, assuming the total balance of these instruments stays constant. Unlike our economic risk measures (such as PVS and duration gap), which estimate changes to portfolio value, this analysis reflects only the coupon income sensitivity of our reported results to interest rate changes over a specific timeframe.

For the years ended December 31, 2025 and 2024, we estimate that a parallel 100 basis point increase in interest rates would result in an increase of \$334 million and \$504 million, respectively, and a parallel 100 basis point decrease would result in a decrease of \$372 million and \$504 million, respectively, in coupon income for financial instruments not primarily funded by debt, relative to the baseline.

## Spread Risk

Spread risk is the risk that yields in different asset classes may not move together and may adversely affect our economic value. This risk arises principally because interest rates on our mortgage-related investments may not move in tandem with interest rates on our financial liabilities and derivatives, potentially affecting the effectiveness of our hedges. We are exposed to the following types of market spread risk:

- Market spread risk arising from mortgage-related investments, including loans and securities, and certain non-mortgage investments;
- Market spread risk arising from our use of SOFR and Treasury-based instruments in our risk management activities; and
- Market spread risk arising from the difference in time between when we commit to purchase a mortgage loan through our pipeline path and when we either securitize or hedge the loan. During this time, market spreads can widen, causing losses due to changes in fair value.

Spread duration measures the percentage change in the price of financial instruments from a change in spread over the benchmark interest rates. Unlike effective duration, spread duration typically only impacts the discounting of an instrument's cash flows, and not the underlying cash flows themselves. This discounting impact creates a measure that is typically positive, where the instrument increases in value as spreads decline and decreases in value as spreads widen.

We have limited ability to manage our spread risk exposure and, therefore, the volatility in market spreads may contribute to significant GAAP earnings variability. For financial assets measured at fair value, we generally recognize fair value losses when market spreads widen. Conversely, for financial liabilities measured at fair value, we generally recognize fair value gains when

market spreads widen. Certain accounting elections we make, such as election of the fair value option, may affect the amount of spread volatility recognized in our results of operations.

## Limitations of Interest-Rate Risk Measures

While we believe that PVS and duration gap are useful risk management tools, they should be understood as estimates rather than as precise measurements. Mis-estimation of economic market risk could result in over or under hedging of interest-rate risk, significant economic losses, and an adverse impact on earnings. The limitations of our economic market risk measures include the following:

- Our PVS and duration gap estimates are determined using models that involve our judgment of interest-rate and prepayment assumptions.
- There could be times when we hedge differently than our model estimates during the period, such as when we are making changes or market updates to these models.
- PVS and duration gap do not capture the potential effect of certain other market risks, such as changes in volatility and market spread risk. The effect of these other market risks can be significant.
- Our sensitivity analyses for PVS and duration gap contemplate only certain movements in interest rates and are performed at a particular point in time based on the estimated fair value of our existing portfolio.
- Although the mortgage-related investments portfolio and Single-Family guarantees are the primary sources of interest-rate risk to the company, other core activities also contribute to our interest-rate risk and may be managed differently. We have certain assets that have a relatively short holding period. As a result, we may manage the risk of these assets based on their disposition, while our risk measures use long-term cash flows. Hedging these businesses at times requires additional assumptions concerning risk metrics to accommodate changes in pricing that may not be related to the future cash flow of the assets. This could create a perceived risk exposure as the hedged risk may differ from the modeled risk.
- The choice of the benchmark rate used to model and hedge our positions is a significant assumption. The effectiveness of our hedges ultimately depends on how closely the different instruments (assets, liabilities, and derivatives) react to the underlying chosen benchmark. In the simplest example, all instruments would have interest-rate risk based on the same underlying benchmark, in our case, the swap rate. In practice, however, different instruments react differently versus the benchmark rate, which creates a market spread between the benchmark rate and the instrument. As the market spreads of these instruments move differently, our ability to predict the behavior of each instrument relative to the others is reduced, potentially affecting the effectiveness of our hedges.
- Our reported measurements do not include the sensitivity to interest-rate changes of net worth and the following assets and liabilities:
  - **Credit guarantee activities** - We currently do not hedge the interest-rate exposure of our credit guarantees except for the interest-rate exposure related to upfront fees (including buy-downs), buy-ups, float, and STACR debt notes.
  - **Other assets and other liabilities** - We do not include other miscellaneous assets and liabilities, primarily deferred tax assets, accounts payable and receivable, and non-cash basis adjustments.
- Our economic risk measures, such as PVS and duration gap, estimate sensitivity to changes in interest rates from an economic perspective and do not reflect the potential effect of changes in market conditions on our GAAP earnings, which may vary due to the accounting treatment of our financial assets and liabilities. Our income sensitivity analysis for financial instruments not primarily funded by debt reflects only coupon income and thus may not fully reflect the potential volatility in reported earnings. For further discussion of GAAP earnings sensitivity to market risk, see **MD&A - Consolidated Results of Operations** and **Note 9**.

## Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, or systems or from external events. Operational risk is inherent in all of our activities. Operational risk events include breakdowns related to people, processes, and/or technology that could result in financial loss, legal actions, regulatory fines and restrictions, and reputational harm.

## Operational Risk Management and Risk Profile

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Our operational risk management methodology includes risk identification, measurement, monitoring, control, and reporting. When operational risk events are identified, our policies require that the events be documented and analyzed to determine whether changes are required in our systems, people, and/or processes to mitigate the risk of future events.

In order to evaluate and monitor the risks associated with business processes, each business line periodically completes an assessment using the risk assessment methodology. The methodology is designed to identify and assess the business line's exposure to operational risk and determine if action is required to manage the risk to an acceptable level.

In addition to the risk and control self-assessment process, we employ several tools to identify, measure, and monitor operational risks, including loss event data, key risk indicators, root cause analysis, and testing. Our operational risk methodology requires that the primary responsibility for managing both the day-to-day risk and longer-term or emerging risks lies with the business divisions, with independent oversight performed by the second line.

We continue to face heightened operational risk and expect the risk to remain elevated for the near term. This elevated risk profile is due to the layering impact of several factors including: legacy systems requiring upgrade for operational resiliency; reliance on manual processes and models; volume and complexity of business initiatives, including new initiatives we are pursuing as required by the Conservatorship Scorecard; external events such as cybersecurity incidents, other security incidents, and third-party failures; and issues requiring remediation. Other factors contributing to our heightened operational risk are discussed in **Risk Factors - Operational Risks**.

While our operational risk profile remains elevated, we are continuing to strengthen our control environment by further developing metrics to monitor and report on our risk and control environment.

### Operational Resiliency Risk

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Operational resiliency risk refers to the potential threats and vulnerabilities that an organization faces in maintaining continuous and reliable operations. It involves the ability to anticipate, prepare for, and operate through disruptions, including technological failures, cybersecurity incidents, natural disasters, supply chain disruptions, and human error. The inability to manage resiliency risk to our critical business processes can impact the achievement of business objectives. To reduce operational resiliency risk, Freddie Mac has implemented strategies, continuity plans, dual-site technology operations, and other risk mitigation measures designed to meet desired recovery time objectives and minimize the impact of a disruption.

### Mortgage Securitization Platform

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We continue to make investments to support the ongoing development and maintenance of the mortgage securitization platform. The mortgage securitization platform is owned and operated by U.S. FinTech, which is jointly owned by Freddie Mac and Fannie Mae. While we exercise influence over U.S. FinTech through our representation on the U.S. FinTech Board of Managers, we do not control its day-to-day operations. Freddie Mac, Fannie Mae, FHFA, and U.S. FinTech continue to work together to monitor the operational effectiveness of the platform.

We rely on U.S. FinTech and the mortgage securitization platform for the operation of many of our single-family securitization activities. Our business activities would be adversely affected and the market for Freddie Mac securities would be disrupted if the mortgage securitization platform were to fail or otherwise become unavailable to us or if U.S. FinTech were unable to perform its obligations to us. As the mortgage securitization platform has an operational dependency on Fannie Mae to administer Freddie Mac issued commingled securities, an operational failure at Fannie Mae could also adversely impact the ability of U.S. FinTech to perform its obligations to Freddie Mac. In the event of a U.S. FinTech operational failure, we may be unable to issue certain new single-family mortgage-related securities, and investors in mortgage-related securities hosted on the U.S. FinTech platform may experience payment delays or errors.

For additional information, see **Risk Factors - Operational Risks - A failure in our operational systems or infrastructure, or those of third parties, including due to fraud, could impair our ability to provide market liquidity, disrupt business operations, damage our reputation, expose us to legal risk, and cause financial losses.**

### Cybersecurity Risk

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#### **Cybersecurity Risk Management and Strategy**

We manage cybersecurity risk using a three lines risk management model and governance structure that is integrated into our Enterprise-wide Risk Framework with oversight by the Board of Directors and its committees and senior management positions, including our SVP – EO&T. For additional information on our Enterprise Risk Framework, see **Risk Management – Overview, Risk Management – Enterprise Risk Framework, and Risk Management – Enterprise Risk Governance**

**Structure.** Our cybersecurity program continues to evolve based on the changing needs of our business, the evolving threat landscape, and the evolving legal and regulatory requirements.

Our cybersecurity program is designed to implement a defense in depth strategy. This approach employs overlapping layers of protection at the perimeter, network, platform, application, and data levels with security incident response and identity lifecycle management employed at all levels. This strategy is designed so that if one safeguard fails then additional layers are in place to prevent, detect or mitigate risks from cybersecurity threats. Our key capabilities include solutions designed to protect our perimeter and network, manage our authentication and access, scan to identify vulnerabilities, monitor and respond to suspicious activity and protect our most sensitive data. We validate our capabilities according to the Risk Framework and use third-party vendors and service providers to help enhance our cybersecurity capabilities and to assist us with cybersecurity program assessments and testing. Our cybersecurity program is also designed to align with the National Institute of Standards and Technology 800-53 moderate baseline control framework.

We exercise due diligence over our third parties and service providers, including risk assessments and contractual expectations. However, our control over the security posture of our third-party vendors and service providers and their supply chain connections is limited.

### **Material Effects from Cybersecurity Incidents**

Our operations rely on the secure, accurate and timely receipt, storage, transmission, use, disclosure, and other processing of confidential and other information (including personal information) in our systems and networks. We also rely on the secure, accurate and timely receipt, storage, transmission, use, disclosure, and other processing of confidential and other information (including personal information) in the systems and networks of our customers and third parties, including suppliers, sellers and servicers, financial market utilities, and other third parties. Cybersecurity risks for companies like ours continue to increase. Like many companies and government entities, from time to time we have been, and expect to continue to be, the target of attempted cybersecurity incidents and other information security threats, including those from nation-state and nation-state supported actors. With respect to third parties, there can be no guarantee that we can predict, prevent, mitigate, or remediate the risk of any compromise or failure in the systems, networks, and other technology assets owned or controlled by our third parties.

To date, we are not aware of any cybersecurity incidents that have materially affected or are reasonably likely to materially affect the company, including our business strategy, results of operations, or financial condition. However, there is no guarantee that our cybersecurity risk management program will prevent cybersecurity incidents from having such impacts in the future.

For additional information, see **Risk Factors - Operational Risks - Cybersecurity threats are rapidly changing and becoming more sophisticated. We may not be able to protect our systems and networks, or the confidentiality of our information (including personal information), from cybersecurity incidents, unauthorized access, disclosure, and/or disruption.**

### **Cybersecurity Governance**

The Board of Directors and the Risk Committee oversee the company's information and cybersecurity operations and risks from cybersecurity threats by receiving periodic reports from our SVP – EO&T, with input from the Chief Information Security Officer, and other members of management.

### **Management**

Our management is responsible for assessing and managing cybersecurity risks by establishing and maintaining processes and programs designed to prevent, detect, respond to, and mitigate potential cybersecurity risks. Senior management is regularly informed by our cybersecurity personnel on cybersecurity matters. Our management also engages in periodic cybersecurity exercises and internal cybersecurity incident simulations, including tabletop exercises relating to cyberattacks, ransomware, and other security events. Escalation of specific incidents from our cybersecurity personnel to senior management follow written, risk-based procedures. Our management periodically reports to the Board of Directors. These reports include information regarding management's ongoing efforts to manage cybersecurity risk and the steps management has taken towards addressing and mitigating the evolving cybersecurity threat environment. Management discusses cybersecurity developments with the Chair of the Risk Committee and other Board members between Board and committee meetings, as necessary. Our cybersecurity personnel, and those senior managers who oversee them, including our SVP – EO&T and Chief Information Security Officer, possess demonstrated expertise with cybersecurity matters. For example, our Chief Information Security Officer and members of the Chief Information Security Officer's leadership team have, on average, over 15 years of work experience in information security or cybersecurity fields and achieved such professional certifications as Certified Information Systems Security Professional (CISSP), Certified Information Security Manager (CISM), and Factor Analysis of Information Risk (FAIR). For additional information on the background of our SVP - EO&T, see **Directors, Corporate Governance, and Executive Officers - Executive Officers.**

## Board of Directors

As discussed above, the Risk Committee is the committee of the Board of Directors that oversees our cybersecurity risks. Members of the Board of Directors also receive reports from management regarding certain internal and industry-wide trends and exercises relating to these matters to assist with their oversight responsibilities. The company has written, risk-based procedures to escalate information regarding certain cybersecurity incidents to the appropriate Board members in a timely fashion. Board members have also participated in cybersecurity training exercises. Additionally, certain Board members are informed of, and have an opportunity to provide feedback on, management's internal cybersecurity incident simulations referenced above. The Board of Directors and its committees also have authority, as they deem appropriate, to fulfill Board or committee responsibilities, to engage outside consultants or advisors, including technology and cybersecurity experts, and oversee the company's information security program. See **Directors, Corporate Governance, and Executive Officers - Corporate Governance - Board and Board Committee Information** for additional information on the Board of Directors' committees.

## Third-Party Risk

Third-party risk is the risk of failure of an individual or entity engaged to deliver a product, service, or process to, or on behalf of, Freddie Mac. We rely on third parties, and their supply chains, to support critical processes and core functions, and are exposed to operational risks as a result of this reliance. These third parties could experience, directly or through their supply chains, failures due to process breakdowns, technology outages, cybersecurity incidents and other security incidents, adverse financial conditions, or other disruptions. We continue to enhance our enterprise capabilities to manage third-party operational risks. While we continue to mature our program, we may be exposed to associated elevated risks. Our use of third parties increases exposure to cybersecurity incidents through third parties that access, store, and otherwise process our data (including personal information) and their supply chains. We also continue to strengthen our processes related to identifying material subcontractors and service providers of the third parties with which we do business and managing the associated operational risk. We closely monitor third parties with which we do business that we deem to be critical to our operations; however, our control over their security posture remains limited, and there can be no assurance that we can predict, prevent, mitigate, or remediate the operational risk profile associated with such third parties.

In addition to credit risk exposure, sellers and servicers expose us to operational risk, including operational resilience, information, and reporting risks. Sellers and servicers also expose us to compliance risk resulting from non-compliance with applicable laws, regulations, and FHFA supervisory or conservator requirements. For additional information on our monitoring of our sellers and servicers and related risks, see **MD&A - Risk Management - Counterparty Credit Risk** and **Risk Factors - Operational Risks - We rely on third parties, including our sellers, servicers, their vendors, and other service providers, for certain important functions. Any failures by those third parties to deliver products or services, or to manage risks effectively, could disrupt our business operations, servicing of our portfolio, or expose us to other operational risks.**

## Model Risk

Model risk is the potential for adverse consequences from incorrect or insufficient data inputs and model errors or decisions based on the incorrect use or application of model outputs. Models, in general, face significant challenges in accurately forecasting key inputs into our financial projections. These can include, but are not limited to, projections of mortgage rates, house prices, credit defaults, yields, and prepayments. In response, we are managing this risk by closely monitoring model performance and applying model overlays/adjustments when deemed appropriate. These model overlays/adjustments will be driven by the latest developments and emerging trends in the economy, as well as any additional government interventions and internal policy changes. These model overlays/adjustments incorporate subjectivity and may be based upon judgment. Actual results could differ from our estimates, and the use of different judgments and assumptions related to these estimates could have a material impact on our consolidated financial statements. Model overlays/adjustments are reviewed and approved by Enterprise Risk before use.

Model development, changes to existing models, and model risks are managed in each business line according to our three lines framework. New model development and changes to existing models undergo a review process. Each business periodically reviews model performance, embedded assumptions, limitations, and modeling techniques, and updates its models as it deems appropriate. Enterprise Risk independently validates the work done by the business lines (e.g., conducting independent assessments of ongoing monitoring results, model risk ratings, performance monitoring, overlays/adjustments, and reporting against thresholds and alerts).

Given the importance and complexity of models in our business, model development may take significant time to complete. Delays in our model development process could affect our ability to make sound business and risk management decisions, and increase our exposure to risk. We have procedures designed to manage this risk.

For additional information, see **Risk Factors - Operational Risks - We face risks and uncertainties associated with the models we use to inform business and risk management decisions and for financial accounting and reporting purposes.**

## Compliance Risk

Compliance risk is the risk of non-compliance with applicable laws, regulations, FHFA supervisory or conservator requirements, trustee agreement requirements, or ethical standards (collectively, regulatory obligations). We have established a compliance program, leveraging the Enterprise Risk Framework, to oversee and manage compliance risk, including effective challenge of our business areas' compliance with such obligations, as appropriate. We maintain policies and procedures that provide the governance framework for the identification, measurement, monitoring, testing, reporting, and remediation of compliance issues. We have continued to enhance our overall compliance program, including risk assessments, monitoring, testing, and reporting. To the extent that regulatory concerns are identified, we coordinate with FHFA and our internal auditors to assess the impact and remediate the concerns, as appropriate. For additional information relating to our compliance program, see **Risk Factors - Legal and Compliance Risks.**

## Effectiveness of Our Disclosure Controls and Procedures

Management, including our CEO and CFO, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2025. As of that date, we had one material weakness related to conservatorship, which remained unremediated, causing us to conclude that our disclosure controls and procedures were not effective at a reasonable level of assurance. For additional information, see **Controls and Procedures.**

## LIQUIDITY AND CAPITAL RESOURCES

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

### Liquidity

#### Sources and Uses of Funds

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Our primary sources of funds include:

- Issuance of debt;
- Principal payments on and sales of securities and loans that we own;
- Repurchase transactions;
- Interest income on securities and loans that we own; and
- Guarantee fees (inclusive of fees that we receive at the time we purchase a loan).

We use these sources to fund the assets on our balance sheet. Our primary uses of funds include:

- Principal payments upon the maturity, redemption, or repurchase of our debt;
- Payments of interest on our debt and non-interest expenses, including costs related to CRT transactions;
- Purchases of mortgage loans, including purchases of seriously delinquent or modified loans underlying our securities, mortgage-related securities, and other investments; and
- Payments related to derivative contracts and posting or pledging of collateral to third parties in connection with secured financing and daily trade activities.

In addition to the sources and uses of cash described above, we are involved in various legal proceedings, including those discussed in **Legal Proceedings**, which may result in receipt of cash from settlements or a need to use cash to settle claims or pay certain costs.

Our securities and other obligations are not guaranteed by the U.S. government and do not constitute a debt or obligation of the U.S. government or any agency or instrumentality thereof, other than Freddie Mac. We continue to manage our debt issuances to remain in compliance with the aggregate indebtedness limits set forth in the Purchase Agreement.

#### Liquidity Management Framework

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The support provided by Treasury pursuant to the Purchase Agreement enables us to have adequate liquidity to conduct our normal business activities. However, the costs and availability of our debt funding could vary for a number of reasons, including the uncertainty about the future of the GSEs and any future downgrades in our credit ratings or the credit ratings of the U.S. government.

We are required to comply with minimum short-, medium-, and long-term liquidity requirements established by FHFA. These requirements are based on cash flows needed under a stressed scenario that assumes, among other things, that for short-term and medium-term debt, we may not have access to funding from the market for an extended period of time and therefore must fund our cash needs utilizing certain assets in our portfolio.

The minimum liquidity requirements have four components:

- A 30-day cash flow stress test that assumes we continue to provide liquidity to the market while holding a \$10 billion buffer above outflows;
- A 365-day metric that requires us to hold liquidity to meet our expected cash outflows over 365 days and to continue to provide liquidity to the market under certain stress conditions;
- A specified minimum long-term stable funding to less-liquid asset ratio. Less-liquid assets are those that are not eligible to be pledged as collateral to the FICC; and
- A specified requirement that we fund our assets with stable funding that have a specified minimum term relative to the term of the assets.

We make extensive use of the Federal Reserve's payment system in our business activities. The Federal Reserve requires that we fully fund our accounts at the Federal Reserve Bank of New York to the extent necessary to cover cash payments on our debt and mortgage-related securities each day, before the Federal Reserve Bank of New York, acting as our fiscal agent, will initiate such payments. Although we seek to maintain sufficient intraday liquidity to fund our activities through the Federal

Reserve's payment system, we have limited access to cash once the debt markets are closed for the day. Insufficient cash may cause our account to be overdrawn, potentially resulting in delayed payments on our securities, penalties, and reputational harm.

Maintaining sufficient liquidity is of primary importance to, and a cost of, our business. Under our liquidity management practices and policies, we:

- Manage intraday cash needs and provide for the contingency of an unexpected cash demand;
- Maintain cash and non-mortgage investments to enable us to meet ongoing cash obligations for a limited period of time, assuming no access to unsecured debt markets;
- Maintain unencumbered securities with a value greater than or equal to the largest projected daily cash shortfall for an extended period of time, assuming no access to unsecured debt markets; and
- Manage the maturity of our unsecured debt based on our asset profile.

To facilitate cash management, we forecast cash outflows and inflows using assumptions and models. These forecasts help us to manage our liabilities with respect to the timing of our cash flows. Differences between actual and forecasted cash flows have resulted in higher costs from issuing a higher amount of debt than needed or unexpectedly needing to issue debt, and may do so in the future. Differences between actual and forecasted cash flows also could result in our account at the Federal Reserve Bank of New York being overdrawn. We maintain daily cash reserves to manage this risk.

## Primary Sources of Liquidity

Our primary sources of liquidity include both our other investments portfolio and our mortgage-related investments portfolio. See **MD&A - Our Portfolios** for additional information about our other investments portfolio and mortgage-related 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 other investments portfolio includes the liquidity and contingency operating portfolio, which is primarily used for short-term liquidity management. 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 \$4.8 billion as of December 31, 2025 and \$5.1 billion as of December 31, 2024.

The primary source of liquidity from our mortgage-related investments portfolio is our holdings of agency securities. In addition, we hold certain single-family loans and multifamily loans that could be securitized and would then be available for sale or for use as collateral for repurchase agreements. Due to the size of our portfolio of mortgage-related assets, the amount of mortgage-related assets that we may successfully sell or borrow against in the event of a liquidity crisis or significant market disruption may be substantially less than the amount of mortgage-related assets we hold. There would likely be insufficient market demand for large amounts of these assets over a prolonged period of time, which would limit our ability to sell or borrow against these assets. Our mortgage-related investments portfolio also includes other mortgage assets, but given their characteristics, they may not be available for immediate sale or for use as collateral for repurchase agreements. These assets principally consist of single-family delinquent and modified loans.

We are subject to limits on the amount of mortgage assets we can sell in any calendar month without review and approval by FHFA and, if FHFA so determines, Treasury. See **Conservatorship and Related Matters - Limits on Our Mortgage-Related Investments Portfolio and Indebtedness** for additional details.

## Primary Sources of Funding

We fund our business using short-term and long-term debt, securities sold under agreements to repurchase, and debt issued by consolidated trusts. Competition for funding can vary with economic, financial market, and regulatory environments. The amount, type, and term of our funding sources is based on a variety of factors and is designed to meet our ongoing cash needs and to comply with our Liquidity Management Framework.

## Short-term and Long-term Debt

We issue debt to fund our operations. These instruments are unsecured general corporate obligations and consist of both short-term debt, which are instruments with original maturities of one year or less, and long-term debt, which are instruments with original maturities of more than one year.

We may issue the following types of debt as part of our funding and liquidity management activities:

- **Discount notes and Reference Bills®** - Short-term instruments with maturities of one year or less. These products are generally sold on a discounted basis, paying principal only at maturity. Reference Bills are auctioned to dealers on a regular

schedule, while discount notes are issued in response to investor demand and our cash needs.

- **Medium-term notes** - A variety of fixed-rate and variable-rate medium-term notes, including callable and noncallable securities, and zero-coupon securities, with various maturities.
- **Reference Notes® securities** - Reference Notes securities are non-callable fixed-rate securities, which we generally issue with original maturities greater than or equal to one year.

As of December 31, 2025, our aggregate indebtedness, as determined pursuant to the Purchase Agreement, was \$210.6 billion, which was below the \$270.0 billion debt cap limit imposed by the Purchase Agreement. Our aggregate indebtedness to meet our funding needs is constrained by the debt cap limit. We disclose the amount of our indebtedness on this basis monthly under the caption "Indebtedness Pursuant to the Purchase Agreement - Total Debt Outstanding" in our Monthly Volume Summary reports, which are available on our website at [www.freddiemac.com/investors/financials/monthly-volume-summaries.html](http://www.freddiemac.com/investors/financials/monthly-volume-summaries.html).

To fund our business activities, we depend on the continuing willingness of investors to purchase our debt securities. Changes or perceived changes in the government's support of us could have a severe negative effect on our access to the debt markets and on our debt funding costs.

In addition, any change in applicable legislative or regulatory exemptions, including those described in **Regulation and Supervision**, could adversely affect our access to some debt investors, thereby potentially increasing our debt funding costs.

The table below summarizes the par value and the average rate of short-term and long-term debt securities 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 securities from time to time for a variety of reasons, including managing our funding composition and supporting the liquidity of our debt securities.

**Table 48 - Short-term and Long-term Debt Activity**

(Dollars in millions)	Year Ended December 31,			
	2025		2024	
	Par Value	Average Rate <sup>(1)</sup>	Par Value	Average Rate <sup>(1)</sup>
<b>Short-term Debt:</b>				
Beginning balance	\$14,716	4.59 %	\$6,032	5.39 %
Issuances	172,464	4.16	100,593	5.13
Repayments	(99)	4.35	—	—
Maturities	(149,214)	4.28	(91,909)	5.23
<b>Total short-term debt</b>	<b>37,867</b>	<b>3.82</b>	<b>14,716</b>	<b>4.59</b>
<b>Long-term Debt:</b>				
Beginning balance	172,942	3.65	168,009	3.31
Issuances	138,596	4.43	107,453	5.18
Repayments	(90,582)	4.89	(72,972)	5.57
Maturities	(48,262)	1.77	(29,547)	2.49
<b>Total long-term debt</b>	<b>172,694</b>	<b>4.15</b>	<b>172,943</b>	<b>3.65</b>
<b>Total short-term and long-term debt, net</b>	<b>\$210,561</b>	<b>4.09</b>	<b>\$187,659</b>	<b>3.73</b>

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

Our callable debt provides us with the option to repay the outstanding principal balance of the debt prior to its contractual maturity date. As of December 31, 2025, \$74.9 billion of the outstanding \$88.1 billion of callable debt may be called within one year, not including callable debt due to contractually mature within one year.

#### **Maturity and Redemption Dates**

The table below presents the par value of total short-term and long-term debt 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 short-term and long-term debt.

**Table 49 - Maturity and Redemption Dates**

(In millions)	As of December 31, 2025		As of December 31, 2024	
	Contractual Maturity Date	Earliest Redemption Date	Contractual Maturity Date	Earliest Redemption Date
Short-term debt	\$37,867	\$37,867	\$14,716	\$14,716
Long-term debt:				
1 year or less	45,515	120,398	48,235	123,337
1 year through 2 years	43,860	34,849	45,007	36,281
2 years through 3 years	22,474	5,615	20,068	370
3 years through 4 years	9,806	2,055	8,307	345
4 years through 5 years	33,871	—	28,579	2,055
Thereafter	16,622	9,231	21,423	9,231
STACR and SCR debt <sup>(1)</sup>	546	546	1,324	1,324
<b>Total short-term and long-term debt</b>	<b>\$210,561</b>	<b>\$210,561</b>	<b>\$187,659</b>	<b>\$187,659</b>

(1) 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 borrowers at any time generally without penalty and are, therefore, included as a separate category in the table.

## Securities Sold Under Agreements to Repurchase

We also obtain funding by entering into transactions involving securities sold under agreements to repurchase. These transactions are collateralized short-term debt where we sell securities to a counterparty with an agreement to repurchase those securities at a future date. The outstanding balance of securities sold under agreements to repurchase, if any, is included in the calculation of our aggregate indebtedness under the debt cap limit imposed by the Purchase Agreement. See **Note 10** for additional information about securities sold under agreements to repurchase.

## Debt Issued by Consolidated Trusts

Debt issued by consolidated trusts relates to securitization transactions that we consolidate for accounting purposes. We primarily issue this type of debt by securitizing mortgage loans to finance our guarantee activities. When we consolidate securitization trusts, we recognize on our consolidated balance sheets the assets held by the trusts, the majority of which are mortgage loans, and the debt issued by the trusts.

Debt issued by consolidated trusts is principally repaid from the cash flows of the mortgage loans held by the securitization trusts that issued the debt. In circumstances when the cash flows of the mortgage loans are not sufficient to repay the debt, we make up the shortfall because we have guaranteed the payment of principal and interest on the debt. In certain circumstances, we have the right and/or obligation to purchase the loan from the trust prior to its contractual maturity. For additional information on our purchases of loans from trusts, see **Our Business Segments - Single-Family - Business Overview**.

At December 31, 2025, our estimated net exposure to this type of debt (including the amounts that are due to Freddie Mac for debt issued by consolidated trusts that we purchased) is recognized as the allowance for credit losses on mortgage loans held by consolidated trusts. See **Note 6** for details on our allowance for credit losses.

The table below shows the issuance and extinguishment activity for the debt issued by consolidated trusts.

**Table 50 - Debt Issued by Consolidated Trusts**

(In millions)	Year Ended December 31,	
	2025	2024
Beginning balance	\$3,085,981	\$2,999,893
Issuances	566,894	483,680
Repayments and extinguishments	(489,191)	(397,592)
<b>Ending balance</b>	<b>3,163,684</b>	<b>3,085,981</b>
Unamortized premiums and discounts	34,324	36,960
<b>Debt issued by consolidated trusts</b>	<b>\$3,198,008</b>	<b>\$3,122,941</b>

## Contractual Obligations

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Our contractual obligations affect our liquidity and capital resource needs and primarily include the debt (and associated interest payments) and derivative liabilities recognized on our consolidated balance sheets. We also have contractual obligations recognized in other liabilities on our consolidated balance sheets, including payments to our qualified and non-qualified defined contribution plans and other benefit plans, and future cash payments due under our obligations to make delayed equity contributions to LIHTC partnerships.

We also have contractual obligations associated with our commitments to purchase loans and mortgage-related securities from third parties, most of which are accounted for as derivatives, as well as certain other off-balance sheet obligations that are legally binding and enforceable, including guarantees, unfunded lending arrangements, and obligations to advance funds upon the occurrence of certain events. See **Off-Balance Sheet Arrangements** for additional information on the potential effects of our off-balance sheet obligations on our liquidity and capital resources.

The amount and timing of payments due related to short-term and long-term debt are discussed in **Primary Sources of Funding**. Most of our purchase commitments are scheduled to occur within the next 12 months. The amount and timing of certain other of our contractual obligations are uncertain, including future payments of principal and interest related to debt issued by consolidated trusts held by third parties, STACR and MSCR transactions, cash settlements on derivative agreements not yet accrued, guarantee payments, and commitments to advance funds under certain off-balance sheet arrangements.

## Off-Balance Sheet Arrangements

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We enter into certain business arrangements that are not recorded on our 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. These off-balance sheet arrangements primarily consist of guarantees and commitments. 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

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We have certain off-balance sheet arrangements related to our mortgage-related guarantee activities primarily consisting of guaranteed K Certificates. Our guarantee of these securities and other mortgage-related guarantees may result in liquidity needs to cover potential cash flow shortfalls from borrower defaults.

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. See **Note 3** and **Note 5** for additional information on our mortgage-related guarantees and guarantees of Fannie Mae securities.

## Commitments

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We enter into certain commitments, including commitments to purchase securities under agreements to resell, commitments to purchase multifamily loans, and unfunded multifamily lending arrangements, that are not recorded on our consolidated balance sheets. We have elected the fair value option for certain of our commitments to purchase multifamily loans. We also have entered into other commitments to purchase or sell mortgage loans or mortgage-related securities that are accounted for as derivative instruments. These commitments are recognized on our consolidated balance sheets at fair value.

In addition, in connection with certain of our multifamily other mortgage-related guarantee arrangements and other securitization products, we have provided commitments to advance funds, commonly referred to as "liquidity guarantees." These guarantees require us to advance funds to third parties that enable them to repurchase tendered bonds or securities that are unable to be remarketed. Liquidity guarantee advances outstanding were not material at either December 31, 2025 or December 31, 2024. See **Note 5** and **Note 9** for additional information on our commitments.

## Cash Flows

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- **2025 vs. 2024** - Cash and cash equivalents (including restricted cash and cash equivalents) decreased slightly from \$5.5 billion as of December 31, 2024 to \$5.3 billion as of December 31, 2025.
- **2024 vs. 2023** - Cash and cash equivalents (including restricted cash and cash equivalents) decreased slightly from \$6.0 billion as of December 31, 2023 to \$5.5 billion as of December 31, 2024.

## Capital Resources

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 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.

Our entry into conservatorship resulted in significant changes to the assessment of our capital adequacy and our management of capital. We entered into the Purchase Agreement with Treasury, pursuant to which we issued to Treasury both senior preferred stock and a warrant to purchase 79.9% of our common stock outstanding on a fully diluted basis on the date of exercise. Under the Purchase Agreement, Treasury made a commitment to provide us with equity funding in certain conditions to eliminate deficits in our net worth. Our ability to obtain equity funding from Treasury pursuant to its commitment under the Purchase Agreement has enabled us to avoid being placed into receivership by FHFA and maintain the confidence of the debt markets as having very high-quality credit, upon which our business model is dependent. The amount of available funding remaining under the Purchase Agreement was \$140.2 billion as of December 31, 2025, which will be reduced by any future draws.

Pursuant to the Purchase Agreement, we will not have a dividend requirement to Treasury on the senior preferred stock until our Net Worth Amount exceeds the amount of adjusted total capital necessary to meet capital requirements and buffers set forth in the ERCF. Based on our Net Worth Amount of \$70.4 billion as of December 31, 2025, no dividend is payable to Treasury for the quarter ended December 31, 2025. Under the Purchase Agreement, the payment of dividends does not reduce the outstanding liquidation preference on the senior preferred stock. Our cumulative senior preferred stock dividend payments totaled \$119.7 billion as of December 31, 2025.

The aggregate liquidation preference of the senior preferred stock owned by Treasury was \$140.2 billion as of December 31, 2025. The aggregate liquidation preference of the senior preferred stock will be increased, at the end of each fiscal quarter through the Capital Reserve End Date, by an amount equal to the increase in the Net Worth Amount, if any, during the immediately prior fiscal quarter. In addition, to the extent that we draw additional funds in the future, the aggregate liquidation preference will increase by the amount of those draws. For additional information on the Purchase Agreement, warrant and senior preferred stock, including our dividend requirement on the senior preferred stock and the commitment fee to be paid to Treasury after the Capital Reserve End Date, see **MD&A - Conservatorship and Related Matters, Note 2**, and **Note 11**.

The table below presents activity related to our net worth.

**Table 51 - Net Worth Activity**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Beginning balance, January 1	\$59,575	\$47,722	\$37,018
Comprehensive income	10,809	11,853	10,704
Capital draws from Treasury	—	—	—
Senior preferred stock dividends declared	—	—	—
<b>Total equity/net worth</b>	<b>\$70,384</b>	<b>\$59,575</b>	<b>\$47,722</b>
Remaining Treasury funding commitment	\$140,162	\$140,162	\$140,162
Aggregate draws under Purchase Agreement	71,648	71,648	71,648
Aggregate cash dividends paid to Treasury	119,680	119,680	119,680
Liquidation preference of the senior preferred stock	140,248	129,038	117,309

## ERCF

FHFA established the ERCF as a new enterprise regulatory capital framework for Freddie Mac and Fannie Mae in December 2020. FHFA published a final rule in November 2023 amending several provisions of the ERCF, with most of the amendments becoming effective in April 2024. 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. With respect to the ERCF's advanced approaches requirements, the compliance date is January 1, 2028 or any later compliance date specified by FHFA.

The ERCF establishes risk-based and leverage capital requirements and includes 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%, 6.0%, and 8.0%, respectively, of RWA. We must also maintain statutory total capital equivalent to at least 8.0% of the total RWA. To avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation, we also must maintain CET1 capital that exceeds the risk-based capital requirements by at least the amount of the PCCBA. The PCCBA consists of three separate component buffers—a stress capital buffer, a stability capital buffer, and a countercyclical capital buffer.

- The stress capital buffer must be at least 0.75% of our ATA as of the last day of the previous calendar quarter. FHFA will periodically re-size the stress capital buffer to the extent that FHFA's eventual program for supervisory stress tests determines that our peak capital exhaustion under a severely adverse stress scenario would exceed 0.75% of ATA.
- The stability capital buffer is tailored to the risk that our default or other financial distress could pose to the liquidity, efficiency, competitiveness, or resiliency of national housing finance markets. The stability capital buffer is based on our share of residential mortgage debt outstanding. As of December 31, 2025, our stability capital buffer was 0.78% of ATA.
- The countercyclical capital buffer is currently set at 0.0% of our ATA. FHFA has indicated that it will adjust the countercyclical capital buffer taking into account the macro-financial environment in which we operate, such that the buffer would be deployed only when excess aggregate credit growth is judged to be associated with a build-up of system-wide risk.

### ***Leverage Capital Requirements***

Under the ERCF leverage capital requirements, we must maintain our Tier 1 capital ratio equal to at least 2.5% of ATA. We must also maintain our statutory core capital ratio equal to at least 2.5% of ATA. To avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation, we also must maintain Tier 1 capital that exceeds the leverage capital requirements by at least the amount of the PLBA. The PLBA is equal to 50% of our stability capital buffer.

### ***Oversight, Governance, and Reporting***

Our capital management is governed by policies, standards, and procedures. The Capital Committee, composed primarily of executive officers across the various divisions (including the CFO, CRO, and heads of business), provides governance across overall capital management. In addition, Enterprise Risk and Internal Audit conduct independent assessments of capital management and implementation. These assessments are intended to help ensure that our capital execution, assessment, and monitoring are consistent and in compliance with the ERCF.

Under the ERCF, we are required to submit quarterly ERCF capital reports to FHFA. These requirements include quarterly quantitative information to support the ERCF capital amount and ratio calculations and the underlying enterprise risk weighting calculations. We are also required to publish quarterly ERCF public disclosures and submit an annual capital plan to FHFA. Pursuant to an FHFA rule on stress testing of regulated entities, we are required to conduct annual stress tests using scenarios specified by FHFA to determine whether we have sufficient capital to absorb losses as a result of adverse economic conditions. Under the rule, we must publicly disclose the results of the stress test under the "severely adverse" scenario. See **MD&A - Regulation and Supervision - Capital Standards and Public Disclosures** for additional information on the ERCF including our reporting requirements.

**Capital Metrics**

The table below presents the components of our regulatory capital.

**Table 52 - Regulatory Capital Components**

(In millions)	December 31, 2025	December 31, 2024
<b>Total equity</b>	\$70,384	\$59,575
Less:		
Senior preferred stock	72,648	72,648
Preferred stock	14,109	14,109
<b>Common equity</b>	<b>(16,373)</b>	<b>(27,182)</b>
Less: Deferred tax assets arising from temporary differences that exceed 10% of CET1 capital and other regulatory adjustments	5,169	5,123
<b>Common equity Tier 1 capital</b>	<b>(21,542)</b>	<b>(32,305)</b>
Add: Preferred stock	14,109	14,109
<b>Tier 1 capital</b>	<b>(7,433)</b>	<b>(18,196)</b>
Tier 2 capital adjustments	—	—
<b>Adjusted total capital</b>	<b>(\$7,433)</b>	<b>(\$18,196)</b>

The table below presents the components of our statutory capital.

**Table 53 - Statutory Capital Components**

(In millions)	December 31, 2025	December 31, 2024
<b>Total equity</b>	\$70,384	\$59,575
Less:		
Senior preferred stock	72,648	72,648
AOCI, net of taxes	51	(27)
<b>Core capital</b>	<b>(2,315)</b>	<b>(13,046)</b>
General allowance for foreclosure losses <sup>(1)</sup>	8,505	7,239
<b>Total statutory capital</b>	<b>\$6,190</b>	<b>(\$5,807)</b>

(1) Represents our allowance for credit losses.

The table below presents our capital metrics under the ERCF.

**Table 54 - Capital Metrics Under ERCF**

(In billions)	December 31, 2025	December 31, 2024
Adjusted total assets	\$3,905	\$3,817
Risk-weighted assets (standardized approach):		
Credit risk	1,091	988
Market risk	67	58
Operational risk	73	72
<b>Total risk-weighted assets</b>	<b>\$1,231</b>	<b>\$1,118</b>

(In billions)	December 31, 2025	December 31, 2024
Stress capital buffer	\$29	\$28
Stability capital buffer	30	29
Countercyclical capital buffer amount	—	—
<b>PCCBA</b>	<b>\$59</b>	<b>\$57</b>
PLBA	\$15	\$14

(Dollars in billions)	December 31, 2025				
	Minimum Capital Requirement	Applicable Buffer	Capital Requirement (Including Buffer <sup>(1)</sup> )	Available Capital (Deficit)	Capital Shortfall
<b>Risk-based capital amounts:</b>					
Total capital	\$99	N/A	\$99	\$6	(\$93)
CET1 capital	55	\$59	114	(22)	(136)
Tier 1 capital	74	59	133	(7)	(140)
Adjusted total capital	99	59	158	(7)	(165)
<b>Risk-based capital ratios<sup>(2)</sup>:</b>					
Total capital	8.0 %	N/A	8.0 %	0.5 %	(7.5)%
CET1 capital	4.5	4.8 %	9.3	(1.8)	(11.1)
Tier 1 capital	6.0	4.8	10.8	(0.6)	(11.4)
Adjusted total capital	8.0	4.8	12.8	(0.6)	(13.4)
<b>Leverage capital amounts:</b>					
Core capital	\$98	N/A	\$98	(\$2)	(\$100)
Tier 1 capital	98	\$15	113	(7)	(120)
<b>Leverage capital ratios<sup>(3)</sup>:</b>					
Core capital	2.5 %	N/A	2.5 %	(0.1)%	(2.6)%
Tier 1 capital	2.5	0.4 %	2.9	(0.2)	(3.1)

(Dollars in billions)	December 31, 2024				
	Minimum Capital Requirement	Applicable Buffer	Capital Requirement (Including Buffer) <sup>(1)</sup>	Available Capital (Deficit)	Capital Shortfall
<b>Risk-based capital amounts:</b>					
Total capital	\$89	N/A	\$89	(\$6)	(\$95)
CET1 capital	50	\$57	107	(32)	(139)
Tier 1 capital	67	57	124	(18)	(142)
Adjusted total capital	89	57	146	(18)	(164)
<b>Risk-based capital ratios<sup>(2)</sup>:</b>					
Total capital	8.0 %	N/A	8.0 %	(0.5)%	(8.5)%
CET1 capital	4.5	5.1 %	9.6	(2.9)	(12.5)
Tier 1 capital	6.0	5.1	11.1	(1.6)	(12.7)
Adjusted total capital	8.0	5.1	13.1	(1.6)	(14.7)
<b>Leverage capital amounts:</b>					
Core capital	\$95	N/A	\$95	(\$13)	(\$108)
Tier 1 capital	95	\$14	109	(18)	(127)
<b>Leverage capital ratios<sup>(3)</sup>:</b>					
Core capital	2.5 %	N/A	2.5 %	(0.3)%	(2.8)%
Tier 1 capital	2.5	0.4 %	2.9	(0.5)	(3.4)

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

(2) As a percentage of RWA.

(3) As a percentage of ATA.

At December 31, 2025, our maximum payout ratio under the ERCF was 0.0%, which applies to limit our capital distributions and discretionary bonus payments discussed under the risk-based and leverage capital requirements.

## Credit Ratings

Our ability to access the capital markets and other sources of funding, as well as our cost of funds, may be affected by our credit ratings. The table below indicates our credit ratings as of January 31, 2026.

**Table 55 - Freddie Mac Credit Ratings**

	Nationally Recognized Statistical Rating Organization		
	S&P	Moody's	Fitch
Senior long-term debt	AA+	Aa1	AA+
Short-term debt	A-1+	P-1	F-1+
Preferred stock <sup>(1)</sup>	D	Ca	C
Outlook	Stable	Stable	Stable

(1) Does not include senior preferred stock issued to Treasury.

Our credit ratings and outlooks are primarily based on the support we receive from Treasury and, therefore, are affected by changes in the credit ratings and outlooks of the U.S. government. On May 16, 2025, Moody's downgraded the U.S. sovereign credit rating from Aaa to Aa1. On May 19, 2025, Moody's lowered our senior unsecured debt rating to Aa1 from Aaa and revised the credit rating Outlook to Stable from Negative.

A security rating is not a recommendation to buy, sell, or hold securities. It may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

# CONSERVATORSHIP AND RELATED MATTERS

## Conservator Powers Over Our Company

FHFA has broad powers when acting as our Conservator. Upon its appointment, the Conservator immediately succeeded to all rights, titles, powers, and privileges of Freddie Mac and of any stockholder, officer, or director of Freddie Mac with respect to Freddie Mac and its assets. The Conservator also succeeded to the title to all books, records, and assets of Freddie Mac held by any other legal custodian or third party.

Under the GSE Act, the Conservator may take any actions it determines are necessary to put us in a safe and solvent condition and appropriate to carry on our business and preserve and conserve our assets and property. The Conservator's powers include the ability to transfer or sell any of our assets or liabilities, subject to certain limitations and post-transfer notice provisions, without any approval, assignment of rights or consent of any party. However, the GSE Act provides that loans and mortgage-related assets that have been transferred to a Freddie Mac securitization trust must be held by the Conservator for the beneficial owners of the trust and cannot be used to satisfy our general creditors.

We conduct our business subject to the direction of FHFA as our Conservator. The Conservator has authorized the Board of Directors to oversee management's conduct of our business operations so we can operate in the ordinary course. The directors serve on behalf of, exercise authority as provided by, and owe their fiduciary duties of care and loyalty to the Conservator. Thus, while we are in conservatorship, the Board of Directors have no fiduciary duties to the company or its stockholders. Our directors are also elected by the conservator, not by our stockholders. The Conservator retains the authority to withdraw or revise the authority it has provided at any time. The Conservator also retains certain significant authorities for itself and has not provided them to the Board of Directors. The Conservator continues to provide strategic direction for the company and directs the efforts of the Board of Directors and management to implement its strategy. Many management decisions are subject to review and/or approval by FHFA and management frequently receives direction from FHFA on various matters involving day-to-day operations.

Our current business objectives reflect direction we have received from the Conservator, including in the Conservatorship Scorecards. Certain actions that we have taken pursuant to such direction are intended to help homeowners, renters, and the mortgage market and could have a negative impact on our business, operating results, or financial condition. For additional information on our business objectives, see **Note 2**.

## Purchase Agreement, Warrant, and Senior Preferred Stock

In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury. Under the Purchase Agreement, we issued to Treasury both senior preferred stock and a warrant to purchase common stock. The Purchase Agreement, warrant, and senior preferred stock do not contain any provisions causing them to terminate or cease to exist upon the termination of conservatorship. The conservatorship, Purchase Agreement, warrant, and senior preferred stock materially limit the rights of our common and preferred stockholders (other than Treasury). Treasury and FHFA (acting on our behalf) may further amend the Purchase Agreement, warrant, and senior preferred stock at any time, and such amendments could be adverse to us.

Pursuant to the Purchase Agreement we issued to Treasury one million shares of Variable Liquidation Preference Senior Preferred Stock with an initial liquidation preference of \$1 billion and a warrant to purchase, for a nominal price, shares of our common stock equal to 79.9% of the total number of shares outstanding. The senior preferred stock and warrant were issued to Treasury as an initial commitment fee in consideration of Treasury's commitment to provide funding to us under the Purchase Agreement. We did not receive any cash proceeds from Treasury as a result of issuing the senior preferred stock or the warrant. Under the Purchase Agreement, our ability to repay the liquidation preference of the senior preferred stock is limited, and we will not be able to do so for the foreseeable future, if at all.

The Purchase Agreement provides that, on a quarterly basis, we generally may draw funds up to the amount, if any, by which our total liabilities exceed our total assets, as reflected on our GAAP consolidated balance sheets for the applicable fiscal quarter, provided that the aggregate amount funded under the Purchase Agreement may not exceed Treasury's commitment. The amount of any draw will be added to the aggregate liquidation preference of the senior preferred stock and will reduce the amount of available funding remaining. Deficits in our net worth have made it necessary for us to make substantial draws on Treasury's funding commitment under the Purchase Agreement, with the majority of these draws occurring from 2008 to 2011. In addition, increases in our Net Worth Amount since December 2017 have been, and will be, added to the aggregate liquidation preference of the senior preferred stock. The liquidation preference of the senior preferred stock will continue to be increased at the end of each fiscal quarter through the Capital Reserve End Date, by an amount equal to the increase in the Net Worth Amount, if any, during the immediately prior fiscal quarter. As of December 31, 2025, the aggregate liquidation preference of the senior preferred stock was \$140.2 billion, and the amount of available funding remaining under the Purchase Agreement was \$140.2 billion, which will be reduced by any future draws.

For additional information on the Purchase Agreement, warrant, and senior preferred stock, see **Note 2**.

The Purchase Agreement and warrant contain covenants that significantly restrict our business and capital activities. For example, the Purchase Agreement provides that, until the senior preferred stock is repaid or redeemed in full, we may not, without the prior written consent of Treasury:

- Pay dividends on our equity securities, other than the senior preferred stock or warrant, or repurchase our equity securities;
- Issue any additional equity securities, except in limited instances;
- Exit from conservatorship, except in limited circumstances;
- Sell, transfer, lease, or otherwise dispose of any assets, other than dispositions for fair market value in the ordinary course of business, consistent with past practices, and in other limited circumstances; and
- Issue any subordinated debt.

The Purchase Agreement also places limits on our mortgage-related investments portfolio, indebtedness, secondary market activities, and single-family loan acquisitions, as described below. Treasury and FHFA may amend the Purchase Agreement. For additional information on the Purchase Agreement covenants, see **Note 2**, and for related risks, see **Risk Factors - Conservatorship and Related Matters**.

## Limits on Our Mortgage-Related Investments Portfolio and Indebtedness

Our ability to acquire and sell mortgage assets is significantly constrained by limitations under the Purchase Agreement and other limitations imposed by FHFA:

- The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum of \$225 billion. 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. Our mortgage-related investments portfolio was \$161.2 billion as of December 31, 2025, including \$22.0 billion representing 10% of the notional amount of the interest-only securities we held as of December 31, 2025.
- In October 2025, FHFA updated these limitations to permit us to hold, for investment purposes, up to \$40 billion in agency MBS, including \$5 billion in CMO securities, based on UPB. In January 2026, FHFA lifted the \$40 billion limitation on agency MBS to allow us to further support the secondary mortgage market, while generating viable economic returns. As a result of this change, we are permitted to increase our agency MBS investments, provided that our total mortgage assets do not exceed the \$225 billion cap under the terms of our senior preferred stock purchase agreement with Treasury, with CMO securities capped at \$5 billion as part of agency MBS investments.
- Under the Purchase Agreement, we may not incur indebtedness that would result in the par value of our aggregate indebtedness exceeding 120% of the amount of mortgage assets we are permitted to own on December 31 of the immediately preceding calendar year. Our debt cap under the Purchase Agreement decreased to \$270 billion on January 1, 2023 as a result of the decrease in the mortgage assets limit under the Purchase Agreement to \$225 billion on December 31, 2022. As of December 31, 2025, our aggregate indebtedness for purposes of the debt cap was \$210.6 billion.
- FHFA has indicated that any portfolio sales should be commercially reasonable transactions that consider impacts to the market, borrowers, and neighborhood stability.

Our decisions with respect to managing the mortgage-related investments portfolio affect our business segments. In order to achieve all of our portfolio goals, it is possible that we may forgo economic opportunities in one business segment in order to pursue opportunities in the other business segment.

## Limits on Our Secondary Market Activities and Single-Family Loan Acquisitions

The Purchase Agreement restricts our secondary market activities and single-family loan acquisitions:

- Secondary Market Activities - We cannot vary the pricing or any other term of the acquisition of a single-family loan based on the size, charter type, or volume of business of the seller of the loan and are required to:
  - Offer to purchase loans for cash consideration and operate this cash window with non-discriminatory pricing and
  - Comply with directives, regulations, restrictions, or other requirements prescribed by FHFA related to equitable secondary market access by community lenders.
- Single-Family Loan Acquisitions - We are required to limit our acquisition of certain single-family mortgage loans.
  - Subject to such exceptions as FHFA may prescribe to permit us to acquire single-family mortgage loans that are currently eligible for acquisition, we were required to implement a program reasonably designed to ensure that each single-family mortgage is:
    - A qualified mortgage;

- Expressly exempt from the CFPB's ability-to-repay requirements;
- Secured by an investment property;
- A refinancing with streamlined underwriting for high LTV ratios;
- A loan with temporary underwriting flexibilities due to exigent circumstances, as determined in consultation with FHFA; or
- Secured by manufactured housing.

We will continue to manage these activities in accordance with our risk limits and limitations imposed by FHFA.

## Limits on Our Multifamily Loan Purchase Activity

The amount and type of multifamily loans that we purchase are influenced by the loan purchase cap established by FHFA for our multifamily business. In November 2025, FHFA announced that the 2026 loan purchase cap for the multifamily business will be \$88 billion, up from \$73 billion in 2025. FHFA will continue to require at least 50% of the Multifamily new business activity to be mission-driven, affordable housing. Similar to 2025, loans classified as supporting workforce housing properties will be exempt from the 2026 volume cap. FHFA will continue to monitor the multifamily mortgage market and may increase the multifamily cap if necessary to support liquidity in the market. However, if FHFA determines the actual size of the market is smaller than was initially projected, FHFA will not reduce the cap.

## Pilot Transparency Framework

FHFA has created a pilot transparency framework for the Enterprises. 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.

## REGULATION AND SUPERVISION

As a federally chartered financial institution, we are subject to significant regulation and oversight. FHFA is our Conservator and primary regulator. In its capacity as our conservator and primary regulator, FHFA oversees and regulates our safety and soundness and mission. The SEC and Treasury regulate other aspects of our business, including our securities disclosures and issuances. Regulatory activity by other agencies may also affect us, even if we are not directly subject to their regulations or oversight.

The Administration has made comments regarding a number of potential transactions involving us and Fannie Mae, including a public offering of our equity securities while in conservatorship or outside of conservatorship, and the potential for our exit from conservatorship. We cannot predict whether or when any of these transactions could take place or on what terms. While we continue to monitor regulatory and policy developments, we cannot predict the accuracy, timing, or impact of such statements or any related policy actions.

### Federal Housing Finance Agency

#### Receivership and Resolution Planning

Under the GSE Act, FHFA must place us into receivership if FHFA determines that our assets are less than our obligations or we have not been paying our debts as they become due (in each case for a period of 60 days). FHFA notified us that the 60-day measurement period will commence no earlier than the SEC filing deadline for our quarterly or annual financial statements for the relevant period. FHFA also advised us that if during such a 60-day period, we receive funds from Treasury in an amount at least equal to the deficiency, the Director of FHFA will not make a mandatory receivership determination.

We could also be put into receivership at the discretion of the Director of FHFA at any time for other reasons, including: a substantial dissipation of assets or earnings due to unsafe or unsound practices; an unsafe or unsound condition to transact business; an inability to meet our obligations in the ordinary course of business; a weakening of our condition due to unsafe or unsound practices or conditions; critical undercapitalization; undercapitalization and no reasonable prospect of becoming adequately capitalized; the likelihood of losses that will deplete substantially all of our capital; or by consent.

FHFA's resolution planning rule requires we develop a resolution plan that would assist FHFA's planning for our rapid and orderly resolution if FHFA is appointed our receiver that: (1) minimizes disruption in the national housing finance markets by providing for the continued operation of the core business lines of the Enterprise in receivership by a newly constituted LLRE; (2) preserves the value of the Enterprise's franchise and assets; (3) facilitates the division of assets and liabilities between the LLRE and the receivership estate; (4) ensures that investors in mortgage-backed securities guaranteed by the Enterprises and in Enterprise unsecured debt bear losses in accordance with the priority of payments established in the GSE Act, while minimizing unnecessary losses and costs to these investors; and (5) fosters market discipline by making clear that no extraordinary government support will be available to indemnify investors against losses or fund the resolution of an Enterprise. The rule also addresses procedural requirements related to the frequency and timing for submission of resolution plans to FHFA. The rule provides a set of required and prohibited assumptions when developing the resolution plans, including assuming that receivership may occur under the severely adverse economic conditions provided by FHFA in conjunction with any stress testing required or another scenario provided by FHFA, not assuming the provision or continuation of extraordinary government support (including support under the Purchase Agreement), and reflecting statutory provisions that obligations and securities of the Enterprises are not guaranteed by the United States and do not constitute a debt or obligation of the United States.

The appointment of FHFA as receiver would immediately terminate the conservatorship. In the event of receivership, the GSE Act requires FHFA, as the receiver, to organize a LLRE with respect to Freddie Mac. Among other requirements, the GSE Act provides that this LLRE:

- Would succeed to Freddie Mac's Charter and thereafter operate in accordance with and subject to such Charter;
- Would assume, acquire, or succeed to our assets and liabilities to the extent that such assets and liabilities are transferred by FHFA to the LLRE; and
- Would not be permitted to assume, acquire, or succeed to any of our obligations to shareholders.

Placement into receivership would likely have a material adverse effect on holders of our common stock and preferred stock, and could have a material adverse effect on holders of our debt securities and Freddie Mac mortgage-related securities. Should we be placed into receivership, different assumptions may be required to determine the carrying value of our assets, which could lead to substantially different financial results. For additional information on the risks to our business relating to receivership and uncertainties regarding the future of our business, see **Risk Factors - Conservatorship and Related Matters**.

## Capital Standards and Public Disclosures

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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 requirements or to establish additional capital and reserve requirements for particular purposes. In 2008, FHFA suspended capital classification of us during conservatorship, in light of the Purchase Agreement.

The ERCF establishes capital requirements for the Enterprises and includes 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 rule includes leverage-based and risk-based requirements, which together determine the requirements for each tier of capital. The rule 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. Pursuant to the rule, we publish quarterly capital reports on our public website.

Our current capital levels are significantly below the levels that would be required under the ERCF. The ERCF has a transition period for compliance. In general, the compliance date for the regulatory capital requirements in the ERCF will be the later of the date of termination of our conservatorship and any compliance date provided in a consent order or other transition order. The compliance date for buffer requirements in the ERCF will be the date of termination of our conservatorship. With respect to the ERCF's advanced approaches for measuring risk-weighted assets, the compliance date is January 1, 2028, or any later compliance date specified by FHFA.

In 2023, FHFA amended the ERCF to modify certain provisions related to guarantees on commingled securities, multifamily mortgage exposures secured by properties with government subsidies, and derivatives and cleared transactions, among other modifications. The provisions related to derivatives and cleared transactions will be effective January 1, 2026; the other provisions of the 2023 amendments became effective in April 2024. In addition, the amendments also extended the compliance date for the advanced approaches from January 1, 2025 to January 1, 2028.

For additional information on these capital standards, see **Note 18**. For additional information on risks related to non-compliance with the Purchase Agreement, see **Risk Factors – Conservatorship and Related Matters - The Purchase Agreement and the terms of the senior preferred stock significantly limit our business activities. If we do not comply with any Purchase Agreement covenants, Treasury may be entitled to specific performance, damages, and other remedies. If FHFA determines that our corrective actions are insufficient, FHFA could impose penalties or take other remedial actions.**

Pursuant to an FHFA rule on stress testing of regulated entities, Freddie Mac and Fannie Mae are required to conduct annual stress tests using scenarios specified by FHFA to determine whether each Enterprise has sufficient capital to absorb losses as a result of adverse economic conditions. Under the rule, the Enterprises must publicly disclose the results of the stress test under the "severely adverse" scenario. On August 15, 2025, we published on our website the results of the severely adverse scenarios for 2024 and 2025.

## New Products

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The GSE Act requires Freddie Mac and Fannie Mae to obtain the prior approval of FHFA before offering a new product to the market, subject to certain exclusions. The GSE Act also requires us to provide FHFA with written notice of any new activity that we consider not to be a new product. In December 2022, FHFA published a final rule that outlines the process for FHFA review and timelines for approving a new product, which is defined as any new activity that FHFA determines merits public notice and comment about whether it is in the public interest. The rule states that FHFA may approve a new product if the Director of FHFA determines that it is authorized under specific provisions of the Enterprise's Charter, is in the public interest, and is consistent with the safety and soundness of the Enterprise or the mortgage finance system.

## Affordable Housing Goals

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We are subject to annual affordable housing goals. We view the purchase of loans that are eligible to count toward our affordable housing goals to be a principal part of our mission and business, and we are committed to facilitating the financing of affordable housing for very low-, low-, and moderate-income families. In light of the affordable housing goals, we may make adjustments to our strategies for purchasing loans, which could potentially increase our credit losses. These strategies could include entering into purchase and securitization transactions with lower expected economic returns than our typical transactions.

FHFA housing goals applicable to our 2025 purchases consist of four goals and two subgoals for single-family owner-occupied housing, two multifamily affordable housing goals, and one multifamily affordable housing subgoal. The single-family goals are expressed as a percentage of the total number of eligible loans underlying our total single-family loan purchases, and the multifamily goals are expressed as a percentage of units financed.

We may achieve a single-family or multifamily housing goal by meeting or exceeding the FHFA benchmark level for that goal (Benchmark Level). We also may achieve a single-family goal by meeting or exceeding the actual share of the market that meets the criteria for that goal (Market Level).

If the Director of FHFA finds that we failed (or there is a substantial probability that we will fail) to meet a housing goal and that achievement of the housing goal was or is feasible, the Director may require the submission of a housing plan. FHFA has the authority to take actions against us if we fail to submit a required housing plan, submit an unacceptable plan, or fail to comply with a plan approved by FHFA. See **Risk Factors - Legal and Compliance Risks - We may not achieve our housing goals and Duty to Serve requirements, and may make certain changes to our business in an attempt to meet these goals and requirements. Either scenario may expose us to additional legal and compliance risk, damage our reputation, and adversely affect our business, financial condition, and results of operations.**

## Affordable Housing Goals Results

In October 2025, FHFA informed us that we achieved all of our single-family and multifamily goals and subgoals for 2024. Our performance on the goals for 2024 and 2023, as determined by FHFA, is set forth in the table below.

**Table 56 - 2024 and 2023 Affordable Housing Goals Results**

Affordable Housing Goals	2024			2023		
	Benchmark Level	Market Level	Results	Benchmark Level	Market Level	Results
Single-Family:						
Low-income home purchase goal	28 %	25.5 %	26.6 %	28 %	26.3 %	28.5 %
Very low-income home purchase goal	7	6.0	6.1	7	6.5	6.8
Low-income areas home purchase goal <sup>(1)</sup>	19	27.9	28.0	20	28.1	29.5
Minority census tracts home purchase subgoal	10	11.9	12.0	10	12.2	13.2
Low-income census tracts home purchase subgoal	4	9.9	9.2	4	9.8	9.4
Low-income refinance goal	26	34.8	33.0	26	40.3	43.2
Multifamily:						
Low-income goal	61 %	N/A	65.3 %	61 %	N/A	67.1 %
Very low-income subgoal	12	N/A	15.3	12	N/A	20.6
Small multifamily (5-50 units) low-income subgoal	2.5	N/A	3.4	2.5	N/A	4.1

(1) The low-income areas home purchase goal benchmark level is the sum of (1) the minority census tracts home purchase subgoal, (2) the low-income census tracts home purchase subgoal, and (3) a disaster areas increment set in accordance with existing practice. Each year, FHFA notifies Freddie Mac by letter of the disaster areas increment for that year only. The disaster areas increment for 2024 was set at 5% and 6% for 2023.

## Affordable Housing Goals for 2026-2028

In December 2025, FHFA published a final rule establishing affordable housing goals for the Enterprises for 2026 through 2028. The final rule combines the two subgoals for low-income census tracts and minority census tracts into a single low-income areas home purchase subgoal.

Our current and 2025 and 2026-2028 affordable housing goal benchmark levels are set forth below.

**Table 57 - 2025 and 2026-2028 Affordable Housing Goal Benchmark Levels**

Affordable Housing Goals	Benchmark Levels for 2025	Benchmark Levels for 2026-2028
Single-Family:		
Low-income home purchase goal	25 %	21 %
Very low-income home purchase goal	6	3.5
Low-income areas home purchase goal <sup>(1)</sup>	21	TBD
Minority census tracts home purchase subgoal <sup>(2)</sup>	12	N/A
Low-income census tracts home purchase subgoal <sup>(2)</sup>	4	N/A
Low-income areas home purchase subgoal <sup>(2)</sup>	N/A	16
Low-income refinance goal	26	21
Multifamily (percentage of overall qualified units):		
Low-income goal	61 %	61 %
Very low-income goal	14	14
Low-income small multifamily (5-50 units) subgoal	2	2

(1) In 2025, the low-income areas home purchase goal benchmark level was the sum of (1) the minority census tracts home purchase subgoal, (2) the low-income census tracts home purchase subgoal, and (3) a disaster areas increment set in accordance with existing practice. Each year, FHFA notifies Freddie Mac by letter of the disaster areas increment for that year only. The disaster areas increment for 2025 was set at 5%. For 2026-2028, FHFA will set the low-income areas home purchase goal benchmark annually based on the benchmark level for the low-income areas home purchase subgoal, plus an adjustment factor reflecting the additional incremental share of mortgages for moderate-income families in designated disaster areas in the most recent year for which such data is available.

(2) Beginning in 2026, the low-income census tract and the minority census tract home purchase subgoals have been combined into a single low-income areas home purchase subgoal.

## Duty to Serve Underserved Markets Plan

The GSE Act establishes a duty for Freddie Mac and Fannie Mae to serve three underserved markets (manufactured housing, affordable housing preservation, and rural housing) by providing leadership in developing loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families in those markets. Under a final rule issued by FHFA, we are required to establish three-year plans that describe the activities and objectives we will undertake to serve each underserved market.

Freddie Mac is currently operating under an underserved markets plan for 2025-2027. In 2025, FHFA evaluated Freddie Mac and Fannie Mae's 2024 Duty to Serve performance under their respective Plans and determined that each Enterprise complied with its Duty to Serve requirements in all three underserved markets. For 2024, FHFA assigned Freddie Mac a rating of Low Satisfactory for its activities in the affordable housing preservation market, a rating of High Satisfactory for its activities in the manufactured housing market, and a rating of Low Satisfactory for its activities in the rural housing market.

## Affordable Housing Fund Allocations

The GSE Act requires us 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. FHFA suspended this requirement when we were placed into conservatorship. However, in December 2014, FHFA terminated the suspension and instructed us to begin setting aside and paying amounts into those funds, subject to any subsequent guidance or instruction from FHFA.

During 2025, we completed \$0.5 trillion of new business purchases subject to this requirement and accrued \$195 million of related expense, of which \$127 million is related to the Housing Trust Fund administered by HUD and \$68 million is related to the Capital Magnet Fund administered by Treasury. We are prohibited from passing through the costs of these allocations to the originators of the loans that we purchase.

## Portfolio Activities

The GSE Act provides FHFA with the power to regulate the size and composition of our mortgage-related investments portfolio. The GSE Act requires FHFA to establish, by regulation, criteria governing portfolio holdings to ensure the holdings are backed by sufficient capital and consistent with our mission and safe and sound operations. FHFA adopted the portfolio holdings criteria established in the Purchase Agreement, as it may be amended from time to time, for so long as we remain subject to the Purchase Agreement. See **MD&A - Conservatorship and Related Matters - Limits on Our Mortgage-Related Investments Portfolio and Indebtedness** for additional information.

## Quality Control Standards for Automated Valuation Models

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In August 2024, six federal regulatory agencies, including FHFA, published a final rule, pursuant to the Dodd-Frank Act, designed to help ensure the credibility and integrity of models used in valuations for certain mortgages secured by a consumer's principal dwelling. In particular, the rule will implement quality control standards for AVMs used by mortgage originators and secondary market issuers in valuing those homes.

Under the final rule, the agencies will require institutions that engage in certain transactions secured by a consumer's principal dwelling to adopt policies, practices, procedures, and control systems designed to ensure a high level of confidence in estimates produced by AVMs; protect against data manipulation; seek to avoid conflicts of interest; require random sample testing and reviews; and comply with nondiscrimination laws. The rule took effect on October 1, 2025.

## FICO 10T and VantageScore 4.0

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In October 2022, FHFA announced the validation and approval of the FICO 10T and VantageScore 4.0 credit score models for use by Freddie Mac and Fannie Mae, as well as the transition to a bi-merge credit reporting requirement. Under a bi-merge approach, lenders may obtain credit reports from two, rather than three, of the national consumer reporting agencies for each borrower.

In February 2024 after a public engagement process on the initiative, FHFA announced further updates to the implementation of new credit score requirements for single-family loans acquired by the Enterprises.

In July 2024, FHFA announced the publication of historical VantageScore 4.0 credit scores on loans acquired by the Enterprises during the 10-year period from April 1, 2013 to March 31, 2023, to support the implementation of Freddie Mac and Fannie Mae's updated credit score and credit reporting requirements. FHFA and the Enterprises will continue to work towards providing similar data to support the transition to the FICO 10T model, contingent upon achieving the necessary conditions for acquisition and publication of this data, and the Enterprises expect to be able to publish historical FICO Score 10T data and adopt scores from the model at a later date.

On January 16, 2025, FHFA and the Enterprises announced an update to the credit score models and reports initiative to revise the implementation date from the fourth quarter of 2025 to a to-be-determined date for the Enterprises to incorporate the new credit score model requirements into mortgage processes and implement optional bi-merge credit reports.

In July 2025, FHFA announced that the Enterprises would permit lenders to choose between Classic FICO or VantageScore 4.0 for loans sold to the Enterprises and the implementation is currently in process.

## Enterprise Fair Lending and Fair Housing Compliance

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In April 2024, FHFA published a final rule to provide FHFA's supervisory expectations and guidance to Freddie Mac and Fannie Mae on fair lending and fair housing compliance, which became effective in July 2024. In February 2026, FHFA repealed the 2024 rule. In repealing the 2024 rule, FHFA reiterated its duty, or commitment, to ensure by appropriate means that the Enterprises carry out their statutory missions through activities that are consistent with the Safety and Soundness Act, the authorizing statutes, and the public interest.

## Department of the Treasury

Treasury has significant rights and powers as a result of the Purchase Agreement. Treasury and FHFA may amend the Purchase Agreement. In addition, under our Charter, the Secretary of the Treasury has approval authority over our issuances of notes, debentures, and substantially identical types of unsecured debt obligations (including the interest rates and maturities of these securities), as well as new types of mortgage-related securities issued subsequent to the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. The Secretary of the Treasury has performed this debt securities approval function by coordinating GSE debt offerings with Treasury funding activities. Our Charter also authorizes Treasury to purchase Freddie Mac debt obligations not exceeding \$2.25 billion in aggregate principal amount at any time.

## Department of Housing and Urban Development

HUD has regulatory authority over Freddie Mac with respect to fair lending. All aspects of the credit or housing-related business practices of Freddie Mac are potentially subject to federal anti-discrimination laws, as well as state and local fair housing and fair lending statutes. In addition, the GSE Act prohibits discriminatory practices in our loan purchase activities, requires us to submit data to HUD to assist in its fair lending investigations of primary market lenders with which we do business, and requires us to undertake remedial actions against such lenders found to have engaged in discriminatory lending practices. HUD may impose fines for noncompliance. HUD may periodically review and comment on our underwriting and appraisal guidelines for consistency with the Fair Housing Act and the anti-discrimination provisions of the GSE Act.

## Consumer Financial Protection Bureau

The CFPB regulates consumer financial products and services. The CFPB's ability-to-repay rule requires creditors to make a reasonable and good faith determination that a borrower has a reasonable ability to repay a mortgage loan according to its terms. The Purchase Agreement limits our single-family acquisitions to those that generally would constitute qualified mortgages under the ability-to-repay rule. Consumers have a three-year private right of action and lifetime defense in foreclosure under the Truth in Lending Act for alleged violations of the ability-to-repay rule. The private right of action is limited to a claim for equitable relief.

## Securities and Exchange Commission

We are subject to the reporting requirements applicable to registrants under the Exchange Act, including the requirement to file with the SEC annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K. Although our common stock is required to be registered under the Exchange Act, we continue to be exempt from certain federal securities law requirements, including the following:

- Securities we issue or guarantee are "exempted securities" and may be sold without registration under the Securities Act of 1933;
- We are excluded from the definitions of "government securities broker" and "government securities dealer" under the Exchange Act;
- The Trust Indenture Act of 1939 does not apply to securities issued by us; and
- We are exempt from the Investment Company Act of 1940 and the Investment Advisers Act of 1940, as we are an "agency, authority, or instrumentality" of the U.S. for purposes of such Acts.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires us to make a number of judgments and assumptions that affect estimates of the reported amounts within our consolidated financial statements. Critical accounting estimates are important to the presentation of our financial condition and results of operations and require management to make difficult, complex, or subjective judgments and estimates, often regarding matters that are inherently uncertain. Actual results could differ from our estimates, and the use of different judgments and assumptions related to these estimates could have a material impact on our consolidated financial statements.

Our critical accounting estimates and policies relate to the Single-Family allowance for credit losses. For additional information about our critical accounting estimates and significant accounting policies, see the notes accompanying our consolidated financial statements.

### 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 single-family loans classified as held-for-investment on our 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. Our estimate of expected credit losses incorporates these judgments into an internally-based model that uses a Monte Carlo simulation which generates many possible house price scenarios for up to 40 years for each MSA. These scenarios are used to estimate loan-level expected future cash flows and credit losses based on each loan's individual characteristics.

Changes in forecasted house price growth rates can have a significant effect on our allowance for credit losses estimates. These growth rates are used to develop the detailed forecasted life-of-loan house price growth rates for each MSA. The table below shows our nationwide forecasted house price growth rates that were used in determining our allowance for credit losses. See **Note 6** for additional information regarding our current period provision for credit losses and estimation process.

**Table 58 - Forecasted House Price Growth Rates**

	December 31, 2025	December 31, 2024
12-Month Forward	0.5 %	2.7 %
13- to 24-Month Forward	1.4	3.3

The sensitivity of our allowance for credit losses to house price growth rates changes over time depending on current and forecasted economic conditions and the current characteristics of our portfolio. To assess the sensitivity of our allowance for credit loss estimates to forecasted house price growth rates for the current period end, we compared the estimates under the above December 31, 2025 forecast to model estimates using a decrease of 300 bps to the forecasted house price growth rate 12 months from the current period end, including generating an updated Monte Carlo simulation of house price scenarios, with all other factors held constant. The comparison did not result in a material increase in our allowance for credit losses.

This sensitivity analysis assesses hypothetical changes to our forecasted house price growth rates which are calculated separately from our allowance for credit losses process. The sensitivity analysis is not reflected in management's forecast of house price growth rates nor in our allowance for credit losses for the current period end. Further, it is not intended to imply management's expectation of future changes in our forecasts or any other variables that may change as a result. It is difficult to estimate how potential changes in any one factor or input might affect the allowance for credit losses because management considers a wide variety of factors and inputs in estimating expected credit losses, and changes in one factor or input may offset changes in other factors or inputs. In addition, changes in forecasted house price growth rates result in non-linear impacts to the measurement of the allowance for credit losses and are therefore not incrementally proportional.

We regularly evaluate the underlying estimates and models we use when determining the Single-Family allowance for credit losses and update our assumptions to reflect our historical experience and current view of economic factors. For additional information on uncertainty and risks related to models, see **Risk Factors - Operational Risks - We face risks and uncertainties associated with the models we use to inform business and risk management decisions and for financial accounting and reporting purposes**. Changes in our forecasts or the occurrence of actual economic conditions that differ significantly from our forecasts may significantly affect the measurement of our Single-Family allowance for credit losses.

We believe the level of our Single-Family allowance for credit losses is appropriate based on internal reviews of the factors and methodologies used. No single statistic or measurement determines the appropriateness of the allowance for credit losses. Changes in one or more of the estimates or assumptions used to calculate the Single-Family allowance for credit losses could have a material impact on the allowance for credit losses and provision for credit losses.

# Risk Factors

*Investing in our common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below, as well as the other information in this 10-K, including our consolidated financial statements, notes, and MD&A. Any of the following risks could materially and adversely affect our business, financial condition, results of operations, reputation, or prospects. If any such risk occurs, the market price of our stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us, or that we currently consider immaterial, may also adversely affect us.*

## RISK FACTORS SUMMARY

The summary of risks below provides an overview of the principal risks that could affect our business, financial condition, results of operations, cash flows, reputation, strategies, compliance with laws and regulations, and/or prospects. This summary does not include all information that may be important to you, and you should read the more detailed discussion of risks following this summary.

### Conservatorship and Related Matters

- Freddie Mac's future is uncertain.
- FHFA, as our Conservator, controls our business activities. We may be required to take actions that reduce our profitability, are difficult to implement, or expose us to additional risk.
- The Purchase Agreement and the terms of the senior preferred stock significantly limit our business activities. If we do not comply with any Purchase Agreement covenants, Treasury may be entitled to specific performance, damages, and other remedies. If FHFA determines that our corrective actions are insufficient, FHFA could impose penalties or take other remedial actions.
- If FHFA places us into receivership, the treatment of our assets and liabilities would be uncertain. We may be limited or prevented from repaying the full liquidation preference of our preferred stock, making payments on our securities, or making any distribution to our common stockholders.
- Our business and results of operations may be materially adversely affected if we are unable to attract and retain well-qualified employees across the company. The conservatorship, uncertainty about our future, and limitations on executive and employee compensation put us at a disadvantage compared to other companies in attracting and retaining employees.

### Credit Risks

- We are subject to mortgage credit risk. Credit losses and related costs could adversely affect our financial results.
- We face significant risks related to our delegated underwriting process for single-family loans, including risks related to sellers' origination operations, data accuracy, and mortgage fraud. Our delegated process relies on sellers' ability to originate and deliver loans that consistently meet our underwriting standards. Their failure to do so may impact the credit quality of the loans we purchase.
- Mortgage fraud could result in financial losses and harm to our reputation.
- Declines in national or regional house prices, other adverse changes in the housing market, declines in the value of Multifamily properties, deterioration of property conditions, legislative or public policy changes that impact multifamily property owners, or adverse macroeconomic conditions could negatively affect our business.
- We are exposed to counterparty credit risk with respect to our business counterparties. Our financial results may be adversely affected if one or more counterparties fail to meet their contractual obligations to us.
- Our loss mitigation activities may be unsuccessful or costly and may adversely affect our financial results.
- We have been, and continue to be, adversely affected by deficiencies and delays in the single-family and multifamily foreclosure process.
- We are exposed to increased credit losses and credit-related expenses in the event of a natural disaster or catastrophic event.
- The new issuance market for our CRT transactions may not be available to us in adverse economic conditions. These transactions increase our expenses.
- Our issuance of UMBS and structured securities backed by Fannie Mae-issued securities exposes us to operational and counterparty credit risk.

### Market Risks

- Changes in interest rates could negatively affect the fair value of our financial assets and liabilities, results of operations, and net worth.
- Changes in market spreads could negatively affect the fair value of our financial assets and liabilities, results of operations,

and net worth.

- A significant decline in the price performance of our UMBS could adversely affect the volume and/or profitability of our Single-Family business.
- If UMBS does not continue to receive widespread market acceptance, the liquidity and price performance of our Single-Family mortgage-related securities, as well as our market share and profitability, could be adversely affected.
- The profitability of our Multifamily business could be adversely affected by market competition and/or decreased investor demand for our securities.

### Liquidity Risks

- Our activities may be adversely affected if funding is limited or unavailable, or if the cost of funding increases.
- Any downgrade in the credit ratings of the U.S. government would likely be followed by a downgrade in our credit ratings. A downgrade in the credit ratings of our debt could adversely affect our liquidity and other aspects of our business.

### Operational Risks

- A failure in our operational systems or infrastructure, or those of third parties, including due to fraud, could impair our ability to provide market liquidity, disrupt business operations, damage our reputation, expose us to legal risk, and cause financial losses.
- Cybersecurity threats are rapidly changing and becoming more sophisticated. We may not be able to protect our systems and networks, or the confidentiality of our information (including personal information), from cybersecurity incidents, unauthorized access, disclosure, and/or disruption.
- We rely on third parties, including our sellers, servicers, their vendors, and other service providers, for certain important functions. Any failures by those third parties to deliver products or services, or to manage risks effectively, could disrupt our business operations, servicing of our portfolio, or expose us to other operational risks.
- We face risks and uncertainties associated with the models we use to inform business and risk management decisions and for financial accounting and reporting purposes.
- The use of AI-based technologies and methods involves inherent risks that may expose us to unexpected losses, damage our reputation, adversely impact our business operations, and/or pose compliance risks under applicable laws and regulations.
- Natural disasters could adversely affect our business.
- Legislative, executive, regulatory, or judicial changes or actions could require operational changes that may adversely affect our business activities and financial results.

### Legal and Compliance Risks

- We face risks associated with non-compliance with our legal and regulatory obligations.
- We face risks associated with non-compliance with our contractual and other requirements.
- Changes in legal requirements or standards, whether through government or judicial action, or our contractual obligations, may subject us to regulatory investigations, enforcement actions, legal proceedings, and harm our reputation, and/or adversely impact our financial results or operations.
- We may not achieve our housing goals and Duty to Serve requirements, and may make changes to our business in an attempt to meet these goals and requirements. Either scenario may expose us to additional legal and compliance risk, damage our reputation, and adversely affect our business, financial condition, and results of operations.

### General Risks

- Changes in global or domestic economic and political conditions may have an adverse effect on our business.

## Conservatorship and Related Matters

### ***Freddie Mac's future is uncertain.***

Our future structure and role in the mortgage industry will be determined by the Administration, Congress, and FHFA. They may also change our priorities and strategy, including ending the conservatorship or directing us to undertake new business activities and limit or cease existing activities. Significant changes may occur that could materially affect our business model and results of operations. Some or all of our functions could be transferred to other institutions, and we could cease to exist as a stockholder-owned company. If any of these events occur, our shares could diminish in value, or cease to have any value, and our stockholders may not receive any compensation for such loss in value. In addition, the Administration has made comments regarding a number of potential transactions involving us and Fannie Mae, including a public offering of our equity securities while in conservatorship or outside of conservatorship, and the potential for our exit from conservatorship. We cannot predict whether or when any of these transactions could take place or on what terms. While we continue to monitor regulatory and policy developments, we cannot predict the accuracy, timing, or impact of such statements or any related policy actions.

Bills have been, and may continue to be, introduced in Congress concerning the future status of Freddie Mac, Fannie Mae, and the mortgage finance system, including bills that provide for the wind down of Freddie Mac and Fannie Mae and modification of the terms of the Purchase Agreement. It is possible that the Administration could take steps, even in the absence of legislative action, to implement changes impacting Freddie Mac, Fannie Mae, and the mortgage finance system. We cannot predict the timing or final content of legislation, regulations or administrative actions related to our activities, nor can we predict the impact any such enacted legislation, regulation or administrative actions would have on our business and financial condition. Actions taken by FHFA to date, or that may be taken in the future, with respect to key positions at Freddie Mac, including the CEO, the Chair and other members of the Board of Directors, may result in changes in our priorities and strategies, which could in turn affect our business and results of operations.

If we exit conservatorship, specified regulatory exemptions that currently apply to us or our securities would no longer apply, such as the rule implementing the Dodd-Frank Act's credit risk retention requirement and the Federal Reserve Board's single counterparty credit limits rule. The expiration of these exemptions could result in significant changes to our business and materially adversely affect our financial results and condition.

The conservatorship is indefinite in duration, and the likelihood, timing, and circumstances under which we might emerge from conservatorship are uncertain. Our current capital levels are significantly below the levels that would be required under the ERCF. It will likely be very difficult for us to build the requisite amount of capital under the ERCF, as we may be required to start paying dividends to Treasury on the senior preferred stock under the net worth sweep dividend requirement before we reach such amount of capital. Once we start paying such dividends to Treasury, we may not be able to increase our capital through retained earnings. While we are currently increasing our net worth as a result of changes to our senior preferred stock dividend requirement, the increases in our net worth since September 30, 2019 have been or will be added to the aggregate liquidation preference of the senior preferred stock. In addition, our ability to increase our capital, other than through retained earnings, is limited, and it may not be possible for us to raise private capital on acceptable terms. Under the Purchase Agreement, we can raise up to \$70.0 billion of capital through the issuance of common stock only after Treasury has exercised in full its warrant to purchase 79.9% of our common stock and pending material conservatorship-related litigation has been resolved or settled. Treasury's potential substantial equity ownership in our company, the restrictions imposed on our business, and required post-recapitalization dividends and fees payable to Treasury, could reduce our attractiveness as an investment opportunity for third-party investors. It is uncertain whether or when we will be able to retain or raise sufficient capital to permit an end to our conservatorship, and this may not happen for several years or at all. For additional information on the conservatorship, Purchase Agreement, and terms of the senior preferred stock, see **Note 2**.

Even if the conservatorship ends and the voting rights of common stockholders are restored, we could effectively remain under the control of the U.S. government because of the Purchase Agreement, Treasury's warrant to acquire nearly 80% of our common stock for nominal consideration, or Treasury's ownership of our common stock after it exercises its warrant. If Treasury exercises the warrant, the ownership interest of our existing common stockholders will be substantially diluted. Further, even if the conservatorship is terminated, we would remain subject to the Purchase Agreement and the terms of the senior preferred stock unless they are terminated or amended.

***FHFA, as our Conservator, controls our business activities. We may be required to take actions that reduce our profitability, are difficult to implement, or expose us to additional risk.***

We are under the control of FHFA, as our Conservator, and are not managed to maximize stockholder returns. FHFA determines our strategic direction. We face a variety of different, and sometimes competing, business objectives and FHFA-mandated activities, such as the initiatives we are pursuing under the Conservatorship Scorecards. Some of the activities FHFA has required us to undertake have been costly and/or difficult to implement, such as development and support of the mortgage securitization platform. The Director of FHFA has changed and in the future could continue to change our priorities and strategies and direct us to undertake new business activities or limit or cease existing activities.

The Supreme Court has interpreted FHFA's authority as conservator expansively, noting that "when the FHFA acts as a conservator, it may aim to rehabilitate the regulated entity in a way that, while not in the best interests of the regulated entity, is beneficial to the Agency and, by extension, the public it serves." As conservator, FHFA can direct us to enter into contracts or enter into contracts on our behalf, and generally has the power to transfer or sell any of our assets or liabilities.

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. FHFA has the power to require us to change our processes, take action, and/or stop taking action, which could impact our business; FHFA exercises this power from time to time.

FHFA has required and may again in the future require us to make changes to our business that have adversely affected our business or financial results and could require us to make additional changes at any time. FHFA may require us to undertake activities that (1) reduce our profitability; (2) expose us to additional credit, market, funding, operational, legal, and other risks; or (3) provide additional support for the mortgage market that serves our mission, but adversely affects our business or financial results. Examples of these changes include amendments to the ERCF, Advisory Bulletins, and other instructions as FHFA may deliver from time to time.

FHFA has also required us to take other actions that may adversely affect our business or financial results, such as requiring us to maintain increased liquidity and directing us to amend the U.S. FinTech LLC agreement in a manner that limits our influence over U.S. FinTech Board decisions. During conservatorship, the U.S. FinTech Board Chair must be designated by FHFA, and all U.S. FinTech Board decisions require the affirmative vote of the Board Chair. FHFA also has the right to appoint up to three additional U.S. FinTech Board members. One of these seats has not been filled, and if FHFA appoints an additional independent member, the U.S. FinTech Board members we and Fannie Mae appoint could be outvoted by FHFA-designated Board members on any matter during conservatorship and on significant matters after conservatorship. It is possible that FHFA may require us to make additional changes to the U.S. FinTech LLC agreement or may otherwise impose restrictions or provisions relating to U.S. FinTech or the UMBS, which may adversely affect us. The support of FHFA and Treasury is critical to the continued success of the UMBS and the fungibility of Freddie Mac- and Fannie Mae-issued UMBS. FHFA and Treasury may discontinue or alter this support at any time.

FHFA has, at times, prevented us from engaging in business activities or transactions that we believe would be profitable or otherwise beneficial to our business, and it may do so again in the future. For example, FHFA has limited the size and composition of our mortgage-related investments portfolio and the amount and type of new single-family and multifamily loans we may acquire. We may be required to adopt business practices that help serve our mission and other non-financial objectives, but that may negatively affect our future financial results. Congress or FHFA may require us to set aside or otherwise pay monies to fund third-party initiatives, such as the existing requirement under the GSE Act that we allocate amounts for certain housing funds. FHFA could also require us to take actions that would adversely affect our ability to compete and innovate, such as through its rules for new GSE products and activities; changing our risk appetite (including risk limits); and limiting our control over pricing.

FHFA is also Conservator of Fannie Mae, our primary competitor. As Conservator of both companies, FHFA has required, and could in the future require, us and Fannie Mae to take a uniform approach to certain activities, limiting innovation and competition and possibly putting us at a competitive disadvantage because of differences in our respective businesses. FHFA also could limit our ability to compete with new entrants and other institutions.

The combination of the restrictions on our business activities and our potential inability to generate sufficient revenue through our guarantee activities to offset the effects of those restrictions may have an adverse effect on our results of operations and financial condition.

Furthermore, the conservatorship has resulted in one material weakness in our internal control over financial reporting that could result in errors in our reported results, which could have a material adverse effect on our business and operations. This material weakness relates specifically to the impact of the conservatorship on our disclosure controls and procedures. Because we are under FHFA's control, some information needed to meet our disclosure obligations may be solely within FHFA's knowledge. As Conservator, FHFA has the power to take actions without our knowledge that could be material to our shareholders and other stakeholders, and could significantly affect our financial performance or our continued existence as an ongoing business. Because FHFA currently functions as both our regulator and our Conservator, there are inherent structural limitations on our ability to design, implement, test or operate effective disclosure controls and procedures relating to information known only to FHFA. As a result, we have not been able to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known only to FHFA that is needed to meet our disclosure obligations under federal securities laws, including disclosures affecting our financial statements. Given the structural nature of this material weakness, we do not expect to remediate it while we are under conservatorship. See **Controls and Procedures** for further discussion of management's conclusions on our disclosure controls and procedures and internal control over financial reporting.

***The Purchase Agreement and the terms of the senior preferred stock significantly limit our business activities. If we do not comply with any Purchase Agreement covenants, Treasury may be entitled to specific performance, damages, and other remedies. If FHFA determines that our corrective actions are insufficient, FHFA could impose penalties or take other remedial actions.***

The Purchase Agreement and the terms of the senior preferred stock place significant restrictions on our ability to manage our business, including limiting (1) our secondary market activities; (2) our single-family loan acquisitions; (3) the amount of indebtedness we may incur; (4) the size of our mortgage-related investments portfolio; and (5) our ability to pay dividends, transfer certain assets, raise capital, pay down the liquidation preference of the senior preferred stock, and exit conservatorship. FHFA and Treasury can amend the Purchase Agreement and the terms of the senior preferred stock at any time.

The Purchase Agreement prohibits us from taking a variety of actions without Treasury's consent, and Treasury has the right to withhold its consent for any reason. The restrictions on our business under the Purchase Agreement, the senior priority position and net worth sweep dividend provisions of the senior preferred stock, and the warrant held by Treasury could adversely affect our ability to attract capital from the private sector in the future, should we be in a position to do so. For additional information, see **Conservatorship and Related Matters - Freddie Mac's Future is Uncertain**.

In the event of non-compliance with any Purchase Agreement covenants, Treasury may be entitled to specific performance, damages, and other such remedies as may be available at law or in equity. If FHFA determines that our corrective actions are insufficient, FHFA could impose penalties or take other remedial actions.

***If FHFA places us into receivership, the treatment of our assets and liabilities would be uncertain. We may be limited or prevented from repaying the full liquidation preference of our preferred stock, making payments on our securities, or making any distribution to our common stockholders.***

We can be put into receivership at the discretion of the Director of FHFA at any time for a number of reasons consistent with the GSE Act and the Purchase Agreement, to the extent applicable by law. Bills have been and may continue to be introduced in Congress that provide for Freddie Mac to be placed into receivership. In addition, FHFA could be required to place us into receivership if Treasury were unable to provide us with funding requested under the Purchase Agreement to address a deficit in our net worth. Treasury might not be able to provide the requested funding if, for example, the U.S. government were not fully operational because Congress had failed to approve funding or the government had reached its borrowing limit. For additional information, see **MD&A - Regulation and Supervision**.

Being placed into receivership would terminate our conservatorship. The appointment of FHFA as our receiver would terminate all rights and claims that our stockholders and creditors might have against our assets or under our Charter as a result of their status as stockholders or creditors, other than possible payment contingent upon the value of the assets remaining in the receivership entity. FHFA would have broad power as receiver to make decisions regarding Freddie Mac's assets and liabilities in receivership; it is uncertain how the exercise of those powers would affect the interests of our stockholders and creditors.

The GSE Act provides that, if we were placed into receivership, the mortgages underlying our mortgage-related securities (and the payments thereon) would be held for the benefit of the holders of those securities and not for the benefit of any receivership estate or LLRE. However, payments on the mortgages underlying our mortgage-related securities might not be sufficient to make full payments of principal and interest on the securities. If we were unable to fulfill our guarantee, the holders of our mortgage-related securities could experience delays in receiving payments because the relevant systems are not designed to make partial payments, and they could ultimately suffer losses on their investments to the extent the payments on the mortgages underlying our mortgage-related securities were not sufficient to make full payments of principal and interest on the securities.

In addition, when administering the receivership claims process, FHFA could treat similarly situated creditors unequally, including treating creditors with claims related to senior unsecured debt securities and creditors with claims related to guarantee obligations on mortgage-related securities unequally, if FHFA determines such treatment is necessary to maximize the value of the assets of Freddie Mac, to maximize the present value return from the sale or other disposition of the assets of Freddie Mac, or to minimize the amount of any loss realized upon the sale or other disposition of the assets of Freddie Mac, as long as all creditors would receive at least as much as they would in a liquidation. During receivership or conservatorship, FHFA may take any authorized action that it determines is in the best interest of Freddie Mac or FHFA, including the public that FHFA serves.

FHFA has the power to order the liquidation of our remaining assets in receivership. If our assets were liquidated, the liquidation proceeds might not be sufficient to pay the secured and unsecured claims against us (including claims on our guarantees), repay the liquidation preference on any series of our preferred stock, or make any distribution to our common stockholders. Proceeds would first be applied to the secured and unsecured claims against us, the administrative expenses of the receiver, and the liquidation preference of the senior preferred stock. Any remaining proceeds would then be available to repay the liquidation preference of other series of preferred stock. Only after the liquidation preference of all series of preferred stock is repaid would any proceeds be available for distribution to the holders of our common stock.

***Our business and results of operations may be materially adversely affected if we are unable to attract and retain well-qualified employees across the company. The conservatorship, uncertainty about our future, and limitations on executive and employee compensation put us at a disadvantage compared to other companies in attracting and retaining employees.***

We rely heavily on the talents and efforts of our employees to operate our business successfully.

The conservatorship, uncertainty of our future, and limitations on executive and employee compensation have had, and are likely to continue to have, an adverse effect on our ability to retain and recruit talent. The restrictions on the type of compensation we may pay while under conservatorship include:

- The Equity in Government Compensation Act of 2015 limits the compensation and benefits for our Chief Executive Officer to the level that was in place as of January 1, 2015 while we are in conservatorship or receivership. Accordingly, annual direct compensation for our CEO is limited to base salary at an annual rate of \$600,000.
- The Stop Trading on Congressional Knowledge Act of 2012, known as the STOCK Act, and related FHFA regulations prohibit our senior executives from receiving bonuses during conservatorship.
- FHFA, as our Conservator, has the authority to approve the terms and amount of our executive compensation and may require us to make changes to our EMCP. For additional information on restrictions on executive compensation, see

**Executive Compensation – CD&A – Other Executive Compensation Considerations – Legal, Regulatory, and Conservator Restrictions on Executive Compensation.**

- The terms of the Purchase Agreement with Treasury contain specified restrictions relating to compensation, including a prohibition on selling or issuing equity securities without Treasury’s prior written consent except under limited circumstances, which effectively eliminates our ability to offer equity-based compensation to our employees.

These restrictions may reduce our flexibility to offer compensation deemed competitive, which may adversely affect our ability to attract and retain executives and other employees. They also limit our ability to motivate and reward high performance with compensation structures that provide upside potential to our executives, putting us at a disadvantage compared to other companies in attracting and retaining executives. In addition, the uncertainty of potential action by Congress or the Administration with respect to our future – including whether we will exit conservatorship, how long it may take before we exit conservatorship, or whether housing finance reform will result in a significant restructuring of the company or the company no longer continuing to exist – also negatively affects our ability to recruit and retain executives and other employees.

The cap on our CEO compensation historically has made retention and succession planning for this position difficult, and it may make it difficult to attract qualified candidates for this critical role in the future.

We face competition from the financial services and technology industries, and from businesses outside of these industries, for well-qualified talent. This competition has made the attraction and retention of executive and employee talent more challenging. If this increased competition for talent persists and if we are unable to attract and retain executives and other employees with the necessary skills and talent, or the market for talent further intensifies, we may face increased operational risk, and our business or financial results could be materially adversely affected. Leadership departures, especially multiple departures at approximately the same time, could also materially adversely affect our business, results of operations, and financial condition.

## Credit Risks

**We are subject to mortgage credit risk. Credit losses and related costs could adversely affect our financial results.**

Mortgage credit risk is the risk that a borrower will fail to make timely payments on a loan we own or guarantee. This exposes us to the risk of credit losses and credit-related expenses, which could adversely affect our financial results. We are primarily exposed to mortgage credit risk with respect to the single-family and multifamily loans and securities reflected as assets on our consolidated balance sheets. We are also exposed to mortgage credit risk with respect to guaranteed securities and guarantee arrangements that are not reflected as assets on our consolidated balance sheets, including most senior subordinate securitizations and other mortgage-related guarantees.

Economic downturns or higher unemployment may increase our credit risk, as borrowers may be unable or otherwise fail to make required mortgage payments on time or at all. Additionally, in a high interest rate environment, borrowers taking new mortgages may become financially stretched, resulting in higher delinquencies. If house prices subsequently decline significantly, these conditions could lead to additional losses.

We have loans in our Single-Family mortgage portfolio with certain characteristics that are typically associated with higher levels of credit risk. See **MD&A - Risk Management - Single-Family Mortgage Credit Risk - Monitoring Loan Performance and Characteristics** for additional information on the characteristics of the loans in our Single-Family mortgage portfolio. We may continue to acquire loans with higher risk characteristics, which may increase our credit risk. Our current and/or future efforts to increase eligible borrowers’ access to single-family mortgage credit, including our affordable housing program, changes in loan products, and our plan for fulfilling our obligations to underserved markets, may expose us to increased mortgage credit risk. The characteristics of the loans we acquire may change at any time due to new or revised guidance from FHFA.

**We face significant risks related to our delegated underwriting process for single-family loans, including risks related to sellers’ origination operations, data accuracy, and mortgage fraud. Our delegated process relies on sellers’ ability to originate and deliver loans that consistently meet our underwriting standards. Their failure to do so may impact the credit quality of the loans we purchase.**

We delegate to our sellers the underwriting for the single-family loans we purchase or securitize. Our contracts with sellers describe mortgage eligibility and underwriting standards, and the sellers represent and warrant to us that the loans they deliver to us meet these standards.

We rely on the strength of our sellers' origination processes and controls. We perform operational risk evaluations to test our counterparties' control environments. However, our review may not detect operational weaknesses that could lead to errors in sellers' decisions concerning, for example, loan underwriting, correspondent approvals, property valuations, and insurance coverage.

We do not independently verify most information provided to us before we purchase or securitize a loan. As a result, we are exposed to risks that one or more transaction parties (including the borrower, property seller, broker, appraiser, title agent, loan officer, or lender) may misrepresent facts or engage in fraud, which could adversely affect our credit quality and financial results. While we review a sample of loans after we purchase them to determine if they comply with our contractual standards, this review may not detect any errors, misrepresentations, or instances of fraud, or reduce our exposure to these risks.

We can exercise certain contractual remedies for loans that do not meet our standards. Our representation and warranty framework relieves sellers of certain repurchase obligations with respect to single-family loans. We may face greater exposure to credit and other losses because our ability to enforce repurchases from sellers may be limited. In addition, to the extent that we accept alternatives to repurchase, we may ultimately recover less than if we had enforced repurchase rights. We are accepting more alternatives to repurchase, such as fee-based and fee-only options, which may further increase our exposure to credit and other losses.

Our suite of tools, collectively referred to as Loan Advisor, offers limited representation and warranty relief for certain loan components that satisfy automated data evaluation related to appraisal quality, collateral valuation, certain condominium project requirements, borrower assets, borrower income, and borrower employment status. In general, limited representation and warranty relief is offered when information is validated against independent data sources and/or Freddie Mac analytics and risk assessments. However, there is a risk that the enhanced tools and processes provided by Loan Advisor will not enable us to identify all breaches in a timely manner. In addition, there is a risk that data provided by the independent data sources is not accurate, impacting the representation and warranty relief decision. In turn, this could increase our exposure to credit and other losses. For additional information, see **MD&A - Risk Management - Single-Family Mortgage Credit Risk** and **MD&A - Risk Management - Operational Risk - Third-Party Risk**.

***Mortgage fraud could result in financial losses and harm to our reputation.***

In the process of purchasing, securitizing, and servicing mortgage loans, we rely on information provided to us by the borrower, seller, broker, appraiser, title agent, loan officer, underwriter, or servicer. We also rely on the representation of such parties as to the accuracy and completeness of the information. This exposes us to the risk that one or more of the parties involved in a transaction will intentionally or negligently engage in fraud by misrepresenting facts about a mortgage loan. While we have certain measures designed to protect against mortgage fraud, there is no guarantee our measures will prevent or reduce our exposure to this risk.

We have experienced financial losses resulting from mortgage fraud, including institutional fraud perpetrated by counterparties. In the future, we may experience additional financial losses or reputational damage as a result of mortgage fraud or other financial crimes.

***Declines in national or regional house prices, other adverse changes in the housing market, declines in the value of Multifamily properties, deterioration of property conditions, legislative or public policy changes that impact multifamily property owners, or adverse macroeconomic conditions could negatively affect our business.***

Our financial results and business volumes can be negatively affected by declines in house prices, other adverse changes in the housing market, declines in the value of Multifamily properties, deterioration of property conditions, legislative or public policy changes that impact multifamily property owners, or adverse macroeconomic conditions. This could (1) significantly increase our expected credit losses; (2) result in higher stress losses for both the Single-Family and Multifamily mortgage portfolios; (3) increase our losses, including losses resulting from our inability to recoup the full amount of investments or advances made to improve property conditions, with respect to foreclosure alternatives, third-party sales, and dispositions of REO properties; (4) reduce our returns or result in losses on our Single-Family and Multifamily guarantee businesses, as default rates could be higher than we expected when we issued the guarantees; (5) negatively affect the value of our unsecuritized loans, which could cause us to change our disposition strategies for our Single-Family delinquent and modified loans; or (6) adversely impact our ability to transfer credit risk. For additional information regarding these risks, see **MD&A - Risk Management - Credit Risk**.

Rapid changes in interest rates significantly impact affordability for both single-family and multifamily housing, and may also influence borrower behavior and performance in ways that we may not anticipate. The proportion of refinance loan purchases to total loan purchases in our Single-Family business has decreased during periods of elevated mortgage interest rates. Cash-out refinance loans acquired in a higher interest-rate environment expose us to greater mortgage credit risk. Some of our seller/servicer counterparties are highly dependent on refinance loan volumes. A decrease in such volumes could adversely affect these counterparties, which could increase our exposure to counterparty credit risk.

Increases in interest rates may also reduce the ability of multifamily borrowers to refinance their loans, most of which have balloon balances due at maturity. In addition, in a rising interest rate environment, multifamily borrowers with floating rate loans may have difficulty making higher monthly debt service payments if cash flows generated by the properties are not increasing at a similar pace. While we generally require multifamily borrowers with floating rate loans to purchase an interest rate cap to

protect against large movements in interest rates, purchasing or replacing a required interest rate cap, especially one with a longer term and/or lower strike rate, becomes more expensive in volatile and rising interest rate environments. Furthermore, when the cost of interest rate caps rises, there is no guarantee that the escrow established for the cost to purchase these caps will be sufficient. For additional information, see **MD&A - Risk Management - Credit Risk - Multifamily Mortgage Credit Risk - Credit Quality of New Business Activity**.

**We are exposed to counterparty credit risk with respect to our business counterparties. Our financial results may be adversely affected if one or more counterparties fail to meet their contractual obligations to us.**

We depend on our institutional counterparties to provide services that are critical to our business. We face the risk that one or more of our counterparties may fail to meet their contractual obligations to us. Our major counterparties include sellers, servicers, credit enhancement providers, custodial depository institutions, and counterparties to derivatives, short-term lending, and other funding transactions (e.g., cash and other investments transactions). For additional information, see **MD&A - Risk Management - Counterparty Credit Risk**.

Many of our major counterparties provide several types of services to us. The concentration of our exposure to our counterparties remains high. Efforts we take to reduce exposure to financially weak counterparties could increase the relative concentration of our exposure to other counterparties, increase our costs, and reduce our revenue. It is possible that our counterparties could experience challenging market conditions or other events that could adversely affect their liquidity and financial condition and cause some of them to become insolvent or otherwise fail to perform their obligations to us. Many of our counterparties are subject to increasingly complex regulatory requirements and oversight, which place additional stress on their resources and may affect their ability or willingness to do business with us.

#### **Credit risk related to Single-Family seller/servicers**

We are exposed to credit risk from the seller/servicers of our Single-Family loans, as described below.

- **A decline in servicing performance** - A decline in a servicer's performance, such as delayed foreclosures or missed opportunities for foreclosure alternatives, could significantly affect our ability to mitigate credit losses and could affect the overall credit performance of our Single-Family mortgage portfolio. A large volume of seriously delinquent loans, the complexity of the servicing function, and heightened liquidity requirements are significant factors contributing to the risk of a decline in performance by servicers. Servicers may experience financial and other difficulties due to the advances they are required to make to us on delinquent single-family mortgages, including mortgages subject to forbearance plans. We could be adversely affected if our servicers lack appropriate controls, experience a failure in their controls, or experience a disruption in their ability to service loans, including as a result of a cybersecurity incident, legal or regulatory actions, or financial difficulties. We also are exposed to fraud by third parties in the loan servicing function, particularly with respect to short sales and other dispositions of non-performing assets. Additionally, we rely on the accuracy of information provided by servicers, which exposes us to the risk that the data provided to us may be inaccurate.

We could attempt to mitigate our exposure to a poorly performing servicer by terminating its right to service our loans; however, in a highly adverse economic environment, there could be scarce capacity in the marketplace and we may not be able to find successor servicers who have the capacity to service the affected loans and who are also willing to assume the representations and warranties of the terminated servicer. In addition, terminating a large servicer may not be feasible because of the operational and capacity challenges related to transferring large servicing portfolios. There is also a possibility that the performance of some loans may degrade during the transition to new servicers. During a period of heightened delinquencies, we may incur costs and potential increases in servicing fees if we replace a servicer with a high concentration of loans in default, which are more costly to service. We may also be exposed to concentrations of credit risk among certain servicers.

- **A failure by seller/servicers to fulfill their obligations to repurchase loans or indemnify us as a result of breaches of representations and warranties** - While we may have the contractual right to require a seller or servicer to repurchase loans from us, it may be difficult, expensive, and time-consuming to enforce such repurchase obligations. We could enter into settlements to resolve repurchase obligations; however, the amounts we receive under any such settlements may be less than the losses we ultimately incur on the underlying loans.

Under our representation and warranty framework, as may be revised from time to time in response to FHFA instruction, we are required in some cases to utilize an alternative remedy, such as indemnification, in lieu of repurchase. The amount we recover under an alternative remedy may be less than the amount we could have recovered in a repurchase.

- **Significant exposure to non-depository institutions** - A large volume of our single-family loans is acquired from and serviced by non-depository institutions. Some of these institutions may not have the same financial strength or operational capacity, or be subject to the same level of regulatory oversight, as large depository institutions. As a result, we face increased risk that these counterparties could fail or otherwise be unable to perform their obligations to us. In particular, non-depository servicers grew their servicing portfolios in the last several years. This rapid growth could expose us to increased risks if any operational strain adversely affects these servicers' servicing performance or their financial strength. These institutions also service portfolios for other investors and guarantors (i.e., Fannie Mae and Ginnie Mae) and operational issues related to those portfolios could affect the performance of our portfolio. In addition, these servicers may not always have ready access to appropriate sources of liquidity to finance their operations, particularly during periods

when the mortgage market is experiencing a downturn. If these servicers reduce their servicing portfolios, overall servicing capacity may be constrained.

#### **Credit risk related to Multifamily seller/servicers**

Our seller/servicers also have a significant role in servicing loans in our Multifamily mortgage portfolio. We are exposed to the risk that multifamily seller/servicers could come under financial pressure. The financial pressure could potentially cause a decline in their servicing performance and cause us to take remedial action against them including terminating their right to service our loans, potentially resulting in further concentration of exposure to other seller/servicers.

We are also exposed to settlement risk from the non-performance of sellers and servicers as a result of our forward settlement loan purchase programs in our Single-Family and Multifamily businesses.

#### **Credit risk related to counterparties to derivatives, funding, short-term lending, securities, and other transactions**

We have significant exposure to institutions in the financial services industry relating to derivatives, funding, short-term lending, securities, securities purchased under agreements to resell, secured lending, forward settlement of loans and securities, and other transactions (e.g., cash and other investments transactions). These transactions are critical to our business, including our ability to:

- Manage interest-rate risk and other risks related to our investments in mortgage-related assets;
- Fund our business operations; and
- Service our customers.

We face the risk of failure of the clearing members, clearinghouses, or other financial intermediaries we use to facilitate derivatives, short-term lending, securities, and other transactions. We also clear trades at clearinghouses through clearing members. We would be subject to losses on certain trades if a clearing member fails to comply with the requirement to segregate customer funds or if a clearing member's customer causes a clearing member to default.

We are a clearing member of the clearinghouses through which we execute mortgage-related and Treasury securities transactions. As a result, we could be subject to losses because we are required to participate in the coverage of losses incurred by other clearing members if they fail to meet their obligations to the clearinghouse.

If our counterparties to short-term lending transactions fail, we are exposed to losses to the extent the transaction is unsecured or the collateral posted to us is insufficient.

#### **Credit risk related to mortgage insurers and other credit enhancement providers**

If a mortgage insurer fails to meet its obligations to reimburse us for claims, our credit losses could increase. In addition, if a regulator determines that a mortgage insurer lacks sufficient capital to pay all claims when due, the regulator could take action that might affect the timing and amount of claim payments made to us. We face similar risks with respect to our counterparties on ACIS and comparable transactions.

We cannot differentiate pricing based on the strength of a mortgage insurer or revoke a mortgage insurer's status as an eligible insurer without FHFA approval. In addition, we generally do not select the mortgage insurance provider on a specific loan because the selection is usually made by the lender at the time the loan is originated. As a result, we could acquire a concentration of risk to certain insurance providers.

#### ***Our loss mitigation activities may be unsuccessful or costly and may adversely affect our financial results.***

Our loss mitigation activities may not be successful. The costs we incur related to payment deferral plans, loan modifications, and other loss mitigation activities have been, and could continue to be, significant. For example, payment deferral plans result in non-interest bearing balances we have to finance for the life of the mortgage, resulting in economic costs as a result of the program. In addition, we generally bear the full cost of the monthly payment reductions related to modifications of loans we own or guarantee, as well as all applicable servicer incentive fees for our single-family mortgage modifications.

We could be required to make changes to our loss mitigation activities that could make these activities more costly to us. FHFA, as Conservator and regulator, may continue to issue directives and Advisory Bulletins to assist borrowers and align servicing practices for the GSEs. These directives and Advisory Bulletins could make these activities more costly to us, especially with regard to payment deferral plans and loan modification initiatives since we may not benefit from any credit enhancements such as mortgage insurance. FHFA may continue to issue these directives and Advisory Bulletins for a variety of reasons, including consumer relief and alignment of the prepayment behavior of our and Fannie Mae's respective UMBS.

We have loans on trial period plans as required under certain loan modification programs. Some of these loans may fail to complete the trial period or fail to qualify for our other borrower assistance programs. For these loans, the trial period will have effectively delayed the foreclosure process and could increase our costs.

The type of loss mitigation activities we pursue could affect prepayments on our Single-Family securities (e.g., UMBS, 55-day MBS, PCs, and REMICs), which could affect the value of these securities or the earnings from the assets in our mortgage-related investments portfolio. In addition, loss mitigation activities may adversely affect our ability to securitize, resecure, and

sell the loans subject to those activities.

We devote significant resources to our borrower assistance initiatives. The size and scope of these efforts may compete with other business opportunities or corporate initiatives.

For additional information on our loss mitigation activities, see **MD&A - Risk Management - Single-Family Mortgage Credit Risk - Loss Mitigation Activities**.

***We have been, and could continue to be, adversely affected by deficiencies and delays in the single-family and multifamily foreclosure process.***

Delays in the foreclosure process could cause our expenses to increase. For example, properties awaiting foreclosure could deteriorate until we acquire them, resulting in increased expenses to repair and maintain the properties. Foreclosure process delays could also adversely affect trends in property prices regionally or nationally, which could adversely affect our financial results. Additionally, there have been instances where it has been impracticable for us to exercise our foreclosure remedies on multifamily properties. While past instances have not had a material effect on our financial results, future instances may adversely affect our financial results.

***We are exposed to increased credit losses and credit-related expenses in the event of a natural disaster or catastrophic event.***

The occurrence, severity, and duration of a catastrophic event, such as a pandemic or other health crisis; terrorism, war, political instability, or other political conflict or crisis; or natural disaster such as a flood in an area where we own or guarantee mortgage loans could increase our credit losses and credit-related expenses. A catastrophic event that damages or destroys single-family or multifamily real estate underlying mortgage loans that we own or guarantee, or negatively affects the ability of borrowers to continue to make payments on mortgage loans that we own or guarantee, could increase our serious delinquency rates and average loan loss severity in the affected areas. Such catastrophic events could generate credit losses and credit-related expenses and have a material adverse effect on our business and financial results. While homeowner's and flood insurance may offset some of the risk of natural disasters, insurance coverage may not be adequate or always available and borrowers may not be required or choose to purchase certain types of insurance, such as earthquake insurance or flood insurance for properties located outside SFHAs. Rising costs or limited availability of insurance could also lead borrowers to underinsure, which could result in higher uninsured costs and unrepaired properties. Additionally, rising insurance costs could impact consumers' ability to make mortgage payments, and higher insurance costs could decrease the availability of affordable housing for buyers.

Increases in the severity and frequency of natural disasters and the continued existence of conditions that could lead to a natural disaster, particularly with respect to flooding in areas not designated as SFHAs (i.e., in areas where we do not require flood insurance), as well as any decrease in the willingness of insurers to provide coverage in certain areas for certain perils, would increase the foregoing risks. In addition, the unpredictability of natural disasters and the complexity of forecasting negatively affect our ability to forecast losses from such events.

***The new issuance market for our CRT transactions may not be available to us in adverse economic conditions. These transactions increase our expenses.***

Our ability to transfer credit risk, and the related costs can change rapidly with market conditions. Adverse market conditions, such as high interest rates, elevated inflation, and other market uncertainty, could reduce investor demand for CRT transactions at acceptable prices, delay our CRT transaction calendar, or otherwise impact our ability to execute CRT transactions.

Our CRT strategies and structuring decisions may not prevent substantial losses. Transferring risk takes time, leaving us exposed to credit losses during the pipeline period. In addition, some CRT transactions have early termination clauses or maturities that precede those of the reference mortgage loans, and we may terminate certain CRT transactions by repurchasing the related securities. After such terminations, we are exposed to increased credit risk on the reference mortgage loans.

We retain a portion of future loss risk on loans covered by CRT transactions, including all or part of the first loss risk in Single-Family STACR and ACIS transactions, as well as Multifamily MCIP and MSCR transactions. The costs of CRT transactions are significant and may increase. In some cases, there may be a substantial lag between when we recognize a credit loss in earnings and when the related recovery is recognized, which could negatively impact our financial results in the interim. Changes in regulatory guidance, such as capital requirements under the ERCF, may require us to adjust our CRT activities.

***Our issuance of UMBS and structured securities backed by Fannie Mae-issued securities exposes us to operational and counterparty credit risk.***

We have counterparty credit exposure to Fannie Mae due to investors' ability to commingle certain Freddie Mac and Fannie Mae securities in resecuritizations. When we resecuritize Fannie Mae securities, our guarantee of timely principal and interest extends to the underlying Fannie Mae securities. In the event that Fannie Mae were to fail to make a payment on a Fannie Mae security that we resecuritized, Freddie Mac would be responsible for making the payment. We do not control or limit the amount of resecuritized Fannie Mae securities that we could be required to guarantee. We will be dependent on FHFA, Fannie Mae, and Treasury (pursuant to Fannie Mae's and our respective Purchase Agreements with Treasury) to avoid a liquidity event

or default in the event of a payment default by Fannie Mae. We have not modified our liquidity strategies to address the possibility of non-timely payment by Fannie Mae, but we may do so in the future.

We and Fannie Mae both rely on the Federal Reserve Banks to make payments on our respective mortgage-related securities. As noted above, if Fannie Mae were to fail to make a payment on a Fannie Mae security that we resecutitized, Freddie Mac would be responsible for providing the Federal Reserve Banks with the funds to make the payment. If we failed to provide the Federal Reserve Banks with all of the funds due to make such a payment on resecutitized Fannie Mae securities, the Federal Reserve Banks would not make any payment on any of our outstanding Freddie Mac-issued UMBS, Supers, Single-Family REMICs, or other Single-Family mortgage-related securities to be paid on that payment date, regardless of whether such Freddie Mac-issued securities were backed by Fannie Mae-issued securities.

In addition, UMBS have created significant interdependence between the single-family mortgage securitization programs of Freddie Mac and Fannie Mae. Accordingly, the market value and liquidity profile of our Single-Family mortgage-related securities could be affected by financial and operational incidents relating to Fannie Mae, even if those incidents do not directly relate to us or our securities. Similarly, any disruption in Fannie Mae's securitization activities or any adverse events affecting Fannie Mae's significant mortgage lenders and servicers also could adversely affect the market value of our Single-Family mortgage-related securities.

## Market Risks

### ***Changes in interest rates could negatively affect the fair value of our financial assets and liabilities, results of operations, and net worth.***

Our financial results, including the amount of interest income we receive and interest expense we pay, can be significantly affected by changes in interest rates.

Interest rates can fluctuate for many reasons, including changes in the fiscal and monetary policies of the federal government and its agencies as well as geopolitical events or changes in general economic conditions, such as increased inflation. The amount and timing of the impact of changes in interest rates depends on the magnitude, speed, and duration of the changes in interest rates.

Changes in interest rates could adversely affect the cash flows and prepayment rates on assets that we own and related debt and derivatives. In addition, changes in interest rates could adversely affect the prepayment rate or default rate on the loans that we guarantee. For example, when interest rates decrease, borrowers are more likely to prepay their loans by refinancing them at a lower rate. An increased likelihood of prepayment on the loans underlying our mortgage-related securities may adversely affect the value of these securities.

Additionally, we may issue callable debt instruments to manage the duration and prepayment risk of expected cash flows of the mortgage assets we own. We may exercise the option to repay the outstanding principal balance when interest rates decrease. However, we may replace the called debt at a higher spread due to the market conditions at that time. In the event we decide not to call our debt, we may incur higher hedging costs.

We incur costs as a result of our risk management activities, which may not be successful. Our interest-rate risk management activities are designed to reduce our economic exposure to changes in interest rates to a low level as measured by our models. However, the accounting treatment for certain of our assets and liabilities, including derivatives, creates variability in our earnings when interest rates fluctuate, as some assets and liabilities are measured at amortized cost and some are measured at fair value, while all derivatives are measured at fair value. While we use hedge accounting to attempt to reduce interest-rate-related earnings volatility, our hedge accounting programs may not be effective in reducing this variability. In addition, differences in amortization between our assets and the liabilities we use to fund them, including amortization of fair value hedging basis adjustments, may also be affected by changes in interest rates and prepayment rates and may contribute to earnings variability.

### ***Changes in market spreads could negatively affect the fair value of our financial assets and liabilities, results of operations, and net worth.***

Changes in market conditions, including changes in interest rates, liquidity, prepayment, and/or default expectations and the level of uncertainty in the market for a particular asset class, may cause fluctuations in market spreads. Our financial results and net worth can be significantly affected by changes in market spreads, especially results driven by financial instruments that are measured at fair value. These instruments include trading securities, available-for-sale securities, derivatives, loans held-for-sale, and loans and debt with the fair value option elected. Our positions recorded at fair value may increase, which could further increase our spread risk exposure. While we monitor and manage our spread risk exposure where feasible and appropriate, our ability to manage this risk is limited, and we accept some level of spread risk.

A narrowing or tightening of the market spreads on a given asset is typically associated with an increase in the fair value of that asset. Narrowing market spreads may reduce the number of attractive investment opportunities and could increase the cost of activities we may undertake to support the liquidity and price performance of our UMBS and other securities. Consequently, a tightening of the market spreads on our assets may adversely affect our future financial results and net worth. A widening of the

market spreads on a given asset is typically associated with a decline in the fair value of that asset or tightening of the market spread on a given liability is typically associated with an increase in the fair value of that liability, which may adversely affect our near-term financial results and net worth. While wider market spreads may create favorable investment opportunities, our ability to take advantage of any such opportunities is limited due to various restrictions on the size and composition of our mortgage-related investments portfolio. See **MD&A - Conservatorship and Related Matters** for additional information on these restrictions.

Changes in market spreads also affect the fair value of our debt with the fair value option elected. A narrowing or tightening of the market spreads on a given liability is typically associated with an increase in the fair value of that liability, which is recognized as a loss by us.

***A significant decline in the price performance of our UMBS could adversely affect the volume and/or profitability of our Single-Family business.***

Our UMBS are an integral part of our single-family loan purchase program. Our competitiveness in purchasing single-family loans from our sellers and the volume and profitability of our Single-Family business activity are directly affected by the price performance of UMBS issued by us relative to comparable Fannie Mae-issued UMBS. If our UMBS were to trade at a discount relative to comparable Fannie Mae securities due to prepayment performance or other factors, such a difference in relative pricing may create an incentive for sellers to conduct a disproportionate share of their single-family business with Fannie Mae.

A liquid market for our UMBS may not be sustained, which could negatively impact the price performance of our UMBS and our single-family market share. Significant reductions in our market share and the volume of loans that we securitize, or a reduction in the trading volume of our UMBS, could further reduce the liquidity of our UMBS. Although we may implement strategies to support the liquidity and price performance of our UMBS, these strategies may fail or adversely affect our business and financial results. We may discontinue such activities at any time, or FHFA could require us to do so, which could adversely affect UMBS liquidity and price performance. Additionally, we may incur costs to maintain our presence in the agency securities market and to support the liquidity and price performance of our securities.

Liquidity-related price differences could occur between UMBS issued by us and comparable Fannie Mae-issued UMBS due to factors that are largely outside of our control. For example, the level of the Federal Reserve's purchases and sales of agency mortgage-related securities could affect the demand for and values of our UMBS. Therefore, any strategies we employ to reduce any liquidity-related price differences may not reduce or eliminate any such price differences over the long term.

We may encounter price differences with Fannie Mae on individual new production pools of TBA-eligible mortgages, especially for specified pools and our multi-lender securities. To maintain alignment and competitiveness with Fannie Mae in producing these pools, we may periodically adjust our pricing or introduce new initiatives. Depending on the extent of these pricing adjustments in any period, our Single-Family business profitability could be adversely affected. We manage our cash window activities within our risk limits and FHFA-imposed restrictions, which may limit our ability to manage alignment. For additional information, see **MD&A - Our Business Segments - Single-Family - Business Overview - Products and Activities**.

***If UMBS does not continue to receive widespread market acceptance, the liquidity and price performance of our Single-Family mortgage-related securities, as well as our market share and profitability, could be adversely affected.***

As part of the combined UMBS market, we have been required by FHFA to align certain of our Single-Family mortgage purchase offerings, servicing, and securitization programs, policies and practices with Fannie Mae to achieve and maintain market acceptance of the UMBS. We cannot provide any assurance that these efforts will prevent the occurrence of the types of pricing disparities discussed above over the long-term. A number of factors may make it difficult for us to maintain alignment with Fannie Mae, including increased refinances, the introduction or expansion of automation and other innovations, and changes in the industry. These alignment activities may adversely affect our business and our ability to compete with Fannie Mae. We may be required to further align our business processes with those of Fannie Mae. Uncertainty concerning the extent of the alignment between Freddie Mac's and Fannie Mae's mortgage purchase, servicing, and securitization programs, policies, and practices may affect the degree to which the UMBS maintains market acceptance.

If investors do not continue to accept the fungibility of Freddie Mac and Fannie Mae UMBS and instead prefer Fannie Mae UMBS over Freddie Mac UMBS, this could affect the liquidity or market value of our Single-Family mortgage-related securities and have a significant adverse impact on our business, liquidity, financial condition, net worth, and results of operations, and could affect the liquidity or market value of our Single-Family mortgage-related securities. Investor preferences could also result in the emergence of enterprise-specific markets for these securities.

The ERCF requires us to hold capital to account for the counterparty credit risk of Fannie Mae. Given the resulting risk weights for commingled securities or crossholding of Enterprise UMBS, it is possible that the fungibility of UMBS will be reduced and that enterprise-specific markets will emerge. The ERCF risk weighting may cause each Enterprise to choose whether to stipulate delivery of its own UMBS or to provision excess capital to account for the risk of receiving the other Enterprise's UMBS.

***The profitability of our Multifamily business could be adversely affected by market competition and/or decreased investor demand for our securities.***

Our current Multifamily business model is highly dependent on our ability to purchase and securitize loans at terms that provide us with an appropriate economic return. The actions of our competitors, including their pricing, credit standards, and loan structures, along with the actions we and our competitors take to support affordable multifamily housing could reduce the volume and profitability of our multifamily business. A significant decrease in demand for our securities could have an adverse impact on our profitability to the extent that our holding period for the loans increases and we are exposed to credit, spread, and other market risks for a longer period of time or receive reduced proceeds from securitization. We employ various strategies to support the liquidity of our securities, but those strategies could fail or adversely affect our business. We may cease such activities at any time, or FHFA could require us to do so, which could adversely affect the liquidity and price performance of our securities.

## Liquidity Risks

***Our activities may be adversely affected if funding is limited or unavailable, or if the cost of funding increases.***

The amount, type, and cost of our unsecured funding directly affect our interest expense and results of operations. Market conditions, monetary policy, credit rating downgrades (ours or the U.S. government's), reduced government support, or decreased investor demand could limit our access to such funding or significantly increase its cost.

### Market and Other Factors

Our ability to obtain funding in the public unsecured debt markets or by selling or pledging mortgage-related and other securities as collateral to other institutions could change rapidly or cease. The cost of available funding could increase significantly due to changes in monetary policy, interest rates, market confidence, operational risks, regulatory requirements, or other factors such as competing supply.

Prolonged wide market spreads on long-term debt could cause us to reduce our long-term debt issuances and increase our reliance on short-term debt. Such increased reliance on short-term debt could increase the risk that we may be unable to refinance our debt when it becomes due and result in a greater use of derivatives. Greater derivatives use could increase the variability of our comprehensive income or increase our credit exposure to our counterparties. Additionally, we may incur higher hedging costs in the event that we decide not to call our debt.

We may incur higher funding costs due to our liquidity management requirements, practices, and procedures. Our practices and procedures may not provide us with sufficient liquidity to meet our ongoing cash obligations under all circumstances. In particular, we believe that our liquidity contingency plans may be inadequate or difficult to execute during a liquidity crisis or period of significant market turmoil. If we cannot access the unsecured debt markets, our ability to repay maturing indebtedness, make payments on our mortgage-related securities, and fund our operations could be significantly impaired or eliminated, as our alternative sources of liquidity (e.g., cash and other investments) may not be sufficient to meet our liquidity needs. We have limited ability to use the less liquid assets in our mortgage-related investments portfolio as a significant source of liquidity (e.g., through sales or as collateral in secured borrowing transactions).

We make extensive use of the Federal Reserve's payment system in our business activities, and the Federal Reserve Bank of New York acts as our fiscal agent with respect to our book-entry securities. The Federal Reserve Banks require that we fully fund accounts at the Federal Reserve Bank of New York to the extent necessary to cover cash payments on our debt and mortgage-related securities each day, before the Federal Reserve Bank of New York will draw from our accounts and initiate such payments. Although we seek to maintain sufficient intraday liquidity to fund our activities through the Federal Reserve's payment system, we have limited access to cash once the debt markets are closed for the day. Insufficient cash may cause our accounts to be overdrawn, potentially resulting in penalties, delays in payments on our securities, and reputational harm. Unlike certain of our competitors, we do not have access to the Federal Reserve's discount window.

### Changes in U.S. Government Support

Treasury supports us through the Purchase Agreement and Treasury's ability to purchase up to \$2.25 billion of our obligations under its permanent statutory authority. Changes or perceived changes in the U.S. government's support for us could have a severe negative effect on our access to the unsecured debt markets and our debt funding costs. Our access to the unsecured debt markets and the costs of our debt funding could be adversely affected by several factors relating to U.S. government support, including uncertainty about the future of the GSEs; any concerns by debt investors that we face increasing risk of being placed in receivership; future draws that significantly reduce the amount of available funding remaining under the Purchase Agreement; uncertainty regarding a breach of the U.S. debt ceiling; and the risk of a U.S. government shutdown.

Pursuant to the Purchase Agreement, it is possible that we may be required to pay a dividend to Treasury in the future that would prevent us from meeting our capital requirements under the ERCF. In addition, we and Treasury are required to agree to a periodic commitment fee that we will pay to Treasury for a five-year period (after we have reached prescribed capital levels) in return for Treasury's remaining funding commitment.

### Reduced Demand for Debt Securities

If investor demand for our debt securities were to decrease, our liquidity, business, and results of operations could be materially adversely affected. The willingness of investors to purchase and hold our debt securities can be influenced by many factors, including changes in the world economy, changes in inflation and exchange rates, and regulatory and political factors (including our being placed into receivership), as well as the availability of and investor preferences for other investments. We compete for debt funding with Fannie Mae, the FHLBs, and other institutions. Our funding costs and liquidity contingency plans may also be affected by changes in the amount of and demand for, debt issued by Treasury. Our debt is considered an HQLA because it can be easily and immediately converted into cash at little or no loss of value. Any changes by investors in how they view our debt or regulatory changes causing our debt to no longer be considered an HQLA could significantly increase our debt funding costs or reduce our ability to issue debt.

If investors were to reduce their purchases of our debt securities or divest their holdings, our funding costs could increase and our business activities could be curtailed. The market for our debt securities may become less liquid as a result of our having reached the Purchase Agreement limits on the size of our mortgage-related investments portfolio and the amount of our unsecured debt, or future reductions in those limits. This could lead to a decrease in demand for our debt securities and an increase in our funding costs.

***Any downgrade in the credit ratings of the U.S. government would likely be followed by a downgrade in our credit ratings. A downgrade in the credit ratings of our debt could adversely affect our liquidity and other aspects of our business.***

Any downgrade in the credit ratings of the U.S. government would be expected to be accompanied by a downgrade in our credit ratings. In addition to a downgrade in the credit ratings of or outlook on the U.S. government, several other events could adversely affect our credit ratings, including actions by governmental entities, changes in government support for us, changes in regulatory designations of our debt, future GAAP losses, and additional draws under the Purchase Agreement. Any such downgrades could lead to major disruptions in the mortgage and financial markets and to our business due to lower liquidity and prices for our securities, higher borrowing costs, lower asset values, and higher credit losses, and could cause us to experience net losses and net worth deficits. Downgrades in our credit ratings also may trigger additional collateral or funding obligations or restrictions which could have a material adverse effect on our liquidity, including as a result of credit-related contingent features in certain of our derivative contracts.

For additional information, see **MD&A - Liquidity and Capital Resources**.

## Operational Risks

***A failure in our operational systems or infrastructure, or those of third parties, including due to fraud, could impair our ability to provide market liquidity, disrupt business operations, damage our reputation, expose us to legal risk, and cause financial losses.***

Operational risk continues to be elevated due to the volume, complexity, and pace of change across the company. We face operational risk due to a variety of factors, including the size and complexity of our business operations, the amount of change to our core systems required to keep pace with market demands, regulatory requirements, and business initiatives, and the ever-changing cybersecurity landscape. Shortcomings, failures, or fraud in our internal processes, people, or systems, or those of third parties with which we interact, could lead to a variety of adverse events, including impairment of our liquidity, disruption of our business (e.g., purchasing mortgages, issuing debt and mortgage-related securities, or entering into CRT transactions), incorrect or late payments on our securities and other obligations, including CRT transactions, errors in our financial statements, liability to customers or investors, further legislative or regulatory intervention, fines, or penalties, reputational damage, and financial and economic loss.

Other financial crimes, including money laundering, wire fraud, payment fraud, bribery, terrorist financing, and sanctions violations, may be committed by, against, or through us. While we have certain policies and procedures designed to prevent these financial crimes and protect us against any resulting losses, there is no guarantee our measures will prevent or reduce our exposure to these risks.

Our business is highly dependent on our ability to process a large number of transactions on a daily basis and collect, manage, and analyze significant amounts of information, much of which is provided by third parties. This information may be incorrect, our receipt of information may be delayed, or we may fail to properly manage or analyze it. The inability to correctly process transactions and information could lead to the execution of business transactions, including CRT transactions, that fail to meet our economic return thresholds, cause financial and economic loss, cause reputational damage, and cause other disruptions to our business operations.

The transactions we process are complex and are subject to various legal, accounting, tax, and regulatory standards, which can change rapidly. Our financial, accounting, payment, data processing, or other operating systems and facilities may contain design flaws or may fail to operate properly, adversely affecting our ability to process transactions, including our ability to compile and process legally required information. We have certain systems that require manual support and intervention, which

may lead to heightened risk of system failures. The inability of our systems to accommodate a high volume of transactions or new types of transactions or offerings could constrain our ability to pursue new business initiatives or improve existing business activities.

Our technological connections with our customers and third parties, including suppliers, sellers and servicers, financial market utilities, and other third parties, are substantial and expose us to risk, which increases our risk exposure with respect to an operational failure of their infrastructure or systems. We have developed, and expect to continue to develop, software tools for use by our customers in their loan production, loan servicing, and other processes. These tools may fail to operate properly, which could disrupt our, or our customers', business and adversely affect our relationships with our customers.

We continue to leverage third-party cloud infrastructure for both customer-facing applications and internal use applications. If we do not implement changes in a well-managed, secure, and effective manner, we may experience unplanned service disruptions or unplanned costs which may harm our business and operating results. In addition, our cloud infrastructure providers, or other service providers, have experienced and may in the future experience service disruptions, system breakdowns or failures, outages, downtime, defective system or software updates, or other cybersecurity incidents, as well as adverse changes to financial condition, bankruptcy, or other adverse conditions, which could have a material adverse effect on our business and reputation. Thus, our plans to increase the amount of our infrastructure that we outsource to the cloud or to other third parties may increase our risk exposure.

From time to time, we evaluate new technologies, including AI-based technologies and methods, for our internal use or our customers' use. Utilizing such rapidly evolving technologies may increase our operational and regulatory risks. If we choose not to utilize such technologies, we could be at a competitive disadvantage. Moreover, some of our long-term initiatives designed to reduce our operational risk, or to increase operational efficiencies, particularly those relating to the implementation of new technology and the transition to third-party cloud-based platforms, increase our operational risk over the short term as we implement the changes, as many involve significant changes to our business processes, controls, systems and infrastructure. If we fail to implement these initiatives in a well-managed, secure and effective manner, we may experience significant service disruptions, system breakdowns or failures, outages, downtime, defective system or software updates, other cybersecurity incidents or other unforeseen costs or unintended consequences, any of which could result in material harm to our business and results of operations. Further, there can be no assurance that these initiatives will be successful in reducing our operational risk, increasing our operational efficiencies, or otherwise result in our intended outcomes. For additional information see **Risk Factors - Operational Risks - The use of AI-based technologies and methods involves inherent risks that may expose us to unexpected losses, damage our reputation, adversely impact our business operations, and/or pose compliance risks under applicable laws and regulations.**

We also face significant operational and other risks related to U.S. FinTech and the operation and continued development of the mortgage securitization platform. We rely on U.S. FinTech and the mortgage securitization platform (which is owned and operated by U.S. FinTech) for the operation of many of our Single-Family securitization activities. Our business operations would be adversely affected and the market for Freddie Mac securities would be disrupted if the mortgage securitization platform were to fail or otherwise become unavailable to us or if U.S. FinTech were unable to perform its obligations to us. As the mortgage securitization platform has an operational dependency on Fannie Mae to administer Freddie Mac-issued commingled securities, an operational failure at Fannie Mae could also adversely impact the ability of U.S. FinTech to perform its obligations to Freddie Mac. In the event of a U.S. FinTech operational failure, we may be unable to issue certain new single-family mortgage-related securities, and investors in mortgage-related securities hosted on the U.S. FinTech platform may experience payment delays or errors. Any measures we could take to mitigate these risks might not be sufficient to prevent our business from being harmed. We update our internal systems and processes on a regular basis, including improving existing processes and responding to market and regulatory developments. We could be adversely affected if U.S. FinTech and/or the mortgage securitization platform are unable to make any necessary corresponding changes to their systems and processes in a timely manner. U.S. FinTech could adopt or prioritize strategies that could adversely affect its ability to perform its obligations to us.

We face an operational resiliency risk that can result from the inability to quickly adapt and respond to disruptions while maintaining continuous business operations and safeguarding our people, assets, and overall reputation.

Most of our key business activities are conducted in the Washington D.C. metropolitan area and represent a concentrated risk of people, technology, and facilities. As a result, an infrastructure disruption in or around our offices or affecting the power grid, such as from a terrorist event, active shooter, or natural disaster, could significantly adversely affect our ability to conduct normal business operations. Any measures we take to mitigate this risk may not be sufficient to respond to the full range of events that may occur or allow us to resume normal business operations in a timely manner.

**Cybersecurity threats are rapidly changing and becoming more sophisticated. We may not be able to protect our systems and networks, or the confidentiality of our information (including personal information), from cybersecurity incidents, unauthorized access, disclosure, and/or disruption.**

Our operations rely on the secure, accurate, and timely receipt, storage, transmission, and other processing of confidential and other information (including personal information) in our systems and networks and with counterparties (e.g., seller/servicers), vendors, service providers, and financial institutions.

Cybersecurity risks for companies like ours continue to increase, in part because of the proliferation of new technologies, such as AI-based technologies and methods, the use of the internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, "hacktivists," terrorists, and other external parties, including nation-states and foreign state-sponsored actors. There have been several highly publicized cases involving financial services companies, consumer-based companies, and other organizations, including some of our counterparties, reporting the unauthorized disclosure, dissemination, theft, or destruction of client, customer, or other confidential information (including personal information), corporate information, intellectual property, cash, or other valuable assets. There have also been several highly publicized cases where hackers have requested "ransom" payments in exchange for not disclosing customer information (including personal information) or for not making the targets' computer systems unavailable. In addition, there have been cases where hackers have misled company personnel into making unauthorized transfers of funds to the hackers' accounts.

Like many companies and government entities, from time to time we have experienced, and expect to continue to experience, cybersecurity incidents. Such incidents may include software or hardware failure, malware, ransomware, denial-of-service attacks, social engineering, unauthorized access, human error, theft or misconduct, fraud, and phishing, any of which may be part of an effort to disrupt operations, potentially test cybersecurity capabilities, or obtain confidential, proprietary, or other information (including personal information). We could also be adversely affected by cybersecurity incidents that target the infrastructure of the internet, as such incidents could cause widespread unavailability of websites and degrade website performance. Our risk and exposure to these matters remain heightened because of, among other things, the evolving nature and increasing frequency, levels of persistence, sophistication, and intensity of these threats, our role in the financial services industry, the outsourcing of some of our business operations, and the current global economic and political environment. Remote work environments may increase the risk that we may experience cybersecurity incidents as a result of our employees, vendors, counterparties, service providers, and other third parties with which we interact working remotely on less secure systems and environments.

Because we are interconnected with and dependent on third-party vendors, counterparties (e.g., seller/servicers), exchanges, clearinghouses, fiscal and paying agents, and other financial institutions, we could be adversely affected if any of them are subject to a successful cybersecurity incident. Third parties with which we do business have been, and may continue to be, sources of cybersecurity or other technological risks. We routinely transmit and receive confidential, proprietary, and other information (including personal information) by electronic means. This information could be subject to interception, misuse, or mishandling. Our exposure to these risks could increase as a result of our migration of core systems and applications to a third-party cloud environment. While we generally perform cybersecurity diligence on our key vendors, because we do not control third parties with whom we do business and our ability to monitor their, and their supply chain's, cybersecurity posture is limited, we cannot ensure that the cybersecurity measures they take will be sufficient to protect any information we share with them. Due to applicable laws and regulations or contractual obligations, we may have liability for certain data breaches resulting from cybersecurity incidents attributed to third parties with whom we do business in relation to the information we share with them.

Our measures designed to protect critical assets and provide employee awareness training about phishing, malware, and other cybersecurity risks may not provide effective security. Our computer systems, software, end point devices, and networks may be vulnerable to cybersecurity incidents, supply chain disruptions, or other attempts to harm them or misuse or steal information (including personal information). The scale and effectiveness of such attempts may be further enhanced by the use of AI-based technologies and methods. We routinely identify cybersecurity threats as well as vulnerabilities in our systems and work to address them, but these efforts may be insufficient. Outside parties may attempt to induce employees, customers, third parties (including suppliers, sellers and servicers, financial market utilities, and other third parties), or other users of our systems or networks to disclose confidential, proprietary, or other information (including personal information) in order to gain access to our systems and networks and the information they contain. Unauthorized access or disclosure, or breaches of our security, also may result from human error. Insider threats remain a risk given our workforce diversification to include contractors, remote workers, part-time employees, and full-time employees. We may not be able to anticipate, prevent, detect, recognize, or react to threats to our systems, networks, and assets, or implement effective preventative or remedial measures against cybersecurity incidents, especially because the techniques used change frequently or are not recognized until launched.

A cybersecurity incident could occur and persist for an extended period of time without detection. We expect that any investigation into such an incident would take time, during which we would not necessarily know the extent of the harm or how best to remediate it. Our cybersecurity risk management program may not prevent such a cybersecurity incident from having a material impact. We have obtained insurance coverage relating to cybersecurity risks, but this insurance may not be sufficient to provide adequate loss coverage (including if the insurer denies future claims) and may not continue to be available to us on economically reasonable terms, or at all. Further, we cannot ensure that any limitations of liability provisions in our agreements with vendors, counterparties, customers, and other third parties with which we do business would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim in connection with a cybersecurity incident.

The occurrence of one or more cybersecurity incidents could result in thefts of important assets (such as cash or source code) or the unauthorized loss, disclosure, misuse, or corruption of confidential, proprietary, and other information (including personal

and other information about our borrowers, our customers, or our counterparties) or could otherwise cause interruptions, malfunctions, or other failures in our systems, networks, or operations or those of our customers or counterparties. This could result in significant losses or reputational damage, adversely affect our relationships with our customers and counterparties, negatively affect our competitive position, or otherwise harm our business or investors in our securities. We could also face regulatory and other legal action, including for any failure to provide timely disclosure concerning, or to appropriately limit trading in our securities following, an incident. We might be required to expend significant additional resources to modify or add to our internal controls and other protective measures or to investigate and remediate vulnerabilities or other exposures, and we might be subject to litigation and financial losses that are not fully insured, if at all. In addition, customers, third parties (including suppliers, sellers and servicers, financial market utilities, and other third parties), and governmental organizations may not be adequately protecting the information that we share with them. As a result, a cybersecurity incident on their systems and networks, or a breach of their cybersecurity measures, may result in harm to our business and business relationships and expose us to operational, legal, and reputational risk.

***We rely on third parties, including our sellers, servicers, their vendors, and other service providers, for certain important functions. Any failures by those third parties to deliver products or services, or to manage risks effectively, could disrupt our business operations, servicing of our portfolio, or expose us to other operational risks.***

Our use of third parties, including suppliers, sellers and servicers, financial market utilities, and other third parties, exposes us to the risk of failures in their risk and control environments. We outsource certain key functions to these external parties, including some that are critical to financial reporting, our mortgage-related investment activity, loan underwriting, loan servicing, securities issuance and administration (i.e., U.S. FinTech), and data storage and processing. We may enter into other key outsourcing relationships in the future and continue to expand our existing reliance on public cloud services. Additionally, we may be fully reliant on a third party to complete certain business operations (e.g., financial market utilities that provide the infrastructure for transferring, clearing, and settling payments on securities and other financial transactions). If one or more of these key external parties were not able to perform their functions for a period of time, perform them at an acceptable service level or handle changing volumes, or if one or more of them experiences a disruption in its own business or technology from any cause, our business operations could be constrained, disrupted, or otherwise negatively affected. Our use of third parties also exposes us to operational disruptions, financial losses, fraud, risk of regulatory action, or damage to our reputation if one or more of these third parties fails to maintain adequate risk and control environments. For example, a third party could experience a cybersecurity incident that negatively impacts our operations or the security and integrity of our confidential, proprietary, and other information (including personal information). As another example, if a court were to find a servicer liable for damages to borrowers because of their servicing practices, and the servicer did not have enough money to satisfy the judgment, the court may seek the remaining amounts from the securitization trust(s) into which the underlying loans were pooled. As an additional example, the properties underlying our Multifamily loans are maintained by borrowers who may not maintain these properties in accordance with the Multifamily Seller/Service Guide requirements. Our ability to monitor the activities or performance of certain third parties may be limited based on restricted access to and availability of risk management information for the third party, which may make it difficult for us to assess and manage the risks associated with these relationships.

***We face risks and uncertainties associated with the models we use to inform business and risk management decisions and for financial accounting and reporting purposes.***

We use models in our businesses under a variety of scenarios. Certain models make projections over long periods of time. Models are inherently imperfect predictors of actual results. There is inherent uncertainty associated with model projections of economic variables and the downstream projections dependent on these variables.

Uncertainty and risks related to models may arise from a number of sources, including the following:

- We could fail to design, implement, operate, adjust, or use our models as intended. We may fail to code a model correctly, we could use incorrect or insufficient data inputs or fail to fully understand the data inputs, or model implementation software could malfunction. We may not have performed user acceptance testing appropriately or correctly, including allowing sufficient testing time and resources and using the right subject matter experts before deploying the model. The complexity and interconnectivity of our models create additional risk regarding the accuracy of model output. We may not be able to deploy or update models in a timely manner.
- When market conditions change in unforeseen ways, our model projections may not accurately reflect these conditions, or we may not fully understand the model outputs. For example, models may not fully reflect the effect of certain government policy changes or new industry trends. In such cases, it is often necessary to make assumptions and judgments to accommodate the effect of scenarios that are not sufficiently well represented in the historical data. While we may adjust our models in response to new events, considerable residual uncertainty remains. Our models face challenges in forecasting key inputs into our financial projections due to volatility in economic conditions. These can include, but are not limited to, projections of mortgage and other interest rates, house prices, credit defaults, yields, and prepayments. In addition, in periods of low transaction volume for certain types of assets, the limited data available may reduce the reliability of model outputs.

- We also use selected third-party models. While the use of such models may reduce our risk where no internal model is available, it exposes us to additional risk, as third parties typically do not provide us with proprietary information regarding their models. We have little control over the processes by which these models are adjusted or changed. As a result, we may be unable to fully evaluate the risks associated with the use of such models.

Our use of models could affect decisions concerning the purchase, sale, securitization, and CRT activities of loans; the purchase and sale of securities; funding; the setting of guarantee fee prices; and the management of interest-rate, market, liquidity, and credit risk. Our use of models also affects our quality-control sampling strategies for loans in our Single-Family mortgage portfolio and potential settlements with our counterparties. Models are part of the process used to grant representation and warranty relief, which may be granted inappropriately if the models are incorrect. We also use models in our financial reporting process, including when measuring our allowance for credit losses and applying hedge accounting. See **MD&A - Risk Management - Market Risk** and **Critical Accounting Estimates** for additional information on our use of models.

***The use of AI-based technologies and methods involves inherent risks that may expose us to unexpected losses, damage our reputation, adversely impact our business operations, and/or pose compliance risks under applicable laws and regulations.***

AI-based technologies are rapidly evolving and being increasingly adopted by us, third parties with whom we do business, and other market participants, with adoption expected to grow significantly over time. These AI-based technologies may subject us to new or heightened legal, regulatory, ethical, operational, reputational or other challenges and contain inherent risks including:

- Identifying non-representative patterns in training data that produce inaccurate predictions;
- Generating false or "hallucinatory" outputs;
- Relying on inaccurate, incomplete or misleading training data, prompts, algorithms, or other inputs;
- Containing hidden biases and producing predictions difficult to interpret and validate; and
- Creating inaccurate, incomplete, or misleading results that are not easily detectable through standard testing.

These technologies are subject to a rapidly evolving legal and regulatory landscape that may prevent us from adequately anticipating and responding to requirements, potentially resulting in legal liability, penalties, and reputational damage. In particular, such technologies are subject to a variety of existing laws and regulations, including fair lending, consumer protection, intellectual property, privacy, equal opportunity and are expected to be subject to new laws and regulations or new applications of existing laws and regulations. Furthermore, we face risks relating to our use of AI-based technologies, including liability from insufficient rights to use data or content used in or generated by AI systems; violating applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party; our confidential, proprietary, or personal information becoming part of datasets accessible by third parties, compromising our competitive position and privacy; and cybersecurity incidents and data privacy violations from AI use exposing the confidential, proprietary and other information (including personal information) of AI users. Additionally, inappropriate or controversial data practices by developers and end users or other factors adversely affecting public opinion of AI-based technologies could impair the acceptance of such technologies, including those incorporated in our business and operations.

The use of AI-based technologies by vendors, counterparties, service providers and other third parties with which we interact may pose similar risks, and we have limited ability to control the measures such third parties put in place with respect to AI risk management. Third-party AI failures could indirectly impact our operations and reputation. Given the novelty and rapid technological change of AI-based technologies, we may be unable to sufficiently mitigate or timely detect risks. There can be no guarantee that the use of AI-based technologies will be successful in reducing our operational risk or increasing our operational efficiencies or otherwise result in our intended outcomes.

***Natural disasters could adversely affect our business.***

Natural disasters may affect housing affordability, property values, and the terms and conditions of mortgages available for purchase. Legislative or public policy changes and changes in consumer sentiment due to natural disasters and the response thereto could negatively impact the businesses and financial condition of both our customers and seller/servicers, which may decrease revenues from those counterparties and increase credit risk associated with loans and other credit exposures to those counterparties. In connection with any potential transition to a lower-carbon economy, legislative or public policy changes and changes in consumer sentiment could negatively impact the businesses and financial condition of both our customers and seller/servicers, which may decrease revenues from those counterparties and increase credit risk associated with loans and other credit exposures to those counterparties. Additionally, governmental and supervisory focus on natural disasters could result in our becoming subject to new, heightened, or potentially inconsistent regulatory requirements related to operational resiliency, climate risk disclosure, or stress testing for various climate stress scenarios. Any such requirements could result in increased regulatory, compliance, or other costs or higher capital requirements. For additional information on our climate-related risks, see **Risk Factors - Credit Risks - We are exposed to increased credit losses and credit-related expenses in the event of a natural disaster or catastrophic event.**

**Legislative, executive, regulatory, or judicial changes or actions could require operational changes that may adversely affect our business activities and financial results.**

Our business or operations may be directly adversely affected by future legislative, executive, regulatory, or judicial actions at the federal, state, and local levels. Such actions could affect us in a number of ways, including by imposing significant additional legal, compliance, and other costs on us, limiting our business activities, and diverting management attention or other resources. Such actions, and any required changes to our business or operations or those of third parties upon whom we rely in response thereto (e.g., seller/servicers), could have an adverse effect on our business activities and financial results. For example, we may be required to increase supervision of our servicers' payment collection practices and policies which would impose significant additional operational costs on our business. For additional information, see **Risk Factors – Operational Risks - We rely on third parties, including our sellers, servicers, their vendors, and other service providers, for certain important functions. Any failures by those third parties to deliver products or services, or to manage risks effectively, could disrupt our business operations, servicing of our portfolio, or expose us to other operational risks.**

## Legal and Compliance Risks

**We face risks associated with non-compliance with our legal and regulatory obligations.**

We operate in a highly regulated industry and are subject to heightened supervision from FHFA, as both our regulator and our Conservator, which places increased demand on our compliance systems. Our compliance systems and programs may not be adequate to ensure compliance with all legal, regulatory, and other requirements. We also rely on third parties with whom we do business and their respective compliance risk management programs. The failure or limitations of our or any third-party compliance programs may expose us to legal and compliance risk. Failure to comply with applicable legal and regulatory requirements could result in enforcement actions, investigations, fines, monetary and other penalties, additional restrictions on our business activities imposed by FHFA, and harm to our reputation that may adversely affect our results of operations and financial condition.

**We face risks associated with non-compliance with our contractual and other requirements.**

We rely on and have interdependence with third parties due to the number and complexity of our contractual and other obligations. These contracts expose us to the risk that we could fail to perform our obligations in a satisfactory manner and that a contractual counterparty could commence legal proceedings against us for deficiencies related to our performance. Additionally, an investor in any of our securities could claim our securitization or unsecured debt offering documents contained materially false or misleading statements. For additional information on our litigation, see **Note 17**. If we fail to comply with our contractual and other obligations, this could result in legal action, fines, monetary and other penalties, and harm to our reputation that may adversely affect our results of operations and financial condition.

**Changes in legal requirements or standards, whether through government or judicial action, or our contractual obligations, may subject us to regulatory investigations, enforcement actions, or legal proceedings, and harm our reputation, and/or adversely impact our financial results or operations.**

We are subject to a range of complex and evolving laws, regulations, rules, and standards at the federal, state, and local levels, and contractual obligations. Changes in legal requirements or standards, whether through government or judicial action, or shifts in contractual obligations, may expose us to regulatory investigations, enforcement actions, litigation, reputational harm, and adverse financial impacts. Changes in the Administration or key personnel at regulatory agencies, including the FHFA, may result in new policies, different interpretations of existing rules, or adjustments in regulatory priorities. The direction, timing, and impact of potential regulatory initiatives remain uncertain, and anticipated changes may not occur or could be reconsidered by future administrations.

Regulatory activity by agencies other than FHFA may also affect us, even if we are not directly subject to their regulations or oversight. For example, we have not been designated as a systemically important financial institution; however, the Financial Stability Oversight Council announced in 2020 that it will continue to monitor the secondary mortgage market activities of the government sponsored enterprises to ensure potential risks to financial stability are adequately addressed. Designation as a systemically important financial institution would result in our becoming subject to additional regulation and oversight by the Federal Reserve Board.

As an additional example, privacy and cybersecurity are currently areas of considerable legislative and regulatory attention, with new or modified laws, regulations, rules, and standards being frequently adopted and potentially subject to divergent interpretation or application from jurisdiction to jurisdiction in a manner that may create inconsistent or conflicting requirements for businesses. The uncertainty and compliance risk created by these legislative and regulatory developments are compounded by the rapid pace of technology development in disciplines that may impact the use or security of data, and in particular the use or security of personal information, such as AI-based technologies and methods and advancements in the field of data science. Privacy and cybersecurity laws and regulations often impose strict requirements regarding the collection, storage, handling, use, disclosure, transfer, security, and other processing of personal information, which may have adverse consequences on our business, including incurring significant compliance costs, requiring changes to our business or operations, and imposing severe penalties for non-compliance. Further, we could face scrutiny and adverse legal and

regulatory action for any failure or perceived failure to comply with our public privacy policies and other public statements about our privacy and cybersecurity program. Failure to comply with our legal requirements and standards could potentially subject us to regulatory investigations, enforcement, or legal actions, and harm to our reputation as well as fines, monetary or other penalties, and other damage to our business and results.

***We may not achieve our housing goals and Duty to Serve requirements, and may make changes to our business in an attempt to meet these goals and requirements. Either scenario may expose us to additional legal and compliance risk, damage our reputation, and adversely affect our business, financial condition, and results of operations.***

If we do not meet our housing goals and Duty to Serve requirements, and FHFA finds that the goals or requirements were feasible, we may become subject to a housing plan that could require us to take additional steps that could potentially damage our reputation and adversely affect our profitability. If we fail to meet a single-family housing goal and the gap between our performance and the market level for that goal is greater than the measurement buffers provided in the final rule, we may be required to develop a housing plan, requiring additional changes to our business. Further, any changes we make to how we conduct our business in order to achieve our housing goals could create incremental legal and compliance risk.

We may make adjustments to our loan sourcing and purchase strategies in an effort to meet our housing goals and subgoals set by FHFA, including modifying some of our underwriting standards and expanding the use of targeted initiatives to reach underserved populations. For example, we may purchase loans that offer lower expected returns on our investment and potentially increase our exposure to credit losses. We may also make changes to our business in response to our obligations to underserved markets that could adversely affect our profitability, and our ability to meet our targeted return requirements established by FHFA.

## General Risks

***Changes in global or domestic economic and political conditions may have an adverse effect on our business.***

Our business, financial condition, and results of operations could be adversely affected, directly and indirectly, by changes in global or domestic economic and political conditions, including acts of terrorism, civil unrest, geopolitical instability or conflict, public health events, epidemics or pandemics, tariffs and other trade policies, changes in the composition of the U.S. Congress, uncertainty regarding a breach of the U.S. debt ceiling, government shutdowns, default by the U.S. government on its obligations, or actual or perceived instability in the U.S. banking system. Although our business is limited to the United States housing market, we may still be affected by such events because volatility or uncertainty in global or domestic sociopolitical conditions can affect the macroeconomic environment and financial markets, inflationary pressures, monetary policy or potential for an economic recession, as well as the housing market itself and industries that support it.

## Legal Proceedings

We are involved, directly or indirectly, in a variety of legal proceedings arising from time to time in the ordinary course of business and in connection with the conservatorship and Purchase Agreement. See **Note 17** for additional information regarding our involvement as a party to various legal proceedings, including those in connection with the conservatorship and Purchase Agreement.

Over the last several years, numerous lawsuits have been filed against the U.S. government and, in some cases, the Secretary of the Treasury and the Director of FHFA, challenging certain government actions related to the conservatorship (including actions taken in connection with the imposition of conservatorship) and the Purchase Agreement. Freddie Mac is not a party to all of these lawsuits. Several of the lawsuits seek to invalidate the net worth sweep dividend provisions of the senior preferred stock, which were implemented pursuant to the August 2012 amendment to the Purchase Agreement. Some of these cases also have challenged the constitutionality of the structure of FHFA. A number of cases have been dismissed (some of which have been appealed), and others remain pending.

These cases include one that was filed in the U.S. Court of Federal Claims as a derivative lawsuit, purportedly on behalf of Freddie Mac as a “nominal” defendant: *Reid and Fisher v. United States of America and Federal Home Loan Mortgage Corporation*. This case was filed 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. The Court of Federal Claims dismissed the case with prejudice on September 1, 2023 and entered judgment for the defendants. On October 31, 2023, the plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit. On August 12, 2025, the Federal Circuit affirmed the dismissal of the plaintiffs' case.

# Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

## MARKET INFORMATION

### Common Stock

Our common stock is traded in the over-the-counter market and quoted on the OTCQB, operated by OTC Markets Group Inc., under the ticker symbol "FMCC." Over-the-counter market quotations for our common stock reflect inter-dealer prices, without retail mark-up, mark-down, or commission, and may not necessarily represent actual transactions.

### Holders

As of January 31, 2026, we had 1,343 common stockholders of record.

### Recent Sales of Unregistered Securities

The securities we issue are "exempted securities" under the Securities Act of 1933. 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 these plans to employees and members of our 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. However, grants outstanding as of the date of the Purchase Agreement remain outstanding in accordance with their terms. As of December 31, 2025, no RSUs and no stock options were outstanding. See **Note 11** for additional information.

### **ISSUER PURCHASES OF EQUITY SECURITIES**

We did not repurchase any of our common or preferred stock during 2025. Additionally, we do not currently have any outstanding authorizations to repurchase common or preferred stock. Under the Purchase Agreement, we cannot repurchase our common or preferred stock without Treasury's prior consent, and we may only purchase or redeem the senior preferred stock in certain limited circumstances set forth in the certificate of designation of the senior preferred stock.

### **TRANSFER AGENT AND REGISTRAR**

Computershare Trust Company, N.A.

P.O. Box 43006

Providence, RI 02940-3006

Telephone: 877-373-6374

<https://www-us.computershare.com/investor>

# Financial Statements and Supplementary Data

# Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Federal Home Loan Mortgage Corporation

## **Opinions on the Financial Statements and Internal Control over Financial Reporting**

We have audited the accompanying consolidated balance sheets of Federal Home Loan Mortgage Corporation and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of income and comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO because a material weakness in internal control over financial reporting existed as of that date related to disclosure controls and procedures that did not adequately ensure the accumulation and communication to management of information known to the Federal Housing Finance Agency (FHFA) that is needed to meet their disclosure obligations under the federal securities laws, including disclosures affecting their consolidated financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weakness referred to above is described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. We considered this material weakness in determining the nature, timing, and extent of audit tests applied in our audit of the 2025 consolidated financial statements, and our opinion regarding the effectiveness of the Company's internal control over financial reporting does not affect our opinion on those consolidated financial statements.

## **Basis for Opinions**

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in management's report referred to above. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

## **Emphasis of Matter – Conservatorship**

As discussed in Note 2, in September 2008, the Company was placed into conservatorship by FHFA. The U.S. Department of the Treasury has committed financial support to the Company, and FHFA, as Conservator, provided for the Board of Directors to perform certain functions and to oversee management and the Board of Directors delegated to management authority to conduct business operations during conservatorship.

**Definition and Limitations of Internal Control over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Allowance for Credit Losses for Single-Family Mortgage Loans Held-for-Investment*

As described in Note 6 to the consolidated financial statements, the Company's allowance for credit losses for single-family mortgage loans held-for-investment was \$7.3 billion as of December 31, 2025. As disclosed by management, determining the appropriateness of the allowance for credit losses for single-family mortgage loans held-for-investment 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 management to make judgments about matters that are difficult to predict. Management estimates the allowance for credit losses for single-family mortgage loans held-for-investment on a pooled basis using a discounted cash flow model that evaluates a variety of factors to estimate the cash flows the Company expects to collect. These cash flow estimates incorporate probability of default and severity of losses and are adjusted for current and forecasted economic conditions such as current and forecasted interest rates and house price growth rates, and estimated recoveries from loss mitigation activities, credit enhancements that are not freestanding contracts, and disposition of collateral, less estimated disposition costs.

The principal considerations for our determination that performing procedures relating to the allowance for credit losses for single-family mortgage loans held-for-investment is a critical audit matter are (i) the significant judgment by management when developing the allowance for credit losses for single-family mortgage loans held-for-investment; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the probability of default, severity of losses, and forecasted house price growth rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the development of the allowance for credit losses for single-family mortgage loans held-for-investment, including controls over the probability of default, severity of losses, and forecasted house price growth rates. These procedures also included, among others (i) testing management's process for developing the allowance for credit losses for single-family mortgage loans held-for-investment, (ii) testing the completeness and accuracy of certain data used in the models, and (iii) the involvement of professionals with specialized skill and knowledge to assist in evaluating (a) the appropriateness of management's models, and (b) the reasonableness of the probability of default, severity of losses, and forecasted house price growth rate assumptions.

/s/ PricewaterhouseCoopers LLP

Washington, District of Columbia

February 12, 2026

We have served as the Company's auditor since 2002.

**FREDDIE MAC**

## Consolidated Statements of Income and Comprehensive Income

(In millions, except share-related amounts)	Year Ended December 31,		
	2025	2024	2023
<b>Net interest income</b>			
Interest income	\$129,820	\$117,877	\$105,363
Interest expense	(108,417)	(98,140)	(86,821)
<b>Net interest income</b>	<b>21,403</b>	<b>19,737</b>	<b>18,542</b>
<b>Non-interest income</b>			
Guarantee income	1,592	1,611	1,615
Investment gains (losses), net	(209)	2,076	707
Other income	485	488	365
<b>Non-interest income</b>	<b>1,868</b>	<b>4,175</b>	<b>2,687</b>
<b>Net revenues</b>	<b>23,271</b>	<b>23,912</b>	<b>21,229</b>
(Provision) benefit for credit losses	(1,290)	(476)	872
<b>Non-interest expense</b>			
Salaries and employee benefits	(1,711)	(1,677)	(1,606)
Professional services, technology, and occupancy	(1,175)	(1,166)	(1,189)
Credit enhancement expense	(2,082)	(2,345)	(2,339)
Legislative and regulatory assessments	(3,323)	(3,233)	(3,131)
Other expense	(329)	(237)	(637)
<b>Non-interest expense</b>	<b>(8,620)</b>	<b>(8,658)</b>	<b>(8,902)</b>
<b>Income before income tax expense</b>	<b>13,361</b>	<b>14,778</b>	<b>13,199</b>
Income tax expense	(2,630)	(2,920)	(2,661)
<b>Net income</b>	<b>10,731</b>	<b>11,858</b>	<b>10,538</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	78	(5)	166
<b>Comprehensive income</b>	<b>\$10,809</b>	<b>\$11,853</b>	<b>\$10,704</b>
Net income	\$10,731	\$11,858	\$10,538
Amounts attributable to senior preferred stock	(10,809)	(11,853)	(10,704)
<b>Net income (loss) attributable to common stockholders</b>	<b>(\$78)</b>	<b>\$5</b>	<b>(\$166)</b>
<b>Net income (loss) per common share</b>	<b>(\$0.02)</b>	<b>\$0.00</b>	<b>(\$0.05)</b>
Weighted average common shares (in millions)	3,234	3,234	3,234

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

# FREDDIE MAC

## Consolidated Balance Sheets

(In millions, except share-related amounts)	December 31,	
	2025	2024
<b>Assets</b>		
Cash and cash equivalents (includes \$1,234 and \$1,165 of restricted cash and cash equivalents)	\$5,327	\$5,534
Securities purchased under agreements to resell	71,919	100,118
Investment securities, at fair value	85,412	55,771
Mortgage loans held-for-sale (includes \$0 and \$11,394 at fair value)	1,014	15,560
Mortgage loans held-for-investment (net of allowance for credit losses of \$7,968 and \$6,774 and includes \$7,005 and \$2,413 at fair value)	3,290,066	3,172,329
Accrued interest receivable	12,254	11,029
Deferred tax assets, net	5,040	5,018
Other assets (includes \$6,421 and \$5,870 at fair value)	26,566	21,333
<b>Total assets</b>	<b>\$3,497,598</b>	<b>\$3,386,692</b>
<b>Liabilities and equity</b>		
<i>Liabilities</i>		
Accrued interest payable	\$10,597	\$9,822
Debt issued by consolidated trusts (includes \$5,841 and \$2,013 at fair value)	3,198,008	3,122,941
Short-term debt	37,718	14,675
Long-term debt (includes \$195 and \$326 at fair value)	169,296	167,333
Other liabilities (includes \$781 and \$978 at fair value)	11,595	12,346
<b>Total liabilities</b>	<b>3,427,214</b>	<b>3,327,117</b>
Commitments and contingencies		
<i>Equity</i>		
Senior preferred stock (liquidation preference of \$140,248 and \$129,038)	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	(12,539)	(23,270)
AOCI, net of taxes	51	(27)
Treasury stock, at cost, 75,804,333 shares	(3,885)	(3,885)
<b>Total equity</b>	<b>70,384</b>	<b>59,575</b>
<b>Total liabilities and equity</b>	<b>\$3,497,598</b>	<b>\$3,386,692</b>

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

(In millions)	December 31,	
	2025	2024
<b>Assets:</b>		
Cash and cash equivalents (includes \$1,136 and \$1,055 of restricted cash and cash equivalents)	\$1,136	\$1,056
Securities purchased under agreements to resell	19,107	12,764
Investment securities, at fair value	34	1
Mortgage loans held-for-investment	3,198,847	3,114,937
Accrued interest receivable	10,825	9,900
Other assets	8,573	5,881
<b>Total assets of consolidated VIEs</b>	<b>\$3,238,522</b>	<b>\$3,144,539</b>
<b>Liabilities:</b>		
Accrued interest payable	\$9,312	\$8,469
Debt issued by consolidated trusts	3,198,008	3,122,941
<b>Total liabilities of consolidated VIEs</b>	<b>\$3,207,320</b>	<b>\$3,131,410</b>

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

# FREDDIE MAC

## Consolidated Statements of Equity

(In millions)	2025	2024	2023
<b>Senior preferred stock</b>			
Balance at beginning of period and December 31	\$72,648	\$72,648	\$72,648
<b>Preferred stock, at redemption value</b>			
Balance at beginning of period and December 31	14,109	14,109	14,109
<b>Common stock, at par value</b>			
Balance at beginning of period and December 31	—	—	—
<b>Retained earnings</b>			
Balance at beginning of period	(23,270)	(35,128)	(45,666)
Net income	10,731	11,858	10,538
<b>Balance at December 31</b>	<b>(12,539)</b>	<b>(23,270)</b>	<b>(35,128)</b>
<b>AOCI, net of tax</b>			
Balance at beginning of period	(27)	(22)	(188)
Other comprehensive income (loss), net of taxes of \$21 million, \$2 million, and \$43 million, respectively	78	(5)	166
<b>Balance at December 31</b>	<b>51</b>	<b>(27)</b>	<b>(22)</b>
<b>Treasury stock, at cost</b>			
Balance at beginning of period and December 31	(3,885)	(3,885)	(3,885)
<b>Total equity</b>	<b>\$70,384</b>	<b>\$59,575</b>	<b>\$47,722</b>

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

# FREDDIE MAC

## Consolidated Statements of Cash Flows

(In millions)	Year Ended December 31,		
	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net income	\$10,731	\$11,858	\$10,538
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization of cost basis adjustments	1,135	726	827
Provision (benefit) for credit losses	1,290	476	(872)
Investment gains, net	(228)	(2,433)	(1,853)
Deferred income tax expense and changes in income taxes receivable/payable	230	255	1,762
Mortgage loans acquired as held-for-sale:			
Purchases	(7,685)	(31,496)	(29,339)
Proceeds from sales and repayments	16,292	27,661	27,347
Net change in:			
Accrued interest receivable	(1,225)	(1,103)	(1,389)
Accrued interest payable	771	1,020	1,507
Other, net	(1,938)	(337)	(913)
<b>Net cash provided by (used in) operating activities</b>	<b>19,373</b>	<b>6,627</b>	<b>7,615</b>
<b>Cash flows from investing activities</b>			
Investment securities:			
Purchases	(98,033)	(94,394)	(101,238)
Proceeds from sales	59,753	68,572	78,799
Proceeds from maturities and repayments	6,989	10,811	14,247
Mortgage loans acquired held-for-investment:			
Purchases	(187,270)	(146,854)	(101,262)
Proceeds from sales	3,485	3,009	7,581
Proceeds from repayments	333,876	278,965	245,037
Advances under secured lending arrangements	(142,213)	(113,097)	(96,666)
Net (increase) decrease in securities purchased under agreements to resell	29,960	(2,945)	(6,107)
Cash flows related to derivatives	(832)	5,728	4,326
Other, net	(971)	(171)	(464)
<b>Net cash provided by (used in) investing activities</b>	<b>4,744</b>	<b>9,624</b>	<b>44,253</b>
<b>Cash flows from financing activities</b>			
Debt issued by consolidated trusts:			
Proceeds from issuance	303,190	253,894	205,523
Repayments and redemptions	(349,209)	(282,087)	(251,762)
Borrowings with original maturity of more than three months:			
Proceeds from issuance	176,916	119,533	59,892
Repayments	(167,546)	(108,147)	(59,661)
Net increase (decrease) in:			
Borrowings with original maturity of three months or less	14,091	2,105	(4,310)
Securities sold under agreements to repurchase	(1,761)	(2,025)	(1,746)
Other, net	(5)	(9)	(145)
<b>Net cash provided by (used in) financing activities</b>	<b>(24,324)</b>	<b>(16,736)</b>	<b>(52,209)</b>
Net increase (decrease) in cash and cash equivalents (includes restricted cash and cash equivalents)	(207)	(485)	(341)
Cash and cash equivalents (includes restricted cash and cash equivalents) at the beginning of year	5,534	6,019	6,360
<b>Cash and cash equivalents (includes restricted cash and cash equivalents) at end of period</b>	<b>\$5,327</b>	<b>\$5,534</b>	<b>\$6,019</b>
<b>Supplemental cash flow information</b>			
Cash paid for:			
Debt interest	\$113,265	\$100,136	\$87,610
Income taxes (net of refunds received)	2,400	2,665	900
Non-cash investing and financing activities (Notes 4 and 7)			

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

# Notes to 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. For additional information on the roles of FHFA and Treasury, see **Note 2**. Throughout our consolidated financial statements and related notes, we use certain acronyms and terms which are defined in the **Glossary**.

#### Basis of Presentation

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The accompanying 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 have reclassified certain amounts reported in our prior period consolidated financial statements to conform to the current period presentation.

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.

#### Use of Estimates

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The preparation of our 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. 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.

#### Significant Accounting Policies

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##### **Restricted Cash and Cash Equivalents**

Cash collateral accepted from counterparties that we do not have the right to use for general corporate purposes is classified as restricted cash and cash equivalents on our consolidated balance sheets. Restricted cash and cash equivalents includes cash remittances received from servicers of the underlying assets of our consolidated trusts which are deposited into a separate custodial account. We invest the cash held in the custodial account in short-term investments; and we are entitled to the interest income earned on these short-term investments, which is recorded as interest income on our consolidated statements of income.

##### **Comprehensive Income**

Comprehensive income includes all changes in equity during a period, except those resulting from investments by, or distributions to, stockholders. Comprehensive income consists of net income plus other comprehensive income, including unrealized gains and losses on available-for-sale securities.

**Other Significant Accounting Policies**

The table below identifies our other significant accounting policies and the related note in which information about each policy can be found.

Note	Accounting Policy
<b>Note 3</b>	Securitization and Consolidation
<b>Note 4</b>	Mortgage Loans
<b>Note 5</b>	Guarantees and Other Off-Balance Sheet Credit Exposures
<b>Note 6</b>	Allowance for Credit Losses
<b>Note 7</b>	Investment Securities
<b>Note 8</b>	Short-term and Long-term Debt
<b>Note 9</b>	Derivatives
<b>Note 10</b>	Collateralized Agreements
<b>Note 11</b>	Stockholders' Equity
<b>Note 11</b>	Earnings Per Share
<b>Note 13</b>	Income Taxes
<b>Note 14</b>	Segment Reporting
<b>Note 16</b>	Fair Value Disclosures

**Recently Adopted Accounting Guidance**

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
<b>ASU 2023-09</b> , Income Taxes (Topic 740): Improvements to Income Tax Disclosures	The amendments in this Update require annual disclosure of more detailed tax rate reconciliation categories and income taxes paid by geography and jurisdiction.	December 31, 2025	The adoption of these amendments did not have a material effect on our consolidated financial statements. We adopted the guidance in this Update on a retrospective basis.

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

Standard	Description	Date of Planned Adoption	Effect on Consolidated Financial Statements
<b>ASU 2024-03</b> , Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses	The amendments in this Update require disaggregated disclosures for certain expense categories.	December 31, 2027	We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements.
<b>ASU 2025-08</b> , Financial Instruments - Credit Losses (Topic 326): Purchased Loans	The amendments in this Update expand the population of acquired financial assets subject to the gross-up approach in Topic 326.	January 1, 2027	We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements.
<b>ASU 2025-09</b> , Derivatives and Hedging (Topic 815): Hedge Accounting Improvements	The amendments in this Update clarify certain aspects of the guidance on hedge accounting and address several incremental hedging issues arising from the global reference rate reform initiative.	January 1, 2026	We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements.

## NOTE 2

### Conservatorship and Related Matters

#### Business Objectives

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We operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of FHFA, as our Conservator. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers, and privileges of Freddie Mac, and of any stockholder, officer, or director thereof, with respect to the company and its assets. The Conservator also succeeded to the title to all books, records, and assets of Freddie Mac held by any other legal custodian or third party. The Conservator provided for the Board of Directors to perform certain functions and to oversee management, and the Board of Directors delegated to management authority to conduct business operations so that the company can continue to operate in the ordinary course. The directors serve on behalf of, and perform such functions as provided by, the Conservator.

We are subject to certain constraints on our business activities under the Purchase Agreement. However, the support provided by Treasury pursuant to the Purchase Agreement currently enables us to maintain our access to the debt markets and to have adequate liquidity to conduct our normal business activities, although the costs of our debt funding could vary. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent.

Our current business objectives reflect direction we have received from the Conservator (including the Conservatorship Scorecards). At the direction of the Conservator, we have made changes to certain business practices that are designed to provide support for the mortgage market in a manner that serves our mission and other non-financial objectives but may not contribute to our profitability. Certain of these objectives are intended to help homeowners and the mortgage market and may help to mitigate future credit losses. Some of these initiatives affect our near- and long-term financial results. Given our mission and the important role the Administration and our Conservator have placed on Freddie Mac in addressing housing and mortgage market conditions, we may be required to take actions that could have a negative impact on our business, operating results, or financial condition.

Under the Purchase Agreement, we cannot return capital to stockholders other than Treasury, the holder of our senior preferred stock. 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. Our Conservator has not made us aware of any plans to make any significant changes that would affect our ability to continue as a going concern. Our future structure and role will be determined by the Administration, Congress, and FHFA. It is possible, and perhaps likely, that there will be significant changes to our business beyond the near term.

#### Purchase Agreement and Warrant

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##### **Overview**

On September 7, 2008, we, through FHFA, in its capacity as Conservator, entered into the Purchase Agreement with Treasury. The Purchase Agreement was subsequently amended and restated on September 26, 2008, and further amended on May 6, 2009, December 24, 2009, August 17, 2012, December 21, 2017, September 27, 2019, January 14, 2021, September 14, 2021, and January 2, 2025. The amount of available funding remaining under the Purchase Agreement was \$140.2 billion as of December 31, 2025. This amount will be reduced by any future draws.

The Purchase Agreement requires Treasury, upon the request of the Conservator, to provide funds to us after any quarter in which we have a negative net worth (that is, our total liabilities exceed our total assets, as reflected on our consolidated balance sheets). In addition, the Purchase Agreement requires Treasury, upon the request of the Conservator, to provide funds to us if the Conservator determines, at any time, that it will be mandated by law to appoint a receiver for us unless we receive these funds from Treasury. In exchange for Treasury's funding commitment, we issued to Treasury, as an aggregate initial commitment fee, one million shares of Variable Liquidation Preference Senior Preferred Stock with an initial liquidation preference of \$1 billion, which we refer to as the senior preferred stock, and a warrant to purchase, for a nominal price, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis at the time the warrant is exercised, which we refer to as the warrant. We received no cash proceeds or other consideration from Treasury for issuing the senior preferred stock or the warrant. The amount of any draw will be added to the aggregate liquidation preference of the senior preferred stock. Deficits in our net worth have made it necessary for us to make substantial draws on Treasury's funding commitment under the Purchase Agreement. Pursuant to the December 2017 Letter Agreement, the liquidation preference of the senior preferred stock increased by \$3.0 billion on December 31, 2017. Pursuant to the September 2019 Letter Agreement and January 2021 Letter Agreement, increases in the Net Worth Amount, if any, during the immediately prior fiscal quarter have been, or will be, added to the liquidation preference of the senior preferred stock at the

end of each fiscal quarter, from September 30, 2019 through the Capital Reserve End Date. The liquidation preference of the senior preferred stock was \$140.2 billion on December 31, 2025 and will increase to \$143.0 billion on March 31, 2026 based on the increase in our Net Worth Amount during 4Q 2025. Under the Purchase Agreement, our ability to repay the liquidation preference of the senior preferred stock is limited, and we will not be able to do so for the foreseeable future, if at all. In addition to increases based on quarterly increases in our Net Worth Amount, as discussed above, the liquidation preference will increase if we receive additional draws under the Purchase Agreement or if any dividends or quarterly commitment fees payable under the Purchase Agreement are not paid in cash.

Treasury, as the holder of the senior preferred stock, is entitled to receive quarterly cash dividends, when, as, and if declared by our Board of Directors. The dividends we have paid to Treasury on the senior preferred stock have been declared by, and paid at the direction of, the Conservator, acting as successor to the rights, titles, powers, and privileges of the Board of Directors. Through December 31, 2012, the senior preferred stock accrued quarterly cumulative dividends at a rate of 10% per year. Under the August 2012 amendment to the Purchase Agreement, the fixed dividend rate was replaced with a net worth sweep dividend beginning in the first quarter of 2013.

Accordingly, our cash dividend requirement for each quarter from January 1, 2013 until the Capital Reserve End Date is the amount, if any, by which our Net Worth Amount at the end of the immediately preceding fiscal quarter, less the applicable Capital Reserve Amount, exceeds zero. The term Net Worth Amount is defined as the total assets of Freddie Mac (excluding Treasury's commitment and any unfunded amounts thereof), less our total liabilities (excluding any obligation in respect of capital stock), in each case as reflected on our consolidated balance sheets prepared in accordance with GAAP. If the calculation of the dividend payment for a quarter does not exceed zero, then no dividend will accrue or be payable for that quarter. The applicable Capital Reserve Amount is currently the amount of adjusted total capital necessary to meet capital requirements and buffers set forth in the ERCF. This Capital Reserve Amount will remain in effect until the last day of the second consecutive fiscal quarter during which we have reached and maintained such level of capital (the Capital Reserve End Date). As a result, we will not be required to pay a dividend on the senior preferred stock to Treasury until we have built sufficient net worth to meet the capital requirements and buffers set forth in the ERCF. If for any reason we were not to pay our dividend requirement on the senior preferred stock in full in any future period until the Capital Reserve End Date, the unpaid amount would be added to the liquidation preference and the applicable Capital Reserve Amount would thereafter be zero. Based on our Net Worth Amount at December 31, 2025 and the applicable Capital Reserve Amount, we will not have a dividend requirement to Treasury in March 2026. Since the beginning of the conservatorship through December 31, 2025, we have paid cash dividends of \$119.7 billion to Treasury at the direction of the Conservator.

After the Capital Reserve End Date, we will be subject to a new periodic cash dividend requirement. Our quarterly senior preferred stock dividend requirement will be an amount equal to the lesser of (1) 10% per annum on the then-current liquidation preference of the senior preferred stock and (2) a quarterly amount equal to the increase in the Net Worth Amount, if any, during the immediately prior fiscal quarter. If for any reason we were not to pay our dividend requirement on the senior preferred stock in full in any future period after the Capital Reserve End Date, the unpaid amount would be added to the liquidation preference and immediately following such failure and for all dividend periods thereafter until the dividend period following the date on which we shall have paid in cash full cumulative dividends, the dividend amount will be 12% per annum on the then-current liquidation preference of the senior preferred stock. The amounts payable for dividends on the senior preferred stock could be substantial and will have an adverse impact on our financial position and net worth. The senior preferred stock is senior in liquidation preference to our common stock and all other series of preferred stock.

In addition to the issuance of the senior preferred stock and warrant, we are required under the Purchase Agreement to pay a quarterly commitment fee to Treasury. Under the Purchase Agreement, the fee was to be determined in an amount mutually agreed to by us and Treasury with reference to the market value of Treasury's funding commitment as then in effect. However, pursuant to the August 2012 amendment to the Purchase Agreement, as further amended by the January 2021 Letter Agreement, for each quarter commencing January 1, 2013, no periodic commitment fee under the Purchase Agreement will be set, accrue, or be payable. Pursuant to the January 2021 Letter Agreement, by the Capital Reserve End Date, we and Treasury, in consultation with the Chairman of the Federal Reserve, will mutually agree on a periodic commitment fee that we will pay for Treasury's remaining funding commitment with respect to the five-year period commencing on the first January 1 after the Capital Reserve End Date.

The Purchase Agreement includes significant restrictions on our ability to manage our business, including limits on the amount of indebtedness we can incur, the size of our mortgage-related investments portfolio, our secondary market activities, and our single-family loan acquisitions.

The Purchase Agreement has an indefinite term and can terminate only in limited circumstances, which do not include the end of the conservatorship. The Purchase Agreement therefore could continue after the conservatorship ends. Treasury has the right to exercise the warrant, in whole or in part, at any time on or before September 7, 2028.

**Purchase Agreement Covenants**

The Purchase Agreement provides that, until the senior preferred stock is repaid or redeemed in full, we may not, without the prior written consent of Treasury:

- Declare or pay any dividend (preferred or otherwise) or make any other distribution with respect to any Freddie Mac equity securities (other than with respect to the senior preferred stock or warrant);
- Redeem, purchase, retire, or otherwise acquire any Freddie Mac equity securities (other than the senior preferred stock or warrant);
- Sell or issue any Freddie Mac equity securities (other than the senior preferred stock, warrant, and common stock issuable upon exercise of the warrant and certain issuance(s) of common stock after the occurrence of both Treasury's exercise in full of its warrant to acquire 79.9% of our common stock and resolution of currently pending material litigation relating to our conservatorship and the Purchase Agreement);
- Terminate the conservatorship (other than in connection with a mandatory receivership);
- Sell, transfer, lease, or otherwise dispose of any assets, other than dispositions for fair market value:
  - To a limited life regulated entity (in the context of a receivership);
  - Of assets and properties in the ordinary course of business, consistent with past practice;
  - Of assets and properties having fair market value individually or in aggregate less than \$250 million in one transaction or a series of related transactions;
  - In connection with our liquidation by a receiver;
  - Of cash or cash equivalents for cash or cash equivalents; or
  - To the extent necessary to comply with the covenant described below relating to the reduction of our mortgage-related investments portfolio.
- Issue any subordinated debt;
- Enter into a corporate reorganization, recapitalization, merger, acquisition, or similar event; or
- Engage in transactions with affiliates unless the transaction is:
  - Pursuant to the Purchase Agreement, the senior preferred stock, or the warrant;
  - Upon arm's length terms; or
  - A transaction undertaken in the ordinary course or pursuant to a contractual obligation or customary employment arrangement in existence on the date of the Purchase Agreement.

Effective January 2, 2025, the Purchase Agreement requires us to comply with the ERCF, as amended from time to time. For additional information on the ERCF, see **Note 18**.

The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum amount of \$225 billion. 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. Our mortgage-related investments portfolio for purposes of the FHFA and Purchase Agreement caps was \$161.2 billion at December 31, 2025, including \$22.0 billion representing 10% of the notional amount of the interest-only securities we held as of December 31, 2025. Our ability to acquire and sell mortgage assets continues to be significantly constrained by limitations imposed by the Purchase Agreement and FHFA.

In October 2025, FHFA updated these limitations to permit us to hold, for investment purposes, up to \$40 billion in agency MBS, including \$5 billion in CMO securities, based on UPB. In January 2026, FHFA lifted the \$40 billion limitation on agency MBS. As a result of this change, we are permitted to increase our agency MBS investments, provided that our total mortgage assets do not exceed the \$225 billion cap under the terms of our senior preferred stock purchase agreement with Treasury, with CMO securities capped at \$5 billion as part of agency MBS investments.

Under the Purchase Agreement, we also may not, without the prior written consent of Treasury, incur indebtedness that would result in the par value of our aggregate indebtedness exceeding 120% of the amount of mortgage assets we are permitted to own on December 31 of the immediately preceding calendar year. Our debt cap under the Purchase Agreement was \$270 billion on January 1, 2023 as a result of the decrease in the mortgage assets limit under the Purchase Agreement to \$225 billion on December 31, 2022. The mortgage asset and indebtedness limitations are determined without giving effect to the changes to the accounting guidance for transfers of financial assets and consolidation of VIEs, under which we consolidated certain VIEs in our consolidated financial statements as of January 1, 2010. As of December 31, 2025, our aggregate indebtedness for purposes of the debt cap was \$210.6 billion. Our aggregate indebtedness calculation primarily includes the par value of short-term and long-term debt.

In addition, the Purchase Agreement provides that we may not enter into any new compensation arrangements or increase amounts or benefits payable under existing compensation arrangements of any named executive officer or other executive officer (as such terms are defined by SEC rules) without the consent of the Director of FHFA, in consultation with the Secretary of the Treasury.

The Purchase Agreement also provides that, on an annual basis, we are required to deliver a risk management plan to Treasury setting out our strategy for reducing our enterprise-wide risk profile and the actions we will take to reduce the financial and operational risk associated with each of our reportable business segments.

The Purchase Agreement also restricts our secondary market activities and single-family loan acquisitions:

- Secondary Market Activities - We cannot vary the pricing or any other term of the acquisition of a single-family loan based on the size, charter type, or volume of business of the seller of the loan and are required to:
  - Offer to purchase loans for cash consideration and operate this cash window with non-discriminatory pricing; and
  - Comply with directives, regulations, restrictions, or other requirements prescribed by FHFA related to equitable secondary market access by community lenders.
- Subject to such exceptions as FHFA may prescribe to permit us to acquire single-family mortgage loans that are currently eligible for acquisition, we are required to implement a program reasonably designed to ensure that each single-family mortgage is:
  - A qualified mortgage;
  - Expressly exempt from the CFPB's ability-to-repay requirements;
  - Secured by an investment property;
  - A refinancing with streamlined underwriting for high LTV ratios;
  - A loan with temporary underwriting flexibilities due to exigent circumstances, as determined in consultation with FHFA; or
  - Secured by manufactured housing.

### **Warrant Covenants**

The warrant we issued to Treasury includes, among others, the following covenants:

- Our SEC filings under the Exchange Act will comply in all material respects as to form with the Exchange Act and the rules and regulations thereunder;
- Without the prior written consent of Treasury, we may not permit any of our significant subsidiaries to issue capital stock or equity securities, or securities convertible into or exchangeable for such securities, or any stock appreciation rights or other profit participation rights to any person other than Freddie Mac or its wholly-owned subsidiaries;
- We may not take any action that will result in an increase in the par value of our common stock;
- Unless waived or consented to in writing by Treasury, we may not take any action to avoid the observance or performance of the terms of the warrant and we must take all actions necessary or appropriate to protect Treasury's rights against impairment or dilution; and
- We must provide Treasury with prior notice of specified actions relating to our common stock, such as setting a record date for a dividend payment, granting subscription or purchase rights, authorizing a recapitalization, reclassification, merger or similar transaction, commencing a liquidation of the company, or any other action that would trigger an adjustment in the exercise price or number or amount of shares subject to the warrant.

### **Termination Provisions**

The Purchase Agreement provides that the Treasury's funding commitment will terminate under any of the following circumstances:

- The completion of our liquidation and fulfillment of Treasury's obligations under its funding commitment at that time;
- The payment in full of, or reasonable provision for, all of our liabilities (whether or not contingent, including mortgage guarantee obligations); and
- The funding by Treasury of the maximum amount of the commitment under the Purchase Agreement.

In addition, Treasury may terminate its funding commitment and declare the Purchase Agreement null and void if a court vacates, modifies, amends, conditions, enjoins, stays, or otherwise affects the appointment of the Conservator or otherwise curtails the Conservator's powers. Treasury may not terminate its funding commitment under the Purchase Agreement solely by reason of our being in conservatorship, receivership or other insolvency proceeding, or due to our financial condition or any adverse change in our financial condition.

### **Waivers and Amendments**

The Purchase Agreement provides that most provisions of the agreement may be waived or amended by mutual written agreement of the parties; however, no waiver or amendment of the agreement is permitted that would decrease Treasury's aggregate funding commitment or add conditions to Treasury's funding commitment if the waiver or amendment would adversely affect in any material respect the holders of our debt securities or mortgage guarantee obligations.

### **Third-Party Enforcement Rights**

In the event of our default on payments with respect to our debt securities or mortgage guarantee obligations, if Treasury fails to perform its obligations under its funding commitment and if we and/or the Conservator are not diligently pursuing remedies in respect of that failure, the holders of these debt securities or mortgage guarantee obligations may file a claim in the United States Court of Federal Claims for relief requiring Treasury to fund to us the lesser of:

- The amount necessary to cure the payment defaults on our debt securities and mortgage guarantee obligations and
- The lesser of:
  - The deficiency amount and
  - The maximum amount of the commitment less the aggregate amount of funding previously provided under the commitment.

Any payment that Treasury makes under those circumstances will be treated for all purposes as a draw under the Purchase Agreement that will increase the liquidation preference of the senior preferred stock.

See **Note 11** for additional information on the conservatorship and the Purchase Agreement.

## Related Parties as a Result of Conservatorship

As a result of our issuance to Treasury of the warrant to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding, on a fully diluted basis, we are deemed a related party to the U.S. government. During the years ended December 31, 2025, 2024, and 2023, no transactions outside of normal business activities have occurred between us and the U.S. government (or any of its related parties), except for the following:

- The transactions with Treasury discussed above in **Purchase Agreement and Warrant**;
- The transactions entered into whereby we and Fannie Mae, in conjunction with Treasury, provided assistance to state and local HFAs. Treasury will reimburse Freddie Mac for initial guarantee losses on these transactions;
- The allocation or transfer of 4.2 bps of each dollar of new business purchases to certain housing funds as required under the GSE Act. During the years ended December 31, 2025, 2024, and 2023, we recognized \$0.2 billion, \$0.2 billion, and \$0.1 billion, respectively, of expense related to the affordable housing funds. These amounts are included in legislative and regulatory assessments on our consolidated statements of income; and
- The legislated guarantee fees on single-family loans that are remitted to Treasury as required by law. During the years ended December 31, 2025, 2024, and 2023, we recognized \$3.0 billion, \$2.9 billion, and \$2.9 billion, respectively, of expense related to the legislated guarantee fees. These amounts are included in legislative and regulatory assessments on our consolidated statements of income.

In addition, we are deemed a related party with Fannie Mae as both we and Fannie Mae have the same relationships with FHFA and Treasury. All transactions between us and Fannie Mae have occurred in the normal course of business in conservatorship other than our relationship with U.S. FinTech discussed below.

U.S. FinTech is a limited liability company equally-owned by Freddie Mac and Fannie Mae, and U.S. FinTech is also deemed a related party. In connection with the formation of U.S. FinTech, we and Fannie Mae signed governance and operating agreements for U.S. FinTech, including an updated customer services agreement with Fannie Mae and U.S. FinTech. We have also entered into an agreement with Fannie Mae regarding the commingling of certain of our mortgage securities and related indemnification obligations. During the year ended December 31, 2025, we contributed \$82 million of capital to U.S. FinTech, and we have contributed \$1.0 billion since the fourth quarter of 2014. The carrying value of our investment in U.S. FinTech was \$7 million and (\$5) million as of December 31, 2025 and December 31, 2024, respectively.

In January 2020, FHFA directed Freddie Mac and Fannie Mae to amend the LLC agreement for U.S. FinTech to change the structure of the U.S. FinTech Board. Under the revised U.S. FinTech agreement, the U.S. FinTech Board includes two Freddie Mac and two Fannie Mae representatives and additional members: the Chief Executive Officer of U.S. FinTech and an independent, non-Executive Chair. During conservatorship, the U.S. FinTech Board Chair shall be designated by FHFA, and all U.S. FinTech Board decisions will require the affirmative vote of the Board Chair. During conservatorship, FHFA also may appoint up to three additional independent members to the U.S. FinTech Board, who along with the U.S. FinTech Board Chair and the Chief Executive Officer of U.S. FinTech may continue to serve on the U.S. FinTech Board after conservatorship. As of December 31, 2025, FHFA appointed the current U.S. FinTech Board Chair and two additional independent directors to the U.S. FinTech Board. The current structure may reduce Freddie Mac's and Fannie Mae's ability to control U.S. FinTech Board decisions, even after conservatorship, including decisions about strategy, business operations, and funding.

## NOTE 3

### Securitization and Consolidation

For each entity with which we are involved, we determine whether the entity should be consolidated in our financial statements. We consolidate entities in which we have a controlling financial interest. The method for determining whether a controlling financial interest exists varies depending on whether the entity is a VIE. For entities that are not VIEs, we hold a controlling financial interest in entities where we hold a majority of the voting rights or a majority of a limited partnership's kick-out rights through voting interests. We do not currently consolidate any entities which are not VIEs. We use the equity method to account for our interests in entities in which we do not have a controlling financial interest, but over which we have significant influence.

Our primary business activities in the Single-Family and Multifamily segments involve the securitization of loans or other mortgage-related assets using trusts that are VIEs. These trusts issue beneficial interests in the loans or other mortgage-related assets that they own. We guarantee the principal and interest payments on some or all of the issued beneficial interests in substantially all of our securitization transactions. We also use trusts that are VIEs in certain CRT products.

### Consolidated VIEs

We consolidate VIEs when we have a controlling financial interest in the VIE and are therefore considered the primary beneficiary of the VIE. We are the primary beneficiary of a VIE when we have both the power to direct the activities of the VIE that most significantly impact its economic performance and exposure to losses or benefits of the VIE that could potentially be significant to the VIE. We evaluate whether we are the primary beneficiary of VIEs in which we have interests at both inception and on an ongoing basis, and the primary beneficiary determination may change over time as our interest in the VIE changes. Generally, the assets of our consolidated VIEs can be used only to settle obligations of the VIE, and the creditors of our consolidated VIEs have recourse to the general credit of Freddie Mac only to the extent that we have provided a guarantee to the VIE.

When we consolidate a VIE, we recognize the assets and liabilities of the VIE on our consolidated balance sheets and account for those assets and liabilities based on the applicable GAAP for each specific type of asset or liability. Assets and liabilities that we transfer to a VIE at, after, or shortly before the date we become the primary beneficiary of the VIE are initially measured at the same amounts that they would have been measured if they had not been transferred, and no gain or loss is recognized on these transfers. For all other VIEs that we consolidate, we recognize the assets and liabilities of the VIE at fair value, and we recognize a gain or loss for the difference between:

- The sum of the fair value of the consideration paid, the fair value of any noncontrolling interests, and the reported amount of any previously held interests and
- The fair value of the net identifiable assets recognized.

### Single-Family

#### **Securitization Products**

##### **Level 1 Securitization Products**

Level 1 Securitization Products consist of UMBS, 55-day MBS, ARM PCs and Gold PCs, which are all pass-through debt securities that represent undivided beneficial interests in a pool of loans held by a securitization trust. All Level 1 Securitization Products are backed only by mortgage loans we have acquired. We serve as both administrator and guarantor for these trusts. As administrator, we have the right to establish servicing terms and direct loss mitigation activities for the loans held by these trusts. As guarantor, we guarantee the payment of principal and interest on these securities in exchange for a guarantee fee, and we have the right to purchase delinquent loans from the trust to help improve the economic performance of the trust. We absorb all credit losses of these trusts through our guarantee of the principal and interest payments.

The economic performance of these trusts is most significantly affected by the performance of the underlying loans. Our rights as administrator and guarantor provide us with the power to direct the activities that most significantly affect the performance of the underlying loans. We also have the obligation to absorb losses of these trusts that could potentially be significant through our guarantee of principal and interest payments. Accordingly, we concluded that we are the primary beneficiary of and, therefore, consolidate these trusts.

Loans held by these trusts are recognized on our consolidated balance sheets as mortgage loans held-for-investment. The corresponding securities held by third parties are recognized on our consolidated balance sheets as debt. We extinguish the outstanding debt issued by the related consolidated trust and recognize gains or losses on debt extinguishment for the difference between the consideration paid and the debt carrying value when we purchase these securities as investments in our mortgage-related investments portfolio. Sales of these securities that were previously held as investments in our mortgage-related investments portfolio are accounted for as debt issuances.

We were the primary beneficiary of and, therefore, consolidated Level 1 securitization trusts with assets totaling \$3.1 trillion and \$3.0 trillion at December 31, 2025 and December 31, 2024, respectively. Our exposure for guarantees to consolidated securitization trusts is generally equal to the UPB of the loans recorded on our consolidated balance sheets.

### **Other Securitization Products**

We are the primary beneficiary of and, therefore, consolidate the trusts used to issue certain of our Single-Family other securitization products when we have the ability to direct the activities that most significantly affect the economic performance of the trusts and we have the obligation to absorb credit losses through our guarantee of some or all of the issued securities. As a result, we consolidated trusts used to issue these products with underlying assets totaling \$3.7 billion and \$4.1 billion at December 31, 2025 and December 31, 2024, respectively.

## Multifamily

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### **Securitization Products**

#### **Multifamily PCs**

Multifamily PCs are fully guaranteed pass-through securities with a 55-day payment delay that are collateralized by a single underlying mortgage loan held by a securitization trust. We serve as both administrator and guarantor for these trusts. As administrator, we have the right to establish servicing terms and direct loss mitigation activities for the loans held by these trusts. As guarantor, we guarantee the payment of principal and interest on these securities in exchange for a guarantee fee, and we have the right to purchase a delinquent loan from the trust. We absorb all credit losses of these trusts through our guarantee of the principal and interest payments.

The economic performance of these trusts is most significantly affected by the performance of the underlying loans. Our rights as administrator and guarantor provide us with the power to direct the activities that most significantly affect the performance of the underlying loans. We also have the obligation to absorb losses of these trusts that could potentially be significant through our guarantee of principal and interest payments. Accordingly, we concluded that we are the primary beneficiary of and, therefore, consolidate these trusts.

We consolidated VIEs used in these securitizations with underlying assets totaling \$90.4 billion and \$64.8 billion at December 31, 2025 and December 31, 2024, respectively.

#### **K Certificates and Other Securitization Products**

We are the primary beneficiary of and, therefore, consolidate the trusts used to issue fully guaranteed K Certificates and certain of our Multifamily other securitization products when we have the ability to direct the activities that most significantly affect the economic performance of the VIEs and we have the obligation to absorb credit losses through our guarantee of the issued securities.

We consolidated VIEs used in these securitizations with underlying assets totaling \$24.7 billion and \$5.7 billion at December 31, 2025 and December 31, 2024, respectively.

#### **WI K-Deal Certificates**

In a WI K-Deal Certificate transaction, we forward sell a K Certificate to be issued in the future to WI K Certificate investors thereby reducing our exposure to future changes in interest rates and K Certificate spreads. The WI K-Deal trust simultaneously issues guaranteed securities (WI Certificates).

The economic performance of our WI K-Deal trusts is most significantly affected by the performance of the underlying assets. We manage the underlying assets of the trust prior to the delivery of the K Certificate and determine which K Certificate will be delivered into the trust. Therefore, we have the power to direct the activities that are most significant to the WI K-Deal trust. We also initially have economic exposure to the variability of the trust through our guarantee of the issued WI Certificates. As a result, we are the primary beneficiary of and, therefore, initially consolidate the trusts used to issue WI Certificates. Upon delivering the K Certificate into the trust, we no longer have a variable interest and therefore deconsolidate the WI K-Deal trust.

During 2025 and 2024, we issued \$1.5 billion and \$2.9 billion, respectively, of WI Certificates, and initially consolidated the trusts. We did not consolidate any WI K-Deal trusts at December 31, 2025 or December 31, 2024.

## Nonconsolidated VIEs

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### Single-Family

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#### **Securitization Products**

We do not consolidate certain of our Single-Family other securitization products, including senior subordinate securitizations backed by seasoned loans, because we do not have the ability to direct the loss mitigation activities of the underlying loans,

which is the most significant activity affecting the economic performance of the VIE. When we sell loans in this type of transaction, we derecognize the transferred loans and account for our guarantee to the nonconsolidated VIE. We account for our investments in the beneficial interests issued by the nonconsolidated VIE, if any, as investments in debt securities. We also do not consolidate the trusts used to issue certain other types of our Single-Family other securitization products when we do not have the ability to direct the activities that most significantly affect the economic performance of the VIE.

### **Resecuritization Products**

We create resecuritization products primarily by using Level 1 Securitization Products, our previously issued resecuritization products, or similar TBA-eligible products issued and guaranteed by Fannie Mae as the underlying collateral. In a typical resecuritization transaction, previously issued Level 1 Securitization Products or resecuritization products are transferred to a resecuritization trust that issues beneficial interests in the underlying collateral. We establish parameters that define eligibility standards for assets that may be used as collateral for each of our resecuritization programs. Resecuritization products can then be created based on the parameters that we have established. Similar to our Level 1 Securitization Products, we guarantee the payment of principal and interest to the investors in our resecuritization products.

The main types of resecuritization products we create are single-class resecuritization products (Supers, Giant MBS, and Giant PCs) and multiclass resecuritization products (REMICs and Strips).

- Single-class resecuritization products - These securities are direct pass-throughs of the cash flows of the underlying collateral, which may be previously issued Level 1 Securitization Products, single-class resecuritization products, or similar TBA-eligible products issued and guaranteed by Fannie Mae. We do not consolidate the trusts used in these transactions unless we have the unilateral ability to liquidate the trust (for example if we own all of the trust's issued beneficial interests), as these transactions do not result in any new or incremental risk to the holders of the securities issued by the resecuritization trust and because we are not exposed to any incremental rights to receive benefits or obligations to absorb losses that could be significant to the resecuritization trust.

We account for purchases of single-class resecuritization products that we issue that are substantially the same as the underlying collateral as debt extinguishment of a pro-rata portion of the underlying Level 1 Securitization Product. We account for purchases of single-class resecuritization products that we issue that are not considered substantially the same as the underlying collateral as investments in debt securities. Single-class resecuritization products that we issue that are backed entirely by Freddie Mac collateral are considered substantially the same as the underlying collateral, while commingled single-class resecuritization products that we issue are not considered substantially the same as the underlying collateral.

- Multiclass resecuritization products - These securities are multiclass resecuritizations of the cash flows of the underlying collateral, which may be previously issued Level 1 Securitization Products, single-class resecuritization products, multiclass resecuritization products, or similar TBA-eligible products issued and guaranteed by Fannie Mae. The activity that most significantly impacts the economic performance of our multiclass resecuritization trusts is typically the initial design and structuring of the trust. Substantially all multiclass resecuritization trusts are created as part of transactions in which an investor or dealer participates in the decisions made during the design and establishment of the trust. As a result, we do not have the unilateral ability to direct the activities of our multiclass resecuritization trusts that most significantly impact the economic performance of those trusts. In addition, unless we retain a portion of the issued multiclass resecuritization products, we do not have the right to receive benefits or the obligation to absorb losses that could potentially be significant to the trusts because we have already provided a guarantee on the underlying assets. As a result, we have concluded that we are not the primary beneficiary of our multiclass resecuritization trusts and, therefore, do not consolidate those trusts unless we have the unilateral ability to liquidate the trust.

When we purchase a multiclass resecuritization product as an investment in our mortgage-related investments portfolio, we record the security as an investment in debt securities rather than extinguishment of debt since we are investing in the debt securities of a nonconsolidated entity. Similarly, sales of multiclass resecuritization products previously held as investments in our mortgage-related investments portfolio are accounted for as sales of investments in debt securities. See **Note 7** for additional information on accounting for investments in debt securities.

With the exception of commingled securities, our investments in, and guarantees of, securities issued by resecuritization trusts do not create any incremental exposure to loss because we already guarantee the underlying collateral. As a result, we do not receive any incremental guarantee fees in exchange for our guarantee, and, accordingly, we do not recognize any additional guarantee assets, guarantee obligations, or reserves for guarantee losses related to resecuritization trusts. In a typical multiclass resecuritization, we receive a one-time transaction fee which represents compensation for both the structuring and creation of the securities and for our ongoing administrative responsibilities to service the securities. We recognize the portion of the transaction fee related to creation of the securities immediately in earnings. We defer the portion of the fee related to ongoing administrative responsibilities and amortize it over the life of the associated trust.

When we issue commingled resecuritization products, our guarantee of the Fannie Mae securities used as collateral creates incremental exposure to loss because our guarantee covers timely payment of principal and interest on such products from underlying Fannie Mae securities. If Fannie Mae were to fail to make a payment on a Fannie Mae security that we resecuritized, we would be responsible for making the payment. However, we view the likelihood of being required to perform on our

guarantee of Fannie Mae securities as remote due to both Freddie Mac and Fannie Mae being under the common control of FHFA, and due to Fannie Mae's status as a GSE and the funding commitment available to it through its senior preferred stock purchase agreement with Treasury.

### **CRT Products**

We transfer credit risk exposure on certain mortgage loans that we own or guarantee using CRT products, including STACR Trust notes. In these transactions, a trust issues STACR Trust notes whose repayments are based on the credit performance of a reference pool of mortgage loans. The trust uses the proceeds from the issuance of the notes to purchase short-term eligible investments and makes periodic payments of principal and interest on the notes to investors. We make payments to the trust to support payment of the interest due on the notes, and we receive payments from the trust that otherwise would have been made to the noteholders to the extent there are credit events on the mortgages in the reference pool. The note balances are reduced by the amount of the payments to us. The trust was designed to create and pass along to its interest holders the variability related to the credit risk of the mortgages in the reference pool. We do not have a variable interest in the risk that the trust was designed to create and pass along to its interest holders or the power to direct the activities that most significantly affect the economic performance of the VIE. As a result, we do not consolidate the trusts used in the STACR Trust note transactions.

We account for our obligations to make certain payments to the STACR Trust note VIEs to support payment of the interest due on the notes as derivative instruments. We account for our rights to receive payments from the STACR Trust note VIEs to the extent there are credit events on the mortgages in the reference pool as freestanding credit enhancement contracts. Freestanding contracts are entered into separately and apart from any other financial instrument or in conjunction with some other transaction and are legally detachable and separately exercisable. We recognize the payments we make to transfer credit risk under freestanding credit enhancements, which primarily consist of STACR Trust notes and ACIS transactions in Single-Family, in credit enhancement expense in our consolidated statements of income when they are incurred. We recognize expected recoveries from such transactions in other assets with an offsetting reduction to non-interest expense, at the same time that we recognize an allowance for credit losses on the covered loans, measured on the same basis as the allowance for credit losses on the covered loans. Credit enhancements that are not freestanding contracts are considered when measuring our allowance for credit losses. See **Note 6** for additional information on credit enhancements that are not freestanding contracts.

## Multifamily

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### **Securitization Products**

#### **K Certificates**

In a senior subordinate K Certificate transaction, we sell multifamily loans to a non-Freddie Mac trust that issues senior and subordinate securities, and simultaneously purchase and place the senior securities into a Freddie Mac trust that issues guaranteed K Certificates. In these transactions, we guarantee the senior securities issued by the non-Freddie Mac trust but do not issue or guarantee the subordinate securities. In our role as guarantor, we may be required to advance funds to the securitization trusts. We receive a guarantee fee in exchange for our guarantee. In certain of our K Certificate securitizations, we may also serve as master servicer. In our role as master servicer, we may be required to advance funds as long as such advances have not been deemed unrecoverable. In contrast to most single-family transactions, the rights to direct loss mitigation activities of the underlying loans and to purchase delinquent loans from the securitization trust are generally held by the investor in the most subordinate remaining securities issued by the non-Freddie Mac trust, and therefore we generally do not have the power to direct those activities unless we are the investor in the most subordinate remaining securities.

The economic performance of our K Certificate trusts is most significantly affected by the performance of the underlying loans. We generally do not consolidate our K Certificate securitization trusts that have subordination because we do not have the ability to direct the loss mitigation activities of the underlying loans, which is the most significant activity affecting the economic performance of the VIE.

When we sell loans in a senior subordinate K Certificate transaction, we derecognize the transferred loans and account for our guarantee to the nonconsolidated VIE. We account for our investments in the beneficial interests issued by the trusts used in our senior subordinate K Certificate transactions as investments in debt securities.

### Other Securitization Products

We do not consolidate the trusts used to issue our other securitization products when we do not have the ability to direct the activities that most significantly affect the economic performance of the VIE. For those products, we account for our guarantee to the nonconsolidated VIE. We account for our investments in the beneficial interests issued by the trusts used in our other securitization products as investments in debt securities.

### CRT Products

In Multifamily, we may transfer credit risk on certain mortgage loans that we own or guarantee by entering into MSCR note transactions, which are similar to STACR Trust note transactions in Single-Family. We do not consolidate the trusts used in MSCR note transactions and account for MSCR note transactions in the same manner as we account for STACR Trust note transactions.

## Assets and Liabilities of Nonconsolidated VIEs

The following table presents the carrying amounts and classification of the assets and liabilities recorded on our consolidated balance sheets that relate to our variable interests in 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 maximum exposure to loss as a result of our involvement with such VIEs, and the total assets of the VIEs. Our involvement with such VIEs primarily consists of guarantees that we have issued to the VIE, some of which are accounted for as derivative instruments, and investments in debt securities issued by the VIE. See **Note 5** for additional information on our guarantees to nonconsolidated VIEs.

Total assets shown in the table below represents the remaining UPB of the mortgage loans or other noncash financial assets held by the VIE and excludes cash and nonfinancial assets held by the VIE. Maximum exposure to loss shown in the table below is primarily based on the remaining UPB of the guaranteed securities issued by the VIE and represents the contractual amounts that could be lost if the assets of the VIE (including the assets in the related reference pool for CRT products) became worthless at the balance sheet date, without consideration of proceeds from related collateral liquidation and possible recoveries under credit enhancements. We do not believe the maximum exposure to loss from our involvement with nonconsolidated VIEs 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 and available credit enhancements.

**Table 3.1 - Nonconsolidated VIEs**

(In millions)	December 31, 2025				
	Carrying Amounts of the Assets and Liabilities on the Consolidated Balance Sheets			Total Assets	Maximum Exposure to Loss
	Investment securities	Accrued Interest Receivable and Other Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>		
Single-Family:					
Securitization products	\$1,451	\$162	\$498	\$30,025	\$24,604
Resecuritization products <sup>(2)</sup>	5,503	74	675	98,370	98,754
CRT products <sup>(3)</sup>	—	97	134	24,437	6
<b>Total Single-Family</b>	<b>6,954</b>	<b>333</b>	<b>1,307</b>	<b>152,832</b>	<b>123,364</b>
Multifamily:					
Securitization products <sup>(4)</sup>	5,052	4,886	3,792	332,572	299,507
CRT products <sup>(3)</sup>	—	31	21	2,446	16
<b>Total Multifamily</b>	<b>5,052</b>	<b>4,917</b>	<b>3,813</b>	<b>335,018</b>	<b>299,523</b>
<b>Other</b>	<b>—</b>	<b>7</b>	<b>—</b>	<b>64</b>	<b>15</b>
<b>Total</b>	<b>\$12,006</b>	<b>\$5,257</b>	<b>\$5,120</b>	<b>\$487,914</b>	<b>\$422,902</b>

(In millions)	December 31, 2024				
	Carrying Amounts of the Assets and Liabilities on the Consolidated Balance Sheets			Total Assets	Maximum Exposure to Loss
	Investment securities	Accrued Interest Receivable and Other Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>		
<b>Single-Family:</b>					
Securitization products	\$1,633	\$157	\$458	\$30,038	\$24,470
Resecuritization products <sup>(2)</sup>	5,159	69	706	104,120	104,513
CRT products <sup>(3)</sup>	—	89	171	27,224	7
<b>Total Single-Family</b>	<b>6,792</b>	<b>315</b>	<b>1,335</b>	<b>161,382</b>	<b>128,990</b>
<b>Multifamily:</b>					
Securitization products <sup>(4)</sup>	5,263	5,171	4,374	355,108	317,611
CRT products <sup>(3)</sup>	—	29	15	1,738	22
<b>Total Multifamily</b>	<b>5,263</b>	<b>5,200</b>	<b>4,389</b>	<b>356,846</b>	<b>317,633</b>
<b>Other</b>	<b>—</b>	<b>7</b>	<b>—</b>	<b>79</b>	<b>79</b>
<b>Total</b>	<b>\$12,055</b>	<b>\$5,522</b>	<b>\$5,724</b>	<b>\$518,307</b>	<b>\$446,702</b>

(1) Other assets primarily include our guarantee assets. Liabilities primarily include our guarantee obligations.

(2) Total assets and maximum exposure to loss are primarily based on the UPB of Fannie Mae securities underlying commingled Freddie Mac resecuritization trusts. We exclude noncommingled resecuritization trusts from these amounts as we have already guaranteed the underlying collateral and therefore noncommingled resecuritizations do not involve any incremental assets or create any incremental exposure to credit risk.

(3) Maximum exposure to loss is based on our expected recovery receivables and excludes our obligations to make certain payments to the VIE to support payment of the interest due on the notes issued by the VIE, which we account for as derivative instruments. The notional value of these derivative instruments is equal to the total assets of the VIE.

(4) Maximum exposure to loss excludes the exposure related to advances made by us as guarantor or master servicer. The outstanding balance of guarantor advances were \$0.4 billion and \$0.3 billion as of December 31, 2025 and December 31, 2024, respectively. The outstanding balance of master servicer advances were not material for the periods presented.

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 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 table 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.

## Investments in Low Income Housing Tax Credits

We invest in LIHTC partnerships to support and preserve the supply of affordable housing. These investments do not provide us with a controlling financial interest in the underlying partnerships and we therefore do not consolidate these entities. We have elected to account for these investments using the proportional amortization method when applicable. The carrying amount of our investments in LIHTC partnerships is presented in other assets on our consolidated balance sheets and totaled \$5.2 billion and \$4.3 billion as of December 31, 2025 and December 31, 2024, respectively.

**NOTE 4****Mortgage Loans**

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

**Table 4.1 - Mortgage Loans**

(In millions)	December 31, 2025			December 31, 2024		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Held-for-sale UPB	\$1,108	\$136	\$1,244	\$2,984	\$13,265	\$16,249
Cost basis and fair value adjustments, net	(216)	(14)	(230)	(586)	(103)	(689)
<b>Total held-for-sale loans, net</b>	<b>892</b>	<b>122</b>	<b>1,014</b>	<b>2,398</b>	<b>13,162</b>	<b>15,560</b>
Held-for-investment UPB	3,117,945	153,124	3,271,069	3,063,211	87,416	3,150,627
Cost basis and fair value adjustments, net <sup>(1)</sup>	27,491	(526)	26,965	28,926	(450)	28,476
Allowance for credit losses	(7,297)	(671)	(7,968)	(6,381)	(393)	(6,774)
<b>Total held-for-investment loans, net<sup>(2)</sup></b>	<b>3,138,139</b>	<b>151,927</b>	<b>3,290,066</b>	<b>3,085,756</b>	<b>86,573</b>	<b>3,172,329</b>
<b>Total mortgage loans, net</b>	<b>\$3,139,031</b>	<b>\$152,049</b>	<b>\$3,291,080</b>	<b>\$3,088,154</b>	<b>\$99,735</b>	<b>\$3,187,889</b>

(1) Includes (\$0.3) billion and (\$0.7) billion of basis adjustments maintained on a closed portfolio basis related to existing portfolio layer method fair value hedge relationships as of December 31, 2025 and December 31, 2024, respectively.

(2) Includes \$7.0 billion and \$2.4 billion of multifamily held-for-investment loans for which we have elected the fair value option as of December 31, 2025 and December 31, 2024, respectively.

We own both single-family loans, which are secured by one- to four-unit residential properties, and multifamily loans, which are secured by properties with five or more residential rental units. Our single-family loans are primarily first lien, fixed-rate loans secured by the borrower's primary residence. We do not typically acquire loans that have experienced more-than-insignificant deterioration in credit quality since origination as of our acquisition date, although we may acquire such loans in connection with certain of our securitization activities or other mortgage-related guarantees.

Upon acquisition, we classify a loan as either held-for-investment or held-for-sale. Loans that we have the ability and intent to hold for the foreseeable future, including loans held by consolidated trusts and loans we intend to securitize using an entity we will consolidate, are classified as held-for-investment. Loans that we intend to sell are classified as held-for-sale.

Held-for-investment loans for which we have not elected the fair value option are reported on our consolidated balance sheets at their amortized cost basis, net of the allowance for credit losses. The amortized cost basis is based on a loan's outstanding UPB, net of deferred fees and other cost basis adjustments (including unamortized premiums and discounts, fees we receive or pay when we acquire loans, commitment-related derivative basis adjustments, hedge accounting-related basis adjustments, and other pricing adjustments), excluding accrued interest receivable. Accrued interest receivable for both held-for-investment and held-for-sale loans is separately presented on our consolidated balance sheets and excluded for the purposes of disclosure of the amortized cost basis of mortgage loans held-for-investment.

Held-for-sale loans for which we have not elected the fair value option are reported at lower-of-cost-or-fair-value determined on an individual loan basis on our consolidated balance sheets. Any excess of a held-for-sale loan's cost over its fair value is recognized as a valuation allowance in investment gains, net on our consolidated statements of income, with subsequent changes in this valuation allowance also being recorded in investment gains, net. Premiums, discounts, and other cost basis adjustments (including lower-of-cost-or-fair-value adjustments) are deferred and not amortized.

We elect the fair value option for certain multifamily loans. Loans for which we have elected the fair value option are measured at fair value on a recurring basis, with subsequent gains or losses related to changes in fair value reported in investment gains, net on our consolidated statements of income. All fees, upfront costs, and other cost basis adjustments are recognized in earnings as incurred.

Cash flows related to loans originally classified as held-for-investment are classified as either investing activities (e.g., principal repayments) or operating activities (e.g., interest payments received from borrowers included within net income) on our consolidated statements of cash flows. Cash flows related to loans originally classified as held-for-sale are classified as operating activities on our consolidated statements of cash flows.

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

**Table 4.2 - Loans Purchased and Sold**

(In millions)	Year Ended December 31,		
	2025	2024	2023
<b>Single-Family:</b>			
Purchases:			
Held-for-investment loans	\$388,665	\$346,408	\$299,886
Sales of held-for-sale loans <sup>(1)</sup>	2,676	2,072	1,253
<b>Multifamily:</b>			
Purchases:			
Held-for-investment loans	65,616	30,003	16,814
Held-for-sale loans	7,734	31,712	29,415
Sales of held-for-sale loans <sup>(2)</sup>	17,080	27,883	34,034

(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.

## Reclassifications

We reclassify loans from held-for-investment to held-for-sale depending on our intent and ability to hold the loan for the foreseeable future. Upon reclassification from held-for-investment to held-for-sale, we perform a collectability assessment. When we determine that a loan to be reclassified has experienced more-than-insignificant deterioration in credit quality since origination, the excess of the loan's amortized cost basis over its fair value is written off against the allowance for credit losses prior to the reclassification. If the charge-off amount exceeds the existing allowance for credit losses amount, an additional provision for credit losses is recognized. Any remaining allowance for credit losses after the charge-off is reversed through provision for credit losses.

We reclassify loans from held-for-sale to held-for-investment when we have both the intent and ability to hold the loan for the foreseeable future. Upon reclassification from held-for-sale to held-for-investment, we reverse the loan's held-for-sale valuation allowance, if any, and establish an allowance for credit losses as needed.

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 4.3 - Loan Reclassifications<sup>(1)</sup>**

(In millions)	2025			2024		
	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	\$1,577	\$28	\$—	\$2,285	\$75	\$—
Held-for-sale to held-for-investment <sup>(2)</sup>	436	37	25	233	19	19
Multifamily reclassifications from:						
Held-for-investment to held-for-sale	1,216	2	(35)	1,322	12	(61)
Held-for-sale to held-for-investment <sup>(2)</sup>	336	(1)	5	833	—	10

(1) Amounts exclude reclassifications related to loans for which we have elected the fair value option.

(2) Allowance for credit losses established upon loan reclassifications 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

We recognize interest income on an accrual basis except when we believe the collection of principal and interest in full is not reasonably assured, which generally occurs when a loan is three monthly payments or more past due, at which point we place the loan on non-accrual status unless the loan is well secured and in the process of collection based upon an individual loan assessment. A loan is considered past due if a full payment of principal and interest is not received within one month of its due date. We charge off outstanding accrued interest receivable through interest income when loans are placed on non-accrual status and recognize interest income on a cash basis while a loan is on non-accrual status.

Cost basis adjustments on held-for-investment loans are amortized into interest income over the contractual life of the loan using the effective interest method. No amortization is recognized during periods in which a loan is on non-accrual status.

A non-accrual loan is returned to accrual status when the collectability of principal and interest in full is reasonably assured. For single-family loans, we generally determine that collectability is reasonably assured when the loan returns to current payment status. For multifamily loans, the collectability of principal and interest is considered reasonably assured based on an analysis of the factors specific to the loan being assessed. Upon a loan's return to accrual status, all previously reversed interest income is recognized and amortization of any basis adjustments into interest income is resumed.

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 the period end.

**Table 4.4 - Amortized Cost Basis of Held-for-Investment Loans on Non-Accrual<sup>(1)</sup>**

(In millions)	Non-Accrual Amortized Cost Basis		Interest Income Recognized <sup>(2)</sup>
	December 31, 2025	December 31, 2024	Year Ended December 31, 2025
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	\$16,739	\$15,157	\$345
15-year or less, amortizing fixed-rate	482	511	7
Adjustable-rate and other	221	240	5
<b>Total Single-Family</b>	<b>17,442</b>	<b>15,908</b>	<b>357</b>
<b>Total Multifamily</b>	<b>227</b>	<b>125</b>	<b>5</b>
<b>Total Single-Family and Multifamily</b>	<b>\$17,669</b>	<b>\$16,033</b>	<b>\$362</b>

(In millions)	Non-Accrual Amortized Cost Basis		Interest Income Recognized <sup>(2)</sup>
	December 31, 2024	December 31, 2023	Year Ended December 31, 2024
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	\$15,157	\$12,682	\$307
15-year or less, amortizing fixed-rate	511	519	8
Adjustable-rate and other	240	257	5
<b>Total Single-Family</b>	<b>15,908</b>	<b>13,458</b>	<b>320</b>
<b>Total Multifamily</b>	<b>125</b>	<b>64</b>	<b>3</b>
<b>Total Single-Family and Multifamily</b>	<b>\$16,033</b>	<b>\$13,522</b>	<b>\$323</b>

(1) Excludes amounts related to loans for which we have elected the fair value option.

(2) 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 presented on our 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 4.5 - Accrued Interest Receivable and Related Charge-offs**

(In millions)	Accrued Interest Receivable		Accrued Interest Receivable Related Charge-offs	
	December 31, 2025	December 31, 2024	Year Ended December 31, 2025	Year Ended December 31, 2024
Single-Family loans	\$10,547	\$9,776	(\$264)	(\$223)
Multifamily loans	663	431	(5)	(1)

## 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 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.

**Table 4.6 - Amortized Cost Basis of Single-Family Held-for-Investment Loans by Current LTV Ratio and Vintage**

(In millions)	December 31, 2025						Total
	Year of Origination						
	2025	2024	2023	2022	2021	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	\$47,112	\$47,188	\$39,388	\$114,149	\$557,834	\$936,838	\$1,742,509
> 60 to 80	118,639	110,794	95,194	162,477	179,033	40,311	706,448
> 80 to 90	60,372	67,451	50,223	43,480	9,002	1,135	231,663
> 90 to 100	77,814	51,196	16,197	10,399	1,386	292	157,284
> 100	557	2,426	1,822	1,663	156	84	6,708
<b>Total 20- and 30-year or more, amortizing fixed-rate</b>	<b>304,494</b>	<b>279,055</b>	<b>202,824</b>	<b>332,168</b>	<b>747,411</b>	<b>978,660</b>	<b>2,844,612</b>
Full-year gross charge-offs <sup>(1)</sup>	1	22	44	73	54	172	366
15-year or less, amortizing fixed-rate							
≤ 60	9,953	5,816	3,987	19,872	96,005	111,387	247,020
> 60 to 80	9,450	4,281	1,879	1,833	286	17	17,746
> 80 to 90	1,967	639	105	57	3	—	2,771
> 90 to 100	1,007	104	15	7	—	—	1,133
> 100	8	2	1	—	—	—	11
<b>Total 15-year or less, amortizing fixed-rate</b>	<b>22,385</b>	<b>10,842</b>	<b>5,987</b>	<b>21,769</b>	<b>96,294</b>	<b>111,404</b>	<b>268,681</b>
Full-year gross charge-offs <sup>(1)</sup>	—	—	—	1	1	1	3
Adjustable-rate and other							
≤ 60	1,797	358	412	1,753	3,121	10,469	17,910
> 60 to 80	4,321	923	1,184	2,138	489	155	9,210
> 80 to 90	1,783	522	581	574	19	9	3,488
> 90 to 100	1,312	226	153	132	3	2	1,828
> 100	2	2	12	19	—	2	37
<b>Total adjustable-rate and other</b>	<b>9,215</b>	<b>2,031</b>	<b>2,342</b>	<b>4,616</b>	<b>3,632</b>	<b>10,637</b>	<b>32,473</b>
Full-year gross charge-offs <sup>(1)</sup>	—	—	—	1	—	1	2
Total for all loan product types by current LTV ratio:							
≤ 60	58,862	53,362	43,787	135,774	656,960	1,058,694	2,007,439
> 60 to 80	132,410	115,998	98,257	166,448	179,808	40,483	733,404
> 80 to 90	64,122	68,612	50,909	44,111	9,024	1,144	237,922
> 90 to 100	80,133	51,526	16,365	10,538	1,389	294	160,245
> 100	567	2,430	1,835	1,682	156	86	6,756
<b>Total Single-Family loans</b>	<b>\$336,094</b>	<b>\$291,928</b>	<b>\$211,153</b>	<b>\$358,553</b>	<b>\$847,337</b>	<b>\$1,100,701</b>	<b>\$3,145,766</b>
<b>Total full-year gross charge-offs<sup>(1)</sup></b>	<b>\$1</b>	<b>\$22</b>	<b>\$44</b>	<b>\$75</b>	<b>\$55</b>	<b>\$174</b>	<b>\$371</b>

(In millions)	December 31, 2024						Total
	Year of Origination						
	2024	2023	2022	2021	2020	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	\$47,642	\$42,978	\$109,174	\$566,114	\$544,209	\$465,059	\$1,775,176
> 60 to 80	125,634	106,407	182,774	225,774	48,905	9,859	699,353
> 80 to 90	52,612	69,714	61,282	10,650	813	311	195,382
> 90 to 100	70,104	20,274	8,820	949	124	74	100,345
> 100	168	435	777	59	19	56	1,514
<b>Total 20- and 30-year or more, amortizing fixed-rate</b>	<b>296,160</b>	<b>239,808</b>	<b>362,827</b>	<b>803,546</b>	<b>594,070</b>	<b>475,359</b>	<b>2,771,770</b>
Full-year gross charge-offs <sup>(1)</sup>	1	10	40	45	35	222	353
15-year or less, amortizing fixed-rate							
≤ 60	5,664	4,353	21,308	110,094	85,662	52,305	279,386
> 60 to 80	5,326	3,012	3,986	927	44	7	13,302
> 80 to 90	856	338	103	7	—	—	1,304
> 90 to 100	377	19	10	—	—	—	406
> 100	2	—	—	—	—	—	2
<b>Total 15-year or less, amortizing fixed-rate</b>	<b>12,225</b>	<b>7,722</b>	<b>25,407</b>	<b>111,028</b>	<b>85,706</b>	<b>52,312</b>	<b>294,400</b>
Full-year gross charge-offs <sup>(1)</sup>	—	—	1	1	1	2	5
Adjustable-rate and other							
≤ 60	384	438	1,793	3,355	1,338	11,123	18,431
> 60 to 80	1,065	1,309	2,457	661	49	139	5,680
> 80 to 90	466	766	767	17	1	12	2,029
> 90 to 100	241	150	112	2	—	3	508
> 100	—	2	11	—	—	1	14
<b>Total adjustable-rate and other</b>	<b>2,156</b>	<b>2,665</b>	<b>5,140</b>	<b>4,035</b>	<b>1,388</b>	<b>11,278</b>	<b>26,662</b>
Full-year gross charge-offs <sup>(1)</sup>	—	—	—	1	—	1	2
Total for all loan product types by current LTV ratio:							
≤ 60	53,690	47,769	132,275	679,563	631,209	528,487	2,072,993
> 60 to 80	132,025	110,728	189,217	227,362	48,998	10,005	718,335
> 80 to 90	53,934	70,818	62,152	10,674	814	323	198,715
> 90 to 100	70,722	20,443	8,942	951	124	77	101,259
> 100	170	437	788	59	19	57	1,530
<b>Total Single-Family loans</b>	<b>\$310,541</b>	<b>\$250,195</b>	<b>\$393,374</b>	<b>\$918,609</b>	<b>\$681,164</b>	<b>\$538,949</b>	<b>\$3,092,832</b>
<b>Total full-year gross charge-offs<sup>(1)</sup></b>	<b>\$1</b>	<b>\$10</b>	<b>\$41</b>	<b>\$47</b>	<b>\$36</b>	<b>\$225</b>	<b>\$360</b>

(1) Excludes charge-offs related to accrued interest receivable and advances of pre-foreclosure costs.

### Multifamily

The table below presents the amortized cost basis of our multifamily held-for-investment loans, for which we have not elected the fair value option, 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 4.7 - Amortized Cost Basis of Multifamily Held-for-Investment Loans by Credit Quality Indicator and Vintage**

(In millions)	December 31, 2025								
	Year of Origination							Revolving Loans	Total
	2025	2024	2023	2022	2021	Prior			
Category:									
Pass	\$63,205	\$28,613	\$13,374	\$15,732	\$7,238	\$12,947	\$1,851	\$142,960	
Special mention	—	49	173	177	96	670	—	1,165	
Substandard	—	163	266	581	233	225	—	1,468	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>\$63,205</b>	<b>\$28,825</b>	<b>\$13,813</b>	<b>\$16,490</b>	<b>\$7,567</b>	<b>\$13,842</b>	<b>\$1,851</b>	<b>\$145,593</b>	
<b>Full-year gross charge-offs</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$11</b>	<b>\$—</b>	<b>\$115</b>	<b>\$—</b>	<b>\$126</b>	

(In millions)	December 31, 2024								
	Year of Origination							Revolving Loans	Total
	2024	2023	2022	2021	2020	Prior			
Category:									
Pass	\$27,713	\$14,471	\$16,548	\$7,179	\$6,201	\$7,921	\$2,426	\$82,459	
Special mention	50	76	239	39	86	327	—	817	
Substandard	—	29	444	329	200	276	—	1,278	
Doubtful	—	—	—	—	—	—	—	—	
<b>Total</b>	<b>\$27,763</b>	<b>\$14,576</b>	<b>\$17,231</b>	<b>\$7,547</b>	<b>\$6,487</b>	<b>\$8,524</b>	<b>\$2,426</b>	<b>\$84,554</b>	
<b>Full-year gross charge-offs</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	

## Past Due Status

The table below presents the amortized cost basis of our single-family and multifamily held-for-investment loans, for which we have not elected the fair value option, by payment status. We report single-family loans in forbearance as past due during the forbearance period to the extent that payments are past due based on the loan's original contractual terms, irrespective of the forbearance plan, based on the information reported to us by our servicers. We report multifamily loans in forbearance as current as long as the borrower is in compliance with the forbearance agreement, including the agreed upon repayment plan, even if payments are past due based on the loan's original contractual terms.

**Table 4.8 - Amortized Cost Basis of Held-for-Investment Loans by Payment Status<sup>(1)</sup>**

(In millions)	December 31, 2025					
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure <sup>(2)</sup>	Total	Non-Accrual With No Allowance <sup>(3)</sup>
Single-Family:						
20- and 30-year or more, amortizing fixed-rate	\$2,793,168	\$27,286	\$7,892	\$16,266	\$2,844,612	\$662
15-year or less, amortizing fixed-rate	266,741	1,196	276	468	268,681	7
Adjustable-rate and other	31,880	291	87	215	32,473	31
<b>Total Single-Family</b>	<b>3,091,789</b>	<b>28,773</b>	<b>8,255</b>	<b>16,949</b>	<b>3,145,766</b>	<b>700</b>
<b>Total Multifamily</b>	<b>145,344</b>	<b>57</b>	<b>2</b>	<b>190</b>	<b>145,593</b>	<b>132</b>
<b>Total Single-Family and Multifamily</b>	<b>\$3,237,133</b>	<b>\$28,830</b>	<b>\$8,257</b>	<b>\$17,139</b>	<b>\$3,291,359</b>	<b>\$832</b>

(In millions)	December 31, 2024					Non-Accrual With No Allowance <sup>(3)</sup>
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure <sup>(2)</sup>	Total	
Single-Family:						
20- and 30-year or more, amortizing fixed-rate	\$2,722,336	\$27,090	\$7,588	\$14,756	\$2,771,770	\$465
15-year or less, amortizing fixed-rate	292,207	1,404	291	498	294,400	5
Adjustable-rate and other	26,019	309	101	233	26,662	33
<b>Total Single-Family</b>	<b>3,040,562</b>	<b>28,803</b>	<b>7,980</b>	<b>15,487</b>	<b>3,092,832</b>	<b>503</b>
<b>Total Multifamily</b>	<b>84,288</b>	<b>60</b>	<b>80</b>	<b>126</b>	<b>84,554</b>	<b>75</b>
<b>Total Single-Family and Multifamily</b>	<b>\$3,124,850</b>	<b>\$28,863</b>	<b>\$8,060</b>	<b>\$15,613</b>	<b>\$3,177,386</b>	<b>\$578</b>

- (1) There were no held-for-investment loans that were three months or more past due and accruing interest as of both December 31, 2025 and December 31, 2024.
- (2) Includes \$4.0 billion and \$2.6 billion of single-family loans that were in the process of foreclosure as of December 31, 2025 and December 31, 2024, respectively.
- (3) Loans with no allowance for loan losses primarily represent loans that were previously charged off and for which the amount we expect to collect 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 advances of pre-foreclosure costs when determining whether a loan has an allowance for credit losses.

At the instruction of FHFA, we purchase single-family loans from trusts when they reach 24 months of delinquency, except for loans that meet certain criteria (e.g., permanently modified or foreclosure referral), which may be purchased sooner. Many delinquent single-family loans are purchased from trusts before they reach 24 months of delinquency under one of the exceptions provided. We must obtain FHFA's approval to implement changes to our policy to purchase loans from trusts.

When we purchase single-family or multifamily loans from the trust, we record an extinguishment of the corresponding portion of the debt issued by consolidated trusts and we reclassify the loans from mortgage loans held-for-investment by consolidated trusts to mortgage loans held-for-investment by Freddie Mac. We purchased \$11.2 billion and \$8.0 billion in UPB of such loans from consolidated trusts during the years ended December 31, 2025 and December 31, 2024, respectively.

## Loan Restructurings

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. For loans that were restructured and accounted for as TDRs prior to our adoption of ASU 2022-02, and that have not been subsequently restructured, we continue to use the loan's prepayment-adjusted effective interest rate just prior to restructuring, with no adjustments for changes resulting from the restructuring. 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 legacy TDR 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 thus 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. 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 earliest of the payoff date, maturity date, or sale or transfer 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 earliest of the payoff date, maturity date, or sale or transfer of the property. Our modification programs generally require completion of a trial period of at least three months prior to receiving the modification. During the loan modification trial period, borrowers make payments that are an estimate of the anticipated modified payment amount, which is generally lower than the amount required by the loan's original contractual terms. As a result, loans in these modifications are granted a delay in the payment due under the original contractual terms during the trial period. We continue to report single-family loans in loan modification trial period plans as delinquent to the extent that payments are past due based on the loan's original contractual terms.

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.

For purposes of the disclosure related to single-family loan restructurings involving borrowers experiencing financial difficulty, we exclude loans that were held-for-sale either at the time of restructuring or at the period end. The table below presents the period-end 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 4.9 - Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(Dollars in millions)	2025				Total as % of Class of Financing Receivable <sup>(3)</sup>
	Payment Delay <sup>(2)</sup>	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	\$19,083	\$8,065	\$934	\$28,082	1.0 %
15-year or less, amortizing fixed-rate	656	3	—	659	0.2
Adjustable-rate and other	173	18	2	193	0.6
<b>Total Single-Family loan restructurings</b>	<b>\$19,912</b>	<b>\$8,086</b>	<b>\$936</b>	<b>\$28,934</b>	<b>0.9</b>
(Dollars in millions)	2024				Total as % of Class of Financing Receivable <sup>(3)</sup>
	Payment Delay <sup>(2)</sup>	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	\$18,526	\$5,640	\$78	\$24,244	0.9 %
15-year or less, amortizing fixed-rate	723	—	—	723	0.2
Adjustable-rate and other	177	13	2	192	0.7
<b>Total Single-Family loan restructurings</b>	<b>\$19,426</b>	<b>\$5,653</b>	<b>\$80</b>	<b>\$25,159</b>	<b>0.8</b>

(Dollars in millions)	2023				Total as % of Class of Financing Receivable <sup>(3)</sup>
	Payment Delay <sup>(2)</sup>	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	\$16,774	\$4,051	\$128	\$20,953	0.8 %
15-year or less, amortizing fixed-rate	798	—	—	798	0.2
Adjustable-rate and other	179	19	5	203	0.7
<b>Total Single-Family loan restructurings</b>	<b>\$17,751</b>	<b>\$4,070</b>	<b>\$133</b>	<b>\$21,954</b>	<b>0.7</b>

- (1) Type of loan restructurings reflects the cumulative effects of the loan restructurings received during the period. 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 the trial period modification plans was \$3.4 billion, \$2.4 billion and \$1.7 billion as of December 31, 2025, December 31, 2024 and December 31, 2023, respectively. Most of these loans are 20- and 30-year or more, amortizing fixed-rate loans.
- (2) Includes \$8.4 billion, \$8.0 billion and \$8.3 billion related to payment deferral plans for 2025, 2024 and 2023, respectively. Also includes forbearance plans, repayment plans, and loan modifications that only involve payment delays.
- (3) 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 4.10 – Financial Effects of Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(Dollars in thousands)	2025		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	0.6 %	150	\$25
15-year or less, amortizing fixed-rate	NM	36	11
Adjustable-rate and other	0.8	145	14

(Dollars in thousands)	2024		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	0.5 %	168	\$16
15-year or less, amortizing fixed-rate	—	10	12
Adjustable-rate and other	1.0	229	15

(Dollars in thousands)	2023		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.0 %	175	\$16
15-year or less, amortizing fixed-rate	—	0	15
Adjustable-rate and other	1.6	202	17

- (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 table below provides the amortized cost basis of single-family held-for-investment loans that had a payment default (i.e., loans that became two months delinquent) during the periods presented and had been restructured within the previous 12 months preceding the payment default, when the borrower was experiencing financial difficulty at the time of the restructuring.

**Table 4.11 - Subsequent Defaults of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(In millions)	2025			
	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	\$3,567	\$2,588	\$192	\$6,347
15-year or less, amortizing fixed-rate	93	1	—	94
Adjustable-rate and other	26	4	—	30
<b>Total Single-Family</b>	<b>\$3,686</b>	<b>\$2,593</b>	<b>\$192</b>	<b>\$6,471</b>
(In millions)	2024			
	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	\$3,287	\$1,669	\$21	\$4,977
15-year or less, amortizing fixed-rate	104	—	—	104
Adjustable-rate and other	36	2	—	38
<b>Total Single-Family</b>	<b>\$3,427</b>	<b>\$1,671</b>	<b>\$21</b>	<b>\$5,119</b>
(In millions)	2023			
	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	\$2,488	\$905	\$302	\$3,695
15-year or less, amortizing fixed-rate	97	—	—	97
Adjustable-rate and other	30	6	6	42
<b>Total Single-Family</b>	<b>\$2,615</b>	<b>\$911</b>	<b>\$308</b>	<b>\$3,834</b>

(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 provides the single-family held-for-investment loan performance in the 12 months after a restructuring involving borrowers experiencing financial difficulty. 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 4.12 - Amortized Cost Basis of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty by Payment Status**

(In millions)	December 31, 2025				
	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	\$14,431	\$4,056	\$2,621	\$6,974	\$28,082
15-year or less, amortizing fixed-rate	309	104	72	174	659
Adjustable-rate and other	87	24	16	66	193
<b>Total Single-Family</b>	<b>\$14,827</b>	<b>\$4,184</b>	<b>\$2,709</b>	<b>\$7,214</b>	<b>\$28,934</b>

(In millions)	December 31, 2024				
	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	\$11,011	\$3,501	\$2,685	\$7,047	\$24,244
15-year or less, amortizing fixed-rate	309	112	86	216	723
Adjustable-rate and other	73	25	19	75	192
<b>Total Single-Family</b>	<b>\$11,393</b>	<b>\$3,638</b>	<b>\$2,790</b>	<b>\$7,338</b>	<b>\$25,159</b>

(In millions)	December 31, 2023				
	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	\$11,000	\$2,619	\$1,525	\$5,809	\$20,953
15-year or less, amortizing fixed-rate	432	88	57	220	797
Adjustable-rate and other	101	23	17	63	204
<b>Total Single-Family</b>	<b>\$11,533</b>	<b>\$2,730</b>	<b>\$1,599</b>	<b>\$6,092</b>	<b>\$21,954</b>

**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. The restructuring activities related to multifamily held-for-investment loans involving borrowers experiencing financial difficulty were not significant during 2025, 2024 and 2023.

**Non-Cash Investing and Financing Activities**

During the years ended December 31, 2025, December 31, 2024, and December 31, 2023, we acquired \$268.2 billion, \$230.6 billion, and \$215.0 billion, respectively, of loans held-for-investment in exchange for the issuance of debt issued by consolidated trusts in guarantor swap transactions. We received approximately \$141.4 billion, \$112.7 billion, and \$96.3 billion of loans held-for-investment from sellers during the years ended December 31, 2025, December 31, 2024, and December 31, 2023, respectively, to satisfy advances to lenders that were recorded in other assets on our consolidated balance sheets.

## NOTE 5

### Guarantees and Other Off-Balance Sheet Credit Exposures

Our guarantee activities primarily consist of mortgage-related guarantees in which we agree to absorb the credit risk of mortgage loans or other mortgage-related assets. In exchange for providing this guarantee, we receive an upfront or ongoing guarantee fee that is designed to be commensurate with the risks assumed and that will, over the long-term, provide us with cash flows that are expected to exceed the credit-related and administrative expenses of the underlying financial instruments and also provide us with a return on the capital that would be needed to support the related credit risk. The profitability of our guarantee activities may vary and will depend on a number of factors, including our guarantee fee and the actual credit performance of the underlying financial instruments that we have guaranteed.

We do not separately recognize guarantees to consolidated VIEs as we have already recognized the assets and liabilities of those VIEs on our consolidated balance sheets. When we issue a guarantee to a nonconsolidated VIE or other third party that exposes us to incremental credit risk, we recognize both a guarantee obligation at fair value and the consideration we receive for providing the guarantee, which typically consists of a guarantee asset that represents the fair value of future guarantee fees. As a practical expedient, the measurement of the fair value of the guarantee obligation is set equal to the consideration we receive to provide the guarantee, and no gain or loss is recognized upon issuance of the guarantee. Subsequently, we recognize changes in the fair value of the guarantee asset in current period earnings and amortize the guarantee obligation into earnings as we are released from risk under the guarantee. We also recognize an allowance for expected credit losses over the contractual period in which we are exposed to credit risk. See **Note 6** for additional information on our allowance for credit losses on financial guarantees and other off-balance sheet credit exposures.

### Guarantee Activities

#### Mortgage-Related Guarantees

##### **Nonconsolidated Securitization Products**

The majority of our mortgage-related guarantees involve securitizations of multifamily mortgage loans where we do not consolidate the securitization trust. In these transactions, we guarantee the principal and interest payments on the senior classes of beneficial interests issued by the securitization trust(s). Our maximum exposure on these guarantees is generally limited to the UPB of the beneficial interests that we have guaranteed. We have credit protection in the form of subordination that will absorb losses prior to us having to absorb losses under our guarantee, thereby reducing our expected credit losses related to such guarantees. See **Note 3** for additional information on nonconsolidated VIEs.

##### **Other Mortgage-Related Guarantees**

In certain circumstances, we provide a credit guarantee of mortgage-related assets held by third parties, in exchange for a guarantee fee, without securitizing those assets. These guarantees consist of the following:

- Long-term standby commitments of single-family loans which obligate us to purchase the covered loans when they become seriously delinquent. Periodically, certain of our customers seek to terminate long-term standby commitments and simultaneously enter into guarantor swap transactions to obtain our securities backed by many of the same loans.
- Guarantees of the timely payment of principal and interest for certain multifamily bonds, which primarily consist of multifamily housing revenue bonds that were issued by HFAs.

Our maximum exposure on these guarantees is limited to the UPB of the mortgage-related assets that we have guaranteed.

#### Guarantees of Fannie Mae Securities

We have the ability to commingle TBA-eligible Fannie Mae collateral in certain of our resecuritization products. We extend our guarantee of these products to cover principal and interest that are payable from the underlying Fannie Mae collateral. Because both Freddie Mac and Fannie Mae are under the common control of FHFA, and due to Fannie Mae's status as a GSE and the funding commitment available to it through its senior preferred stock purchase agreement with Treasury, we view the likelihood of being required to perform on our guarantee of Fannie Mae collateral as remote. See **Note 3** for additional information on guarantees of Fannie Mae securities.

The table below presents information about our mortgage-related guarantees and guarantees of Fannie Mae securities, including the UPB of the loans or securities underlying the guarantee, the maximum potential amount of future payments that we could be required to make under the guarantee, the liability we have recognized on our consolidated balance sheets for the guarantee, and the maximum remaining term of the guarantee. This table does not include our unrecognized guarantees, such

as guarantees to consolidated VIEs or to securitization trusts that do not expose us to incremental credit risk. We do not believe the potential amount of future payments we could be required to make is representative of the actual payments we will be required to make or 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.

**Table 5.1 - Financial Guarantees**

(Dollars in millions, terms in years)	December 31, 2025			
	UPB	Maximum Exposure	Recognized Liability <sup>(1)</sup>	Maximum Remaining Term
Single-Family mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)</sup>	\$30,025	\$24,604	\$453	40
Other mortgage-related guarantees	7,212	7,212	96	26
<b>Total Single-Family mortgage-related guarantees</b>	<b>37,237</b>	<b>31,816</b>	<b>549</b>	
Multifamily mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)(3)</sup>	332,572	299,507	3,629	34
Other mortgage-related guarantees	10,003	9,992	332	33
<b>Total Multifamily mortgage-related guarantees</b>	<b>342,575</b>	<b>309,499</b>	<b>3,961</b>	
Guarantees of Fannie Mae securities	98,370	98,370	—	36
Other	64	399	—	30
(Dollars in millions, terms in years)	December 31, 2024			
	UPB	Maximum Exposure	Recognized Liability <sup>(1)</sup>	Maximum Remaining Term
Single-Family mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)</sup>	\$30,038	\$24,470	\$413	39
Other mortgage-related guarantees	7,941	7,941	127	27
<b>Total Single-Family mortgage-related guarantees</b>	<b>37,979</b>	<b>32,411</b>	<b>540</b>	
Multifamily mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)(3)</sup>	355,108	317,611	4,219	35
Other mortgage-related guarantees	10,846	10,831	364	34
<b>Total Multifamily mortgage-related guarantees</b>	<b>365,954</b>	<b>328,442</b>	<b>4,583</b>	
Guarantees of Fannie Mae securities	104,120	104,120	—	37
Other	79	472	—	30

(1) Excludes allowance for credit losses on off-balance sheet credit exposures. See **Note 6** for additional information on our allowance for credit losses on off-balance sheet credit exposures.

(2) Maximum exposure is based on remaining UPB of the guaranteed securities issued by the VIE.

(3) Maximum exposure to loss excludes the exposure related to advances made by us as guarantor. The outstanding balance of guarantor advances were \$0.4 billion and \$0.3 billion as of December 31, 2025 and December 31, 2024, respectively.

The table below presents the payment status of the mortgage loans underlying our mortgage-related guarantees.

**Table 5.2 – UPB of Loans Underlying Our Mortgage-Related Guarantees by Payment Status**

(In millions)	December 31, 2025				
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total
Single-Family	\$32,713	\$2,234	\$860	\$1,430	\$37,237
Multifamily	340,501	141	218	1,715	342,575
<b>Total</b>	<b>\$373,214</b>	<b>\$2,375</b>	<b>\$1,078</b>	<b>\$3,145</b>	<b>\$379,812</b>

(In millions)	December 31, 2024				
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total
Single-Family	\$33,454	\$2,183	\$852	\$1,490	\$37,979
Multifamily	363,983	335	117	1,519	365,954
<b>Total</b>	<b>\$397,437</b>	<b>\$2,518</b>	<b>\$969</b>	<b>\$3,009</b>	<b>\$403,933</b>

## Other Guarantees

We also enter into certain transactions that are accounted for as derivative instruments and are also considered guarantees under GAAP. These transactions include our obligation to make certain payments to VIEs to support payment of the interest due on the notes issued by those VIEs in certain CRT transactions, certain interest-rate guarantees related to our securitization and resecuritization products, certain market value guarantees, and guarantees of third-party derivative instruments. These transactions generally provide for no limitation on the maximum potential future payments under the guarantee, and we generally reduce our exposure to such guarantees through separate derivative contracts with third parties. The approximate remaining term of these guarantees varies and in many cases is based on the maturity of the underlying mortgage loans. See **Note 9** for additional information on derivative instruments.

### Indemnifications

In connection with certain business transactions, we may provide indemnification to counterparties for claims arising out of breaches of certain obligations (e.g., those arising from representations and warranties) in contracts entered into in the normal course of business. Our assessment is that the risk of any material loss from such a claim for indemnification is remote and there are no significant probable and estimable losses associated with these contracts. In addition, we provided indemnification for litigation defense costs to certain former officers who are subject to ongoing litigation. See **Note 17** for information on ongoing litigation. The recognized liabilities on our consolidated balance sheets related to indemnifications were not significant at both December 31, 2025 and December 31, 2024.

## Other Off-Balance Sheet Credit Exposures

In addition to our guarantees, we enter into other agreements that expose us to off-balance sheet credit risk. These agreements may require us to transfer cash before or upon settlement of our contractual obligation. We recognize an allowance for credit losses for those agreements not measured at fair value or otherwise recognized in the financial statements. Most of these commitments expire in less than one year. See **Note 6** for additional discussion of our allowance for credit losses on our off-balance sheet credit exposures.

The table below presents our other off-balance sheet credit exposures.

**Table 5.3 - Other Off-Balance Sheet Credit Exposures**

(In millions)	December 31, 2025	December 31, 2024
Mortgage loan purchase commitments <sup>(1)</sup>	\$14,010	\$12,416
Unsettled securities purchased under agreements to resell, net <sup>(2)</sup>	27,811	10,650
Other commitments <sup>(3)</sup>	3,788	4,248
<b>Total</b>	<b>\$45,609</b>	<b>\$27,314</b>

(1) Includes \$2.0 billion of commitments for which we have elected the fair value option as of December 31, 2024. There were no commitments for which we elected the fair value option as of December 31, 2025. Excludes mortgage loan purchase commitments accounted for as derivative instruments. See **Note 9** for additional information on commitments accounted for as derivative instruments.

(2) Net of \$1.9 billion and \$0.4 billion of unsettled securities sold under agreements to repurchase as of December 31, 2025 and December 31, 2024, respectively.

(3) Consists of unfunded portion of revolving lines of credit, liquidity guarantees, and other commitments.

## NOTE 6

### Allowance for Credit Losses

For financial assets measured at amortized cost, we recognize an allowance for credit losses that is deducted from or added to the amortized cost basis of the financial asset to present the net amount expected to be collected on the financial asset on the balance sheet.

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

**Table 6.1 - Details of the Allowance for Credit Losses**

(In millions)	December 31, 2025			December 31, 2024			December 31, 2023		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Beginning balance	\$6,691	\$548	\$7,239	\$6,402	\$447	\$6,849	\$7,746	\$147	\$7,893
Provision (benefit) for credit losses	758	532	1,290	374	102	476	(1,172)	300	(872)
Charge-offs	(478)	(126)	(604)	(511)	(2)	(513)	(643)	—	(643)
Recoveries collected	149	2	151	115	—	115	144	—	144
Other <sup>(1)</sup>	429	—	429	311	1	312	327	—	327
<b>Ending balance</b>	<b>\$7,549</b>	<b>\$956</b>	<b>\$8,505</b>	<b>\$6,691</b>	<b>\$548</b>	<b>\$7,239</b>	<b>\$6,402</b>	<b>\$447</b>	<b>\$6,849</b>
<b>Components of the ending balance of the allowance for credit losses:</b>									
Mortgage loans held-for-investment	\$7,297	\$671	\$7,968	\$6,381	\$393	\$6,774	\$6,057	\$326	\$6,383
Other <sup>(2)</sup>	252	285	537	310	155	465	345	121	466
<b>Total ending balance</b>	<b>\$7,549</b>	<b>\$956</b>	<b>\$8,505</b>	<b>\$6,691</b>	<b>\$548</b>	<b>\$7,239</b>	<b>\$6,402</b>	<b>\$447</b>	<b>\$6,849</b>

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

(2) Includes allowance for credit losses related to advances of pre-foreclosure costs and off-balance sheet credit exposures.

- **2025 vs. 2024** - The provision for credit losses for 2025 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions, changes in estimated market values of single-family properties based on our internal house price index, and changes in forecasted house price growth rates. The provision for credit losses in 2025 was also driven by a credit reserve build in Multifamily attributable to new loan purchase commitment and acquisition activities due to the change in our Multifamily business strategy and deterioration in the credit performance of certain delinquent loans. The provision for credit losses for 2024 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions.
- **2024 vs. 2023** - The provision for credit losses for 2024 was primarily driven by a credit reserve build in Single-Family attributable to new acquisitions. The benefit for credit losses for 2023 was primarily driven by a credit reserve release in Single-Family due to improvements in house prices.

### Allowance for Credit Losses Methodology

We recognize changes in the allowance for credit losses through provision or benefit for credit losses on our consolidated statements of income.

### Mortgage Loans Held-for-Investment

Our allowance for credit losses on mortgage loans pertains to single-family and multifamily loans classified as held-for-investment for which we have not elected the fair value option. We measure the allowance for credit losses on a pooled basis when our loans share similar risk characteristics. We record charge-offs in the period in which a loan is deemed uncollectible. Proceeds received in excess of amounts previously written off are recorded as a decrease to non-interest expense on our consolidated statements of income.

#### Single-Family

We estimate the allowance for credit losses for single-family loans on a pooled basis using a discounted cash flow model that evaluates a variety of factors to estimate the cash flows we expect to collect. If we determine that foreclosure on the underlying

collateral is probable, we measure the allowance for credit losses for single-family loans based upon the fair value of the collateral, less costs to sell, adjusted for estimated proceeds from credit enhancements that are not freestanding contracts.

The discounted cash flow model we use to estimate the single-family loan allowance for credit losses forecasts cash flows over the loan's remaining contractual term, adjusted for expectations of prepayments. As a result, we do not revert to historical loss information for single-family loans. Cash flow estimates are discounted at the loan's prepayment-adjusted effective interest rate, which is adjusted for projections in the underlying benchmark interest rate for adjustable-rate loans. We project cash flows we expect to collect using our historical experience (which includes the effects of natural disasters), such as historical default rates and severity of loss, based on loan characteristics, such as current LTV ratios, delinquency status, geography, and borrowers' credit scores. These cash flow estimates incorporate probability of default and severity of losses and are adjusted for current and forecasted economic conditions, such as current and forecasted interest rates and house price growth rates, and estimated recoveries from loss mitigation activities, credit enhancements that are not freestanding contracts, and disposition of collateral, less estimated disposition costs.

Our estimate of expected credit losses is sensitive to changes in forecasted house price growth rates, which affect both the probability of default and severity of expected credit losses, and changes in forecasted interest rates, as declining (increasing) interest rates typically result in higher (lower) expected prepayments and a shorter (longer) estimated loan life, and therefore lower (higher) expected credit losses. Our forecast of house price growth rates leverages an internally based model and uses a nationwide house price growth forecast for the next three years. A Monte Carlo simulation generates many possible house price scenarios for up to 40 years for each MSA. These scenarios are used to estimate loan-level expected future cash flows and credit losses based on each loan's individual characteristics. Our forecast of interest rates incorporates various interest rate scenarios over the remaining contractual life of the loan based on current interest rates and implied market volatilities.

These projections require significant management judgment. We rely on third parties to provide certain model inputs used in our projections. At loan delivery, the seller provides us with loan data, which includes borrower and loan characteristics and underwriting information. Each subsequent month, the servicers provide us with monthly loan-level servicing data, including delinquency and loss information.

We review the outputs of our model by considering qualitative factors such as current economic events and other external factors to determine whether the model outputs are consistent with our expectations. Further management adjustments may be necessary to take into consideration the qualitative factors that have occurred but that are not yet reflected in the factors used to derive the model outputs or the uncertainty inherent in our projections. Significant judgment is exercised in making these adjustments.

Credit enhancements that are not freestanding contracts are obtained contemporaneously with, and in contemplation of, the origination of a financial instrument, and effectively travel with the financial instrument upon sale. Credit enhancements that are not freestanding contracts include primary mortgage insurance, which provides us with loan-level protection up to a specified percentage.

Expected recoveries from credit enhancements that are not freestanding contracts are considered in determining the allowance for loan losses as discussed above, resulting in a reduction in the recognized provision for credit losses by the amount of the expected recoveries. Subsequent to foreclosure and charge-off of the allowance for credit losses, we reclassify expected recoveries from credit enhancements that were not freestanding contracts and were previously offset against the allowance for credit losses as separate receivables. We do not consider potential recoveries from freestanding credit enhancement contracts when measuring our allowance for credit losses.

### **Multifamily**

We estimate the allowance for credit losses for multifamily loans using a loss-rate method to estimate the net amount of cash flows we expect to collect over the loan's remaining contractual terms, adjusted for expectations of prepayments. As a result, we do not revert to historical loss information for multifamily loans. The loss-rate method is based on a probability of default and loss given default framework that estimates credit losses by considering a loan's underlying characteristics, our historical experience (which includes the effects of natural disasters), and current and forecasted economic conditions. Loan characteristics considered by our model include vintage, loan term, current DSCR, current NOI, current LTV ratio, interest rate type, underlying property type, and property location. We simulate multiple forecast paths of economic variables, property values, and NOI over the loan's remaining contractual life. We also consider as model inputs expected recoveries from credit enhancements that are not freestanding contracts.

Our loss rates incorporate our own historical loan performance data, along with published historical commercial loan performance data where our data might be limited. Except for cases of fraud and certain other types of borrower defaults, most multifamily loans are nonrecourse to the borrower. As a result, the cash flows of the underlying property (including any credit enhancements that are not freestanding contracts) serve as the primary source of funds for repayment of the loan. For loans where we determined that the borrower is experiencing financial difficulty and repayment of the loan is expected to be provided substantially through the operation or sale of the collateral, we measure the allowance for credit losses using the fair value of the underlying collateral, less estimated costs to sell, adjusted for estimated proceeds from credit enhancements that are not freestanding contracts. Factors considered by management in determining whether a borrower is experiencing financial

difficulty include the borrower's current payment status and an evaluation of the underlying property's operating performance as represented by its current DSCR, its available credit enhancements, the current LTV ratio, the management of the underlying property, and the property's geographic location.

We review the outputs of our model considering qualitative factors such as current economic events and other factors not considered within the model to determine whether the model outputs are consistent with our expectations. Further management adjustments may be necessary to take into consideration the qualitative factors that have occurred but that are not yet reflected in the factors used to derive the model outputs or the uncertainty inherent in our projections. Significant judgment is exercised in making these adjustments.

## Advances of Pre-foreclosure Costs

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We may incur expenses related to a mortgage loan subsequent to its original acquisition but prior to foreclosure (pre-foreclosure costs). These expenses are incurred generally to protect or preserve our interest or legal right in or to the property prior to foreclosure, such as property taxes or homeowner's insurance premiums owed by the borrower. Many of these expenses are advanced by the servicer and are reimbursable from the borrower. If the borrower ultimately defaults, we reimburse the servicer for the advances it has made. Upon advance by the servicer, we recognize a receivable, which is included in other assets on our consolidated balance sheets, for the amounts due from the borrower and a payable, which is included in other liabilities on our consolidated balance sheets, for amounts due to the servicer. We recognize an allowance for credit losses for amounts that we do not ultimately expect to collect from the borrower.

## Off-Balance Sheet Credit Exposures

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We recognize an allowance for credit losses on off-balance sheet credit exposures for our guarantees that are not measured at fair value and other off-balance sheet arrangements based on expected credit losses over the contractual period in which we are exposed to credit risk through a present contractual obligation to extend credit, unless that obligation is unconditionally cancellable by us. We include this allowance for credit losses on off-balance sheet credit exposures within other liabilities on our consolidated balance sheets, with changes recognized through provision or benefit for credit losses on our consolidated statements of income.

Our methodologies for estimating the allowance for credit losses on off-balance sheet credit exposures for our Single-Family and Multifamily guarantees are generally consistent with our methodologies for estimating the allowance for credit losses for single-family mortgage loans and multifamily mortgage loans, respectively.

We obtain credit enhancements for certain of our guarantees through the creation of unguaranteed subordinated securities issued by nonconsolidated securitization trusts that absorb first losses prior to us having to incur credit losses under our guarantee of the senior securities. We consider the effect of subordination and other credit enhancements that are not freestanding contracts when measuring the allowance for credit losses on off-balance sheet credit exposures and, as a result, recognize such an allowance only if expected credit losses exceed the remaining amount of subordination. We have not recorded an allowance for credit losses on our guarantees of Fannie Mae securities due to the support provided to Fannie Mae by the U.S. government, the importance of Fannie Mae to the liquidity and stability of the U.S. housing market, and the long history of zero credit losses on Fannie Mae securities.

## NOTE 7

### Investment Securities

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

**Table 7.1 - Investment Securities**

(In millions)	December 31, 2025	December 31, 2024
Trading securities	\$82,096	\$51,872
Available-for-sale securities	3,316	3,899
<b>Total fair value of investment securities</b>	<b>\$85,412</b>	<b>\$55,771</b>

We currently classify and account for our securities as either available-for-sale or trading. Securities classified as trading are reported at fair value with changes in fair value included in investment gains, net, in our consolidated statements of income. Securities classified as available-for-sale are reported at fair value with changes in fair value included in AOCI, net of taxes. See **Note 16** for additional information on how we determine the fair value of securities.

We record purchases and sales of non-mortgage-related securities on the trade date. We record purchases and sales of mortgage-related securities on the expected settlement date, with a corresponding derivative recorded on the trade date.

We recognize interest income using the effective interest method, which considers the contractual terms of the security. Deferred items, including premiums, discounts, and other basis adjustments, are amortized into interest income over the contractual lives of the securities.

We recognize interest income using the prospective effective interest method for securities that can contractually be prepaid or otherwise settled in such a way that we may not recover substantially all of our recorded investment. Under this method, we recognize as interest income, over the expected life of the securities, the excess of the cash flows expected to be collected over the securities' carrying value. We update our estimates of expected cash flows periodically and recognize changes in the calculated effective interest rate on a prospective basis.

We classify the cash flows related to both available-for-sale and trading securities as investing activities because we hold these securities for investment purposes. In cases where the transfer of a security represents a secured borrowing, we classify the related cash flows as financing activities.

### 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 7.2 - Trading Securities**

(In millions)	December 31, 2025	December 31, 2024
Mortgage-related securities	\$10,932	\$9,158
Non-mortgage-related securities	71,164	42,714
<b>Total fair value of trading securities</b>	<b>\$82,096</b>	<b>\$51,872</b>

The table below provides details of our net trading gains (losses) recognized during the periods presented.

**Table 7.3 - Net Trading Gains (Losses)**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Net trading gains (losses)	\$639	\$256	\$440
Less: Net trading gains (losses) on securities sold	88	38	105
<b>Net trading gains (losses) related to securities still held at period end</b>	<b>\$551</b>	<b>\$218</b>	<b>\$335</b>

## Available-for-Sale Securities

At both December 31, 2025 and December 31, 2024, all available-for-sale securities were mortgage-related securities.

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

**Table 7.4 - Available-for-Sale Securities**

(In millions)	December 31, 2025				
	Amortized Cost Basis	Gross Unrealized Gains in Other Comprehensive Income	Gross Unrealized Losses in Other Comprehensive Income	Fair Value	Accrued Interest Receivable
Agency mortgage-related securities	\$2,726	\$16	(\$40)	\$2,702	\$6
Other mortgage-related securities	423	209	(18)	614	7
<b>Total available-for-sale securities</b>	<b>\$3,149</b>	<b>\$225</b>	<b>(\$58)</b>	<b>\$3,316</b>	<b>\$13</b>

(In millions)	December 31, 2024				
	Amortized Cost Basis	Gross Unrealized Gains in Other Comprehensive Income	Gross Unrealized Losses in Other Comprehensive Income	Fair Value	Accrued Interest Receivable
Agency mortgage-related securities	\$3,528	\$4	(\$100)	\$3,432	\$7
Other mortgage-related securities	287	194	(14)	467	3
<b>Total available-for-sale securities</b>	<b>\$3,815</b>	<b>\$198</b>	<b>(\$114)</b>	<b>\$3,899</b>	<b>\$10</b>

The fair value of our available-for-sale securities held at December 31, 2025 scheduled to contractually mature after five years through ten years was \$1.0 billion, with an additional \$1.4 billion scheduled to contractually mature after ten years.

The table below presents available-for-sale securities in a gross unrealized loss position and whether such securities have been in an unrealized loss position for less than 12 months, or 12 months or greater.

**Table 7.5 - Available-for-Sale Securities in a Gross Unrealized Loss Position**

(In millions)	December 31, 2025			
	Less than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-related securities	\$178	\$—	\$1,713	(\$40)
Other mortgage-related securities	43	—	22	(18)
<b>Total available-for-sale securities in a gross unrealized loss position</b>	<b>\$221</b>	<b>\$—</b>	<b>\$1,735</b>	<b>(\$58)</b>

(In millions)	December 31, 2024			
	Less than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-related securities	\$448	(\$6)	\$2,198	(\$95)
Other mortgage-related securities	33	—	31	(13)
<b>Total available-for-sale securities in a gross unrealized loss position</b>	<b>\$481</b>	<b>(\$6)</b>	<b>\$2,229</b>	<b>(\$108)</b>

At December 31, 2025, the gross unrealized losses relate to 116 securities.

Gains and losses on the sale of securities are included in investment gains, net, including those gains (losses) reclassified into earnings from AOCI. We use the specific identification method for determining the cost basis of a security in computing the gain or loss.

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

**Table 7.6 - Total Proceeds, Gross Realized Gains and Gross Realized Losses from Sales of Available-for-Sale Securities**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Gross realized gains	\$1	\$9	\$9
Gross realized losses	(1)	(13)	(183)
<b>Net realized gains (losses)</b>	<b>\$—</b>	<b>(\$4)</b>	<b>(\$174)</b>
<b>Total proceeds</b>	<b>\$989</b>	<b>\$1,175</b>	<b>\$3,164</b>

## Non-Cash Investing and Financing Activities

During the years ended December 31, 2025, December 31, 2024, and December 31, 2023, we recognized \$0.0 billion, \$0.6 billion, and \$1.7 billion, respectively, of investments in securities in exchange for the issuance of debt issued by consolidated trusts through partial sales of commingled single-class resecuritization products that were previously consolidated.

During the years ended December 31, 2025, December 31, 2024, and December 31, 2023, we derecognized \$1.5 billion, \$3.4 billion, and \$4.8 billion respectively, of mortgage-related securities and debt issued by consolidated trusts where we were no longer deemed the primary beneficiary.

## NOTE 8

### Short-term and Long-term Debt

We report both short-term and long-term debt at amortized cost, with the exception of certain instruments for which we elected the fair value option. Deferred items, including premiums, discounts, issuance costs, and hedge accounting-related basis adjustments, are reported as a component of the amortized cost basis. These items are amortized and reported through interest expense using the effective interest method over the contractual life of the related indebtedness. Amortization of premiums, discounts, and issuance costs begins at the time of debt issuance. Amortization of hedge accounting-related basis adjustments begins upon the discontinuation of the related hedge relationship.

We elected the fair value option on long-term debt that contains embedded derivatives. Changes in the fair value of these debt obligations are recorded in investment gains, net, with any upfront costs and fees incurred or received in exchange for the issuance of the debt being recognized in earnings as incurred and not deferred. Related interest expense continues to be reported as interest expense based on the stated terms of the debt securities. For additional information on our election of the fair value option, see **Note 16**.

When we repurchase or call outstanding debt securities, we recognize the difference between the amount paid to redeem the debt security and the carrying value in earnings as a component of investment gains, net. Contemporaneous transfers of cash between us and a creditor in connection with the issuance of a new debt security and satisfaction of an existing debt security are accounted for as either an extinguishment or a modification of an existing debt security. If the debt securities have substantially different terms, the transaction is accounted for as an extinguishment of the existing debt security. The issuance of a new debt security is recorded at fair value, fees paid to the creditor are expensed as incurred, and fees paid to third parties are deferred and amortized into interest expense over the life of the new debt security using the effective interest method. If the terms of the existing debt security and the new debt security are not substantially different, the transaction is accounted for as a modification of the existing debt. Fees paid to the creditor are deferred and amortized into interest expense over the life of the modified debt security using the effective interest method and fees paid to third parties are expensed as incurred.

We also engage in transactions whereby we enter into an agreement to sell and subsequently repurchase (or purchase and subsequently resell) agency securities. When these transactions involve securities issued by consolidated entities, they are treated as issuances and extinguishments of debt.

The Purchase Agreement limits the par value of our aggregate indebtedness, which may restrict the amount of debt we are allowed to issue to fund our operations. See **Note 2** for information regarding restrictions on the amount of our indebtedness under the Purchase Agreement.

### Short-term Debt

The table below summarizes the balances and effective interest rates for our short-term debt (debt with original maturities of one year or less).

**Table 8.1 - Short-term Debt<sup>(1)</sup>**

(Dollars in millions)	Year Ended December 31,	
	2025	2024
Par value	\$37,867	\$14,716
Carrying amount	37,718	14,675
Weighted average effective rate	3.82 %	4.59 %

(1) Includes \$3.0 billion of callable debt as of December 31, 2025. There was no callable debt as of December 31, 2024.

## Long-term Debt

The table below summarizes our long-term debt (debt with original maturities of more than one year).

**Table 8.2 - Long-term Debt**

(Dollars in millions)	December 31, 2025				December 31, 2024			
	Contractual Maturity	Par Value	Carrying Amount <sup>(1)</sup>	Weighted Average Effective Rate <sup>(2)</sup>	Contractual Maturity	Par Value	Carrying Amount <sup>(1)</sup>	Weighted Average Effective Rate <sup>(2)</sup>
Fixed-rate <sup>(3)</sup>	2026 - 2054	\$92,236	\$90,104	3.62 %	2025 - 2054	\$130,965	\$126,815	3.09 %
Variable-rate <sup>(4)</sup>	2026 - 2035	76,008	75,991	4.74	2025 - 2034	35,906	35,893	5.16
Zero-coupon	2026 - 2039	3,904	2,610	4.73	2025 - 2039	4,748	3,254	6.22
Other <sup>(5)</sup>	2028 - 2053	546	591	8.95	2025 - 2053	1,324	1,371	10.90
<b>Total long-term debt</b>		<b>\$172,694</b>	<b>\$169,296</b>	<b>4.15</b>		<b>\$172,943</b>	<b>\$167,333</b>	<b>3.65</b>

(1) Represents par value, net of associated discounts or premiums and issuance costs. Includes \$0.2 billion and \$0.3 billion at December 31, 2025 and December 31, 2024, respectively, of long-term debt that represents the fair value of debt for which the fair value option was elected. Includes hedge-related basis adjustments.

(2) Based on carrying amount. Excludes hedge-related basis adjustments.

(3) Includes \$84.4 billion and \$112.6 billion of callable debt as of December 31, 2025 and December 31, 2024, respectively.

(4) Includes \$0.7 billion and \$1.3 billion of callable debt as of December 31, 2025 and December 31, 2024, respectively.

(5) Includes STACR debt notes, SCR debt notes, and IO debt.

A portion of our long-term debt is callable. Callable debt gives us the option to redeem the debt security at par on one or more specified call dates or at any time on or after a specified call date.

The table below summarizes contractual maturities of long-term debt securities at December 31, 2025.

**Table 8.3 - Contractual Maturities of Long-term Debt<sup>(1)</sup>**

(In millions)	Par Value
2026	\$45,515
2027	43,860
2028	22,474
2029	9,806
2030	33,871
Thereafter	16,622
<b>Total</b>	<b>\$172,148</b>

(1) Excludes \$0.5 billion of STACR debt notes and SCR debt notes. 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 pool of mortgage assets that may be prepaid by the related mortgage borrowers at any time generally without penalty.

## NOTE 9

### Derivatives

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. We use derivatives primarily to hedge interest-rate sensitivity mismatches between our financial assets and liabilities. We principally use interest-rate swaps, purchased or written options (including swaptions), and exchange-traded futures in our interest-rate risk management activities. We designate certain derivatives as hedging instruments in qualifying hedge accounting relationships. Interest-rate risk management derivatives that are not designated in qualifying hedge accounting relationships are economic hedges of financial instruments measured at fair value on a recurring basis or of other transactions or instruments that expose us to interest-rate risk. When we use derivatives to mitigate our exposures, we consider a number of factors, including cost, exposure to counterparty credit risk, and our overall risk management strategy.

We routinely enter into commitments to purchase and sell investments in mortgage-related securities, purchase and sell mortgage loans, and purchase and extinguish or issue debt of our consolidated trusts. Most of these commitments meet the definition of a derivative and, therefore, are subject to the accounting guidance for derivatives and hedging. We also enter into certain types of guarantees that are accounted for as derivatives. These guarantees primarily include our obligation to support payment of the interest due on the notes issued by VIEs used in certain CRT transactions.

We evaluate whether financial instruments that we purchase or issue contain embedded derivatives. We generally elect to measure newly acquired or issued financial instruments that contain embedded derivatives at fair value, with changes in fair value recorded in earnings.

On our consolidated statements of cash flows, cash flows related to derivatives are classified as either operating activities (such as periodic settlements of interest payments) or investing activities (such as variation margin payments and cash flows related to the acquisition and termination of derivatives) depending on the nature of the activity. Cash flows related to physical settlement of forward commitments accounted for as derivative instruments are classified as operating, investing, or financing activities depending on the financial instruments to which they relate.

### Derivative Assets and Liabilities at Fair Value

Derivatives are reported at their fair value on our consolidated balance sheets. Derivatives in a net asset position, including net derivative interest receivable or payable, are reported as derivative assets, net, which is included in other assets on our consolidated balance sheets. Similarly, derivatives in a net liability position, including net derivative interest receivable or payable, are reported as derivative liabilities, net, which is included in other liabilities on our consolidated balance sheets.

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

**Table 9.1 - Derivative Assets and Liabilities at Fair Value**

(In millions)	December 31, 2025			December 31, 2024		
	Notional or Contractual Amount	Derivative Assets	Derivative Liabilities	Notional or Contractual Amount	Derivative Assets	Derivative Liabilities
<b>Not designated as hedges</b>						
Interest-rate risk management derivatives:						
Swaps	\$557,848	\$1,148	(\$306)	\$382,761	\$1,512	(\$340)
Written options	40,480	—	(1,459)	33,117	—	(1,826)
Purchased options <sup>(1)</sup>	108,030	3,893	—	126,750	4,649	—
Futures	87,007	—	—	165,894	—	—
<b>Total interest-rate risk management derivatives</b>	<b>793,365</b>	<b>5,041</b>	<b>(1,765)</b>	<b>708,522</b>	<b>6,161</b>	<b>(2,166)</b>
Mortgage commitment derivatives	57,170	28	(15)	37,407	26	(40)
CRT-related derivatives <sup>(2)</sup>	26,883	—	(155)	28,962	—	(186)
Other	31,096	73	(601)	20,505	94	(695)
<b>Total derivatives not designated as hedges</b>	<b>908,514</b>	<b>5,142</b>	<b>(2,536)</b>	<b>795,396</b>	<b>6,281</b>	<b>(3,087)</b>
<b>Designated as fair value hedges</b>						
Interest-rate risk management derivatives:						
Swaps	125,908	198	(2,224)	159,086	209	(4,149)
<b>Total derivatives designated as fair value hedges</b>	<b>125,908</b>	<b>198</b>	<b>(2,224)</b>	<b>159,086</b>	<b>209</b>	<b>(4,149)</b>
Receivables (payables)		107	—		91	—
Netting adjustments <sup>(3)</sup>		(3,981)	3,979		(6,080)	6,282
<b>Total derivatives portfolio, net</b>	<b>\$1,034,422</b>	<b>\$1,466</b>	<b>(\$781)</b>	<b>\$954,482</b>	<b>\$501</b>	<b>(\$954)</b>

(1) Includes swaptions on credit indices with a notional amount of \$6.4 billion and \$6.8 billion at December 31, 2025 and December 31, 2024, respectively, and a fair value of \$1.0 million at both December 31, 2025 and December 31, 2024.

(2) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

(3) Represents counterparty netting and cash collateral netting.

## Derivative Counterparty Credit Risk

Cleared derivatives refer to interest-rate swaps that the U.S. Commodity Futures Trading Commission has determined are subject to the central clearing requirement of the Dodd-Frank Act. Exchange-traded derivatives refer to standardized interest-rate futures contracts and options on futures contracts. OTC derivatives refer to those derivatives that are bilaterally negotiated with counterparties and settled with those counterparties.

Our use of cleared derivatives, exchange-traded derivatives, and OTC derivatives exposes us to counterparty credit risk in the event our counterparties fail to meet their contractual obligations. We are required to post margin in connection with our derivative transactions. The use of cleared and exchange-traded derivatives decreases our credit risk exposure to individual counterparties because a central counterparty is substituted for individual counterparties. OTC derivatives expose us to the credit risk of individual counterparties because transactions are executed and settled between us and each counterparty, exposing us to potential losses if a counterparty fails to meet its obligations.

Our use of interest-rate swaps and option-based derivatives is subject to internal credit and legal reviews. On an ongoing basis, we review the credit fundamentals of all of our derivative counterparties, clearinghouses, and clearing members to confirm that they continue to meet our internal risk management standards.

The majority of our interest-rate swaps are subject to the central clearing requirement. Changes in the value of open exchange-traded contracts and cleared derivatives are settled daily via payments made through the clearinghouse. We net our exposure to cleared derivatives by clearinghouse and clearing member. A downgrade in our credit ratings could cause the clearing members we use for our cleared and exchange-traded derivatives to demand additional collateral.

Many of our transactions involving forward purchase and sale commitments of mortgage-related securities utilize the MBSD/FICC as a clearinghouse. As a clearing member of the clearinghouse, we post margin to the MBSD/FICC and are exposed to the counterparty credit risk of the organization (including its clearing members). In the event a clearing member fails and causes losses to the MBSD/FICC clearing system, we could be subject to loss, as members are generally required to cover losses caused by defaulting members on a pro rata basis. It is difficult to estimate our maximum exposure under these transactions, as this would require an assessment of transactions that we and other members of the MBSD/FICC may execute in the future.

We use master netting and collateral agreements to reduce our credit risk exposure to our OTC derivative counterparties for interest-rate swap and option-based derivatives. Master netting agreements provide for the netting of amounts receivable and payable from an individual counterparty, as well as posting of collateral in the form of cash, Treasury securities or agency mortgage-related or debt securities, or a combination of both by either the counterparty or us, depending on which party is in a liability position. On a daily basis, the market value of each counterparty's derivatives outstanding is calculated to determine the amount of our net credit exposure, which is equal to the market value of derivatives in a net gain position by counterparty after giving consideration to collateral posted. In the event a counterparty defaults on its obligations under the derivative agreement and the default is not remedied in the manner prescribed in the agreement, we have the right under the agreement to sell the collateral. As a result, our use of master netting and collateral agreements reduces our exposure to our counterparties in the event of default. We offset fair value amounts recognized for the right to reclaim cash collateral or the obligation to return cash collateral against fair value amounts recognized for derivative instruments executed with the same counterparty under a master netting agreement. Non-cash collateral held is not recognized on our consolidated balance sheets as we do not obtain effective control over the collateral, and non-cash collateral posted is not derecognized from our consolidated balance sheets as we do not relinquish effective control over the collateral. Therefore, non-cash collateral held or posted is not presented as an offset against derivative assets or derivative liabilities on our consolidated balance sheets. See **Note 10** for additional information on our collateralized arrangements. Although it is our practice not to repledge assets held as collateral, these agreements may allow us or our counterparties to repledge all or a portion of the collateral.

A significant majority of our net uncollateralized exposure to OTC derivative counterparties is concentrated with three counterparties, all of which were investment grade as of December 31, 2025. We regularly review the market value of securities pledged as collateral and derivative counterparty collateral posting thresholds, where applicable, in an effort to manage our exposure to losses.

For certain OTC derivatives, the amount of collateral we pledge to counterparties related to our derivative instruments is determined after giving consideration to our credit rating. None of our OTC derivative instruments containing credit-risk related contingent features, netted by counterparty, were in a liability position at December 31, 2025 or December 31, 2024 and, as a result, we did not post cash or non-cash collateral in the normal course of business. Therefore, as of both December 31, 2025 and December 31, 2024, a downgrade in our credit ratings would not have required us to post additional collateral to our counterparties.

The table below presents offsetting and collateral information related to derivatives which are subject to enforceable master netting agreements or similar arrangements.

**Table 9.2 - Offsetting of Derivatives**

(In millions)	December 31, 2025		December 31, 2024	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
OTC derivatives	\$5,247	(\$3,989)	\$6,360	(\$6,315)
Cleared and exchange-traded derivatives	77	—	74	—
Mortgage commitment derivatives	50	(15)	53	(40)
Other	73	(756)	94	(881)
<b>Total derivatives</b>	<b>5,447</b>	<b>(4,760)</b>	<b>6,581</b>	<b>(7,236)</b>
Counterparty netting	(2,998)	2,998	(3,906)	3,906
Cash collateral netting <sup>(1)</sup>	(983)	981	(2,174)	2,376
<b>Net amount presented in the consolidated balance sheets</b>	<b>1,466</b>	<b>(781)</b>	<b>501</b>	<b>(954)</b>
Gross amount not offset in the consolidated balance sheets <sup>(2)</sup>	(1,155)	—	(190)	11
<b>Net amount</b>	<b>\$311</b>	<b>(\$781)</b>	<b>\$311</b>	<b>(\$943)</b>

(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 consolidated balance sheets.

## Gains and Losses on Derivatives

The table below presents the gains and losses on derivatives not designated in qualifying hedge relationships. These amounts are reported on our consolidated statements of income as investment gains, net.

**Table 9.3 - Gains and Losses on Derivatives**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Interest-rate risk management derivatives:			
Swaps	(\$419)	\$514	\$359
Written options	364	(134)	170
Purchased options	(674)	452	(335)
Futures	(185)	556	197
<b>Total interest-rate risk management derivatives fair value gains (losses)</b>	<b>(914)</b>	<b>1,388</b>	<b>391</b>
Mortgage commitment derivatives	(603)	103	17
CRT-related derivatives <sup>(1)</sup>	48	75	(176)
Other	189	(134)	11
<b>Total derivatives not designated as hedges fair value gains (losses)</b>	<b>(\$1,280)</b>	<b>\$1,432</b>	<b>\$243</b>

(1) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

## Hedge Accounting

We apply fair value hedge accounting to certain single-family mortgage loans where we hedge the changes in fair value of these loans attributable to the designated benchmark interest rate, using interest-rate swaps. We also apply fair value hedge accounting to certain issuances of debt where we hedge the changes in fair value of the debt attributable to the designated benchmark interest rate, using interest-rate swaps. Under the portfolio layer method fair value hedge accounting strategy, we hedge the changes in fair value of a portion of a closed pool of single-family mortgage loans that is not expected to be affected by prepayments, defaults, and other events affecting the timing and amount of cash flows. As part of this strategy, we have also elected to measure the change in fair value of the hedged item on the basis of the benchmark rate component of the contractual coupon cash flows determined at the hedge inception and by assuming the hedged item has a term that reflects only the designated cash flows being hedged.

We apply hedge accounting to qualifying hedge relationships. A qualifying hedge relationship exists when changes in the fair value of a derivative hedging instrument are expected to be highly effective in offsetting changes in the fair value of the hedged item attributable to the risk being hedged during the term of the hedge relationship. No amounts have been excluded from the assessment of hedge effectiveness. To assess hedge effectiveness, we use a statistical regression analysis.

At inception of the hedge relationship, we prepare formal contemporaneous documentation of our risk management objective and strategies for undertaking the hedge.

If a hedge relationship qualifies for fair value hedge accounting, all changes in fair value of the derivative hedging instrument, including interest accruals, are recognized in the same consolidated statements of income line item used to present the earnings effect of the hedged item. Therefore, changes in the fair value of the hedged item, mortgage loans and debt, attributable to the risk being hedged are recognized in interest income and interest expense, respectively, along with the changes in the fair value of the respective derivative hedging instruments.

Changes in the fair value of the hedged item attributable to the risk being hedged are recognized as a cumulative basis adjustment against the mortgage loans and debt. The cumulative basis adjustments are amortized to the same consolidated statements of income line item used to present the changes in fair value of the hedged item using the effective interest method considering the contractual terms of the hedged item, with amortization beginning no later than the period in which hedge accounting was discontinued.

The table below presents the effects of fair value hedge accounting by consolidated statements of income 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 9.4 - Gains and Losses on Fair Value Hedges**

(In millions)	Year Ended December 31,					
	2025		2024		2023	
	Interest Income	Interest Expense	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income and expense line items presented in our consolidated statements of income in which the effects of fair value hedges are recorded:	\$129,820	(\$108,417)	\$117,877	(\$98,140)	\$105,363	(\$86,821)
Interest contracts on mortgage loans held-for-investment:						
Gain (loss) on fair value hedging relationships:						
Hedged items	894	—	(1,857)	—	671	—
Derivatives designated as hedging instruments	(942)	—	1,650	—	(854)	—
Interest accruals on hedging instruments	541	—	874	—	948	—
Discontinued hedge related basis adjustments amortization	247	—	202	—	198	—
Interest contracts on debt:						
Gain (loss) on fair value hedging relationships:						
Hedged items	—	(2,038)	—	(1,816)	—	(3,080)
Derivatives designated as hedging instruments	—	2,068	—	1,831	—	3,084
Interest accruals on hedging instruments	—	(1,605)	—	(3,261)	—	(4,065)
Discontinued hedge related basis adjustment amortization	—	(22)	—	(8)	—	(377)
<b>Total impact of fair value hedge accounting</b>	<b>\$740</b>	<b>(\$1,597)</b>	<b>\$869</b>	<b>(\$3,254)</b>	<b>\$963</b>	<b>(\$4,438)</b>

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

**Table 9.5 - Cumulative Basis Adjustments Due to Fair Value Hedging**

(In millions)	Carrying Amount Assets / (Liabilities)	December 31, 2025				
		Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount			Closed Portfolio Under the Portfolio Layer Method	
		Total	Under the Portfolio Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	\$1,084,479	(\$2,768)	(\$330)	(\$2,438)	\$44,826	\$8,585
Debt	(68,285)	2,054	—	15	—	—

(In millions)	Carrying Amount Assets / (Liabilities)	December 31, 2024				
		Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount			Closed Portfolio Under the Portfolio Layer Method	
		Total	Under the Portfolio Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	\$1,117,060	(\$3,909)	(\$695)	(\$3,214)	\$56,394	\$12,070
Debt	(107,241)	4,050	—	19	—	—

## NOTE 10

### Collateralized Agreements

#### Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

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As an investor, we enter into arrangements to purchase securities under agreements to subsequently resell the identical or substantially the same securities to our counterparty. Our counterparties to these transactions are required to pledge the purchased securities as collateral for their obligation to repurchase those securities at a later date. While such transactions involve the legal transfer of securities, they are accounted for as secured financings because the transferor does not relinquish effective control over the securities transferred. These agreements may allow us to repledge all, or a portion, of the collateral pledged to us, and we may repledge such collateral periodically, although it is not typically our practice to repledge collateral that has been pledged to us.

We consider the types of securities being pledged to us as collateral when determining how much we lend in transactions involving securities purchased under agreements to resell. Additionally, we regularly review the market values of these securities compared to amounts loaned in an effort to manage our exposure to losses and we reasonably expect the borrower to continue to replenish the collateral to meet the requirements of the contract. As of December 31, 2025, all of our securities purchased under agreements to resell were fully collateralized.

We utilize the GSD/FICC as a clearinghouse to transact many of our trades involving securities purchased under agreements to resell, securities sold under agreements to repurchase, and other non-mortgage related securities. As a clearing member of GSD/FICC, we are required to post initial and variation margin payments and are exposed to the counterparty credit risk of GSD/FICC (including its clearing members). In the event a clearing member fails and causes losses to the GSD/FICC clearing system, we could be subject to the loss of the margin that we have posted to the GSD/FICC. Moreover, our exposure could exceed that amount, as members are generally required to cover losses caused by defaulting members on a pro rata basis. It is difficult to estimate our maximum exposure under these transactions, as this would require an assessment of transactions that we and other members of the GSD/FICC may execute in the future.

We provide financing to investors in Freddie Mac securities to increase liquidity and expand the investor base for those securities. These transactions differ from the securities purchased under agreements to resell that we use for liquidity purposes as the counterparties we face may not be major financial institutions and we are exposed to greater counterparty credit risk for these institutions. As of December 31, 2025 and December 31, 2024, \$2.1 billion and \$2.8 billion, respectively, of our securities purchased under agreements to resell were used to provide financing to investors in Freddie Mac securities.

Securities sold under agreements to repurchase are effectively collateralized borrowings where we sell securities with an agreement to repurchase such securities at a future date. We are required to pledge the sold securities to the counterparties to these transactions as collateral for our obligation to repurchase these securities at a later date. Similar to the securities purchased under agreements to resell transactions, these transactions involve the legal transfer of securities. However, they are accounted for as secured financings because the transferor does not relinquish effective control over the securities transferred. These agreements may allow our counterparties to repledge all or a portion of the collateral.

We offset payables related to securities sold under agreements to repurchase against receivables related to securities purchased under agreements to resell when such amounts meet the conditions for balance sheet offsetting. The table below presents offsetting and collateral information related to 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 10.1 - Offsetting and Collateral Information of Certain Financial Assets and Liabilities**

(In millions)	December 31, 2025		December 31, 2024	
	Assets	Liabilities	Assets	Liabilities
	Securities Purchased Under Agreements to Resell	Securities Sold Under Agreements to Repurchase	Securities Purchased Under Agreements to Resell	Securities Sold Under Agreements to Repurchase
Gross amount recognized	\$78,378	(\$6,459)	\$108,338	(\$8,220)
Amount offset in the consolidated balance sheets	(6,459)	6,459	(8,220)	8,220
<b>Net amount presented in the consolidated balance sheets</b>	<b>71,919</b>	<b>—</b>	<b>100,118</b>	<b>—</b>
Gross amount not offset in the consolidated balance sheets <sup>(1)</sup>	(71,919)	—	(100,118)	—
<b>Net amount</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>	<b>\$—</b>

(1) For securities purchased under agreements to resell, includes \$78.3 billion and \$104.9 billion of collateral that we had the right to repledge as of December 31, 2025 and December 31, 2024, respectively. We did not repledge collateral at December 31, 2025 or December 31, 2024.

The table below presents the remaining contractual maturity of our gross obligations for our securities sold under agreements to repurchase. The collateral for such obligations consisted primarily of U.S. Treasury securities.

**Table 10.2 - Remaining Contractual Maturity**

(In millions)	December 31,	
	2025	2024
Overnight and continuous	\$—	\$—
30 days or less	6,459	8,220
After 30 days through 90 days	—	—
Greater than 90 days	—	—
<b>Total</b>	<b>\$6,459</b>	<b>\$8,220</b>

## Collateral Pledged

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, and for regulatory requirements.

**Table 10.3 - Collateral in the Form of Securities Pledged**

(In millions)	December 31,	
	2025	2024
Trading securities	\$11,159	\$9,559

## NOTE 11

### Stockholders' Equity and Earnings Per Share

#### Senior Preferred Stock

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Pursuant to the Purchase Agreement described in **Note 2**, we issued one million shares of senior preferred stock to Treasury on September 8, 2008, in partial consideration of Treasury's commitment to provide funds to us.

Shares of the senior preferred stock have a par value of \$1 and have a stated value and initial liquidation preference of \$1 billion, or \$1,000 per share. The liquidation preference of the senior preferred stock is subject to adjustment. See **Note 2** for a detailed discussion of the liquidation preference of the senior preferred stock.

Treasury, as the holder of the senior preferred stock, is entitled to receive quarterly cash dividends, when, as, and if declared by our Board of Directors. The dividends we have paid to Treasury on the senior preferred stock have been declared by, and paid at the direction of, the Conservator, acting as successor to the rights, titles, powers, and privileges of the Board of Directors. See **Note 2** for additional information concerning our senior preferred stock dividends.

The senior preferred stock is senior to our common stock and all other outstanding series of our preferred stock, as well as any capital stock we issue in the future, as to both dividends and rights upon liquidation. The senior preferred stock provides that we may not, at any time, declare or pay dividends on, make distributions with respect to, redeem, purchase or acquire, or make a liquidation payment with respect to, any common stock or other securities ranking junior to the senior preferred stock unless:

- Full cumulative dividends on the outstanding senior preferred stock (including any unpaid dividends added to the liquidation preference) have been declared and paid in cash and
- All amounts required to be paid with the net proceeds of any issuance of capital stock for cash (as described below) have been paid in cash.

Shares of the senior preferred stock are not convertible. Shares of the senior preferred stock have no general or special voting rights, other than those set forth in the certificate of designation for the senior preferred stock or otherwise required by law. The consent of holders of at least two-thirds of all outstanding shares of senior preferred stock is generally required to amend the terms of the senior preferred stock or to create any class or series of stock that ranks prior to or on parity with the senior preferred stock.

We are not permitted to redeem the senior preferred stock prior to the termination of Treasury's funding commitment set forth in the Purchase Agreement; however, we are permitted to pay down the liquidation preference of the outstanding shares of senior preferred stock to the extent of accrued and unpaid dividends previously added to the liquidation preference and not previously paid down and quarterly commitment fees previously added to the liquidation preference and not previously paid down. Pursuant to the January 2021 Letter Agreement, we are permitted to issue common stock with aggregate gross proceeds of up to \$70 billion after Treasury's exercise in full of its warrant to acquire 79.9% of our common stock and resolution of currently pending material litigation related to our conservatorship and the Purchase Agreement, and we are permitted to use the net proceeds of such issuance(s) to build capital. If we issue any other shares of capital stock for cash while the senior preferred stock is outstanding, the net proceeds of such issuances must be used to pay down the liquidation preference of the senior preferred stock; however, the liquidation preference of each share of senior preferred stock may not be paid down below \$1,000 per share prior to the termination of Treasury's funding commitment. Following the termination of Treasury's funding commitment, we may pay down the liquidation preference of all outstanding shares of senior preferred stock at any time, in whole or in part. If, after termination of Treasury's funding commitment, we pay down the liquidation preference of each outstanding share of senior preferred stock in full, the shares will be deemed to have been redeemed as of the payment date.

The table below provides a summary of our senior preferred stock outstanding at December 31, 2025.

**Table 11.1 - Senior Preferred Stock**

(In millions, except initial liquidation preference price per share)	Shares Authorized	Shares Outstanding	Total Par Value	Initial Liquidation Preference Price per Share	Total Liquidation Preference
Non-draw adjustments:					
2008	1.00	1.00	\$1.00	\$1,000	\$1,000
2017	—	—	—	N/A	3,000
2019	—	—	—	N/A	3,674
2020	—	—	—	N/A	7,217
2021	—	—	—	N/A	11,420
2022	—	—	—	N/A	9,919
2023	—	—	—	N/A	9,431
2024	—	—	—	N/A	11,729
2025	—	—	—	N/A	11,210
<b>Total non-draw adjustments</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>		<b>68,600</b>
Draw adjustments:					
2008	—	—	—	N/A	13,800
2009	—	—	—	N/A	36,900
2010	—	—	—	N/A	12,500
2011	—	—	—	N/A	7,971
2012	—	—	—	N/A	165
2018	—	—	—	N/A	312
<b>Total draw adjustments</b>	<b>—</b>	<b>—</b>	<b>—</b>		<b>71,648</b>
<b>Total senior preferred stock</b>	<b>1.00</b>	<b>1.00</b>	<b>\$1.00</b>		<b>\$140,248</b>

No cash was received from Treasury under the Purchase Agreement in 2025 because we had positive net worth at December 31, 2024, March 31, 2025, June 30, 2025, and September 30, 2025 and, consequently, FHFA did not request a draw on our behalf in 2025. At December 31, 2025, our assets exceeded our liabilities under GAAP; therefore, no draw is being requested from Treasury under the Purchase Agreement.

## Common Stock Warrant

Pursuant to the Purchase Agreement described in **Note 2**, on September 7, 2008, we issued a warrant to purchase common stock to Treasury, in partial consideration of Treasury's commitment to provide funds to us.

The warrant may be exercised in whole or in part at any time on or before September 7, 2028, by delivery to us of a notice of exercise, payment of the exercise price of \$0.00001 per share, and the warrant. If the market price of one share of our common stock is greater than the exercise price, then, instead of paying the exercise price, Treasury may elect to receive shares equal to the value of the warrant (or portion thereof being canceled) pursuant to the formula specified in the warrant. Upon exercise of the warrant, Treasury may assign the right to receive the shares of common stock issuable upon exercise to any other person.

We account for the warrant in permanent equity. At issuance on September 7, 2008, we recognized the warrant at fair value, and we do not recognize subsequent changes in fair value while the warrant remains classified in equity. We recorded an aggregate fair value of \$2.3 billion for the warrant as a component of additional paid-in-capital. We derived the fair value of the warrant using a modified Black-Scholes model. If the warrant is exercised, the stated value of the common stock issued will be reclassified to common stock on our consolidated balance sheets. The warrant was determined to be in-substance non-voting common stock, because the warrant's exercise price of \$0.00001 per share is considered non-substantive (compared to the market price of our common stock). As a result, the shares associated with the warrant are included in the computation of basic and diluted earnings per share. The weighted average shares of common stock for the years ended December 31, 2025, 2024, and 2023 included shares of common stock that would be issuable upon full exercise of the warrant issued to Treasury.

## Preferred Stock

We have the option to redeem our preferred stock on specified dates, at their redemption price plus dividends accrued through the redemption date. However, without the consent of Treasury, we are restricted from making payments to purchase or redeem preferred stock as well as paying any preferred dividends, other than dividends on the senior preferred stock. All 24 classes of preferred stock are perpetual and non-cumulative, and carry no significant voting rights or rights to purchase

additional Freddie Mac stock or securities. Costs incurred in connection with the issuance of preferred stock are charged to additional paid-in capital.

The table below provides a summary of our preferred stock outstanding at their redemption values at December 31, 2025.

**Table 11.2 - Preferred Stock**

(In millions, except redemption price per share)	Issue Date	Shares Authorized	Shares Outstanding	Total Par Value	Redemption Price per Share	Total Outstanding Balance	Redeemable On or After	OTCQB Symbol
<i>Preferred stock:</i>								
1996 Variable-rate <sup>(1)(2)</sup>	April 26, 1996	5.00	5.00	\$5.00	\$50.00	\$250	June 30, 2001	FMCCI
5.81%	October 27, 1997	3.00	3.00	3.00	50.00	150	October 27, 1998	(3)
5%	March 23, 1998	8.00	8.00	8.00	50.00	400	March 31, 2003	FMCKK
1998 Variable-rate <sup>(1)(4)</sup>	September 23 and 29, 1998	4.40	4.40	4.40	50.00	220	September 30, 2003	FMCCG
5.10%	September 23, 1998	8.00	8.00	8.00	50.00	400	September 30, 2003	FMCCH
5.30%	October 28, 1998	4.00	4.00	4.00	50.00	200	October 30, 2000	(3)
5.10%	March 19, 1999	3.00	3.00	3.00	50.00	150	March 31, 2004	(3)
5.79%	July 21, 1999	5.00	5.00	5.00	50.00	250	June 30, 2009	FMCKK
1999 Variable-rate <sup>(5)</sup>	November 5, 1999	5.75	5.75	5.75	50.00	287	December 31, 2004	FMCCL
2001 Variable-rate <sup>(6)</sup>	January 26, 2001	6.50	6.50	6.50	50.00	325	March 31, 2003	FMCCM
2001 Variable-rate <sup>(1)(7)</sup>	March 23, 2001	4.60	4.60	4.60	50.00	230	March 31, 2003	FMCCN
5.81%	March 23, 2001	3.45	3.45	3.45	50.00	173	March 31, 2011	FMCCO
6%	May 30, 2001	3.45	3.45	3.45	50.00	173	June 30, 2006	FMCCP
2001 Variable-rate <sup>(8)</sup>	May 30, 2001	4.02	4.02	4.02	50.00	201	June 30, 2003	FMCCJ
5.70%	October 30, 2001	6.00	6.00	6.00	50.00	300	December 31, 2006	FMCKP
5.81%	January 29, 2002	6.00	6.00	6.00	50.00	300	March 31, 2007	(3)
2006 Variable-rate <sup>(1)(9)</sup>	July 17, 2006	15.00	15.00	15.00	50.00	750	June 30, 2011	FMCCS
6.42%	July 17, 2006	5.00	5.00	5.00	50.00	250	June 30, 2011	FMCCCT
5.90%	October 16, 2006	20.00	20.00	20.00	25.00	500	September 30, 2011	FMCKO
5.57%	January 16, 2007	44.00	44.00	44.00	25.00	1,100	December 31, 2011	FMCKM
5.66%	April 16, 2007	20.00	20.00	20.00	25.00	500	March 31, 2012	FMCKN
6.02%	July 24, 2007	20.00	20.00	20.00	25.00	500	June 30, 2012	FMCKL
6.55%	September 28, 2007	20.00	20.00	20.00	25.00	500	September 30, 2017	FMCKI
2007 Fixed-to-floating rate <sup>(1)(10)</sup>	December 4, 2007	240.00	240.00	240.00	25.00	6,000	December 31, 2012	FMCKJ
<b>Total, preferred stock</b>		<b>464.17</b>	<b>464.17</b>	<b>\$464.17</b>		<b>\$14,109</b>		

(1) On May 11, 2023, we posted fallback information on our legacy LIBOR-indexed securities, including the classes of our Preferred Stock that used either three-month LIBOR or 12-month LIBOR as their reference rates. Beginning on July 1, 2023, those classes transitioned from three-month LIBOR and 12-month LIBOR to spread-adjusted three-month CME Term SOFR and spread-adjusted 12-month CME Term SOFR, respectively.

(2) Dividend rate resets quarterly and is equal to the sum of spread-adjusted three-month CME Term SOFR plus 1% divided by 1.377, and is capped at 9.00%.

(3) Issued through private placement.

(4) Dividend rate resets quarterly and is equal to the sum of spread-adjusted three-month CME Term SOFR plus 1% divided by 1.377, and is capped at 7.50%.

(5) Dividend rate resets on January 1 every five years after January 1, 2005 based on a five-year Constant Maturity Treasury rate, and is capped at 11.00%. Optional redemption on December 31, 2004 and on December 31 every five years thereafter.

(6) Dividend rate resets on April 1 every two years after April 1, 2003 based on the two-year Constant Maturity Treasury rate plus 0.10%, and is capped at 11.00%. Optional redemption on March 31, 2003 and on March 31 every two years thereafter.

(7) Dividend rate resets on April 1 every year based on spread-adjusted 12-month CME Term SOFR minus 0.20%, and is capped at 11.00%. Optional redemption on March 31, 2003 and on March 31 every year thereafter.

(8) Dividend rate resets on July 1 every two years after July 1, 2003 based on the two-year Constant Maturity Treasury rate plus 0.20%, and is capped at 11.00%. Optional redemption on June 30, 2003 and on June 30 every two years thereafter.

(9) Dividend rate resets quarterly and is equal to the sum of spread-adjusted three-month CME Term SOFR plus 0.50% but not less than 4.00%.

(10) Dividend rate is set at an annual fixed rate of 8.375% from December 4, 2007 through December 31, 2012. For the period beginning on or after January 1, 2013, dividend rate resets quarterly and is equal to the higher of: (a) the sum of spread-adjusted three-month CME Term SOFR plus 4.16% per annum; or (b) 7.875% per annum. Optional redemption on December 31, 2012 and on December 31 every five years thereafter.

## Stock-Based Compensation

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Following the implementation of the conservatorship in September 2008, we suspended the operation of and/or ceased making grants under our stock-based compensation plans. Under the Purchase Agreement, we cannot issue any new options, rights to purchase, participations or other equity interests without Treasury's prior approval.

We did not repurchase or issue any of our common shares or non-cumulative preferred stock during 2025 and 2024. At both December 31, 2025 and December 31, 2024, no RSUs or stock options were outstanding. There were 41,160 shares of restricted stock outstanding at both December 31, 2025 and December 31, 2024.

## Earnings Per Share

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Basic earnings per common share is computed as net income attributable to common stockholders divided by the weighted average common shares for the period. The weighted average common shares for the period includes the weighted average number of shares that are associated with the warrant for our common stock issued to Treasury pursuant to the Purchase Agreement. These shares are included since the warrant is unconditionally exercisable by the holder at a minimal cost. We deduct dividends or increases in liquidation preference attributable to the senior preferred stock from net income attributable to common stockholders in the period in which such amounts are determinable.

Our diluted earnings per common share is the same as our basic earnings per common share because we had no common equivalent shares outstanding during the periods presented which could have had a dilutive or antidilutive effect.

## Dividends and Dividend Restrictions

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We did not declare or pay any dividends in 2025, 2024, and 2023 on our common stock, senior preferred stock, or any other outstanding series of Freddie Mac preferred stock.

Our payment of dividends is subject to the following restrictions:

- **Restrictions Relating to the Conservatorship** - The Conservator has prohibited us from paying any dividends on our common stock or on any series of our preferred stock (other than the senior preferred stock). FHFA has instructed our Board of Directors that it should consult with and obtain the approval of FHFA before taking actions involving dividends. In addition, FHFA has adopted a regulation prohibiting us from making capital distributions during conservatorship, except as authorized by the Director of FHFA.
- **Restrictions Under the Purchase Agreement** - The Purchase Agreement prohibits us and any of our subsidiaries from declaring or paying any dividends on Freddie Mac equity securities (other than with respect to the senior preferred stock or warrant) without the prior written consent of Treasury.
- **Restrictions Under the GSE Act** - Under the GSE Act, FHFA has authority to prohibit capital distributions, including payment of dividends, if we fail to meet applicable capital requirements. However, our capital requirements have been suspended during conservatorship.
- **Restrictions Under our Charter** - Without regard to our capital classification, we must obtain prior written approval of FHFA to make any capital distribution that would decrease total capital to an amount less than the risk-based capital level or that would decrease core capital to an amount less than the minimum capital level. As noted above, our capital requirements have been suspended during conservatorship.
- **Restrictions Relating to Preferred Stock** - Payment of dividends on our common stock is also subject to the prior payment of dividends on our 24 series of preferred stock and one series of senior preferred stock, representing an aggregate of 464,170,000 shares and 1,000,000 shares outstanding, respectively, as of December 31, 2025. Payment of dividends on all outstanding preferred stock, other than the senior preferred stock, is subject to the prior payment of dividends on the senior preferred stock.

## Delisting of Common Stock and Preferred Stock from NYSE

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On July 8, 2010, we delisted our common stock and 20 previously listed classes of preferred stock from the NYSE as directed by our Conservator.

Our common stock and the classes of preferred stock that were previously listed on the NYSE are traded exclusively in the OTCQB Marketplace. Shares of our common stock trade under the ticker symbol FMCC. We expect that our common stock and the previously listed classes of preferred stock will continue to trade in the OTCQB Marketplace so long as market makers demonstrate an interest in trading the common and preferred stock.

**NOTE 12**

## Net Interest Income

The table below presents the components of net interest income per our consolidated statements of income.

**Table 12.1 - Components of Net Interest Income**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Interest income			
Mortgage loans	\$121,473	\$109,117	\$96,985
Investment securities	3,337	2,069	1,571
Securities purchased under agreements to resell	4,573	6,083	6,135
Other	437	608	672
<b>Total interest income</b>	<b>129,820</b>	<b>117,877</b>	<b>105,363</b>
Interest expense			
Debt issued by consolidated trusts	(99,180)	(88,227)	(76,703)
Short-term debt	(1,018)	(578)	(388)
Long-term debt	(7,962)	(8,947)	(9,329)
Securities sold under agreements to repurchase	(257)	(388)	(401)
<b>Total interest expense</b>	<b>(108,417)</b>	<b>(98,140)</b>	<b>(86,821)</b>
<b>Net interest income</b>	<b>21,403</b>	<b>19,737</b>	<b>18,542</b>
(Provision) benefit for credit losses	(1,290)	(476)	872
<b>Net interest income after (provision) benefit for credit losses</b>	<b>\$20,113</b>	<b>\$19,261</b>	<b>\$19,414</b>

**NOTE 13**

## Income Taxes

## Income Tax Expense

Total income tax expense includes:

- Current income tax expense, which represents the amount of federal tax paid or payable to (or refundable from) the Internal Revenue Service, including interest and penalties and amounts accrued for unrecognized tax benefits, if any, and
- Deferred income tax expense, which represents the net change in the deferred tax asset or liability balance during the year, including any change in the valuation allowance.

The table below presents the components of our federal income tax expense for the past three years. We are exempt from state and local income taxes.

**Table 13.1 - Federal Income Tax Expense**

(In millions)	Year Ended December 31,		
	2025	2024	2023
Current income tax expense	(\$2,673)	(\$3,862)	(\$1,003)
Deferred income tax expense	43	942	(1,658)
<b>Total income tax expense</b>	<b>(\$2,630)</b>	<b>(\$2,920)</b>	<b>(\$2,661)</b>

Income tax expense decreased from 2024 to 2025 primarily due to a decrease in pre-tax book income, and increased from 2023 to 2024 primarily due to an increase in pre-tax book income.

The table below presents the reconciliation between our federal statutory income tax rate and our effective tax rate for the past three years.

**Table 13.2 - Reconciliation of Federal Statutory Income Tax Rate to Effective Tax Rate**

(Dollars in millions)	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Statutory corporate tax rate	(\$2,806)	21.0 %	(\$3,103)	21.0 %	(\$2,772)	21.0 %
Nontaxable or nondeductible items	85	(0.6)	72	(0.5)	30	(0.2)
Tax credits	88	(0.7)	111	(0.7)	65	(0.5)
Changes in valuation allowances	3	—	—	—	16	(0.1)
<b>Effective tax rate</b>	<b>(\$2,630)</b>	<b>19.7 %</b>	<b>(\$2,920)</b>	<b>19.8 %</b>	<b>(\$2,661)</b>	<b>20.2 %</b>

## Deferred Tax Assets, Net

We use the asset and liability method of accounting for income taxes for financial reporting purposes. Under this method, deferred tax assets and liabilities are recognized based upon the expected future tax consequences of existing temporary differences between the financial reporting and the tax reporting basis of assets and liabilities using enacted statutory tax rates as well as tax net operating loss and tax credit carryforwards, if any. To the extent tax laws change, deferred tax assets and liabilities are adjusted in the period that the tax change is enacted. The realization of our net deferred tax assets is dependent upon the generation of sufficient taxable income.

The table below presents the balance of significant deferred tax assets and liabilities at December 31, 2025 and December 31, 2024. The valuation allowance relates to capital loss carryforwards included in Other items, net that we expect to expire unused.

**Table 13.3 - Deferred Tax Assets and Liabilities**

(In millions)	December 31, 2025	December 31, 2024
Deferred tax assets:		
Deferred fees	\$1,557	\$1,699
Basis differences related to derivative instruments	294	437
Credit-related items and allowance for loan losses	1,460	1,360
Basis differences related to assets held-for-investment and held-for-sale	1,180	980
Basis differences related to fair value hedge accounting	150	—
Other items, net	448	606
<b>Total deferred tax assets</b>	<b>5,089</b>	<b>5,082</b>
Deferred tax liabilities:		
Basis differences related to fair value hedge accounting	—	(30)
Unrealized gains related to available-for-sale securities	(35)	(17)
<b>Total deferred tax liabilities</b>	<b>(35)</b>	<b>(47)</b>
Valuation allowance	(14)	(17)
<b>Deferred tax assets, net</b>	<b>\$5,040</b>	<b>\$5,018</b>

## Valuation Allowance

A valuation allowance is recorded to reduce the net deferred tax asset when it is more likely than not that all or part of our tax benefits will not be realized. On a quarterly basis, we determine whether a valuation allowance is necessary. In doing so, we consider all evidence available, both positive and negative, in determining whether, based on the weight of the evidence, it is more likely than not that the net deferred tax asset will be realized.

We are not permitted to consider in our analysis the impacts proposed legislation may have on our business because the timing and certainty of those actions are unknown and beyond our control.

Based on all positive and negative evidence available at December 31, 2025, we determined that it is more likely than not that our net deferred tax assets, except for the deferred tax asset related to our capital loss carryforwards, will be realized. A valuation allowance of \$14 million has been recorded against our capital loss carryforward deferred tax asset.

## Unrecognized Tax Benefits

We recognize a tax position taken or expected to be taken (and any associated interest and penalties) if it is more likely than not that it will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. We measure the tax position at the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. We evaluated all income tax positions and determined that there were no uncertain tax positions that required reserves as of December 31, 2025.

## NOTE 14

### Segment Reporting

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

Segment	Description
<b>Single-Family</b>	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.
<b>Multifamily</b>	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

Our measure of segment profit and loss for each segment is net income and comprehensive income calculated using the same accounting policies we use to prepare our general purpose financial statements in conformity with GAAP. 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. Our CODM, a committee consisting of our CEO, President, and CFO, uses net income and comprehensive income to assess performance, such as by comparisons to expected results and results of other industry participants, and allocate resources.

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

**Table 14.1 - Segment Financial Results**

(In millions)	Year Ended December 31, 2025		
	Single-Family	Multifamily	Total
<b>Net interest income</b>			
Interest income	\$123,670	\$6,150	\$129,820
Interest expense	(103,892)	(4,525)	(108,417)
<b>Net interest income</b>	<b>19,778</b>	<b>1,625</b>	<b>21,403</b>
<b>Non-interest income</b>			
Guarantee income	100	1,492	1,592
Investment gains (losses), net	(317)	108	(209)
Other income	298	187	485
<b>Non-interest income</b>	<b>81</b>	<b>1,787</b>	<b>1,868</b>
<b>Net revenues</b>	<b>19,859</b>	<b>3,412</b>	<b>23,271</b>
(Provision) benefit for credit losses	(758)	(532)	(1,290)
<b>Non-interest expense</b>			
Administrative expense <sup>(1)</sup>	(2,219)	(667)	(2,886)
Credit enhancement expense	(1,882)	(200)	(2,082)
Legislative and regulatory assessments	(3,264)	(59)	(3,323)
Other expense	(284)	(45)	(329)
<b>Non-interest expense</b>	<b>(7,649)</b>	<b>(971)</b>	<b>(8,620)</b>
<b>Income before income tax expense</b>	<b>11,452</b>	<b>1,909</b>	<b>13,361</b>
Income tax expense	(2,254)	(376)	(2,630)
<b>Net income</b>	<b>9,198</b>	<b>1,533</b>	<b>10,731</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	22	56	78
<b>Comprehensive income</b>	<b>\$9,220</b>	<b>\$1,589</b>	<b>\$10,809</b>

(In millions)	Year Ended December 31, 2024		
	Single-Family	Multifamily	Total
<b>Net interest income</b>			
Interest income	\$113,681	\$4,196	\$117,877
Interest expense	(95,168)	(2,972)	(98,140)
<b>Net interest income</b>	<b>18,513</b>	<b>1,224</b>	<b>19,737</b>
<b>Non-interest income</b>			
Guarantee income	83	1,528	1,611
Investment gains (losses), net	939	1,137	2,076
Other income	284	204	488
<b>Non-interest income</b>	<b>1,306</b>	<b>2,869</b>	<b>4,175</b>
<b>Net revenues</b>	<b>19,819</b>	<b>4,093</b>	<b>23,912</b>
(Provision) benefit for credit losses	(374)	(102)	(476)
<b>Non-interest expense</b>			
Administrative expense <sup>(1)</sup>	(2,225)	(618)	(2,843)
Credit enhancement expense	(2,174)	(171)	(2,345)
Legislative and regulatory assessments	(3,178)	(55)	(3,233)
Other expense	(206)	(31)	(237)
<b>Non-interest expense</b>	<b>(7,783)</b>	<b>(875)</b>	<b>(8,658)</b>
<b>Income before income tax expense</b>	<b>11,662</b>	<b>3,116</b>	<b>14,778</b>
Income tax expense	(2,305)	(615)	(2,920)
<b>Net income</b>	<b>9,357</b>	<b>2,501</b>	<b>11,858</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	(1)	(4)	(5)
<b>Comprehensive income</b>	<b>\$9,356</b>	<b>\$2,497</b>	<b>\$11,853</b>

(In millions)	Year Ended December 31, 2023		
	Single-Family	Multifamily	Total
<b>Net interest income</b>			
Interest income	\$102,174	\$3,189	\$105,363
Interest expense	(84,517)	(2,304)	(86,821)
<b>Net interest income</b>	<b>17,657</b>	<b>885</b>	<b>18,542</b>
<b>Non-interest income</b>			
Guarantee income	103	1,512	1,615
Investment gains (losses), net	296	411	707
Other income	211	154	365
<b>Non-interest income</b>	<b>610</b>	<b>2,077</b>	<b>2,687</b>
<b>Net revenues</b>	<b>18,267</b>	<b>2,962</b>	<b>21,229</b>
(Provision) benefit for credit losses	1,172	(300)	872
<b>Non-interest expense</b>			
Administrative expense <sup>(1)</sup>	(2,214)	(581)	(2,795)
Credit enhancement expense	(2,223)	(116)	(2,339)
Legislative and regulatory assessments	(3,085)	(46)	(3,131)
Other expense	(596)	(41)	(637)
<b>Non-interest expense</b>	<b>(8,118)</b>	<b>(784)</b>	<b>(8,902)</b>
<b>Income before income tax expense</b>	<b>11,321</b>	<b>1,878</b>	<b>13,199</b>
Income tax expense	(2,282)	(379)	(2,661)
<b>Net income</b>	<b>9,039</b>	<b>1,499</b>	<b>10,538</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	10	156	166
<b>Comprehensive income</b>	<b>\$9,049</b>	<b>\$1,655</b>	<b>\$10,704</b>

(1) Includes salaries and employee benefits and professional services, technology, and occupancy.

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 14.2 - Segment Assets**

(In millions)	December 31, 2025	December 31, 2024
Single-Family	\$3,156,290	\$3,104,174
Multifamily	495,835	466,635
<b>Total segment assets</b>	<b>3,652,125</b>	<b>3,570,809</b>
Reconciling items <sup>(1)</sup>	(154,527)	(184,117)
<b>Total assets per consolidated balance sheets</b>	<b>\$3,497,598</b>	<b>\$3,386,692</b>

(1) Reconciling items include (1) assets in our mortgage portfolio that are not recognized on our consolidated balance sheets and (2) assets recognized on our consolidated balance sheets that are not allocated to the reportable segments.

## NOTE 15

### Concentration of Credit and Other Risks

Concentrations of credit risk may arise when we do business with a number of customers or counterparties that engage in similar activities or have similar economic characteristics that make them vulnerable in similar ways to changes in industry conditions, which could affect their ability to meet their contractual obligations. Concentrations of credit risk may also arise when there are a limited number of counterparties in a certain industry. Based on our assessment of business conditions that could affect our financial results, we have determined that concentrations of credit risk exist among certain borrowers (including geographic concentrations), loan sellers and servicers, credit enhancement providers, and other investment counterparties. In the sections below, we discuss our concentration of credit risk for each of the groups to which we are exposed. For a discussion of our derivative counterparties, as well as related master netting and collateral agreements, see **Note 9**. For a discussion of securities purchased under agreements to resell and other collateralized arrangements, see **Note 10**.

#### Single-Family Mortgage Portfolio

Single-family borrowers are primarily affected by house prices and interest rates, which are influenced by economic factors. Geographic concentrations may increase the exposure of our portfolio to credit risk, as regional economic conditions may affect a borrower's ability to repay and the underlying property value.

The table below summarizes the concentration by geographic area of our Single-Family mortgage portfolio. See **Note 3**, **Note 4**, **Note 5**, and **Note 6** for additional information about credit risk associated with single-family loans that we hold or guarantee.

**Table 15.1 - Concentration of Credit Risk of Our Single-Family Mortgage Portfolio**

(Dollars in millions)	December 31, 2025		
	Portfolio UPB <sup>(1)</sup>	% of Portfolio	SDQ Rate
<b>Region<sup>(2)</sup>:</b>			
West	\$921,697	29 %	0.46 %
Northeast	728,432	23	0.61
Southeast	564,250	18	0.67
Southwest	478,227	15	0.63
North Central	463,375	15	0.59
<b>Total</b>	<b>\$3,155,981</b>	<b>100 %</b>	<b>0.59</b>
<b>State:</b>			
California	\$509,813	16 %	0.45
Texas	229,450	7	0.71
Florida	213,784	7	0.80
New York	138,196	4	0.81
Illinois	118,119	4	0.69
All other	1,946,619	62	0.55
<b>Total</b>	<b>\$3,155,981</b>	<b>100 %</b>	<b>0.59</b>

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

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

#### Multifamily Mortgage Portfolio

Numerous factors affect the credit risk related to multifamily borrowers, including effective rents paid and capitalization rates for the mortgaged property. Effective rents paid vary among geographic regions of the United States. Geographic concentrations may increase the exposure of our portfolio to credit risk, as regional economic conditions may affect a multifamily borrower's ability to repay and the underlying property value. The average UPB for multifamily loans is significantly larger than for single-family loans and, therefore, individual defaults for multifamily borrowers can result in more significant losses.

The table below summarizes the concentration by geographic area of our Multifamily mortgage portfolio.

**Table 15.2 - Concentration of Credit Risk of Our Multifamily Mortgage Portfolio**

(Dollars in millions)	December 31, 2025		
	Portfolio UPB	% of Portfolio	Delinquency Rate <sup>(1)</sup>
<b>Region<sup>(2)(3)</sup>:</b>			
Northeast	\$126,400	25 %	0.81 %
West	116,239	23	0.19
Southeast	104,266	21	0.16
Southwest	96,952	20	0.59
North Central	51,978	11	0.40
<b>Total</b>	<b>\$495,835</b>	<b>100 %</b>	<b>0.44</b>
<b>State<sup>(3)</sup>:</b>			
California	\$62,128	13 %	0.30
Texas	60,963	12	0.53
Florida	45,235	9	0.10
New York	39,404	8	2.05
Georgia	21,266	4	0.06
All other	266,839	54	0.30
<b>Total</b>	<b>\$495,835</b>	<b>100 %</b>	<b>0.44</b>

(1) Based on loans two monthly payments or more delinquent or in foreclosure.

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

(3) Loans collateralized by properties located in multiple regions or states are reported entirely in the region or state with the largest UPB as of origination.

In the Multifamily mortgage portfolio, concentration of credit risk depends on the legal structure of the investments we hold. Our exposure to credit risk in our senior subordinate securitization products is reduced by the subordinate tranches, which are typically sold to third-party investors. As a result, our Multifamily mortgage credit risk is primarily related to loans that have not been securitized or loans underlying our fully guaranteed securitizations. See **Note 3**, **Note 4**, **Note 5**, and **Note 6** for additional information about credit risk associated with multifamily loans that we hold or guarantee.

## Single-Family Sellers and Servicers

We acquire a significant portion of our Single-Family loan purchase volume from several large sellers. Our top 10 sellers provided approximately 59% of our Single-Family purchase volume, including three sellers that each provided 10% or more of our Single-Family purchase volume during 2025.

We purchase single-family loans from both depository and non-depository sellers. Non-depository institutions may not have the same financial strength or operational capacity, or be subject to the same level of regulatory oversight, as large depository institutions. Our top five non-depository sellers provided approximately 46% of our Single-Family purchase volume during 2025.

If we discover that the representations or warranties related to a loan were breached (i.e., that contractual standards were not followed), we can exercise certain contractual remedies to mitigate our actual or potential credit losses. These contractual remedies may include, but are not limited to, the ability to require the seller or servicer to repurchase the loan at its current UPB, reimburse us for losses realized with respect to the loan after consideration of any other recoveries, and/or indemnify us. Our current remedies framework provides for the categorization of loan origination defects for loans with settlement dates on or after January 1, 2016. Among other items, the framework provides that "significant defects" may result in a repurchase request or a repurchase alternative, such as recourse or indemnification. We implemented a pilot program in 2024 that provides participating sellers with a fee-based alternative to performing loan repurchases. Beginning in 1Q 2025 the pilot program was expanded to all eligible sellers and now comprises a significant share of our new business activity. The pilot program continues to maintain the protections related to delinquent loans and charter violations outlined in the selling and servicing representation and warranty framework for mortgage loans. Sellers that choose not to participate in the pilot program still have access to other repurchase alternatives, including the new fee-only alternative we implemented in 1Q 2025 for eligible loans. If the fee-only alternative is offered on a performing loan, sellers will be able to pay a fee in exchange for immediate representation and warranty relief on that loan.

Under our current selling and servicing representation and warranty framework for our mortgage loans, we relieve sellers of repurchase obligations for breaches of certain selling representations and warranties for certain types of loans, including:

- Loans that have established an acceptable payment history for 36 months of consecutive, on-time payments after purchase, subject to certain exclusions and
- Loans that have satisfactorily completed a quality control review.

Solely for the purpose of determining whether the acceptable payment history requirements are met, payments due during the COVID-19-related forbearance period are considered to have been made on time, provided that the mortgage was reported by the servicer as having entered into a COVID-19-related forbearance plan between March 13, 2020 and October 31, 2023 and met certain other criteria as described in our Guide.

An independent dispute resolution process for alleged breaches of selling or servicing representations and warranties on our loans allows for a neutral third party to render a decision on demands that remain unresolved after the existing appeal and escalation processes have been exhausted.

As of December 31, 2025, the UPB of loans subject to our repurchase requests issued to our Single-Family sellers and servicers was approximately \$0.4 billion (this figure includes repurchase requests for which appeals were pending). During 2025, we recovered amounts with respect to \$1.1 billion in UPB of loans subject to our repurchase requests.

The ultimate amounts of recovery payments we receive from seller/servicers related to their repurchase obligations may be significantly less than the amount of our estimates of potential exposure to losses. Our expected credit losses for exposure to seller/servicers for their repurchase obligations are considered in our allowance for credit losses. See **Note 6** for further information.

We are also exposed to the risk that servicers might fail to service loans in accordance with the contractual requirements, resulting in increased credit losses. For example, our servicers have an active role in our loss mitigation efforts, and we, therefore, have exposure to them to the extent a decline in their performance results in a failure to realize the anticipated benefits of the loss mitigation plans. Since we do not have our own servicing operation, if our servicers lack appropriate controls, experience a failure in their controls, or experience an operating disruption in their ability to service loans, our business and financial results could be adversely affected.

Servicers who hold the right to service our loans may either operationally perform the servicing activities themselves or engage other servicers to operationally perform servicing activities on their behalf. Servicers who hold the right to service the loans remain responsible for servicing activities even if other servicers operationally perform servicing activities on their behalf. Significant portions of our single-family loans are serviced by several large servicers. As of December 31, 2025, approximately 67% of our Single-Family mortgage portfolio was serviced by our top 10 servicers, based on the servicing volume they operationally performed. Two servicers each operationally performed servicing for 10% or more of our Single-Family mortgage portfolio as of December 31, 2025.

We utilize both depository and non-depository servicers for single-family loans. Some of these non-depository servicers service a large share of our loans. As of December 31, 2025, approximately 41% of our Single-Family mortgage portfolio, excluding loans for which we do not exercise control over the associated servicing, was serviced by our five largest non-depository servicers, based on the servicing volume they operationally performed. We routinely monitor the performance of our largest non-depository servicers.

For our mortgage-related securities, we guarantee the payment of principal and interest, and when the underlying borrowers do not make their mortgage payments, our Guide generally requires Single-Family servicers to advance the missed mortgage interest payments for up to 120 days. After this time, Freddie Mac will make the missed mortgage principal and interest payments until the mortgages are no longer held by the securitization trust.

In addition to principal and interest payments, borrowers are also responsible for other expenses such as property taxes and homeowner's insurance premiums. When borrowers do not pay these expenses, our Guide generally requires Single-Family servicers to advance the funds for these expenses in order to protect or preserve our interest in or legal right to the properties. These advances are ultimately collectible from the borrowers. If the borrowers reperform through loan workout activities, the missed payments and incurred expenses will be collected from them. We will reimburse the servicers for the advanced amounts when uncollected from the borrowers at completion of foreclosures or foreclosure alternatives.

In 2022, FHFA and Ginnie Mae issued a joint announcement of their updated minimum financial eligibility requirements for Enterprise seller/servicers and Ginnie Mae issuers. Subsequently, Freddie Mac announced the updated changes. The new requirements contain changes related to incorporating enhanced definitions of capital and liquidity, reducing the procyclicality of the current liquidity requirements, and incorporating lessons learned from the pandemic. They also require certain Ginnie Mae issuers that may also be Freddie Mac servicers to maintain a minimum risk-based capital ratio of 6%. They also include higher supplemental requirements applicable only to large non-depositories, defined as non-depositories having \$50 billion or more of total single-family servicing UPB, as well as a new origination liquidity requirement for sellers that originate greater than \$1 billion in single-family first lien mortgages in the most recent calendar year. The majority of the requirements became effective on September 30, 2023, while the risk-based capital ratio requirement became effective on December 31, 2024.

## Multifamily Sellers and Servicers

We acquire a significant portion of our Multifamily loan purchase and guarantee volume from several large sellers. Our top 10 sellers provided approximately 73% of our Multifamily purchase and guarantee volume, including three sellers that each provided 10% or more of our Multifamily purchase and guarantee volume during 2025.

Significant portions of our multifamily loans are serviced by several large servicers. Our top 10 servicers serviced approximately 75% of our Multifamily mortgage portfolio, including three servicers that each serviced 10% or more of our Multifamily mortgage portfolio as of December 31, 2025.

Multifamily loans utilize both primary and master servicers. Primary servicers service unsecuritized mortgage loans and are also typically engaged by master servicers to service on their behalf the mortgage loans underlying securitizations. For a majority of our K Certificate securitizations, we utilize one of three large financial depository institutions as master servicer. Meanwhile, we typically retain the role of master servicer in our fully guaranteed K Certificate securitizations and certain other securitization transactions. Multifamily primary servicers discussed above present potential operational risk and impact to the borrowers if the servicing needs to be transferred to another servicer. We also rely on master servicers of our multifamily securitization transactions to advance funds in the event of payment shortfalls, including principal and interest payments related to loans in forbearance. In instances where payment shortfalls occur, the master servicer is required to make advances as long as such advances have not been deemed unrecoverable. For multifamily loans purchased and held in our mortgage-related investments portfolio, the primary servicers are not required to advance funds in the event of payment shortfalls and, therefore, do not present significant counterparty credit risk from this source.

## Credit Enhancement Providers

We have counterparty credit risk relating to the potential insolvency of, or nonperformance by, mortgage insurers that insure single-family loans we purchase or guarantee. We also have similar exposure to insurers and reinsurers through our ACIS and other insurance transactions where we purchase insurance policies as part of our CRT activities.

We evaluate the recovery and collectability from mortgage insurers as part of the estimate of our allowance for credit losses. See **Note 6** for additional information. As of December 31, 2025, mortgage insurers provided primary mortgage insurance coverage with maximum loss limits of \$181.5 billion for \$681.0 billion of UPB in connection with our Single-Family mortgage portfolio. These amounts are based on gross coverage without regard to netting of coverage that may exist to the extent an affected loan is covered under other types of insurance. Changes in our expectations related to recovery and collectability from our credit enhancement providers may affect our estimates of expected credit losses, perhaps significantly.

The table below summarizes the concentration of mortgage insurer counterparties who provided 10% or more of our overall primary mortgage insurance coverage.

**Table 15.3 - Primary Mortgage Insurer Concentration**

Mortgage Insurer	Mortgage Insurance Coverage <sup>(1)</sup>	
	December 31, 2025	
Mortgage Guaranty Insurance Corporation		18 %
Radian Guaranty Inc.		18
Essent Guaranty, Inc.		17
Enact		16
Arch Mortgage Insurance Company		16
National Mortgage Insurance		15
<b>Total</b>		<b>100 %</b>

(1) Coverage amounts exclude coverage primarily related to certain loans for which we do not control servicing, and may include coverage provided by affiliates and subsidiaries of the counterparty.

As part of our ACIS transactions, we regularly obtain insurance coverage from global insurers and reinsurers. These transactions incorporate several features designed to increase the likelihood that we will recover on the claims we file with the insurers and reinsurers. In each transaction, we require the individual insurers and reinsurers to post collateral to cover portions of their exposure, which helps to promote certainty and timeliness of claim payment.

While private mortgage insurance companies are required to be monoline (i.e., to participate solely in the mortgage insurance business, although the holding company may be a diversified insurer), many of our insurers and reinsurers in these transactions participate in multiple types of insurance businesses, which helps diversify their risk exposure.

## Other Investment Counterparties

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We are exposed to the non-performance of counterparties relating to other investments (including non-mortgage-related securities and cash equivalents) transactions, including those entered into on behalf of our securitization trusts. Our policies require that the counterparty be evaluated using our internal counterparty rating model prior to our entering such transactions. We monitor the financial strength of our counterparties to these transactions and may use collateral maintenance requirements to manage our exposure to individual counterparties. The permitted term and dollar limits for each of these transactions are also based on the counterparty's financial strength.

Our other investments (including non-mortgage-related securities and cash equivalents) counterparties are primarily major institutions, including other GSEs, Treasury, the Federal Reserve Bank of New York, GSD/FICC, highly-rated supranational institutions, depository and non-depository institutions, brokers and dealers, and government money market funds. As of December 31, 2025, including amounts related to our consolidated VIEs, the balance in our other investments portfolio was \$162.6 billion. The balance consists primarily of cash, securities purchased under agreements to resell, U.S. Treasury securities, cash deposited with the Federal Reserve Bank of New York, and secured lending activities.

## NOTE 16

### Fair Value Disclosures

The accounting guidance for fair value measurements and disclosures defines fair value, establishes a framework for measuring fair value and sets forth disclosure requirements regarding fair value measurements. This guidance applies whenever other accounting guidance requires or permits assets or liabilities to be measured at fair value. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability.

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.

### Fair Value Measurements

The accounting guidance for fair value measurements and disclosures establishes a three-level fair value hierarchy that prioritizes the inputs into the valuation techniques used to measure fair value. The levels of the fair value hierarchy are defined as follows in priority order:

- Level 1 - Inputs to the valuation techniques are based on quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs to the valuation techniques are based on observable inputs other than quoted prices in active markets for identical assets or liabilities.
- Level 3 - One or more inputs to the valuation technique are unobservable and significant to the fair value measurement.

We use quoted market prices and valuation techniques that seek to maximize the use of observable inputs, where available, and minimize the use of unobservable inputs. Our inputs are based on the assumptions a market participant would use in valuing the asset or liability. Assets and liabilities are classified in their entirety within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

### Valuation Risk and Controls Over Fair Value Measurements

Valuation risk is the risk that fair values used for financial disclosures, risk metrics, and performance measures do not reasonably reflect market conditions and prices.

We designed our control processes so that our fair value measurements are appropriate and reliable, that they are based on observable inputs where possible, and that our valuation approaches are consistently applied and the assumptions and inputs are reasonable. Our control processes provide a framework for segregation of duties and oversight of our fair value methodologies, techniques, validation procedures, and results.

Groups within our Finance Division, independent of our business functions, execute and validate the valuation processes and are responsible for determining the fair values of the majority of our financial assets and liabilities. In determining fair value, we consider the credit risk of our counterparties in estimating the fair values of our assets and our own credit risk in estimating the fair values of our liabilities. The fair values determined by our Finance Division are further verified by an independent group within our Enterprise Risk Division.

The independent validation procedures performed by the Enterprise Risk Division are intended to monitor that the prices we receive from third parties are consistent with our observations of market activity, and that fair value measurements developed using internal data reflect the assumptions that a market participant would use in pricing our assets and liabilities. These validation procedures include performing a daily price review and a monthly independent verification of fair value measurements through independent modeling, analytics, and comparisons to other market source data, if available. If we are unable to validate the reasonableness of a given price, we ultimately do not use that price for fair value measurements on our consolidated financial statements. These procedures are risk-based and are executed before we finalize the prices used in preparing our fair value measurements for our financial statements.

In addition to performing the validation procedures noted above, the Enterprise Risk Division provides independent risk governance over all valuation processes by establishing and maintaining a corporate-wide valuation risk policy. The Enterprise Risk Division also independently reviews significant judgments, methodologies, and valuation techniques to monitor compliance with established policies.

Our Valuation Risk Committee, which includes representation from our business lines, the Enterprise Risk Division, and the Finance Division, provides senior management's governance over valuation processes, methodologies, controls, and fair value

measurements. Identified exceptions are reviewed and resolved through the verification process and reviewed at the Valuation Risk Committee.

Where models are employed to assist in the measurement and verification of fair values, changes made to those models during the period are reviewed and approved according to the corporate model change governance process, with material changes reviewed at the Valuation Risk Committee. Inputs used by models are regularly updated for changes in the underlying data, assumptions, valuation inputs, and market conditions and are subject to the valuation controls noted above.

## Use of Third-Party Pricing Data in Fair Value Measurement

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Many of our valuation techniques use, either directly or indirectly, data provided by third-party pricing services or dealers. The techniques used by these pricing services and dealers to develop the prices generally are either:

- A comparison to recent transactions involving the instrument or transactions involving instruments with similar collateral and risk profiles, adjusted as necessary based on specific characteristics of the asset or liability being valued; or
- Industry-standard modeling, such as a discounted cash flow model.

The prices provided by the pricing services and dealers reflect their observations and assumptions related to market activity, including risk premiums and liquidity adjustments. The models and related assumptions used by the pricing services and dealers are owned and managed by them and, in many cases, the significant inputs used in the valuation techniques are not reasonably available to us. However, we have an understanding of the processes and assumptions used to develop the prices based on our ongoing due diligence, which includes discussions with our pricing services and dealers at least annually and often more frequently. We believe that the procedures executed by the pricing services and dealers, combined with our internal verification and analytical procedures, provide assurance that the prices used in our financial statements comply with the accounting guidance for fair value measurements and disclosures and reflect the assumptions that a market participant would use in pricing our assets and liabilities. The price quotes we receive are non-binding both to us and to our counterparties.

In many cases, we receive quotes from third-party pricing services or dealers and use those prices without adjustment. For a large majority of the assets and liabilities we value using pricing services and dealers, we obtain quotes from multiple external sources and use the median of the prices to measure fair value. The significant inputs used in the fair value measurement of assets and liabilities that are valued using the external pricing sources technique are the third-party quotes. Significant increases (decreases) in any of the third-party quotes in isolation may result in a significantly higher (lower) fair value measurement. In limited circumstances, we may be able to receive pricing information from only a single external source.

## Valuation Techniques

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The table below contains a description of the valuation techniques we use for fair value measurement and disclosure; the significant inputs used in those techniques (if applicable); the classification within the fair value hierarchy; and, for those measurements that we report on our consolidated balance sheets and are classified as Level 3 of the hierarchy, a narrative description of the uncertainty of the fair value measurement to changes in significant unobservable inputs. Although the uncertainties of the unobservable inputs are discussed below in isolation, interrelationships exist among the inputs such that a change in one unobservable input can result in a change to one or more of the other inputs. For example, a common interrelationship that affects our fair value measurements is between future interest rates, prepayment speeds, and probabilities of default. Generally, a change in the assumption used for future interest rates results in a directionally opposite change in the assumption used for prepayment speeds and a directionally similar change in the assumption used for probabilities of default.

Each technique discussed below may not be used in a given reporting period, depending on the composition of our assets and liabilities measured at fair value and relevant market activity during that period.

Instrument		Valuation Technique	Classification in the Fair Value Hierarchy
<b>Investment Securities</b>			
<b>U.S. Treasury Securities</b>		Quoted prices in active markets	Level 1
<b>Mortgage-related securities</b>	Majority of mortgage-related securities	External pricing sources	Level 2 or 3
	Certain securities with limited market activity	Discounted cash flows or risk metric pricing. Significant inputs used in the discounted cash flow technique include OAS. Significant increases (decreases) in the OAS in isolation would result in a significantly lower (higher) fair value measurement. Significant inputs used in the risk metric pricing technique include key risk metrics, such as key rate durations. Significant increases (decreases) in key rate durations in isolation would result in a significant increase (decrease) in the magnitude of change of fair value measurement in response to key rate movements. Under risk metric pricing, securities are valued by starting with a prior period price and adjusting that price for market changes in the key risk metric input used.	Level 3
<b>Mortgage Loans</b>			
<b>Single-Family loans</b>	GSE securitization market	Benchmark security pricing for actively traded mortgage-related securities with similar characteristics, adjusting for the value of our guarantee fee and our credit obligation related to performing our guarantee (see Guarantee obligations). The credit obligation is based on compensation we charge under current market pricing for loans that qualify under our current underwriting standards (Level 2) and internal credit models for loans that do not qualify under our current underwriting standards (Level 3).	Level 2 or 3
	Whole loan market	External pricing sources, referencing market activity for deeply delinquent and modified loans, where available.	Level 3
	Certain held-for-investment	Internal models that estimate the fair value of the underlying collateral for impaired loans. Significant inputs used by our internal models include REO disposition, short sale, and third-party sale values, combined with mortgage loan level characteristics using the repeat housing sales index to estimate the current fair value of the mortgage loan. Significant increases (decreases) in the historical average sales proceeds per mortgage loan in isolation would result in significantly higher (lower) fair value measurements.	Level 3
<b>Multifamily loans</b>	Held-for-sale	Discounted cash flows based on observable K Certificate market spreads.	Level 2
		Market prices from a third-party pricing service using discounted cash flows incorporating credit spreads for similar loans based on the loan's LTV ratio and DSCR.	Level 3
	Held-for-investment	Discounted cash flows based on observable K Certificate market spreads.	Level 2
		Market prices from a third-party pricing service using discounted cash flows incorporating credit spreads for similar loans based on the loan's LTV ratio and DSCR.	Level 3
<b>Debt Issued by Consolidated Trusts, Short-term Debt, and Long-term Debt</b>			
<b>Debt issued by consolidated trusts</b>		See Mortgage-related securities	Level 2 or 3
<b>Short-term debt</b>		External pricing sources	Level 2
		Single external source	

Instrument		Valuation Technique	Classification in the Fair Value Hierarchy
<b>Long-term debt</b>		External pricing sources	Level 2
		Single-external source	
<b>Other Assets / Other Liabilities</b>			
<b>Derivatives</b>	Exchange-traded futures	Quoted prices in active markets	Level 1
	Interest-rate swaps	Discounted cash flows. Significant inputs include market-based interest rates.	Level 2
	Option-based derivatives	Option-pricing models. Significant inputs include interest-rate volatility matrices.	Level 2
	Purchase and sale commitments	See Mortgage-related securities	Level 2
<b>Loan commitments</b>	Multifamily loan purchase commitments	See Multifamily loans	Level 2 or 3
<b>Guarantee assets</b>	Single-Family	External pricing sources with adjustments for specific loan characteristics.	Level 3
	Multifamily	Discounted cash flows. Significant inputs include current OAS-to-benchmark interest rates for new guarantees. Significant increases (decreases) in the OAS in isolation would result in a significantly lower (higher) fair value measurement.	Level 3
<b>Guarantee obligations</b>	Single-Family	Delivery and guarantee fees that we charge under our current market pricing.	Level 2
		Internal credit models. Significant inputs include loan characteristics, loan performance, and status information.	Level 3
	Multifamily	Discounted cash flows. Significant inputs are similar to those used in the valuation technique for the Multifamily guarantee assets.	Level 3

## Assets and Liabilities Measured at Fair Value on a Recurring Basis

The table below presents our assets and liabilities measured on our 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 16.1 - Assets and Liabilities Measured at Fair Value on a Recurring Basis**

(In millions)	December 31, 2025				
	Level 1	Level 2	Level 3	Netting Adjustment <sup>(1)</sup>	Total
<b>Assets:</b>					
Investment securities:					
Available-for-sale	\$—	\$2,616	\$700	\$—	\$3,316
Trading:					
Mortgage-related securities	—	8,146	2,786	—	10,932
Non-mortgage-related securities	70,916	248	—	—	71,164
<b>Total trading securities</b>	<b>70,916</b>	<b>8,394</b>	<b>2,786</b>	<b>—</b>	<b>82,096</b>
<b>Total investment securities</b>	<b>70,916</b>	<b>11,010</b>	<b>3,486</b>	<b>—</b>	<b>85,412</b>
Mortgage loans held-for-investment	—	5,587	1,418	—	7,005
Other assets:					
Guarantee assets	—	—	4,728	—	4,728
Derivative assets, net	5	5,261	74	(3,874)	1,466
Other assets	—	—	227	—	227
<b>Total other assets</b>	<b>5</b>	<b>5,261</b>	<b>5,029</b>	<b>(3,874)</b>	<b>6,421</b>
<b>Total assets carried at fair value on a recurring basis</b>	<b>\$70,921</b>	<b>\$21,858</b>	<b>\$9,933</b>	<b>(\$3,874)</b>	<b>\$98,838</b>
<b>Liabilities:</b>					
Debt issued by consolidated trusts	\$—	\$5,808	\$33	\$—	\$5,841
Long-term debt	—	125	70	—	195
Other liabilities:					
Derivative liabilities, net	—	4,708	52	(3,979)	781
<b>Total liabilities carried at fair value on a recurring basis</b>	<b>\$—</b>	<b>\$10,641</b>	<b>\$155</b>	<b>(\$3,979)</b>	<b>\$6,817</b>

(In millions)	December 31, 2024				
	Level 1	Level 2	Level 3	Netting Adjustment <sup>(1)</sup>	Total
<b>Assets:</b>					
Investment securities:					
Available-for-sale	\$—	\$3,316	\$583	\$—	\$3,899
Trading:					
Mortgage-related securities	—	6,131	3,027	—	9,158
Non-mortgage-related securities	42,289	425	—	—	42,714
<b>Total trading securities</b>	<b>42,289</b>	<b>6,556</b>	<b>3,027</b>	<b>—</b>	<b>51,872</b>
<b>Total investment securities</b>	<b>42,289</b>	<b>9,872</b>	<b>3,610</b>	<b>—</b>	<b>55,771</b>
Mortgage loans held-for-sale	—	10,099	1,295	—	11,394
Mortgage loans held-for-investment	—	1,572	841	—	2,413
Other assets:					
Guarantee assets	—	—	5,126	—	5,126
Derivative assets, net	9	6,387	94	(5,989)	501
Other assets	—	24	219	—	243
<b>Total other assets</b>	<b>9</b>	<b>6,411</b>	<b>5,439</b>	<b>(5,989)</b>	<b>5,870</b>
<b>Total assets carried at fair value on a recurring basis</b>	<b>\$42,298</b>	<b>\$27,954</b>	<b>\$11,185</b>	<b>(\$5,989)</b>	<b>\$75,448</b>
<b>Liabilities:</b>					
Debt issued by consolidated trusts	\$—	\$1,996	\$17	\$—	\$2,013
Long-term debt	—	241	85	—	326
Other liabilities:					
Derivative liabilities, net	—	7,116	120	(6,282)	954
Other liabilities	—	5	19	—	24
<b>Total other liabilities</b>	<b>—</b>	<b>7,121</b>	<b>139</b>	<b>(6,282)</b>	<b>978</b>
<b>Total liabilities carried at fair value on a recurring basis</b>	<b>\$—</b>	<b>\$9,358</b>	<b>\$241</b>	<b>(\$6,282)</b>	<b>\$3,317</b>

(1) Represents counterparty netting and cash collateral netting, and includes accrued interest receivable and payable.

## Level 3 Fair Value Measurements

The table below presents a reconciliation of all assets and liabilities measured on our 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 consolidated statements of income for Level 3 assets and liabilities.

**Table 16.2 - Fair Value Measurements of Assets and Liabilities Using Significant Unobservable Inputs**

(In millions)	Year Ended December 31, 2025				
	Investment Securities	Mortgage Loans Held-for-Sale	Mortgage Loans Held-for-Investment	Other Assets	Total Liabilities
<b>Balance at January 1, 2025</b>	<b>\$3,610</b>	<b>\$1,295</b>	<b>\$841</b>	<b>\$5,439</b>	<b>\$241</b>
Total realized/unrealized gains/losses <sup>(1)</sup>					
Included in earnings	(222)	3	(80)	242	(85)
Included in other comprehensive income	14	—	—	—	—
Purchases	663	32	—	(25)	—
Issues	—	—	—	381	30
Sales	(381)	—	—	(14)	—
Settlements, net	(198)	—	(119)	(994)	(30)
Transfers into Level 3 <sup>(3)</sup>	—	—	1,022	—	17
Transfers out of Level 3 <sup>(3)</sup>	—	(1,330)	(246)	—	(18)
<b>Balance at December 31, 2025</b>	<b>\$3,486</b>	<b>\$—</b>	<b>\$1,418</b>	<b>\$5,029</b>	<b>\$155</b>
Change in unrealized gains/losses <sup>(1)</sup> included in net income related to assets and liabilities still held as of December 31, 2025 <sup>(2)</sup>	\$208	\$—	(\$100)	\$242	(\$86)
Change in unrealized gains/losses <sup>(1)</sup> , net of tax, included in OCI related to assets and liabilities still held as of December 31, 2025	12	—	—	—	—

(In millions)	Year Ended December 31, 2024				
	Investment Securities	Mortgage Loans Held-for-Sale	Mortgage Loans Held-for-Investment	Other Assets	Total Liabilities
<b>Balance at January 1, 2024</b>	<b>\$3,449</b>	<b>\$896</b>	<b>\$473</b>	<b>\$5,519</b>	<b>\$496</b>
Total realized/unrealized gains/losses <sup>(1)</sup>					
Included in earnings	(435)	(20)	(42)	181	29
Included in other comprehensive income	(3)	—	—	—	—
Purchases	816	2,156	—	(14)	13
Issues	—	—	—	628	69
Sales	—	(1,557)	—	(14)	—
Settlements, net	(207)	(1)	(241)	(861)	(41)
Transfers into Level 3	—	35	688	—	—
Transfers out of Level 3	(10)	(214)	(37)	—	(325)
<b>Balance at December 31, 2024</b>	<b>\$3,610</b>	<b>\$1,295</b>	<b>\$841</b>	<b>\$5,439</b>	<b>\$241</b>
Change in unrealized gains/losses <sup>(1)</sup> included in net income related to assets and liabilities still held as of December 31, 2024 <sup>(2)</sup>	\$54	(\$35)	(\$43)	\$172	(\$6)
Change in unrealized gains/losses <sup>(1)</sup> , net of tax, included in OCI related to assets and liabilities still held as of December 31, 2024	(2)	—	—	—	—

(In millions)	Year Ended December 31, 2023				
	Investment Securities	Mortgage Loans Held-for-Sale	Mortgage Loans Held-for-Investment	Other Assets	Total Liabilities
<b>Balance at January 1, 2023</b>	<b>\$3,625</b>	<b>\$310</b>	<b>\$110</b>	<b>\$5,573</b>	<b>\$485</b>
Total realized/unrealized gains/losses <sup>(1)</sup>					
Included in earnings	(538)	6	(81)	138	(27)
Included in other comprehensive income	(5)	—	—	—	—
Purchases	634	2,038	—	(20)	(3)
Issues	—	—	—	736	98
Sales	—	(1,152)	—	(3)	—
Settlements, net	(225)	(24)	(15)	(905)	(57)
Transfers into Level 3	—	12	530	—	—
Transfers out of Level 3	(42)	(294)	(71)	—	—
<b>Balance at December 31, 2023</b>	<b>\$3,449</b>	<b>\$896</b>	<b>\$473</b>	<b>\$5,519</b>	<b>\$496</b>
Change in unrealized gains/losses <sup>(1)</sup> included in net income related to assets and liabilities still held as of December 31, 2023 <sup>(2)</sup>	\$112	\$32	(\$84)	\$137	(\$51)
Change in unrealized gains/losses <sup>(1)</sup> , net of tax, included in OCI related to assets and liabilities still held as of December 31, 2023	(4)	—	—	—	—

(1) For assets, increase and decrease in earnings and other comprehensive income is shown as gains and (losses), respectively. For liabilities, increase and decrease in earnings and comprehensive income is shown as (gains) and losses, respectively.

(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 December 31, 2025, December 31, 2024, and December 31, 2023, respectively.

(3) Transfers into Level 3 at December 31, 2025 were primarily driven by an increase in the use of unobservable inputs for certain multifamily held-for-investment loans. Transfers out of Level 3 at December 31, 2025 were primarily driven by a decline in the significance of the unobservable inputs for certain multifamily loans.

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 consolidated balance sheets at fair value on a recurring basis.

**Table 16.3 - Quantitative Information about Recurring Level 3 Fair Value Measurements**

(Dollars in millions, except for certain unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	December 31, 2025		
			Type	Range	Weighted Average <sup>(1)</sup>
<b>Assets</b>					
Investment securities	\$2,532	External pricing sources	Price	\$0.0 - \$3,520.6	\$82.1
	954	Other			
Mortgage loans held-for-investment	1,418	External pricing sources	Price	\$48.4 - \$105.8	\$89.0
Other assets	4,424	Discounted cash flows	OAS	17 - 8,850 bps	50 bps
	605	Other			
<b>Total Level 3 assets</b>	<b>\$9,933</b>				
<b>Liabilities</b>					
Total Level 3 liabilities	\$155				

(Dollars in millions, except for certain unobservable inputs as shown)	December 31, 2024				
	Level 3 Fair Value	Predominant Valuation Technique(s)	Unobservable Inputs		
			Type	Range	Weighted Average <sup>(1)</sup>
<b>Assets</b>					
Investment securities	\$2,344	External pricing sources	Price	\$0.0 - \$3,652.7	\$99.1
	1,266	Other			
Mortgage loans held-for-sale	1,295	External pricing sources	Price	\$87.8 - \$104.4	\$96.4
Mortgage loans held-for-investment	841	External pricing sources	Price	\$29.2 - \$100.0	\$83.1
Other assets	4,816	Discounted cash flows	OAS	17 - 3,500 bps	48 bps
	623	Other			
<b>Total Level 3 assets</b>	<b>\$11,185</b>				
<b>Liabilities</b>					
Total Level 3 liabilities	\$241				

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

## 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 an allowance for credit losses based on the fair value of the underlying collateral.

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

**Table 16.4 - Assets Measured at Fair Value on a Non-Recurring Basis**

(In millions)	December 31, 2025	December 31, 2024
Mortgage loans: <sup>(1)</sup>		
Level 1	\$—	\$—
Level 2	109	303
Level 3 <sup>(2)</sup>	508	1,474
<b>Total</b>	<b>\$617</b>	<b>\$1,777</b>

- (1) Includes loans that are classified as held-for-investment where we recognize credit losses, either through an allowance for credit losses or charge-off, based on the fair value of the underlying collateral and held-for-sale loans where the fair value is below cost. The valuation date for certain items may occur during the period and not at period end.
- (2) The predominant valuation technique used for Level 3 non-recurring fair value measurement at both December 31, 2025 and December 31, 2024 was external pricing sources. The unobservable inputs included a range of \$24.0-\$104.3 and weighted average of \$85.7 at December 31, 2025 and a range of \$74.1 - \$100.4 and weighted average of \$82.3 at December 31, 2024.

## 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 GAAP balance sheets approximates fair value, as these assets and liabilities are short-term in nature and have limited fair value volatility.

**Table 16.5 - Fair Value of Financial Instruments**

(In millions)	GAAP Measurement Category <sup>(1)</sup>	Carrying Amount <sup>(2)</sup>	December 31, 2025					
			Fair Value				Netting Adjustments <sup>(3)</sup>	Total
			Level 1	Level 2	Level 3			
<b>Financial assets</b>								
Cash and cash equivalents	Amortized cost	\$5,327	\$5,327	\$—	\$—	\$—	\$5,327	
Securities purchased under agreements to resell	Amortized cost	71,919	—	78,378	—	(6,459)	71,919	
Investments securities:								
Available-for-sale	FV - OCI	3,316	—	2,616	700	—	3,316	
Trading	FV - NI	82,096	70,916	8,394	2,786	—	82,096	
<b>Total investments securities</b>		<b>85,412</b>	<b>70,916</b>	<b>11,010</b>	<b>3,486</b>	<b>—</b>	<b>85,412</b>	
Mortgage loans held-for-sale	Various <sup>(4)</sup>	1,014	—	139	939	—	1,078	
Mortgage loans held-for-investment, net of allowance for credit losses	Various <sup>(5)</sup>	3,290,066	—	2,626,057	382,754	—	3,008,811	
Other assets:								
Guarantee assets	FV - NI	4,728	—	—	4,730	—	4,730	
Derivative assets, net	FV - NI	1,466	5	5,261	74	(3,874)	1,466	
Other assets <sup>(6)</sup>	Various <sup>(7)</sup>	2,607	—	445	2,442	—	2,887	
<b>Total other assets</b>		<b>8,801</b>	<b>5</b>	<b>5,706</b>	<b>7,246</b>	<b>(3,874)</b>	<b>9,083</b>	
<b>Total financial assets</b>		<b>\$3,462,539</b>	<b>\$76,248</b>	<b>\$2,721,290</b>	<b>\$394,425</b>	<b>(\$10,333)</b>	<b>\$3,181,630</b>	
<b>Financial liabilities</b>								
Debt issued by consolidated trusts	Various <sup>(8)</sup>	\$3,198,008	\$—	\$2,913,353	\$434	\$—	\$2,913,787	
Short-term debt	Amortized cost	37,718	—	37,727	—	—	37,727	
Long-term debt	Various <sup>(9)</sup>	169,296	—	167,440	2,674	—	170,114	
Securities sold under agreements to repurchase	Amortized cost	—	—	6,459	—	(6,459)	—	
Other liabilities:								
Guarantee obligations	Amortized cost	4,494	—	92	6,104	—	6,196	
Derivative liabilities, net	FV - NI	781	—	4,708	52	(3,979)	781	
Other liabilities <sup>(6)</sup>	FV - NI	—	—	184	78	—	262	
<b>Total other liabilities</b>		<b>5,275</b>	<b>—</b>	<b>4,984</b>	<b>6,234</b>	<b>(3,979)</b>	<b>7,239</b>	
<b>Total financial liabilities</b>		<b>\$3,410,297</b>	<b>\$—</b>	<b>\$3,129,963</b>	<b>\$9,342</b>	<b>(\$10,438)</b>	<b>\$3,128,867</b>	

(In millions)	GAAP Measurement Category <sup>(1)</sup>	Carrying Amount <sup>(2)</sup>	December 31, 2024				
			Fair Value			Netting Adjustments <sup>(3)</sup>	Total
			Level 1	Level 2	Level 3		
<b>Financial assets</b>							
Cash and cash equivalents	Amortized cost	\$5,534	\$5,534	\$—	\$—	\$—	\$5,534
Securities purchased under agreements to resell	Amortized cost	100,118	—	108,338	—	(8,220)	100,118
Investments securities:							
Available-for-sale	FV - OCI	3,899	—	3,316	583	—	3,899
Trading	FV - NI	51,872	42,289	6,556	3,027	—	51,872
<b>Total investments securities</b>		<b>55,771</b>	<b>42,289</b>	<b>9,872</b>	<b>3,610</b>	<b>—</b>	<b>55,771</b>
Mortgage loans held-for-sale	Various <sup>(4)</sup>	15,560	—	11,943	3,764	—	15,707
Mortgage loans held-for-investment, net of allowance for credit losses	Various <sup>(5)</sup>	3,172,329	—	2,469,708	286,371	—	2,756,079
Other assets:							
Guarantee assets	FV - NI	5,126	—	—	5,128	—	5,128
Derivative assets, net	FV - NI	501	9	6,387	94	(5,989)	501
Other assets <sup>(6)</sup>	Various <sup>(7)</sup>	1,801	—	323	1,607	—	1,930
<b>Total other assets</b>		<b>7,428</b>	<b>9</b>	<b>6,710</b>	<b>6,829</b>	<b>(5,989)</b>	<b>7,559</b>
<b>Total financial assets</b>		<b>\$3,356,740</b>	<b>\$47,832</b>	<b>\$2,606,571</b>	<b>\$300,574</b>	<b>(\$14,209)</b>	<b>\$2,940,768</b>
<b>Financial liabilities</b>							
Debt issued by consolidated trusts	Various <sup>(8)</sup>	\$3,122,941	\$—	\$2,699,412	\$380	\$—	\$2,699,792
Short-term debt	Amortized cost	14,675	—	14,679	—	—	14,679
Long-term debt	Various <sup>(9)</sup>	167,333	—	164,388	3,283	—	167,671
Securities sold under agreements to repurchase	Amortized cost	—	—	8,220	—	(8,220)	—
Other liabilities:							
Guarantee obligations	Amortized cost	5,072	—	98	6,362	—	6,460
Derivative liabilities, net	FV - NI	954	—	7,116	120	(6,282)	954
Other liabilities <sup>(6)</sup>	FV - NI	23	—	701	109	—	810
<b>Total other liabilities</b>		<b>6,049</b>	<b>—</b>	<b>7,915</b>	<b>6,591</b>	<b>(6,282)</b>	<b>8,224</b>
<b>Total financial liabilities</b>		<b>\$3,310,998</b>	<b>\$—</b>	<b>\$2,894,614</b>	<b>\$10,254</b>	<b>(\$14,502)</b>	<b>\$2,890,366</b>

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

(2) Excludes allowance for credit losses on off-balance sheet credit exposure.

(3) Represents counterparty netting and cash collateral netting, and includes accrued interest receivable and payable.

(4) The GAAP carrying amounts measured at lower-of-cost-or-fair-value and FV - NI were \$1.0 billion and \$0.0 billion as of December 31, 2025, respectively, and \$4.2 billion and \$11.4 billion as of December 31, 2024, respectively.

(5) The GAAP carrying amounts measured at amortized cost and FV - NI were \$3.3 trillion and \$7.0 billion as of December 31, 2025, respectively, and \$3.2 trillion and \$2.4 billion as of December 31, 2024, respectively.

(6) For other assets, includes advances to lenders, secured lending, and loan commitments. For other liabilities, includes loan commitments.

(7) The GAAP carrying amounts measured at amortized cost and FV - NI were \$2.4 billion and \$0.2 billion as of December 31, 2025, respectively, and \$1.6 billion and \$0.2 billion as of December 31, 2024, respectively.

(8) The GAAP carrying amounts measured at amortized cost and FV - NI were \$3.2 trillion and \$5.8 billion as of December 31, 2025, respectively, and \$3.1 trillion and \$2.0 billion as of December 31, 2024, respectively.

(9) The GAAP carrying amounts measured at amortized cost and FV - NI were \$0.2 trillion and \$0.2 billion as of December 31, 2025, respectively, and \$0.2 trillion and \$0.3 billion as of December 31, 2024, respectively.

## Fair Value Option

We elected the fair value option for certain fixed-rate multifamily loan purchase commitments and certain multifamily loans that were acquired for securitization to offset the changes in fair value of the derivatives that we use to economically hedge the interest rate risk of the loans and commitments. The multifamily loans are classified either as held-for-investment or as held-for-sale on our consolidated balance sheets based on management's intent and ability and are measured at fair value on a

recurring basis, with subsequent gains or losses related to changes in fair value (net of accrued interest income) reported in investment gains, net, on our consolidated statements of income. We elected to report separately the portion of the changes in fair value of the loans related to accrued interest from the remaining changes in fair value. Related interest income continues to be reported, based on the stated terms of the loans, as interest income on our consolidated statements of income. The multifamily loan commitments are included in other assets or liabilities on our consolidated balance sheets and are measured at fair value on a recurring basis, with subsequent gains or losses related to changes in fair value included in investment gains, net, on our consolidated statements of income.

We also elected the fair value option on long-term debt that contains embedded derivatives, including certain STACR and SCR debt notes, and certain debt issued by consolidated trusts. Fair value changes are recorded in investment gains, net, on our consolidated statements of income. For debt where we have elected the fair value option, upfront costs and fees are recognized in earnings as incurred and not deferred. Related interest expense continues to be reported as interest expense based on the stated terms of the debt securities.

The table below presents the fair value and UPB related to items for which we have elected the fair value option.

**Table 16.6 - Difference between Fair Value and UPB for Certain Financial Instruments with Fair Value Option Elected<sup>(1)</sup>**

(In millions)	December 31, 2025			December 31, 2024		
	Fair value	UPB	Difference	Fair value	UPB	Difference
Mortgage loans held-for-sale	\$—	\$—	\$—	\$11,394	\$11,470	(\$76)
Mortgage loans held-for-investment	7,005	7,148	(143)	2,413	2,710	(297)
Long-term debt	51	48	3	152	150	2
Debt issued by consolidated trusts	5,387	5,445	(58)	1,689	1,817	(128)
Other assets (other liabilities)	—	N/A	N/A	1	N/A	N/A

(1) Excludes interest-only securities related to debt issued by consolidated trusts and long-term debt with a fair value of \$0.6 billion and \$0.5 billion as of December 31, 2025 and December 31, 2024, respectively.

The table below presents the changes in fair value related to items for which we have elected the fair value option. These amounts are included in investment gains, net, on our consolidated statements of income.

**Table 16.7 - Changes in Fair Value under the Fair Value Option Election**

(In millions)	December 31, 2025	December 31, 2024	December 31, 2023
	Gains (losses)		
Mortgage loans held-for-sale	\$238	(\$189)	(\$59)
Mortgage loans held-for-investment	48	(39)	(29)
Long-term debt	53	14	30
Debt issued by consolidated trusts	(63)	51	(6)
Other assets/other liabilities	128	516	207

Changes in fair value attributable to instrument-specific credit risk were not material for the periods presented for assets or liabilities for which we elected the fair value option.

## NOTE 17

### Legal Contingencies

We are involved, directly or indirectly, 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) and in connection with the conservatorship and Purchase Agreement. 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 claims and proceedings of all types are subject to many uncertainties (including appeals and procedural filings), and there can be no assurance as to the ultimate outcome of those actions (including the matters described below). 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. The actual costs of resolving legal actions may be substantially higher or lower than the amounts accrued for those actions.

It is not possible for us to predict the actions the U.S. government (including Treasury and FHFA) might take in connection with any of these lawsuits or any future lawsuits. However, it is possible that we could be adversely affected by these actions, including, for example, by changes to the Purchase Agreement, or any resulting actual or perceived changes in the level of U.S. government support for our business.

#### Putative Securities Class Action Lawsuit: Ohio Public Employees Retirement System v. Freddie Mac, Syron, et al.

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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 August 2018, the District Court denied the plaintiff's motion for class certification. On April 6, 2023, the U.S. Court of Appeals for the Sixth Circuit reversed the District Court's September 17, 2020 ruling, which had granted the plaintiff's request for summary judgment and entered final judgment in favor of Freddie Mac and other defendants, and remanded the case to the District Court for further proceedings. On August 29, 2025, the District Court granted defendants' motions for summary judgment and final judgment was entered for all defendants. The plaintiff has appealed the District Court's decision to the U.S. Court of Appeals for the Sixth Circuit.

#### Litigation Concerning the Purchase Agreement in the U.S. District Court for the District of Columbia

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***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 by certain institutional investors ("Individual Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

The Class Plaintiffs and Individual Plaintiffs (collectively "Plaintiffs") in 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. 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. The cases were consolidated for trial.

Court rulings limited the Plaintiffs' damages theories to those based on the decline in Freddie Mac's and Fannie Mae's share value immediately after the Third Amendment. The Plaintiffs asserted losses based on the decline in value of Freddie Mac's common and junior preferred stock from August 16 to August 17, 2012. During the trial in October and early November 2022, the Plaintiffs requested that the jury award \$832 million plus pre-judgment interest as damages against Freddie Mac. The jury in that trial was not able to reach a unanimous verdict and on November 7, 2022 the judge declared a mistrial. The retrial started on July 24, 2023. On August 14, 2023, the jury returned a verdict against FHFA, Fannie Mae, and Freddie Mac awarding compensatory damages of \$282 million to Freddie Mac junior preferred shareholders and \$31 million to Freddie Mac common shareholders. The jury declined to award the Freddie Mac shareholders prejudgment interest. In 2023, we recorded a \$313 million accrual for the adverse judgment. On March 20, 2024, the District Court entered final judgment. On April 17, 2024, the defendants filed a renewed motion for judgment as a matter of law, notwithstanding the jury verdict, which was denied on March 14, 2025. The defendants filed a notice of appeal to the U.S. Court of Appeals for the D.C. Circuit on April 11, 2025. On April 25, 2025, the individual plaintiffs and the class plaintiffs filed their own appeals to the U.S. Court of Appeals for the D.C. Circuit.

## NOTE 18

### 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 established the ERCF as a new enterprise regulatory capital framework for Freddie Mac and Fannie Mae in December 2020. Our current capital levels are 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 date of termination of our conservatorship or 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. With respect to the ERCF's advanced approaches requirements, the compliance date is January 1, 2028 or any later compliance date specified by FHFA.

The ERCF establishes risk-based and leverage capital requirements and includes 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%, 6.0%, and 8.0%, respectively, of RWA. We must also maintain statutory total capital equivalent to at least 8.0% of the total RWA. To avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation, we also must maintain CET1 capital that exceeds the risk-based capital requirements by at least the amount of the PCCBA. The PCCBA consists of three separate component buffers—a stress capital buffer, a stability capital buffer, and a countercyclical capital buffer.

- The stress capital buffer must be at least 0.75% of our ATA as of the last day of the previous calendar quarter. FHFA will periodically re-size the stress capital buffer to the extent that FHFA's eventual program for supervisory stress tests determines that our peak capital exhaustion under a severely adverse stress scenario would exceed 0.75% of ATA.
- The stability capital buffer is tailored to the risk that our default or other financial distress could pose to the liquidity, efficiency, competitiveness, or resiliency of national housing finance markets. The stability capital buffer is based on our share of residential mortgage debt outstanding. As of December 31, 2025, our stability capital buffer was 0.78% of ATA.
- The countercyclical capital buffer is currently set at 0.0% of our ATA. FHFA has indicated that it will adjust the countercyclical capital buffer taking into account the macro-financial environment in which we operate, such that the buffer would be deployed only when excess aggregate credit growth is judged to be associated with a build-up of system-wide risk.

#### **Leverage Capital Requirements**

Under the ERCF leverage capital requirements, we must maintain our Tier 1 capital ratio equal to at least 2.5% of ATA. We must also maintain our statutory core capital ratio equal to at least 2.5% of ATA. To avoid limitations on capital distributions and discretionary bonus payments tied to executive compensation, we also must maintain Tier 1 capital that exceeds the leverage capital requirements by at least the amount of the PLBA. The PLBA is equal to 50% of our stability capital buffer.

**Capital Metrics**

The table below presents our capital metrics under the ERCF.

**Table 18.1 - ERCF Available Capital and Capital Requirements**

(In billions)	December 31, 2025	December 31, 2024
Adjusted total assets	\$3,905	\$3,817
Risk-weighted assets (standardized approach)	1,231	1,118

(Dollars in billions)	December 31, 2025					
	Amounts			Ratios		
	Available Capital (Deficit)	Minimum Capital Requirement	Capital Requirement (Including Buffer <sup>(1)</sup> )	Available Capital (Deficit) Ratio <sup>(2)</sup>	Minimum Capital Requirement Ratio <sup>(2)</sup>	Capital Requirement Ratio <sup>(2)</sup> (Including Buffer <sup>(1)</sup> )
<b>Risk-based capital:</b>						
Total capital	\$6	\$99	\$99	0.5 %	8.0 %	8.0 %
CET1 capital	(22)	55	114	(1.8)	4.5	9.3
Tier 1 capital	(7)	74	133	(0.6)	6.0	10.8
Adjusted total capital	(7)	99	158	(0.6)	8.0	12.8
<b>Leverage capital:</b>						
Core capital	(2)	98	98	(0.1)	2.5	2.5
Tier 1 capital	(7)	98	113	(0.2)	2.5	2.9

(Dollars in billions)	December 31, 2024					
	Amounts			Ratios		
	Available Capital (Deficit)	Minimum Capital Requirement	Capital Requirement (Including Buffer <sup>(1)</sup> )	Available Capital (Deficit) Ratio <sup>(2)</sup>	Minimum Capital Requirement Ratio <sup>(2)</sup>	Capital Requirement Ratio <sup>(2)</sup> (Including Buffer <sup>(1)</sup> )
<b>Risk-based capital:</b>						
Total capital	(\$6)	\$89	\$89	(0.5)%	8.0 %	8.0 %
CET1 capital	(32)	50	107	(2.9)	4.5	9.6
Tier 1 capital	(18)	67	124	(1.6)	6.0	11.1
Adjusted total capital	(18)	89	146	(1.6)	8.0	13.1
<b>Leverage capital:</b>						
Core capital	(13)	95	95	(0.3)	2.5	2.5
Tier 1 capital	(18)	95	109	(0.5)	2.5	2.9

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

(2) As a percentage of RWA for risk-based capital and ATA for leverage capital.

# Controls and Procedures

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Internal control over financial reporting is a process designed by, or under the supervision of, our CEO and CFO and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. It is a process that involves human diligence and compliance and is, therefore, subject to lapses in judgment and breakdowns resulting from human error. It also can be circumvented by collusion or improper management override. Because of its limitations, there is a risk that internal control over financial reporting may not prevent or detect, on a timely basis, errors that could cause a material misstatement of the financial statements.

We assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making our assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in Internal Control — Integrated Framework (2013 Framework). A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis by a company's internal controls. Based on our assessment, we identified a material weakness related to our inability to update our disclosure controls and procedures in a manner that adequately ensures the accumulation and communication to management of information known to FHFA that is needed to meet our disclosure obligations under the federal securities laws, including disclosures affecting our consolidated financial statements.

We have been under conservatorship of FHFA since September 6, 2008. FHFA is an independent agency that currently functions as both our Conservator and our regulator with respect to our safety, soundness, and mission. Because we are in conservatorship, some of the information that we may need to meet our disclosure obligations may be solely within the knowledge of FHFA. As our Conservator, FHFA has the power to take actions without our knowledge that could be material to investors and could significantly affect our financial performance. Although we and FHFA have attempted to design and implement disclosure policies and procedures to account for the conservatorship and accomplish the same objectives as disclosure controls and procedures for a typical reporting company, there are inherent structural limitations on our ability to design, implement, test, or operate effective disclosure controls and procedures under the circumstances of conservatorship. As our Conservator and regulator, FHFA is limited in its ability to design and implement a complete set of disclosure controls and procedures relating to us, particularly with respect to current reporting pursuant to Form 8-K. Similarly, as a regulated entity, we are limited in our ability to design, implement, operate, and test the controls and procedures for which FHFA is responsible. For example, FHFA may formulate certain intentions with respect to the conduct of our business that, if known to management, would require consideration for disclosure or reflection in our financial statements, but that FHFA, for regulatory reasons, may be constrained from communicating to management. As a result of these considerations, we have concluded that this control deficiency constitutes a material weakness in our internal control over financial reporting.

Because of this material weakness, we have concluded that our internal control over financial reporting was not effective as of December 31, 2025 based on the COSO criteria (2013 Framework). PricewaterhouseCoopers LLP, an independent registered public accounting firm, audited the effectiveness of our internal control over financial reporting as of December 31, 2025 and also determined that our internal control over financial reporting was not effective. PricewaterhouseCoopers LLP's report appears in **Financial Statements — Report of Independent Registered Public Accounting Firm**.

## 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 CEO and CFO, 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 CEO and CFO, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of December 31, 2025. As a result of management's evaluation, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of December 31, 2025, 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. As discussed above, we consider this situation to be a material weakness in our internal control over financial reporting. Based on discussions with FHFA and the structural nature of this continuing weakness, we believe it is likely that we will not remediate this material weakness while we are under conservatorship.

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

As described above under **Management's Report on Internal Control Over Financial Reporting**, we have one material weakness in internal control over financial reporting as of December 31, 2025 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-K, and engage in discussions with us regarding issues associated with the information contained in those filings. Prior to filing this Form 10-K, FHFA provided us with a written acknowledgment that it had reviewed the Form 10-K, was not aware of any material misstatements or omissions in the Form 10-K, and had no objection to our filing the Form 10-K.
- Our senior management meets regularly with senior leadership at FHFA, including, but not limited to, the Director.
- 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.

Although we and FHFA have attempted to design and implement disclosure policies and procedures to account for the conservatorship and accomplish the same objectives as disclosure controls and procedures for a typical reporting company, there are inherent structural limitations on our ability to design, implement, test, or operate effective disclosure controls and procedures under the circumstances of conservatorship. Despite our material weakness, we believe that our consolidated financial statements for the year ended December 31, 2025 have been prepared in conformity with GAAP.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING DURING THE QUARTER ENDED DECEMBER 31, 2025

We evaluated the changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025 and concluded that there were no changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Other Information

### OTHER INFORMATION

#### Insider Trading Arrangements

No executive officer or director adopted or terminated any contract, instruction, or written plan for the purchase or sale of, or any other such trading arrangement for, our securities during 4Q 2025. For additional information on executive officer and director compensation and security ownership by our executive officers and directors, see **Directors, Corporate Governance, and Executive Officers, Executive Compensation,** and **Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

# Directors, Corporate Governance, and Executive Officers

## DIRECTORS

### Election of Directors

As Conservator, FHFA determines the size and authority of our Board. FHFA has set the Board's size to a minimum of 4 and a maximum of 13 directors. The Board must have a Chair who is not an employee of the company. The CEO and President are the only employees permitted to serve as Board members.

Since FHFA, as Conservator, has succeeded to the rights of all stockholders, it elects the directors each year by written consent in lieu of an annual meeting. As a result, we do not solicit proxies, distribute a proxy statement to stockholders, or hold an annual meeting of stockholders to elect directors during the conservatorship.

Before each election of directors, the Board identifies nominees for the Conservator's consideration. When a vacancy occurs, the Board may fill the position using authority granted by the Conservator, subject to the Conservator's review.

The Conservator executed a written consent, effective February 3, 2026, electing each of the 10 directors listed below.

- **Mark H. Bloom**
- **Kathleen L. Casey**
- **David S. Farbman**
- **Aleem Gillani**
- **Michael T. Hutchins**
- **Clinton C. Jones, III**
- **Ralph W. (Cody) Kittle, III**
- **Michael Parrott**
- **William J. Pulte**
- **Kenny M. Smith**

See **Directors, Corporate Governance, and Executive Officers - Directors - Director Biographical Information** for information about each of our current directors. A director's term ends on the earliest of the following events: the director retires or resigns, the effective date of the Conservator's next election of directors by written consent, or the date of the next annual meeting of stockholders.

### Director Criteria, Qualifications, Experience, and Tenure

Our Board seeks candidates who have demonstrated success, respect, and integrity in their careers. The Board selects candidates based on their character, judgment, experience, and expertise, following the requirements in the Charter, the Guidelines, and the Corporate Governance Rule.

When identifying candidates, the Nominating and Governance Committee considers several factors, including the talents and skills already represented on the Board, the continued involvement of incumbent directors in relevant business and professional activities, the skills and experience needed on the Board, and the availability of other qualified individuals with desirable skills. Specifically, the Nominating and Governance Committee seeks candidates to complement the Board's collective knowledge in such areas as business, finance, accounting, risk management, technology (including cybersecurity), public policy, mortgage lending, real estate, low-income housing, homebuilding, regulation of financial institutions, and other areas relevant to the company's safe and sound operation. The Nominating and Governance Committee also evaluates whether a candidate's other commitments, such as the number of other board memberships held, would allow sufficient time to devote to responsibilities as a director.

The Charter requires that the Board include at least one director from each of the homebuilding, mortgage lending, and real estate industries, and at least one director from an organization representing community or consumer interests or whose career has been committed to providing housing for low-income households.

The Board is composed of directors from a variety of backgrounds and experience. The Board values a balance of longer-serving directors with institutional knowledge and newer directors who bring fresh perspectives and ideas.

### Director Biographical Information

The following summarizes each director's Board service, experience, qualifications, attributes, and skills that led to their selection as a director, and provides other biographical information, as of February 12, 2026.

## Mark H. Bloom

Age	Director Since	Freddie Mac Committees	Public Company Directorships
61	November 2019	<ul style="list-style-type: none"> <li>• Compensation and Management Development</li> <li>• Risk</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Mr. Bloom has held a variety of leadership positions at the intersection of finance, technology, and risk management. He brings technological expertise, including in generative AI, to drive efficiency and enhance the customer experience. Since 2022, he has served as the Global Chief Information Officer at Arthur J. Gallagher & Co., one of the largest insurance brokers in the world. Previously, Mr. Bloom was the Global Chief Technology Officer and a member of the Management Board of Aegon N.V., a multinational life insurance, pensions, and asset management company, from 2016-2021. He also held senior positions at Citigroup, Inc., including Managing Director, Head of Global Consumer Digital and Operations Technology, and at JP Morgan Chase & Company, including Senior Vice President, Chase Home Finance Technology. Earlier in his career, he held technology leadership roles at Lockheed Martin Corporation and General Electric Company.

## Kathleen L. Casey

Age	Director Since	Freddie Mac Committees	Public Company Directorships
59	October 2019	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Nominating and Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Public Policy Holding Company, Inc.</li> </ul>

Ms. Casey has an extensive background in financial regulatory policy and oversight. She brings high-level regulatory and financial oversight experience as well as a deep understanding of financial markets and governance, including key issues affecting transit and housing policy, economic and monetary policy, banking, and securities regulation. Since 2011, she has been a Partner at Patomak Global Partners, advising on financial markets policy, regulatory compliance, risk management, and corporate governance. In 2026, she joined the board of Public Policy Holding Company, Inc., a group of advisory firms specializing in strategic communications to government relations, where she serves as a member of the board of directors, Chair of the Nominating and Corporate Governance Committee, and a member of the Audit Committee. She has also served as a member of the Governing Board of the Center for Audit Quality since 2024, and a member of the board of Sepio Systems Inc., a cybersecurity firm focused on hardware access management since 2020. From 2014 to 2020, she served on the board of HSBC Holdings Plc, including its Group Audit Committee during her tenure. From 2006 to 2011, Ms. Casey served as a Commissioner of the SEC, representing the SEC in international regulatory forums including the G-20 Financial Stability Board and International Organization of Securities Commissions, where she held several leadership positions.

## David S. Farbman

Age	Director Since	Freddie Mac Committees	Public Company Directorships
54	March 2025	<ul style="list-style-type: none"> <li>• Compensation and Management Development, Chair</li> <li>• Executive</li> <li>• Risk</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Mr. Farbman is an executive with leadership experience in commercial real estate, online media, and healthcare. He has served as the founder and CEO of HealthRise Solutions, an end-to-end revenue cycle management and technology company, since October 2012. He also founded Outdoor Hub in 2006, which later became Carbon Media Group, a digital media company focused on the outdoors, where he served as CEO until 2012 and then Chairman of the Board through 2018, when the company was acquired. Mr. Farbman is also a principal at NAI Farbman, a Midwest-leading, full service commercial real estate firm, a role he has held since 1996. He is also a New York Times best-selling author. Mr. Farbman previously served as a board member of the Young Presidents' Organization, DMC/Harper Hospital's Board of Trustees, the Southeast Region Board of the YMCA, the Economic Development Corporation, and the Detroit Regional Chamber.

## Aleem Gillani

Age	Director Since	Freddie Mac Committees	Public Company Directorships
63	January 2019	<ul style="list-style-type: none"> <li>• Audit</li> <li>• Nominating and Governance</li> </ul>	<ul style="list-style-type: none"> <li>• U.S. Bancorp</li> </ul>

Mr. Gillani has extensive experience with sophisticated financial institutions. His blend of industry, financial, risk management, and executive leadership experience contributes to our Board's oversight of internal controls over financial reporting and risk

management matters and helps guide Freddie Mac in its mission to support the liquidity and stability of the housing market. Mr. Gillani is the retired Corporate Executive Vice President and Chief Financial Officer of SunTrust Banks, Inc., a financial services company, in which role he served from 2011 to 2018. Since 2024, he has served as a member of the board and Audit and Risk Management Committees of U.S. Bancorp. He also serves on the board of directors at S&P Global Ratings. He previously held roles at SunTrust as Corporate Treasurer from 2010 to 2011 and Chief Market Risk Officer from 2007 to 2010. Prior to SunTrust, he held senior leadership positions at PNC Financial Services Group, Inc. and FleetBoston Financial. Mr. Gillani was the founding chair of the Market Risk Council for the Risk Management Association and served on its board for many years.

## Michael T. Hutchins

Age	Director Since	Freddie Mac Committees	Public Company Directorships
70	March 2025	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Hutchins has served as our President since December 2020 after serving as our Interim President beginning in November 2020. He has also served as a member of our Board since March 2025. Previously, Mr. Hutchins served as Interim CEO from March 2025 to December 2025, and as Interim CEO and a member of our Board from March 2024 to September 2024. In his role as President, he oversees the company's Single-Family, Multifamily, Investments and Capital Markets, EO&T, Finance, Human Resources, and Legal Divisions. He previously served as EVP - Investments and Capital Markets from January 2015 to November 2020 and as SVP - Investments and Capital Markets from July 2013 to January 2015. From 2007 to 2013, prior to joining Freddie Mac, Mr. Hutchins was Co-Founder and CEO of PrinceRidge, a financial services firm. Prior to founding PrinceRidge, he held a variety of senior management positions, including the Global Head of the Fixed Income Rates & Currencies Group, at UBS Group AG from 1996 to 2007. Prior to UBS, Mr. Hutchins worked at Salomon Brothers, Inc. from 1986 to 1996, where he held a number of management positions, including Co-Head of Fixed Income Capital Markets.

## Clinton C. Jones, III

Age	Director Since	Freddie Mac Committees	Public Company Directorships
63	March 2025	<ul style="list-style-type: none"> <li>Nominating and Governance</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Jones has an extensive background in financial regulatory policy and oversight. Mr. Jones has served as General Counsel of FHFA since 2021 and as a member of the board of directors of Fannie Mae since March 2025. He previously served as Senior Advisor at FHFA from 2019 to 2021 and held various senior legal roles at the U.S. House Committee on Financial Services over a 24-year period. He also held positions at Fannie Mae and HUD. Mr. Jones has been adjunct faculty at Howard University since 1990.

## Ralph W. (Cody) Kittle, III

Age	Director Since	Freddie Mac Committees	Public Company Directorships
36	March 2025	<ul style="list-style-type: none"> <li>Audit, Chair</li> <li>Executive</li> <li>Risk</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Kittle is the founder and CEO of RenWave Kore, a Greenwich-based investment management firm with \$1.3B in assets under management launched in January 2024. He previously served at Elliott Management as a portfolio manager from August 2014 to December 2023, managing private and public investments. He was also an elected official in Greenwich, Connecticut, where he served as a member of the Greenwich Board of Education from November 2021 to November 2025.

## Michael Parrott

Age	Director Since	Freddie Mac Committees	Public Company Directorships
39	March 2025	<ul style="list-style-type: none"> <li>Audit</li> <li>Compensation and Management Development</li> <li>Executive</li> <li>Risk, Chair</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Parrott is an experienced executive and advisor with over 15 years of leadership in enterprise performance management, digital transformation, and large-scale operational change. He is the founder and CEO of 480th Consulting, a firm he established in 2022 to help corporations accelerate strategic initiatives through digital innovation, advanced analytics, and execution discipline. Previously, Mr. Parrott served as an Associate Partner at McKinsey & Company, from March 2017 to

October 2022, where he advised Fortune 500 companies and global institutions on operational excellence, transformation governance, and digital strategy. Before McKinsey, he held a global leadership role at Anheuser-Busch InBev, responsible for performance management across technology, shared services, and the information technology organization. He brings deep experience in strategic oversight, digital enablement, and value creation for complex enterprises.

## William J. Pulte

Age	Director Since	Freddie Mac Committees	Public Company Directorships
37	March 2025	<ul style="list-style-type: none"> <li>Executive, Chair</li> <li>Nominating and Governance, Chair</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Pulte became the 5th Director of the U.S. Federal Housing in March 2025, following his nomination by President Donald J. Trump and bipartisan confirmation by the U.S. Senate. In this role, Mr. Pulte oversees Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. He has also served as chairman of the board of directors of Fannie Mae since March 2025. Prior to his appointment, he founded in April 2011 Pulte Capital Partners LLC, an investment firm focused on building products and construction companies. Additionally, from September 2016 to May 2020, Mr. Pulte served on the board of PulteGroup, Inc. (formerly Pulte Homes, Inc.), one of the largest homebuilders in the country. Mr. Pulte is known for his philanthropic work, including co-founding Detroit's Blight Authority and supporting various charitable causes through Twitter philanthropy.

## Kenny M. Smith

Age	Director Since	Freddie Mac Committees	Public Company Directorships
64	December 2025	<ul style="list-style-type: none"> <li>Executive</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Mr. Smith has served as our CEO and a member of our Board since December 17, 2025. In his role as CEO, he oversees the company's Enterprise Risk Division. Mr. Smith is an experienced executive and advisor with over 40 years of leadership in providing strategic, operational, risk management and governance counsel to a diverse array of financial services institutions. Mr. Smith is a retired senior principal of Deloitte Consulting LLP where he served since October 1993, including as Vice Chairman, U.S. Financial Services Industry Leader from January 2015 to May 2020. While at Deloitte, he also served as Global Lead Client Service Partner for Wells Fargo & Company from May 2008 to June 2019, and as a senior industry advisory partner for numerous clients. Mr. Smith has extensive Board experience including serving on the Deloitte Board Council, the Deloitte Nominating Committee, the National Council of Real Estate Fiduciaries Board and several community, private club, and charitable organizations.

# CORPORATE GOVERNANCE

## Our Corporate Governance Practices

We are committed to best practices in corporate governance. Our Board has adopted the Guidelines, which reflect our long-standing practices, policies, and procedures. The Guidelines are available on our website at [www.freddiemac.com/governance/pdf/gov\\_guidelines.pdf](http://www.freddiemac.com/governance/pdf/gov_guidelines.pdf). The Board reviews the Guidelines annually and evaluates them in light of regulatory and legislative developments and evolving best practices.

The Guidelines are designed to provide for effective collaboration between management and the Board. Specific corporate governance practices include:

- An independent Vice Chair, who presides over executive sessions of independent directors, as well as Board meetings when the Chair is absent.
- A majority of our directors are independent.
- The Audit, CMD, and Risk Committees are composed entirely of independent directors.
- Directors are elected annually.
- Each committee operates under a written charter approved by the Board. Committee charters are available at [www.freddiemac.com/governance/board-committees.html](http://www.freddiemac.com/governance/board-committees.html).
- New directors receive a comprehensive orientation about the company and their assigned committees.
- All directors have access to, and are encouraged to participate in, third-party continuing education.
- Management provides the Board and its committees with detailed technical briefings on substantive issues affecting the company.

- The CMD Committee reviews management talent and succession planning at least annually.

## Director Independence and Relevant Considerations

The Nominating and Governance Committee assessed each Board member's independence and provided recommendations to the Board, which applies independence standards from Sections 4 and 5 of the Guidelines and NYSE Listed company Manual Section 303A.02. While we are no longer NYSE-listed, certain NYSE requirements continue to apply to us pursuant to the Corporate Governance Rule. However, FHFA granted a regulatory waiver exempting us from the Corporate Governance Rule insofar as it requires compliance with certain NYSE requirements, including those with respect to the independence of the Chair of the Board and committee chairs and members.

Based on the Nominating and Governance Committee's recommendation, the Board determined that all current non-employee Board members, other than Messrs. Jones and Pulte, are independent. Mr. Jones is not considered to be independent due to his positions as General Counsel of FHFA and a member of Fannie Mae's board of directors. Mr. Pulte is not considered to be independent due to his positions as Director of FHFA and Chairman of Fannie Mae's board of directors. In addition, Mr. Smith is not considered to be independent due to his position as our CEO, and Mr. Hutchins is not considered to be independent due to his position as our President.

Our Board determined that all members of our Audit, CMD, and Risk Committees and half of the members of our Nominating and Governance Committee are independent within the meaning of Sections 4 and 5 of the Guidelines. Our Board also determined that: (1) all members of our Audit Committee are independent within the meaning of Exchange Act Rule 10A-3; and (2) all members of our CMD Committee are independent within the meaning of Exchange Act Rule 10C-1.

In determining the independence of each director, the Board reviewed the following categories or types of relationships, in addition to those specifically addressed by the standards contained in Section 5 of the Guidelines, to determine whether those relationships, either individually or in aggregate, would constitute a material relationship between the director and us that would impair the director's judgment as a member of the Board or create the perception or appearance of such an impairment:

- **Employment Affiliations with Business Partners.** Mr. Herbert is employed by an organization that engages or has engaged in business with Freddie Mac resulting in payments between Freddie Mac and such organization. Under the Guidelines, no specific independence determination is required with respect to these payments because they do not exceed the greater of \$1 million or 2% of such organization's consolidated gross revenues for each of the last three fiscal years. After considering the nature and extent of our specific relationship with this organization, our Board concluded that this business relationship did not constitute a material relationship between Mr. Herbert and Freddie Mac that would impair his independence as our director.  
  
Immediate family members of Messrs. Chavers, Grier, Hamara, Hayden, and Parrott and Ms. Huebscher are employed by companies that engage or have engaged in business with Freddie Mac resulting in payments between Freddie Mac and such companies. After considering the nature and extent of the specific relationships between the companies and the immediate family members, and between the companies and Freddie Mac, our Board concluded that these business relationships of Mr. Parrott does not, and of Messrs. Chavers, Grier, Hamara, and Hayden and Ms. Huebscher did not constitute material relationships that would impair their independence as our directors.
- **Employment Affiliations with Competitors.** An immediate family member of Ms. Huebscher is employed by a company that is a competitor of Freddie Mac. After considering the nature and extent of the specific relationship between the competitor and the immediate family member and between the competitor and Freddie Mac, our Board concluded that this business relationship did not constitute a material relationship that would impair Ms. Huebscher's independence as our director.
- **Affiliation with a Charity that Receives Contributions from Freddie Mac.** Mr. Herbert is affiliated with an organization that receives charitable contributions from Freddie Mac. Under the Guidelines, no specific independence determination is required nor is disclosure required with respect to these payments because they do not exceed the greater of \$1 million or 2% of such organization's consolidated gross revenues for each of the last three fiscal years. After considering the nature and extent of our specific relationship with this organization, our Board concluded that this relationship did not constitute a material relationship between Mr. Herbert and Freddie Mac that would impair his independence as our director.
- **Board Memberships with Business Partners.** Messrs. Chavers, Drummond, Gillani, Herbert, and Merrill serve as directors of other organizations that engage in business with Freddie Mac resulting in payments between Freddie Mac and such organizations. After considering the nature and extent of the specific relationship between each of those organizations and Freddie Mac, and the fact that these Board members are directors of these other organizations rather than employees, our Board concluded that these business relationships did not constitute material relationships that would impair their independence as our directors.
- **Financial Relationships with Business Partners.** Messrs. Bloom, Gillani, Grier, and Hayden each own stock in companies with which Freddie Mac conducts significant business, and such ownership represents a material portion of their respective net worth. To eliminate any potential conflict of interest that might arise as a result of their respective stock ownership, we have established mechanisms pursuant to which they will be recused from discussing and acting upon any

matters considered by the Board or any of the committees of which they are or were members and that directly relate to the Company in which they have such stock ownership. In situations where matters are frequently presented to the Board regarding these companies, we have established formal recusal arrangements. The Audit Committee Chair, in consultation with the Chair of the Board (or the Chair of the Board alone in a situation involving the Audit Committee Chair), addresses any questions regarding whether recusal from a particular discussion or action is appropriate.

- In evaluating the independence of Messrs. Bloom, Gillani, Grier, and Hayden in light of their stock ownership in Freddie Mac business partners, our Board considered the nature and extent of Freddie Mac's business relationships with such business partners and any potential impact that their respective stock ownership may have on their independent judgment as our directors, taking into account the relevant recusal mechanisms. Our Board concluded that these mechanisms addressed any actual or potential conflicts of interest with respect to the stock ownership. Accordingly, our Board concluded that the stock ownership in Freddie Mac business partners by Mr. Bloom does not, and by Messrs. Gillani, Grier, and Hayden did not, constitute material relationships that would impair their independence as our directors.

## Board and Board Committee Information

### Authority of the Board and Board Committees

The directors serve on behalf of, and exercise authority as directed by, the Conservator and owe their fiduciary duties of care and loyalty to the Conservator. Although the Conservator has provided authority for the Board and its committees to function in accordance with the duties and authorities set forth in applicable statutes, regulations, guidance, orders, and directives, and our Bylaws and committee charters, the Conservator has reserved certain powers of approval for itself. The Conservator provided instructions to the Board in 2008, 2012, and 2017 for Freddie Mac to consult with and obtain the Conservator's decision before taking certain actions.

The Conservator's instructions as currently revised require that we obtain the Conservator's decision before taking action on any matters that require the consent of or consultation with Treasury under the Purchase Agreement. See **Note 2** for a list of matters that require the approval of Treasury under the Purchase Agreement.

The Conservator's revised instructions also require us to obtain the Conservator's decision before taking action in the areas identified in the table below. For some matters, the Conservator's revised instructions specify that our Board must review and approve the matter before we request the Conservator's decision, and for other matters the Board is expected to determine the appropriate level of the Board's engagement.

Matters Requiring Prior Board Review and Approval	Other Matters
<ul style="list-style-type: none"> <li>• Redemptions or repurchases of our subordinated debt, except as may be necessary to comply with Section 5.7 of the Purchase Agreement;</li> <li>• Creation of any subsidiary or affiliate, or entering into a substantial transaction with a subsidiary or affiliate, except for routine, ongoing transactions with U.S. FinTech or the creation of, or a transaction with, a subsidiary or affiliate undertaken in the ordinary course of business;</li> <li>• Changes to, or removal of, Board risk limits that would result in an increase in the amount of risk that may be taken by us;</li> <li>• Retention and termination of external auditors to perform an integrated audit of our financial statements and internal controls over financial reporting;</li> <li>• Termination of law firms serving as consultants to the Board;</li> <li>• Proposed amendments to our Bylaws or Board committee charters;</li> <li>• Setting or increasing the compensation or benefits payable to members of the Board; and</li> <li>• Establishing the annual operating budget.</li> </ul>	<ul style="list-style-type: none"> <li>• Material changes in accounting policy;</li> <li>• Proposed changes in our business operations, activities, and transactions that, in the reasonable business judgment of our management, are more likely than not to result in a significant increase in credit, market, reputational, operational, or other key risks;</li> <li>• Matters, including our initiation or substantive response to litigation, that impact or question the Conservator's powers, our status in conservatorship, the legal effect of the conservatorship, interpretations of the Purchase Agreement, or terms and conditions of the Financial Agency Agreement with Treasury or our performance under the Financial Agency Agreement;</li> <li>• Agreements with respect to any securities litigation claim, and agreements pursuant to which we settle, resolve, or compromise demands, claims, litigation, lawsuits, prosecutions, regulatory proceedings, or tax matters when the amount in dispute is more than \$50 million, including each separate agreement with the same counterparty involving the same dispute or common facts when the aggregate amount in dispute totals more than \$50 million (this provision excludes loan workouts, which are conducted in the ordinary course of business);</li> <li>• Mergers, acquisitions, and changes in control of a Key Counterparty where we have a direct contractual right to cease doing business with such Key Counterparty or object to the merger or acquisition of such entity;</li> <li>• Changes to requirements, policies, frameworks, standards, or products that are aligned with Fannie Mae, pursuant to FHFA's direction;</li> <li>• Credit risk transfers that are new transaction types, recurring transactions with any material change in terms, and transactions that involve collateral types not previously included in a risk transfer transaction;</li> <li>• Mortgage servicing rights sales and transfers involving: <ul style="list-style-type: none"> <li>◦ 100,000 or more loans to a non-bank transferee; or</li> <li>◦ 25,000 or more loans to any transferee servicer when the transfer would increase the number of the transferee's Freddie Mac- and Fannie Mae-owned seriously delinquent loans by at least 25 percent and the servicing transfer has a minimum of 500 seriously delinquent loans; and</li> </ul> </li> <li>• Changes in employee compensation that could significantly impact our employees, including, but not limited to, retention awards, special incentive plans, and merit increase pool funding.</li> </ul>

In addition, FHFA requires us to provide it with timely notice of: (1) activities that represent a significant change in current business practices, operations, policies, or strategies not otherwise addressed in the Conservator decision items referenced above; (2) exceptions and waivers to aligned requirements, policies, frameworks, standards, or products if not otherwise submitted to FHFA for Conservator approval as required above; and (3) accounting error corrections to previously issued financial statements that are not de minimis. FHFA will then determine whether any such items require Conservator approval. For more information on the conservatorship, see **MD&A - Conservatorship and Related Matters**.

## Board Committees

The Board has five standing committees: Audit, CMD, Executive, Nominating and Governance, and Risk. All standing committees other than the Executive Committee meet regularly. The Audit, CMD, and Risk Committees are chaired by, and consist entirely of, independent directors. The committees perform essential functions on behalf of the Board. The committee chairs review and approve agendas for all meetings of their respective committees. Charters for the standing committees describe each committee's responsibilities and have been adopted by the Board and approved by the Conservator. These charters are available on our website at [www.freddiemac.com/governance/board-committees.html](http://www.freddiemac.com/governance/board-committees.html).

The membership of each committee as of February 12, 2026, except as otherwise noted below, and the number of meetings held by each committee in 2025, are set forth below, followed by descriptions of each committee's primary responsibilities.

Committee	Committee Meetings in 2025	Chair	Members
<b>Audit Committee</b>	8	Ralph W. (Cody) Kittle, III <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Kathleen L. Casey<sup>(3)</sup></li> <li>• Aleem Gillani<sup>(4)</sup></li> <li>• Michael Parrott<sup>(5)</sup></li> </ul>
<b>Compensation and Management Development Committee<sup>(1)</sup></b>	6	David S. Farbman <sup>(6)</sup>	<ul style="list-style-type: none"> <li>• Mark H. Bloom<sup>(7)</sup></li> <li>• Michael Parrott<sup>(5)</sup></li> </ul>
<b>Executive Committee</b>	0	William J. Pulte <sup>(8)</sup>	<ul style="list-style-type: none"> <li>• David S. Farbman<sup>(6)</sup></li> <li>• Ralph W. (Cody) Kittle, III<sup>(2)</sup></li> <li>• Michael Parrott<sup>(5)</sup></li> <li>• Kenny M. Smith<sup>(9)</sup></li> </ul>
<b>Nominating and Governance Committee</b>	4	William J. Pulte <sup>(8)</sup>	<ul style="list-style-type: none"> <li>• Kathleen L. Casey<sup>(3)</sup></li> <li>• Aleem Gillani<sup>(4)</sup></li> <li>• Clinton C. Jones, III<sup>(10)</sup></li> </ul>
<b>Risk Committee</b>	4	Michael Parrott <sup>(5)</sup>	<ul style="list-style-type: none"> <li>• Mark H. Bloom<sup>(7)</sup></li> <li>• David S. Farbman<sup>(6)</sup></li> <li>• Ralph W. (Cody) Kittle, III<sup>(2)</sup></li> </ul>

(1) The CMD Committee was formerly named the Compensation and Human Capital Committee. All references in this 10-K to the CMD Committee include the Compensation and Human Capital Committee where appropriate.

(2) Mr. Kittle was elected to the Board effective March 17, 2025, and appointed as a member of the Audit Committee effective March 24, 2025, as Chair of the Audit Committee and a member of the Executive Committee effective May 1, 2025, and as a member of the Risk Committee effective May 29, 2025.

(3) Ms. Casey served as a member of the Mission and Housing Sustainability Committee until it was dissolved by the Conservator effective March 19, 2025. Ms. Casey also stepped down as Chair of the Nominating and Governance Committee and as a member of the Executive Committee effective April 9, 2025.

(4) Mr. Gillani stepped down as Chair of the Audit Committee and a member of the Executive Committee, and was appointed as a member of the Audit Committee, effective May 1, 2025.

(5) Mr. Parrott was elected to the Board effective March 28, 2025, and was appointed as a member of the CMD Committee effective April 9, 2025, as Chair of the Risk Committee and a member of the Executive Committee effective October 16, 2025, and as a member of the Audit Committee effective November 18, 2025.

(6) Mr. Farbman was elected to the Board effective March 19, 2025, and was appointed as Chair of the CMD Committee, Vice Chair of the Board, and a member of the Executive and Risk Committees effective April 9, 2025.

(7) Mr. Bloom served as Chair of the Operations and Technology Committee until it was dissolved by the Conservator effective March 19, 2025. In addition, Mr. Bloom was removed as a member of the Executive Committee effective March 19, 2025.

(8) Mr. Pulte was elected to the Board and appointed as Chair of the Board and Chair of the Executive Committee effective March 17, 2025. Mr. Pulte was also appointed as Chair of the Nominating and Governance Committee effective April 9, 2025.

(9) Mr. Smith has served as a member of the Executive Committee since he was appointed as our CEO effective December 17, 2025. Prior to that, Mr. Hutchins served as a member of the Executive Committee during his tenure as our Interim CEO from March 20, 2025, to December 16, 2025.

(10) Mr. Jones was elected to the Board effective March 17, 2025, and was appointed as a member of the Nominating and Governance Committee effective April 9, 2025.

## Audit Committee

The Audit Committee provides oversight of the company's accounting and financial reporting and disclosure processes, the adequacy of the systems of disclosure and internal control established by management, and the audit of the company's financial statements. Among other responsibilities, the Audit Committee: (1) appoints the independent auditor and evaluates its independence and performance; (2) reviews the audit plans for and results of the independent audit and internal audits; and (3) reviews compliance with legal and regulatory requirements. The Audit Committee's activities during 2025 with respect to the oversight of the independent auditor are described in more detail in **Principal Accounting Fees and Services - Approval of Independent Auditor Services and Fees**.

The Audit Committee periodically reviews the company's guidelines and policies governing the processes for assessing and managing the company's risks and periodically reviews the company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Audit Committee also approves all decisions regarding the appointment, removal, and compensation of our General Auditor, the head of our Internal Audit Division, who reports independently to the Audit Committee, as well as the annual incentive funding level for our Internal Audit Division.

The Audit Committee satisfies the definition of "audit committee" in Exchange Act Section 3(a)(58)(A) and the requirements of Exchange Act Rule 10A-3. While we are no longer NYSE-listed, certain NYSE requirements continue to apply to us pursuant to the Corporate Governance Rule. However, FHFA granted a regulatory waiver exempting us from the Corporate Governance Rule insofar as it requires compliance with certain NYSE requirements, including those with respect to audit committee member independence and financial literacy. The Board has determined that all members of our Audit Committee are independent and that Mr. Kittle, a member of the Audit Committee since March 2025, meets the definition of an "audit committee financial expert" under SEC regulations.

## Compensation and Management Development Committee

The CMD Committee (formerly the Compensation and Human Capital Committee), oversees the company's compensation and benefits policies and programs, as well as other human capital matters, including: (1) an annual review of talent development programs and initiatives, including succession planning; and (2) the design and execution of initiatives to strengthen our culture and employee engagement. The company's processes for consideration and determination of executive compensation, and the role of the CMD Committee in those processes, are further described in **Executive Compensation - CD&A**. The CMD Committee Report is included in **Executive Compensation - CD&A - Compensation and Management Development Committee Report**.

Although the CMD Committee plays a role in considering and recommending executive compensation, FHFA is actively involved in determining such compensation in its role as our Conservator and as our regulator. The CMD Committee's authority and flexibility is, therefore, subject to certain limitations as discussed in **Executive Compensation - CD&A - Other Executive Compensation Considerations - Legal, Regulatory, and Conservator Restrictions on Executive Compensation**.

For a discussion of the CMD Committee's conclusion that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us, see **Executive Compensation - Compensation and Risk**.

For a discussion of the CMD Committee's role with respect to human capital generally, see **Introduction - Our Business - Primary Business Strategies - Human Capital Management**.

The CMD Committee consists entirely of independent directors. None of the members of the CMD Committee during 2025 were officers or employees of Freddie Mac or had any relationship with us that would be required to be disclosed by us under Item 407(e)(4) of Regulation S-K.

## Executive Committee

The Executive Committee consists of the Chair of the Board, the chair of each other standing committee, and our CEO. It consists of a majority of independent directors and is authorized to exercise the corporate powers of the Board between Board meetings, except for those powers reserved to the Board by our Charter and Bylaws or otherwise.

## Nominating and Governance Committee

The Nominating and Governance Committee oversees the company's corporate governance, including reviewing the company's Bylaws and the Guidelines. The Nominating and Governance Committee also, among other responsibilities: (1) assists the Board and its committees in conducting annual self-evaluations and identifying qualified individuals to become directors; (2) reviews Board member independence and qualifications and recommends membership of the committees of the Board; and (3) reviews potential conflicts of interest for members of senior management as well as certain related person transactions. The Board has determined that all members of the Nominating and Governance Committee are independent except Messrs. Jones and Pulte.

## Risk Committee

The Risk Committee, which consists entirely of independent directors, oversees on an enterprise-wide basis the company's risk management framework, including credit risk, market risk, liquidity risk, operational risk, compliance risk, and strategic risk. The Risk Committee reviews and recommends the company's enterprise risk policy and Board-level risk appetite statements, metrics, and limits to the Board for approval, oversees management's adherence to Board risk limits and approves any exceptions thereto with notice to the Board, and, among other responsibilities, reviews significant: (1) enterprise risk exposures; (2) risk management strategies; (3) results of risk management reviews and assessments; and (4) emerging risks. The Risk Committee also approves all decisions regarding the appointment or removal of the CRO, who reports independently to the Risk Committee, and reviews capabilities and adequacy of resources allocated to the Enterprise Risk Division.

## Board Leadership Structure

The leadership structure established by the Conservator requires that the positions of CEO and Chair of the Board be held by different individuals. In addition, FHFA's Corporate Governance Rule requires that the position of Chair of the Board be filled by an independent director as defined under the rules of the NYSE. However, FHFA waived the Corporate Governance Rule's requirement that the position of Chair of the Board be filled by an independent director, determining that achievement of the purposes of the GSE Act will not be adversely affected if Freddie Mac is relieved of the obligation to adhere to such requirement.

## Communications with Directors

Interested parties wishing to communicate any concerns or questions about Freddie Mac to the Board or its members may do so by U.S. mail, addressed to the Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive, McLean, VA 22102-3110 or by email at [boardofdirectors@freddiemac.com](mailto:boardofdirectors@freddiemac.com). Communications may be directed to the Chair or Vice Chair of the Board, to any other director or directors, or to groups of directors, such as the independent or non-employee directors.

## Codes of Conduct

We have separate codes of conduct for our employees and Board members. The employee code of conduct serves as the code of ethics for senior executives and financial officers. Each year, all employees, including senior executives and financial officers, must acknowledge that they have read, understand, and will comply with the employee code of conduct, including reporting suspected violations. Directors provide similar acknowledgments with respect to the board code of conduct upon joining the Board.

Both codes of conduct, along with any required disclosures of amendments or waivers, are available at [www.freddiemac.com/governance/code-conduct.html](http://www.freddiemac.com/governance/code-conduct.html).

## Director Compensation

Non-employee Board members (other than Messrs. Jones and Pulte) receive quarterly cash retainers and are reimbursed for reasonable expenses related to Board and Board committee service. Messrs. Jones and Pulte are not eligible to receive compensation for their service on our Board or its committees due to their employment by FHFA.

Directors are compensated entirely in cash because the Purchase Agreement prohibits equity issuances without Treasury's prior written consent. See **Executive Compensation - CD&A - Overview of Executive Compensation Management Program**. Our director compensation program excludes performance-based pay, as incentive compensation is inconsistent with the Board's oversight role.

## 2025 Non-Employee Director Compensation Levels

Compensation levels for non-employee Board members (other than Messrs. Jones and Pulte) are shown in the table below and have not changed since the beginning of conservatorship. Messrs. Jones and Pulte are not eligible to receive compensation for their service on our Board or its committees due to their employment by FHFA.

**Table 59 - Board Compensation Levels**

Board Service <sup>(1)</sup>	Cash Compensation
Annual Retainer for Non-Executive Chair	\$290,000
Annual Retainer for Non-Employee Directors (other than the Non-Executive Chair)	160,000
Committee Service <sup>(1)</sup>	Cash Compensation
Annual Retainer for Audit Committee Chair	\$25,000
Annual Retainer for Risk Committee Chair	15,000
Annual Retainer for Other Committee Chairs (other than Audit or Risk)	10,000
Annual Retainer for Audit Committee Members	10,000

(1) Messrs. Jones and Pulte are not eligible to receive compensation for their service on our Board or its committees due to their employment by FHFA.

## 2025 Director Compensation

The following table summarizes the 2025 compensation earned by all persons who served as a non-employee director during 2025. As noted above, Messrs. Jones and Pulte are not eligible to receive compensation for their service on our Board or its committees due to their employment by FHFA.

**Table 60 - Director Compensation**

Non-Employee Directors	Fees Earned or Paid in Cash <sup>(1)</sup>	Total
<b>Current Directors</b>		
Mark H. Bloom <sup>(2)</sup>	\$162,139	\$162,139
Kathleen L. Casey <sup>(3)</sup>	172,720	172,720
David S. Farbman <sup>(4)</sup>	133,058	133,058
Aleem Gillani <sup>(5)</sup>	174,986	174,986
Ralph W. (Cody) Kittle, III <sup>(6)</sup>	144,403	144,403
Michael Parrott <sup>(7)</sup>	125,990	125,990
<b>Former Directors</b>		
Kevin G. Chavers <sup>(8)</sup>	37,500	37,500
Lance F. Drummond <sup>(9)</sup>	60,417	60,417
Mark B. Grier <sup>(10)</sup>	5,778	5,778
Brandon S. Hamara <sup>(11)</sup>	99,757	99,757
Luke S. Hayden <sup>(12)</sup>	33,333	33,333
Christopher E. Herbert <sup>(13)</sup>	36,361	36,361
Grace A. Huebscher <sup>(14)</sup>	39,861	39,861
Allan P. Merrill <sup>(15)</sup>	35,417	35,417
Jane E. Prokop <sup>(16)</sup>	32,889	32,889
Roy Swan <sup>(17)</sup>	35,417	35,417

(1) We do not have pension or retirement plans for our non-employee directors, and all compensation is paid in cash with no other compensation paid. Therefore, we have omitted the "Stock Awards", "Option Awards", "Change in Pension Value and Non-qualified Deferred Compensation Earnings" and "All Other Compensation" columns.

(2) Mr. Bloom served as Chair of the Operations and Technology Committee until it was dissolved by the Conservator effective March 19, 2025.

(3) Ms. Casey stepped down as Chair of the Nominating and Governance Committee effective April 9, 2025.

(4) Mr. Farbman was elected to the Board effective March 19, 2025, and appointed as Chair of the CMD Committee effective April 9, 2025.

(5) Mr. Gillani stepped down as Chair of the Audit Committee effective May 1, 2025. He continues to serve as a member of the Audit Committee.

(6) Mr. Kittle was elected to the Board effective March 17, 2025, and was appointed as a member of the Audit Committee effective March 24, 2025, and Chair of the Audit Committee effective May 1, 2025.

(7) Mr. Parrott was elected to the Board effective March 28, 2025, and was appointed as Chair of the Risk Committee effective October 16, 2025, and a member of the Audit Committee effective November 18, 2025.

(8) Mr. Chavers served as a member of the Board, Chair of the CMD Committee, and a member of the Audit Committee until he was removed from the Board by the Conservator effective March 17, 2025.

(9) Mr. Drummond served as a member and Chair of the Board and the Executive Committee until he was removed from the Board by the Conservator effective March 17, 2025.

(10) Mr. Grier left the Board effective January 14, 2025, when he reached the age limit set forth by the Guidelines.

(11) Mr. Hamara was elected to the Board effective March 17, 2025, and was appointed as Chair of the Risk Committee effective April 9, 2025, and a member of the Audit Committee effective May 29, 2025. Mr. Hamara resigned from the Board, as Chair of the Risk Committee, and as a member of the Audit Committee effective October 6, 2025.

(12) Mr. Hayden served as a member of the Board until he was removed from the Board by the Conservator effective March 17, 2025.

(13) Mr. Herbert resigned from the Board and resigned as Chair of the Mission and Housing Sustainability Committee effective March 19, 2025.

(14) Ms. Huebscher resigned from the Board and resigned as Chair of the Risk Committee effective March 24, 2025.

(15) Mr. Merrill served as a member of the Board and the Audit Committee until he was removed from the Board by the Conservator effective March 17, 2025.

(16) Ms. Prokop was elected to the Board effective January 2, 2025, and was removed from the Board by the Conservator effective March 17, 2025.

(17) Mr. Swan served as a member of the Board and the Audit Committee until he was removed from the Board by the Conservator effective March 17, 2025.

## Indemnification

We have made arrangements to indemnify our directors against certain liabilities which are similar to the terms on which our executive officers are indemnified. For a description of such terms, see **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment - Indemnification Agreements**.

## Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires that our directors, executive officers, and persons who own more than 10% of a registered class of our equity securities file with the SEC initial reports of ownership and reports of changes in ownership of such securities. Based solely on our review of the copies of such forms and written representations received by us, we believe that such persons have complied with all Section 16(a) filing requirements with respect to the year ended December 31, 2025, except for one late Form 3 filed for Mr. Parrott on April 28, 2025, and one late Form 3 filed for Mr. Smith on January 2, 2026.

## EXECUTIVE OFFICERS

As of February 12, 2026, our executive officers are as follows:

### Kenny M. Smith

Age	Year of Affiliation	Position
64	2025	CEO

Mr. Smith has served as our CEO and a member of our Board since December 17, 2025. See **Directors, Corporate Governance, and Executive Officers - Directors - Director Biographical Information** for a biography of Mr. Smith.

### Michael T. Hutchins

Age	Year of Affiliation	Position
70	2013	President

Mr. Hutchins has served as our President since December 2020 and as a member of our Board since March 2025. See **Directors, Corporate Governance, and Executive Officers - Directors - Director Biographical Information** for a biography of Mr. Hutchins.

### James M. Whitlinger

Age	Year of Affiliation	Position
57	2014	EVP & CFO

Mr. Whitlinger has served as our EVP & CFO since January 2025. In this role, he oversees the Finance Division and is responsible for the company's financial controls, accounting, investor relations, financial planning and reporting, tax, capital oversight, and compliance with the Sarbanes-Oxley Act of 2002. Mr. Whitlinger oversees Corporate Services and Regulatory Affairs. Mr. Whitlinger was previously our SVP - Interim CFO, while also fulfilling responsibilities as our SVP - Single-Family CFO, from June 2024 to December 2024, and SVP - Single-Family CFO from September 2014 to December 2024. Prior to joining the company, he held a variety of leadership positions during his 22-year tenure at GMAC ResCap, Inc. and Residential Capital LLC, including EVP and CFO for Residential Capital LLC and its subsidiaries.

### Matthew D. Abrusci

Age	Year of Affiliation	Position
58	2025	EVP - General Counsel & Corporate Secretary

Mr. Abrusci has served as our EVP - General Counsel & Corporate Secretary since September 2025. In this role, he oversees the Legal Division and is responsible for the company's legal strategies, services, and resources and corporate governance matters. Mr. Abrusci has more than 30 years of financial services experience across banking and capital markets covering governance, regulatory and securities law matters. He joined Freddie Mac from Mitsubishi UFG Financial Group (MUFG Americas), where he served as General Counsel and oversaw legal services for the company's North and South America operations from April 2023 to July 2025. Previously, he held senior positions at the Royal Bank of Canada from 2020 to 2023 and Credit Suisse Securities (USA) LLC from 2004 to 2020.

### John C. Glessner

Age	Year of Affiliation	Position
53	2010	EVP - Investments and Capital Markets

Mr. Glessner has served as our EVP - Investments and Capital Markets since March 2024. In this role, he leads the Investments and Capital Markets Division and is responsible for managing our liquidity, financing, and derivative activities as well as our portfolio of single-family mortgage securities, loan investments, and credit risk transfer. Mr. Glessner was previously SVP - Investments and Capital Markets from April 2021 to February 2024, and SVP - Asset and Liability Management and Treasurer from March 2018 to April 2021. He also oversaw the Investments and Capital Markets Division's counterparty credit risk activities and secured lending to our investors and customers. He previously worked in the Securities Sales & Trading Group and on the Collateralized Mortgage Obligation and Cash Window desks, among other areas. Previously, he held various trading positions at the Friedman, Billings, Ramsey Group and GMAC ResCap, Inc.

## Anil D. Hinduja

Age	Year of Affiliation	Position
62	2015	EVP - CRO

Mr. Hinduja has served as our EVP - CRO since July 2015. In this role, he leads the Enterprise Risk Division and is responsible for the company's enterprise-wide risk framework and providing overall direction and leadership for the risk function. He joined Freddie Mac from Barclays PLC, where he served in increasingly broader risk management roles beginning in 2009, including CRO for Barclays Africa Group Limited, Group Credit Director for Retail Credit Risk, and CRO for Barclays' retail bank in the U.K. Prior to joining Barclays, he spent 19 years at Citigroup in diverse roles with increasing responsibility across finance, operations, sales and distribution, business, and risk management in global consumer businesses. These included Director for Global Consumer Credit Risk, CRO for the North America Consumer Lending Group, and President and CEO of Citi Home Equity.

## Sonu Mittal

Age	Year of Affiliation	Position
43	2023	EVP - Single-Family Acquisitions

Mr. Mittal has served as our EVP and Head of the Single-Family Acquisitions Division since February 2025. In this role, Mr. Mittal oversees seller engagement, credit, products, models, and affordable plans and housing goals, as well as the operations and technology that support these activities. Mr. Mittal was previously our SVP and Head of the Single-Family Acquisitions Division from March 2023 to January 2025. Prior to joining Freddie Mac, Mr. Mittal served as President of Home Mortgage, Executive Vice President of Home Mortgage, and Head of Retail Mortgage at Citizens Bank from March 2018 to March 2023. He served at Capital One from February 2009 to March 2018 as Production and Digital Transformation Head and National Direct to Consumer Sales Head. From 2000 to 2009, he held various home lending and sales management positions at Chevy Chase Bank.

## Kevin B. Palmer

Age	Year of Affiliation	Position
49	2001	SVP - Multifamily

Mr. Palmer has served as our SVP and Head of the Multifamily Division since May 2022. In this role, he oversees all aspects of Multifamily Division's efforts to provide stability, liquidity, and affordability throughout the rental housing market. This includes lender engagement, credit, capital markets, portfolio management, servicing and asset management, operations and technology. Previously, Mr. Palmer led Portfolio Management for our Single-Family Division, including supervision of the company's book of business including servicing, pricing, and analytics, and oversight of our real estate-owned portfolio, in addition to leading Single-Family CRT.

## Neil I. Sarnak

Age	Year of Affiliation	Position
68	2025	SVP - EO&T

Mr. Sarnak has served as our SVP - EO&T since May 2025. In this role he is responsible for corporate-wide leadership for the company's technology and cybersecurity strategy. He also has oversight of the Corporate Technology Office and leads technology transformation and modernization efforts across the enterprise. Previously, Mr. Sarnak held executive roles at investment banking firms, including most recently, Managing Director - Head of Enterprise Data & Analytics at Credit Suisse from 2017 to 2020. Mr. Sarnak also held positions of Manager Director - Technical and Functional Architect at Morgan Stanley from 2008 to 2011, Managing Director - Global Chief Information Officer at UBS Investment Bank from 2005 to 2008 and Managing Director - Fixed Income Technology and Chief Technology Officer Investment Bank at Goldman Sachs from 1998 to 2005. He also has extensive consulting experience at Freddie Mac and other financial institutions since 2012, including leading major initiatives in enterprise architecture, risk management systems, data and cloud modernization, and electronic trading strategy.

## Ravi Shankar

Age	Year of Affiliation	Position
62	2022	EVP - Single-Family Portfolio & Servicing

Mr. Shankar has served as our EVP - Head of the Single-Family Portfolio & Servicing Division since February 2025. In this role, Mr. Shankar oversees the Single-Family Portfolio & Servicing Division's portfolio management and servicing, as well as the operations and technology that support these activities. He also plays a significant role in supporting our mission to provide affordable and equitable housing. Mr. Shankar was our SVP - Head of the Single-Family Portfolio & Servicing Division from November 2022 to January 2025. In addition, since November 2022, he has served as a member of the Board of Managers of U.S. Financial Technology, LLC. Prior to that, Mr. Shankar held senior advisor positions at Boston Consulting Group from August 2021 to October 2022 and United Wholesale Mortgage from 2020 to 2021. Prior to that, Mr. Shankar served as SVP of Portfolio Management for Freddie Mac's Single-Family Division from 2013 to 2016, and deputy head of Freddie Mac's Investments and Capital Markets Division from 2016 to 2019. He also spent seven years at JPMorgan Chase & Company in increasingly senior positions, including CFO, Head of Capital Markets, and Portfolio Manager at Chase Home Finance. Prior to that, he worked in various senior positions with Citigroup for 16 years.

# Executive Compensation

## COMPENSATION DISCUSSION AND ANALYSIS

This section contains information regarding our compensation programs (all of which have been approved by FHFA) and the compensation of the following individuals who we determined to be our Named Executive Officers, or NEOs, for the year ended December 31, 2025.

Named Executive Officers	
<b>Kenny M. Smith</b>	CEO <sup>(1)</sup>
<b>Michael T. Hutchins</b>	President <sup>(2)</sup>
<b>James M. Whitinger</b>	EVP & CFO
<b>Anil D. Hinduja</b>	EVP - CRO
<b>John C. Glessner</b>	EVP - Investments and Capital Markets
<b>Sonu Mittal</b>	EVP - Single Family Acquisitions <sup>(3)</sup>
<b>Diana W. Reid</b>	Former CEO <sup>(4)</sup>

(1) Mr. Smith became our CEO effective December 17, 2025.

(2) While continuing to serve as President, Mr. Hutchins also served as Interim CEO from March 20, 2025, to December 16, 2025.

(3) Mr. Mittal served as SVP - Single-Family Acquisitions through February 9, 2025. He has served as EVP - Single-Family Acquisitions since February 10, 2025.

(4) Ms. Reid was appointed CEO in September 2024 and departed from the company in March 2025.

For information on our primary business objectives and the progress we made during 2025 toward accomplishing those objectives, see **Introduction - About Freddie Mac** and **Introduction - Our Business**.

### Overview of Executive Management Compensation Program

Compensation in 2025 for each NEO, other than Mr. Smith (our current CEO) and Ms. Reid (our former CEO), whose compensation is discussed below, was governed by the EMCP. The EMCP balances our need to attract and retain executive talent with promoting the conservatorship objectives included in FHFA's Conservatorship Scorecard, as well as goals separately established by management related to the commercial aspects of our business, which are included in our Corporate Scorecard. All compensation under the EMCP is delivered in cash because the Purchase Agreement does not permit us to provide equity-based compensation to our employees unless approved by Treasury.

FHFA has advised us that the design of the EMCP was intended to fulfill and balance three primary objectives:

- **Maintain Lower Pay Levels to Conserve Taxpayer Resources.** Given our conservatorship status, the EMCP is designed generally to provide for lower pay levels relative to large financial services firms that are not in conservatorship.
- **Attract and Retain Executive Talent.** The EMCP is intended to attract and retain executive officers with the specialized skills and knowledge necessary to effectively manage a large financial services company. Executive officers with these qualifications are needed for the company to continue to fulfill its important role in providing liquidity, stability, and affordability to the housing market. We face competition for qualified executives from other companies. The CMD Committee regularly considers the level of our executive officers' compensation and whether changes are needed to attract and retain executive officers. See **Risk Factors** for a discussion of the risks associated with executive retention and succession planning.
- **Reduce Pay if Goals Are Not Achieved.** To support FHFA's goals for our conservatorship and encourage performance in furtherance of these goals, 30% of each NEO's Target TDC (other than the CEO's compensation) consists of At-Risk Deferred Salary subject to reduction based on corporate and individual performance as reflected in the Conservatorship and Corporate Scorecards.

FHFA's objectives for the EMCP and the legal and regulatory restrictions on our executive compensation described in **Executive Compensation - CD&A - Other Executive Compensation Considerations - Legal, Regulatory, and Conservator Restrictions on Executive Compensation** limit our ability to make changes to the EMCP and limit the amount and type of compensation we may pay our executive officers.

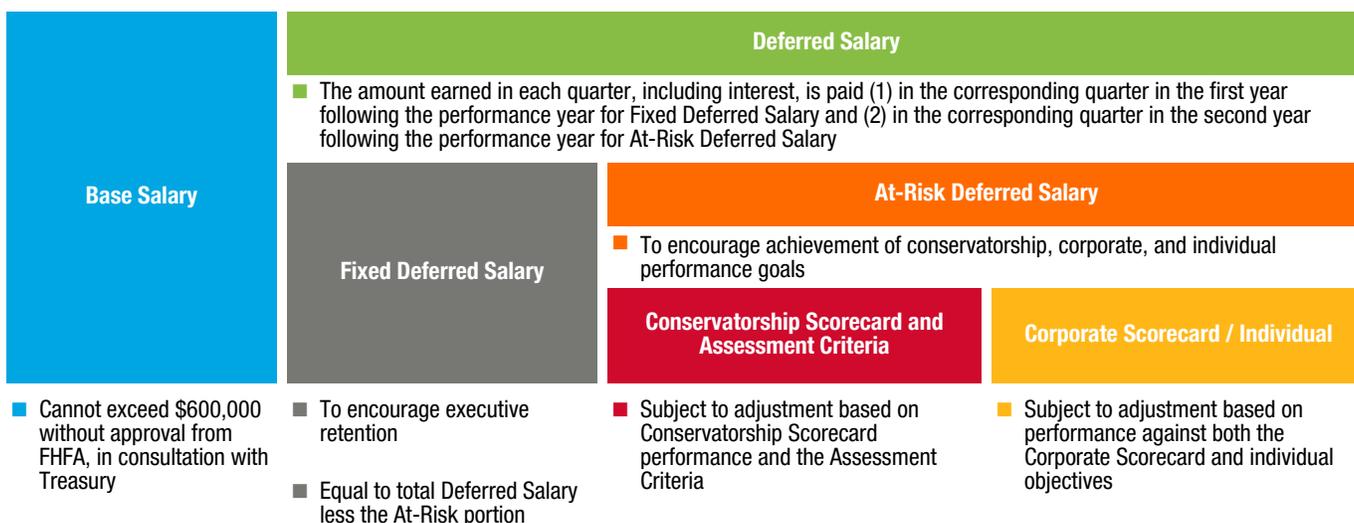
# CEO Compensation

Compensation in 2025 for Mr. Smith and Ms. Reid consisted of an annual Base Salary level of \$600,000, in compliance with the Equity in Government Compensation Act of 2015. Due to statutory limitations on compensation for the CEO, they do not participate in the EMCP and, therefore, did not receive any compensation subject to either corporate or individual performance in 2025. In addition, Ms. Reid did not receive any compensation or benefits in connection with her departure from the company in March 2025. Mr. Smith and Ms. Reid were eligible to participate in all employee benefit plans offered to Freddie Mac's other senior executives under the terms of those plans. See **Executive Compensation - 2025 Compensation Information For NEOs - Summary Compensation Table** for additional information.

Although Mr. Hutchins served as Interim CEO from March 2025 to December 2025, he remained our President and was therefore eligible to participate in the EMCP, as described below.

## Elements of Target TDC

Compensation under the EMCP in 2025 consisted of the following elements:



As in past years, 30% of Target TDC is At-Risk Deferred Salary, half of which is subject to adjustment based on FHFA's assessment of the company's performance against goals established by FHFA. The other half is subject to adjustment based on a combination of the company's performance against goals established by the Board for the performance year and individual performance.

The objectives against which 2025 corporate performance was measured, together with the assessment of actual performance against those objectives and the Assessment Criteria used by FHFA, are described in **Executive Compensation - CD&A - Determination of 2025 At-Risk Deferred Salary - At-Risk Deferred Salary Based on Conservatorship Scorecard Performance** and **Executive Compensation - CD&A - Determination of 2025 At-Risk Deferred Salary - At-Risk Deferred Salary Based on Corporate Scorecard Goals and Individual Performance**. These performance measures were chosen because they reflected our 2025 goals during conservatorship.

See **Executive Compensation - CD&A - Other Executive Compensation Considerations - Effect of Termination of Employment** for information on the effect of a termination of employment, including the timing and payment of any unpaid portion of Deferred Salary and related interest.

## Determination of 2025 Target TDC for Eligible NEOs

### Role of Compensation Consultant

As part of the annual process to evaluate each eligible NEO's 2025 Target TDC, the CMD Committee received guidance from Pay Governance LLC, or Pay Governance, its independent compensation consultant. In addition to the annual process to determine Target TDC, Pay Governance provides guidance to the CMD Committee throughout the year on other executive compensation matters.

Pay Governance has not provided the CMD Committee with any non-executive compensation services, nor has the firm provided any consulting or other services to our management. During 2025, the CMD Committee reviewed Pay Governance's

independence based on the factors outlined in Exchange Act Rule 10C-1(b)(4) and determined that Pay Governance continues to be independent.

## 2025 Comparator Group Companies

The CMD Committee annually evaluates each eligible NEO's Target TDC in relation to the compensation of executive officers in comparable positions at companies that are either in a similar line of business or are otherwise comparable for purposes of recruiting and retaining individuals with the necessary skills and capabilities. We refer to this group of companies as the Comparator Group. Finding comparable companies for purposes of benchmarking executive compensation is challenging due to our unique business, structure, and mission, and the large size of our book of business compared to other financial services firms. We believe the only directly comparable firm to us is Fannie Mae, but we use a broader group of companies to provide market benchmark data.

At FHFA's request, Freddie Mac and Fannie Mae use the same Comparator Group for benchmarking executive compensation to provide consistency in the market data used for compensation decisions for similar positions. Factors relevant to the selection of companies for our Comparator Group include their status as U.S. public companies, the industry in which they operate, the complexity of their business, and their size (in terms of assets, revenue, and number of employees) relative to the size of Freddie Mac.

The Comparator Group used for benchmarking executive compensation consists of the following companies:

### Primary Peer Group

- American International Group, Inc.
- Ally Financial Inc.
- American Express Company
- The Bank of New York Mellon Corporation
- Capital One Financial Corporation<sup>(1)</sup>
- Chubb
- Citizens Financial Group, Inc.
- Fannie Mae
- Fifth Third Bancorp
- The Hartford Financial Services Group, Inc.
- KeyCorp
- MetLife, Inc.
- Northern Trust Corporation
- PNC Financial Services Group, Inc.
- Principal Financial Group
- Prudential Financial, Inc.
- State Street Corporation
- Synchrony Financial
- Truist Financial Corporation
- U.S. Bancorp

(1) Capital One completed the acquisition of Discover Financial Services in 2025.

### Secondary Peer Group

- Bank of America Corporation
- Citigroup Inc.
- JPMorgan Chase & Co.
- Wells Fargo & Company

The benchmarking approach for executive compensation includes the following:

- For the roles of CFO and President, a 20% discount is applied to the compensation data reported by companies in the Comparator Group.
- The Secondary Peer Group is used in addition to the Primary Peer Group if the Primary Peer Group has insufficient data. In such cases, only data from mortgage or real estate divisions in the Secondary Peer Group is used unless an exception is granted.
- If insufficient data is available from the Primary and Secondary Peer Groups, FHFA may grant an exception to include market data from other similar companies.

## Establishing Target TDC

The CMD Committee developed its 2025 Target TDC recommendations for eligible NEOs after reviewing data from the Comparator Group using the aforementioned benchmarking approach. For Mr. Hutchins' role as President, the CMD Committee recommended a Target TDC aligned to the 75th percentile of the compensation data reported by companies in the Comparator Group. Based on the enterprise-level scope and impact of the President's role at Freddie Mac, the CMD Committee believes that the 75th percentile is a more appropriate benchmark for the top executive-level position at Freddie Mac and will help to ensure business continuity, operational excellence, and execution of the company's strategic objectives.

Mr. Hutchins did not receive additional compensation for his service as our Interim CEO in 2025. His base salary remained unchanged at \$600,000. His Fixed Deferred Salary is \$3,250,000 and his At-Risk Deferred Salary is \$1,650,000 effective April 7, 2025. His Fixed Deferred Salary will be \$4,300,000 and his At-Risk Deferred Salary will be \$2,100,000 effective April 6, 2026.

## 2025 Target TDC

The following table sets forth the components of 2025 Target TDC for each of our eligible NEOs:

**Table 61 - 2025 Target TDC**

Named Executive Officer <sup>(1)</sup>	2025 Target TDC			
	Base Salary Rate	Fixed Deferred Salary	At-Risk Deferred Salary	Target TDC
Michael T. Hutchins <sup>(2)</sup>	\$600,000	\$2,970,192	\$1,530,082	\$5,100,274
James M. Whitlinger	600,000	1,080,000	720,000	2,400,000
Anil D. Hinduja	600,000	1,500,000	900,000	3,000,000
John C. Glessner	600,000	1,045,000	705,000	2,350,000
Sonu Mittal	600,000	1,045,000	705,000	2,350,000

- (1) Mr. Smith and Ms. Reid did not participate in the EMCP in 2025 and therefore are not included in this table. For a discussion of their compensation, see **Executive Compensation - CD&A - CEO Compensation**.
- (2) Although Mr. Hutchins served as Interim CEO from March 2025 to December 2025, he remained our President and was therefore eligible to participate in the EMCP. The amounts in the table reflect the prorated impact of the April 2025 increase to Mr. Hutchins' Target TDC from \$4,000,000 to \$5,500,000, consisting of a Deferred Salary increase of \$1,500,000. Mr. Hutchins is expected to receive a Target TDC increase from \$5,500,000 to \$7,000,000 in April 2026.

## 2025 Executive Compensation Best Practices

What We Do	What We Don't Do
<ul style="list-style-type: none"> <li>■ Clawback provisions with a significant portion of compensation subject to recapture and/or forfeiture</li> <li>■ Use of an independent compensation consultant by the CMD Committee</li> <li>■ Annual compensation risk review</li> <li>■ Evaluation of company performance against multiple measures, including non-financial measures</li> <li>■ No executive perquisites for executive officers other than a relocation program</li> </ul>	<ul style="list-style-type: none"> <li>■ No agreements that guarantee a specific amount of compensation for a specified term of employment</li> <li>■ No golden parachute payments or other similar change-in-control provisions</li> <li>■ No tax "gross-ups"</li> <li>■ No hedging or pledging of company securities</li> </ul>

## Determination of 2025 At-Risk Deferred Salary

The CMD Committee and FHFA considered our achievements in pursuing our primary business objectives, as well as other factors, in approving the funding level for At-Risk Deferred Salary in 2025. FHFA determined the funding level for the portion of At-Risk Deferred Salary based on Conservatorship Scorecard performance and Assessment Criteria, and the CMD Committee determined, with FHFA's review and approval, the amounts payable to each eligible NEO for the portion of At-Risk Deferred Salary based on Corporate Scorecard goals and individual performance.

## At-Risk Deferred Salary Based on Conservatorship Scorecard Performance

Half of each eligible NEO's 2025 At-Risk Deferred Salary, or 15% of Target TDC, was subject to adjustment based on FHFA's assessment of the company's performance against the goals in the 2025 Conservatorship Scorecard and the Assessment Criteria as defined and described below. FHFA independently assessed our performance against the 2025 Conservatorship Scorecard and the Assessment Criteria and determined that a 84% funding level was justified for the portion of the eligible NEO's At-Risk Deferred Salary.

In February 2025, FHFA issued a set of corporate performance objectives in the 2025 Conservatorship Scorecard with two overarching goals: (1) promote equitable access to affordable and sustainable housing and (2) operate the business in a safe and sound manner. Over the course of the year, FHFA communicated shifts in its expectations and priorities for our objectives, with input from management.

In making its assessment, FHFA used the following criteria (collectively, the Assessment Criteria), including how:

- Our products and programs fostered liquid, competitive, efficient, and resilient housing finance markets that support affordable, sustainable, and equitable access to homeownership and rental housing.
- We conducted business in a safe and sound manner.
- We met expectations under all FHFA requirements, including those pertaining to capital, liquidity, and credit risk transfer.
- We continued to manage operations while in conservatorship in a manner that preserves and conserves assets through the prudent stewardship of resources.
- We cooperated and collaborated with FHFA in developing plans, policies, and activities that align with the Conservator's priorities and guidance.
- We delivered work products that are high quality, thorough, creative, effective, and timely, while considering their effects on homeowners, multifamily property owners, renters, the Enterprises, the industry, the secondary mortgage market, and other stakeholders.
- We maintained compliance with all applicable laws and regulations.

## At-Risk Deferred Salary Based on Corporate Scorecard Goals and Individual Performance

The other half of each eligible NEO's At-Risk Deferred Salary, also equal to 15% of Target TDC, is first subject to adjustments based on the company's performance against the Corporate Scorecard goals and other relevant factors, as determined by the CMD Committee. The Corporate Scorecard goals drive how we manage and improve the commercial aspects of our business and are intended to complement the FHFA Strategic Plan and Conservatorship Scorecard. Then, an adjustment may be applied based on the eligible NEO's individual performance. Any adjustment for individual performance, however, cannot result in an amount in excess of the eligible NEO's target for this portion of At-Risk Deferred Salary.

The CMD Committee considered management's assessment of its performance against the goals and also discussed the company's performance with the President and the CEO. As the Corporate Scorecard does not have assigned weightings for the various Corporate Scorecard goals, it was necessary for the CMD Committee to use its judgment in determining the overall level of performance. The company achieved or exceeded all of its Corporate and Conservatorship Scorecard goals, enhanced its commitment to its mission, and improved its control environment. As a first step in the process, the CMD Committee determined that the portion of NEO At-Risk Deferred Salary should reflect 100%, in light of its assessment of the company's performance against the Corporate Scorecard as well as other factors that it deemed relevant for consideration. Next, the CMD Committee assessed each eligible NEO's individual performance, described below under **Assessment of 2025 Individual Performance**.

The table below presents the 2025 Corporate Scorecard goals and the CMD Committee's discussion of our performance against those goals.

Corporate Scorecard Goal	Performance
<b>Deliver on our Affordable Housing Mission</b>	We substantially completed or achieved all our 2025 Single-Family and Multifamily affordable housing goals and achieved or exceeded 2025 Single-Family and Multifamily Duty to serve goals
<b>Identify, Assess, and Manage Risk</b>	We achieved or exceeded all elements of this goal, including managing risk within established limits, timely remediation of significant issues, and design and meet milestones to reduce operational risk and achieve compliance
<b>Build Financial Strength</b>	We achieved or exceeded all elements of this goal, including those related to corporate expenses and income.

## Assessment of 2025 Individual Performance

Half of each eligible NEO's 2025 At-Risk Deferred Salary was subject to adjustment based on individual performance in 2025, as determined by the CMD Committee with FHFA's approval. Any adjustment for individual performance, however, could not result in an amount in excess of the eligible NEO's target for this portion of At-Risk Deferred Salary. After assessing the company's performance against the 2025 Corporate Scorecard, the CMD Committee assessed individual performance of each eligible NEO, taking into consideration input from Mr. Hutchins. FHFA reviewed and approved the compensation associated with these determinations.

Each eligible NEO's individual performance assessment and the funding level for the individual performance-based At-Risk Deferred Salary for 2025 are discussed below.

### **Michael T. Hutchins, President**

#### **Performance Highlights**

- Provided enterprise-wide leadership by delivering strong financial results, maintaining disciplined expense management, and strengthening Freddie Mac's market position in both single-family and multifamily segments.
- Advanced operational efficiency by streamlining company activities, reducing time to market, and investing in technology to improve productivity and modernize legacy infrastructure.
- Supported the company's affordable housing mission by expanding liquidity, onboarding new sellers, and launching initiatives to help more families across America access homeownership and affordable rental housing, despite challenging market conditions.
- Enhanced risk management practices and business resiliency through improvements in quality control, fraud detection, cybersecurity, and data management, while continuing to develop talent across the organization.

#### **At-Risk Deferred Salary (Corporate Scorecard/Individual) Funding Decision**

The CMD Committee determined that Mr. Hutchins should receive 100% of his At-Risk Deferred Salary that was subject to adjustment after taking into account the company's performance against the Corporate Scorecard and his individual performance.

### **James M. Whitlinger, EVP & CFO**

#### **Performance Highlights**

- Provided strong financial leadership and advisory support across business divisions, advancing new initiatives in hedging strategies, capital planning, and risk appetite frameworks.
- Delivered significant cost savings and improved operational efficiency through disciplined expense management, workforce optimization, and streamlining vendor contracts and licensing.
- Modernized financial systems and processes, implementing new reporting tools and platforms to enhance analytics, governance, and integration capabilities.
- Strengthened organizational capabilities through talent development and organizational redesign, elevating analytical skills and oversight across the Finance Division.

#### **At-Risk Deferred Salary (Corporate Scorecard/Individual) Funding Decision**

The CMD Committee determined that Mr. Whitlinger should receive 100% of his At-Risk Deferred Salary that was subject to adjustment after taking into account the company's performance against the Corporate Scorecard and his individual performance.

### **Anil D. Hinduja, EVP - CRO**

#### **Performance Highlights**

- Strengthened enterprise-wide alignment with division heads to advance strategic and operating priorities, with a focus on delivering the affordable housing mission in a safe and sound manner.
- Led the effort to align and integrate risk appetite with capital planning resulting in a more consistent view of risk, earnings, capital, and returns under different stress scenarios.
- Enhanced the risk framework by incorporating materiality across risk types, and improved oversight practices.
- Drove transformation of the Enterprise Risk Division, elevating talent development.
- Implementing the Governance, Risk, and Compliance (GRC) program designed to benchmark methodology with industry practices and modernize platforms to support improved process, risk and control assessment across the firm.

#### **At-Risk Deferred Salary (Corporate Scorecard/Individual) Funding Decision**

The CMD Committee determined that Mr. Hinduja should receive 100% of his At-Risk Deferred Salary that was subject to adjustment after taking into account the company's performance against the Corporate Scorecard and his individual performance.

**John C. Glessner, EVP - Investments and Capital Markets****Performance Highlights**

- Supported the company's affordable housing mission by expanding services for smaller originators, providing secondary market support, and collaborating on new product development and market liquidity initiatives.
- Advanced financial strength through increased activity in mortgage-backed securities and collateralized mortgage obligations markets, optimized capital restoration strategies, and enhanced investment approaches.
- Strengthened organizational capabilities through effective leadership transitions, increased cross-team collaboration, and development of talent across key functions.
- Enhanced risk management by updating hedging strategies, refining loss appetite methodology, consolidating operational risk management, and improving model governance and counterparty credit processes.

**At-Risk Deferred Salary (Corporate Scorecard/Individual) Funding Decision**

The CMD Committee determined that Mr. Glessner should receive 100% of his At-Risk Deferred Salary that was subject to adjustment after taking into account the company's performance against the Corporate Scorecard and his individual performance.

**Sonu Mittal, EVP - Single-Family Acquisitions****Performance Highlights**

- Advanced affordable housing initiatives, sustained strong performance in key markets, and introduced product enhancements to reduce borrower costs and expand housing supply.
- Increased acquisition volume and market coverage while maintaining disciplined expense management and supporting homeownership for a significant number of families.
- Improved seller engagement and onboarding, executed operational improvements, and realized benefits from modernization efforts to drive greater efficiency and effectiveness, in partnership with industry.
- Strengthened risk management practices across credit, models, and operations by harnessing modern technologies and advanced analytics to improve predictive modeling, operational agility, and compliance.

**At-Risk Deferred Salary (Corporate Scorecard/Individual) Funding Decision**

The CMD Committee determined that Mr. Mittal should receive 100% of his At-Risk Deferred Salary that was subject to adjustment after taking into account the company's performance against the Corporate Scorecard and his individual performance.

## 2025 Deferred Salary

The following chart reports the actual amounts of 2025 Deferred Salary for each NEO, other than Mr. Smith and Ms. Reid who were not eligible for 2025 Deferred Salary. See **Executive Compensation - CD&A - Overview of EMCP** for additional information.

**Table 62 - 2025 Deferred Salary**

Named Executive Officer	2025 Actual Deferred Salary		
	Fixed	At-Risk	
		Conservatorship Scorecard	Corporate Scorecard / Individual
Michael T. Hutchins	\$2,970,192	\$642,635	\$765,041
James M. Whitlinger	1,080,000	302,400	360,000
Anil D. Hinduja	1,500,000	378,000	450,000
John C. Glessner	1,045,000	296,100	352,500
Sonu Mittal	1,045,000	296,100	352,500

## Written Agreements Relating to NEO Employment

We entered into agreements with each of our NEOs in connection with their hiring, which set forth the specific initial levels of compensation, including, as applicable, Base Salary and Target TDC. The compensation of each NEO is subject to change by FHFA and the terms of the EMCP. See **Executive Compensation - CD&A - Determination of 2025 Target TDC for Eligible NEOs - 2025 Target TDC** for 2025 Target TDC amounts for our eligible NEOs. Other than the agreements described below, there are no material provisions of any of the agreements we entered into with our NEOs in connection with their hiring as they have either been superseded by the EMCP, as described above, or the provisions are no longer effective, such as sign-on bonuses that have been paid and are no longer subject to repayment.

In connection with Ms. Reid's appointment as our CEO, she was offered relocation benefits to reimburse her for her costs associated with relocating to the Washington, D.C., area. These relocation benefits were subject to repayment if, within 24 months of signing the repayment agreement, Ms. Reid terminated her employment with Freddie Mac for any reason or Freddie Mac terminated her employment due to the occurrence of forfeiture events relating to materially inaccurate information, termination for felony conviction or willful misconduct, gross neglect or gross misconduct, or violation of a post-termination non-competition covenant.

In connection with Mr. Mittal's employment as SVP - Single-Family Acquisitions, he was offered a cash sign-on award of \$1,042,000 in recognition of forfeited compensation at his previous employer, payable in four installments: \$409,000 paid on his start date in 2023, \$455,000 paid on the first anniversary of his start date, \$110,000 paid on the second anniversary of his start date, and \$68,000 payable on the third anniversary of his start date. Any unpaid portion of the cash sign-on award will not be paid, and any portion paid within the last year will be subject to repayment, in the event Mr. Mittal terminates his employment with us for any reason or Freddie Mac terminates his employment due to (1) the occurrence of any of the Forfeiture Events described in the Recapture and Forfeiture Agreement, (2) significant misconduct, chronic unexcused absenteeism, disruptive behavior, refusal to perform assigned duties, or other lack of good faith effort to perform assigned duties, (3) him being substantially responsible for Freddie Mac's insolvency or troubled condition, or (4) failure to meet a condition of employment.

We have also entered into restrictive covenant and confidentiality agreements with each of our NEOs. The non-competition and non-solicitation provisions included in the restrictive covenant and confidentiality agreements are described in **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment - Restrictive Covenant and Confidentiality Agreements**.

NEOs are not currently entitled to severance benefits upon any type of termination event. For additional information on compensation and benefits payable in the event of a termination of employment, see **Executive Compensation - 2025 Compensation Information for NEOs - Potential Payments Upon Termination of Employment**.

## Restrictive Covenant and Confidentiality Agreements

Each NEO has signed a restrictive covenant and confidentiality agreement that includes:

- A 12-month non-compete with designated competitors for similar roles, regardless of termination circumstances.
- A 12-month non-solicitation provision for certain managerial employees and employees supervised (directly or indirectly) by the NEO.
- Confidentiality obligations for trade secrets and proprietary or other confidential information.
- In certain circumstances, a six-month "cooling off" period prohibiting direct or indirect participation in Freddie Mac transactions.

## Recapture and Forfeiture Agreement

All eligible NEOs participating in the EMCP have signed a Recapture and Forfeiture Agreement. Mr. Smith and Ms. Reid were not eligible to participate in the EMCP due to their service as our CEO during 2025. Accordingly, they did not sign such an agreement.

The Recapture and Forfeiture Agreement provides for the recapture and/or forfeiture of Deferred Salary (including related interest) earned, paid, or to be paid pursuant to the EMCP if the Board, in its discretion after providing the required notice, determines that a Forfeiture Event has occurred. The Forfeiture Events and compensation subject to recapture and/or forfeiture are described below.

As the company is not exchange-listed, it is not subject to Exchange Act Rule 10D-1, NYSE Listed Company Manual Section 303A.14 or similar clawback requirements. Accordingly, the Recapture and Forfeiture Agreement differs from these rules in certain respects.

## Materially Inaccurate Information

- **Forfeiture Event** - The NEO has earned or obtained the legally binding right to a payment of Deferred Salary based on materially inaccurate financial statements or any other materially inaccurate performance measure.
- **Compensation Subject to Recapture and/or Forfeiture** - Any Deferred Salary earned up to two years prior to the Forfeiture Event in excess of the amount that the Board determines Freddie Mac would have paid if the Forfeiture Event had been considered at the time of the earlier compensation decisions (amounts may vary depending on the specific Forfeiture Event).

## Termination for Felony Conviction or Willful Misconduct

- **Forfeiture Event** - The NEO's employment is terminated in any of the following circumstances:
  - Termination of employment because the NEO is convicted of, or pleads guilty or nolo contendere to, a felony;
  - Subsequent to termination of employment, the NEO is convicted of, or pleads guilty or nolo contendere to, a felony, based on conduct occurring prior to termination, and within one year of such conviction or plea, the Board determines that such conduct is materially harmful to Freddie Mac; or
  - Termination of employment because, or, within two years of termination, the Board determines that, the NEO engaged in willful misconduct in the performance of their duties that was materially harmful to Freddie Mac.
- **Compensation Subject to Recapture and/or Forfeiture** - Any Deferred Salary earned during the two years prior to the date that the NEO is terminated, any Deferred Salary scheduled to be paid within two years after termination, and any cash payment made or to be made as consideration for any release of claims agreement.

## Gross Neglect or Gross Misconduct

- **Forfeiture Event** - The NEO's employment is terminated because, in carrying out their duties, the NEO engages in conduct that constitutes gross neglect or gross misconduct that is materially harmful to Freddie Mac, or, within two years after the NEO's termination of employment, the Board determines that the NEO, prior to their termination, engaged in such conduct.
- **Compensation Subject to Recapture and/or Forfeiture** - Any Deferred Salary paid at the time of termination or subsequent to the date of termination, including any cash payment made as consideration for any release of claims agreement.

## Violation of a Post-Termination Non-Competition Covenant

- **Forfeiture Event** - The NEO violates a post-termination non-competition covenant set forth in the restrictive covenant and confidentiality agreement in effect when a payment of Deferred Salary is scheduled to be made.
- **Compensation Subject to Recapture and/or Forfeiture** - 50% of the Deferred Salary paid during the twelve months immediately preceding the violation and 100% of any unpaid Deferred Salary.

Under the Recapture and Forfeiture Agreement, the Board has discretion to determine the appropriate dollar amount, if any, to be recaptured from and/or forfeited by the NEO, which is intended to be the gross amount of compensation in excess of what Freddie Mac would have paid the NEO had Freddie Mac taken the Forfeiture Event into consideration at the time such compensation decision was made.

## Indemnification Agreements

The company has indemnification agreements with all directors and executive officers, including NEOs. For executive officers, indemnification rights terminate if they remain employed by the company after ceasing to report directly to the CEO or President with respect to any claims arising from matters occurring after ceasing to report directly to the CEO or President, though similar rights would continue under the Bylaws.

These agreements provide indemnification to the fullest extent permitted by the Bylaws and Virginia law, covering, subject to certain terms and conditions, an indemnitee's liabilities and reasonable expenses (including attorneys' fees) actually incurred in connection with any threatened or pending action, suit or proceeding, except those arising from willful misconduct or knowing violation of criminal law. The company will advance expenses upon request, subject to repayment by the indemnitee if it is ultimately determined that the indemnitee is not entitled to indemnification.

The rights and obligations under the indemnification agreements:

- Are non-exclusive of other statutory or contractual rights
- Continue after service ends for claims based on prior service
- Survive termination of conservatorship
- For FHFA-instituted actions, follow FHFA's Rule on Golden Parachute and Indemnification Payments

## Other Executive Compensation Considerations

### Accounting Restatement Resulting from Misconduct

If, as a result of misconduct, we are required to prepare an accounting restatement due to material non-compliance with financial reporting requirements, the CEO and CFO are required to reimburse us for amounts determined in accordance with Section 304 of the Sarbanes-Oxley Act of 2002.

### Effect of Termination of Employment

The timing and payment of any unpaid portion of Deferred Salary and related interest is based upon the reason for termination, as discussed in **Potential Payments Upon Termination of Employment**.

### Perquisites

Perquisites are minimal in NEO compensation packages. Total annual perquisites exceeding \$25,000 require FHFA approval, and we do not provide a gross-up to cover any taxes due on the perquisite itself. In 2025, the only executive perquisite offered was a relocation program for Ms. Reid, as described in **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment**.

### SERP and SERP II

After our NEOs have satisfied the one-year service requirement, they are eligible to participate in our SERP. The SERP is designed to provide participants with the full amount of benefits to which they would have been entitled under our Thrift/401(k) Plan if that plan was not subject to certain dollar limits under the Internal Revenue Code. This is referred to as the "SERP Benefit." For participants in the EMCP, no SERP Benefit is accrued with respect to annual pay in excess of two times a participant's Base Salary.

The SERP II was available to employees who were participants in the company's Pension Plan as of the date the Pension Plan was terminated. It was intended to provide participants with the full amount of the benefits to which they would have been entitled under the tax-qualified Transitional Plan (see our [Annual Report on Form 10-K filed on February 19, 2015](#), for additional information) if that plan was not subject to certain dollar limits under the Internal Revenue Code. This was referred to as the "SERP II Benefit." Mr. Glessner is the only NEO who was eligible for the SERP II Benefit related to the Pension Plan termination.

The SERP II also provides participants with the flexibility to make certain Roth contributions to the Thrift/401(k) Plan and still receive employer matching contributions in the SERP.

For additional information regarding these benefits, see **Executive Compensation - 2025 Compensation Information for NEOs - Nonqualified Deferred Compensation**.

### Stock Ownership, Hedging, and Pledging Policies

Our stock ownership guidelines have been suspended since conservatorship began due to the cessation of stock-based compensation. The Purchase Agreement prohibits equity issuances without Treasury's prior written consent. We expect this suspension to continue through conservatorship and until stock-based compensation resumes.

Company policy prohibits all employees (including NEOs) and directors from:

- Engaging in all transactions (including purchasing and selling equity and non-equity securities) involving our securities (except selling company securities owned prior to the implementation of the policy and then only with pre-clearance);
- Purchasing or selling derivative securities related to our equity securities or dealing in any derivative securities related to our equity securities;
- Transacting in options (other than options granted by us, and then only with pre-clearance) or other hedging instruments related to our securities; and
- Holding our securities in a margin account or pledging our securities as collateral for a loan.

For additional information on our policy regarding the purchase, sale, or other disposition of Freddie Mac securities by employees and directors, see **Executive Compensation - CD&A - Other Executive Compensation Considerations - Insider Trading Policy**.

## Insider Trading Policy

The Purchase Agreement prohibits us from issuing any shares of equity securities without the prior written consent of Treasury; and all Freddie Mac employees and directors are prohibited from entering into transactions to purchase or sell Freddie Mac securities as well as hedging Freddie Mac securities and pledging Freddie Mac securities in margin account or as collateral for a loan. For additional information on stock ownership, see **Executive Compensation - CD&A - Other Executive Compensation Considerations - Stock Ownership, Hedging, and Pledging Policies**. Employees and directors who acquired Freddie Mac securities prior to their employment or appointment; by gift, inheritance, or merger; or in violation of Freddie Mac policies may divest, provided:

- (i) The security holder submitted the transaction for pre-clearance by the Compliance department;
- (ii) The transaction occurs during the window period, a period of five weeks after releasing the previous quarter's earnings as determined by the Legal division; and
- (iii) The security holder is not in possession of any related material non-public information.

For additional information on our insider trading arrangements and policies, see our Codes of Conduct for employees and directors, which are Exhibits 14.1 and 14.2 to this Form 10-K.

## Legal, Regulatory, and Conservator Restrictions on Executive Compensation

The amount of compensation we may pay our NEOs is subject to a number of legal, regulatory, and conservator restrictions, particularly while we are in conservatorship. Conservatorship also significantly affects the process by which the CMD Committee determines our executive officers' compensation. We describe below legal and regulatory requirements that significantly affect our executive compensation program and policies.

### Requirements Applicable During Conservatorship

While we are in conservatorship, we are subject to additional legal and regulatory requirements relating to our executive compensation, including the following:

- **Equity in Government Compensation Act.** The Equity in Government Compensation Act of 2015 limits the compensation and benefits for our CEO to the same level in effect as of January 1, 2015, while we are in conservatorship or receivership. This law also provides that compensation and benefits for our CEO may not be increased while we are in conservatorship or receivership. Accordingly, annual direct compensation for our CEO is limited to Base Salary at an annual rate of \$600,000. See **Executive Compensation - CD&A - CEO Compensation** for additional information.
- **STOCK Act.** Pursuant to the STOCK Act and related FHFA regulations, our senior officers, including our NEOs, are prohibited from receiving bonuses during conservatorship. FHFA defines a bonus as a payment that rewards an employee for work performed, where details of the award (such as the decision to grant it or its amounts) are determined after the performance period using discretion or inherently subjective measures.
- **FHFA Instructions – Executive Compensation.** The powers of FHFA as our Conservator include the authority to set executive compensation. FHFA, as Conservator, has retained the authority to approve the terms and amounts of our executive compensation. In its instructions to us, FHFA directed that management obtain FHFA's decision before entering into new compensation arrangements or increasing amounts or benefits payable under existing compensation arrangements of NEOs or other executive officers as defined in SEC rules.
- **FHFA Instructions – Other Compensation.** FHFA's decision as Conservator is required regarding any changes in employee compensation that could significantly impact our employees, including but not limited to retention awards for senior officers, special incentive plans, and merit increase pool funding.
- **FHFA Directives.** As Conservator, from time to time FHFA issues or updates directives that relate to compensation of our executives and other employees. Pursuant to its currently applicable directives, FHFA has directed us to:
  - Limit base salaries for all executive officers to no more than \$600,000;
  - Adjust the mandatory deferral period for At-Risk Deferred Salary as described under **Executive Compensation - CD&A - Overview of EMCP - Elements of Target TDC**;
  - Include in our policies and procedures penalties for executive officers and certain other covered employees who are found to have engaged in specified activities, including the recapture and/or forfeiture of Deferred Salary in appropriate circumstances to the extent permitted by law. See **Executive Compensation - CD&A - Written Agreements Related to NEO Employment - Recapture and Forfeiture Agreement** for a description of the compensation forfeiture and recoupment provisions we have implemented pursuant to this FHFA directive;

- Target any percentile of appropriate market data when recommending compensation to be provided to executive officers, provided there is a reasoned basis for the targeted percentile, unless FHFA has granted an exception; and
- Effective for 2025 compensation, utilize the Comparator Group and benchmarking approach as described in **Comparator Group Companies**.
- *Shareholder Powers*. FHFA, as Conservator, has all powers of our shareholders. Accordingly, we have not held shareholders' meetings since entering into conservatorship, nor have we held any shareholder advisory votes on executive compensation.
- *Golden Parachute Regulation*. A golden parachute payment generally refers to a compensatory payment that is contingent on or provided in connection with termination of employment. FHFA regulation pursuant to the GSE Act generally prohibits us from making golden parachute payments to any current or former director, officer, or employee of the company during any period in which we are in conservatorship, receivership, or other troubled condition, unless either a specific exemption applies or the Director of FHFA approves the payments. Specific exemptions include qualified pension or retirement plans, nondiscriminatory employee plans or programs that meet specified requirements, and bona fide deferred compensation plans or arrangements that meet specified requirements.

## Other Applicable Requirements

We are also subject to legal and regulatory requirements relating to our executive compensation that apply whether or not we are in conservatorship, including the following:

- *Purchase Agreement*. Under the terms of the Purchase Agreement, until the senior preferred stock is repaid or redeemed in full:
  - We may not enter into any new compensation arrangements with or increase amounts or benefits payable under existing compensation arrangements of, any NEOs or other executive officers as defined in SEC rules without the consent of the Director of FHFA, in consultation with the Secretary of the Treasury.
  - We may not sell or issue any equity securities without the prior written consent of Treasury except under limited circumstances, which effectively eliminates our ability to offer stock-based compensation.
- *Our Charter*. Under our Charter and related FHFA regulations, FHFA as our regulator must approve any termination benefits we offer to our NEOs and certain other officers identified by FHFA.
- *GSE Act*. Pursuant to the GSE Act and related FHFA regulations, FHFA as our regulator has specified oversight authority over our executive compensation. The GSE Act directs FHFA to prohibit us from providing compensation to our NEOs and certain other officers identified by FHFA that is not reasonable or comparable with compensation for employment in other similar businesses involving similar duties and responsibilities. FHFA may at any time review the reasonableness and comparability of an executive officer's compensation and may require us to withhold any payment to the executive officer during such review. The GSE Act also provides that, if we are classified as significantly undercapitalized, FHFA's prior written approval is required to pay any bonus to an executive officer or to provide certain increases in compensation to an executive officer.

## Section 162(m) Limits on the Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code imposes a \$1 million limit on the amount that we may annually deduct for compensation (including performance-based compensation) to: (1) anyone serving as CEO or CFO at any time during the year, (2) the three highest paid NEOs (other than the CEO and CFO) employed by us at any time during the year, and (3) any individual who was a CEO, CFO, or one of the top three highest paid NEOs after 2016 and who is receiving Freddie Mac compensation.

## Compensation and Management Development Committee Report

The CMD Committee has reviewed and discussed the **CD&A** with management and, based on such review and discussion, has recommended to the Board that the **CD&A** be included in this Form 10-K.

This report is respectfully submitted by the members of the CMD Committee.

**David S. Farbman, Chair**

**Mark H. Bloom**

**Michael Parrott**

## COMPENSATION AND RISK

Our management assessed our compensation policies and practices that apply to employees at all levels, including those participating in the EMCP. The assessment took into account:

- The types of compensation offered (including fixed, variable/incentive, and deferred);
- Eligibility for participation in compensation programs;
- Compensation program design and governance;
- The process for establishing performance objectives;
- Processes and program approvals for our compensation programs; and
- A risk assessment provided by the CMD Committee's independent compensation consultant.

The assessment and risk performance was discussed with the CMD Committee in January 2026. Management's conclusion, with which the CMD Committee concurred, is that the company's compensation programs and practices do not encourage unnecessary or excessive risk behaviors in pursuit of Corporate or Conservatorship Scorecard objectives or otherwise, and that nothing in the executive pay program is likely to create material risk for the company.

## CEO PAY RATIO

SEC rules require annual disclosure of the ratio of a company's CEO's total annual compensation to that of its median employee. For 2025, we used the median employee who we identified as of December 31, 2024, using payroll data as reported on Form W-2, Box 5. In December 2025, we determined to use the same median employee for the calculation of the 2025 CEO Pay Ratio as we did for the 2024 CEO Pay Ratio because there have not been changes to our employee population or employee compensation arrangements that we reasonably believe would result in a significant change to our pay ratio disclosure. Except as noted below, we calculated that employee's total annual compensation for 2025 using the same method required for calculating total annual compensation for our CEO (and other NEOs) for purposes of **Table 64 - Summary Compensation Table**.

The table below sets forth the total annual compensation for our CEO and median employee and the ratio between the two.

**Table 63 - CEO Pay Ratio**

Employee	CEO Pay Ratio	
	Total Compensation	Ratio
Kenny M. Smith (CEO)	\$600,000 <sup>(1)</sup>	3.43
Median Employee	\$175,076 <sup>(2)</sup>	

(1) Mr. Smith served as our CEO starting December 17, 2025. The amount reported in this table reflects Mr. Smith's annualized total compensation.

(2) Reflects actual 2025 total compensation for the median employee except for estimated incentive compensation payment because, as of the filing of this Form 10-K, we have not concluded our performance year 2025 compensation planning process for employees other than our NEOs. This estimate includes the projected incentive payout for individuals with similar performance ratings.

Given the different methodologies that companies may use to determine their CEO pay ratio, the ratio reported above should not be used as a basis for comparison between companies.

## 2025 COMPENSATION INFORMATION FOR NEOs

The following sections set forth compensation information for our NEOs: Mr. Smith (who has served as CEO since December 17, 2025); Mr. Hutchins (who served as Interim CEO from March 20, 2025, to December 16, 2025, while continuing to serve as President); Mr. Whitlinger (who has served as EVP & CFO since January 1, 2025); the three other most highly compensated executive officers who were serving as executive officers as of December 31, 2025; and Ms. Reid (who served as CEO until March 20, 2025).

### Summary Compensation Table

Table 64 - Summary Compensation Table

Named Executive Officer	Year	Salary		Bonus <sup>(3)</sup>	Non-Equity Incentive Plan Compensation <sup>(4)</sup>	All Other Compensation <sup>(5)</sup>	Total
		Earned During Year <sup>(1)</sup>	Deferred <sup>(2)</sup>				
<b>Kenny M. Smith</b> CEO	2025	\$24,658	\$—	\$—	\$—	\$—	\$24,658
<b>Michael T. Hutchins</b> President	2025	600,000	2,970,192	—	1,466,235	163,780	5,200,207
	2024	600,000	1,920,000	—	1,092,121	147,984	3,760,105
	2023	600,000	1,920,000	—	1,068,874	147,408	3,736,282
<b>James M. Whitlinger<sup>(6)</sup></b> EVP & CFO	2025	600,000	1,080,000	—	689,956	124,268	2,494,224
	2024	450,000	547,500	—	432,298	89,613	1,519,411
<b>Anil D. Hinduja</b> EVP - CRO	2025	600,000	1,500,000	—	862,445	133,200	3,095,645
	2024	600,000	1,290,000	—	819,091	132,896	2,841,987
	2023	600,000	1,290,000	—	801,656	132,509	2,824,165
<b>John C. Glessner<sup>(7)</sup></b> EVP - I&CM	2025	600,000	1,045,000	—	675,582	123,736	2,444,318
<b>Sonu Mittal<sup>(8)</sup></b> EVP- Single-Family Acquisitions	2025	600,000	1,045,000	110,000	675,582	123,605	2,554,187
	2024	500,000	900,000	455,000	606,734	90,209	2,551,943
<b>Diana W. Reid<sup>(9)</sup></b> Former CEO	2025	129,863	—	—	—	62,549	192,412
	2024	182,308	—	—	—	22,950	205,258

(1) Amounts shown in this sub-column consist of base salary paid during the year on a bi-weekly basis.

(2) Amounts shown reflect Fixed Deferred Salary earned during the year. The interest rate for Fixed Deferred Salary earned during 2025, 2024, and 2023 was 2.08%, 2.395%, and 2.365%, respectively, which is equal to 50% of the one-year Treasury Bill rate as of the last business day of the applicable prior year. Fixed Deferred Salary earned during each quarter is paid in cash on the last pay date of the corresponding quarter in the following year, along with accrued interest. Interest on Fixed Deferred Salary earned during 2025, 2024, and 2023 is included in All Other Compensation.

(3) Amounts shown reflect cash sign-on payments earned and paid to Mr. Mittal in 2025 in connection with his hiring in 2023. Although we classified the payment in the "Bonus" column for purposes of the Summary Compensation Table, it is not considered a "bonus" under the STOCK Act. Please see **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment** and **Executive Compensation - CD&A - Other Executive Compensation Considerations - Legal, Regulatory, and Conservator Restrictions on Executive Compensation** for additional details.

(4) Amounts shown reflect At-Risk Deferred Salary earned during each year, as well as interest on that At-Risk Deferred Salary. The interest rate for At-Risk Deferred Salary earned during 2025, 2024, and 2023 was the same as noted for interest rate for the Fixed Deferred Salary. See **Executive Compensation - CD&A - Determination of 2025 At-Risk Deferred Salary and Executive Compensation - CD&A - EMCP Overview**.

(5) Amounts for 2025 reflect: (1) contributions made under our tax-qualified Thrift/401(k) Plan for plan year 2025; (2) accruals earned pursuant to the SERP Benefit for plan year 2025; (3) interest on Fixed Deferred Salary earned during 2025; (4) amounts relating to accrued vacation time; and (5) reimbursement of certain relocation expenses incurred by Ms. Reid, as described below. The amounts for 2025 are as follows:

Named Executive Officer	Thrift/401(k) Plan Contributions	SERP Benefit Accruals	Interest on Fixed Deferred Salary	Other
Kenny M. Smith	\$—	\$—	\$—	
Michael T. Hutchins	29,750	72,250	61,780	
James M. Whitlinger	29,750	72,054	22,464	
Anil D. Hinduja	29,750	72,250	31,200	
John C. Glessner	29,750	72,250	21,736	
Sonu Mittal	29,750	72,119	21,736	
Diana W. Reid				\$62,549

Employer contributions to the Thrift/401(k) Plan are generally available on the same terms to all our employees. After the first year of employment, we match up to 6% of eligible compensation at 100% of the employee's contributions. Also, after their first year of employment, employees receive an additional employer contribution to our Thrift/401(k) Plan equal to 2.5% of compensation earned in the prior year. Employee contributions, our matching contributions, and the 2.5% employer contribution are invested in accordance with the employee's investment elections and are immediately vested. For additional information regarding the SERP Benefit, see **Executive Compensation - 2025 Compensation Information for NEOs - Nonqualified Deferred Compensation**.

Perquisites are valued at their aggregate incremental cost to us. During the years reported, the aggregate value of perquisites received by any NEO was less than \$10,000, except for Ms. Reid, who, in 2025, was reimbursed \$24,128 for relocation expenses related to 2025 activity and \$11,300 for 2024 activity that was paid in 2025 due to administrative timing. Therefore, in accordance with SEC rules, amounts shown under "All Other Compensation" do not include perquisites, other than for Ms. Reid.

For Ms. Reid, the amount reported in 'Other' also includes the payment of accrued unused vacation hours payable upon termination of employment pursuant to the terms of the company's vacation policy.

- (6) Pursuant to SEC reporting requirements, because Mr. Whitlinger first became an NEO in 2024, information for 2023 is not required to be disclosed.
- (7) Pursuant to SEC reporting requirements, because Mr. Glessner first became an NEO in 2025, information for 2024 and 2023 is not required to be disclosed.
- (8) Pursuant to SEC reporting requirements, because Mr. Mittal first became an NEO in 2024, information for 2023 is not required to be disclosed.
- (9) Pursuant to SEC reporting requirements, because Ms. Reid first became an NEO in 2024, information for 2023 is not required to be disclosed.

## Grants of Plan-Based Awards

The following table contains information concerning grants of plan-based awards to each of the NEOs during 2025. The Purchase Agreement prohibits us from issuing equity securities without Treasury's prior written consent. No stock awards were granted during 2025. For a description of the performance and other measures used to determine payouts, see **Executive Compensation - CD&A - Elements of Target Total Direct Compensation - Determination of 2025 Target TDC for NEOs - Determination of 2025 At-Risk Deferred Salary - 2025 Deferred Salary**.

**Table 65 - Grants of Plan-Based Awards**

Named Executive Officer <sup>(1)</sup>	At-Risk Deferred Salary Award	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(2)</sup>	
		Threshold	Target/Maximum
<b>Michael T. Hutchins</b>	Conservatorship Scorecard	—	\$765,041
	Corporate Scorecard/Individual	—	765,041
	<b>Total</b>	<b>—</b>	<b>1,530,082</b>
<b>James M. Whitlinger</b>	Conservatorship Scorecard	—	360,000
	Corporate Scorecard/Individual	—	360,000
	<b>Total</b>	<b>—</b>	<b>720,000</b>
<b>Anil D. Hinduja</b>	Conservatorship Scorecard	—	450,000
	Corporate Scorecard/Individual	—	450,000
	<b>Total</b>	<b>—</b>	<b>900,000</b>
<b>John C. Glessner</b>	Conservatorship Scorecard	—	352,500
	Corporate Scorecard/Individual	—	352,500
	<b>Total</b>	<b>—</b>	<b>705,000</b>
<b>Sonu Mittal</b>	Conservatorship Scorecard	—	352,500
	Corporate Scorecard/Individual	—	352,500
	<b>Total</b>	<b>—</b>	<b>705,000</b>

(1) Mr. Smith and Ms. Reid were not eligible to receive Deferred Salary in 2025, and therefore are not included in this table.

(2) The amounts reported reflect At-Risk Deferred Salary granted in 2025 which is subject to adjustment based on: (1) corporate performance against the Conservatorship Scorecard; and (2) the company's performance against the Corporate Scorecard goals and an officer's individual performance. The amount of At-Risk Deferred Salary actually earned can range from 0% of target (reported in the Threshold column) to a maximum of 100% of target (reported in the Target/Maximum column). Actual At-Risk Deferred Salary amounts earned during 2025 are reported in the Non-Equity Incentive Plan Compensation column of **Table 64 - Summary Compensation Table**.

## Outstanding Equity Awards at Fiscal Year-End

None of the NEOs had unexercised options or unvested RSUs as of December 31, 2025.

## Option Exercises and Stock Vested

None of the NEOs exercised options or had RSUs vest during 2025.

## Pension Benefits

No Pension Benefits table is presented here as the Pension Plan termination was completed in 2015. For additional information, see **Executive Compensation - CD&A - Other Executive Compensation Considerations**.

## Nonqualified Deferred Compensation

Nonqualified deferred compensation for the NEOs consists of the SERP Benefit, and, for those NEOs who were eligible for the Transitional Plan (or those NEOs who may have deferred Roth contributions into their Thrift/401(k) Plan account), the SERP II Benefit. The SERP and SERP II are unfunded, nonqualified defined contribution plans designed to provide participants with the full amount of benefits to which they would have been entitled under the Thrift/401(k) Plan and Transitional Plan (for those NEOs eligible) if the plan was not subject to certain dollar limits under the Internal Revenue Code.

The SERP Benefit equals the amount of the employer matching and 2.5% contributions for each NEO that would have been made to the Thrift/401(k) Plan during the year, based upon the participant's eligible compensation, without application of those limits, less the amount of the matching contributions and 2.5% contributions made to the Thrift/401(k) Plan during the year, but does not take into account pay that exceeds two times the NEO's Base Salary. We believe the SERP Benefit is an appropriate benefit because offering such a benefit helps us remain competitive with the companies in our Comparator Group.

To be eligible for the SERP Benefit, the NEO must be eligible for matching contributions and the 2.5% contribution under the Thrift/401(k) Plan for part of the year, as discussed in Footnote 5 to **Table 64 - Summary Compensation Table**. In addition, to be eligible for the portion of the SERP Benefit attributable to employer matching contributions, the NEO must contribute the maximum amount permitted under the terms of the Thrift/401(k) Plan on either a pre- or post-tax basis.

The SERP II Benefit provided an accrual for each year an NEO participated in the Transitional Plan equal to the amount of the employer contribution that would have been made to the Transitional Plan for the year, without application of the Internal Revenue Code limits, less the amount of the contribution actually made to the Transitional Plan, but does not take into account pay that exceeds two times the NEO's Base Salary. The SERP II also provides participants with the flexibility to make certain Roth contributions to the Thrift/401(k) Plan and still receive employer matching contributions as noted above.

Participants are credited with earnings or losses in their SERP and SERP II Benefit accounts based upon each participant's individual direction of the investment of such notional amounts among the virtual investment funds available under the SERP and SERP II, which are the same as the investment options available under the Thrift/401(k) Plan. The SERP and SERP II Benefits are generally distributed in a lump sum 90 days after the end of the calendar year in which a separation from service occurs. A six-month delay in the commencement of distributions on account of a separation from service applies to key employees, in accordance with Internal Revenue Code Section 409A. If the NEO dies, the vested SERP Benefit is paid in the form of a lump sum within 90 days of death, and the SERP II Benefit is paid by March 31st following the year the NEO dies.

The following table shows the allocations, earnings, distributions, and accumulated balances under the SERP Benefit and SERP II Benefit for each NEO:

**Table 66 - SERP Benefit and SERP II Benefit**

Named Executive Officer	Executive Contribution in 2025 <sup>(1)</sup>	Freddie Mac Accruals in 2025 <sup>(2)</sup>	Aggregate Earnings in 2025 <sup>(3)</sup>	Aggregate Distributions	Balance at December 31, 2025 <sup>(4)</sup>
<b>Kenny M. Smith</b>					
<i>SERP Benefit</i>	\$—	\$—	\$—	\$—	\$—
<b>Michael T. Hutchins</b>					
<i>SERP Benefit</i>	—	72,250	225,740	—	1,438,902
<b>James M. Whitlinger</b>					
<i>SERP Benefit</i>	—	72,054	23,362	—	631,915
<b>Anil D. Hinduja</b>					
<i>SERP Benefit</i>	—	72,250	174,522	—	1,264,304
<b>John C. Glessner</b>					
<i>SERP Benefit</i>	—	72,250	20,755	—	608,348
<i>SERP II Benefit</i>	—	—	4,756	—	117,456
<b>Sonu Mittal</b>					
<i>SERP Benefit</i>	—	72,119	12,535	—	131,124
<b>Diana W. Reid</b>					
<i>SERP Benefit</i>	—	—	—	—	—

(1) The SERP and SERP II do not allow for employee contributions.

(2) Amounts reported reflect accruals under the SERP during 2025, including the 2.5% contribution accruals which will be allocated to NEO accounts in 2026. These amounts are also reported in the "All Other Compensation" column in **Table 64 - Summary Compensation Table**.

(3) Amounts reported represent the total interest and other earnings credited to each NEO under the SERP and SERP II Benefits in 2025.

(4) Amounts reported reflect the accumulated balance under the SERP and SERP II Benefits for each NEO and include the plan year 2025 accruals noted in footnote 2 above. All NEOs are fully vested in their SERP, and for Mr. Glessner, his SERP II Benefit account balance. The following 2024 SERP Benefit accrual amounts were reported in the "All Other Compensation" column in the 2024 Summary Compensation Table as compensation for each NEO for whom accruals were made during 2024: Mr. Hutchins: \$72,675, Mr. Whitlinger: \$47,175, Mr. Hinduja: \$72,675, Mr. Mittal: \$45,098. See our Annual Report on Form 10-K filed on February 12, 2025.

## Potential Payments Upon Termination of Employment

The EMCP addresses the treatment of Base Salary and Deferred Salary upon various termination events. Base Salary ceases upon an NEO's termination of employment, regardless of the termination reason. An NEO generally does not need to be employed by us on the payment date to receive payments of Deferred Salary (including related interest) that are unpaid at the time of termination of employment. The following table describes the effect of various termination events upon unpaid Deferred Salary. The actual payment of any level of termination benefits that is not otherwise provided for in the EMCP is subject to FHFA review and approval.

- **Forfeiture Event** - All earned but unpaid Fixed and At-Risk Deferred Salary (including related interest) is subject to forfeiture upon the occurrence of a Forfeiture Event, as described above under **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment - Recapture and Forfeiture Agreement**.
- **Death** - All earned but unpaid Fixed and At-Risk Deferred Salary (including related interest) is paid in full as soon as administratively possible, but not later than 90 calendar days after the date of death. Any earned but unpaid At-Risk Deferred Salary is not subject to adjustment based on corporate and individual performance if the adjustment has not been determined as of the date of death.
- **Long-Term Disability** - All earned but unpaid Fixed and At-Risk Deferred Salary (including related interest) is paid in full in accordance with the Approved Payment Schedule. Any earned but unpaid At-Risk Deferred Salary is not subject to adjustment based on corporate and individual performance if the adjustment has not been determined as of the termination date.
- **Any Other Reason (including, but not limited to, voluntary termination, retirement, and involuntary termination for any reason other than a Forfeiture Event)** - All earned but unpaid Deferred Salary (including related interest) is paid in accordance with the Approved Payment Schedule, and earned but unpaid At-Risk Deferred Salary remains subject to the performance assessment and adjustment process. Except in the case of retirement, the amount of earned but unpaid Fixed Deferred Salary will be reduced by 2% for each full or partial month by which the NEO's termination precedes January 31 of the second calendar year following the calendar year in which the Fixed Deferred Salary is earned. No such adjustment is applicable if an NEO retires, which is deemed to have occurred upon a voluntary termination of employment after attaining or exceeding 62 years of age, without regard to length of service, or attaining or exceeding 55 years of age with 10 or more years of service.

The table below describes the compensation and benefits that would have been payable to each eligible NEO had the officer terminated their employment under various circumstances as of December 31, 2025.

The table below does not address changes in control, as we are not obligated to provide any additional compensation to our NEOs in connection with a change in control. The table also does not address potential payments upon a termination for cause, which is a termination resulting from the occurrence of an event or conduct described in the Recapture and Forfeiture Agreement. All earned but unpaid Deferred Salary is subject to forfeiture upon the occurrence of such a termination. However, the amount of compensation, if any, to be recaptured and/or forfeited is determined by the Board, which can only occur following the occurrence of a termination for cause. See **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment - Recapture and Forfeiture Agreement**.

The table below does not include vested balances in the SERP and SERP II. All NEOs are fully vested in their account balances. Amounts shown in the table also do not include certain items available to all employees generally upon a termination event.

The table below also does not include stock options or RSUs, as there were no outstanding stock options or RSUs held by NEOs as of December 31, 2025.

**Table 67 - Compensation and Benefits if NEO Terminated Employment as of December 31, 2025**

Named Executive Officer <sup>(1)</sup>	Death	Disability	Retirement <sup>(2)</sup>	All Other Not For Cause Terminations <sup>(3)</sup>
<b>Michael T. Hutchins</b>				
Pay Component				
2025 Fixed Deferred Salary	\$2,970,192	\$2,970,192	\$2,970,192	
2025 At-Risk Deferred Salary <sup>(4)</sup>	1,530,082	1,530,082	1,407,676	
2025 Interest on Deferred Salary <sup>(6)</sup>	55,514	125,431	120,339	
2024 At-Risk Deferred Salary <sup>(5)</sup>	1,042,200	1,042,200	1,042,200	
2024 Interest on Deferred Salary <sup>(6)</sup>	40,561	49,921	49,921	
<b>Total</b>	<b>\$5,638,549</b>	<b>\$5,717,826</b>	<b>\$5,590,328</b>	<b>\$—</b>
<b>James M. Whittinger</b>				
Pay Component				
2025 Fixed Deferred Salary	1,080,000	1,080,000	1,080,000	
2025 At-Risk Deferred Salary <sup>(4)</sup>	720,000	720,000	662,400	
2025 Interest on Deferred Salary <sup>(6)</sup>	23,400	52,416	50,020	
2024 At-Risk Deferred Salary <sup>(5)</sup>	412,538	412,538	412,538	
2024 Interest on Deferred Salary <sup>(6)</sup>	16,055	19,761	19,761	
<b>Total</b>	<b>\$2,251,993</b>	<b>\$2,284,715</b>	<b>\$2,224,719</b>	<b>\$—</b>
<b>Anil D. Hinduja</b>				
Pay Component				
2025 Fixed Deferred Salary	1,500,000	1,500,000	1,500,000	
2025 At-Risk Deferred Salary <sup>(4)</sup>	900,000	900,000	828,000	
2025 Interest on Deferred Salary <sup>(6)</sup>	31,200	68,640	65,645	
2024 At-Risk Deferred Salary <sup>(5)</sup>	781,650	781,650	781,650	
2024 Interest on Deferred Salary <sup>(6)</sup>	30,421	37,441	37,441	
<b>Total</b>	<b>\$3,243,271</b>	<b>\$3,287,731</b>	<b>\$3,212,736</b>	<b>\$—</b>
<b>John C. Glessner</b>				
Pay Component				
2025 Fixed Deferred Salary	1,045,000	1,045,000		773,300
2025 At-Risk Deferred Salary <sup>(4)</sup>	705,000	705,000		648,600
2025 Interest on Deferred Salary <sup>(6)</sup>	22,750	51,064		43,066
2024 At-Risk Deferred Salary <sup>(5)</sup>	656,942	656,942		656,942
2024 Interest on Deferred Salary <sup>(6)</sup>	25,357	31,468		31,468
<b>Total</b>	<b>\$2,455,049</b>	<b>\$2,489,474</b>	<b>\$—</b>	<b>\$2,153,376</b>
<b>Sonu Mittal</b>				
Pay Component				
2025 Fixed Deferred Salary	1,045,000	1,045,000		773,300
2025 At-Risk Deferred Salary <sup>(4)</sup>	705,000	705,000		648,600
2025 Interest on Deferred Salary <sup>(6)</sup>	22,750	51,064		43,066
2024 At-Risk Deferred Salary <sup>(5)</sup>	579,000	579,000		579,000
2024 Interest on Deferred Salary <sup>(6)</sup>	22,534	27,734		27,734
Sign-on Award <sup>(7)</sup>	68,000	68,000		68,000
<b>Total</b>	<b>\$2,442,284</b>	<b>\$2,475,798</b>	<b>\$—</b>	<b>\$2,139,700</b>

- (1) Mr. Smith and Ms. Reid are excluded from this table because they are not eligible for (and, in the case of Ms. Reid, did not receive) any additional compensation in connection with a termination of employment.
- (2) Messrs. Hutchins, Whitlinger, and Hinduja are the only retirement-eligible NEOs under the EMCP.
- (3) All Other Not For Cause Terminations refer to (i) voluntary terminations other than for retirement; or (ii) involuntary terminations other than for cause. No amounts are shown for Messrs. Hutchins, Whitlinger, and Hinduja because they are retirement eligible. In accordance with early termination provisions in the EMCP, the amounts disclosed for Fixed Deferred Salary for all other NEOs have been reduced by 26% to reflect a December 31, 2025, termination event.
- (4) The amounts reported for 2025 At-Risk Deferred Salary in the Retirement and All Other Not For Cause Terminations columns reflect both the funding level determined by FHFA with respect to performance against the 2025 Conservatorship Scorecard and the assessment of 2025 corporate performance approved by the CMD Committee and FHFA. In cases of death or disability, the process for determining funding level is waived if the funding level has not been determined at the date of termination.
- (5) The amounts reported for 2024 At-Risk Deferred Salary for all termination scenarios reflect both the funding level determined by FHFA with respect to performance against the 2024 Conservatorship Scorecard and the assessment of 2024 corporate performance approved by the CMD Committee and FHFA. These amounts reflect amounts earned in 2024 that, pursuant to the EMCP, will be paid in 2026.
- (6) Interest on Deferred Salary is accrued and paid in accordance with the terms of the EMCP. The amount of interest in the Death column assumes that payment occurs on the 90th day following the date of death, which is assumed to be December 31, 2025. The interest on At-Risk Deferred Salary in the case of disability and all other not for cause terminations is calculated for two years based on the two-year deferral period in accordance with the EMCP (refer to the Elements of Target TDC section).
- (7) In the event Mr. Mittal's employment is terminated due to death, disability, or involuntary termination other than for cause, he will be entitled to receive any unpaid installments of his sign-on award. Mr. Mittal would not be eligible for this amount in the event of an involuntary termination for cause or a voluntary separation. For a description of the sign-on award, see **Executive Compensation - CD&A - Written Agreements Relating to NEO Employment**.

# Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

## SECURITY OWNERSHIP

Our only class of voting stock is our common stock. Upon its appointment as Conservator, FHFA immediately succeeded to the voting rights of holders of our common stock. The following tables show the beneficial ownership of our common stock as of February 12, 2026, by our directors, our NEOs, all of our directors and executive officers as a group, and holders of more than 5% of our common stock. Beneficial ownership is determined in accordance with SEC rules for computing the number of shares of common stock beneficially owned by a person and the ownership percentage of that person. As of February 12, 2026, each director and NEO, and all of our directors and executive officers as a group, owned less than 1% of our outstanding common stock. We ceased paying our executive officers and directors stock-based compensation when we entered conservatorship. In addition, the Purchase Agreement prohibits us from issuing any of our equity securities, including as compensation to our directors and executive officers, without the prior written consent of Treasury, and no equity securities, other than the senior preferred stock issued to Treasury, have been issued since we entered conservatorship. In addition, company policy prohibits directors and executive officers from engaging in transactions involving our equity securities, except selling company securities owned prior to the implementation of the policy. See **Executive Compensation - CD&A - Other Executive Compensation Considerations - Stock Ownership, Hedging, and Pledging Policies** for additional information. Unless otherwise noted, the information presented below is based on information provided to us by the individuals or entities specified in the table.

## Stock Ownership By Directors and Executive Officers

**Table 68 - Stock Ownership by Directors and Executive Officers**

Directors and Named Executive Officers	Position	Common Stock Beneficially Owned Excluding Stock Options <sup>(1)</sup>	Stock Options Exercisable Within 60 Days of Feb. 12, 2026	Total Common Stock Beneficially Owned
Mark H. Bloom	Director	—	—	—
Kathleen L. Casey	Director	—	—	—
David Farbman	Director	—	—	—
Aleem Gillani	Director	—	—	—
Clinton Jones	Director	—	—	—
Ralph (Cody) Kittle	Director	—	—	—
Michael Parrott	Director	—	—	—
William J. Pulte	Director	—	—	—
Kenny M. Smith	CEO & Director	—	—	—
Michael T. Hutchins	President & Director	—	—	—
James M. Whitlinger	EVP & CFO	2,189 <sup>(2)</sup>	—	2,189 <sup>(2)</sup>
Anil D. Hinduja	EVP - CRO	—	—	—
John C. Glessner	EVP - I&CM	—	—	—
Sonu Mittal	EVP - Single-Family Acquisitions	—	—	—
Diana W. Reid	Former CEO	—	—	—
<b>All current directors and executive officers as a group (19 persons)</b>		<b>3,093</b>	<b>—</b>	<b>3,093<sup>(3)</sup></b>

(1) Includes shares of stock beneficially owned as of February 12, 2026.

(2) Represents shares of stock owned by Mr. Whitlinger's spouse.

(3) Represents shares of stock beneficially owned prior to the company's entry into conservatorship.

## Stock Ownership by Greater-Than 5% Holders

**Table 69 - Stock Ownership by Greater-Than 5% Holders**

5% Holders <sup>(1)</sup>	Common Stock Beneficially Owned	Percent of Class
U.S. Department of the Treasury 1500 Pennsylvania Avenue, NW Washington, D.C. 20220	Variable <sup>(2)</sup>	79.9%

(1) Pershing Square Capital Management, L.P., PS Management GP, LLC, and William A. Ackman ("Pershing") have filed certain reports on Schedule 13D, the latest of which was filed on March 31, 2014. In that report, Pershing reported a beneficial ownership percentage calculation of 9.78%, based solely on the 650,039,533 shares of our common stock outstanding as reported in our Annual Report on Form 10-K filed on February 27, 2014, and excluding the shares issuable to Treasury pursuant to the Warrant. The Schedule 13D indicated that Pershing also had additional economic exposure to approximately 8,434,958 notional shares of common stock, bringing the total aggregate economic exposure on the date of that filing to 72,010,523 shares of common stock (approximately 11.08% of the outstanding common stock). In that filing, Pershing indicated that because it believes our common stock is not a voting security, it had determined not to file future reports on Schedule 13D. We do not know Pershing's current beneficial ownership of our common stock.

(2) In September 2008, we issued Treasury the Warrant to purchase, for one one-thousandth of a cent (\$0.00001) per share, shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding on a fully diluted basis at the time the Warrant is exercised. The Warrant may be exercised in whole or in part at any time until September 7, 2028. As of the date of this filing, Treasury has not exercised the Warrant. The information above assumes Treasury beneficially owns no other shares of our common stock.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

We have no shares of common stock available for issuance upon the exercise of options, warrants, and rights under our existing equity compensation plans as of December 31, 2025. Prior to conservatorship, stockholders approved the Employee Stock Purchase Plan, the 2004 Stock Compensation Plan, the 1995 Stock Compensation Plan (together, the "Employee

Plans"), and the 1995 Directors' Stock Compensation Plan (the "Directors' Plan"). The authorizations to issue shares of common stock under the Employee Plans and Directors' Plan have expired pursuant to their respective terms. Therefore, we are not providing an Equity Compensation Table.

# Certain Relationships And Related Transactions

## POLICY GOVERNING RELATED PERSON TRANSACTIONS

The Board has adopted a written policy governing the approval of related person transactions. This policy sets forth procedures for the review and approval or ratification of transactions involving related persons. Under the policy, "related person" means any person who is, or was at any time since the beginning of our last completed fiscal year, a director, a director nominee, an executive officer, or an immediate family member of any of the foregoing persons.

Under authority delegated by the Board, the Nominating and Governance Committee, or its Chair or other designated member under certain circumstances, each an Authorized Approver, is responsible for applying the Related Person Transactions Policy. Transactions covered by the Related Person Transactions Policy consist of any transaction, arrangement, or relationship or series of similar transactions, arrangements, or relationships, in which:

- The aggregate amount involved exceeded or is expected to exceed \$120,000;
- We were or are expected to be a participant; and
- Any related person had or will have a direct or indirect material interest.

The Related Person Transactions Policy includes a list of categories of transactions identified by the Board as having no significant potential for an actual conflict of interest or the appearance of a conflict or benefit to a related person, and thus such transactions are not considered potential related person transactions subject to review.

Our Legal Division (or our Compliance department in certain limited circumstances) assesses whether any proposed transaction involving a related person is covered by the Related Person Transactions Policy. If so, the transaction is reviewed by the appropriate Authorized Approver.

In determining whether to approve or ratify a related person transaction covered by the Related Person Transactions Policy, the Authorized Approver reviews and considers all relevant information, which may include:

- The nature of the related person's interest in the transaction;
- The approximate total dollar value of, and extent of the related person's interest in, the transaction;
- Whether the transaction was or would be undertaken in the ordinary course of business;
- Whether the transaction is proposed to be, or was, entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party; and
- The purpose, and potential benefits to us, of the transaction.

## TRANSACTIONS WITH 5% SHAREHOLDERS

In connection with our entry into conservatorship, we issued the Warrant to Treasury to purchase shares of our common stock equal to 79.9% of the total number of shares of our common stock outstanding, on a fully diluted basis. There have been a number of transactions between us and Treasury since the beginning of 2023, as discussed in **MD&A - Consolidated Results of Operations, MD&A - Liquidity and Capital Resources, MD&A - Conservatorship and Related Matters, MD&A - Regulation and Supervision, Note 2, Note 8, and Note 11**. FHFA, as Conservator, approved the Purchase Agreement. The remaining transactions described in those sections did not require review and approval under any of our policies and procedures relating to transactions with related persons.

## TRANSACTIONS WITH INSTITUTIONS RELATED TO DIRECTORS AND EXECUTIVE OFFICERS

In 2025, we were party to (and, in 2026, expect to continue to be party to) certain business transactions in the ordinary course of business with institutions affiliated with certain members of our Board and executive officers (or their immediate family members). Management determined that the terms and conditions of the transactions were no more and no less favorable to us than the terms of similar transactions with unaffiliated institutions to which we are, or expect to be, a party. None of these transactions were required to be disclosed under SEC rules.

## CONSERVATORSHIP AGREEMENTS

Treasury, FHFA, and the Federal Reserve have taken a number of actions to support us during conservatorship, including entering into the Purchase Agreement, described in this Form 10-K. See **MD&A - Conservatorship and Related Matters** and **Note 2**.

# Principal Accounting Fees and Services

## DESCRIPTION OF FEES

PricewaterhouseCoopers LLP has served as our independent public accountants since 2002. The following is a description of fees billed to us by PricewaterhouseCoopers LLP during 2025 and 2024.

### Auditor Fees<sup>(1)</sup>

**Table 70 - Auditor Fees**

(In thousands)	2025	2024
Audit Fees <sup>(2)</sup>	\$23,332	\$23,268
Audit-Related Fees <sup>(3)</sup>	7,819	6,325
Tax Fees <sup>(4)</sup>	1,312	1,370
All Other Fees <sup>(5)</sup>	17	2
<b>Total</b>	<b>\$32,480</b>	<b>\$30,965</b>

- (1) These fees represent amounts billed (including reimbursable expenses within the designated year).
- (2) Audit fees include fees in connection with quarterly reviews of our interim financial information and the audit of our annual consolidated financial statements.
- (3) Audit-related fees include: (1) fees for the performance of certain agreed-upon procedures regarding aspects of compliance with the Purchase Agreement covenants; (2) attestation-related services on debt offerings; (3) compliance evaluation of the minimum servicing standards as set forth in the Uniform Single Attestation Program for Mortgage Bankers; (4) fees related to accounting policy consultations; (5) fees for the performance of certain agreed-upon procedures related to our risk transfer and structured transactions, pursuant to engagement letters with the company, including where the fees are billed to and paid by unconsolidated trusts created in connection with such transactions; (6) fees related to certain wire system attestations; and (7) fees for assessing management's internal controls and risk management process reviews beyond the level required as part of the audit.
- (4) The tax fees related to non-audit tax compliance and consulting services arising from certain tax credits and advice and recommendations related to tax planning and reporting matters.
- (5) All other fees include: (1) our subscription to a web-based suite of human resources benchmark data; and (2) our subscription to accounting research and disclosure software.

## APPROVAL OF INDEPENDENT AUDITOR SERVICES AND FEES

Under its charter, the Audit Committee is responsible for the following:

- Appointing our independent public accounting firm (subject to FHFA approval as required);
- Approving all audit and non-audit services permitted under applicable law to be performed by the independent public accounting firm (subject to FHFA approval as required);
- Approving our independent public accounting firm's proposed integrated audit scope and approach with respect to the annual audit; and
- Overseeing the performance of, and relationship with, our independent public accounting firm.

The Sarbanes-Oxley Act of 2002 and related SEC rules require that all services provided to companies subject to the reporting requirements of the Exchange Act by their independent auditors be pre-approved by their audit committee or by authorized members of the committee, with certain exceptions. The Audit Committee's charter requires that the Audit Committee pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by our independent auditors (or to designate one or more members of the Audit Committee to pre-approve such services and report such pre-approval to the Audit Committee).

Audit services that are within the scope of an auditor's engagement approved by the Audit Committee prior to the performance of those services are deemed pre-approved and do not require separate pre-approval. Audit services not within the scope of an Audit Committee-approved engagement, as well as permissible non-audit services, must be separately pre-approved by the Audit Committee.

When the Audit Committee pre-approves a service, it sets a dollar limit for such service. Management obtains pre-approval of the Audit Committee, or of the Chair of the Audit Committee (when the Chair of the Audit Committee has been delegated such authority), before it incurs fees exceeding the dollar limit. If the Chair of the Audit Committee approves the increase, the Chair will report such approval at the Audit Committee's next scheduled meeting. The Audit Committee has delegated to the Chair

the authority to address requests to pre-approve certain additional audit and non-audit services to be performed by the company's independent auditor with fees totaling up to a maximum of \$250,000 per quarter, with reporting of any such approval decisions to the Audit Committee at its next scheduled meeting. The pre-approval procedure is administered by our senior financial management, which reports throughout the year to the Audit Committee. The Audit Committee pre-approved all audit, audit-related, tax, and other services performed by our independent public accounting firm in 2025 and 2024.

The Audit Committee appoints the independent public accounting firm on an annual basis. In connection with applicable partner rotation requirements, the Audit Committee and its Chair are involved in considering the selection of the independent registered public accounting firm's new lead partner. In evaluating the performance of the independent public accounting firm, the Audit Committee considers a number of factors, including the following:

- The firm's status as a registered public accounting firm with the Public Company Accounting Oversight Board (United States), or PCAOB, as required by the Sarbanes-Oxley Act of 2002 and the Rules of the PCAOB;
- Its independence and processes for maintaining its independence;
- Its approach to resolving significant accounting and auditing matters;
- Its capability and expertise in handling the complexity of the company's business, including the capability and expertise of the lead audit partner and of the key members of the engagement team;
- Historical and recent performance, including the extent and quality of the independent public accounting firm's communications with the Audit Committee, and the results of a management survey of the independent public accounting firm's overall performance;
- Data related to audit quality and performance, including recent PCAOB inspection reports on the firm; and
- The appropriateness of its fees, both on an absolute basis and as compared with peers.

The Audit Committee has determined that the non-audit services rendered by PricewaterhouseCoopers during its most recent fiscal year are compatible with maintaining PricewaterhouseCoopers' independence.

# Exhibits and Financial Statement Schedules

(a) Documents filed as part of this report:

(1) Consolidated Financial Statements

The consolidated financial statements required to be filed in this Form 10-K are included in **Financial Statements and Supplementary Data**.

(2) Financial Statement Schedules

None.

(3) Exhibits

An **Exhibit Index** has been filed as part of this Form 10-K beginning on page 258.

# Glossary

This Glossary includes acronyms and defined terms that are used throughout this report.

- **ACIS** - Agency Credit Insurance Structure - Transactions in which we purchase insurance policies that provide credit enhancement for certain specified credit events on the mortgage loans in the related reference pools, or provide front-end credit risk transfer as loans come into the portfolio. Under each of these insurance policies, we pay monthly premiums that are determined based on the outstanding balance of the reference pool. When specific credit events occur, we generally receive compensation from the insurance policy up to an aggregate limit based on actual losses.
- **Administration** - Executive branch of the U.S. government and its agencies, including but not limited to FHFA and Treasury.
- **Agency securities** - Generally refers to mortgage-related securities issued or guaranteed by the GSEs or government agencies.
- **AI** - Artificial Intelligence.
- **AMI** - Area Median Income.
- **Annual Business Plan** - Consolidated business plan and divisional business plans.
- **AOCI** - Accumulated other comprehensive income (loss), net of taxes.
- **ARM** - Adjustable-rate mortgage - A mortgage loan with an interest rate that adjusts periodically over the life of the loan based on changes in a benchmark index.
- **ASU** - Accounting Standards Update.
- **ASU 2022-02** - Accounting Standards Update 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. 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.
- **ATA** - Adjusted total assets.
- **AVM** - Automated Valuation Model.
- **Bps** - Basis points - One one-hundredth of 1%. This term is commonly used to quote the yields of debt instruments or movements in interest rates.
- **Bylaws** - Bylaws of the Federal Home Loan Mortgage Corporation, as amended and restated August 12, 2025.
- **Capital Reserve Amount** - See *Net worth sweep dividend, Net Worth Amount, Capital Reserve Amount, and Capital Reserve End Date* for additional information.
- **Capital Reserve End Date** - See *Net worth sweep dividend, Net Worth Amount, Capital Reserve Amount, and Capital Reserve End Date* for additional information.
- **CARES Act** - Coronavirus Aid, Relief, and Economic Security Act - An economic stimulus bill signed into law on March 27, 2020, designed to mitigate the negative economic effects of the COVID-19 pandemic in the United States.
- **CD&A** - Compensation Discussion and Analysis.
- **CEO** - Chief Executive Officer.
- **CET1** - Common Equity Tier 1.
- **CFO** - Chief Financial Officer.
- **CFPB** - Consumer Financial Protection Bureau.
- **Charge-offs** - Represent the amount of a financial asset that is removed from our consolidated balance sheets when deemed uncollectible, regardless of when the impact of the credit loss was recorded on our consolidated statements of comprehensive income. For mortgage loans, generally the amount of a charge-off is the recorded investment in excess of the fair value of the loan's collateral.
- **Charter** - The Federal Home Loan Mortgage Corporation Act, as amended, 12 U.S.C. § 1451 et seq.
- **CMBS** - Commercial mortgage-backed security - A security backed by loans on commercial property (often including multifamily rental properties) as opposed to one-to-four family residential real estate.
- **CMD Committee** - Compensation and Management Development Committee of the Board of Directors.
- **CMOs** - Collateralized Mortgage Obligations.
- **CODM** - Chief Operating Decision Maker.
- **Comprehensive income** - Consists of net income plus other comprehensive income (loss).

- **Conforming loan/Conforming loan limit** - A conventional single-family loan with an original principal balance that is equal to or less than the applicable statutory conforming loan limit, which is a dollar amount cap on the original principal balance of single-family loans we are permitted by law to purchase or securitize. The conforming loan limit is determined annually based on changes in FHFA's house price index.
- **Conservator** - FHFA, acting in its capacity as Conservator of Freddie Mac.
- **Conservatorship Scorecard** - FHFA's mechanism for outlining specific conservatorship priorities for Freddie Mac, Fannie Mae, and their joint venture, U.S. FinTech.
- **Convexity** - A measure of how much a financial instrument's duration changes as interest rates change.
- **Corporate Governance Rule** - FHFA's rule regarding the Responsibilities of Board of Directors, Corporate Practices and Corporate Governance Matters.
- **Credit enhancement** - A financial arrangement that is designed to reduce credit risk by partially or fully compensating an investor in a mortgage or security (e.g., Freddie Mac) in the event of specified losses. Examples of credit enhancements include insurance, CRT transactions, overcollateralization, indemnification agreements, and government guarantees.
- **Credit fee** - A fee charged to sellers above base contractual guarantee fees to compensate us for higher levels of risk in some loan products.
- **Credit risk transfer (CRT) transactions** - Arrangements where we actively transfer the credit risk exposure on mortgages that we own or guarantee.
- **Credit score** - Statistically-derived number that may indicate a borrower's likelihood to repay debt. Reported credit scores are based on credit scoring models developed by Fair Isaac Corporation or by VantageScore Solutions, LLC. Credit scores are ranked on a scale of approximately 300 to 850 points with a higher value indicating a lower likelihood of credit default.
  - **Original credit score** - The credit score of the borrower at the time of loan origination or our purchase.
  - **Current credit score** - The credit score of the borrower as of the first month of the most recent quarter.
- **CRO** - Chief Risk Officer.
- **December 2017 Letter Agreement** - An agreement that we through the Conservator, acting on our behalf, entered into with Treasury on December 21, 2017 to amend the Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms, and Conditions of Variable Liquidation Preference Senior Preferred Stock (Par Value \$1.00 Per Share) dated September 27, 2012.
- **Deed in lieu of foreclosure** - An alternative to foreclosure in which the borrower voluntarily conveys title to the property to the lender and the lender accepts such title (sometimes together with an additional payment by the borrower) in full satisfaction of the mortgage indebtedness.
- **Delinquency** - A failure to make timely payments of principal and/or interest on a loan. For single-family loans, we generally report delinquency rate information based on the number of loans that are seriously delinquent. We report single-family loans in forbearance as delinquent during the forbearance period to the extent that payments are past due based on the loan's original contractual terms, irrespective of the forbearance plan. For multifamily loans, we report delinquency rate information based on the UPB of loans that are two monthly payments or more past due or in the process of foreclosure. Loans that have been modified or received forbearance are not counted as delinquent as long as the borrower is performing pursuant to the terms of the modified loan or forbearance agreement. Unless stated otherwise, multifamily delinquency rates presented in this Form 10-K refer to gross delinquency rates before consideration of risk transfers.
- **Derivative** - A financial instrument whose value depends upon the characteristics and value of an underlying such as a financial asset or index. Examples of underlyings include security or commodity prices, interest or currency rates, and other financial indices.
- **Director** - Director or Acting Director.
- **Dodd-Frank Act** - Dodd-Frank Wall Street Reform and Consumer Protection Act.
- **DSCR** - Debt Service Coverage Ratio - An indicator of future credit performance for multifamily loans. The DSCR estimates a multifamily borrower's ability to service its mortgage obligation using the secured property's cash flow, after deducting non-mortgage expenses from income. The higher the DSCR, the more likely a multifamily borrower will be able to continue servicing its loan obligation. The original DSCR is used for loan underwriting and assumes monthly payments that reflect amortization of principal. The current DSCR is calculated using the actual debt service payments for the loan.
- **DTI ratio** - Debt-to-income ratio. The ratio of borrowers' total monthly debt payments to gross monthly income. DTI ratio is an indicator of the creditworthiness of borrowers, as it measures borrowers' ability to manage monthly payments and repay debts.
- **Duration** - A measure of a financial instrument's price sensitivity to changes in interest rates.
- **Duration gap** - One of our primary interest-rate risk measures. Duration gap is a measure of the difference between the estimated durations of our interest rate sensitive assets and liabilities. We present the duration gap of our financial instruments in units expressed as months. A duration gap of zero implies that the change in value of our interest rate sensitive assets from an instantaneous change in interest rates would be expected to be accompanied by an equal and offsetting change in the value of our interest rate sensitive liabilities, thus leaving economic value unchanged.

- **EMCP** - Executive Management Compensation Program.
- **Enterprises** - Freddie Mac and Fannie Mae.
- **EO&T** - Enterprise Operations & Technology Division.
- **ERCF** - Enterprise Regulatory Capital Framework - Final rule adopted by FHFA in 2020 that establishes a new regulatory capital framework for Freddie Mac and Fannie Mae as amended from time to time.
- **EVP** - Executive Vice President.
- **Exchange Act** - Securities Exchange Act of 1934, as amended.
- **Fannie Mae** - Federal National Mortgage Association.
- **FDIC** - Federal Deposit Insurance Corporation.
- **Federal Reserve** - Board of Governors of the Federal Reserve System.
- **FHA** - Federal Housing Administration.
- **FHFA** - Federal Housing Finance Agency (also known as U.S. Federal Housing) - An independent agency of the U.S. government with responsibility for regulating Freddie Mac, Fannie Mae, and the FHLBs.
- **FHLB** - Federal Home Loan Bank.
- **55-day MBS** - A single-class pass-through security with a 55-day payment delay for non-TBA-eligible fixed-rate mortgage loans. Freddie Mac began issuing 55-day MBS on and after June 3, 2019.
- **Fitch** - Fitch Ratings Limited.
- **Fixed-rate loan** - Refers to a loan originated at a specific rate of interest that remains constant over the life of the loan. For purposes of presentation in this report, we have categorized certain modified loans as fixed-rate loans, even though the modified loans have rate adjustment provisions. In these cases, while the terms of the modified loans provide for the interest rate to adjust in the future, such future rates are determined at the time of the modification rather than at a subsequent date.
- **Foreclosure alternative** - A workout option pursued when a home retention action is not successful or not possible. A foreclosure alternative is either a short sale or deed in lieu of foreclosure.
- **Foreclosure or foreclosure sale** - Refers to our completion of a transaction provided for by the foreclosure laws of the applicable state, in which a delinquent borrower's ownership interest in a mortgaged property is terminated and title to the property is transferred to us or to a third party. When we, as loan holder, acquire a property in this manner, we pay for it by extinguishing some or all of the mortgage debt.
- **GAAP** - Generally accepted accounting principles in the United States of America.
- **Giant MBS** - Resecuritizations of previously issued 55-day MBS (and/or Giant MBS), and/or 55-day MBS (and/or Giant MBS) that Freddie Mac has issued in exchange for non-TBA-eligible PCs and non-TBA-eligible Giant PCs that have been delivered to Freddie Mac in response to the exchange offer. Giant MBS are single-class securities that involve the direct pass-through of all cash flows of the underlying collateral to holders of the beneficial interests.
- **Giant PCs** - Resecuritizations of previously issued PCs or Giant PCs. Giant PCs are single-class securities that involve the direct pass through of all cash flows of the underlying collateral to holders of the beneficial interests.
- **Ginnie Mae** - Government National Mortgage Association, which guarantees the timely payment of principal and interest on mortgage-related securities backed by federally insured or guaranteed loans, primarily those insured by FHA or guaranteed by the VA.
- **GSD/FICC** - Government Securities Division of the Fixed Income Clearing Corporation.
- **GSE Act** - The Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Federal Housing Finance Regulatory Reform Act of 2008.
- **GSEs** - Government-sponsored enterprises - Refers to certain legal entities created by the U.S. government, including Freddie Mac, Fannie Mae, and the FHLBs.
- **Guarantee fee** - The fee that we receive for guaranteeing the payment of principal and interest to mortgage security investors, which consists primarily of a combination of a monthly guarantee fee paid as a percentage of the UPB of the underlying loans, and initial upfront payments, such as credit fees.
- **Guide** - The *Single-Family Seller/Servicer Guide* consists of Freddie Mac's requirements relating to the purchase, sale, and servicing of single-family mortgages.
- **Guidelines** - Corporate Governance Guidelines, as revised.
- **HFA** - State or local Housing Finance Agency.
- **HQLA** - High quality liquid asset.
- **HUD** - U.S. Department of Housing and Urban Development.
- **Initial margin** - The collateral that we post with a derivatives clearinghouse or to a counterparty in order to do business with such clearinghouse or trade with such counterparty. The amount of initial margin varies over time.

- **January 2021 Letter Agreement** - An agreement that we through the Conservator, acting on our behalf, entered into with Treasury on January 14, 2021 to further amend (1) the Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms, and Conditions of Variable Liquidation Preference Senior Preferred Stock (Par Value \$1.00 Per Share) dated September 30, 2019 and (2) the Purchase Agreement.
- **January 2025 Letter Agreement** - An agreement that we through the Conservator, acting on our behalf, entered into with Treasury on January 2, 2025 to further amend (1) the Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Liquidation Preference Senior Preferred Stock (Par Value \$1.00 Per Share) dated April 13, 2021, (2) the Purchase Agreement, and (3) the Warrant.
- **K Certificates** - Structured pass-through certificates generally backed by recently originated multifamily loans purchased by Freddie Mac.
- **Key Counterparty** - Any Freddie Mac mortgage insurer, one of Freddie Mac's 20 largest mortgage servicers, or one of Freddie Mac's 20 largest mortgage sellers.
- **Legislated guarantee fees** - The 10 basis point increase in guarantee fees we implemented for all single-family residential mortgages delivered to us on or after April 1, 2012, 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. We are required to charge and remit to Treasury this 10 basis point fee for all single-family residential mortgage loans delivered to us through October 1, 2032.
- **Lender risk-sharing** - Lender supplied loss sharing reimbursement agreement that generally provides first loss credit enhancement coverage.
- **Level 1 Securitization Products** - Single-class pass-through securities that represent undivided beneficial interests in trusts that hold pools of loans. These products include UMBS, 55-day MBS, and PCs.
- **LIBOR** - London Interbank Offered Rate.
- **LIHTC partnerships** - Low-income housing tax credit partnerships - These LIHTC partnerships invest directly in limited partnerships that own and operate affordable multifamily rental properties that generate federal income tax credits and deductible operating losses.
- **Liquidation preference** - Generally refers to an amount that holders of preferred securities are entitled to receive out of available assets upon liquidation of a company. The initial liquidation preference of our senior preferred stock was \$1.0 billion. The aggregate liquidation preference of our senior preferred stock includes the initial liquidation preference plus amounts funded by Treasury under the Purchase Agreement, as well as \$3.0 billion added pursuant to the December 2017 Letter Agreement. In addition, pursuant to the September 2019 Letter Agreement and January 2021 Letter Agreement, increases in the Net Worth, if any, during the immediately prior fiscal quarter have been, or will be, added to the liquidation of the senior preferred stock at the end of each fiscal quarter, from September 30, 2019 through the Capital Reserve End Date. We may make payments to reduce the liquidation preference of the senior preferred stock only in limited circumstances.
- **Liquidity and Contingency Operating Portfolio** - Subset of our other investments portfolio. Consists of cash and cash equivalents, certain securities purchased under agreements to resell, and certain non-mortgage-related securities.
- **LLC** - Limited liability company.
- **LLRE** - Limited life regulated entity.
- **Long-term debt** - Debt due after one year based on the original contractual maturity of the debt instrument. Our long-term debt issuances include medium-term notes, Reference Notes securities, STACR debt notes, and SCR debt notes.
- **LTV ratio** - Loan-to-value ratio - The ratio of the unpaid principal amount of a loan to the value of the property that serves as collateral for the loan, expressed as a percentage. We report LTV ratios based solely on the amount of the loan purchased or guaranteed by us.
  - **Original LTV** - The LTV ratio at the time of origination. The original LTV is calculated as the UPB of the loan divided by the value of the property at the time of loan origination.
  - **Current LTV or CLTV** - The current LTV ratio is a management estimate, which is updated on a monthly basis. Current market values are estimated by adjusting the value of the property at origination based on changes in the market value of homes in the same geographic area since that time irrespective of the type of features of the specific property relative to other properties in that same geographic area. Changes in market value of single-family properties are derived from our internal index, which measures price changes for repeat sales and refinancing activity on the same properties using Freddie Mac and Fannie Mae single-family loan acquisitions. Estimates of the current LTV ratio exclude any secondary financing by third parties.
- **Market spread** - The difference between the yields of two debt securities, or the difference between the yield of a debt security and a benchmark yield, such as SOFR or U.S. Treasury securities. We measure market spreads primarily using our models.
- **MBS** - Mortgage-backed security.
- **MBSD/FICC** - Mortgage-Backed Securities Division of the Fixed Income Clearing Corporation.

- **MCIP** - Multifamily Credit Insurance Pool.
- **MD&A** - Management's Discussion and Analysis of Financial Condition and Results of Operations.
- **Moody's** - Moody's Investor Service.
- **Mortgage assets** - Refers to both loans and mortgage-related securities we hold in our mortgage-related investments portfolio.
- **MSA** - Metropolitan Statistical Area.
- **MSCR note** - Multifamily Structured Credit Risk note - A debt security issued by a nonconsolidated trust where the principal balance is linked to the credit performance of a reference pool of multifamily loans owned or guaranteed by Freddie Mac. We make payments to the trust to support payment of the interest due on the notes, and we receive payments from the trust as a result of defined credit events on the reference pool.
- **Multifamily loan** - A loan secured by a property with five or more residential rental units or by a manufactured housing community.
- **Multifamily PC** - A fully guaranteed securitization product in which Freddie Mac retains the credit risk of the underlying mortgage loan.
- **Multifamily new business activity** - Represents loan purchases, issuances of other mortgage-related guarantees, and issuances of other securitization products for which we have not previously purchased the underlying loans.
- **NCUSIF** - National Credit Union Share Insurance Fund.
- **Net Worth Amount** - See *Net worth sweep dividend, Net Worth Amount, Capital Reserve Amount, and Capital Reserve End Date* for additional information.
- **Net worth** - The amount by which our total assets exceed our total liabilities as reflected on our consolidated balance sheets prepared in conformity with GAAP.
- **Net worth sweep dividend, Net Worth Amount, Capital Reserve Amount, and Capital Reserve End Date** - For each quarter from January 1, 2013 through the Capital Reserve End Date, the dividend requirement on the senior preferred stock will be the amount, if any, by which our Net Worth Amount at the end of the immediately preceding fiscal quarter, less the applicable Capital Reserve Amount, exceeds zero. The term Net Worth Amount is defined as the total assets of Freddie Mac (excluding Treasury's commitment and any unfunded amounts thereof), less our total liabilities (excluding any obligation in respect of capital stock), in each case as reflected on our consolidated balance sheets prepared in conformity with GAAP. If the calculation of the dividend payment for a quarter does not exceed zero, then no dividend shall accrue or be payable for that quarter. The applicable Capital Reserve Amount was \$3.0 billion for 2018, increased to \$20.0 billion in 3Q 2019 pursuant to the September 2019 Letter Agreement, and later increased further to the amount of adjusted total capital necessary to meet capital requirements and buffers set forth in the ERCF. If we were not to pay our dividend requirement on the senior preferred stock in full in any future period until the Capital Reserve End Date, the applicable Capital Reserve Amount would thereafter be zero. The Capital Reserve End Date is the last day of the second consecutive fiscal quarter during which Freddie Mac has had and maintained capital equal to or in excess of all of the capital requirements and buffers under the ERCF.
- **NM** - Not meaningful.
- **NOI** - Net operating income.
- **Non-accrual loan** - A loan for which we are not accruing interest income. We place loans on non-accrual status when we believe collectability of principal and interest in full is not reasonably assured, which generally occurs when a loan is three monthly payments past due, unless the loan is well secured and in the process of collection based upon an individual loan assessment.
- **NYSE** - New York Stock Exchange.
- **OAS** - Option-adjusted spread - An estimate of the incremental yield spread between a particular financial instrument (e.g., a security, loan, or derivative contract) and a benchmark yield curve (e.g., SOFR, agency, or U.S. Treasury securities). This includes consideration of potential variability in the instrument's cash flows resulting from any options embedded in the instrument, such as prepayment options. When the OAS on a given asset widens, the fair value of that asset will typically decline, all other market factors being equal. The opposite is true when the OAS on a given asset tightens.
- **Optigo®** - Freddie Mac's Multifamily lender network and loan offerings.
- **OTC** - Over-the-counter.
- **OTCQB** - A marketplace, operated by the OTC Markets Group Inc., for OTC-traded U.S. companies that are registered and current in their reporting with the SEC or a U.S. banking or insurance regulator.
- **PCs** - Participation Certificates - Single-class pass-through securities that we issue and guarantee as part of a securitization transaction.
  - **Gold PCs** - Single-class pass-through securities with a 45-day payment delay that Freddie Mac issued for fixed-rate mortgage loans prior to June 3, 2019. Freddie Mac no longer issues Gold PCs. Existing Gold PCs are eligible for exchange into UMBS (for TBA-eligible securities) or 55-day MBS (for non-TBA-eligible securities).

- **ARM PCs** - Single-class pass-through securities with a 75-day payment delay for ARM products.
- **PCCBA** - Prescribed capital conservation buffer amount.
- **Pension Plan** - The Federal Home Loan Mortgage Corporation Employees' Pension Plan.
- **PLBA** - Prescribed leverage buffer amount.
- **PMIERS** - Private Mortgage Insurer Eligibility Requirements - Financial and operational standards that private mortgage insurance companies must meet to be an approved insurer and provide mortgage guaranty insurance on mortgage loans acquired by Freddie Mac.
- **PMMS** - Primary Mortgage Market Survey.
- **Primary mortgage market** - The market where lenders originate loans by lending funds to borrowers. We do not lend money directly to homeowners and do not participate in this market.
- **Purchase Agreement / Senior Preferred Stock Purchase Agreement** - An agreement that we through the Conservator, acting on our behalf, entered into with Treasury on September 7, 2008, relating to Treasury's purchase of senior preferred stock and warrant, which was subsequently amended and restated on September 26, 2008 and further amended on May 6, 2009, December 24, 2009, August 17, 2012, December 21, 2017, September 27, 2019, January 14, 2021, September 14, 2021, and January 2, 2025.
- **PVS** - Portfolio Value Sensitivity - One of our primary interest-rate risk measures. PVS measures are estimates of the amount of average potential pre-tax loss in the value of our financial assets and liabilities due to parallel (PVS-L) and non-parallel (PVS-YC) changes in SOFR.
- **REIT** - Real estate investment trust.
- **Relief refinance loan** - A single-family loan delivered to us for purchase or guarantee that meets the criteria of one of our relief refinance programs which include Enhanced Relief Refinance and other legacy programs.
- **REMIC** - Real Estate Mortgage Investment Conduit - A type of multiclass mortgage-related security that divides the cash flows (principal and interest) of the underlying mortgage-related assets into two or more classes that meet the investment criteria and portfolio needs of different investors. This structure allows commingling of TBA-eligible Freddie Mac and Fannie Mae collateral.
- **REO** - Real estate owned - Real estate which we have acquired through a foreclosure sale or through a deed in lieu of foreclosure.
- **Reperforming loan** - A single-family unsecuritized loan that was previously three months or more past due based on the loan's original contractual terms or in the process of foreclosure, but the borrower subsequently made payments or entered into payment deferral plans such that the loan returns to less than three months past due, or a performing modified loan, which is a loan that was modified and is less than three months past due and is not in the process of foreclosure.
- **Reputation risk** - The risk of damage to the Freddie Mac brand and reputation from any action, inaction, or association that is perceived to be inappropriate, unethical, or inconsistent with our mission.
- **Risk Framework** - Enterprise Risk Framework.
- **RSU** - Restricted stock unit.
- **RWA** - Risk-weighted assets.
- **S&P** - Standard & Poor's.
- **SCR debt note** - Structured Credit Risk debt note - A debt security where the principal balance is subject to the performance of a reference pool of multifamily loans guaranteed by Freddie Mac.
- **SEC** - U.S. Securities and Exchange Commission.
- **Secondary mortgage market** - A market consisting of institutions engaged in buying and selling loans in the form of whole loans (i.e., loans that have not been securitized) and mortgage-related securities. We participate in the secondary mortgage market by issuing guaranteed mortgage-related securities and by purchasing loans and mortgage-related securities for investment.
- **Senior preferred stock** - The shares of Variable Liquidation Preference Senior Preferred Stock issued to Treasury under the Purchase Agreement.
- **September 2019 Letter Agreement** - An agreement that we through the Conservator, acting on our behalf, entered into with Treasury on September 27, 2019 to amend the Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms, and Conditions of Variable Liquidation Preference Senior Preferred Stock (Par Value \$1.00 Per Share) dated September 27, 2012.
- **Seriously delinquent or SDQ** - Single-family loans that are three monthly payments or more past due or in the process of foreclosure as reported to us by our servicers. Unless stated otherwise, SDQ rates presented in this Form 10-K refer to gross SDQ rates before consideration of credit enhancements.
- **SERP** - The Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan.

- **SFHAs** - Special Flood Hazard Areas designated by the Federal Emergency Management Agency.
- **Short sale** - An alternative to foreclosure consisting of a sale of a mortgaged property in which the homeowner sells the home at market value and the lender accepts proceeds (sometimes together with an additional payment or promissory note from the borrower) that are less than the outstanding loan indebtedness in full satisfaction of the loan.
- **Short-term debt** - Debt due within one year based on the original contractual maturity of the debt instrument. Our short-term debt issuances primarily include discount notes and Reference Bills securities.
- **SIFMA** - Securities Industry and Financial Markets Association.
- **Single-family loan** - A loan secured by a property containing one to four residential dwelling units.
- **Single-family new business activity** - Single-family loans we purchased or guaranteed.
- **SOFR** - Secured Overnight Financing Rate.
- **STACR debt note** - Structured Agency Credit Risk debt note - A Freddie Mac issued debt security where the principal balance is linked to the credit performance of a reference pool of single-family loans owned or guaranteed by Freddie Mac.
- **STACR Trust note** - Structured Agency Credit Risk Trust note - A debt security issued by a nonconsolidated trust where the principal balance is linked to the credit performance of a reference pool of single-family loans owned or guaranteed by Freddie Mac. We make payments to the trust to support payment of the interest due on the notes, and we receive payments from the trust as a result of defined credit events on the reference pool.
- **Strategic risk** - The risk to earnings, capital, profitability, mission, or reputation arising from adverse business decisions, or the improper implementation of those decisions, that may negatively affect the company's strategy.
- **Strips** - Multiclass securities that are formed by resecuritizing previously issued Level 1 Securitization Products or single-class resecuritization products and issuing stripped securities, including principal-only and interest-only securities or floating rate and inverse floating rate securities, backed by the cash flows from the underlying collateral. This structure allows commingling of TBA-eligible Freddie Mac and Fannie Mae collateral. Strips also include stripped interest certificates; these are interest-only securities that pass through certain excess yield amounts transferred to us by mortgage sellers or servicers in respect of mortgages that have been included in previously issued Level 1 Securitization Products.
- **Supers** - Resecuritizations of UMBS and certain other mortgage securities. Supers are single-class securities that involve the direct pass-through of all cash flows of the underlying collateral to holders of the beneficial interests. This structure allows commingling of TBA-eligible Freddie Mac and Fannie Mae collateral.
- **SVP** - Senior Vice President.
- **Swaption** - An option contract to enter into an interest-rate swap. In exchange for an option premium, a buyer obtains the right but not the obligation to enter into a specified swap agreement with the issuer on a specified future date.
- **Target TDC** - Target total direct compensation.
- **TBA** - To be announced.
- **TDR** - Troubled debt restructuring - A restructuring of a debt constitutes a TDR if the creditor, for economic or legal reasons related to the debtor's financial difficulties, grants a concession to the debtor that it would not otherwise consider.
- **Thrift/401(k) Plan** - The Federal Home Loan Mortgage Corporation Thrift/401(k) Savings Plan.
- **Treasury** - U.S. Department of the Treasury.
- **UMBS** - Uniform mortgage-backed security - A single (common) mortgage-related security with a 55-day payment delay for TBA-eligible fixed-rate mortgage loans. Freddie Mac and Fannie Mae began issuing UMBS on and after June 3, 2019. The UMBS represents undivided beneficial ownership interest in, and the right to receive payments from, pools of one- to four- family residential mortgages that are held in trust for investors.
- **UPB** - Unpaid principal balance - Loan UPB amounts in this report have not been reduced by charge-offs recognized prior to the loan being subject to a foreclosure sale, deed in lieu of foreclosure, or short sale transaction.
- **Upfront fee** - A fee charged to sellers that primarily includes credit fees that are calculated based on credit risk factors such as the loan product type, loan purpose, LTV ratio, and credit score.
- **USDA** - U.S. Department of Agriculture.
- **U.S. FinTech** - U.S. Financial Technology, LLC (formerly known as Common Securitization Solutions, LLC).
- **U.S. FinTech Board** - The Board of Managers for U.S. FinTech.
- **VA** - U.S. Department of Veterans Affairs.
- **Variation margin** - Payments we make to or receive from a derivatives clearinghouse or counterparty based on the change in fair value of a derivative instrument. Variation margin is typically transferred within one business day.
- **VIE** - Variable Interest Entity - A VIE is an entity that has a total equity investment at risk that is not sufficient to finance its activities without additional subordinated financial support provided by another party, or where the group of equity holders does not have: (1) the ability to make significant decisions about the entity's activities; (2) the obligation to absorb the entity's expected losses; or (3) the right to receive the entity's expected residual returns.
- **Warrant** - Refers to the warrant we issued to Treasury on September 7, 2008 pursuant to the Purchase Agreement. The

warrant provides Treasury the ability to purchase, for a nominal price, shares of our common stock equal to 79.9% of the total number of shares of Freddie Mac common stock outstanding on a fully diluted basis on the date of exercise.

- **When-Issued K-Deal (WI K-Deal) Certificates** - Guaranteed certificates initially backed by cash until a future K Certificate is delivered.
- **Workforce housing** - Multifamily housing that is affordable to the majority of low to middle income households.
- **Workout, or loan workout** - A workout is either a home retention action, which is either a loan modification, repayment plan, payment deferral plan, or forbearance plan, or a foreclosure alternative, which is either a short sale or a deed in lieu of foreclosure.
- **XBRL** - eXtensible Business Reporting Language.
- **Yield curve** - A graphical display of the relationship between yields and maturity dates for bonds of the same credit quality. The slope of the yield curve is an important factor in determining the level of net interest yield on a new mortgage asset, both initially and over time. For example, if a mortgage asset is purchased when the yield curve is inverted (i.e., short-term interest rates higher than long-term interest rates), our net interest yield on the asset will tend to be lower initially and then increase over time. Likewise, if a mortgage asset is purchased when the yield curve is steep (i.e., short-term interest rates lower than long-term interest rates), our net interest yield on the asset will tend to be higher initially and then decrease over time.

# Exhibit Index

Exhibit	Description*
3.1	<a href="#">Federal Home Loan Mortgage Corporation Act (12 U.S.C. §1451 et seq.), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act (incorporated by reference to Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q filed on July 31, 2018)</a>
3.2	<a href="#">Bylaws of the Federal Home Loan Mortgage Corporation, as amended and restated August 12, 2025 (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on August 14, 2025)</a>
4.1	<a href="#">Eighth Amended and Restated Certificate of Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Voting Common Stock (no par value per share) dated September 10, 2008 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on September 11, 2008)</a>
4.2	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated April 23, 1996 (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.3	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.81% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated October 27, 1997 (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.4	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated March 23, 1998 (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.5	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.1% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated September 23, 1998 (incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.6	<a href="#">Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated September 29, 1998 (incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.7	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.3% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated October 28, 1998 (incorporated by reference to Exhibit 4.7 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.8	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.1% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated March 19, 1999 (incorporated by reference to Exhibit 4.8 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.9	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.79% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated July 21, 1999 (incorporated by reference to Exhibit 4.9 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.10	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated November 5, 1999 (incorporated by reference to Exhibit 4.10 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>

\* The SEC file number 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 is 001-34139.

Exhibit	Description*
4.11	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated January 26, 2001 (incorporated by reference to Exhibit 4.11 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.12	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated March 23, 2001 (incorporated by reference to Exhibit 4.12 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.13	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.81% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated March 23, 2001 (incorporated by reference to Exhibit 4.13 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.14	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Preferred Stock (par value \$1.00 per share), dated May 30, 2001 (incorporated by reference to Exhibit 4.14 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.15	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 6% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated May 30, 2001 (incorporated by reference to Exhibit 4.15 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.16	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.7% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated October 30, 2001 (incorporated by reference to Exhibit 4.16 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.17	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.81% Non-Cumulative Preferred Stock (par value \$1.00 per share), dated January 29, 2002 (incorporated by reference to Exhibit 4.17 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.18	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Rate, Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated July 17, 2006 (incorporated by reference to Exhibit 4.18 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.19	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 6.42% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated July 17, 2006 (incorporated by reference to Exhibit 4.19 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.20	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.9% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated October 16, 2006 (incorporated by reference to Exhibit 4.20 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.21	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.57% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated January 16, 2007 (incorporated by reference to Exhibit 4.21 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.22	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 5.66% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated April 16, 2007 (incorporated by reference to Exhibit 4.22 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.23	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 6.02% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated July 24, 2007 (incorporated by reference to Exhibit 4.23 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>

\* The SEC file number 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 is 001-34139.

Exhibit	Description*
4.24	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of 6.55% Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated September 28, 2007 (incorporated by reference to Exhibit 4.24 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.25	<a href="#">Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock (par value \$1.00 per share), dated December 4, 2007 (incorporated by reference to Exhibit 4.25 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)</a>
4.26	<a href="#">Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Liquidation Preference Senior Preferred Stock (par value \$1.00 per share), dated September 27, 2012 (incorporated by reference to Exhibit 4.26 to the Registrant's Annual Report on Form 10-K filed on February 28, 2013)</a>
4.27	<a href="#">Second Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Liquidation Preference Senior Preferred Stock (par value \$1.00 per share), dated January 1, 2018 (incorporated by reference to Exhibit 4.27 to the Registrant's Annual Report on Form 10-K filed on February 15, 2018)</a>
4.28	<a href="#">Third Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Liquidation Preference Senior Preferred Stock (par value \$1.00 per share), dated September 30, 2019 (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed on October 30, 2019)</a>
4.29	<a href="#">Fourth Amended and Restated Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions of Variable Liquidation Preference Senior Preferred Stock (par value \$1.00 per share), dated April 13, 2021 (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 29, 2021)</a>
4.30	<a href="#">Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.30 to the Registrant's Annual Report on Form 10-K filed on February 14, 2024)</a>
4.31	<a href="#">Federal Home Loan Mortgage Corporation Global Debt Facility Agreement, dated February 14, 2024 (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q filed on May 1, 2024)</a>
10.1	<a href="#">Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated effective January 1, 2008) (incorporated by reference to Exhibit 10.33 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)†</a>
10.2	<a href="#">First Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated January 1, 2008) (incorporated by reference to Exhibit 10.38 to the Registrant's Annual Report on Form 10-K filed on February 24, 2010)†</a>
10.3	<a href="#">Second Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated January 1, 2008) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 28, 2011)†</a>
10.4	<a href="#">Third Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated January 1, 2008) (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 6, 2012)†</a>
10.5	<a href="#">Fourth Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated January 1, 2008) (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 7, 2013)†</a>
10.6	<a href="#">Fifth Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan (as amended and restated January 1, 2008) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 25, 2013)†</a>

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† This exhibit is a management contract or compensatory plan, contract, or arrangement.

Exhibit	Description*
10.7	<a href="#">Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan II (effective January 1, 2014) (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K filed on February 19, 2015)†</a>
10.8	<a href="#">First Amendment to the Federal Home Loan Mortgage Corporation Supplemental Executive Retirement Plan II (effective January 1, 2014) (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on August 4, 2015)†</a>
10.9	<a href="#">Federal Home Loan Mortgage Corporation Long-Term Disability Plan (incorporated by reference to Exhibit 10.34 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)†</a>
10.10	<a href="#">First Amendment to the Federal Home Loan Mortgage Corporation Long-Term Disability Plan (incorporated by reference to Exhibit 10.35 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)†</a>
10.11	<a href="#">Second Amendment to the Federal Home Loan Mortgage Corporation Long-Term Disability Plan (incorporated by reference to Exhibit 10.36 to the Registrant's Registration Statement on Form 10 filed on July 18, 2008)†</a>
10.12	<a href="#">Third Amendment to the Federal Home Loan Mortgage Corporation Long-Term Disability Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed on February 18, 2016)†</a>
10.13	<a href="#">Fourth Amendment to the Federal Home Loan Mortgage Corporation Long-Term Disability Plan (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K filed on February 16, 2017)†</a>
10.14	<a href="#">2022 Executive Management Compensation Program (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on November 8, 2022)†</a>
10.15	<a href="#">Executive Management Compensation Program Recapture and Forfeiture Agreement (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K filed on February 16, 2017)†</a>
10.16	<a href="#">Form of Restrictive Covenant and Confidentiality Agreement between the Federal Home Loan Mortgage Corporation and Executive Officers (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on July 29, 2021)†</a>
10.17	<a href="#">Form of Indemnification Agreement between the Federal Home Loan Mortgage Corporation and Executive Officers (incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K filed on February 10, 2022)†</a>
10.18	<a href="#">Description of Non-Employee Director Compensation (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 23, 2008)†</a>
10.19	<a href="#">Form of Indemnification Agreement between the Federal Home Loan Mortgage Corporation and Outside Directors (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K filed on February 10, 2022)†</a>
10.20	<a href="#">Form of Senior executive Relocation Repayment Agreement (incorporated by reference to Exhibit 10.37 to the Registrant's Annual Report on Form 10-K filed on February 14, 2024)†</a>
10.21	<a href="#">Memorandum Agreement, dated August 7, 2024, between Freddie Mac and Diana Reid (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on October 30, 2024)†</a>
10.22	<a href="#">Restrictive Covenant and Confidentiality Agreement, dated August 24, 2024, between Freddie Mac and Diana Reid (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on October 30, 2024)†</a>

\* The SEC file number 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 is 001-34139.

† This exhibit is a management contract or compensatory plan, contract, or arrangement.

Exhibit	Description*
10.23	<a href="#">Memorandum Agreement, dated December 30, 2024, between Freddie Mac and James Whitlinger (incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K filed on February 13, 2025)†</a>
10.24	<a href="#">Memorandum Agreement, dated January 27, 2023, between Freddie Mac and Sonu Mittal (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K filed on February 13, 2025)†</a>
10.25	<a href="#">PC Master Trust Agreement, dated July 30, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed November 8, 2022)</a>
10.26	<a href="#">UMBS and MBS Master Trust Agreement, dated July 30, 2022 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on November 8, 2022)</a>
10.27	<a href="#">Amended and Restated Senior Preferred Stock Purchase Agreement dated as of September 26, 2008, between the United States Department of the Treasury and Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its duly appointed Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on November 14, 2008)</a>
10.28	<a href="#">Amendment to Amended and Restated Senior Preferred Stock Purchase Agreement, dated as of May 6, 2009, between the United States Department of the Treasury and Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its duly appointed Conservator (incorporated by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed on May 12, 2009)</a>
10.29	<a href="#">Second Amendment dated as of December 24, 2009, to the Amended and Restated Senior Preferred Stock Purchase Agreement dated as of September 26, 2008, between the United States Department of the Treasury and Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its duly appointed Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 29, 2009)</a>
10.30	<a href="#">Third Amendment dated as of August 17, 2012, to the Amended and Restated Senior Preferred Stock Purchase Agreement dated as of September 26, 2008, between the United States Department of the Treasury and Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its duly appointed Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on August 17, 2012)</a>
10.31	<a href="#">Letter Agreement dated December 21, 2017 between the United States Department of the Treasury and the Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 21, 2017)</a>
10.32	<a href="#">Letter Agreement dated September 27, 2019 between the United States Department of the Treasury and the Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 1, 2019)</a>
10.33	<a href="#">Letter Agreement dated January 14, 2021 between the United States Department of the Treasury and the Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 19, 2021)</a>
10.34	<a href="#">Letter Agreement dated September 14, 2021 between the United States Department of the Treasury and the Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 20, 2021)</a>
10.35	<a href="#">Letter Agreement dated January 2, 2025 between the United States Department of the Treasury and the Federal Home Loan Mortgage Corporation, acting through the Federal Housing Finance Agency as its Conservator (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 8, 2025)</a>
10.36	<a href="#">Warrant to Purchase Common Stock, dated September 7, 2008 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on September 11, 2008)</a>
10.37	<a href="#">Fourth Amended and Restated Limited Liability Company Agreement to U.S. FinTech, dated as of January 21, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on April 28, 2022)</a>

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† This exhibit is a management contract or compensatory plan, contract, or arrangement.

Exhibit	Description*
10.38	<a href="#">First Amendment to the Fourth Amended and Restated Limited Liability Company Agreement of U.S. FinTech (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on May 1, 2024)</a>
10.39	<a href="#">Second Amendment to the Fourth Amended and Restated Limited Liability Company Agreement of U.S. FinTech</a>
14.1	<a href="#">Federal Home Loan Mortgage Corporation Code of Conduct for Employees</a>
14.2	<a href="#">Federal Home Loan Mortgage Corporation Code of Conduct for Non-Employee Directors (incorporated by reference to Exhibit 14.2 to the Registrant's Annual Report on Form 10-K filed on February 13, 2025)</a>
24.1	<a href="#">Powers of Attorney</a>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350</a>
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 Extension 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 number 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 is 001-34139.

# Signatures

Pursuant to the requirements of Section 13 or 15(d) 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/ Kenny M. Smith

Kenny M. Smith

Chief Executive Officer

Date: February 12, 2026

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<b>Signature</b>	<b>Capacity</b>	<b>Date</b>
<u>/s/ William J. Pulte*</u> William J. Pulte	Non-Executive Chair of the Board	February 12, 2026
<u>/s/ Kenny M. Smith</u> Kenny M. Smith	Chief Executive Officer and Director (Principal Executive Officer)	February 12, 2026
<u>/s/ James Whitlinger</u> James Whitlinger	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 12, 2026
<u>/s/ Donald F. Kish</u> Donald F. Kish	Senior Vice President – Corporate Controller and Principal Accounting Officer (Principal Accounting Officer)	February 12, 2026
<u>/s/ Mark H. Bloom*</u> Mark H. Bloom	Director	February 12, 2026
<u>/s/ Kathleen L. Casey*</u> Kathleen L. Casey	Director	February 12, 2026
<u>/s/ David S. Farbman*</u> David S. Farbman	Director	February 12, 2026
<u>/s/ Aleem Gillani*</u> Aleem Gillani	Director	February 12, 2026
<u>/s/ Michael T. Hutchins</u> Michael T. Hutchins	Director	February 12, 2026
<u>/s/ Clinton C. Jones, III*</u> Clinton C. Jones, III	Director	February 12, 2026
<u>/s/ Ralph W. Kittle III*</u> Ralph W. Kittle III	Director	February 12, 2026
<u>/s/ Michael Parrott*</u> Michael Parrott	Director	February 12, 2026

\*By: /s/ Matthew D. Abrusci  
Matthew D. Abrusci  
Attorney-in-Fact

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**FOURTH AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT  
OF  
U.S. FINANCIAL TECHNOLOGY, LLC DATED JANUARY 21, 2021  
AS AMENDED BY  
THE FIRST AMENDMENT DATED FEBRUARY 2, 2024  
AND SECOND AMENDMENT EFFECTIVE JUNE 25, 2025**

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## **LIST OF SCHEDULES**

Schedule 3.2

Enterprise LLC Units and Percentage Interests

## **LIST OF EXHIBITS**

Exhibit A	Company Charter
Exhibit B	Assigned Employee Terms and Conditions

**FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT OF  
U.S. FINANCIAL TECHNOLOGY, LLC AS AMENDED BY THE FIRST AND SECOND  
AMENDMENTS**

This FOURTH AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT DATED JANUARY 21, 2021 AS AMENDED BY THE FIRST AMENDMENT Dated February 2, 2024 and Second Amendment name change effective June 25, 2025 (this “Agreement”) is made and entered into as of January 21, 2021, by and among the Federal National Mortgage Association, a government-sponsored enterprise chartered by Congress having its principal place of business at 1100 15<sup>th</sup> Street, NW, Washington, DC 20005 (“Fannie Mae”), the Federal Home Loan Mortgage Corporation, a government-sponsored enterprise chartered by Congress having its principal place of business at 8200 Jones Branch Drive, McLean, Virginia 22102 (“Freddie Mac”), and U.S. Financial Technology, LLC (formerly named Common Securitization Solutions, LLC), a Delaware limited liability company having its principal place of business at 7501 Wisconsin Avenue, Suite 400W, Bethesda, Maryland 20814 (the “Company” or “U.S. FinTech”). (Fannie Mae and Freddie Mac each may be referred to herein individually as an “Enterprise” or a “GSE” and, collectively, as the “Enterprises or the “GSEs.”)

WITNESSETH:

WHEREAS, each of the Enterprises is currently engaged in various aspects of the mortgage securitization business, including purchasing certain residential mortgage loans, transferring loans to securitized loan pools, acting as a trustee of securitized pools of loans, and engaging in practices intended to manage and mitigate risks associated with owning and/or guaranteeing mortgage loans, such as working out and foreclosing on defaulted loans, negotiating modifications to existing loans, and owning and managing real-estate-owned assets resulting from realizing on defaulted loans;

WHEREAS, the Federal Housing Finance Agency (“FHFA”) has been appointed as the conservator of the Enterprises pursuant to Section 1367(a) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the “Safety and Soundness Act”);

WHEREAS, in its capacity as conservator, FHFA succeeds to all rights, titles, powers, and privileges of each Enterprise and of its stockholders, officers, or directors with respect to the Enterprise and its assets;

WHEREAS, by directive dated March 12, 2013 (the “Initial Directive”), FHFA, in its capacity as conservator, directed Fannie Mae and Freddie Mac to begin meeting jointly under FHFA’s oversight to address issues relating to the establishment of a new securitization platform as described in the February 2012 Strategic Plan for Enterprise Conservatorships (together with any successor strategic plans, the “Strategic Plan”);

WHEREAS, by directive dated April 12, 2013 (the “Second Directive”), FHFA, in its capacity as conservator, directed Fannie Mae and Freddie Mac to begin the process and the work necessary to consummate a joint venture agreement between the Enterprises, under FHFA’s oversight;

WHEREAS, in furtherance of the Initial Directive, the Second Directive and the Strategic Plan, the Enterprises filed a Certificate of Formation for an entity called “Common Securitization Solutions, LLC” on October 7, 2013, and filed a Certificate of Amendment on June 24, 2025 to change the entity’s name to “U.S. Financial Technology, LLC,” each with the Delaware Secretary of State (collectively, the “Certificate”) to form the Company to design, build, develop, test, operate, support, maintain, update and enhance the Platform and to provide certain services related thereto;

WHEREAS, the Enterprises have previously entered into a Limited Liability Company Agreement with an effective date of October 7, 2013 (the “Original LLC Agreement”), setting forth certain rights, obligations and understandings with respect to the Company;

WHEREAS, by directive dated October 10, 2013 (the “Third Directive” and together with the Initial Directive and Second Directive, the “Directives”), FHFA directed the Enterprises to complete the formation of the Company as a limited liability company by executing the necessary documents containing the terms of their agreements;

WHEREAS, in furtherance of the Directives and the Strategic Plan, the Enterprises amended and restated the Original LLC Agreement pursuant to that certain Amended and Restated Limited Liability Company Agreement with an effective date of November 3, 2014 (as amended, the “A&R LLC Agreement”);

WHEREAS, as of the date hereof, FHFA exercises authority over the Company in FHFA’s capacity as regulator and supervisor of the Company, and as conservator of the Enterprises; and

WHEREAS, the Enterprises now desire to amend and restate the A&R LLC Agreement in its entirety as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other valuable consideration, the parties, intending to be legally bound, hereby agree as follows:

## ARTICLE I DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following capitalized terms have the meanings ascribed to them in this Section 1.1:

“A&R LLC Agreement” has the meaning set forth in the recitals to this Agreement.

“Act” means the Delaware Limited Liability Company Act, codified in Title 6 of the Delaware Code, Section 18-101 et seq., as amended from time to time.

“Additional Members” has the meaning set forth in Section 3.1(a) of this Agreement.

“Administrative Services Agreement” means each of the administrative services agreements executed concurrently with the A&R LLC Agreement by and between the respective Enterprise and the Company pursuant to which the respective Enterprise provides specified services to the Company.

“Adjusted Capital Account Deficit” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore or is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

“Advancement of Expenses” has the meaning set forth in Section 6.16(a)(iii) of this Agreement.

“Affiliate” means, when used with respect to a Person, any other Person directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with such Person; provided, however, that for purposes of this definition FHFA shall not be deemed to be an Affiliate of the Enterprises, and neither Enterprise shall be deemed to be an Affiliate of the other Enterprise. For the avoidance of any doubt, U.S. FinTech shall be deemed to be an Affiliate of the Enterprises, as provided in the Safety and Soundness Act ( U.S.C. § 4502(1).).

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Ancillary Agreements” means the Contribution Agreement and the Administrative Services Agreements.

“Annual Plan and Budget” has the meaning set forth in Section 8.1(a).

“Annual Report” has the meaning set forth in Section 4.7(c) of this Agreement.

“Assert” means to bring an action of any nature before any legal, judicial, arbitration, administrative, executive, or other type of body or tribunal that has authority to adjudicate that action in whole or in part.

“Assigned Employee” has the meaning set forth in Section 9.1(a) of this Agreement.

“Assigned Employees IP” has the meaning set forth in Section 9.1(f) of this Agreement.

“Bankruptcy Code” means the United States Bankruptcy Code, codified in Title 11 of the United States Code, as amended.

“Board” has the meaning set forth in Section 6.1(a) of this Agreement.

“Board Chair” has the meaning set forth in Section 6.1(a)(ii).

“Business” means the design, development, build, testing, operation, support, maintenance, updating and enhancement of the Platform subject to the provisions of the Charter and the provisions of

this Agreement, and such other activities as may be approved from time to time in accordance with the terms and conditions of this Agreement.

“Business Day” means any day that is not a Saturday, Sunday, U.S. federal government holiday, or a day on which national banks with their principal place of business in the District of Columbia are authorized or obligated by law or executive order to be closed.

“Business Plan” has the meaning set forth in Section 8.1(a) of this Agreement.

“Capital Account” means, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member’s Capital Account there shall be credited the initial Gross Asset Value of such Member’s Capital Contributions, such Member’s distributive share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 4.3 hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any Company Property distributed to such Member.

(b) To each Member’s Capital Account there shall be debited the amount of cash and the Gross Asset Value (at the time of distribution) of any Company Property distributed to such Member pursuant to any provision of this Agreement, such Member’s distributive share of Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Section 4.3 hereof, and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) In the event any LLC Unit is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred LLC Unit.

(d) In determining the amount of any liability for purposes of this definition, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations.

“Capital Contribution” means, with respect to any Member, the amount of money and the initial Gross Asset Value of any property contributed to the Company with respect to the interest in the Company held by such Member. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note shall not be included in the Capital Account of any Person until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Regulations Section 1.704-1(b)(2)(iv)(d)(2).

“Certificate” has the meaning set forth in the recitals to this Agreement.

“CEO” has the meaning set forth in Section 6.14(a).

“Charter” means the First Amended and Restated Charter of U.S. Financial Technology, LLC, attached as Exhibit A hereto.

“Claim” has the meaning set forth in Section 14.4 of this Agreement.

“CNTS” has the meaning set forth in Section 12.6(a) of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Company” has the meaning set forth in the preamble to this Agreement.

“Company Indemnified Parties” means the Company and its officers, directors, employees and agents.

“Company Minimum Gain” means “partnership minimum gain” as described in Regulations Sections 1.704-2(b)(2) and (d).

“Company Property” means all real and personal property acquired by the Company and any improvements thereto, and includes both tangible and intangible property.

“Confidential Information” means all data or information of a Member or the Company (such party, the “Disclosing Party”) of a confidential or proprietary nature and disclosed to another Member or the Company, as the case may be (such party, the “Recipient Party”), in connection with this Agreement, any Ancillary Agreement or the Customer Services Agreement, either in writing, orally or any other medium, whether or not identified as being confidential at the time of disclosure by such Disclosing Party to the Recipient Party, whether of a technical, technological, financial, commercial, operational, economic nature or otherwise, or regarding such Disclosing Party’s executives or employees, business or prospects, and including but not limited to originals and copies of and memoranda, notes, reports, analyses, compilations, studies or other documents or records to the extent they contain, or otherwise reflect or are generated from such information, whether or not prepared by or on behalf of a Party. Confidential Information also includes any information described above which a Disclosing Party obtains from a third party and treats as proprietary or confidential, whether or not owned or developed by such Disclosing Party, and the terms and conditions of this Agreement. “Confidential Information” shall not include information which the Recipient Party can prove that: (i) prior to the disclosure was already in such Recipient Party’s possession without a breach of any confidentiality or non-disclosure obligation owing to another Person; (ii) prior to or subsequent to the disclosure was obtained by such Recipient Party from a third party who is not in violation of any obligation of confidentiality or non-disclosure in making such disclosure; (iii) prior to the disclosure was in the public domain; (iv) subsequent to the disclosure was in the public domain other than by or through a breach of this Agreement by such Recipient Party or its directors, officers, employees, agents, representatives, or others receiving such information by virtue of this Agreement; or (v) was independently developed by such Recipient Party without reference to a Disclosing Party’s Confidential Information.

“Conservator” means FHFA in its role as conservator of one or both of the Enterprises or as supervisor of any corresponding LLRE, which role shall continue for purposes of this definition until LLRE Termination.

“Conservatorship” means the period of time during which FHFA is the Conservator or Receiver of both of the Enterprises.

“Contribution Agreement” means the agreement executed concurrently with the A&R LLC Agreement between the Enterprises and the Company pursuant to which the Enterprises made contributions and assignments to the Company.

“Control” (and its correlative terms) means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Covered Person” means with respect to a Party: (i) its Affiliates; (ii) customers of such Party or its Affiliates (but only in connection with their otherwise authorized receipt of goods or services from or provision of goods or services to a Party or its Affiliates); (iii) third party contractors retained by such Party or its Affiliates (but only with respect to their performance of services for or on behalf of such Party or its Affiliates in connection with the designing, building, developing, testing, operating, supporting, maintaining, updating, and enhancing of the Platform); and (iv) each of the employees, officers and directors of each of such Party and the foregoing Persons (but only to the extent they are acting in their capacity as employees, officers or directors (as applicable) of such Party or the foregoing Persons).

“Customer Services Agreement” means that certain Customer Services Agreement among Fannie Mae, Freddie Mac and the Company, dated November 21, 2016.

“Damages” has the meaning set forth in Section 14.1(a) of this Agreement.

“Deadlock” has the meaning set forth in Section 6.2(d).

“Deadlock Notice” has the meaning set forth in Section 6.2(d).

“Defense Election” has the meaning set forth in Section 14.4(a) of this Agreement.

“Depreciation” means, for each fiscal year or other period, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Board.

“Directives” has the meaning set forth in the recitals to this Agreement.

“Disclosing Party” has the meaning set forth in the definition of “Confidential Information” in this Section 1.1.

“Dispute” has the meaning set forth in Section 15.1 of this Agreement.

“Downstream Systems” means the Software, hardware, systems and processes (including updates to and replacements of any such items) of each of the Enterprises that interface or interoperate directly or through one or more intermediary systems with the Platform and that receive data or services from the Platform.

“Enterprise” and “Enterprises” have the meanings set forth in the preamble to this Agreement.

“Exploit” means, with respect to any Intellectual Property Rights or Materials, to access, display, execute, reproduce, perform, maintain, support, modify, improve, create derivative works, license, sublicense, distribute, enhance and otherwise use such item or intangible.

“Fannie Mae” has the meaning set forth in the preamble to this Agreement.

“Fannie Mae Indemnified Parties” means Fannie Mae and its officers, directors, employees and agents.

“Fannie Mae Managers” has the meaning set forth in Section 6.1(a)(i) of this Agreement.

“FHFA” has the meaning set forth in the recitals to this Agreement.

“Freddie Mac” has the meaning set forth in the preamble to this Agreement.

“Freddie Mac Indemnified Parties” means Freddie Mac and its officers, directors, employees and agents.

“Freddie Mac Managers” has the meaning set forth in Section 6.1(a)(i) of this Agreement.

“Governmental Approvals” means all licenses, consents, permits, decrees, orders, authorizations or other approvals from, all filings and registrations with, and all notices and reports to, any Governmental Authority, including pursuant to or in connection with any contract or agreement between any Member and any Governmental Authority.

“Governmental Authority” means any national, federal, state, regional or local administrative, judicial, legislative, executive, regulatory, police or taxing government or governmental or quasi-governmental authority of any nature, including any agency, branch, bureau, department, official or entity or any court or other tribunal.

“Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined pursuant to the Significant Matter approval process provided for in Section 6.4 (except in the case of money in which case the initial Gross Asset Value shall be the amount of such money), provided that the fair market value of assets contributed under the Contribution Agreement shall be as set forth in the Contribution Agreement;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Board, as of the following times: (i) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more

than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company Property as consideration for an interest in the Company; and (iii) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that the adjustments pursuant to sub-clauses (i) and (ii) above shall be made only if the Board reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution; and

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (d) to the extent the Board determines that an adjustment pursuant to clause (b) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (a), (b) or (d) of this definition, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

“Indemnified Party” means any Company Indemnified Party, Fannie Mae Indemnified Party or Freddie Mac Indemnified Party, as applicable.

“Indemnifying Party” has the meaning set forth in Section 14.4(a) of this Agreement.

“Indemnitee” has the meaning set forth in Section 6.16(a)(i) of this Agreement.

“Initial Directive” has the meaning set forth in the recitals to this Agreement.

“Intellectual Property Rights” means any and all intellectual property rights existing from time to time under any law, statute, rule or regulation of any jurisdiction, including patent law, copyright law, trade secret law, trademark law (together with all of the goodwill associated therewith) and any and all other proprietary rights, and any and all applications, renewals, extensions and registrations of any of the foregoing, now or hereafter in force and effect worldwide. For purposes of this definition, rights under patent law shall include rights under any and all patent applications and patents (including letters patent and inventor’s certificates) anywhere in the world, and including without limitation any and all past, present and future substitutions, extensions, supplementary protection certificates, reissues, renewals, divisions, continuations, continuations in part, continued prosecution applications, requests for continued examination, reexaminations, *inter partes* review proceedings, and post grant review proceedings thereof and other similar filings or stages thereof, and all patents and certificates issuing on the foregoing, provided for under the laws of the United States, or of any other country. For purposes of this definition, rights under copyright law shall include moral rights, where applicable.

“LLC Unit” means a limited liability company unit representing membership interests in the Company.

“LLRE” means a limited-life regulated entity established by FHFA pursuant to the Safety and Soundness Act with respect to an Enterprise.

“LLRE Termination” means the termination of the status as a limited-life regulated entity of any LLRE, as applicable.

“LLRE Transfer” has the meaning set forth in Section 3.1(b) of this Agreement.

“Manager” has the meaning set forth in Section 6.1(a) of this Agreement.

“Material Decision” means, for purposes of Section 6.2(b)(ii) of this Agreement, a decision of the Board that has a material effect on the Company, including:

- (a) A material change in the functionality of the Company, such as the addition of a new business line, including multifamily securities or private label securities, or a reduction in the Company’s support of the uniform mortgage-backed security;
- (b) Capital Contributions beyond those necessary to support the ordinary business operations of the Company;
- (c) Appointment or removal of the CEO;
- (d) Admission of Additional Members;
- (e) Sale or dissolution of the Company or its business.

“Materials” means Software, Technology, reports and drawings, as well as user manuals, charts, graphs and other written documentation, and all other works of authorship.

“Member Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i).

“Member Nonrecourse Debt” means “partner nonrecourse debt” as described in Regulations Section 1.704-2(b)(4).

“Member Nonrecourse Deductions” means “partner nonrecourse deductions” as described in Regulations Section 1.704-2(i). The amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a fiscal year equals the excess, if any, of the net increase, if any, in the amount of Member Minimum Gain attributable to such Member Nonrecourse Debt during that fiscal year over the aggregate amount of any distributions during that fiscal year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent such distributions are from the proceeds of such Member Nonrecourse Debt and are allocable to an increase in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(2).

“Members” has the meaning set forth in Section 3.1(a) of this Agreement.

“Multi-Year Plan” has the meaning set forth in Section 8.1(a) of this Agreement.

“Nonpublic Member Data” means Personally Identifiable Information and nonpublic data about any Member or the loans, pools of loans or other financial assets owned or guaranteed by that Member,

which Personally Identifiable Information and other data is contributed or provided by the Member, that Member's servicers or an agent or consultant on behalf of the Member or its servicers.

"Nonrecourse Deductions" has the meaning set forth in Regulations Sections 1.704-2(b)(1) and (c). The amount of Nonrecourse Deductions for a fiscal year equals the excess, if any, of the net increase, if any, in the amount of Company Minimum Gain during that fiscal year over the aggregate amount of any distributions during that fiscal year of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain, determined according to the provisions of Regulations Section 1.704-2(c).

"Nonrecourse Liability" has the meaning set forth in Regulations Section 1.752-1(a)(2).

"Notice of Indemnification" has the meaning set forth in Section 14.4(a) of this Agreement.

"Officer" or "Officers" has the meaning set forth in Section 6.14(b) of this Agreement.

"Original LLC Agreement" has the meaning set forth in the recitals to this Agreement.

"Other Permitted Persons" has the meaning set forth in Section 11.1(d) of this Agreement.

"Party" means each Member and the Company, individually, and "Parties" means the Members and the Company, collectively.

"Patent Rights" means all rights under patent law, as described in the definition of Intellectual Property Rights.

"Percentage Interest" means, with respect to any Member of the Company as of any date, the ratio (expressed as a percentage) of the aggregate number of LLC Units held by such Member on such date to the aggregate number of LLC Units outstanding on such date. The combined Percentage Interests of all Members shall at all times equal one hundred percent (100%).

"Permitted Internal Purposes" means (i) in the case of the Enterprises, the right to use Confidential Information of the other Enterprise and the Company, other than Nonpublic Member Data and subject to the limitation set forth in Section 11.1(f), (A) for purposes of designing, developing, building, testing, operating, supporting, maintaining, updating and enhancing the Platform and their respective Upstream Systems and Downstream Systems, (B) in connection with the performance of this Agreement or any Ancillary Agreement, or (C) to exercise and enforce their respective rights under this Agreement or any Ancillary Agreement, and (ii) in the case of the Company, the right to use Confidential Information of any Enterprise (A) for purposes of designing, developing, building, testing, operating, supporting, maintaining, updating and enhancing the Platform, or (B) to exercise and enforce its rights under this Agreement, subject in the case of each of (i) and (ii) to the requirements of Article XI of this Agreement.

"Permitted Recipient Parties" means directors, officers, employees, third party service providers, attorneys and other professional advisors of a Recipient Party whose duties or services to a Party reasonably require them to have access to Confidential Information and who are in each case bound by

confidentiality obligations that are at least as protective of such Confidential Information as the terms of Article XI.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, estate, unincorporated organization or Governmental Authority or any other entity whatsoever.

“Personally Identifiable Information” means information that can be used to distinguish or trace an individual’s identity, such as name, home address, telephone number, social security number, or biometric records, alone, or when combined with other personal or identifying information that is linked or linkable to a specific individual, such as date of birth or mother’s maiden name.

“Platform” means the systems, software, processes and infrastructure, referred to in the Charter and to be developed by the Company in furtherance of the Business.

“Pre-Deadlock Notice” has the meaning set forth in Section 6.2(d).

“Proceeding” has the meaning set forth in Section 6.16(a)(i) of this Agreement.

“Profits” and “Losses” means, for each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (b) or (c) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for

such fiscal year or other period, computed in accordance with the definition of Depreciation; and

Notwithstanding any other provisions of this definition, any items which are specially allocated pursuant to Section 4.3 hereof shall not be taken into account in computing Profits or Losses.

“Receiver” means FHFA in its role as receiver of one or both of the Enterprises or their assets in the event either of the Enterprises is placed into receivership, which role may continue for purposes of this definition past LLRE Termination.

“Recipient Party” has the meaning set forth in the definition of “Confidential Information” in this Section 1.1.

“Regulations” means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

“Regulatory Allocations” has the meaning set forth in Section 4.3(h) of this Agreement.

“Residual Knowledge” means generalized skills, knowledge and experience, including ideas, concepts, know-how and techniques developed or learned as a result of or in connection with a Recipient Party’s exposure to Confidential Information and retained in the unaided memories of the individual(s) exposed to the Confidential Information in question.

“Safety and Soundness Act” has the meaning set forth in the recitals of this Agreement.

“Second Directive” has the meaning set forth in the recitals to this Agreement.

“Senior Stock Purchase Agreement” has the meaning set forth in Section 5.3 of this Agreement.

“Significant Matter” has the meaning set forth in Section 6.4 of this Agreement.

“Software” or “software” means any computer programming code consisting of instructions or statements in a form readable by individuals (source code) or machines (object code), and related documentation and supporting materials therefor, in any form or medium, including electronic media. For clarification, Software includes all applications software (*i.e.* software providing business functionality), systems software (*i.e.* software designed to operate the computer hardware and provide a platform for running applications software, including operating systems, utilities, and middleware), and software development tools.

“Source Code” or “source code” means the human readable version of Software, and from which the object code is compiled or otherwise derived, including all comments and procedural code, and all related development documents (*e.g.*, flow charts, schematics, statements of principles of operations, end-user manuals, architecture standards, and any other specifications that are used to create or that comprise the program code of the Software).

“Strategic Plan” has the meaning set forth in the recitals of this Agreement.

“Tax Distribution” has the meaning set forth in Section 5.2(a) of this Agreement.

“Tax Matters Member” has the meaning set forth in Section 4.10 of this Agreement.

“Tax Percentage” has the meaning set forth in Section 5.2(a) of this Agreement.

“Technology” means any and all (i) technology, (ii) technical and engineering materials, (iii) specifications, designs, architectures, and schematics, (iv) Software, documentation, development platforms and development tools, and test environments and testing tools, (v) mask works, layouts, topographies and other design features with respect to integrated circuits, (vi) test scripts, test logs, models, devices, tools, simulators, and design environments, and (vii) prototypes and other tangible embodiments of any of the above, in each case, in any form or media.

“Third Directive” has the meaning set forth in the recitals to this Agreement.

“Transfer” means to directly or indirectly sell, transfer, pledge, assign or other dispose of (or to divest voting control by contract, irrevocable proxy, voting trust or other arrangement) or to become subject to any mortgage, pledge, hypothecation, lien, charge or other encumbrance.

“Transition Period” has the meaning set forth in Section 4.7(a) of this Agreement.

“Upstream Systems” means the Software, hardware, systems and processes (including updates to and replacements of any such items) of each of the Enterprises that interface or interoperate directly or through one or more intermediary systems with the Platform and that provide data or services to the Platform.

1.2 Other Definitional Provisions. All references in this Agreement to a Section, Article, Schedule or Exhibit are to a Section, Article, Schedule or Exhibit, respectively, of or to this Agreement, unless otherwise indicated. The headings of Articles and Sections in this Agreement are provided for convenience only and shall not affect the construction or interpretation of this Agreement. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the words “include,” “includes” and “including” shall be construed as if followed by the phrase “without being limited to.” Words such as “herein,” “hereof,” “hereby,” “hereunder” and words of similar import refer to this Agreement as a whole and not to any particular Section of this Agreement, unless the context clearly indicates otherwise.

## ARTICLE II OFFICES AND PURPOSES

2.1 Principal Office. The principal office of the Company shall be at 7501 Wisconsin Avenue, Suite 300, Bethesda, Maryland 20814. The principal office of the Company may be changed by the Board in accordance with the terms of this Agreement. The Company may have such other offices, either within or without the State of Delaware, as the Board may designate in accordance with the terms of this Agreement.

2.2 Registered Office and Agent. The registered office of the Company, as required by the Act to be maintained in the State of Delaware, shall be located at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808 and the original registered agent at such address shall be Corporation Service Company. The registered office and registered agent may be changed from time to time by action by the Board and by the filing of the prescribed forms with and the payment of any prescribed fees to the Delaware Secretary of State.

2.3 Purposes. The purposes of the Company shall be the following:

(a) To conduct the Business in accordance with the Charter, and to take such actions as may be incidental thereto; and

(b) To fulfill such other purposes consistent with the Charter as may be determined from time to time by the Board in accordance with the terms and conditions of this Agreement; provided that, in all cases, all required Government Approvals are obtained from the appropriate Government Authority.

2.4 Fiscal Year. The fiscal year of the Company shall be the calendar year.

### ARTICLE III MEMBERS AND FINANCIAL MATTERS

3.1 Identity of Members.

(a) The members of the Company (the “Members”) shall consist of the Enterprises and any additional members (“Additional Members”) admitted in accordance with the terms of this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, in the event any Enterprise is placed into receivership and the LLC Units held by such Enterprise are transferred to a corresponding LLRE (“LLRE Transfer”), effective upon the consummation of the LLRE Transfer, without any further action by any party, such LLRE shall be a Member as the successor-in-interest to the Enterprise and shall be bound by all the rights and obligations of the Enterprise under this Agreement, the Enterprise shall cease to be a Member, and the Company shall continue without dissolution.

3.2 LLC Units; Percentage Interests. The LLC Units and Percentage Interests of the Enterprises are set forth on Schedule 3.2 hereto. Schedule 3.2 shall be amended by the Board, as necessary, upon the admission of Additional Members in accordance with the terms of this Agreement, and to reflect changes in the number of LLC Units issued to, or the Percentage Interests of, any Member.

3.3 Limitation of Liability of Members and Managers. Except as otherwise provided in the Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member or Manager shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member or Manager.

3.4 Capital Contributions.

(a) Initial Contributions. The Enterprises have made initial capital contributions to the Company pursuant to the Contribution Agreement. The respective initial contributions of the Enterprises to the Company were of equal value.

(b) Subsequent Contributions. The Members shall make subsequent capital contributions of cash from time to time as set forth in the then current Annual Plan and Budget or as otherwise approved pursuant to the Significant Matters Approval process pursuant to Section 6.4.

3.5 Withdrawals of Capital. Except as otherwise provided in this Agreement, no Member shall have the right to withdraw any part of its Capital Contribution without the unanimous consent of the Board.

3.6 Interest. No interest shall be paid on or on account of any Capital Contributions to the Company or on or on account of any undrawn profit of any Member credited to its account.

3.7 Taxation. It is the intention of the Members that the Company be taxed as a partnership for purposes of the Code and any state income tax law, if allowable under state law. Accordingly, the Company shall file such forms as may be required to elect to classify the Company as a partnership for federal and state income tax purposes.

ARTICLE IV  
ALLOCATIONS

4.1 Profits. After giving effect to the special allocations set forth in Section 4.3 hereof, Profits for any fiscal year shall be allocated in the following order of priority:

(a) First, to the Members, in proportion to and to the extent of the excess, if any, of (i) the cumulative Losses allocated to each Member pursuant to Section 4.2(a)(ii) hereof for all prior fiscal years, over (ii) the cumulative Profits allocated to each Member pursuant to this Section 4.1(a) for all prior fiscal years; and

(b) The balance, if any, to the Members in accordance with their Percentage Interests.

4.2 Losses. After giving effect to the special allocations set forth in Section 4.3 hereof, Losses for any fiscal year shall be allocated as follows:

(a) Losses for any fiscal year shall be allocated in the following order of priority:

(i) First, to the Members in proportion to and to the extent of the excess, if any, of (1) the cumulative Profits allocated to each such Member pursuant to Section 4.1(b) hereof for all prior fiscal years, over (2) the cumulative Losses allocated to such Member pursuant to this Section 4.2(a) for all prior fiscal years; and

(ii) The balance, if any, to the Members in accordance with their Percentage Interests.

(b) The Losses allocated pursuant to Section 4.2(a) hereof shall not exceed the maximum amount of Losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year. In the event some but not all of the Members would have Adjusted Capital Account Deficits as a consequence of an allocation of Losses pursuant to Section 4.2(a) hereof but for this Section 4.2(b), the limitation set forth in this Section 4.2(b) shall be applied on a Member by Member basis so as to allocate the maximum permissible Losses to each Member under Regulations Section 1.704-1(b)(2)(ii)(d).

4.3 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV, if there is a net decrease in Company Minimum Gain during any fiscal year, then, to the extent required by Regulations Section 1.704-2(f), each Member shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g)(2). The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j). This Section 4.3(a) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Notwithstanding any other provision of this Article IV except Section 4.3(a), if there is a net decrease in Member Minimum Gain attributable to a Member Nonrecourse Debt during any fiscal year, then, to the extent required by Regulations Section 1.704-2(i)(4), each Member who has a share of the Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j). This Section 4.3(b) is intended to comply with the minimum gain chargeback requirement in Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this Section 4.3(c) shall be made if and only to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article IV have been tentatively made as if this Section 4.3(c) were not in this Agreement.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any fiscal year that is in excess of the sum of (i) the amount such Member is obligated to restore, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), such Member shall be specially allocated items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 4.3(d) shall be made if and only to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article IV have been tentatively made as if Section 4.3(c) hereof and this Section 4.3(d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be allocated to the Members in accordance with their Percentage Interests.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(g) Section 754 Adjustment. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Members in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Regulations Section.

(h) Regulatory Allocations. The allocations set forth in Sections 4.3(a)-(g) (the “Regulatory Allocations”) are intended to comply with certain requirements of the Regulations under Code Section 704. Notwithstanding any other provisions in this Article IV (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Profits and Losses among Members so that, to the extent possible, the net amount of such allocations of Profits and Losses and other items and the Regulatory Allocations (including Regulatory Allocations that, although not yet made, are expected to be made in the future) to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

#### 4.4 Other Allocation Rules.

(a) For purposes of determining the Profits, Losses or any other items allocable to any period, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, as determined by the Board using any permissible method under Code Section 706 and the Regulations thereunder.

(b) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided among the Members in the same proportions as they share Profits and Losses, as the case may be, for the year.

(c) The Members are aware of the income tax consequences of the allocations made by this Article IV and hereby agree to be bound by the provisions of this Article IV in reporting their shares of Company income and loss for income tax purposes.

(d) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Regulations Section 1.752-3(a)(3), the Members' interests in Company profits shall be their Percentage Interests.

#### 4.5 Tax Allocations: Code Section 704(c).

(a) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Company, solely for tax purposes, shall be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with the definition thereof) and using the traditional method as set forth in Regulation Section 1.704-3(b).

(b) In the event the Gross Asset Value of any Company asset is adjusted pursuant to clause (b) of the definition of Gross Asset Value in Article I hereof, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(c) Any elections or other decisions relating to such allocations shall be made by the Board in any manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 4.5 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items or distributions pursuant to any provision of this Agreement.

4.6 Foreign Partner. Each Member represents that it is not a "foreign partner" within the meaning of Section 1446(e) of the Code.

#### 4.7 Accounting and Books of Account.

(a) The accounts, books and records of the Company shall be maintained at the principal office of the Company and shall be open for inspection, copying and audit upon reasonable notice by any of the Members or their duly authorized representatives (at the expense of any such Member) during reasonable business hours. Notwithstanding the foregoing, it is anticipated that during an initial transition period one or both of the Members will provide certain financial and accounting services to the Company (the "Transition Period"). During such period, the books and records of the Company may be located at the offices of one or more of the Members, and, in any event, shall be open to inspection, copying and audit upon reasonable notice by either Member or their duly authorized representatives as described in this Section 4.7(a).

(b) The Company's books shall be closed and balanced at the end of each fiscal year.

(c) The Company shall prepare and deliver to each Manager on the Board (which delivery shall constitute delivery to the Members as well) an annual report within ninety (90) days after the end of each fiscal year (the "Annual Report") and such other periodic reports as requested by the Board. Each Annual Report shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis and, if determined by the Board, each Annual Report may be audited by an independent public accounting firm selected by the Board. The fees and expenses related to any such audit shall be borne by the Company.

4.8 Tax Returns. The Board shall designate an Officer of the Company to have the responsibility for preparing all required federal and state income tax returns, franchise tax reports, sales and use tax returns, property tax reports, transfer taxes and state and local licenses for the Company. The designated Officer shall have the authority to engage an outside accounting firm to prepare federal, state and local filings for a fee. Subject to Section 4.10, such officer shall provide to each Member copies of such income tax returns and related Forms K-1 for their review prior to filing such returns and shall provide final copies of such returns as soon as reasonably practicable, but in no event later than May 31 of the year following the year such income tax return and related Form K-1 cover. During the Transition Period, the Board may designate one of the Members to perform the functions of the designated Officer specified in this Section 4.8. The fees and expenses related to the preparation and filing of federal, state, and local tax returns shall be borne by the Company. Upon the Company's request, each Member shall provide to the Company any information that the Officer believes may be necessary or appropriate to comply with all of the Company's tax compliance obligations.

4.9 Banking. All funds of the Company shall be deposited in its name in one or more separate accounts with such banks, savings and loan associations, or trust companies as shall be designated by the Board. Funds of Members or other Persons shall not be deposited in such Company accounts. The funds in such accounts shall be used solely for the business of the Company. Withdrawals from, or checks drawn upon, such accounts shall require the signatures of the persons designated by the Board.

4.10 Tax Matters Member. The Board shall designate, and may change the designation of, a tax matters partner (within the meaning of, and solely for purposes of, Section 6231(a)(7) of the Code and Section 301.6231(a)(7)-1 of the Regulations) of the Company (the "Tax Matters Member"). The Tax Matters Member shall not take any action on behalf of the Company without authorization by the Board in accordance with this Agreement, including making any tax election or filing any tax return. Any Member that is not the Tax Matters Member shall have the right to review and approve any tax election or tax return filed on behalf of the Company, and no other written or oral communication other than routine matters shall be sent or made to any governmental authority by the Tax Matters Member unless approved in advance by such other Members. The Tax Matters Member shall provide the other Members with prompt notice of any meeting or conference involving the Tax Matters Member or any representative of the Company with any Governmental Authority involving any tax issue relating to the Company, or any other administrative or judicial proceeding relating to any determination of any tax issue relating to the Company, and such other Members shall have the right to attend and participate in any such meeting,

conference, or administrative or judicial proceeding. Upon the Company's request, each Member shall provide to the Company any information that the Tax Matters Member believes may be necessary or appropriate to resolve any tax issue relating to the Company.

## ARTICLE V DISTRIBUTIONS

5.1 Distributions Generally. Subject to any required Governmental Approval, the Company shall make distributions to the Members from time to time in such amount as shall be determined pursuant to the Significant Matter approval process provided for in Section 6.4. All distributions shall be made to the Members in accordance with their Percentage Interests.

### 5.2 Tax Distributions.

(a) General. Notwithstanding Section 5.1 or Section 6.4, to the extent funds of the Company may be available for distributions, at least five (5) days prior to the due date of quarterly federal estimated tax payments, the Board shall cause the Company to distribute to the Members with respect to each such quarter of the Company an amount of cash (a "Tax Distribution") that, in the good faith judgment of the Board, equals the Tax Percentage of the taxable income of the Company for such quarter, with such Tax Distributions to be made to the Members in the same proportions that Profits of the Company are or would be allocated to the Members during such quarter. The "Tax Percentage" shall be the highest combined marginal federal and state income tax rates applicable to any Member as of the time of a Tax Distribution. The Tax Percentage shall apply to all Members.

(b) Limitations. Any distributions required to be made to a Member under Section 5.2(a) with respect to any quarter shall be reduced by the amount of any distributions the Company shall have made or shall be making to such Member in accordance with Section 5.1 or otherwise during the calendar year in which such quarter falls. The Board shall not cause the Company to make any Tax Distribution under Section 5.2(a) if the making of such Tax Distribution would constitute a violation of the Act or any contract under which the Company or a subsidiary of the Company is bound relating to or entered in connection with indebtedness of the Company. Any Tax Distributions that are not made by reason of the preceding sentence shall be made as soon as reasonably practicable after the conditions set forth in the previous sentence are no longer applicable.

(c) Offset. Tax Distributions made to a Member under Section 5.2(a) shall be credited against amounts such Member would otherwise be entitled to receive pursuant to Section 5.1.

5.3 Dissolution. If the Company is dissolved, upon the winding up of the affairs of the Company, the assets of the Company shall be distributed in accordance with the Act, except to the extent that U.S. federal law or the Senior Preferred Stock Purchase Agreements entered into by the Enterprises and the U.S. Department of the Treasury dated as of September 26, 2008, applies, in each case, as the same may be amended from time to time (each a "Senior Stock Purchase Agreement"). For the avoidance of doubt, any distributions to Members in connection with a dissolution of the Company shall be made in

accordance with the positive Capital Account balances of such Members in a manner consistent with Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2).

## ARTICLE VI MANAGEMENT

### 6.1 Composition of the Board.

(a) Composition. The Board of Managers (the “Board”) shall consist of at least six managers (each a “Manager”), who shall be designated as provided in this Section 6.1(a) and who shall have the voting rights specified in Section 6.2(c):

(i) At all times Fannie Mae shall designate two managers to serve on the Board (the “Fannie Mae Managers”) and Freddie Mac shall designate two managers to serve on the Board (the “Freddie Mac Managers”).

(ii) The Chief Executive Officer, designated in accordance with Section 6.14(a), shall be a Manager.

(iii) The Company shall have a Chairman of the Board (“Board Chair”), who shall be a Manager and preside at all meetings of the Board. The Board Chair shall not be a director, officer, or employee of Fannie Mae or Freddie Mac, or an officer or employee of the Company. During the Conservatorship, the Board Chair shall be designated and may be removed by FHFA in its sole discretion. Following the Conservatorship, the Board Chair shall be designated and may be removed by the Board; provided that the Board Chair shall not vote with respect to his or her removal. The Board Chair shall perform such duties as are commonly incident to his or her office and shall also perform such other duties and have such other powers as the Board, and during the Conservatorship, FHFA, shall designate. During the Conservatorship, the Board Chair’s compensation shall be determined by FHFA, and unless otherwise directed by FHFA, the Company shall include the expense for such compensation in the Company’s Annual Plan and Budget.

(iv) During the Conservatorship, FHFA may appoint up to four additional Managers, who shall not be directors, officers, or employees of Fannie Mae or Freddie Mac, or officers or employees of the Company, one of whom shall be designated as Board Chair as described in Section 6.1(a)(iii) above. Following the Conservatorship, any such Manager may be appointed or removed by the Board, provided that such Manager shall not vote with respect to his or her removal. During the Conservatorship, any such Manager’s compensation shall be determined by FHFA, and unless otherwise directed by FHFA, the Company shall include the expense for such compensation in the Company’s Annual Plan and Budget.

(b) Removal. Each Manager may be removed only by the person that has authority to designate such Manager, provided that FHFA may remove any Manager in the exercise of FHFA’s authority as Conservator.

(c) Upon termination of the Conservatorship, and for as long as FHFA is acting as Receiver of an Enterprise, FHFA shall have the right to appoint one Manager (the “FHFA Manager”), who shall not be a director, officer, or employee of Fannie Mae or Freddie Mac, or an officer or employee of

the Company. For clarification, the FHFA Manager will be a new Manager added to the Board and not a replacement for any of the then current Managers. The Manager appointed by FHFA hereunder shall cease to be a Manager at such time as FHFA ceases to act as Receiver of an Enterprise

6.2 Authority of the Board of Managers; Voting.

(a) Authority. Subject to delegation in accordance with Section 6.15 the business and affairs of the Company shall be managed by the Board. Subject to the provisions of Section 6.2(d) and Section 6.4, the Board shall have full and complete discretion to manage and control the business and affairs of the Company, to make all decisions affecting the business and affairs of the Company, and to take all such actions as it deems necessary or appropriate to accomplish the purposes of the Company set forth in the Charter; provided, that the Board shall manage the Company in accordance with the Annual Plan and Budget, and, to the extent that it does not conflict with the Annual Plan and Budget, the current Multi-Year Plan adopted by the Board.

(b) Required Vote.

(i) Subject to paragraph (ii) below, all decisions of the Board shall require the affirmative vote of a majority of the voting power represented at the meeting, during the Conservatorship, and the affirmative vote of the Board Chair, and, upon termination of the Conservatorship and for as long as FHFA is acting as Receiver of an Enterprise, of the FHFA Manager, if any.

(ii) After termination of the Conservatorship, a Material Decision requires the affirmative vote of a majority of the voting power represented at the meeting and of at least one Fannie Mae Manager and at least one Freddie Mac Manager, and for as long as FHFA is acting as Receiver of an Enterprise, of the FHFA Manager, if any.

(c) Voting Rights. The voting power of the Board shall be allocated as follows:

(i) Each of the Fannie Mae Managers shall cast one vote; and

(ii) Each of the Freddie Mac Managers shall cast one vote; and

(iii) Each other Manager shall cast one vote.

(d) Deadlock. If a decision is not reached on any matter before the Board in accordance with Section 6.2(b) (a "Deadlock"), then the Company shall maintain the status quo until such time a decision by the Board is reached agree on such matter in accordance with Section 6.2(b). Any Manager may deliver written notice to the other Managers setting forth in reasonable detail the matter giving rise to the disagreement (the "Pre-Deadlock Notice"), and upon receipt of the Pre-Deadlock Notice the Managers will attempt to reach a decision within 10 Business Days. If the Managers are unable to reach a decision within such time period, then during the Conservatorship, each Manager shall have the right to deliver written notice to FHFA that a Deadlock exists (a "Deadlock Notice"). Subject to the

provisions of Section 6.4, upon receipt of a Deadlock Notice, FHFA shall have the right, during the Conservatorship, to resolve the Deadlock in its sole and absolute discretion, and the Company shall implement such resolution to the same extent as if approved by the Board. All resolutions of Deadlock by FHFA shall be set forth in a written document signed by an authorized officer of FHFA or pursuant to such other procedures as may be agreed to by the Board and FHFA.

(e) Manager Interests. The fact that one or more Managers may have an interest in any decision, including the fact that one or more Managers has an employment relationship with or an economic interest in an entity that is the subject of the decision, shall not invalidate such decision, which shall be binding upon the Company provided that the interest of any such Manager in the decision, other than through his or her employment relationship with or economic interest in a Member, is disclosed to each other Manager.

### 6.3 Duties of Managers.

(a) Each Member recognizes and agrees that each Manager who is appointed by a Member and who is not also an officer of the Company is acting exclusively on behalf of the Member he or she represents, that each such Manager may act in his or her sole and absolute discretion in the manner he or she determines is in the best interests of the Member he or she represents without taking into account the interests of the other Members, that any such acts shall not be deemed “bad faith” for any purposes, and that such Managers shall have no personal liability by reason of serving as a Manager.

(b) Notwithstanding any other provision of this Agreement or any duty otherwise existing at law or in equity, to the fullest extent permitted by law, no Manager shall owe any duties (including fiduciary duties) to the Members.

6.4 Significant Matters. Notwithstanding the foregoing and any other provision contained in this Agreement to the Contrary, no action shall be taken with respect to any of the matters enumerated below (each, a “Significant Matter” without the approval of (i) the Board in accordance with Section 6.2 and (ii) during the Conservatorship, and during any period during which FHFA is acting as Receiver of one or both of the Enterprises, FHFA. All approvals and denials of Significant Matters by FHFA pursuant to this Section 6.4 shall be set forth in a written document signed by an authorized officer of FHFA or pursuant to such other procedures as may be agreed to by each Enterprise and FHFA:

(a) Any amendments to or actions inconsistent with the Charter;

(b) [Reserved];

(c) Amendment of this Agreement;

(d) The determination of the initial Gross Asset Value of any contributions made by either Member to the Company (excluding for this purpose the initial Gross Asset Value of assets contributed to the Company under the Contribution Agreement, which the Parties agree have the initial Gross Asset Value set forth in the Contribution Agreement);

(e) The declaration or amount of any dividend or distribution (other than Tax Distributions pursuant to Section 5.2(a));

- (f) The purchase or other acquisition of a business or entity or the merger or consolidation of the Company with or into another entity;
- (g) The sale, lease, exchange, transfer or disposal of all or substantially all of the business or assets of the Company, in any one transaction or a series of related transactions;
- (h) A conversion of the Company from a limited liability company into a corporation or other form of entity;
- (i) The dissolution of the Company;
- (j) The admission of Additional Members, the Transfer of LLC Units by either Enterprise and the issuance of additional LLC Units or membership interests in the Company;
- (k) The withdrawal of capital by any Member;
- (l) The initiation or settlement of any significant litigation by the Company against a third party where such litigation could impact the interests, relationships or reputation of the Company;
- (m) The granting of any exclusive license to, or the assignment of, any Intellectual Property Rights of the Company;
- (n) Adoption of the Company's Annual Plan and Budget or the Board approved Multi-Year Plan, any material amendments to the Annual Plan and Budget or approved Multi-Year Plan, aggregate expenditures that exceed the amounts set forth in the Annual Plan and Budget by more than five percent (5%), expenditures that are materially inconsistent with the allocations of expenditures set forth in the Annual Plan and Budget, or incurrence of indebtedness in excess of amounts reflected in the Annual Plan and Budget;
- (o) Any matter requiring approval or consultation with the U.S. Department of the Treasury under the Senior Stock Purchase Agreement between an Enterprise and the U.S. Department of the Treasury;
- (p) Any action that in the reasonable business judgment of the management of the Company, at the time that the action is to be taken, is likely to cause significant reputational risk to the Company or either Enterprise or result in substantial negative publicity;
- (q) The appointment or removal of any Officer of the Company, except that FHFA approval shall be required only for the appointment of the Chief Executive Officer (including any interim or acting Chief Executive Officer);
- (r) Entering into new compensation arrangements with any Officer of the Company or increasing amounts or benefits payable to any Officer of the Company under existing

compensation arrangements, except that FHFA approval shall only be required for compensation arrangements with Officers with the title of Executive Vice President or higher;

(s) Entry into any contract, agreement or transaction between the Company, on the one hand, and any Enterprise or any Affiliate of any Enterprise, on the other hand, and any material amendment or waiver, or any termination or assignment, thereof, but excluding (i) certain categories of change orders (or portions thereof), statements of work (or portions thereof), amendments and waivers of such contracts, agreements or transactions solely to the extent specifically approved to not be subject to this Section 6.4(s) in accordance with the Significant Matters approval process, and (ii) any contract, agreement or transaction (and any material amendment or waiver thereof) between the Company and a third party to which an Enterprise (or an Affiliate of an Enterprise) is included as a party solely for the purpose of guaranteeing, securing or providing further assurance to the third party of the Company's performance of, or compliance with the terms of, such contract, agreement or transaction; and

(t) Any capital contributions from either of the Enterprises (except as otherwise provided for in the Budget).

For the avoidance of doubt, the Deadlock resolution mechanism set forth in Section 6.2(d) shall apply with respect to the failure of the Board to be able to make a decision upon any Significant Matter in accordance with this Section 6.4; provided, however, that prior to FHFA resolving any Deadlock with respect to a Significant Matter an in-person meeting to discuss the Deadlock shall have occurred among the Chief Executive Officers of each of the Enterprises and the director of FHFA.

#### 6.5 Meetings of the Board of Managers.

(a) Meetings of the Board shall be held at least once every two months at the principal office of the Company or at any other place within or without the State of Delaware which may be designated by the written consent of all Managers. Any Manager may call a meeting of the Board by providing notice of such meeting to each other Manager in the following manner: Notice of the date, time and place of such meeting shall be mailed by regular mail to each other Manager at his or her designated address at least six (6) days before the meeting, or sent by overnight courier to each other Manager at his or her designated address at least two (2) days before the meeting (with delivery scheduled to occur no later than the day before the meeting), or given orally by telephone or other means, or by e-mail, facsimile or telecopy, or by any other means comparable to any of the foregoing, to each other Manager at his or her designated address at least twenty-four (24) hours before the meeting. The notice of the meeting shall state the general purpose of the meeting, but other routine business may be conducted at the meeting without such matter being stated in the notice.

(b) Meeting materials shall be distributed by the Company to each Manager of the Board by: (i) for regular bi-monthly meetings, at least five (5) days in advance of the meeting (unless a shorter advance period is approved in advance by the Board Chair); and (ii) for other meetings, as early as practicable in advance of the meeting. Such materials shall be well organized and provide reasonably detailed (but concise) information concerning items on the agenda for the meeting.

(c) During the Conservatorship, the Board shall provide, or shall cause to be provided, to FHFA, written notice of all meetings of the Board, including regular bi-monthly and other meetings, by no later than the later of (i) two (2) weeks prior to the date of the meeting and (ii) the date on which notice is provided to the Managers in accordance with Section 6.5(a) hereof. During the Conservatorship, FHFA shall have the right to have one or more representatives of FHFA attend any meeting of the Board as an observer. Any such FHFA representative shall have no voting rights.

(d) During the Conservatorship, FHFA shall receive a copy of all materials distributed to the entire Board at the same time as such materials are distributed to the Board.

6.6 Quorum. As used herein, the term “Required Quorum Attendee” shall mean one Fannie Mae Manager, one Freddie Mac Manager, the Board Chair, the CEO and, upon termination of the Conservatorship and for as long as FHFA is acting as Receiver of an Enterprise, the FHFA Manager (if any). The presence in person or by proxy of a majority of the Managers, including each Required Quorum Attendee Member shall constitute a quorum for the transaction of business at a meeting of the Board. No action of the Board shall be valid in the absence of a quorum, except as provided in Section 6.7 hereof. Notwithstanding the foregoing, in the event a Required Quorum Attendee does not attend a meeting of the Board following the delivery of two notices of such meeting in accordance with Section 6.5(a) hereof, the Board Chair may determine, in his or her discretion, to proceed with the meeting following the delivery of the second notice and the meeting shall be deemed to have a quorum irrespective of the absence of such Required Quorum Attendee and any action taken by the Board at such meeting that otherwise complies with the requirements of this Agreement shall be deemed to be a valid action of the Board. After Conservatorship, the Manager who called the meeting may determine to proceed with the meeting on the conditions described in the preceding sentence, in the event that a purpose of the meeting is to consider removal of the Board Chair pursuant to Section 6.1(a)(iii).

6.7 Consent of Absentees and Waiver of Notice. The transactions of any meeting of the Board shall be as valid as though had at a meeting duly held after proper notice and with a quorum if, either before or after the meeting, each Manager not present in person or by proxy signs a written waiver of notice or a consent to the holding of such meeting, or approves the minutes thereof. All such waivers, consents or approvals shall be filed with the books and records of the Company and made a part of the minutes of the meeting. Attendance of a Manager at any meeting of the Board shall constitute a waiver of notice of such meeting, except when a Manager attends for the express purpose of objecting to the transaction of any business because such meeting has not been (or allegedly has not been) duly noticed.

6.8 Written Action Without a Meeting; Telephone Meetings.

(a) Any action required or permitted to be taken at any meeting of the Board may be taken without a meeting, if (a) consent in writing to such action is provided by all Managers, and, in the case of Significant Matters, FHFA (provided, however, that the approval of the Board in accordance with Section 6.2 alone shall be sufficient to approve a Significant Matter in the event that FHFA does not approve or deny the applicable Significant Matter in 10 Business Days from the date written notice is received by FHFA of the Significant Matter to be considered by it), and (b) notice to FHFA in writing of the proposed written action is provided to FHFA simultaneously with the Board. The Company shall use

commercially reasonable efforts to provide the Board and FHFA with not less than two (2) Business Days advance written notice of the proposed written action, provided that the failure by the Company to provide such two (2) Business Day advance written notice shall not invalidate any written consent that otherwise complies with the provisions of this Section 6.8(a). Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Action by written consent shall have the same force and effect as a vote of the Managers of the Board.

(b) Managers may participate in any meeting of the Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person at a meeting.

6.9 Proxies. Each Manager may appear and vote at any meeting of the Board, and may execute waivers of notice, consents, or approvals, through the agency of one or more persons, provided such agents are authorized to so act on behalf of the Manager by the terms of a written proxy which has been executed by such Manager and delivered to the each Manager. The Board Chair shall cause such written proxies to be filed with the books and records of the Company. If a written proxy authorizes an agent to appear and/or to vote at any meeting of the Board, such written proxy must be delivered to the Board Chair, and all Managers shall be notified of such proxy, at least one day in advance of the meeting.

6.10 Protection of Competitively Sensitive Information. The Board shall adopt and comply with policies and procedures to prevent the disclosure of competitively sensitive information of any Member to other Members. The policies and procedures will be consistent with the provisions of Articles XI and XII herein and, for the avoidance of doubt, shall not limit the scope of or otherwise restrict the licenses granted to the Members under Article XII.

6.11 Funding Review. A Funding Review (“FR”) has been established by the Company to advise the Members with respect to matters relating to the Annual Plan and Budget, the Multi-Year Plan adopted by the Board, and funding requirements of the Company. The FR shall have no voting or decision-making authority.

(a) Attendees and Meetings. The attendees of the FR shall be determined by the Members. The FR shall be held monthly in person or by telephone. The date, time and place of the meeting or call shall be determined by the Company with notice to representatives to the FR and any other attendees that may be designated by the Members given at least five (5) days in advance. The Company shall circulate meeting materials at least two (2) business days in advance of the meeting or call. The materials shall contain matters as each representative to the FR may request be addressed during the meeting or call within the scope of the FR’s duties.

(b) Duties and Responsibilities. During the FR meeting or call, the Company shall be responsible for providing reports to the Members regarding the financial condition and overall operational performance of the Company, including:

(i) Company expenditures relative to the approved Budget;

- (ii) A review of the Company’s Annual Plan and Budget, Annual Report and other periodic reports prior to the Board meeting where this material will be discussed;
- (iii) Recommendations to the Members with respect to the funding needs of the Company;
- (iv) Reporting other financial matters as deemed appropriate by the Members;

6.12 [Reserved]

6.13 Additional Advisory Board Committees. The Board shall have the authority to create standing and special committees comprised of members of the Board to provide advice and recommendations to the Board. Board committees shall have the authority to retain consultants as necessary.

6.14 Officers

(a) CEO. The Company shall have a Chief Executive Officer or senior most executive with such other title as the Board determines (“CEO”) appointed by the Board to be responsible for the day-to-day operations of the Company and to serve in such capacity until he or she dies, resigns or is removed from office by the Board, with or without cause, provided that the CEO shall not vote with respect to his or her removal. The CEO shall report to the Board. The authority of the CEO shall be limited to matters expressly authorized herein or by the Board pursuant to a duly adopted resolution. The CEO is hereby expressly authorized to (A) implement matters approved by the Board in accordance with Section 6.2, (B) implement Significant Matters approved pursuant to the Significant Matter approval process contained in Section 6.4 and (C) once the initial Business Plan and Budget are in effect in accordance with Section 8.1, operate the Company in accordance with the Charter, Business Plan and Budget in effect from time to time in accordance with Section 8.1.

(b) Additional Officers. The Board shall have the authority to appoint and remove such additional officers of the Company (each, together with the CEO, an “Officer”) as it deems appropriate to carry out the business of the Company.

6.15 Delegation of Authority to Officers. The Board shall have the authority to adopt resolutions providing for delegations of authority to the Officers of the Company.

6.16 Indemnification of Officers and Managers.

(a) Right To Indemnification.

(i) To the fullest extent permitted by law, as the same now exists or may hereafter be amended, each Person (including a Fannie Mae Manager or Freddie Mac Manager, as applicable) who was, is or is threatened to be made a party to or is otherwise involved (including as a witness) in any threatened, pending or completed action, suit, claim or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereafter a “Proceeding”), by reason of the

fact that he or she is or was a Manager or Officer or an employee of the Company or he or she is or was serving at the request of the Company (with approval of the Board) as a manager, officer, member, partner, trustee, employee or agent of another limited liability company, corporation, partnership, joint venture, trust, employee benefit plan or other enterprise (hereafter an “Indemnitee”), whether the basis of a Proceeding is an alleged action in an official capacity or in any other capacity while serving as such a manager, officer, member, partner, trustee, employee or agent shall be indemnified and held harmless by the Company against all Damages incurred or suffered by such Indemnitee in connection therewith unless the Indemnitee engaged in willful misconduct, fraud, or knowingly violated a criminal law. The Company shall indemnify any such Indemnitee in connection with a Proceeding (or part thereof) initiated by such Indemnitee only if a proceeding (or part thereof) was authorized or ratified by the Board. The right to indemnification conferred in this Section 6.16(a) shall be a contract right.

(ii) Any indemnification under Section 6.16(a) (unless ordered by a court) shall be made by the Company only as authorized in the specific case upon a determination that the Indemnitee has met the applicable standard of conduct set forth in Section 6.16(a). Such determination shall be made by the Board.

(iii) The right to indemnification conferred in Section 6.16(a) shall include the right to be paid by the Company for the reasonable and documented expenses incurred in defending any Proceeding in advance of its final disposition (hereinafter an “Advancement of Expenses”). An Advancement of Expenses shall be made upon delivery to the Company of an undertaking, by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified.

(b) Nonexclusivity Of Rights. The right to indemnification and the Advancement of Expenses conferred in this Section 6.16 shall not be exclusive of any other right that any Person may have or hereafter acquire under any statute, this Agreement, general or specific action of the Board, contract or otherwise.

(c) Indemnitor of First Resort. The Company hereby acknowledges that the Indemnitees may have certain rights to indemnification, advancement of expenses and/or insurance provided by the Enterprises. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Enterprises to provide any Advancement of Expenses or other indemnification are secondary), and (ii) that it irrevocably waives, relinquishes and releases the Enterprises from any and all claims against the Enterprises for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no Advancement of Expenses or other indemnification on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Enterprises shall have a right of contribution and/or be subrogated to the extent of such Advancement of Expenses or payment to all of the rights of recovery of Indemnitee against the Company.

(d) Statutory and Regulatory Limitations. The right to indemnification and the Advancement of Expenses conferred in this Section 6.16 is subject to the provisions set forth in 12 U.S.C. 4518(e) and any rules or orders that are promulgated or issued thereunder from time to time.

6.17 Audit. The Board may direct the Company to conduct an audit, which may be conducted by an independent third party, of any service provider retained by the Company, including, without limitation, any Member of the Company in its capacity as a service provider to the Company pursuant to the Administrative Services Agreement or otherwise, with the results of such audit to be provided to the Board.

## ARTICLE VII ACTIONS BY MEMBERS

7.1 No Voting Rights. The Members shall not participate in the management of the Company, and shall have no voting rights under this Agreement or the Act, other than the right to designate their respective representatives, if any, on the Board. The Board shall have the authority to exercise all powers of the Members and Managers under the Act. Notwithstanding the foregoing or any other provision of this Agreement, the rights reserved to FHFA under this Agreement, any Ancillary Agreement or any other agreement entered into by the Company or by the Enterprises in connection with the Company or the Platform shall be exercised by FHFA in its capacity as, and for so long as FHFA is, Conservator of either of the Enterprises. For the avoidance of doubt, nothing in this Section 7.1 is intended to preclude the Enterprises from providing services to the Company pursuant to the Administrative Services Agreement or such other written agreements as may be entered into by the Enterprises and the Company, or pursuant to written delegation by the Board.

## ARTICLE VIII OPERATIONS OF THE COMPANY

### 8.1 Business Plans; Budget.

(a) The Board shall adopt and approve an annual business plan and budget for the Company (the “Annual Plan and Budget”), which shall be subject to the Significant Matters approval requirements contained in Section 6.4. In addition, the Board shall adopt a business plan and budget for the Company covering three years, which will consist of general milestones and/or additional details, and shall include a financial plan (the “Multi-Year Plan”). At all times, the Annual Plan and Budget, and the Multi-Year Plan approved by the Board, and any proposed modifications thereto, shall be subject to approval, review, amendment and modification by the Board (subject to the Significant Matters approval requirements contained in Section 6.4).

(b) The Board shall manage, and the Officers shall operate, the Company in accordance with the Annual Plan and the Budget, and, to the extent that it does not conflict with the Annual Plan and Budget, the Multi-Year Plan approved by the Board, as these may be modified from time to time in accordance with the terms and conditions of this Agreement.

(c) At least sixty (60) days prior to the beginning of each fiscal year of the Company or at such other time as may be established by the Board, the CEO shall prepare and submit to the Board proposed revisions (including any extensions thereof) to the Annual Plan and Budget and (if applicable) the Multi-Year Plan. The Board shall continue to manage, and the Officers shall continue to operate, the Company consistent with the existing Annual Plan and Budget and, to the extent that it does

not conflict with the Annual Plan and Budget, the existing Multi-Year Plan approved by the Board until a revised Annual Plan and Budget and (if applicable) a revised Multi-Year Plan is approved by the Board (subject to the Significant Matters approval requirements contained in Section 6.4).

8.2 Platform. With the continued assistance and support of the Enterprises, the Company shall design, develop, build, test, operate, support, maintain, update and enhance the Platform in accordance with the Charter, the Annual Plan and Budget, the Multi-Year Plan approved by the Board, and the Customer Services Agreement, and shall use commercially reasonable efforts to commence operation of the Platform as soon as practicable.

8.3 Commitment of Business. The Customer Services Agreement sets forth the terms of each Enterprise's commitment of business to the Company.

8.4 Service Agreements. Each Enterprise shall provide certain services to the Company in accordance with the Administrative Services Agreement between such Enterprise and the Company.

8.5 Insurance. The Company shall obtain insurance from insurance companies of recognized standing in such forms and amounts and against such risks as the Board shall determine, naming as a beneficiary thereunder the Company and each Member in proportion to its respective ownership interests in the Company. Without limiting the generality of the foregoing, the Company shall obtain insurance from one or more insurance companies of recognized standing against indemnification obligations the Company may have to any Manager or Officer, and may maintain insurance, at its expense, to protect itself and any Manager, advisory board member, Officer, employee or agent of the Company or another enterprise against any expense, liability or loss. Further, upon the recommendation of the insurance broker engaged by the Enterprises to review the Company's insurance needs, the Company shall obtain insurance protecting against cyber-security risks that is consistent with insurance coverage maintained by large financial institutions and leading technology service providers handling information and data of similar sensitivity to the types of information and data to be handled by the Company; provided that such coverage is available to the Company at commercially reasonable rates.

8.6 Termination of Conservatorship. In the event FHFA is appointed as Receiver of either Enterprise and the LLC Units held by the Enterprise are transferred to a corresponding LLRE, the Company shall enter into an agreement with FHFA to grant to FHFA, as Receiver for the remaining assets in the Receivership estate, such access to and use of the Platform and the right to obtain from the Company such services, in each case, as are reasonably necessary to permit FHFA to carry out its responsibilities with regard to any assets or obligations remaining in the Receivership pursuant to the Safety and Soundness Act and the regulations of FHFA or any successor agency or entity.

## ARTICLE IX EMPLOYEES

### 9.1 Assigned Employees.

(a) Specified employees of each Enterprise, as agreed to by the Company (with approval of the Board) and the relevant Enterprise, may be assigned to work on behalf of the Company

under the direct or indirect supervision of the respective Enterprise or Company officer or officers, as the case may be, charged with such management responsibilities (each, an “Assigned Employee”). The Company shall maintain an up-to-date schedule of Assigned Employees which includes (i) the name of each Assigned Employee, (ii) the period in which the Assigned Employee will serve as an Assigned Employee, and (iii) a high level description of the type of work to be performed by the Assigned Employee.

(b) Each Assigned Employee shall be employed by the relevant Enterprise, and shall continue to be eligible to participate in the compensation and benefit plans and programs maintained by that Enterprise for which the employee qualifies under the terms and conditions of such plans and programs.

(c) Each Enterprise shall, on a monthly basis, invoice and bill the Company for those categories of costs and expenses incurred in the preceding calendar month as are agreed between the Enterprise and the Company (subject to Board approval and the Significant Matters approval requirements contained in Section 6.4 to the extent applicable), in connection with the employment of each Assigned Employee employed by the Enterprise. Invoices submitted to the Company by each Enterprise shall reflect expenditures reported in the Enterprise’s financial systems of record utilizing project codes specifically assigned to the development of the Platform or other reasonable supporting detail. Invoices shall be submitted to the Company with supporting documentation detailing monthly project hours, work descriptions, and out-of-pocket expenses.

(d) Each Assigned Employee shall be dedicated to working 100% of his or her time to perform services for the benefit of the Company and shall be subject to supervision by individuals who may or may not be employees of the Enterprise that employs the Assigned Employee. Performance assessments of each Assigned Employee, including compensation decisions within the framework of the applicable Enterprise’s compensation and benefit plans, shall be conducted by the individual who supervises such Assigned Employee or the Board (which individual shall either be another Assigned Employee or an Officer or other employee of the Company), regardless of which Enterprise employs the supervising individual. Assigned Employees remain employed at-will. The Company shall have the right at any time and for any lawful reason to provide notice to the Enterprise that employs an Assigned Employee that the Company desires that the Assigned Employee no longer work on behalf of the Company as an Assigned Employee, in which case, the Assigned Employee’s status as an Assigned Employee shall be terminated immediately or at such later time as may be agreed to by the Company and the Enterprise.

(e) Acts or omissions of Assigned Employees, in their capacity as Assigned Employees performing services on behalf of the Company, shall be deemed to be acts or omissions of the Company (rather than acts or omissions of the Enterprise that employs the Assigned Employee) and, for purposes of the indemnification provisions in Article 14, Assigned Employees shall be treated as Company Indemnified Parties (rather than Fannie Mae Indemnified Parties or Freddie Mac Indemnified Parties) with respect to indemnification claims that relate to their service as Assigned Employees.

(f) All Materials and intellectual property created or conceived by Assigned Employees while performing services on behalf of the Company in their capacity as Assigned Employees

("Assigned Employees IP") shall be deemed to be "works made for hire" in which the Company owns all Intellectual Property Rights. To the extent that any Assigned Employees IP is not deemed to be a "work made for hire" and the property of the Company by operation of law, each Enterprise hereby irrevocably assigns, transfers and conveys to the Company all Intellectual Property Rights in and to the Assigned Employees IP created or conceived by each Assigned Employee that the Enterprise assigned to the Company, and each Enterprise agrees to promptly execute such documents and take such actions as the Company may reasonably request to perfect the Company's ownership of such Assigned Employees IP. Each of the Assigned Employees shall be required to execute a confidentiality and invention assignment agreement in favor of the Company with such terms and conditions as shall be approved by the Board.

(g) Certain additional terms and conditions related to the Assigned Employees, including (i) the process for the Enterprises to assign individuals as Assigned Employees, (ii) the personnel policies and practices that will apply to Assigned Employees, (iii) restrictions on the solicitation or transfer to other positions of Assigned Employees, and (iv) indemnification obligations with respect to employment-related claims are attached hereto as Exhibit D and made a part hereof.

9.2 Offers of Employment to Assigned Employees. If approved by the Board, the Company may at any time, in consultation with the Enterprise that employs an Assigned Employee, make an offer of employment with the Company to such Assigned Employee. In any event, following his or her appointment, the CEO shall discuss the status of each Assigned Employee with the Enterprise that employs the Assigned Employee and determine whether the Assigned Employee will be given an offer of employment by the Company, will continue to work as an Assigned Employee devoting all or a portion of his or her time to work on behalf of the Company, or whether the Assigned Employee will otherwise cease to work on matters relating to the Company.

## ARTICLE X COVENANTS OF THE PARTIES

10.1 Non-Competition. The Customer Services Agreement sets forth the terms of each Enterprise's commitment not to compete with the Platform.

10.2 Business Opportunity. The Customer Services Agreement sets forth the terms under which the Enterprises will make available certain business opportunities to the Company.

10.3 Non-Solicitation of Employees. The Enterprises and the Company shall comply with the policies and procedures set forth in Exhibit D (and Section 9.2) relating to the solicitation for employment of Assigned Employees, employees of the Company and employees of the Enterprises who perform services on behalf of the Company pursuant to the Administrative Services Agreements.

## ARTICLE XI CONFIDENTIALITY

11.1 Protection of Confidential Information.

(a) Each Recipient Party covenants and agrees to keep confidential any and all Confidential Information of any Disclosing Party, in accordance with a standard of care that shall be no less than the standard employed to protect its own information of like importance or that of others, but in no event with less than reasonable care consistent with industry practice;

(b) Each Recipient Party covenants and agrees not to print or copy, in whole or in part, any documents or other media containing any Confidential Information without the prior written consent of the Disclosing Party other than (i) copies for its Permitted Recipient Parties, and (ii) for its Permitted Internal Purposes;

(c) Each Recipient Party covenants and agrees not to use any Confidential Information it receives from a Disclosing Party for any purpose other than (i) in connection with or in furtherance of the Business, and (ii) for its Permitted Internal Purposes;

(d) Each Recipient Party covenants and agrees not to disclose, or permit the disclosure of, Confidential Information of a Disclosing Party to any third party except (i) to a Party or the Permitted Recipients of a Party, or (ii) to other persons, on a need to know basis, for the Permitted Internal Purposes, provided that such other persons are bound by confidentiality obligations that are at least as protective of the Confidential Information as the terms of this Article XI (“Other Permitted Persons”). In the case of disclosures pursuant to clause (ii) of this Section 11.1(d), such disclosure shall be subject to the internal controls that the Recipient Party exercises with respect to its own Confidential Information of like importance;

(e) With respect to Confidential Information obtained by the Disclosing Party from a third party, each Recipient Party covenants and agrees to abide by any use and non-disclosure restrictions imposed by the third party on such Confidential Information to which the Disclosing Party is subject, provided that the Disclosing Party has informed the Recipient Party of such restrictions in writing in advance;

(f) To the extent that any Confidential Information disclosed by an Enterprise to the Company (and to which the other Enterprise has access) is never used to a material degree by the Company, the Enterprise that did not disclose such Confidential Information shall not have any use rights thereto;

(g) The Enterprises shall not use for any purpose whatsoever each other’s Confidential Information that is Nonpublic Member Data. For the avoidance of doubt, the term “use” in this Section 11.1(g) shall be construed broadly to include any productive use, including the testing or verification purposes of the Enterprises. Notwithstanding the foregoing, but subject to Section 11.1(h) below, the prohibition in this Section 11.1(g) shall not apply to the testing and verification processes conducted by employees of the Enterprises directly involved in the build, design, development, testing, operation, support or maintenance of the Platform under the direct or indirect supervision of the respective Enterprise or Company officer or officers, as the case may be, charged with such management responsibilities;

(h) The Company shall maintain and comply with the written information security program (including the administrative, technical and physical safeguards set forth therein) approved by the Board. Any changes to the Company's information security program will be subject to

Board approval. Any use, access or disclosure of Confidential Information by the Company (including Nonpublic Member Data) shall comply with (i) the terms of this Agreement, (ii) the terms set forth in any other agreement between the Parties and (iii) appropriate policies and controls adopted by the Company, consistent with the approved information security program; and

(i) The provisions of this Article XI shall not apply to Intellectual Property Rights solely to the extent such Intellectual Property Rights are subject to the license rights set forth in Article XII; provided, however, that each Recipient Party shall keep confidential all trade secrets and other Intellectual Property Rights of a Disclosing Party that are of a confidential nature (which shall not include issued patents, registered copyrights of non-confidential works of authorship, and trademarks) with the standard of care specified in Section 11.1(a) and shall disclose such information to third parties only on a need to know basis, provided that such third parties are bound by confidentiality obligations that are at least as protective of the Confidential Information as the Recipient Party would require in similar circumstances with respect to its own information of like importance.

11.2 Permitted Recipient Parties and Other Permitted Persons. Each Recipient Party shall advise any Permitted Recipient Party and Other Permitted Persons to which it discloses Confidential Information of the confidential nature of the Confidential Information and shall require such Permitted Recipient Party and Other Permitted Person to protect the confidentiality of such Confidential Information in accordance with the provisions of this Article XI, provided, that, with respect to each Recipient Party's use of such Confidential Information for its Permitted Internal Purposes, it shall only be required to adhere to its own internal controls, policies and procedures for the confidential treatment of information that is similar in nature and of comparable important to the Confidential Information at issue, which controls shall be consistent with industry practice. Each Recipient Party shall be liable for any breach of any obligation hereunder by any of its Permitted Recipient Parties or Other Permitted Persons and agrees to take all reasonable measures (including but not limited to court proceedings for injunctive relief, if reasonable under the circumstances) to restrain its respective Permitted Recipient Parties or Other Permitted Persons from prohibited or unauthorized disclosure or use of such Confidential Information. Nothing in this Agreement shall prohibit the disclosure by any Recipient Party of Confidential Information to FHFA, in its role as Conservator of the Enterprises or as regulator and supervisor of the Company, or to FHFA's Office of Inspector General, in its oversight capacity of FHFA, and FHFA's employees, agents, attorneys or other professional advisors.

11.3 Disclosure. In the event a Recipient Party receives a court order or other governmental or administrative decree requiring disclosure of Confidential Information of a Disclosing Party, or if a Recipient Party is otherwise legally obligated to disclose the Confidential Information of a Disclosing Party (other than as a result of any directive or other instruction from FHFA), such Recipient Party shall, if it is legally permitted to do so, give the Disclosing Party reasonable written notice prior to such disclosure in order to permit such Disclosing Party, at such Disclosing Party's expense, to seek a protective order or otherwise take steps to prevent the disclosure of such Confidential Information. The Recipient Party shall cooperate with the Disclosing Party in seeking a protective order or other measure to limit the required disclosure of the Disclosing Party's Confidential Information, and release only so much of such Confidential Information as is required by any resulting order, decree or legal obligation.

11.4 Breach. Each Party agrees that in the event of a breach or threatened breach by any Party, including its Permitted Recipient Parties and Other Permitted Persons, of the provisions of this Article XI, the non-breaching Party may not have an adequate remedy in money damages and, accordingly, shall be entitled to seek an injunction against such breach, in addition to any other legal or equitable remedies available to it.

11.5 Residual Knowledge. Each Disclosing Party acknowledges that the Recipient Parties may currently or in the future be developing information internally, or receiving information from other parties, that is similar to the Disclosing Party's Confidential Information. The Parties agree that they also may acquire Residual Knowledge as a result of this Agreement. Any use or disclosure by any Party of Residual Knowledge shall not constitute a breach of this Agreement, provided that such use or disclosure does not violate the patents or copyrights of any other Party hereto. Subject to the foregoing proviso, nothing in this Agreement will prohibit a Recipient Party from using Residual Knowledge to develop or have developed for itself, or otherwise use or disclose, products, concepts, systems or techniques that are similar to or compete with the products, concepts, systems or techniques contemplated by or embodied in such Confidential Information. The Parties shall have no obligation to limit or restrict the work assignments of their Permitted Recipient Parties as a result of their having had access to any other Party's Confidential Information.

11.6 Breach Notification. The Recipient Party shall promptly notify the Disclosing Party in writing of any unauthorized use or disclosure of, or access to, the Disclosing Party's Confidential Information by or arising through the Recipient Party of which it becomes aware, and take all reasonable steps requested by the Disclosing Party to limit, stop or otherwise prevent such loss or unauthorized use, disclosure or access.

## ARTICLE XII INTELLECTUAL PROPERTY

### 12.1 Licenses to Enterprises of Intellectual Property Rights.

(a) Except as otherwise agreed to in a written contract approved in accordance with Section 6.4(s), the Company hereby grants to each Enterprise a non-exclusive, non-transferable (except as set forth in Section 17.9), fully-paid, royalty free, perpetual (both during and following the respective Enterprise's Membership in the Company), irrevocable and worldwide license to Exploit all Materials and all Intellectual Property Rights (other than trademarks) that are owned or licensed by the Company while the respective Enterprise is a Member of the Company, which may be used by each Enterprise for any purpose, subject to any restrictions that may be set forth in the Customer Services Agreement. The foregoing license excludes any use rights with respect to third party licensed Materials to the extent the third party licenses do not permit such use rights to be granted; provided, however, that upon written request from an Enterprise, the Company shall use commercially reasonable efforts to obtain a separate license in the name of the Enterprise, which license shall be at that Enterprise's expense (as approved in advance by such Enterprise).

(b) The rights to sublicense and distribute such Materials and Intellectual Property Rights pursuant to Section 12.1(a) shall apply to the extent reasonably necessary or appropriate for each Enterprise to Exploit such Materials and Intellectual Property Rights for the operation of its business; provided, however, that such sublicense or distribution shall not be solely for the purpose of receiving royalties or other licensing revenue from the sublicense or such Materials and Intellectual

Property Rights themselves (as opposed to in combination with other aspects of the Enterprise's business) and shall contain confidentiality obligations that are at least as protective of the Company's Confidential Information as the terms of Article XI. Without limiting the generality of the foregoing, the Enterprises may permit third parties providing services to the Enterprises to access such Materials and the Technology embodying such Intellectual Property Rights, provided that such third parties are bound by confidentiality obligations that are at least as protective of the Company's Confidential Information as the terms of Article XI.

(c) In the event of the bankruptcy of the Company pursuant to the Bankruptcy Code and an attendant rejection of this Agreement or any license granted hereunder, the Parties intend that the provisions of Section 365 of the Bankruptcy Code shall apply and the Enterprises shall be entitled to retain all license rights granted in this Agreement and possession of all Materials and Intellectual Property Rights licensed under this Agreement, and to exercise all rights to obtain possession of Materials and embodiments of Intellectual Property Rights in accordance with this Agreement and any other agreement supplementary hereto, and the Enterprises shall have no obligation to pay any additional fees or payments in connection with the exercise of the license rights granted under this Agreement and use of any such licensed Materials or Intellectual Property Rights.

12.2 Third Party Intellectual Property Rights. As soon as practicable following the date hereof, the management of the Company shall adopt policies and procedures governing the use by the Company of Software and Materials owned by third parties (including open source software), including in connection with the design and development of the Platform.

12.3 Disclosure and Delivery of Intellectual Property Rights and Materials. This Article XII establishes the Enterprises' right to Exploit the Materials and Intellectual Property rights owned or licensed by the Company. To facilitate the exercise of those rights in a manner that does not create unreasonable burdens for the Company, the Members and the Company will agree on a schedule for delivery of Materials and Intellectual Property by the Company to the Enterprises, which schedule may be updated by written agreement of both Members and the Company from time to time. The remaining provisions of this Article XII will apply until a schedule is agreed upon by the parties and will serve as default requirements in case any schedule agreed upon by the parties expires without a replacement having been agreed upon. Within thirty (30) days after the end of each calendar quarter, the Company will provide to each Enterprise (unless such Enterprise notifies the Company that it elects to defer such delivery) a then current (i.e. as of the end of the applicable calendar quarter) listing of all Materials and Intellectual Property Rights owned or licensed by the Company, including a complete listing of all Software and other Materials incorporated in or reasonably necessary to enable the Enterprises to Exploit the Platform. Following receipt of such listing, an Enterprise may request in writing no more than one time per calendar quarter that the Company provide to the Enterprise, and the Company shall provide to such Enterprise within five business days after receipt of the request, current copies of any Materials or Intellectual Property Rights listed therein (or such portion thereof as was requested by such Enterprise) including current copies of object code and Source Code for Software included in the Materials. At the

request of an Enterprise, the Company shall also provide a reasonable amount of basic knowledge transfer as is reasonably necessary to permit the Enterprise to Exploit the Platform using appropriately skilled and knowledgeable resources; provided, however, that such obligation of the Company shall not interfere with the priority of the Company's day to day operations and objectives and shall not otherwise create an unreasonable burden on the Company or its employees. If an Enterprise ceases to be a Member of the Company, the Company shall provide a then current (i.e. as of the date it ceases to be a Member of the Company) listing and copies of the foregoing Materials and Intellectual Property Rights to such Enterprise within thirty (30) days after it ceases to be a Member; thereafter, the Company's obligations under this Section 12.3 shall terminate.

12.4 Prosecution of Intellectual Property Rights. The Company shall have the sole authority to prosecute any patents on inventions developed by or for the Company and assigned to it using patent counsel selected by the Board.

12.5 Protection of Company Intellectual Property Rights. The Company shall use commercially reasonable efforts to protect and enforce its Intellectual Property Rights in and to the Platform, and any underlying Software owned by the Company, including by bringing infringement suits against infringers in its reasonable discretion. Should the Company fail to do so, in the reasonable judgment of an Enterprise, the Enterprise shall have the right to bring such matter before the Board. If, after consideration of the Board, the Company declines to bring an infringement action against an infringer, such decision shall be final, and neither Enterprise shall have any further right to raise such matter before the Board or to otherwise object to such decision.

12.6 Covenant Not to Sue.

(a) Each Party covenants that it shall not Assert any Patent Rights owned or controlled by it against (i) the Company or its Covered Persons with respect to their designing, building, developing, testing, operating, supporting, maintaining, updating, enhancing and using the Platform in accordance with this Agreement and the Customer Services Agreement, or (ii) an Enterprise or its Covered Persons with respect to such Enterprise's Exploitation of the Materials and Intellectual Property Rights pursuant to Section 12.1 in accordance with the terms of this Agreement. Each covenant in this Section 12.6 is referred to as a "CNTS." For clarification, a Patent Right is subject to the CNTS only to the extent that it would be infringed in the absence of a license thereunder as a result of the activities described in subparagraphs (i) and (ii) above. The Parties acknowledge and agree that no CNTS in any way narrows the scope of, restricts the application of, or otherwise limits or adversely affects, the licenses granted to the Parties pursuant to Section 12.1 and the Contribution Agreement.

(b) Each CNTS runs with title to any Patent Rights to the extent they are subject to the CNTS and binds any assignee, exclusive licensee, or other individual or entity that acquires any interest in any Patent Rights that are subject to the CNTS, whether or not that individual or entity has actual or constructive knowledge of the CNTS.

(c) The CNTS granted by each Enterprise in favor of the other Enterprise and its Covered Persons shall be effective for so long as both Enterprises remain Members and both CNTS shall terminate when either Enterprise ceases to be a Member, provided, that each CNTS shall continue in perpetuity with respect to all Patent Rights owned or controlled by each grantor Enterprise on or prior to

the date on which an Enterprise ceased to be a Member (and including without limitation future patents and patent applications claiming priority to the foregoing). The CNTS granted by each Enterprise in favor of the Company and its Covered Persons shall be effective for so long as such Enterprise remains a Member and shall terminate when it ceases to be a Member, provided, that such CNTS shall continue in perpetuity with respect to all Patent Rights owned or controlled by such grantor Enterprise on or prior to the date on which it ceased to be a Member (and including without limitation future patents and patent applications claiming priority to the foregoing). The CNTS granted by the Company in favor of each Enterprise shall be effective for so long as such Enterprise remains a Member and shall terminate when its ceases to be a Member, provided, that such CNTS shall continue in perpetuity with respect to all Patent Rights owned or controlled by the Company on or prior to the date on which such Enterprise ceased to be a Member (and including without limitation future patents and patent applications claiming priority to the foregoing).

(d) To effectuate the purpose of Section 12.6 (b) above, if either of the Enterprises intends (x) to transfer or assign (directly, by operation of law, or in connection with a merger, acquisition, or sale of all or substantially all of an Enterprise's assets) ownership of a Patent Right to any third party, or (y) to grant an exclusive license to, or other proprietary interest in, any Patent Right, which Patent Right, the Enterprise knew or reasonably should have known, is subject to the CNTS at the time of the transfer, assignment, or grant, then prior to any such transfer, assignment, or grant, such Enterprise shall secure in writing from the third party (i) the CNTS with respect to such Patent Right to the same extent as it applies at such time to such Enterprise and (ii) a covenant to secure a similar CNTS from any subsequent owner or exclusive licensee of such Patent Right. If for any reason any transferee, assignee, or grantee does not so agree in writing, then, effective immediately prior to that transfer, assignment, or grant, the Enterprise shall be deemed to have granted to the Company an automatically-vested, nonexclusive, irrevocable, perpetual, fully-paid-up, royalty-free, worldwide, transferable, assignable license under such Patent Right to design, build, develop, test, operate, support, maintain, update, enhance and use the Platform in accordance with this Agreement and the Customer Services Agreement.

### ARTICLE XIII TRANSFER OF LLC UNITS

13.1 Prohibition on Transfers by Enterprises. Neither Fannie Mae nor Freddie Mac may Transfer their respective LLC Units, or any portion thereof, without (i) approval as a Significant Matter pursuant to Section 6.4, and (ii) proper receipt of such other Governmental Approvals as may be necessary.

### ARTICLE XIV INDEMNIFICATION

#### 14.1 Indemnification by Fannie Mae.

(a) Subject to the limitations set forth in this Article XIV and to all applicable regulatory requirements and restrictions, Fannie Mae shall defend, indemnify and hold harmless each of the Freddie Mac Indemnified Parties and the Company Indemnified Parties from and against any costs, damages, losses, expenses (including, without limitation, settlements, judgments and reasonable attorneys'

fees and costs relating thereto), claims, obligations or liabilities (“Damages”) suffered or incurred by any Freddie Mac Indemnified Party or Company Indemnified Party, as the case may be, to the extent such Damages result or arise from:

(i) a breach or inaccuracy of any of the representations or warranties made by Fannie Mae in this Agreement; or

(ii) a breach of any of the covenants or agreements made or to be performed by Fannie Mae pursuant to this Agreement.

(b) Notwithstanding the foregoing, Fannie Mae shall not be required to indemnify or hold any Freddie Mac Indemnified Party or Company Indemnified Party harmless from or against any Damages to the extent that such Damages arise out of or relate to the negligence, willful misconduct or breach of any of its representations, warranties, covenants or agreements herein, in any Ancillary Agreement or in any certificate, agreement, document or instrument delivered pursuant hereto or thereto, by any Freddie Mac Indemnified Party or Company Indemnified Party, as applicable.

#### 14.2 Indemnification by Freddie Mac.

(a) Subject to the limitations set forth in this Article XIV and to all applicable regulatory requirements and restrictions, Freddie Mac shall defend, indemnify and hold harmless each of the Fannie Mae Indemnified Parties and the Company Indemnified Parties from and against any Damages suffered or incurred by any Fannie Mae Indemnified Party or Company Indemnified Party, as the case may be, to the extent such Damages result or arise from:

(i) a breach or inaccuracy of any of the representations or warranties made by Freddie Mac in this Agreement; or

(ii) a breach of any of the covenants or agreements made or to be performed by Freddie Mac pursuant to this Agreement.

(b) Notwithstanding the foregoing, Freddie Mac shall not be required to indemnify or hold any Fannie Mae Indemnified Party or Company Indemnified Party harmless from or against any Damages to the extent that such Damages arise out of or relate to the negligence, willful misconduct or breach of any of its representations, warranties, covenants or agreements herein, in any Ancillary Agreement or in any certificate, agreement, document or instrument delivered pursuant hereto or thereto, by any Fannie Mae Indemnified Party or Company Indemnified Party, as applicable.

#### 14.3 Indemnification by the Company.

(a) Subject to the limitations set forth in this Article XIV and to all applicable regulatory requirements and restrictions, the Company shall defend, indemnify and hold harmless each of the Fannie Mae Indemnified Parties and the Freddie Mac Indemnified Parties from and against any Damages suffered or incurred by any Fannie Mae Indemnified Party or Freddie Mac Indemnified Party, as the case may be, to the extent such Damages result or arise from:

(i) a breach by the Company of any Fannie Mae Assigned Contract (as such term is defined in the Contribution Agreement) or Freddie Mac Assigned Contract (as such term is defined in the Contribution Agreement); or

(ii) a breach by the Company of any contract or other agreement pursuant to which either or both Enterprises agrees to serve as a co-party, guarantor or otherwise for purposes of providing assurance or security to the third-party to such contract or agreement of the Company's performance, provided that the indemnity under this Subparagraph (ii) shall be limited to the Damages suffered by the applicable Enterprise in its capacity as a co-party, guarantor or otherwise for purposes of providing assurance or security to such third-party.

(b) Notwithstanding the foregoing, the Company shall not be required to indemnify or hold any Freddie Mac Indemnified Party or Fannie Mae Indemnified Party harmless from or against any Damages to the extent that such Damages arise out of or relate to the negligence, willful misconduct or breach of any of its representations, warranties, covenants or agreements herein, in any Ancillary Agreement or in any certificate, agreement, document or instrument delivered pursuant hereto or thereto, by any Freddie Mac Indemnified Party or Fannie Mae Indemnified Party, as applicable.

14.4 Indemnification Procedures. In any case where an Indemnified Party shall seek indemnification under this Agreement for a third party claim, suit or proceeding (a "Claim"), such indemnification shall be conditioned on such Indemnified Party's compliance with the following procedures:

(a) The Indemnified Party will give prompt written notice to the party from whom such indemnification is sought (the "Indemnifying Party") of each Claim for indemnification under this Agreement, specifying to the extent then known the amount and nature of the Claim (a "Notice of Indemnification"). No failure to so notify the Indemnifying Party shall relieve the Indemnifying Party of its obligations under this Agreement except to the extent that Damages are attributable to such failure. Within fifteen (15) days following receipt of a Notice of Indemnification from the Indemnified Party relating to any Claim, the Indemnifying Party will notify the Indemnified Party in writing if the Indemnifying Party elects to assume control of the defense and settlement of that Claim (a "Defense Election").

(b) If the Indemnifying Party delivers a Defense Election relating to any Claim within the required notice period, the Indemnifying Party will be entitled to have sole control over the defense and settlement of such Claim; provided, however, that

(i) the Indemnified Party will be entitled to participate in the defense of such Claim and to employ counsel at its own expense to assist in the handling of such Claim, provided, however, that, if the Indemnified Party cooperates and provides assistance at the request of the Indemnifying Party in connection with the Indemnifying Party's defense, the Indemnified Party shall be entitled to recover from the Indemnifying Party the reasonable costs of providing such assistance;

(ii) before entering into any settlement of such Claim or ceasing to defend against such Claim, the Indemnifying Party will obtain the prior written approval of the

Indemnified Party in respect of any compromise or settlement that would impose any penalty, limitation, disclosure obligation, or injunction or other equitable relief upon the Indemnified Party or that does not include the third party's release of the Indemnified Party from all liability relating to such Claim for which the Indemnified Party is entitled to be indemnified; and

(iii) the Indemnifying Party shall inform the Indemnified Party on a regular basis of the status of such Claim and the Indemnifying Party's defense thereof.

(c) Subject to Section 14.4(b), after the Indemnifying Party has delivered a Defense Election relating to any claim in accordance with Section 14.4(a), the Indemnifying Party will not be liable to the Indemnified Party for any legal expenses incurred by such Indemnified Party in connection with the defense of that Claim. In addition, the Indemnifying Party will not be required to indemnify the Indemnified Party for any amount paid or payable by such Indemnified Party in the settlement of any claim for which the Indemnifying Party has delivered a timely Defense Election if such amount was agreed to without the written consent of the Indemnifying Party.

(d) Provided that the Notice of Indemnification is given (unless the failure to provide such Notice of Indemnification does not actually and materially prejudice the interests of the Indemnifying Party), and the Indemnifying Party (i) has not delivered a Defense Election relating to any Claim within the required notice period, or (ii) has delivered a Defense Election relating to a Claim but has not retained counsel within 30 days following the delivery of the Defense Election, then the Indemnified Party shall have the right to defend, contest or otherwise protect against the same, and make any compromise or settlement thereof and recover any related Damages, including any Damages incurred in securing the Indemnified Party's rights under this Agreement, from the Indemnifying Party.

(e) In the event that the counsel retained by the Indemnifying Party determines that it cannot represent the Indemnifying Party and the Indemnified Party in connection with the defense of any Claim consistent with the applicable rules of professional conduct, the Indemnified Party shall have the right to employ separate counsel and to control its own defense in connection therewith, and the reasonable fees and expenses of such separate counsel shall be paid by the Indemnifying Party.

(f) An Indemnified Party shall, to the extent practicable and reasonably within its control and at the expense of the Indemnifying Party, make commercially reasonable efforts to mitigate any Damages of which it has adequate notice, provided that the Indemnified Party shall not be obligated to act in contravention of applicable law or in contravention of reasonable and customary practices of a prudent person in similar circumstances.

(g) The obligation to indemnify a party's officers, directors, employees and agents in accordance with this Article XIV may be enforced exclusively by such party and nothing herein shall be construed to grant such officers, directors, employees and agents any individual rights, remedies, obligations or liabilities with respect to the parties to this Agreement.

#### 14.5 Limits on Indemnification.

(a) The parties hereto waive as against each other any claim to consequential, special, exemplary or punitive damages except to the extent consequential, special, exemplary or punitive damages are awarded to a third party against an Indemnified Party in circumstances in which such Indemnified Party is entitled to indemnification hereunder.

(b) Each Indemnified Party shall maintain such insurance coverage with respect to its business as is customary for an entity of the size and nature of such Indemnified Party. Each Indemnified Party shall be obligated in connection with any claim for indemnification under this Article XIV to use commercially reasonable efforts to obtain any insurance proceeds and indemnification payments payable to such Indemnified Party by any third party available with regard to the applicable claim. The amount which the Indemnifying Party is or may be required to pay to any Indemnified Party pursuant to this Article XIV shall be reduced (retroactively, if necessary) by any insurance proceeds, indemnification payments or other amounts actually recovered by or on behalf of the indemnified party in reduction of the related damages. If the Indemnified Party receives the payment required by this Agreement from the Indemnifying Party in respect of Damages and subsequently receives insurance proceeds, indemnification payments or other amounts in respect of such Damages, then such Indemnified Party shall promptly repay to the Indemnifying Party a sum equal to the amount of such insurance proceeds, indemnification payments or other amounts actually received.

#### 14.6 Exclusive Remedy.

(a) The remedies provided in this Article XIV shall be the exclusive remedies of the Parties hereto in connection with any claim or action arising out of any breach by, or inaccuracy of, another Party's (i) representations, (ii) warranties or (iii) covenants and agreements. The provisions of this Article XIV shall apply to claims for indemnification asserted as between the Parties as well as to third-party claims.

(b) Nothing in this Section 14.6 is intended to limit or expand the remedies provided under any Ancillary Agreement for claims arising under those Ancillary Agreements.

### ARTICLE XV DISPUTE RESOLUTION

15.1 Disputes. The Members and the Company shall attempt in good faith to resolve any dispute, controversy or claim between or among them arising out of or relating to this Agreement, including without limitation any dispute over the breach, interpretation or validity thereof (a "Dispute"). Any Member or the Company, as applicable, may request through written notice to all of the other Members and the Company that the Dispute be referred to senior executives of the Members and the Company, as applicable, that are parties to the Dispute who have authority to resolve the Dispute. The senior executives shall attempt to resolve the Dispute by agreement within sixty (60) days of such notice. The senior executives shall take such actions as may be necessary in connection with any discussions relating to any Dispute to prevent the disclosure of competitively sensitive information of one Member or the Company, as applicable, to other Members or the Company, as applicable.

15.2 Legal Proceedings. If any Dispute is not resolved by the senior executives of the Members or the Company, as applicable, that are party to the Dispute within the sixty (60) day period prescribed by Section 15.1, any such Member or the Company may institute legal proceedings in a federal court in the State of Maryland, which shall be the exclusive forum for such Dispute to the fullest extent permitted by applicable law.

15.3 Resolution by Conservator. Notwithstanding the foregoing, at any time during which FHFA is Conservator of both (but not just one) Enterprises, FHFA shall have the authority to resolve any Dispute between the Enterprises and between either or both Enterprises and the Company. While FHFA is Conservator of both (but not just one) Enterprises, FHFA may direct that the Enterprises take such actions and engage in such processes as FHFA shall determine to resolve any Dispute, and the Enterprises shall comply with FHFA's direction.

## ARTICLE XVI NOTICES

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) transmitted by an internationally recognized overnight courier service, or (iii) transmitted by electronic mail (with a confirmation copy sent by one of the other methods authorized in this Section or by mailing, postage prepaid), addressed as follows (or such other address as the Parties may designate from time to time in writing):

If to Fannie Mae:

Federal National Mortgage Association  
1100 15<sup>th</sup> Street, NW  
Washington, DC 20005  
Attn: Executive Vice President, General Counsel & Corporate Secretary  
E-Mail: terry\_theologides@fanniemae.com

Copies to:

Federal Housing Finance Agency  
400 7th Street, SW  
Washington, DC 20024  
Attn: Deputy Director, Division of Conservatorship  
E-Mail: CSS@fhfa.gov

and

Federal National Mortgage Association  
1100 15<sup>th</sup> Street, NW  
Washington, DC 20005  
Attn: Vice President, Deputy General Counsel & Deputy Corporate Secretary  
Email: christine\_e\_reddy@fanniemae.com

If to Freddie Mac:

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102  
Attn: Ricardo A. Anzaldua  
Executive Vice President, General Counsel and Corporate Secretary  
E-Mail: ricardo\_anzaldua@freddiemac.com

Copies to:

Federal Housing Finance Agency  
400 7th Street, SW  
Washington, DC 20024  
Attn: Deputy Director, Division of Conservatorship  
E-Mail: CSS@fhfa.gov

and

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102  
Attn: Melinda L. Reingold  
Vice President & Deputy General Counsel - Mortgage Securities  
E-Mail: melinda\_reingold@freddiemac.com

If to the Company:

U.S. Financial Technology, LLC  
7501 Wisconsin Avenue, Suite 400W  
Bethesda, Maryland 20814  
Attn: Chief Executive Officer  
Email: tony.renzi@usfintech.com

Copies to:

U.S. Financial Technology, LLC  
7501 Wisconsin Avenue, Suite 400W  
Bethesda, Maryland 20814  
Attn: Senior Vice President, Chief Legal and Compliance Officer  
Email: carol.rakatansky@usfintech.com

Federal Housing Finance Agency  
400 7th Street, SW  
Washington, DC 20024  
Attn: Deputy Director, Division of Conservatorship  
E-Mail: CSS@fhfa.gov

All notices and other communications required or permitted to be given hereunder shall be deemed to have been duly given on the first to occur of: (i) the date of receipt if delivered personally, (ii) the first Business Day following the day the same is deposited with an internationally recognized courier service if sent by overnight delivery service, or (iii) the date sent (without notice of non-delivery) if sent by electronic mail transmission.

## ARTICLE XVII MISCELLANEOUS

### 17.1 FHFA Authority.

(a) FHFA's actions pursuant to this Agreement shall be performed in its capacities as Conservator of the Enterprises and as regulator and supervisor of the Company, and any approval, designation, direction or other rights reserved to FHFA under this Agreement shall be exercised by FHFA in those roles.

(b) Notwithstanding the foregoing, nothing in this Agreement is intended to, nor shall, limit in any manner FHFA's authority with respect to the Enterprises and their respective assets (including their LLC Units) as Conservator or Receiver, nor as regulator and supervisor of the Enterprises and the Company.

(c) Notwithstanding any other provision of this Agreement to the contrary, if FHFA is no longer Conservator of either Enterprise, all rights of FHFA in its capacity as Conservator arising exclusively under this Agreement shall cease, but its rights as regulator and supervisor of the Enterprises and the Company shall persist.

17.2 Scope of the Parties' Authority. Unless otherwise provided in this Agreement, no Party shall, without the prior written consent of the other Party, in any manner use the name of, or commit or act or purport to act for or as a representative of, or assume any obligations or responsibilities on behalf of, such other Party, whether before or after the formation of the Company.

17.3 Force Majeure. Should any circumstance beyond the reasonable control of any Member occur which delays or renders impossible the performance of any of its obligations under this Agreement, such obligation shall be postponed for such time as such performance necessarily has had to be suspended or delayed on account thereof; provided such Member shall notify the other Members and the Company in writing within fourteen (14) days after the occurrence of such force majeure. In such event, representatives of each Member, the Company and FHFA shall promptly meet to determine an equitable solution to the effect of any such event, provided that any Member who fails because of force majeure to perform its obligations hereunder or thereunder will upon the cessation of the force majeure take all reasonable steps within its power to resume with the least possible delay compliance with its obligations. Events of force majeure shall include, without limitation, war, revolution, invasion, insurrection, riots, mob violence, sabotage or other civil disorders, acts of God, strikes or other labor

disputes, acts, laws, regulations or rules of any government or governmental agency and any other circumstances beyond the reasonable control of the Member, the obligations of which are affected thereby.

17.4 Severability. If any term or provision of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative, illegal or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases, because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question invalid, inoperative, illegal or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative, illegal or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy, but this Agreement shall be narrowly reformed and construed in any such jurisdiction or case as if such invalid, inoperative, illegal or unenforceable provision had never been contained herein and such provision narrowly reformed so that it would be valid, operative and enforceable to the maximum extent permitted in such jurisdiction or in such case.

17.5 Entire Agreement. The terms and conditions herein contained together with the terms and conditions of the Ancillary Agreements, the Customer Services Agreement and the other documents attached as Schedules and Exhibits hereto constitute the entire agreement between the Parties relating to the subject matter of this Agreement and shall supersede all previous communications between the Parties with respect to the subject matter of this Agreement. No Party has entered into this Agreement in reliance upon a representation, warranty or undertaking of the other Party which is not set out or referred to in this Agreement.

17.6 Further Assurances. The Parties hereto shall at any time, and from time to time execute and deliver such additional instruments and other documents and shall at any time, and from time to time take such further actions as may be reasonably necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement and the transactions contemplated hereby

17.7 No Third Party Rights. This Agreement shall not be deemed or construed in any way to result in the creation of any rights or obligations in any Person not a party to this Agreement (including, but not limited to, employees or contractors of any Enterprise or the Company), other than FHFA and the third parties entitled to indemnification pursuant to Article XIV.

17.8 Applicable Law. This Agreement and the rights and liabilities of the parties hereto shall be governed by and construed in accordance with applicable U.S. federal laws and the laws of the State of New York applicable to contracts made and to be performed within such jurisdiction and without regard to any conflicts of laws principle that would result in the application of the laws of any other jurisdiction.

17.9 Assignment of Agreement. This Agreement shall be binding upon and inure to the benefit of each Party hereto and its permitted successors and assigns, including with respect to each Enterprise, the corresponding LLRE as contemplated by Section 3.1(b). Subject to Section 3.1(b), no Party hereto shall assign, transfer, or otherwise dispose of (by operation of law or otherwise) any of its rights or obligations under this Agreement in whole or in part to any Person without the prior written consent of the other Parties; provided, however, that in the event any Enterprise is placed into receivership and the LLC Units held by the Enterprise are transferred to a corresponding LLRE, such LLRE shall become a party to this Agreement as successor-in-interest to the Enterprise.

17.10 Waivers. No waiver, forbearance, or failure by any Party of its right to enforce any provision of this Agreement shall constitute a waiver or estoppel of such Party's right to enforce such provision thereafter or to enforce any other provision of this Agreement. No single or partial exercise of any right or power hereunder shall operate as a waiver of such right or of any other right or power. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

17.11 Amendments. No amendment or supplement to this Agreement shall be effective for any purpose unless in writing and signed by an authorized officer of each Party hereto.

17.12 Survival. The provisions of Articles XI, XII, XIV, XV, and XVI of this Agreement shall survive indefinitely.

17.13 Expenses. Each Party shall bear its own costs and expenses incurred in connection with the negotiation, execution and performance of this Agreement and all related agreements referred to herein, except to the extent specifically provided otherwise in this Agreement or in any of those related agreements or as otherwise agreed by the Enterprises.

17.14 Construction. The Enterprises agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

17.15 Counterparts. This Agreement may be executed simultaneously in any number of counterparts and each such counterpart shall be deemed to be an original instrument, but all such counterparts together shall constitute one and the same instrument, binding on all of the Parties. Signatures provided by facsimile or electronic copy shall have the same effect as originals.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties to this Agreement have executed this Agreement as of the date first above written.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: \_\_\_\_\_

Name:

Title:

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: \_\_\_\_\_

Name:

Title:

U.S. FINANCIAL TECHNOLOGY, LLC

By: \_\_\_\_\_

Name:

Title:

## Schedule 3.2

### LLC UNITS AND PERCENTAGE INTERESTS OF THE MEMBERS

<u>Member</u>	<u>LLC Units</u>	<u>Percentage Interest</u>
Federal National Mortgage Association	1000 Units	50%
Federal Home Loan Mortgage Corporation	1000 Units	50%

**EXHIBIT A**

**FIRST AMENDED AND RESTATED  
CHARTER OF U.S. FINANCIAL TECHNOLOGY, LLC,**  
a Delaware limited liability company

as of November 3, 2014

Reference is hereby made to U.S. Financial Technology, LLC, a Delaware limited liability company formerly named Common Securitization Solutions, LLC (the “Company”), formed on the 7<sup>th</sup> day of October, 2013, by the filing of a Certificate of Formation of the same date in the Office of the Secretary of State of the State of Delaware, by the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) (collectively, the “Enterprises”).

WHEREAS, the Company shall be jointly and equally owned by the Enterprises, and has been formed by them and shall have the following purposes:

To develop, operate, update and maintain the systems, software, processes, infrastructure and business activities necessary or appropriate to facilitate the efficient, large-scale issuance of single-family, residential, mortgage-related securities by both Enterprises and, potentially, other users (including a Single Security, as described in the *Request for Input: Single Security* published by FHFA on August 12, 2014 (including different types of Single Security as described in that document), with any modifications of such Single Security as may be agreed upon between the Enterprises), and the related sale and administration of such securities.

## EXHIBIT B

### ASSIGNED EMPLOYEE TERMS AND CONDITIONS

This Exhibit B is to be read in conjunction with Article 9 of the LLC Agreement. Except as otherwise stated herein, all capitalized terms set forth herein shall have the meanings set forth in the LLC Agreement.

1. **Assignment of Assigned Employees.** Individuals shall be assigned to work on behalf of the Company as Assigned Employees either by: (i) application by an individual through an Enterprise's posting process, which may be open to both internal (for both Enterprises) and external candidates; or (ii) an Enterprise identifying and assigning qualified persons to work on the Platform. The Enterprises will jointly determine the process for candidate selection; however, the Enterprise which employs (or will employ) the individual will determine, in its sole discretion, (A) the conditions for employment and (B) whether the individual has the skills needed for the assignment and is available to be assigned to work on behalf of the Company.
2. **Applicable Policies.** Assigned Employees will be subject to the personnel policies and practices of the Enterprise which employs them, including but not limited to the compensation and benefits policies and practices of the employing Enterprise. Assigned Employees shall not be subject to any personnel policies or practices of any other entity, with the exception of Company policies and practices that are specifically related to: (i) the operation of the facility in which they will perform their duties, including security procedures, hours in which the facility is open, and badge systems; (ii) performance management; (iii) training; (iv) on-the-job conduct and behavior; and (v) compliance with respect to safety, legal requirements and codes of conduct. In the event of any conflict or inconsistency between the policies and practices of the Company specifically related to the matters described in the preceding sentence and the policies and practices of an Enterprise specifically related to such matters, the policies and practices of the Company specifically related to such matters will be controlling.
3. **Restricted Period.** All Assigned Employees shall remain at-will employees of their respective Enterprise during the course of the assignment. However, subject to the Enterprises' rights to terminate the employment relationship with or without cause or notice, the Enterprises agree that each Assigned Employee will not be transferred from working on behalf of the Company as an Assigned Employee to another Enterprise position or assignment for a period of one year following the start of the individual's assignment as an Assigned Employee ("Restricted Period").
  - i. During the Restricted Period, an Assigned Employee may be transferred from the assignment with the Company to another Enterprise position or assignment only by agreement of both the Company and the Enterprise employing the Assigned Employee.

- ii. If an Assigned Employee becomes employed by the Company during the Restricted Period, the Enterprises agree that they will not solicit the Company employee during the Restricted Period, except by agreement of both the Company and the Enterprise seeking to employ the Company employee.
- iii. Following the Restricted Period, there shall be no restriction on the Assigned Employee moving to another position or assignment within his or her employing Enterprise.

For clarification, the Restricted Period shall not be shortened or extended by the Assigned Employee's hire by the Company; the Restricted Period shall be one year from the start of the assignment regardless of whether the Assigned Employee becomes employed by the Company during the course of the Restricted Period.

- 4. **Indemnification – Assigned Employees.** The Company shall defend, indemnify, and hold harmless each of the Fannie Mae Indemnified Parties and Freddie Mac Indemnified Parties from and against any Damages suffered or incurred by any Fannie Mae Indemnified Party or Freddie Mac Indemnified Party, as the case may be, to the extent such Damages result or arise from any employment-related Claim (whether such Claim is based on contract, statute or common law) asserted by any Assigned Employee related to the Assigned Employee's work or assignment to work on the Platform or any other work on behalf of the Company, including but not limited to any claim of discrimination and harassment, failure to comply with laws pertaining to wages and hours (including the payment of overtime wages), alleged violations of right to privacy, alleged violation of health or safety laws, the failure to provide legally required leaves of absence or other alleged violations of law. The indemnification procedures set forth in Section 14.4 of the LLC Agreement shall apply to any indemnification under this Section 4.
- 5. **Indemnification – Company Employees.** The Company shall defend, indemnify, and hold harmless each of the Fannie Mae Indemnified Parties and Freddie Mac Indemnified Parties from and against any Damages suffered or incurred by any Fannie Mae Indemnified Party or Freddie Mac Indemnified Party, as the case may be, to the extent such Damages result or arise from any employment-related Claim (whether such Claim is based on contract, statute, or common law) asserted by any Company employee or as a result of any acts or omissions by a Company employee which gives rise to an employment-related Claim, including but not limited to any claim of discrimination and harassment, failure to comply with laws pertaining to wages and hours (including the payment of overtime wages), alleged violations of right to privacy, alleged violation of health or safety laws, the failure to provide legally required leaves of absence or other alleged violations of law. The indemnification procedures set forth in Section 14.4 of the LLC Agreement shall apply to any indemnification under this Section 5.

THE FREDDIE MAC

# CODE OF CONDUCT

How We Make  
Home Possible

Effective Date: January 1, 2026

# FREDDIE MAC'S VALUES



## We are mission driven

We put the health of the housing finance market at the forefront of our business decisions, and

Mission drives everything we do.

## We do the right thing

We lead the company and our industry with integrity, and

We take responsibility for our actions.

## We perform with excellence

We thoughtfully approach challenges, and

We reliably deliver on our commitments.

## We are welcoming

We embrace different perspectives and strive for a supportive professional environment, and

We engage with respect and positive intent.



# A Message From the CEO



Freddie Mac's mission to **make home possible** is an important one, impacting millions of families in America. As a trusted financial institution, we must focus not only on our mission and business goals, but also on the manner in which we reach those goals. We seek to *always do the right thing in the right way*.

Freddie Mac's Code of Conduct helps guide us in that endeavor. It outlines the firm's values and expectations for operating ethically, respectfully and with integrity.

Each of us should be familiar with this important document and refer to it as a tool to help with daily decisions, big and small. When in doubt, the Code of Conduct can help clarify and validate the best course of action, including when to speak up and escalate issues. Rest assured that concerns will always be addressed without retaliation.

Our reputation and continued success in serving America's borrowers and renters and building a stronger and more affordable U.S. housing system are dependent on everyone at Freddie Mac acting ethically. The Code of Conduct helps ensure we can fulfill our mission reliably and with integrity every day. Thank you for your commitment to following its principles.

**Kenny M. Smith**  
Chief Executive Officer

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- **Black** highlighted copy within this document provides additional details about certain terms.
- The **Green hyperlinks** are available only if you are connected to Freddie Mac's secure network.

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# Introduction

## Our Code Is a Foundation for Ethical Conduct

Through our work at Freddie Mac, we make home possible for millions of Americans. To best fulfill our mission, we must conduct business ethically and in compliance with both the letter and the spirit of the law, our policies and our values. We recognize that good ethics is good for business.

Our Code of Conduct sets critical expectations for the actions we take and the competencies we are expected to live by and demonstrate. It outlines the responsibilities that we have to each other, our business partners, our competitors and our customers. What is right, fair, or compliant isn't always obvious, especially in the face of conflicting priorities or business pressures. The Code also provides us with ethical decision-making guidelines to help in those "gray areas."

### Does the Code apply to me?

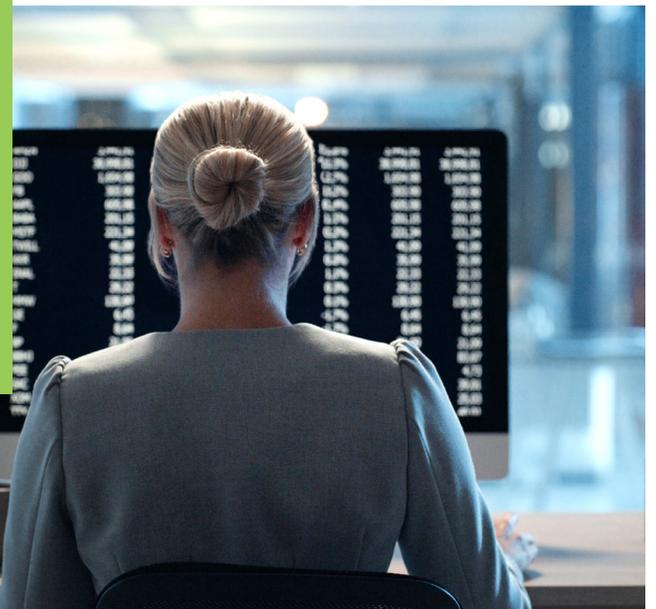
The Code applies to all full- and part-time employees, including senior leadership and executives.

We also expect that those who work with Freddie Mac, including contingent workers, independent contractors, and consultants, will embrace the spirit of the Code and adhere to its standards.

Any waiver of the Code for executive officers must be approved by the Board or a board committee and promptly disclosed to the public on our website. This prevents waivers of the Code from being hidden from the public and complies with New York Stock Exchange (NYSE) requirements and similar rules under the Securities and Exchange Commission and the Sarbanes-Oxley Act of 2002.

## Looking to report misconduct?

Scan to submit online  
or call the Compliance  
& Ethics Helpline at  
877-301-CODE (2633)





# Using the Code

Read the Code and take time to understand our company's expectations and how they apply to your role at Freddie Mac. Come back to the Code in situations where you're not sure of the right answer—especially if there are likely legal or ethical risks to you or to the business.



## What if I can't find an answer in the Code?

While the Code strives to be comprehensive, it can't anticipate every situation that you may encounter. For additional information, review the relevant policies or consult the [Compliance & Ethics Helpline](#) for guidance.

## Where can I find our policies?

Company policies, and their associated standards, are available on [HomeFront](#). Our policies and standards support the Code by presenting additional details and covering other topics not found in the Code. Relevant policies and standards are indexed at the end of the Code to make it easy to find a specific resource when you need more detailed information. Each employee is responsible for understanding and following all of Freddie Mac's policies and standards.

## What happens if someone violates the standards in our Code or the law?

Complying with the Code of Conduct and applicable laws is a condition of employment. Failure to comply will result in corrective action, up to and including termination.

## Who can I talk to if I have questions or concerns?

You can contact the Ethics Office or the [Compliance & Ethics Helpline](#), Human Resources, the Legal division or a people leader in your division.



# Our People Leaders and Executives Play a Key Role

We are all responsible for our culture, but those who lead people — including senior leadership and executives — are accountable for our culture.



## We expect all people leaders to:

- Act as role models.
- Champion a culture of integrity and compliance.
- Promote high ethical standards.
- Recognize and reward behavior that exemplifies our values, our competencies and our Code.
- Make sure employees are appropriately trained and competent.
- Assist in enforcing the Code.
- Report any violations or potential violations of the Code in a timely manner.

Additionally, senior leadership is responsible for making sure the company has the resources to effectively execute our mission.

Certain members of leadership, including the CEO, President, CFO and Principal Accounting Officer/Controller, must also promote full, fair, accurate and understandable disclosures in filings with the Securities and Exchange Commission (SEC) and in other public communications regarding our financial condition. Their ethical actions in this area set the tone for how our company, and every individual who works on its behalf, are perceived externally.



# Bringing Our Values Home

Our Code requires that each of us demonstrate good judgment in our decisions and actions at work — not just occasionally, but consistently.

To do this, we must be able to accurately evaluate situations and make good choices. If you're facing a situation where the right choice is not clear, take a moment to assess your options in terms of our values. And if you see something that may violate the Code, report it.

## FOR ADDITIONAL INSIGHT, CONSIDER THE ETHICAL ISSUES AT STAKE. ASK:

-  **Right versus wrong:**  
"Am I being asked to do something that might be inappropriate? Are there legal or ethical concerns?"
-  **Potential consequences:**  
"Could someone or something be harmed by my decision?"
-  **Reputational effect:**  
"Would others understand my decision? Could I explain it to my people leader, a friend or someone I admired? Could the decision reflect poorly on me or Freddie Mac?"
-  **Due diligence:**  
"Have I verified important facts and assumptions? If I'm not sure after trying to verify, have I asked others who may know?"

Throughout the Code you will find scenarios where we demonstrate how to apply our values and use these additional questions.



## SECTION 1

# We create a safe, respectful and welcoming work environment.

At Freddie Mac, we are committed to delivering impactful work and instilling a culture where people feel welcomed. We are also committed to the safety and security of our employees.

**HAVE QUESTIONS  
OR CONCERNS?**

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.FreddieMacEthicsHelpline.com)



## Respect and Welcoming

- Treat people fairly — with respect and dignity.
- Act professionally in all interactions — including conversations, meetings, email communications and online exchanges.
- Create a welcoming, equal opportunity work environment that values the differences and opinions of others.
- Engage others positively, without belittling or bullying behaviors.



## Illegal Discrimination and Harassment

- Never discriminate based on race, color, religion, ethnicity, sex, pregnancy, age, national origin, disability, sexual orientation, gender identity/expression, parental status, marital status, military service or veteran status, genetic information or any other status protected by applicable law.
- Base employment decisions on the individual's qualifications, skills, and performance — not on personal characteristics or protected status.
- Promote non-discrimination within sourcing and procurement practices.
- Do not use sexually explicit discussions, jokes and material while at work or using company resources.
- Be careful not to harass others, even without intending to — joking, teasing, and commenting about sensitive and/or controversial subjects can offend others and create uncomfortable working conditions.
- Speak up if you witness or experience harassing, discriminatory or unfair behavior; HR Connect, the Employment Law team, Employee Relations, and the Compliance & Ethics Helpline are all available to help ensure that you and others work in a safe and secure environment.



## Workplace Safety

- Make certain your actions are not intimidating or threatening—and speak up about such behavior by others.
- Do not come to work or conduct any Freddie Mac business when under the influence of alcohol or illegal drugs, or when impaired by prescription medications.
- Do not use, purchase, sell, manufacture, or distribute illegal drugs or related material in the workplace or while using Freddie Mac resources.
- Never carry or use weapons, even if licensed, on Freddie Mac premises.
- Exercise sound judgment when alcohol is served at business-related functions. Remember: you are representing Freddie Mac.



# Bringing Our Values Home



## THE CHALLENGE

I work closely with another leader who can come off as condescending and rude. She often belittles her direct reports in front of their peers and has sometimes resorted to shouting in meetings to get her point across. This behavior has created a very uncomfortable work environment for her team, colleagues and me. I made some subtle comments to her after I witnessed a particularly tense exchange between her and a member of her team, but she brushed me off. Now our teams are working closely together on a project, and I'm worried my team members will be impacted by her behavior.

## OUR APPROACH



### Consider Our Values

**We are welcoming:** We are each expected to engage respectfully with others, and people leaders have the extra responsibility to set the right tone for their teams.



### Consider the Ethical Issues at Stake

**Right versus wrong:** Raising concerns directly to your colleagues when you witness negative behavior from them is the right first step. We ask for help if our first attempt doesn't work.

**Reputational effect:** Rude and condescending behavior can create a negative work environment that impacts employee productivity and can cause good employees to leave the company.



## SECTION 2

We safeguard our company's and our partners' information and resources.

At Freddie Mac, we are good stewards of our assets — including employee data, financial assets, intellectual property, data and information, and buildings and facilities — and those of third parties and U.S. Federal Housing (FHFA). We protect all assets (for which we have responsibility) from theft, loss, unauthorized access and misuse. We keep accurate and reliable records and avoid even the appearance of fraud or misconduct.

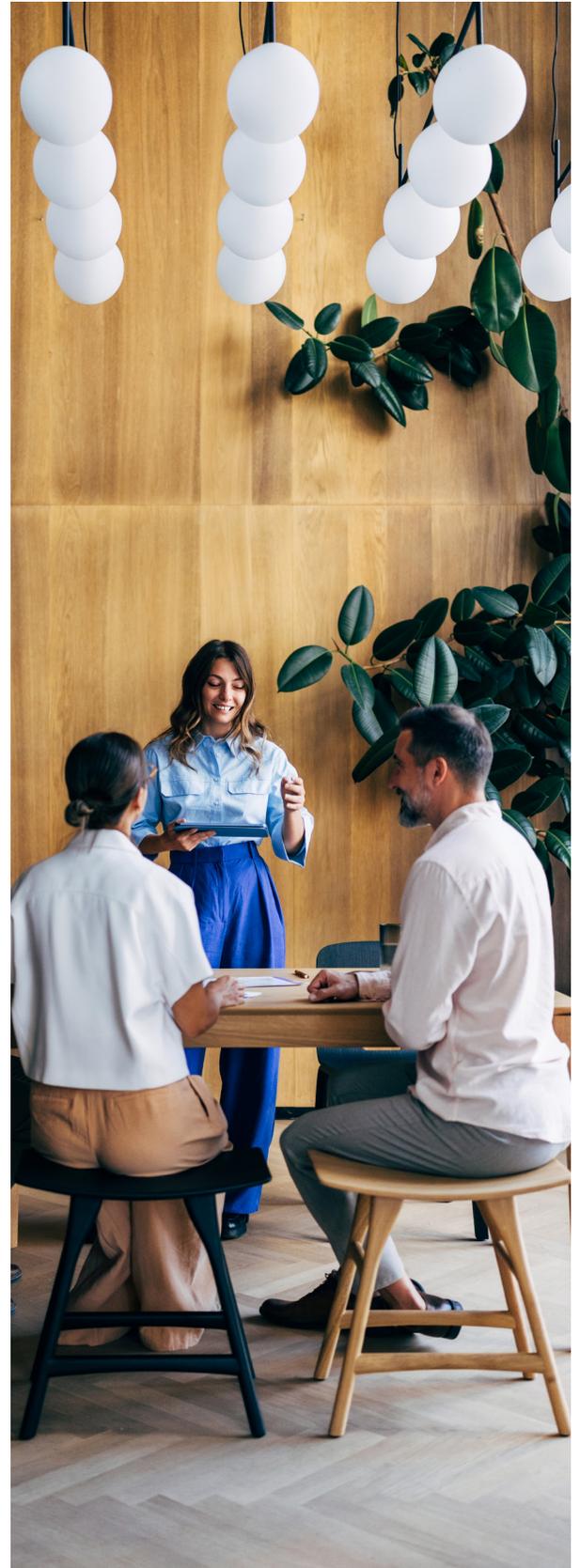
HAVE QUESTIONS  
OR CONCERNS?

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.FreddieMacEthicsHelpline.com)



# Use of Company Assets

- Treat company assets with care and use them only for business-related purposes.
- Leave conference rooms and public spaces the way you'd like to find them — avoid actions that could cause damage to, or deface, Freddie Mac-owned or leased property.
- All employee expenses must be reasonable and prudent, and further a legitimate business purpose.
- Follow all Information Technology safeguards when using company systems whether accessing on-site or from another location.
- People leaders must verify that their personnel have appropriate access to systems; employees must notify their people leader of any inappropriate access they have received.
- Reasonable and infrequent personal use of company technology assets is permissible, subject to compliance with company policies.
- We prohibit gambling activities — including pools where money or prizes are awarded — while on Freddie Mac-owned or leased property or while using Freddie Mac equipment or technology.





## Intellectual Property

- Our brand, trademarks, patents and proprietary information about our business are among our most valuable assets — protect them from unauthorized use or disclosure and never use them for personal gain.
- Inventions and ideas that you develop that are related to our business, created during your work hours or created using Freddie Mac resources, belong to Freddie Mac.
- Protect all intellectual property in your care, including intellectual property of our business partners.
- Speak up if you are aware of a possible misuse or unauthorized disclosure of any intellectual property.

## Records Management

- Write clearly, professionally and accurately in all documents (e.g., emails, texts, memos, reports and financial statements).
- Take responsibility for the integrity of records you create and manage.
- Retain and dispose of records in compliance with the records retention schedule and our document life-cycle and legal hold policy.
- Do not destroy or alter any documents that are covered by a “Legal Hold” initiated by the Legal Division.





# Information Security and Privacy

- Follow all applicable policies, standards and procedures to keep Corporate Information, including Non-public FHFA information, safe. Freddie Mac classifies “Corporate Information” as Restricted, Confidential, Non-Public or Public (this includes Freddie Mac Intellectual Property and Protected Personal Information).
- For Corporate Information data:
  - Access, use and store appropriately, and only when authorized and when there is a business need.
  - Share only if it is authorized to be disclosed, and only with those who are authorized to receive it (e.g., a confidentiality agreement is in place), including sending data to personal accounts and uploading (or copying/pasting) data into unauthorized web-based tools.
  - Protect it even after your employment with Freddie Mac ends.
- Don’t click links or download attachments in suspicious emails, and report suspected phishing emails to Information Security by selecting the “Report Phish” button in Outlook.
- Recording conversations or meetings is prohibited (except leadership-approved recordings within Microsoft Teams).
- Only store passwords in an enterprise credential management system (e.g., Freddie Password Manager, CyberArk).
- Report occurrences of loss, unauthorized access, disclosure or theft of Corporate Information — including Protected Personal Information (PPI) — involving personnel, suppliers, Seller/ Servicers or others in possession of Corporate Information, or loss or theft of Freddie Mac assets (e.g., laptops) to:
  - Privacy: [privacy\\_incident\\_management@freddiemac.com](mailto:privacy_incident_management@freddiemac.com) (or [Division Privacy Liaison](#))
  - Security/Lost Device: [information\\_security@freddiemac.com](mailto:information_security@freddiemac.com) (or 571-382-3333)





# Bringing Our Values Home



## THE CHALLENGE

My leader assigned me to a new project with a tight deadline. As I was not confident on how to perform some of the tasks needed to complete my assignment, I visited a site I had recently used for personal projects. The site utilizes the newest technologies and has been a huge help to me. To get the most out of the site, I copied and pasted some information from a few Freddie Mac documents. My leader was initially really pleased with my work product, but then they were contacted by Information Security who said I had exposed Freddie Mac Corporate Information by uploading it onto an unauthorized site. A compliance investigation was opened, and I had to go back to the site, make sure no Freddie Mac Corporate Information was retained on the site (and delete it if it was), and certify that I deleted the Corporate Information and understood I was not allowed to use such unauthorized sites again. What I thought was a quick win put the company at risk.

## OUR APPROACH



### Consider Our Values

**We do the right thing:** We each have the responsibility to handle Corporate Information appropriately and avoid accessing unauthorized sites.



### Consider the Ethical Issues at Stake

**Potential consequences:** Posting, uploading or allowing access to Restricted, Confidential, or Non-Public information by an unauthorized site or tool can result in serious consequences for the employee who mishandled the data and Freddie Mac. Additionally, ignoring such behavior from others weakens our ethical culture and hurts Freddie Mac.

**Reputational effect:** When we don't appropriately handle information, we risk losing the confidence of our stakeholders to be a trusted partner.



## SECTION 3

# We put the company's interests before our own and disclose conflicts of interest.

To uphold our reputation as a trusted business partner, we must avoid conflicts of interest and disclose any situation that could create even the appearance of a conflict. We are open and transparent when we hire. We offer and accept only appropriate business courtesies. We disclose outside activities, such as second jobs and personal investments that may conflict with our responsibilities to Freddie Mac. We do not use our Freddie Mac positions for inappropriate gain. Additionally, Freddie Mac does not permit dual employment.

**HAVE QUESTIONS  
OR CONCERNS?**

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.FreddieMacEthicsHelpline.com)



# Business Courtesies

- Business courtesies should neither prevent you from making fair and impartial business decisions, nor create an impression of impropriety.
- When offering business courtesies, make sure they are modest in value (see Policy for specific limits) and given infrequently without any expectation of reciprocity.
- Never offer or accept cash or cash equivalents, like gift cards.
- Do not offer or accept anything that could reflect poorly on the company.
- Strict rules govern courtesies to government employees — contact the Ethics Office before giving anything of value to a government employee, including an employee of FHFA.





## Personal Investments and Insider Trading

- If you have material, non-public information (MNPI) about a company (including Freddie Mac), do not purchase or sell securities in that company and do not “tip” anyone else to trade.
- We prohibit employees and their related individuals from engaging in certain transactions, including purchasing Freddie Mac and Fannie Mae securities.
- If you already own Freddie Mac securities, only sell them after obtaining pre-clearance, and during an approved window period.
- Obtain pre-clearance for certain other transactions, including private placements.
- Follow all Information Wall restrictions to prevent the flow of MNPI (including material non-public FHFA information) to your colleagues identified as Restricted Persons.



## Personal Political and Community Activities

- Disclose any existing or planned political office or government-related positions.
- Conduct personal political and community activities on your own time, without using company resources, and be clear that you do not represent Freddie Mac.
- Never pressure or coerce others within Freddie Mac to support your personal political activity or charitable causes.
- Do not solicit political contributions during work hours or on Freddie Mac premises; people leaders are prohibited from soliciting within their reporting chain.
- Soliciting contributions for charitable causes from others on Freddie Mac premises is allowed when not coercive or disruptive to Freddie Mac business operations.



## Outside Activities & Relationships in the Workplace

- **Disclose** outside activities that could pose a conflict at work, such as:
  - Second jobs or board memberships with third parties,
  - Real estate agent or broker activity, or
  - Other activities that might divide your loyalties or interfere with your obligations to Freddie Mac.
- **Disclose** family member external employment that could pose a conflict with Freddie Mac's interests, such as:
  - If a family member or romantic partner is offered or takes a job with one of our suppliers, business partners or another third party.
- **Disclose** any personal relationships within Freddie Mac that could pose a conflict, including, but not limited to:
  - Family members, romantic partners, significant close personal relationships with other Freddie Mac colleagues with whom you share the same first or second-level supervisor, or
  - Being in a position (directly or indirectly) to hire, terminate, promote or help advance family members, romantic partners or other colleagues with whom you have a significant personal relationship.



# Other Conflicts of Interest

- Freddie Mac business opportunities should benefit Freddie Mac.
- Don't take personal advantage of corporate opportunities and don't try to persuade Freddie Mac to do business with a company because it might benefit you or a family member, romantic partner or close friend.
- Don't purchase properties owned by Freddie Mac through foreclosure sales nor Freddie Mac Real Estate Owned (REO) properties. You should inform your immediate family members that this prohibition extends to them as well.
- Avoid situations where actual or perceived conflicts of interest may arise when exchanging gifts, issuing internal recognition and other solicitations between employees up or down your reporting line.
- Don't provide personal loans to your leadership, executive officers or members of the Board of Directors.





# Bringing Our Values Home



## THE CHALLENGE

A coworker mentioned that his sister switched jobs and now works for a bank with direct ties to Freddie Mac. I knew my coworker's business duties involved his sister's company and this personal relationship might pose a conflict at work. While I didn't want to pry into his personal business, I also didn't want him to get in trouble. So, I asked if he had disclosed this relationship. He hadn't and wasn't sure how. I suggested he call the Ethics Helpline, and he learned he did need to disclose this via our [Disclosure Central tool](#). Our people leader worked with him, and the Ethics Office, to create a plan to mitigate the conflict.

## OUR APPROACH



### Consider Our Values

**Respecting others:** Employees are responsible for speaking up when a coworker might be going down the wrong path, either directly with the coworker or through one of our many reporting channels.



### Consider the Ethical Issues at Stake

**Right versus wrong:** Disclosing a family member's employment with a third party protects us and our third parties from even the appearance of undue influence.

**Reputational effect:** Conflicts of interest, even the appearance of one, can damage our working relationships. We want to treat our third parties in an equal manner, or we risk losing them.



## SECTION 4

# We communicate truthfully and responsibly.

Truthful and responsible reporting is critical to the integrity of the markets in which we do business and to Freddie Mac's reputation. We communicate responsibly — whether we are working with regulators and government agencies, auditors, the media, the investment community or anyone else externally. And we ensure that our disclosures are truthful and clear.

**HAVE QUESTIONS  
OR CONCERNS?**

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.freddiemac.com/ethics)



# Responsible Communication

## Working with regulators, other government bodies, and external auditors

- Employees are prohibited from lobbying.
- Only authorized employees may communicate on behalf of Freddie Mac to regulators, Congress, state officials, other government officials and/or external auditors in compliance with FHFA's External Communications Standards.
- Direct any requests for information from Congress or any state legislative body, or any federal or state agency, to Government & Industry Relations.
- Respond to requests for data and information in an accurate and timely manner.
- Be professional and respectful; escalate issues for resolution when appropriate.
- Keep the Regulatory Affairs Team informed of requests from FHFA-Division of Enterprise Regulation (examinations) and FHFA-OIG.
- Never obstruct an audit or conceal or misrepresent relevant information.

## Interacting with the media, the investment community and others outside Freddie Mac

- Only authorized employees may communicate on behalf of Freddie Mac to the public, the media and other external parties in compliance with FHFA's External Communications Standards.
- All external, business-related speeches, papers, postings and publication opportunities must be pre-cleared by Public Relations, who also will determine whether FHFA approval is required.
- Direct any requests for information from the investment community to Investor Relations. Direct all media inquiries to Public Relations. Under the External Communications Standards, all employees, including authorized spokespersons, require express written approval from FHFA before speaking to the media.





## Social Media

- Take care when posting on social media, as your online conduct outside of work may reflect on the company or FHFA.
- Ensure your comments on social media are attributed to you personally and not as a representative of Freddie Mac. You should not engage in discussions about topics sensitive to the company, even with a disclaimer.
- Never share Freddie Mac Restricted, Confidential, or Non-Public information on social media, including on Fishbowl or Reddit. This includes internal information discussed at town halls, in team meetings and/or work taking place within the Divisions.
- Obtain authorization from Public Relations before using social media for business purposes and before posting on Freddie Mac's behalf. All social media published by Freddie Mac is subject to FHFA's External Communications Standards.

## Truthful Reporting

- Be complete and accurate when reporting assets, liabilities, revenues and expenses.
- Never intentionally falsify a financial record or misrepresent the facts of a transaction.
- Use good judgment when creating or approving expense reports.
- Report issues, and actions to address them, transparently and accurately, and in accordance with applicable company policies and standards.





# Bringing Our Values Home



## THE CHALLENGE

My teammates and I are “friends” on social media. In the past, our interactions have included sharing vacation photos, back-to-school messages and exchanging recipes. One of my teammates has started to share more political messages with me and our other colleagues via our social media connection. It started with petitions for things we all had expressed interest in before, such as housing and playground clean-ups. Recently, this teammate has begun sharing messages that are much more political and are critical of the current presidential administration. I’ve noticed that this colleague has also shared these same messages on sites where it is clear we are Freddie Mac employees. I think this may have crossed the line and violated our social media policy.

## OUR APPROACH



### Consider Our Values

**We perform with excellence:** We speak up when our colleagues might be going down the wrong path; our social media policy extends to personal social media use if it is possible the individual could be seen as representing Freddie Mac.



### Consider the Ethical Issues at Stake

**Right versus wrong:** We have policies and procedures about external communications to protect Freddie Mac; violating those policies and procedures, or letting others do so, is not appropriate.

**Potential consequences:** Only authorized employees may communicate on behalf of Freddie Mac to the media, regulators, Congress, state officials, other government officials and external auditors. This helps ensure that we provide complete, accurate, relevant, and up-to-date information and receive the appropriate approvals from FHFA.



## SECTION 5

We conduct ourselves and our business lawfully and in good conscience.

We all benefit from fair competition and fair play. Being an ethical company means doing business transparently and honestly, and seeking competitive advantage only through legal and ethical business practices. We endeavor to be aware of and comply with all laws and regulations that apply to Freddie Mac. Freddie Mac is not just a leader in the industry; we are also good stewards of the resources entrusted to us.

**HAVE QUESTIONS  
OR CONCERNS?**

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.FreddieMacEthicsHelpline.com)

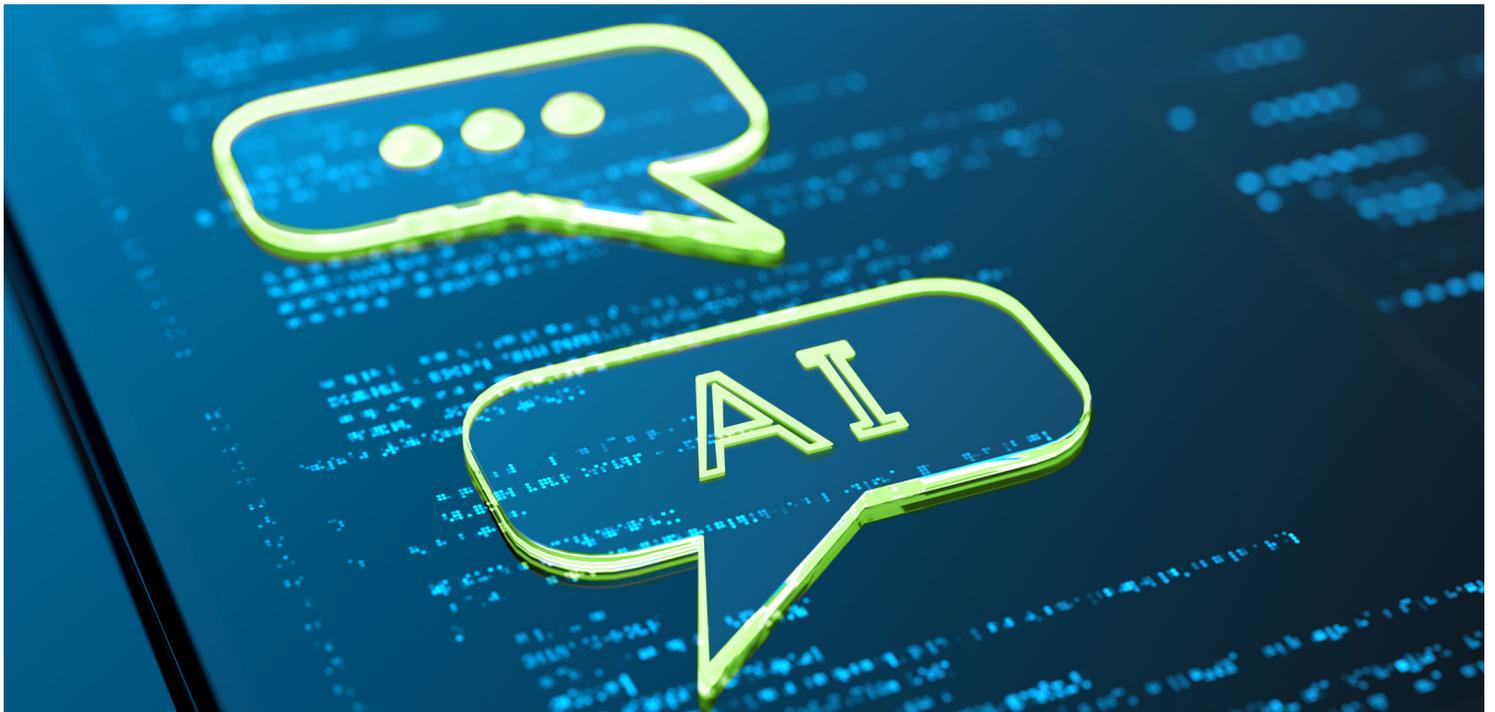


## Artificial Intelligence (AI) & Machine Learning (ML)

- Our use of AI/ML is guided by our values and the AI/ML Ethical Principles to include fairness, accountability and transparency.
- We implement processes that drive consistent and reliable AI/ML outcomes.

## Fair Competition

- Consistent with the antitrust laws, we compete lawfully based on the merits of our products and services.
- Never enter into agreements with our competitors to fix prices or elements of pricing (such as credit terms), to divide up customers or markets, or to boycott a business.
- Do not limit the availability of products or services, or refuse to deal with specific business partners, unless we have a reasonable business justification for doing so.





## Compliance with Laws and Regulations

- Identify, assess, mitigate, and monitor legal and compliance risks in our business and operations.
- Oversee Freddie Mac Third Party compliance with applicable laws and regulations.
- Cooperate with FHFA and the U.S. Department of Housing and Urban Development (HUD) by sharing information from monitoring activities.
- We are truthful in our personal financial dealings (including applications for mortgages), avoiding misrepresentation or omission of key information.



## Guarding Against Fraud

- Information should never be concealed or misstated on behalf of the company, or for personal gain.
- Understand how to identify and report suspicious activity, including internal and external activities that are conducted or attempted by, at, or through Freddie Mac.
- Refer instances of actual or possible suspicious activity to:
  - Internal Fraud: [Contact the Compliance & Ethics Helpline](#)
  - External Suspicious Activity:
    - Call the Fraud Hotline 1-800-4FRAUD8 (437-2838)
    - Report to a Single-Family Division Risk Officer (for SF mortgage-related fraud) using Freddie Mac's Tip Referral Tool ([HomeFront](#) / [External](#)) or email [mortgage\\_fraud\\_reporting@freddiemac.com](mailto:mortgage_fraud_reporting@freddiemac.com)
    - Email a Multifamily Division Risk Officer (for MF mortgage-related fraud) [MF\\_mortgage\\_fraud\\_reporting@freddiemac.com](mailto:MF_mortgage_fraud_reporting@freddiemac.com)
    - Email an I&CM Division Risk Officer (for ICM-related fraud) [ICMCCRM@freddiemac.com](mailto:ICMCCRM@freddiemac.com)
    - Email Financial Crimes Risk Management (all other) [FCSC\\_fraud\\_reporting@freddiemac.com](mailto:FCSC_fraud_reporting@freddiemac.com)
- Freddie Mac prohibits retaliation against anyone who raises a concern about possible fraud.



## Anti-Corruption

- Never offer or accept bribes, kickbacks or illegal payments.
- Immediately report any offers of improper payments to the [Ethics Office](#).
- Carefully supervise all third parties who act on Freddie Mac's behalf and verify that they play fairly.



## Business Opportunities, Innovations & Fair Dealings

- Do not circumvent or take "shortcuts" around the procedures and controls designed to mitigate the risks inherent in your business processes.
- Ensure new business opportunities are aligned with the Freddie Mac Mission.
- Innovations must demonstrably support our mission, not just disrupt our competitors.
- Conduct all Freddie Mac transactions and dealings fairly, consistently, transparently and without prejudice or bias.
- Never take unfair advantage of another employee or other stakeholder through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or other intentional unfair dealing practices.
- When miscommunications and misunderstandings occur, assume good intent on the part of the other party and correct the situation quickly.



# Bringing Our Values Home



## THE CHALLENGE

Just before a long holiday weekend, I unexpectedly received email instructions from a supplier I work closely with requesting a change in their payment method. The email asked if I could help the supplier get the payment processed before the holiday weekend and hinted at a cash flow issue. I wanted to support this supplier as they have always been good partners. I spoke with Master Data Management, and they helped me spot a few “red flags” — i.e., the timing of the request, the email address was different from the one normally used and our required documentation was missing from the request.

## OUR APPROACH



### Consider Our Values

**We perform with excellence:** While we want to be responsive to our supplier, we must follow documented procedures, many of which are designed to uncover “red flags” of suspicious activity and prevent fraud.



### Consider the Ethical Issues at Stake

**Potential consequences:** This email could be from a malicious party attempting to defraud Freddie Mac and/or the supplier.

**Due diligence:** Our policies, procedures and other internal controls are there to help us effectively and efficiently do our work — in this situation, paying the party that actually provided the goods and/or services. They also are designed to help us avoid inadvertently violating laws, regulations and other obligations.



## SECTION 6

# We ask for guidance and report concerns.

At Freddie Mac, each of us is accountable for strong individual and team performance. We want real results and not just the appearance of results. All companies — even those with strong cultures and good intentions — may experience episodes of misconduct. Our values define who we are as a company and expectations for our business conduct. It is important that we speak up — even when uncomfortable — if there are questions or concerns.

**HAVE QUESTIONS  
OR CONCERNS?**

Call the Compliance & Ethics Helpline at 877-301-CODE (2633)  
or go to [FreddieMacEthicsHelpline.com](https://www.FreddieMacEthicsHelpline.com)



# Seeking Advice and Reporting Misconduct

If you suspect that something isn't right, use our resources to help make sound decisions, ask questions and seek guidance. Additionally, you must self-disclose certain criminal convictions. We're counting on you to let us know of actual or potential concerns.

## How do I ask for guidance or report misconduct?

### Contact one of these resources:

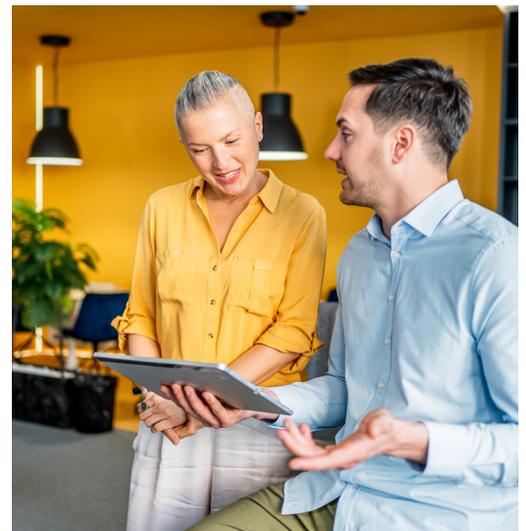
- Your people leader or another leader in your division
- The Ethics Office
- The Compliance & Ethics Helpline
  - Phone: (877) 301-CODE (2633)
  - Internet: [www.FreddieMacEthicsHelpline.com](http://www.FreddieMacEthicsHelpline.com)
- HR Connect+ or Employee Relations in the Human Resources division
- The Employment Law team in the Legal division
- The Chair of the Audit Committee of the Board of Directors

**Remember:** the sooner you raise questions or concerns, the sooner we can resolve them, thereby minimizing any potential harm which may arise.

## How does the Compliance & Ethics Helpline work?

You can seek advice or report suspected wrongdoing confidentially or anonymously by contacting the Helpline 24 hours a day, 365 days a year.

When you call the Helpline, a third-party service center operator will answer the call. This helps you to remain anonymous, if you so choose. You will be assigned an access code which you can use to log back in and check on the status of your report, to view any update posted and respond to any follow-up questions from the Ethics Office. Whether or not you choose to remain anonymous, Freddie Mac endeavors to keep your information confidential, consistent with the law and good business practices.





## If I report misconduct, what happens next?

All reports are taken seriously. We will investigate and review the facts promptly and fairly, using an established and objective process.

If we determine that misconduct occurred, we will take appropriate action — up to and including discipline or termination of employment for the individuals responsible.

You may be asked to provide information as part of the investigation. As Freddie Mac employees, it is our duty to cooperate fully, and to be truthful and forthcoming. It is against our values and the Code to act in bad faith, or to intentionally make a false complaint or statement as part of an investigation.

If you make a report, you may not always be notified about how a situation is resolved or what action the company has taken. But by bringing the matter to our attention, you will have taken an important step in preserving our company's values and ethical culture.

## No Tolerance for Retaliation

Freddie Mac is committed to maintaining a work environment where employees can ask questions, voice concerns and make appropriate suggestions without fear of retaliation.

Freddie Mac will not tolerate retaliation against any company or individual who reports a concern about potential illegal or unethical conduct or a violation of Freddie Mac policies, or who assists in the resolution of an investigation or proceeding.

## Additional Resources

**Mortgage Concerns:** Contact Freddie Mac's Customer Support Department at (800) FREDDIE (373-3343)

**REO Property Questions:** Contact HomeSteps® Customer Support Department at (800) 972-7555





# Bringing Our Values Home



## THE CHALLENGE

I had an issue that I wasn't sure would be serious enough for an investigation. I decided to call the Compliance & Ethics Helpline to figure out what to do. The independent operators took down my question; I was even able to remain anonymous if I wanted. Less than a day later, someone from the Ethics Office responded to my question and provided clear guidance on the ways I could address my concern. My issue was stressful, but knowing my choices made me feel a bit more in control of the situation.

## OUR APPROACH



### Consider Our Values

**We do the right thing:** Dealing with concerns and conflicts at work can be hard and maintaining Freddie Mac's culture relies on each of us leading with integrity.



### Consider the Ethical Issues at Stake

**Potential consequences:** Whether you identify yourself or remain anonymous, Freddie Mac treats inquiries and reports of wrongdoing confidentially. Seeking help allows the problem to be fixed, hopefully before it becomes a much bigger problem.

**Reputational effect:** Speaking up, seeking guidance and reporting actual or potential violations maintains Freddie Mac's high standards for ethical conduct.

# Index of Policies



Pol/Std No.	Title
<a href="#">1-144</a>	Business Courtesies and Sponsorships
<a href="#">1-145</a>	Outside Activities and Family Member Activities
<a href="#">1-146</a>	Personal Investments Policy
<a href="#">1-147</a>	Post-Employment Corporate Information Protection
<a href="#">1-152</a>	Investigations Policy for Complaints
<a href="#">1-166</a>	Policy on Policies
<a href="#">2-306</a>	Media Relations, Publications, Internet Postings and Speeches
<a href="#">3-201</a>	Equal Employment Opportunity, Anti-Harassment, and Reasonable Accommodation Policy
<a href="#">3-210</a>	Workplace Violence Prevention Policy
<a href="#">3-214</a>	Corrective Action
<a href="#">3-219</a>	Alcohol and Drug Abuse Policy
<a href="#">3-225</a>	Relationships in the Workplace Policy
<a href="#">3-227</a>	Background Checks
<a href="#">3-282</a>	Prohibition of REO Purchases
<a href="#">4-101</a>	Financial Reporting Risk Policy
<a href="#">6-300</a>	Acceptable Use and Management of IT Assets, Licenses and End User Technology
<a href="#">7-105</a>	Compliance with Antitrust Laws
<a href="#">7-115</a>	Information Wall Policy
<a href="#">7-501</a>	Regulatory Reporting
<a href="#">7-502</a>	Responding to FHFA Examination and FHFA OIG Requests
<a href="#">7-600</a>	Disbursements to Tax-Exempt Organizations and Prohibition of Corporate Political Activity
<a href="#">7-602</a>	Personal Political Activities of Freddie Mac Employees
<a href="#">7-605</a>	Contacts with Government Officials
<a href="#">7-710</a>	Policy on Document Lifecycle and Legal Holds
<a href="#">8-300</a>	Intellectual Assets
<a href="#">9-112</a>	Travel and Business Expenses Policy
<a href="#">9-200</a>	Procurement of Products and Services
<a href="#">S09-200.A</a>	Procurement of Products and Services Standard
<a href="#">11-101</a>	Enterprise Risk Policy
<a href="#">11-113</a>	Information Risk Policy
<a href="#">S11-113.D</a>	Cybersecurity Standard
<a href="#">S11-113.E</a>	Information Privacy Standard
<a href="#">11-127</a>	Financial Crimes Risk Policy

This Code of Conduct, Freddie Mac Corporate Policy #1-140, has been approved by the Audit Committee of the Freddie Mac Board of Directors. It has an effective date of January 1, 2026. It contains information pertaining to certain Freddie Mac policies and practices. Every Freddie Mac employee is expected to read this Code carefully as it describes the standards of conduct that govern our business dealings. If you have any questions or concerns about this Code of Conduct, please consult your people leader or the Ethics Office.

This Code and all Freddie Mac policies do not alter the at-will employment relationship between Freddie Mac and any employee. Nothing contained in this Code of Conduct or Freddie Mac policies constitutes a contract or creates any contractual or equitable obligations on the part of the company; nor does anything in this Code or Freddie Mac policies expand or increase any employee or third party's legal rights or the company's legal obligations.

Freddie Mac may elect to amend this Code at any time. A current version of the Code can be found on Freddie Mac's internal and external websites.

Matters relating to the interpretation of this Code and your agreement to this Code, or to the interpretation of any other company policy, will be governed by the laws of the Commonwealth of Virginia, without regard to its conflict of law provisions.

This Code is the property of Freddie Mac and all rights are reserved.



**Power of Attorney**  
**Annual Report on Form 10-K**  
**Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

Each attorney-in-fact is authorized to sign, in my name and on my behalf, in any and all capacities, the Annual Report on Form 10-K for the year ended December 31, 2025, and any and all amendments thereto, and to execute any instruments and take any actions that such attorney-in-fact may deem necessary or advisable in connection with such Annual Report on Form 10-K under the Securities Exchange Act of 1934 and the rules, regulations and requirements of the U.S. Securities and Exchange Commission, as fully for all intents and purposes as I might or could do in person.

I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 2, 2025.

/s/ Mark H. Bloom

Mark H. Bloom

**Power of Attorney**

**Annual Report on Form 10-K  
Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

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I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 3, 2025.

/s/ Kathleen L. Casey

Kathleen L. Casey

## **Power of Attorney**

### **Annual Report on Form 10-K Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

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I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 2, 2025.

/s/ David S. Farbman

David S. Farbman

## **Power of Attorney**

### **Annual Report on Form 10-K Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

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I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 3, 2025.

/s/ Aleem Gillani

Aleem Gillani

## **Power of Attorney**

### **Annual Report on Form 10-K Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

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I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 2, 2025.

/s/ Ralph W. (Cody) Kittle, III

Ralph W. (Cody) Kittle, III

## **Power of Attorney**

### **Annual Report on Form 10-K Freddie Mac**

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I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 3, 2025.

/s/ Clinton C. Jones, III

Clinton C. Jones, III

**Power of Attorney**

**Annual Report on Form 10-K  
Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

Each attorney-in-fact is authorized to sign, in my name and on my behalf, in any and all capacities, the Annual Report on Form 10-K for the year ended December 31, 2025, and any and all amendments thereto, and to execute any instruments and take any actions that such attorney-in-fact may deem necessary or advisable in connection with such Annual Report on Form 10-K under the Securities Exchange Act of 1934 and the rules, regulations and requirements of the U.S. Securities and Exchange Commission, as fully for all intents and purposes as I might or could do in person.

I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 2, 2025.

/s/ Michael Parrott

Michael Parrott

**Power of Attorney**

**Annual Report on Form 10-K  
Freddie Mac**

KNOW ALL PERSONS BY THESE PRESENTS, that I, the undersigned, a director of Freddie Mac (formally known as the Federal Home Loan Mortgage Corporation), a federally chartered corporation, hereby constitute and appoint James Whitlinger and Matthew D. Abrusci, and each of them acting individually, as my true and lawful attorneys-in-fact, with full power of substitution and resubstitution.

Each attorney-in-fact is authorized to sign, in my name and on my behalf, in any and all capacities, the Annual Report on Form 10-K for the year ended December 31, 2025, and any and all amendments thereto, and to execute any instruments and take any actions that such attorney-in-fact may deem necessary or advisable in connection with such Annual Report on Form 10-K under the Securities Exchange Act of 1934 and the rules, regulations and requirements of the U.S. Securities and Exchange Commission, as fully for all intents and purposes as I might or could do in person.

I hereby ratify and confirm all actions that my attorneys-in-fact, each acting alone, or their substitutes, may lawfully take or cause to be taken by virtue of this Power of Attorney.

IN WITNESS WHEREOF, I have executed this Power of Attorney as of December 3, 2025.

/s/ William J. Pulte

William J. Pulte

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

I, Kenny M. Smith, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 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: February 12, 2026

/s/ Kenny M. Smith

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Kenny M. Smith

Chief Executive Officer

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

I, James Whitlinger, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 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: February 12, 2026

/s/ James Whitlinger

---

James Whitlinger

Executive Vice President and Chief Financial Officer

**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 Annual Report on Form 10-K for the year ended December 31, 2025 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenny M. Smith, 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: February 12, 2026

/s/ Kenny M. Smith

---

Kenny M. Smith

Chief Executive Officer

**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 Annual Report on Form 10-K for the year ended December 31, 2025 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Whitlinger, 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: February 12, 2026

/s/ James Whitlinger

---

James Whitlinger

Executive Vice President and Chief Financial Officer