



Quarterly Funding Announcement & Summary – July 9, 2004

Third Quarter 2004 Funding Announcement

Freddie Mac expects the following issuance levels under its funding programs for the third quarter of 2004 based on current market conditions. All of these activities are subject to market conditions and the Company's needs:

Reference Notes® securities

- Freddie Mac expects to offer \$4 to \$8 billion in maturities up to 10 years according to the 2004 Reference Notes Calendar. As \$15 billion of Reference Notes® securities will mature during the third quarter, net issuance, excluding repurchases, is expected to be -\$7 billion to -\$11 billion.
- The Company does not intend to use its 2-/3-year optional issuance windows during the third quarter.
- Freddie Mac does not plan to issue €Reference Notes® securities during the third quarter. The company has issued €7 billion of €Reference Notes securities year-to-date and anticipates total issuances to be €7 to €10 billion for full-year 2004.
- The company will conduct at least one USD Reference Notes securities periodic repurchase operation during the third quarter and may conduct €Reference Notes securities periodic repurchase operations depending on market conditions.

Other funding activity

- Freddie Mac expects low volume of USD- and Euro-denominated global floating-rate issuance. Any such issuance will be conducted in response to favorable market conditions.
- The Company expects to issue \$2 to \$6 billion of syndicated callable notes during the third quarter.

July Funding

- Freddie Mac plans to issue a new \$3 billion 10-year Reference Notes security, CUSIP 3134A4UU6, due on July 15, 2014. The issue will be priced on July 14, 2004 for settlement on July 16, 2004. Freddie Mac will offer the issue via a syndicate of dealers headed by joint leads Citigroup Global Markets, Inc., J. P. Morgan Chase, and Lehman Brothers.

Program and Product Modifications

Freddie Mac is committed to promoting the continued liquidity and performance of its syndicated callable notes, including notes with a European-style call option that has expired. The Company's actions in this regard may include repurchases, exchanges and other methods that will be conducted publicly and with advance notice. Additionally, Freddie Mac may repurchase these and other medium-term notes through privately negotiated transactions with securities dealers. All of these actions are subject to market conditions and the Company's needs. Results of repurchase operations, as well as a list of medium-term notes that were privately repurchased, will be posted on the Company's website beginning in August 2004.

April 1, 2004 Through June 30, 2004 Funding Summary

USD Reference Notes securities

Freddie Mac issued \$8.0 billion of USD Reference Notes securities during the second quarter, comprised of two new issues and one reopening. The total amount issued was within our anticipated funding for the quarter of between \$6 to \$11 billion as announced in our previous *Quarterly Funding Announcement & Summary*. Net issuance was -\$6.2 billion, reflecting the maturity of \$10.5 billion in USD Reference Notes securities and retirement via periodic repurchase operations of \$1.5 billion on June 8 and \$2.2 billion on June 23. The total amount of USD Reference Notes securities outstanding stood at \$227.0 billion on June 30, 2004.

€Reference Notes securities

Freddie Mac issued €3.0 billion of 5-year €Reference Notes securities in May, which brought total gross issuances of €Reference Notes securities to over €50.0 billion since the inception of the program. The Company did not have any €Reference Notes securities mature during the quarter. In addition, Freddie Mac did not conduct a €Reference Notes securities periodic repurchase operation during the quarter. The total amount of €Reference Notes securities outstanding stood at €34.0 billion on June 30, 2004.

Callable Debt and Other Funding Activity

During the second quarter, Freddie Mac issued \$27.8 billion of callable debt, which includes syndicated callable notes, euro-denominated callable notes, callable medium-term notes and FreddieNotesSM securities. Callable debt outstanding grew \$4.0 billion to \$270.1 billion, as \$22.7 billion was redeemed or repurchased and \$1.1 billion matured during the quarter. Issuance of syndicated callable notes was lower than expected due to changes in market conditions that reduced investor demand for syndicated callable note product during the quarter. Additionally, Freddie Mac did not issue any global floating rate notes during the quarter, which was consistent with prior expectations.

Reference Bills® securities

Freddie Mac issued \$216.2 billion of discount notes and Reference Bills securities. Short-term debt outstanding increased by \$10.5 billion to \$184.5 billion, with average days to maturity decreasing to 82 days from 91 days.

Additional detailed information is provided below.

April 1, 2004 Through June 30, 2004 Detailed Funding Summary

The following tables summarize Freddie Mac's debt funding activity for the period from April 1, 2004 through June 30, 2004.

Estimated second quarter 2004 issuance, redemption and balances - unaudited: ^(1,2,3)

	Outstanding 3/31/04	Gross Issuance	Matured	Called	Re- purchased	Net Issuance ⁽⁴⁾	Outstanding 6/30/04
Reference Bills & Discount Notes	\$174.0	216.2	(205.7)	--	--	10.5	\$184.5
<i>Average days to maturity</i>	91						82
Medium Term Notes							
Global Floating Rate	\$12.0	--	--	--	--	--	\$12.0
Syndicated Callable	37.5	2.0	--	(3.2)	--	(1.2)	36.3
MTN Callable ⁽⁵⁾	213.3	24.4	(1.1)	(16.9)	(2.6)	3.9	217.2
MTN Other	26.0	0.8	(0.5)	--	--	0.3	26.3
FreddieNotes	15.3	1.4	--	(0.1)	--	1.4	16.6
Total Medium Term Notes	\$304.1	28.6	(1.6)	(20.1)	(2.6)	4.3	\$308.4
Reference Notes							
USD Reference Notes	\$233.2	8.0	(10.5)	--	(3.7)	(6.2)	\$227.0
€Reference Notes ⁽⁶⁾	30.1	3.6	--	--	--	3.6	33.7
Total Reference Notes	\$263.3	11.6	(10.5)	--	(3.7)	(2.5)	\$260.7
Subordinated Debt	5.9	--	--	--	--	--	5.9
Total Debt	\$747.3	256.5	(217.7)	(20.1)	(6.3)	12.3	\$759.6

- (1) All figures are estimates based on Freddie Mac's unaudited internal reports and are subject to change. Totals may not recalculate due to rounding.
- (2) All figures represent face amounts in USD billions. These figures could differ significantly from proceeds, amortized principal amount and book value figures, particularly for zero-coupon securities.
- (3) Effective date for inclusion in the reported period is trade date.
- (4) Represents the sum of the "Gross Issuance", "Matured", "Called" and "Repurchased" columns.
- (5) "Gross Issuance" and "Repurchased" amounts for MTN Callables include transactions that may be considered exchanges for financial reporting purposes under generally accepted accounting principles, or GAAP.
- (6) The euro amount outstanding on March 31, 2004 and June 30, 2004 was €31.0 billion and €34.0 billion, respectively. The amount issued during the second quarter was €3.0 billion. There were no issues that matured during the quarter. The U.S. Dollar amounts reflected in the table above are based on the exchange rate at issuance.

Estimated second quarter 2004 distribution of new issues by geographic location: ⁽⁷⁾

	U.S.	Asia / Japan	Europe	Other
USD Reference Notes	73%	22%	5%	0%
€Reference Notes	5%	13%	80%	2%
Syndicated Callable Notes	60%	37%	3%	0%
Global Floating Rate Notes	-	-	-	-

Estimated second quarter 2004 distribution of new issues by investor type: ⁽⁷⁾

	Investment Manager	Central Bank	Commercial Bank	Insurance / Pension	Local Gov't	Corporate	Retail/ Other
USD Reference Notes	55%	20%	16%	8%	1%	0%	0%
€Reference Notes	29%	11%	18%	18%	1%	2%	22%
Syndicated Callable Notes	26%	26%	13%	32%	2%	2%	0%
Global Floating Rate Notes	-	-	-	-	-	-	-

(7) *Distribution estimates are based on order book composition for syndicated issues furnished to Freddie Mac by underwriters at the time of securities issuance and may not reflect the current distribution of securities. Freddie Mac does not independently validate submitted data. The presentation reflects management's classification of investors based on its best judgment. Totals may not sum to 100% due to rounding.*

This announcement is neither an offer to sell nor a solicitation of offers to buy any of these securities. Any such offering will be made only by an offering circular and pricing supplement.

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Freddie Mac's press releases sometimes contain forward-looking statements pertaining to management's current expectations as to Freddie Mac's future business plans, results of operations and/or financial condition. Management's expectations for the Company's future necessarily involve a number of assumptions and estimates, and various factors could cause actual results to differ materially from these expectations. These assumptions and factors are discussed in the Company's Information Statement dated February 27, 2004 and its Information Statement Supplement dated June 30, 2004, both of which are available on the Investor Relations page of the Company's website.

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac fulfills its mission by purchasing residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage-related securities and debt instruments in the capital markets. Over the years, Freddie Mac has opened the doors for one in six homebuyers in America. For additional information about Freddie Mac, please see the Company's website: www.FreddieMac.com.

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