



Quarterly Funding Announcement

December 10, 2004

Freddie Mac's *Quarterly Funding Announcement* supplements our [2005 Reference Notes® calendar](#) by providing additional details about our expected funding activity for the upcoming quarter. The company's 2005 funding calendar, which provides optional issuance dates, allows Freddie Mac to offer the marketplace securities at the right size and maturity, with clarity around timing. Additionally, by publishing the *Quarterly Funding Announcement* before each quarter begins, the market can better anticipate upcoming issuances, thereby increasing the transparency and predictability of Freddie Mac's debt funding activities.

We will continue to publish our *Quarterly Funding Summary* for the previously completed quarter, which we now will append to our transaction announcements for the months of January, April, July and October 2005. In addition, as a result of the earlier release dates of the *Quarterly Funding Announcement*, we will post [monthly funding summaries](#) on our Debt Securities Web site. These funding summaries provide details about our debt issuances, redemptions, and outstanding balances by product type.

First Quarter 2005 Funding Announcement

For the first quarter of 2005, the company expects the following issuance levels under its funding programs. All of these activities are subject to market conditions and the company's needs:

Reference Notes® securities

- Freddie Mac expects to offer \$7 to \$11 billion of Reference Notes® securities during the first quarter. As \$15.5 billion of Reference Notes securities will mature during the first quarter, the net reduction, excluding repurchases, is expected to be \$4.5 billion to \$8.5 billion.
- We intend to use the 10-year issuance date in January and the 2-/3-year issuance dates in February and March. We will forego any 5-year issuance in March.

€Reference Notes® securities

- Freddie Mac does not plan to issue €Reference Notes® securities during the first quarter.
- During 2005, €4.3 billion of €Reference Notes will mature. Given current market conditions, Freddie Mac does not expect the amount of €Reference Notes outstanding by year-end 2005 to differ significantly from its current level of €33.4 billion.

Syndicated callable notes

- We expect to issue \$2 to \$6 billion of syndicated callable notes during the first quarter.

Repurchase activity

- Depending on market conditions and asset-liability management considerations, we may conduct one or more periodic repurchase operations involving Reference Notes and/or €Reference Notes securities during the first quarter.
- Additionally, the company expects to conduct at least one tender offer transaction during the first quarter for securities with an expired European-style call option.

2005 Funding Program

On October 7, 2004, Freddie Mac announced its [2005 Reference Notes](#) and [Reference Bills®](#) calendars.

Our 2005 funding plan includes the following key features:

- 2- or 3-year Reference Notes securities may be issued every month, except for August.
- 5-year Reference Notes securities may be issued in March, June, September and December.
- 10-year Reference Notes securities may be issued in January, April, July and October.
- While all issuance dates are optional, we intend to issue at least one new issue of our 2-, 3-, 5- and 10-year maturities of Reference Notes securities during 2005.
- Minimum issue sizes:
 - New 2-, 3-, 5-, 10-year: \$3 billion
 - Reopening: No minimum size
- All dates for *Quarterly Funding Announcements* and monthly announcements are identified on our 2005 Reference Notes calendar.
- We will release our *Quarterly Funding Announcements* for upcoming quarters on the following dates:
 - 2nd Quarter 2005 February 28, 2005
 - 3rd Quarter 2005 June 10, 2005
 - 4th Quarter 2005 September 9, 2005
- Monthly transaction announcement dates will be used to specify whether there will be a 2- or 3-year issue and announce specific issue size and whether the issue is a new issue or a reopening of an outstanding issue.
- Euro-denominated securities, including €Reference Notes securities, will continue to play a role in Freddie Mac's global funding strategy. Freddie Mac will provide details on any issuance via the *Quarterly Funding Announcements*.

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. A description of factors that could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements can be found in the company's Information Statement dated September 24, 2004, which is available on the Investor Relations Web page of the company's Web site: www.FreddieMac.com/investors.

Freddie Mac is a stockholder-owned company 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 made home possible for one in six homebuyers in America.

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