



We make home possible<sup>SM</sup>

# Quarterly Funding Announcement

## December 12, 2005

---

Freddie Mac's *Quarterly Funding Announcement* supplements our [2006 Reference Notes® and Reference REMIC<sup>SM</sup> calendar](#) by providing additional details about our expected funding activity for the upcoming quarter. The company's 2006 funding calendar provides a schedule of optional issuance dates, while providing flexibility for offering the market securities at the right size and maturity. Freddie Mac publishes the *Quarterly Funding Announcement* before each quarter begins, confirming the dates of upcoming issuances, providing transparency and predictability about Freddie Mac's funding activities.

### First Quarter 2006 Funding Announcement

For the first quarter of 2006, the company expects the following issuance activity under its funding programs. All of these activities are subject to market conditions and the company's funding needs:

#### **Reference Notes® securities**

- Freddie Mac expects to offer \$15 billion to \$25 billion of Reference Notes® securities during the first quarter. With \$14.3 billion of Reference Notes securities scheduled to mature during the first quarter, we expect the amount of Reference Notes outstanding, excluding any repurchases, to increase by \$0.7 billion to \$10.7 billion.
- We intend to issue one or more Reference Notes securities on each of the first quarter Reference Notes issuance dates identified on our 2006 funding calendar. We plan to issue a 2- or 3-year and a 10-year Reference Notes security in January and a 2- or 3-year Reference Notes security in February. We intend to issue a 5-year Reference Notes security in March, and may also issue a 2- or 3-year Reference Notes security on the same date.

#### **Reference REMIC<sup>SM</sup> securities**

- Freddie Mac expects to issue at least one, but no more than three, Reference REMIC<sup>SM</sup> securities during the first quarter.
- Our preference is to issue Reference REMIC securities during the weeks highlighted on our 2006 Reference Notes and Reference REMIC calendar, subject to market conditions, including the availability of collateral and investor interest. See our Debt and Mortgage Securities pages on our Web Site for the updated 2006 calendar.
- Every month we will announce whether we plan to use the optional issuance window and, when relevant, confirm the timing of when we expect to issue a Reference REMIC.

#### **€Reference Notes® securities**

- In managing its €Reference Notes® portfolio during 2006, Freddie Mac will continue to monitor future portfolio funding needs, the disparity in the cost of US dollar and euro-denominated funding, the liquidity of outstanding €Reference Notes and the best interests of current €Reference Notes investors.

#### **Syndicated callable notes**

- Issuance of syndicated callable notes during the first quarter will depend on market conditions, investor demand and asset-liability management considerations.

### ***Debt security repurchase activity***

- If market conditions and asset-liability management considerations warrant, we may conduct one or more repurchase operations involving Reference Notes and/or €Reference Notes securities during the first quarter.
- Additionally, we may conduct a tender offer transaction during the first quarter for securities with an expired European-style call option.

### ***Program modifications***

- To take advantage of certain provisions of the Prospectus and Transparency Directives in the European Union, Freddie Mac is increasing the minimum denominations of new issuances of Reference Notes and other global securities to \$100,000 from the current \$2,000. We may modify this new practice generally or deviate from it for specified offerings in the future. In addition, Freddie Mac plans to list future listed Reference Notes or €Reference Notes on an exchange-regulated market such as the Euro MTF market of the Luxembourg Stock Exchange, and we may transfer existing listings on the regulated market of the Luxembourg Stock Exchange to the Euro MTF market or delist them and relist them on another exchange-regulated market.
- As we have previously disclosed, as of December 1, 2005 loan-level data for all newly issued single-family fixed-rate and adjustable rate mortgage PC securities is now available on our Web site at [www.FreddieMac.com/mbs/html/sd\\_pc\\_lookup.html](http://www.FreddieMac.com/mbs/html/sd_pc_lookup.html).
- Freddie Mac Giant PCs are single-class pass-through securities that enable investors to manage their portfolios more efficiently by consolidating smaller PCs into larger Giant PCs. In mid to late January 2006, we expect to expand our Giant PC program to include four additional products: Initial Interest<sup>SM</sup> ARM Giant PC securities, Initial Interest fixed-rate Giant PC securities, fixed-rate reduced minimum servicing Giant PC securities, and payment-capped ARM PC securities.
- Freddie Mac announced on June 17, 2005 that it began separate, preliminary disclosure on fixed-rate Giant PCs that are backed by MultiLender Giant PCs. Beginning in the first quarter, we will integrate preliminary disclosures on Giant PCs backed by MultiLender Giant PCs into our Giant PC Daily New Issue file with our other Giant PCs, as they are created. Accelerating these disclosures increases the transparency of our Giant PC program, enabling investors to make more informed decisions.

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.

\* \* \*

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 June 14, 2005, and related Information Statement Supplements, which are available on the Investor Relations Web page of the company's Web site: [www.FreddieMac.com/investors](http://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 and nearly four million renters in America.

# # #