

**CHARTER OF THE COMPENSATION COMMITTEE
OF THE BOARD OF DIRECTORS
OF THE
FEDERAL HOME LOAN MORTGAGE CORPORATION**

Adopted by the Board of Directors on February 6, 2009

Organization, Membership Requirements and Committee Processes

The Compensation Committee (the "Committee") of the Board of Directors (the "Board") of the Federal Home Loan Mortgage Corporation ("Freddie Mac") shall consist of at least three members appointed by the Board, following notice to the Federal Housing Finance Agency, as Conservator of Freddie Mac (the "Conservator"). Each committee member shall be independent under the rules of the New York Stock Exchange ("NYSE"). One member of the Committee shall be designated by the Board as the Chairman of the Committee.

The Committee Chairman shall report regularly to the Board on the Committee's activities and minutes of the Committee's meetings shall be submitted to the Board.

The members of the Committee shall have access to any employees of Freddie Mac. The Committee may engage such outside consultants or advisors as the Committee may deem appropriate to fulfill its responsibilities. The engagement of such consultants and advisors shall be subject to the approval of the Board and, to the extent set forth in paragraph 6, the Conservator. The Committee shall have sole authority to retain and terminate any executive compensation consultant, including sole authority to approve the consultant's fees and other retention terms. Freddie Mac shall provide appropriate funding for the retention of any such consultants or advisors and for other necessary and appropriate administrative expenses of the Committee, all as determined by the Committee.

To the extent consistent with applicable laws, regulations, listing standards and conservatorship orders, the Committee responsibilities listed below may, in the alternative, be satisfied by actions of the full Board or by another Board committee acting at the direction of the Board or the Board's Chairman.

Purposes, Powers, Duties and Responsibilities of the Committee

The Committee is hereby charged by the Conservator and the Board with the following authority and responsibilities:

1. Executive Compensation: With respect to executive compensation:
 - (a) In consultation with senior management, to approve Freddie Mac's executive compensation philosophy and to oversee and monitor Freddie Mac's executive compensation policies, plans and programs to ensure that they are consistent with this philosophy, as well as the responsibilities of the Board in light of the conservatorship;
 - (b) To approve on an annual basis the companies that will be included in the group that provides market data for the purposes of comparing the reasonableness and

- comparability of compensation for the Executive Officers (as defined below) (the "Comparator Group") and, in the event that the data available from such Comparator Group for a specific position is insufficient, to review management's recommendations concerning the use of another benchmark;
- (c) With respect to Executive Officers (as defined below):
- (i) To approve the group of executive officers who shall be considered reporting officers for purposes of Section 16 of the Securities Exchange Act of 1934 (each a "Section 16 Officer"); and
 - (ii) To approve the group of officers whose compensation shall be approved by the Committee (each, an "Executive Officer") including:
 - 1. the Section 16 Officers;
 - 2. all Executive Vice Presidents; and
 - 3. and any other officer at the level of Senior Vice President or above whose target total direct compensation exceeds \$2 million, *provided that* the Audit Committee shall approve the compensation of the Senior Vice President – General Auditor;
- (d) With respect to the Chief Executive Officer ("CEO"), to approve:
- (i) Subject to approval by the Conservator, as set forth in paragraph 6, all elements of compensation (and the specific amounts thereof) and other terms of employment, including any employment or severance agreements; and
 - (ii) The goals and objectives relevant to determining his/her compensation, to evaluate the CEO's performance in light of those goals and objectives and such other factors as the Committee deems relevant, including data from the Comparator Group, and to use that evaluation for purposes of determining, subject to approval by the Conservator, as set forth in paragraph 6, the CEO's compensation, *provided that* the Committee shall obtain and consider the views of the other non-management members of the Board with respect to the CEO's compensation;
- (e) With respect to the other Executive Officers, to approve, subject to approval by the Conservator to the extent set forth in paragraph 6, all elements of compensation (and the specific amounts thereof) and other terms of employment, including any employment or severance agreements, *provided that* no separate action shall be necessary to the extent that the compensation is derived from a plan that covers all officers or a larger group of Freddie Mac's employees, *and provided further that* the Committee shall obtain and consider the views of the other independent members of the Board with respect to the compensation of individuals occupying the positions of President or Chief Operating Officer ("COO") prior to taking any action;

- (f) To approve the Committee's report for inclusion in any securities disclosure filings in accordance with applicable regulatory requirements, to review and discuss with management Freddie Mac's proposed compensation discussion and analysis ("CD&A") and to recommend to the Board that the CD&A be included in such disclosures;
- (g) The Committee hereby delegates any of its authority described in paragraph 1(e) above to the Committee Chair where competitive circumstances preclude delaying approval to the next Committee meeting, *provided that* such authority shall not be exercised with respect to the President or COO or any other Executive Officer who is likely to be identified as a "Named Executive Officer" in Freddie Mac's annual securities disclosure, and *provided further that* the Committee Chair shall report to the Committee on such action at the Committee's next regularly-scheduled meeting; and
- (h) To approve (i) any employment, professional, consulting or other relationship of the CEO or the President or COO with any entity other than Freddie Mac; (ii) any other matters that, pursuant to the terms of their respective employment agreements, may require approval by the Board; and to report to the Board on any such approval.

2. Other Compensation Matters: With respect to other compensation-related matters:

- (a) To recommend to the Board for approval the annual corporate performance objectives;
- (b) To approve the corporate performance objectives that will determine the funding of the annual short-term incentive (if different from the annual corporate performance objectives above), to evaluate corporate performance against the objectives and to determine the level of funding for the annual short-term incentive program;
- (c) To approve the aggregate annual funding for and general terms of the annual long-term incentive program;
- (d) To approve, subject to approval by the Conservator, to the extent set forth in paragraph 6, the short-term and long-term incentive plans for all officers;
- (e) To review an annual report by management on compensation, including the components thereof and actual total direct compensation, for officers at the level of Senior Vice President who are not "Executive Officers" as defined in paragraph 2(c) above;
- (f) To review, approve, amend and/or terminate any retirement plan, including Freddie Mac's pension plan and thrift plan; and
- (g) To the extent any action is required while Freddie Mac is in conservatorship: (i) to review, approve, amend and/or terminate any stock-based compensation or stock-

based benefit plan for employees; (ii) to amend any outstanding awards to employees under such plans; and (iii) to review the stock grant date policy.

3. Human Resources: With respect to human resources matters generally:
 - (a) To review, at least annually, the management of human resources within Freddie Mac, including the recruitment, retention, diversity, and development of Freddie Mac's human resources as needed, consistent with the objectives of the conservatorship;
 - (b) To review management succession plans; and
 - (c) In coordination with the Nominating and Governance Committee, to oversee the development and maintenance of an effective CEO succession plan.
4. Committee Operations and Charter: With respect to the Committee's operations:
 - (a) To review, at least annually, under the oversight of the Nominating and Governance Committee, this Committee's performance, including review of its structure and operations, its process for reporting to the Board, and the process for determining the membership of the Committee, including qualifications for Committee membership; and
 - (b) To review and reassess the adequacy of the Committee's Charter on an annual basis and recommend any changes to the Board for approval.
5. Other Duties: To perform such other duties as may from time to time be assigned by the Conservator, the Board or requested by the Non-Executive Chairman.
6. FHFA Approval: Notwithstanding anything set forth above, by direction of the Conservator, prior approval by the Conservator shall be required for any Committee actions involving:
 - (a) retention and termination of any law firm serving as a consultant to the Committee or the Board; or
 - (b) hiring (including promotion), compensation or termination benefits of officers:
 - (i) At the Executive Vice President level and above;
 - (ii) Who, regardless of title, exercise the functions of Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Business Officer, Chief Investment Officer, Treasurer, Chief Compliance Officer, Chief Risk Officer, General Auditor; or
 - (iii) Who are identified as "Named Executive Officers" in Freddie Mac's annual securities disclosure; or

(c) actions involving reasonably foreseeable material increases in operational risk.

Also notwithstanding anything set forth above, any proposed Committee actions that in the reasonable business judgment of the Committee are likely to cause significant reputation risk shall be referred to the Board for final action in light of the requirement that the Conservator approve any actions that in the reasonable business judgment of the Board at the time that the action is taken are likely to cause such risk.