

**FREDDIE MAC**  
**SUMMARY OF SELECTED FINANCIAL INFORMATION**  
**TABLE 1**  
**(unaudited)**

Line:	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	Full-Year	
									2005	2006
	<b><u>Net Income (dollars in millions, except share-related amounts) :</u></b>									
1	\$ 1,501	\$ 1,269	\$ 1,363	\$ 1,237	\$ 1,131	\$ 1,172	\$ 959	\$ 973	\$ 5,370	\$ 4,235
2	(292)	(278)	423	346	1,347	979	(868)	(543)	199	915
3	(940)	(583)	(729)	(761)	(584)	(714)	(827)	(922)	(3,013)	(3,047)
4	269	408	1,057	822	1,894	1,437	(736)	(492)	2,556	2,103
5	16	(68)	(177)	(138)	115	(40)	21	12	(367)	108
6	\$ 285	\$ 340	\$ 880	\$ 684	\$ 2,009	\$ 1,397	\$ (715)	\$ (480)	\$ 2,189	\$ 2,211
7	(59)	-	-	-	-	-	-	-	(59)	-
8	<b>\$ 226</b>	<b>\$ 340</b>	<b>\$ 880</b>	<b>\$ 684</b>	<b>\$ 2,009</b>	<b>\$ 1,397</b>	<b>\$ (715)</b>	<b>\$ (480)</b>	<b>\$ 2,130</b>	<b>\$ 2,211</b>
9	<b>\$ 173</b>	<b>\$ 284</b>	<b>\$ 823</b>	<b>\$ 627</b>	<b>\$ 1,949</b>	<b>\$ 1,335</b>	<b>\$ (787)</b>	<b>\$ (561)</b>	<b>\$ 1,907</b>	<b>\$ 1,936</b>
10	693,008	692,968	693,642	693,924	694,596	693,026	675,556	663,661	693,511	682,664
11	<b>\$ 0.25</b>	<b>\$ 0.41</b>	<b>\$ 1.19</b>	<b>\$ 0.90</b>	<b>\$ 2.80</b>	<b>\$ 1.93</b>	<b>\$ (1.17)</b>	<b>\$ (0.85)</b>	<b>\$ 2.75</b>	<b>\$ 2.84</b>
12	\$ 245	\$ 246	\$ 245	\$ 340	\$ 328	\$ 329	\$ 318	\$ 335	\$ 1,076	\$ 1,310
13	(6%)	17%	17%	17%	(6%)	3%	3%	2%	14%	(5%)
	<b><u>Regulatory Capital (period end, dollars in millions):</u></b>									
14	\$ 27,381	\$ 30,868	\$ 27,722	\$ 27,191	\$ 25,386	\$ 23,735	\$ 29,031	\$ 28,301		
15	(7,584)	(4,194)	(7,943)	(8,773)	(12,205)	(14,388)	(8,004)	(7,869)		
16	34,965	35,062	35,665	35,964	37,591	38,123	37,035	36,170		
17	23,740	24,065	24,284	25,010	25,488	26,485	25,979	25,844		
18	\$ 11,225	\$ 10,997	\$ 11,381	\$ 10,954	\$ 12,103	\$ 11,638	\$ 11,056	\$ 10,326		

(1) Earnings per share is computed independently for each of the quarters presented. Earnings per share amounts may not recalculate due to rounding.

(2) Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), par value of outstanding perpetual noncumulative preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.

(3) We have submitted to the Office of Federal Housing Enterprise Oversight, or OFHEO, amended minimum capital reports for March 31, June 30, September 30 and December 31, 2006, including estimates of our capital surpluses. In January 2004, OFHEO directed us to maintain a target capital surplus of 30 percent of our minimum capital requirement. At March 31, June 30, September 30 and December 31, 2006, our estimated surplus in excess of the target surplus was approximately \$4.5 billion, \$3.7 billion, \$3.3 billion and \$2.6 billion, respectively.

**FREDDIE MAC**  
**NET INTEREST YIELD ANALYSIS**  
**TABLE 2A**  
**(unaudited)**  
**(dollars in millions)**

Line:									Full-Year	
	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	2005	2006
	<b>Net Interest Income:</b>									
	Interest income:									
1	\$ 906	\$ 1,026	\$ 1,064	\$ 1,041	\$ 1,040	\$ 1,040	\$ 1,012	\$ 1,060	\$ 4,037	\$ 4,152
2	7,106	7,122	7,491	7,965	8,245	8,878	8,782	8,768	29,684	34,673
3	8,012	8,148	8,555	9,006	9,285	9,918	9,794	9,828	33,721	38,825
4	380	419	432	542	592	707	761	729	1,773	2,789
5	154	206	194	279	182	412	502	377	833	1,473
6	8,546	8,773	9,181	9,827	10,059	11,037	11,057	10,934	36,327	43,087
	Interest expense:									
7	(1,143)	(1,483)	(1,557)	(1,919)	(2,015)	(2,241)	(2,183)	(2,226)	(6,102)	(8,665)
8	(5,636)	(5,646)	(5,802)	(6,162)	(6,433)	(7,110)	(7,418)	(7,257)	(23,246)	(28,218)
9	(6,779)	(7,129)	(7,359)	(8,081)	(8,448)	(9,351)	(9,601)	(9,483)	(29,348)	(36,883)
10	(130)	(141)	(159)	(121)	(91)	(104)	(91)	(101)	(551)	(387)
11	(6,909)	(7,270)	(7,518)	(8,202)	(8,539)	(9,455)	(9,692)	(9,584)	(29,899)	(37,270)
12	(136)	(234)	(300)	(388)	(389)	(410)	(406)	(377)	(1,058)	(1,582)
13	(7,045)	(7,504)	(7,818)	(8,590)	(8,928)	(9,865)	(10,098)	(9,961)	(30,957)	(38,852)
14	1,501	1,269	1,363	1,237	1,131	1,172	959	973	5,370	4,235
15	76	84	86	93	92	98	105	97	339	392
16	\$ 1,577	\$ 1,353	\$ 1,449	\$ 1,330	\$ 1,223	\$ 1,270	\$ 1,064	\$ 1,070	\$ 5,709	\$ 4,627
	<b>Average Balances:</b>									
17	\$ 61,717	\$ 61,008	\$ 61,428	\$ 60,841	\$ 62,777	\$ 63,211	\$ 64,129	\$ 65,362	\$ 61,248	\$ 63,870
18	594,338	606,029	612,847	632,592	647,732	661,747	649,310	641,446	611,452	650,059
19	656,055	667,037	674,275	693,433	710,509	724,958	713,439	706,808	672,700	713,929
20	56,195	52,967	48,864	54,982	54,770	59,576	60,020	56,455	53,252	57,705
21	24,737	27,338	22,062	27,241	16,208	32,840	37,305	27,954	25,344	28,577
22	736,987	747,342	745,201	775,656	781,487	817,374	810,764	791,217	751,296	800,211
23	190,206	201,905	181,543	196,332	188,758	189,120	171,331	170,319	192,497	179,882
24	517,432	512,908	524,509	542,233	560,244	595,030	607,538	589,101	524,270	587,978
25	707,638	714,813	706,052	738,565	749,002	784,150	778,869	759,420	716,767	767,860
26	9,602	10,593	12,082	9,318	6,979	8,082	7,170	7,668	10,399	7,475
27	717,240	725,406	718,134	747,883	755,981	792,232	786,039	767,088	727,166	775,335
28	19,747	21,936	27,067	27,773	25,506	25,142	24,725	24,129	24,130	24,876
29	\$ 736,987	\$ 747,342	\$ 745,201	\$ 775,656	\$ 781,487	\$ 817,374	\$ 810,764	\$ 791,217	\$ 751,296	\$ 800,211
	<b>Yield/Cost:</b>									
30	5.87 %	6.73 %	6.93 %	6.84 %	6.62 %	6.58 %	6.31 %	6.49 %	6.59 %	6.50 %
31	4.78	4.70	4.89	5.04	5.09	5.37	5.41	5.47	4.85	5.33
32	4.89	4.89	5.08	5.20	5.23	5.47	5.49	5.56	5.01	5.44
33	2.71	3.13	3.46	3.86	4.32	4.69	4.96	5.05	3.33	4.83
34	2.48	3.01	3.51	4.10	4.49	5.02	5.38	5.39	3.28	5.15
35	4.64	4.69	4.92	5.06	5.15	5.40	5.45	5.52	4.83	5.38
36	(2.40)	(2.91)	(3.35)	(3.83)	(4.27)	(4.69)	(4.99)	(5.12)	(3.17)	(4.82)
37	(4.36)	(4.40)	(4.42)	(4.54)	(4.59)	(4.78)	(4.87)	(4.92)	(4.43)	(4.80)
38	(3.83)	(3.98)	(4.14)	(4.35)	(4.51)	(4.75)	(4.90)	(4.96)	(4.09)	(4.80)
39	(5.43)	(5.30)	(5.27)	(5.21)	(5.19)	(5.13)	(5.10)	(5.30)	(5.30)	(5.18)
40	(3.86)	(3.99)	(4.16)	(4.35)	(4.52)	(4.76)	(4.90)	(4.97)	(4.11)	(4.81)
41	(0.08)	(0.13)	(0.17)	(0.21)	(0.20)	(0.21)	(0.21)	(0.19)	(0.15)	(0.20)
42	0.11	0.12	0.16	0.16	0.15	0.15	0.16	0.16	0.14	0.16
43	(3.83)	(4.00)	(4.17)	(4.40)	(4.57)	(4.82)	(4.95)	(5.00)	(4.12)	(4.85)
44	0.81	0.69	0.75	0.66	0.58	0.58	0.50	0.52	0.71	0.53
45	0.05	0.04	0.05	0.04	0.05	0.05	0.05	0.05	0.05	0.05
46	0.86 %	0.73 %	0.80 %	0.70 %	0.63 %	0.63 %	0.55 %	0.57 %	0.76 %	0.58 %

(1) Investments consists of Cash and cash equivalents and non-mortgage-related securities.

(2) The determination of Net interest income/yield (fully taxable-equivalent basis), which reflects fully taxable-equivalent adjustments to interest income, involves the conversion of tax-exempt sources of interest income to the equivalent amounts of interest income that would be necessary to derive the same net return if the investments had been subject to income taxes using our statutory tax rate of 35 percent.

(3) Non-accrual loans are included in average balances.

(4) For securities classified as available-for-sale, we calculated average balances based on their unpaid principal balance plus their associated deferred fees and costs (e.g., premiums and discounts), but excluded the effects of mark-to-fair-value changes. For securities in the Retained portfolio classified as trading, we calculated average balances excluding their mark-to-fair-value adjustments.

**FREDDIE MAC**  
**NET INTEREST INCOME**  
**TABLE 2B**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2005 <sup>(1)</sup>	2Q 2005 <sup>(1)</sup>	3Q 2005 <sup>(1)</sup>	4Q 2005 <sup>(1)</sup>	1Q 2006	2Q 2006	3Q 2006	4Q 2006	Full-Year	
									2005 <sup>(1)</sup>	2006
<b>Net Interest Income:</b>										
1 Contractual amounts of Net interest income	\$ 2,208	\$ 2,230	\$ 2,238	\$ 2,221	\$ 2,155	\$ 2,078	\$ 1,983	\$ 1,843	\$ 8,897	\$ 8,059
Amortization expense, net: <sup>(2)</sup>										
2 Asset-related amortization expense, net	(242)	(403)	(207)	(171)	(270)	(64)	(196)	(109)	(1,023)	(639)
3 Debt-related amortization expense, net	(329)	(324)	(368)	(425)	(365)	(432)	(422)	(384)	(1,446)	(1,603)
4 Total amortization expense, net	(571)	(727)	(575)	(596)	(635)	(496)	(618)	(493)	(2,469)	(2,242)
Income (expense) related to derivatives:										
5 Amortization of deferred balances in AOCI <sup>(3)</sup>	(473)	(489)	(492)	(512)	(445)	(417)	(389)	(369)	(1,966)	(1,620)
Accrual of periodic settlements of derivatives: <sup>(4)</sup>										
6 Receive-fixed swaps <sup>(5)</sup>	329	303	288	265	191	138	116	57	1,185	502
7 Foreign-currency swaps	8	(48)	(96)	(141)	(135)	(131)	(133)	(65)	(277)	(464)
8 Total accrual of periodic settlements of derivatives	337	255	192	124	56	7	(17)	(8)	908	38
9 Total income (expense) related to derivatives	(136)	(234)	(300)	(388)	(389)	(410)	(406)	(377)	(1,058)	(1,582)
10 Net interest income	1,501	1,269	1,363	1,237	1,131	1,172	959	973	5,370	4,235
11 Fully taxable-equivalent adjustments	76	84	86	93	92	98	105	97	339	392
12 Net interest income (fully taxable-equivalent basis)	\$ 1,577	\$ 1,353	\$ 1,449	\$ 1,330	\$ 1,223	\$ 1,270	\$ 1,064	\$ 1,070	\$ 5,709	\$ 4,627

- (1) Certain amounts for 2005 have been revised to conform with the 2006 presentation.
- (2) Represents amortization related to premiums, discounts, deferred fees and other adjustments to the carrying value of our financial instruments and the reclassification of previously deferred balances from AOCI for certain derivatives in cash flow hedge relationships related to individual debt issuances and mortgage purchase transactions.
- (3) Represents changes in fair values of derivatives in cash flow hedge relationships that were previously deferred in AOCI and have been reclassified to earnings as the associated hedged forecasted issuance of debt and mortgage purchase transactions affect earnings.
- (4) Reflects the accrual of periodic cash settlements of all derivatives in qualifying hedge accounting relationships.
- (5) The accrual of periodic settlements of Receive-fixed swaps includes imputed interest on zero-coupon swaps.

**FREDDIE MAC  
NON-INTEREST INCOME (LOSS)**

**TABLE 3  
(unaudited)  
(dollars in millions)**

Line:	2005				2006				Full-Year	
	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	2005	2006
	<b>Non-Interest Income (Loss):</b>									
1	\$ 321	\$ 389	\$ 373	\$ 367	\$ 413	\$ 389	\$ 427	\$ 443	\$ 1,450	\$ 1,672
2	(249)	(989)	240	(66)	160	61	(690)	(331)	(1,064)	(800)
3	198	229	272	221	195	217	217	238	920	867
4	(580)	(158)	(544)	(75)	273	355	(783)	(1,009)	(1,357)	(1,164)
5	19	12	(9)	-	(13)	2	(1)	14	22	2
	Gains (losses) on investment activity:									
6	(134)	(16)	(82)	(57)	(46)	(26)	31	38	(289)	(3)
7	(61)	(188)	79	75	186	103	(230)	(78)	(95)	(19)
8	35	34	20	3	21	13	36	16	92	86
9	141	386	39	(20)	146	(180)	(29)	85	546	22
10	(8)	(59)	(2)	(2)	(5)	(3)	(48)	(91)	(71)	(147)
11	(6)	(10)	(50)	(234)	(128)	(215)	(20)	(30)	(300)	(393)
12	-	(2)	(5)	(3)	(8)	(4)	3	(11)	(10)	(20)
13	(33)	145	(1)	(238)	166	(312)	(257)	(71)	(127)	(474)
14	74	22	25	85	64	244	155	3	206	466
15	33	32	28	32	48	31	30	20	125	129
16	(75)	40	39	20	41	(8)	34	150	24	217
17	\$ (292)	\$ (278)	\$ 423	\$ 346	\$ 1,347	\$ 979	\$ (868)	\$ (543)	\$ 199	\$ 915

(1) Includes mark-to-fair-value and the accrual of periodic settlements for derivatives that were not in a qualifying hedge accounting relationship.

(2) Hedge accounting gains (losses), or hedge accounting ineffectiveness, relates to derivatives that were in a qualifying hedge accounting relationship.

**FREDDIE MAC  
MANAGEMENT AND GUARANTEE INCOME & RELATED INFORMATION  
TABLE 4  
(unaudited)  
(dollars in millions)**

Line:	1Q 2005				2Q 2005				3Q 2005				4Q 2005				Full-Year				
	2005		2006		2005		2006		2005		2006		2005		2006		2005	2006			
	<b>Management and guarantee income:</b> <sup>(1)</sup>																				
1	Contractual management and guarantee fees	\$	345	\$	350	\$	365	\$	371	\$	387	\$	393	\$	406	\$	427	\$	1,431	\$	1,613
2	Amortization of credit and buy-down fees included in Other liabilities <sup>(2)</sup>		(24)		39		8		(4)		26		(4)		21		16		19		59
3	Total management and guarantee income	\$	321	\$	389	\$	373	\$	367	\$	413	\$	389	\$	427	\$	443	\$	1,450	\$	1,672
4	Contractual management and guarantee fees (annualized rate)		16.0 bp		15.7 bp		15.8 bp		15.5 bp		15.5 bp		15.4 bp		15.3 bp		15.5 bp		15.7 bp		15.4 bp
5	Amortization of credit and buy-down fees included in Other liabilities (annualized rate)		(1.1)		1.8		0.4		(0.2)		1.0		(0.1)		0.8		0.6		0.2		0.6
6	Total management and guarantee rate		14.9 bp		17.5 bp		16.2 bp		15.3 bp		16.5 bp		15.3 bp		16.1 bp		16.1 bp		15.9 bp		16.0 bp
7	Unamortized balance of credit and buy-down fees received included in Other liabilities, at period end	\$	232	\$	199	\$	183	\$	186	\$	176	\$	172	\$	151	\$	136	\$	186	\$	136
	<b>Gains (losses) on Guarantee asset:</b>																				
8	Contractual guarantee fees due <sup>(3)</sup>	\$	(302)	\$	(310)	\$	(323)	\$	(335)	\$	(351)	\$	(359)	\$	(372)	\$	(393)	\$	(1,270)	\$	(1,475)
9	Portion of contractual guarantee fees due related to imputed interest income		94		86		85		106		107		125		115		119		371		466
10	Return of investment on Guarantee asset		(208)		(224)		(238)		(229)		(244)		(234)		(257)		(274)		(899)		(1,009)
11	Change in fair value of future cash flows		(14)		(765)		478		163		364		295		(433)		(57)		(138)		169
12	Change in estimate <sup>(4)</sup>		(27)		-		-		-		40		-		-		-		(27)		40
13	Gains (losses) on Guarantee asset	\$	(249)	\$	(989)	\$	240	\$	(66)	\$	160	\$	61	\$	(690)	\$	(331)	\$	(1,064)	\$	(800)
	<b>Changes in Guarantee asset, at fair value:</b>																				
14	Beginning balance	\$	4,516	\$	4,584	\$	4,038	\$	4,765	\$	5,083	\$	5,660	\$	6,089	\$	5,860	\$	4,516	\$	5,083
15	Additions, net of repurchases		317		443		487		384		417		368		461		541		1,631		1,787
16	Gains (losses) on Guarantee asset		(249)		(989)		240		(66)		160		61		(690)		(331)		(1,064)		(800)
17	Ending balance	\$	4,584	\$	4,038	\$	4,765	\$	5,083	\$	5,660	\$	6,089	\$	5,860	\$	6,070	\$	5,083	\$	6,070
	<b>Guarantee obligation:</b>																				
18	Beginning balance	\$	4,065	\$	4,401	\$	4,801	\$	5,137	\$	5,541	\$	5,904	\$	6,173	\$	6,664	\$	4,065	\$	5,541
19	Transfer-out to the loan loss reserve <sup>(5)</sup>		(1)		(1)		(6)		(2)		(3)		-		(2)		(4)		(10)		(9)
	Additions, net of repurchases:																				
20	Fair value of performance and other related costs of newly-issued guarantees		348		416		451		414		277		353		542		547		1,629		1,719
21	Deferred guarantee income of newly-issued guarantees		187		214		163		213		284		133		168		148		777		733
	Amortization income related to:																				
22	Performance and other related costs		(135)		(152)		(185)		(144)		(133)		(143)		(148)		(160)		(616)		(584)
23	Deferred guarantee income		(63)		(77)		(87)		(77)		(62)		(74)		(69)		(78)		(304)		(283)
24	Income on Guarantee obligation <sup>(6)</sup>		(198)		(229)		(272)		(221)		(195)		(217)		(217)		(238)		(920)		(867)
25	Ending balance	\$	4,401	\$	4,801	\$	5,137	\$	5,541	\$	5,904	\$	6,173	\$	6,664	\$	7,117	\$	5,541	\$	7,117
	Components of Guarantee obligation, at period end:																				
26	Unamortized balance of performance and other related costs	\$	2,954	\$	3,227	\$	3,476	\$	3,743	\$	3,885	\$	4,094	\$	4,486	\$	4,869	\$	3,743	\$	4,869
27	Unamortized balance of deferred guarantee income		1,447		1,574		1,661		1,798		2,019		2,079		2,178		2,248		1,798		2,248
28	Ending Guarantee obligation <sup>(7)</sup>	\$	4,401	\$	4,801	\$	5,137	\$	5,541	\$	5,904	\$	6,173	\$	6,664	\$	7,117	\$	5,541	\$	7,117
29	Percentage of PCs and Structured Securities held by Freddie Mac with a recognized PC residuals <sup>(8)</sup>		84%		85%		86%		89%		89%		90%		90%		91%		89%		91%
30	Percentage of outstanding PCs for which a guarantee asset and obligation have been established <sup>(8)</sup>		90%		92%		93%		93%		94%		94%		95%		95%		93%		95%

(1) Excludes amounts related to PCs we held in our Retained Portfolio, which are reported in Net interest income.

(2) Credit and buy-down fees are amortized over the estimated lives of the underlying securities using the retrospective effective interest method. Amortization of credit and buy-down fees incurred since 2003 is recorded in Income on Guarantee obligation.

(3) Represents guarantee fees received related to PCs and Structured Securities held by third parties for which a recognized guarantee asset exists.

(4) Represents a change in estimate under generally accepted accounting principles, or GAAP, resulting from enhancing our approach for determining the fair values of the Guarantee asset.

(5) Represents portions of the Guarantee obligation recognized through Guarantor Swap transactions or upon the sale of PCs and Structured Securities that correspond to incurred credit losses reclassified to Reserve for guarantee losses on Participation Certificates at initial recognition of a Guarantee obligation.

(6) Includes \$170 million and \$197 million of amortization related to deferred credit and buy-down fees received from counterparties in Guarantor Swap and similar transactions ("upfront fees") in 2006 and 2005, respectively.

(7) Includes \$1,391 million and \$1,167 million of unamortized upfront fees at December 31, 2006 and 2005, respectively.

(8) Based on end-of-period balances.

**FREDDIE MAC**  
**DERIVATIVES NOT IN HEDGE ACCOUNTING RELATIONSHIPS**  
**TABLE 5A**  
**(unaudited)**  
**(dollars in millions)**

Line:		1Q 2005				2Q 2005				3Q 2005				4Q 2005				Full-Year				
		1Q 2005		2Q 2005		3Q 2005		4Q 2005		1Q 2006		2Q 2006		3Q 2006		4Q 2006		2005	2006			
	<b><u>Derivative Gains (Losses):</u></b>																					
1	Call swaptions	\$	(942)	\$	2,203	\$	(1,421)	\$	(242)	\$	(1,313)	\$	(667)	\$	1,376	\$	(524)	\$	(402)	\$	(1,128)	
2	Put swaptions		273		(348)		208		69		237		207		(398)		(146)		202		(100)	
3	Receive-fixed swaps		(715)		1,295		(1,517)		(598)		(1,220)		(1,270)		2,545		(345)		(1,535)		(290)	
4	Pay-fixed swaps		1,142		(3,792)		2,467		795		2,881		2,266		(4,551)		53		612		649	
5	Futures		(188)		480		(225)		(4)		(266)		(212)		189		41		63		(248)	
6	Foreign-currency swaps		(5)		(3)		(2)		1		4		30		(7)		(119)		(9)		(92)	
7	Forward purchase and sale commitments		(31)		128		22		(45)		(82)		(71)		71		(4)		74		(86)	
8	Prepayment management agreement <sup>(1)</sup>		-		-		-		-		-		-		-		-		-		-	
9	Other <sup>(2)</sup>		1		(7)		(19)		-		35		42		(54)		16		(25)		39	
10	Subtotal		(465)		(44)		(487)		(24)		276		325		(829)		(1,028)		(1,020)		(1,256)	
	Accrual of periodic settlements:																					
11	Receive-fixed swaps <sup>(3)</sup>		129		140		107		50		(6)		(73)		(189)		(150)		426		(418)	
12	Pay-fixed swaps		(244)		(254)		(164)		(101)		3		106		238		194		(763)		541	
13	Other		-		-		-		-		-		(3)		(3)		(25)		-		(31)	
14	Total accrual of periodic settlements		(115)		(114)		(57)		(51)		(3)		30		46		19		(337)		92	
15	Total derivative gains (losses)	\$	(580)	\$	(158)	\$	(544)	\$	(75)	\$	273	\$	355	\$	(783)	\$	(1,009)	\$	(1,357)	\$	(1,164)	
	<b><u>Notional Amounts (period end):</u></b>																					
16	Call swaptions	\$	152,190	\$	138,140	\$	131,340	\$	146,615	\$	139,165	\$	166,000	\$	178,700	\$	194,200					
17	Put swaptions		31,985		39,785		37,310		34,675		36,925		39,725		33,225		29,725					
18	Receive-fixed swaps		40,064		62,227		75,919		81,185		134,830		179,076		179,689		222,631					
19	Pay-fixed swaps		128,988		125,219		142,396		181,562		175,005		206,305		200,297		217,565					
20	Futures		78,471		59,212		69,117		86,252		103,780		103,934		90,000		22,400					
21	Foreign-currency swaps		201		196		195		197		748		782		774		29,234					
22	Forward purchase and sale commitments		35,034		55,329		42,739		21,827		22,135		22,928		13,432		9,942					
23	Prepayment management agreement <sup>(1)</sup>		99,335		94,000		84,997		-		-		-		-		-					
24	Other <sup>(2)</sup>		28,940		27,730		26,107		15,245		27,084		38,762		30,115		31,430					
25	Total notional amounts	\$	595,208	\$	601,838	\$	610,120	\$	567,558	\$	639,672	\$	757,512	\$	726,232	\$	757,127					

- (1) Effective December 31, 2005, we agreed to an early termination of the prepayment management agreement.  
(2) Consists of basis swaps, certain option-based contracts, interest-rate caps, swap guarantee derivatives and credit derivatives.  
(3) The accrual of periodic settlements of Receive-fixed swaps includes imputed interest on zero-coupon swaps.

**FREDDIE MAC**  
**TOTAL DERIVATIVE PORTFOLIO**  
**TABLE 5B**  
**(unaudited)**  
**(dollars in millions)**

Line:	December 31, 2005		December 31, 2006	
	Notional	Fair Value <sup>(1)</sup>	Notional	Fair Value <sup>(1)</sup>
	Interest-rate swaps:			
1	\$ 159,212	\$ 756	\$ 222,631	\$ (334)
2	181,562	(991)	217,565	(1,352)
3	234	-	683	-
4	<u>341,008</u>	<u>(235)</u>	<u>440,879</u>	<u>(1,686)</u>
	Option-based:			
5	146,615	3,453	194,200	4,034
6	34,675	1,200	29,725	958
7	11,814	(7)	27,185	(15)
8	<u>193,104</u>	<u>4,646</u>	<u>251,110</u>	<u>4,977</u>
9	86,252	19	22,400	28
10	37,850	2,124	29,234	4,399
11	45	-	-	-
12	<u>658,259</u>	<u>6,554</u>	<u>743,623</u>	<u>7,718</u>
13	21,961	(44)	10,012	15
14	2,414	(1)	2,605	(1)
15	<u>738</u>	<u>(2)</u>	<u>957</u>	<u>(3)</u>
16	<u>\$ 683,372</u>	<u>\$ 6,507</u>	<u>\$ 757,197</u>	<u>\$ 7,729</u>

(1) The fair value by derivative type presented on this table is shown prior to netting by counterparty. The fair value of derivatives presented on the consolidated balance sheets, however, is netted by counterparty, and is reported in the Derivative assets, at fair value and Derivative liabilities, at fair value captions. The fair values for futures are directly derived from quoted market prices. Fair values of other derivatives are derived primarily from valuation models using market data inputs.

**FREDDIE MAC**  
**NON-INTEREST EXPENSE**  
**TABLE 6**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	Full-Year	
									2005	2006
	<b><u>Non-Interest Expense:</u></b>									
	Administrative expenses:									
1	\$ 197	\$ 200	\$ 197	\$ 211	\$ 191	\$ 203	\$ 207	\$ 229	\$ 805	\$ 830
2	114	74	82	116	100	118	120	122	386	460
3	14	14	16	14	14	15	15	17	58	61
4	49	65	67	105	68	69	76	77	286	290
5	374	353	362	446	373	405	418	445	1,535	1,641
6	36	17	146	52	(36)	56	93	102	251	215
7	8	5	7	20	12	7	19	22	40	60
8	30	56	51	97	67	73	133	203	234	476
9	75	81	80	84	115	104	98	90	320	407
10	27	26	24	19	18	16	13	11	96	58
11	390	45	59	43	35	53	53	49	537	190
12	\$ 940	\$ 583	\$ 729	\$ 761	\$ 584	\$ 714	\$ 827	\$ 922	\$ 3,013	\$ 3,047

- (1) Other administrative expenses are presented net of deferred expenses, including Salaries and employee benefits, Professional services and certain other expenses, relating to capitalized software development activities. The reduction to Other administrative expenses with respect to capitalized software development, net of impairments, was \$99 million and \$101 million for full-year 2005 and 2006, respectively. These amounts were offset by related amortization of \$128 million and \$116 million for full-year 2005 and 2006, respectively, which were also recorded in Other administrative expenses. Capitalized software development costs are amortized over periods of three years or less based upon useful life.
- (2) When the fair value of the Guarantee obligation for Participation Certificates exceeds the fair value of the Guarantee asset (including upfront fees paid or received), at the issuance of a guarantor PC swap, the excess is recorded as a loss in Losses on certain credit guarantees. This amount also includes losses on impaired loans repurchased out of our guaranteed PC and Structured Securities, when the unpaid principal balance, net of specific loan loss reserve exceeds the estimated fair market value of the loan repurchased.
- (3) Other expenses includes amounts related to legal settlements. In the first quarter of 2005, we recorded \$339 million for the settlement of the securities class action and shareholder derivative lawsuits filed following restatement of our financial results for full-year 2002 and prior periods, including expected net insurance proceeds and the civil penalty paid to the Federal Election Commission.

**FREDDIE MAC**  
**CONSOLIDATED FAIR VALUE BALANCE SHEETS <sup>(1)</sup>**  
**TABLE 7**  
**(unaudited)**  
**(dollars in billions)**

Line:	2005								2006								
	March 31,		June 30,		September 30,		December 31,		March 31,		June 30,		September 30,		December 31,		
	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Carrying Amount <sup>(2)</sup>	Fair Value <sup>(3)</sup>	
	<b>Assets:</b>																
1	Mortgage loans	\$ 61.6	\$ 63.5	\$ 60.9	\$ 63.8	\$ 61.1	\$ 62.6	\$ 61.4	\$ 62.3	\$ 62.8	\$ 62.3	\$ 63.6	\$ 62.1	\$ 63.9	\$ 63.8	\$ 65.6	\$ 65.4
2	Mortgage-related securities excluding PC residuals	598.9	598.9	612.3	612.3	624.8	624.8	647.4	647.4	644.7	644.7	646.0	646.0	635.0	635.0	634.3	634.3
3	PC residuals	0.7	0.7	0.5	0.5	0.6	0.6	0.6	0.6	0.8	0.8	1.0	1.0	0.8	0.8	0.6	0.6
4	Retained portfolio	661.2	663.1	673.7	676.6	686.5	688.0	709.4	710.3	708.3	707.8	710.6	709.1	699.7	699.6	700.5	700.3
5	Cash and cash equivalents	19.7	19.7	9.2	9.2	10.4	10.4	10.5	10.5	8.5	8.5	12.5	12.5	12.2	12.2	11.4	11.4
6	Investments	37.9	37.9	40.9	40.9	38.0	38.0	42.2	42.2	47.0	47.0	49.5	49.5	47.5	47.5	45.6	45.6
7	Securities purchased under agreements to resell and Federal funds sold	25.4	25.4	29.1	29.1	18.9	18.9	15.2	15.2	23.4	23.4	45.8	45.8	35.5	35.5	23.0	23.0
8	Derivative assets	12.4	12.4	8.6	8.6	8.2	8.2	7.1	7.1	7.3	7.3	9.8	9.8	8.5	8.5	7.9	7.9
9	Guarantee asset <sup>(4)</sup>	4.6	5.2	4.0	4.5	4.8	5.3	5.1	5.6	5.7	6.1	6.1	6.5	5.9	6.2	6.1	6.4
10	Other assets <sup>(5)</sup>	14.0	12.8	13.7	13.6	15.4	13.7	16.7	14.3	18.9	15.2	21.4	15.6	17.9	15.7	18.6	16.7
11	Total assets	\$ 775.2	\$ 776.5	\$ 779.2	\$ 782.5	\$ 782.2	\$ 782.5	\$ 806.2	\$ 805.2	\$ 819.1	\$ 815.3	\$ 855.7	\$ 848.8	\$ 827.2	\$ 825.2	\$ 813.1	\$ 811.3
	<b>Liabilities and minority interests:</b>																
12	Total debt securities, net	\$ 717.6	\$ 717.6	\$ 715.8	\$ 722.0	\$ 723.0	\$ 723.4	\$ 748.8	\$ 747.0	\$ 765.3	\$ 758.3	\$ 801.4	\$ 790.1	\$ 769.9	\$ 768.4	\$ 753.9	\$ 752.3
13	Guarantee obligation	4.4	3.1	4.8	3.2	5.1	3.7	5.5	3.7	5.9	3.7	6.2	3.5	6.7	4.2	7.1	4.7
14	Derivative liabilities	0.4	0.4	0.2	0.2	0.6	0.6	0.6	0.6	0.7	0.7	0.3	0.3	0.2	0.2	0.2	0.2
15	Reserve for guarantee losses on PCs	0.2	-	0.2	-	0.3	-	0.3	-	0.2	-	0.2	-	0.3	-	0.4	-
16	Other liabilities <sup>(5)</sup>	23.8	23.9	26.0	25.4	24.3	23.6	22.9	22.0	20.8	20.1	23.2	22.1	20.5	19.6	22.7	21.8
17	Minority interests in consolidated subsidiaries	1.4	1.5	1.3	1.4	1.2	1.2	0.9	1.0	0.8	0.9	0.7	0.7	0.6	0.6	0.5	0.5
18	Total liabilities and minority interests	747.8	746.5	748.3	752.2	754.5	752.5	779.0	774.3	793.7	783.7	832.0	816.7	798.2	793.0	784.8	779.5
	<b>Net assets attributable to stockholders:</b>																
19	Preferred stockholders	4.6	4.1	4.6	4.2	4.6	4.0	4.6	4.1	4.6	4.2	4.6	4.0	5.6	5.2	6.1	5.8
20	Common stockholders	22.8	25.9	26.3	26.1	23.1	26.0	22.6	26.8	20.8	27.4	19.1	28.1	23.4	27.0	22.2	26.0
21	Total net assets	27.4	30.0	30.9	30.3	27.7	30.0	27.2	30.9	25.4	31.6	23.7	32.1	29.0	32.2	28.3	31.8
22	Total liabilities and net assets	\$ 775.2	\$ 776.5	\$ 779.2	\$ 782.5	\$ 782.2	\$ 782.5	\$ 806.2	\$ 805.2	\$ 819.1	\$ 815.3	\$ 855.7	\$ 848.8	\$ 827.2	\$ 825.2	\$ 813.1	\$ 811.3

- (1) The consolidated fair value balance sheets do not purport to present our net realizable, liquidation or market value as a whole. Furthermore, amounts we ultimately realize from the disposition of assets or settlement of liabilities may vary significantly from the fair values presented.
- (2) Carrying amounts equal the amounts reported on our GAAP consolidated balance sheets.
- (3) Methodologies employed to calculate fair values are periodically changed on a prospective basis to reflect improvements in the underlying estimation processes. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets of approximately \$(0.5) billion at March 31, 2005 and \$0.1 billion at June 30, 2005. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets that rounded to zero September 30, 2005 and December 31, 2005. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets of approximately \$0.1 billion at March 31, 2006. The estimated impact of these improvements resulted in net after-tax changes to the fair value of Total net assets that rounded to zero at September 30, 2006 and December 31, 2006.
- (4) The fair value of the Guarantee asset reported exceeds the carrying value primarily because the fair value includes the Guarantee asset related to some PCs held by third parties that are not recognized on our GAAP consolidated balance sheets because such PCs were issued prior to the implementation of FIN 49 in 2003.
- (5) Fair values include estimated income taxes calculated using the 35 percent statutory rate on the difference between the consolidated fair value balance sheets net assets, including deferred taxes from our GAAP consolidated balance sheets, and the GAAP consolidated balance sheets equity attributable to common stockholders.

**FREDDIE MAC**  
**MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES** <sup>(1) (2)</sup>  
**TABLE 8A**  
**(unaudited)**  
**(dollars in millions)**

Line:	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	Full-Year		
									2005	2006	
<b><u>Total Mortgage Portfolio:</u></b>											
1	Beginning balance	\$ 1,505,532	\$ 1,530,366	\$ 1,579,758	\$ 1,627,747	\$ 1,684,546	\$ 1,731,004	\$ 1,759,767	\$ 1,786,754	\$ 1,505,532	\$ 1,684,546
2	New business purchases	111,567	146,519	166,712	157,135	131,874	121,730	122,475	125,903	581,933	501,982
3	Sales and other activity	(2,022)	(1,290)	(7,896)	(7,037)	(8,401)	(5,442)	(6,041)	(110)	(18,245)	(19,994)
4	Liquidations	(84,711)	(95,837)	(110,827)	(93,299)	(77,015)	(87,525)	(89,447)	(85,827)	(384,674)	(339,814)
5	Net additions	24,834	49,392	47,989	56,799	46,458	28,763	26,987	39,966	179,014	142,174
6	Ending balance	\$ 1,530,366	\$ 1,579,758	\$ 1,627,747	\$ 1,684,546	\$ 1,731,004	\$ 1,759,767	\$ 1,786,754	\$ 1,826,720	\$ 1,684,546	\$ 1,826,720
7	Percent growth (annualized)	7%	13%	12%	14%	11%	7%	6%	9%	12%	8%
8	Liquidation rate (annualized)	23%	25%	28%	23%	18%	20%	20%	19%	26%	20%
<b><u>Total Guaranteed PCs and Structured Securities Issued:</u></b>											
9	Beginning balance	\$ 1,208,968	\$ 1,223,707	\$ 1,250,659	\$ 1,284,393	\$ 1,335,524	\$ 1,379,877	\$ 1,405,684	\$ 1,441,254	\$ 1,208,968	\$ 1,335,524
10	Issuances	77,128	95,614	112,518	112,607	93,669	80,973	93,334	92,047	397,867	360,023
11	Liquidations	(62,389)	(68,662)	(78,784)	(61,476)	(49,316)	(55,166)	(57,764)	(56,278)	(271,311)	(218,524)
12	Net additions	14,739	26,952	33,734	51,131	44,353	25,807	35,570	35,769	126,556	141,499
13	Ending balance	\$ 1,223,707	\$ 1,250,659	\$ 1,284,393	\$ 1,335,524	\$ 1,379,877	\$ 1,405,684	\$ 1,441,254	\$ 1,477,023	\$ 1,335,524	\$ 1,477,023
14	Percent growth (annualized)	5%	9%	11%	16%	13%	7%	10%	10%	10%	11%
15	Liquidation rate (annualized)	21%	22%	25%	19%	15%	16%	16%	16%	22%	16%

(1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. The 2006 balances exclude credit-related impairments on mortgage-related securities within our Retained portfolio. The 2005 amounts have been revised to conform with the current year presentation.

(2) See our Monthly Volume Summary, or MVS, in the Investor Relations section of our Web site for definitions of certain captions used in this table.

**FREDDIE MAC**  
**MORTGAGE PORTFOLIO ACTIVITY BASED ON UNPAID PRINCIPAL BALANCES** <sup>(1) (2)</sup>  
**TABLE 8B**  
**(unaudited)**  
**(dollars in millions)**

Line:	2005				2006				Full-Year	
	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	2005	2006
<b>Retained Portfolio:</b>										
1	\$ 653,262	\$ 657,049	\$ 665,332	\$ 684,859	\$ 710,346	\$ 715,736	\$ 722,538	\$ 702,778	\$ 653,262	\$ 710,346
2	57,684	75,828	97,978	89,063	65,432	79,580	46,178	54,293	320,553	245,483
3	(13,864)	(21,645)	(26,254)	(14,632)	(17,876)	(24,317)	(19,441)	(7,440)	(76,395)	(69,074)
4	(40,033)	(45,900)	(52,197)	(48,944)	(42,166)	(48,461)	(46,497)	(45,672)	(187,074)	(182,796)
5	3,787	8,283	19,527	25,487	5,390	6,802	(19,760)	1,181	57,084	(6,387)
6	\$ 657,049	\$ 665,332	\$ 684,859	\$ 710,346	\$ 715,736	\$ 722,538	\$ 702,778	\$ 703,959	\$ 710,346	\$ 703,959
7	2%	5%	12%	15%	3%	4%	(11%)	1%	9%	(1%)
8	25%	28%	31%	29%	24%	27%	26%	26%	29%	26%
9	43%	42%	42%	42%	41%	41%	39%	39%	42%	39%
<b>Retained Portfolio Components (at period end):</b> <sup>(3)</sup>										
10	\$ 350,390	\$ 336,233	\$ 341,505	\$ 361,324	\$ 364,609	\$ 368,455	\$ 357,278	\$ 354,262	\$ 361,324	\$ 354,262
11	244,923	268,113	282,147	287,541	288,192	290,379	281,423	283,850	287,541	283,850
12	61,736	60,986	61,207	61,481	62,935	63,704	64,077	65,847	61,481	65,847
13	\$ 657,049	\$ 665,332	\$ 684,859	\$ 710,346	\$ 715,736	\$ 722,538	\$ 702,778	\$ 703,959	\$ 710,346	\$ 703,959
<b>Outstanding Guaranteed PCs and Structured Securities:</b>										
14	\$ 852,270	\$ 873,317	\$ 914,426	\$ 942,888	\$ 974,200	\$ 1,015,268	\$ 1,037,229	\$ 1,083,976	\$ 852,270	\$ 974,200
15	77,128	95,614	112,518	112,607	93,669	80,973	93,334	92,047	397,867	360,023
16	(23,246)	(24,922)	(43,785)	(44,534)	(27,227)	(38,823)	(17,037)	(20,437)	(136,487)	(103,524)
17	13,072	21,231	19,406	8,916	10,712	19,819	14,613	8,986	62,625	54,130
18	(45,907)	(50,814)	(59,677)	(45,677)	(36,086)	(40,008)	(44,163)	(41,811)	(202,075)	(162,068)
19	21,047	41,109	28,462	31,312	41,068	21,961	46,747	38,785	121,930	148,561
20	\$ 873,317	\$ 914,426	\$ 942,888	\$ 974,200	\$ 1,015,268	\$ 1,037,229	\$ 1,083,976	\$ 1,122,761	\$ 974,200	\$ 1,122,761
21	10%	19%	12%	13%	17%	9%	18%	14%	14%	15%
22	22%	23%	26%	19%	15%	16%	17%	15%	24%	17%

- (1) Excludes mortgage loans and mortgage-related securities traded, but not yet settled. The 2006 balances exclude credit related impairments on mortgage-related securities within our Retained portfolio. The 2005 amounts have been revised to conform with the current year presentation.
- (2) See our MVS in the Investor Relations section of our Web site for definitions of certain captions used in this table.
- (3) The Retained portfolio presented in this table differs from the Retained portfolio presented on our consolidated balance sheets because the consolidated balance sheets caption includes valuation adjustments ( e.g. , fair value adjustments for securities classified as available-for-sale and trading and the Reserve for losses on mortgage loans held-for-investment) and deferred balances ( e.g. , premiums and discounts).

**FREDDIE MAC**  
**CHARACTERISTICS OF MORTGAGES AND MORTGAGE-RELATED SECURITIES IN THE RETAINED PORTFOLIO**  
**TABLE 9**  
**(unaudited)**  
**(dollars in millions)**

Line:		December 31, 2005 <sup>(1)</sup>			December 31, 2006		
		Fixed Rate	Variable Rate <sup>(2)</sup>	Total	Fixed Rate	Variable Rate <sup>(2)</sup>	Total
1	Mortgage loans	\$ 56,458	\$ 5,023	\$ 61,481	\$ 61,273	\$ 4,574	\$ 65,847
	Guaranteed PCs and Structured Securities: <sup>(3)</sup>						
2	Single-family	299,167	61,766	360,933	282,052	71,828	353,880
3	Multifamily	247	144	391	241	141	382
4	Total Guaranteed PCs and Structured Securities	299,414	61,910	361,324	282,293	71,969	354,262
	Non-Freddie Mac mortgage-related securities:						
	Agency mortgage-related securities: <sup>(4)</sup>						
	Fannie Mae:						
5	Single-family	28,818	13,180	41,998	25,805	17,640	43,445
6	Multifamily	1,294	41	1,335	987	2	989
	Ginnie Mae:						
7	Single-family	1,045	218	1,263	707	231	938
8	Multifamily	30	-	30	13	-	13
9	Total agency mortgage-related securities	31,187	13,439	44,626	27,512	17,873	45,385
	Non-agency mortgage-related securities:						
10	Single-family	4,749	181,678	186,427	4,280	174,081	178,361
11	Commercial mortgage backed securities	34,533	8,954	43,487	23,768	20,992	44,760
12	Mortgage revenue bonds <sup>(5)</sup>	11,229	92	11,321	13,760	74	13,834
13	Manufactured housing <sup>(6)</sup>	1,508	172	1,680	1,381	129	1,510
14	Total non-agency mortgage-related securities <sup>(7)</sup>	52,019	190,896	242,915	43,189	195,276	238,465
15	Total unpaid principal balance of Retained portfolio	\$ 439,078	\$ 271,268	710,346	\$ 414,267	\$ 289,692	703,959
16	Premiums, discounts, deferred fees, impairments of unpaid principal balances and other basis adjustments			2,111			103
17	Net unrealized gains (losses) on mortgage-related securities, pre-tax			(3,551)			(4,046)
18	Participation Certificate residuals, at fair value			597			597
19	Reserve for losses on mortgage loans held-for-investment			(119)			(70)
20	Total Retained portfolio per consolidated balance sheets			\$ 709,384			\$ 700,543

- (1) Certain amounts for 2005 have been revised to conform with the 2006 presentation.
- (2) Variable-rate mortgage loans and mortgage-related securities include those with a contractual coupon rate that, prior to contractual maturity, is either scheduled to change or subject to change based on changes to the composition of the underlying collateral. Mortgage loans also include mortgages with balloon/reset provisions.
- (3) For Guaranteed PCs and Structured Securities we issue, we are subject to the credit risk associated with the underlying mortgage loan collateral.
- (4) Agency mortgage-related securities are generally not separately rated by nationally recognized statistical rating organizations, but are viewed as having a level of credit quality at least equivalent to non-agency mortgage-related securities rated AAA or equivalent.
- (5) Consists of obligations of states and political subdivisions. Approximately 66 percent and 67 percent of these securities were AAA-rated at December 31, 2005 and 2006, respectively.
- (6) At December 31, 2005 and 2006, 51 percent and 38 percent, respectively, of mortgage-related securities backed by manufactured housing were rated BBB- or above. For the same dates, 97 percent of these securities were supported by third-party credit enhancements (e.g. bond insurance) and other credit enhancements (e.g. , deal structure through subordination). Approximately 33 percent and 30 percent of these securities were AAA-rated at December 31, 2005 and 2006, respectively.
- (7) Credit ratings for most non-agency mortgage-related securities are designated by at least two nationally recognized statistical rating organizations. At December 31, 2005 and 2006, approximately 98 percent and 96 percent, respectively, of total non-agency mortgage-related securities were AAA-rated.

**FREDDIE MAC  
CREDIT QUALITY INDICATORS  
TABLE 10  
(unaudited)  
(dollars in millions)**

Line:	2005				2006				Full-Year	
	1Q 2005	2Q 2005	3Q 2005	4Q 2005	1Q 2006	2Q 2006	3Q 2006	4Q 2006	2005	2006
<b>Credit Enhancements:</b>										
1	17 %	17 %	18 %	17 %	17 %	15 %	18 %	17 %	17 %	17 %
2	18 %	18 %	18 %	17 %	17 %	17 %	16 %	16 %	17 %	16 %
<b>Delinquencies (at period end):<sup>(1)</sup></b>										
Single-family: <sup>(2)</sup>										
Non-credit-enhanced portfolio										
3	0.22 %	0.21 %	0.22 %	0.30 %	0.25 %	0.22 %	0.23 %	0.25 %	0.30 %	0.25 %
4	18,464	17,579	18,643	26,037	22,315	19,824	20,543	22,854	26,037	22,854
Credit-enhanced portfolio										
5	2.56 %	2.37 %	2.26 %	2.46 %	2.16 %	1.90 %	1.87 %	1.86 %	2.46 %	1.86 %
6	49,929	45,527	42,845	47,000	41,399	36,096	35,914	36,008	47,000	36,008
7	0.67 %	0.61 %	0.59 %	0.69 %	0.59 %	0.52 %	0.51 %	0.53 %	0.69 %	0.53 %
Multifamily: <sup>(2)</sup>										
8	0.05 %	0.01 %	- %	- %	- %	0.01 %	- %	0.05 %	- %	0.05 %
9	\$ 27	\$ 4	\$ 2	\$ 2	\$ 3	\$ 5	\$ 1	\$ 30	\$ 2	\$ 30
<b>REO Balances (at period end):</b>										
10	\$ 735	\$ 678	\$ 647	\$ 611	\$ 636	\$ 646	\$ 665	\$ 734	\$ 611	\$ 734
11	8	8	8	18	18	18	10	9	18	9
12	\$ 743	\$ 686	\$ 655	\$ 629	\$ 654	\$ 664	\$ 675	\$ 743	\$ 629	\$ 743
<b>REO Inventory (number of units):</b>										
13	9,604	9,602	8,914	8,531	8,070	8,263	8,302	8,333	9,604	8,070
14	4,372	4,114	3,915	3,460	4,051	4,163	4,007	4,166	15,861	16,387
15	(4,374)	(4,802)	(4,298)	(3,921)	(3,858)	(4,124)	(3,976)	(3,714)	(17,395)	(15,672)
16	9,602	8,914	8,531	8,070	8,263	8,302	8,333	8,785	8,070	8,785
<b>REO Operations Income (Expense):</b>										
17	\$ (8)	\$ (5)	\$ (7)	\$ (20)	\$ (12)	\$ (7)	\$ (20)	\$ (22)	\$ (40)	\$ (61)
18	-	-	-	-	-	-	1	-	-	1
19	\$ (8)	\$ (5)	\$ (7)	\$ (20)	\$ (12)	\$ (7)	\$ (19)	\$ (22)	\$ (40)	\$ (60)
<b>Loan Loss Reserves:<sup>(3)</sup></b>										
20	\$ 264	\$ 280	\$ 271	\$ 391	\$ 414	\$ 345	\$ 351	\$ 389	\$ 264	\$ 414
21	36	17	146	52	(36)	56	93	102	251	215
22	(30)	(22)	(25)	(24)	(30)	(40)	(35)	(37)	(101)	(142)
23	-	(3)	(2)	(3)	-	-	(5)	-	(8)	(5)
24	-	(2)	(5)	(4)	(6)	(10)	(17)	(38)	(11)	(71)
25	10	1	6	2	3	-	2	4	19	9
26	\$ 280	\$ 271	\$ 391	\$ 414	\$ 345	\$ 351	\$ 389	\$ 420	\$ 414	\$ 420
27	0.9 bp	0.8 bp	0.8 bp	0.8 bp	0.8 bp	1.1 bp	1.1 bp	1.0 bp	0.8 bp	1.0 bp
<b>Total Credit Losses (Gains):<sup>(6)</sup></b>										
28	\$ 38	\$ 30	\$ 34	\$ 47	\$ 42	\$ 47	\$ 59	\$ 59	\$ 149	\$ 207
29	1.2 bp	0.9 bp	1.0 bp	1.4 bp	1.2 bp	1.3 bp	1.6 bp	1.6 bp	1.1 bp	1.4 bp

(1) Based on the total mortgage portfolio, excluding both non-Freddie Mac mortgage-related securities and that portion of Structured Securities that is backed by Ginnie Mae Certificates.

(2) Single-family delinquencies are based on the number of mortgages 90 days or more delinquent or in foreclosure while multifamily delinquencies are based on net carrying value of mortgages 60 days or more delinquent or in foreclosure. Includes delinquencies on mortgage loans where the lender or third party retains the largest portion of the default risk. Excludes mortgage loans whose original contractual terms have been modified under an agreement with the borrower as long as the borrower complies with the modified contractual terms.

(3) Loan loss reserves equals the sum of Reserve for losses on mortgage loans held-for-investment (consolidated balance sheets - Line 2) and Reserve for guarantee losses on Participation Certificates (consolidated balance sheets - Line 28).

(4) Provision (benefit) for credit losses includes our provision for losses incurred on our mortgage loans held for investment, which are a component of our Retained portfolio, and our provision for guarantee losses incurred on mortgage loans underlying PCs held by third parties.

(5) Represents the portion of the Guarantee obligation recognized through Guarantor Swap transactions upon the sale of PCs and Structured Securities that correspond to incurred credit losses reclassified to Reserve for guarantee losses on Participation Certificates upon initial recognition of a Guarantee obligation. In addition, the amount includes a reduction of loan loss reserves of \$9 million in first quarter of 2005, related to prior period adjustments for which the related income was recorded in Other income.

(6) Equal to REO operations income (expense) (Line 19) plus Charge-offs, net (Lines 22 and 23).