



Freddie Mac's Second Quarter 2008 Financial Results

August 6, 2008

GAAP financial results

	(\$ Millions)			2Q 2008 vs 1Q 2008	Line No.	Primary source of change
	2Q 2007	1Q 2008	2Q 2008			
1	\$793	\$798	\$1,529	\$731	1	Increased due to short-term and long-term debt funding at lower rates and strong retained portfolio growth resulting from wider spreads on fixed-rate assets.
2	591	789	757	(32)		
	Non-interest income (loss)					
3	840	(1,275)	(711)	564	2	Contractual revenues increased by \$21 million, offset by \$53 million in lower amortization of deferred fees.
4	474	1,169	769	(400)		
5	(356)	48	(651)	(699)		
6	2,342	1,529	1,693	164	3	Decreased losses due to lower interest-rate related mark-to-market losses, partially offset by increased AFS impairments on ABS securities.
7	(442)	(397)	(404)	(7)		
8	(463)	(1,448)	(2,802)	(1,354)	4	Decreased due to accelerated amortization of deferred fees during 1Q 2008 as a result of house price depreciation.
	Non-interest expense					
9	(414)	(66)	(120)	(54)		
10	(200)	(192)	(219)	(27)		
11	(1,519)	(2,103)	(3,545)	(1,442)	5	Increased losses due to decreased gains on debt retirement and sales of AFS securities, as well as reduced recapture of previously recorded losses on purchased loans.
12	823	(574)	(1,852)	(1,278)		
13	(94)	423	1,031	608	8	Increased due to higher delinquency rates, foreclosures, and estimated severity of losses.
14	\$729	(\$151)	(\$821)	(\$670)		

GAAP interest rate sensitivity has decreased

(\$ Millions)		4Q 2007	1Q 2008	2Q 2008	2Q 2008 vs 1Q 2008
1	Hedging derivative gains (losses) excluding commitments, accrual of periodic settlements and swaps denominated in foreign-currency	(2,584)	(\$1,841)	\$1,263	\$3,104
2	Mark-to-market on guarantee asset	(843)	(920)	1,591	2,511
3	Gains (losses) on trading securities	203	971	(2,279)	(3,250)
4	Total mark-to-market related items	(\$3,224)	(\$1,790)	\$575	\$2,365
5	Less: change attributed to spreads ¹	800	(300)	500	800
6	Interest-rate related items	(\$4,024)	(\$1,490)	\$75	\$1,565
7	Income statement change due to interest rate sensitivity	(\$4,024)	(\$1,490)	\$75	\$1,565
8	Change in 5-year swap rate (basis points)	(68)	(88)	97	185
9	Pre-tax interest-rate sensitivity to 1 bp move ²	\$59	\$17	\$1	(\$16)

¹ Changes attributed to spreads relies on models, assumptions and other measurement techniques that will evolve over time.

² Estimate of interest rate sensitivity based on 5-year swap rate. Actual sensitivity will depend on the slope of the yield curve and other factors, and may vary significantly from this estimate.

Reversal of mark-to-market items adds to earnings

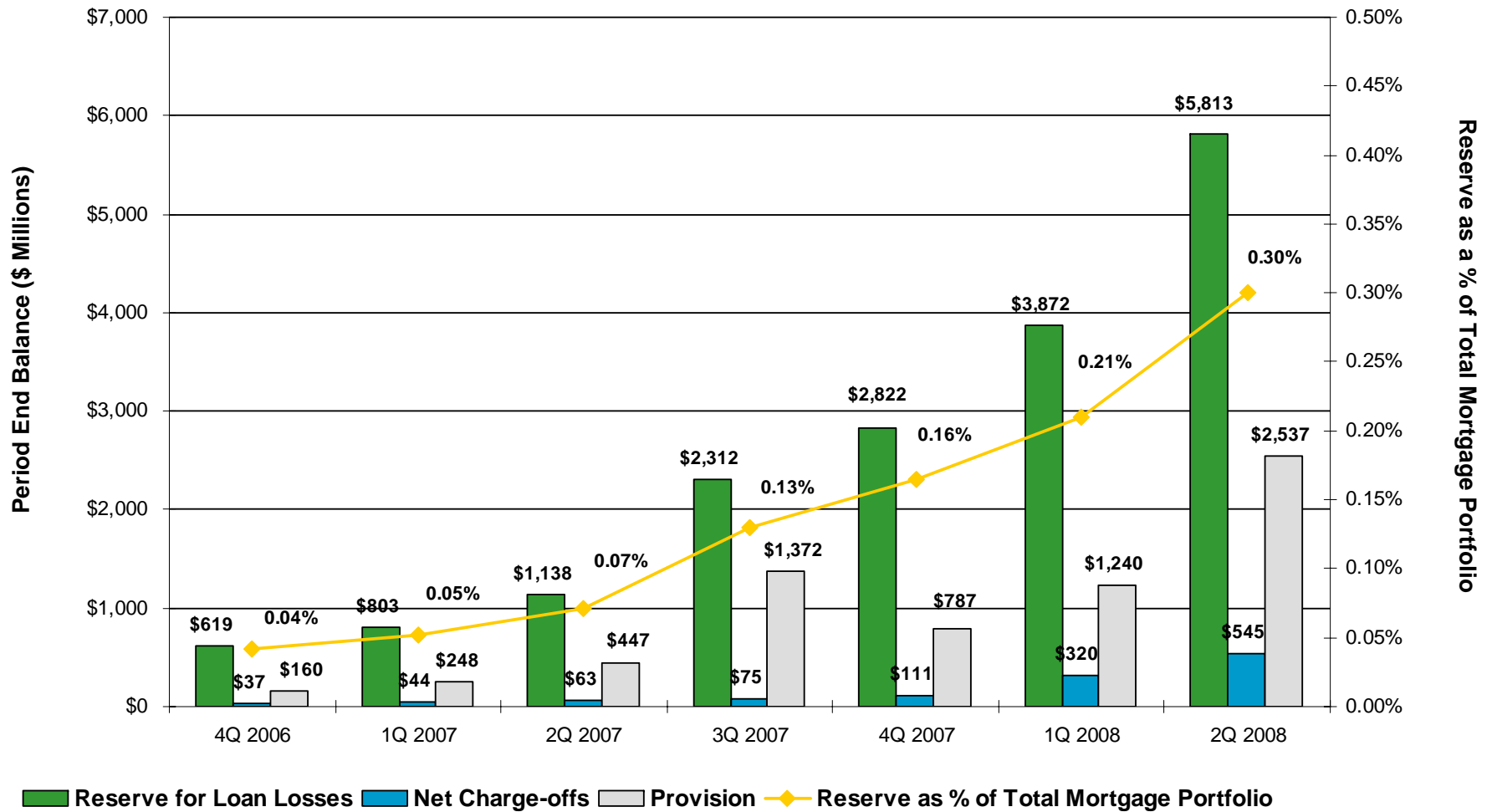
	Pre-tax amounts in retained earnings at March 31, 2008	Pre-tax amount recognized in 2Q 2008 earnings	Pre-tax amount recognized in 1H 2008 earnings	Pre-tax amounts in retained earnings at June 30, 2008
1 Losses on loans purchased	\$1,284			\$1,268
a Amount recognized through net interest income		\$15	\$30	
b Amount recognized through non-interest income		<u>\$121</u>	<u>\$347</u>	
c Total		\$136	\$377	
2 Losses on certain credit guarantees	\$2,179			\$1,972
a Amount recognized through income on Guarantee obligation and other		\$207	\$447	
3 Total	\$3,463	\$343	\$824	\$3,240

Credit summary

- Realized credit losses increased from \$528 million to \$810 million between 1Q08 and 2Q08:
 - » 79% of loss increase due to Alt-A – vs. 10% of UPB
 - » 87% of loss increase occurred in 06/07 books – vs. 36% of UPB
- Provision increased from \$1.2 billion to \$2.5 billion between 1Q08 and 2Q08:
 - » Severities drove about \$1.1 billion of this increase as they rose from an estimated level of 22% at the end of March to 26% at the end of June.
- Severity and REO deterioration is focused in 7 problem states:
 - » The worst 7 states accounted for 65% of the 2Q08 REO UPB acquisitions.

Reserve for loan losses

Reserve for loan losses increased significantly between 2Q 2007 and 2Q 2008



Summary of AFS security impairments

(\$ in millions)

No Monoline		UPB	Impairment	Accretable Amount	Estimated Avg. Recovery Period (Yrs)	Average Annual Accretion \$
1	Subprime 1st lien	\$101	\$38			
2	Subprime 2nd lien	290	163			
3	Alt-A	910	243			
4	MTA	-	-			
5	HELOC	-	-			
6	Subtotal	\$1,301	\$444	\$356	3	\$133

Monoline related		UPB	Impairment	Accretable Amount	Estimated Avg. Recovery Period (Yrs)	Average Annual Accretion \$
7	Subprime 1st lien	\$817	\$321			
8	Subprime 2nd lien	-	-			
9	Alt-A	133	61			
10	Subtotal	\$950	\$382	\$328	3	\$110

11	Total Mtg Related ABS (Retained Portfolio)	\$2,251	\$826	\$684		\$243
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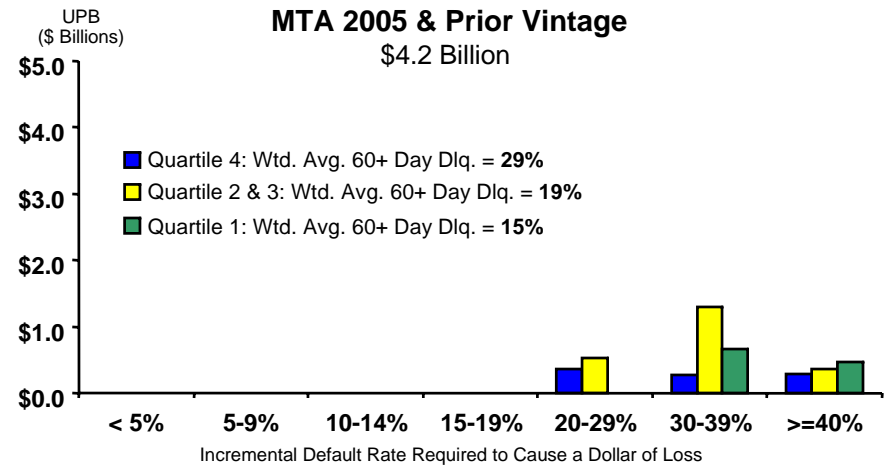
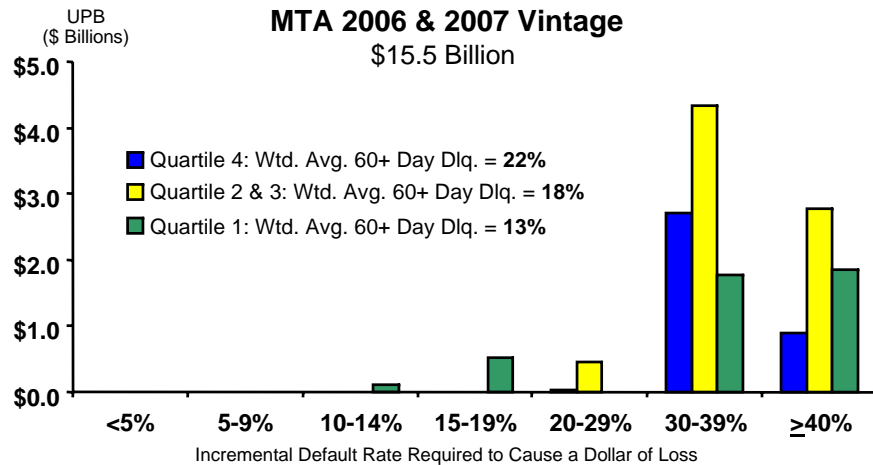
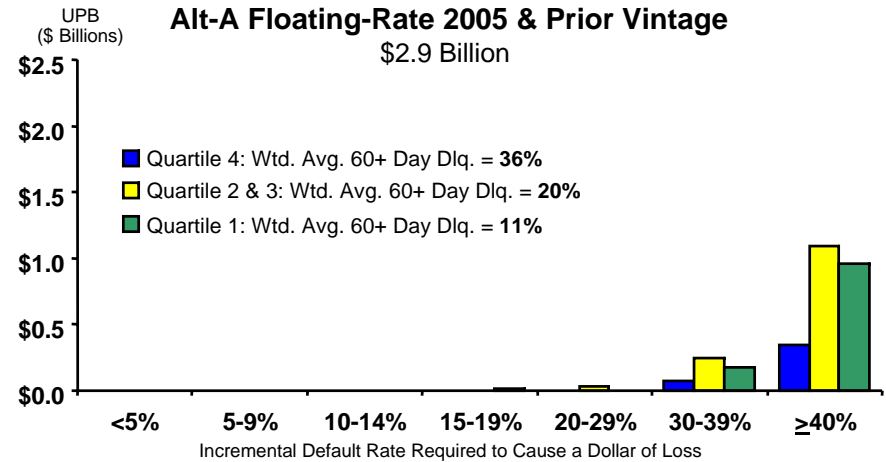
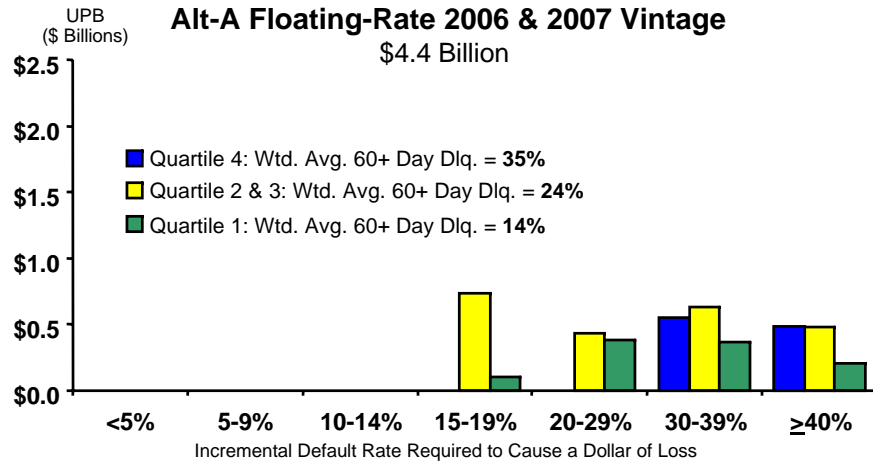
Non Mtg Related ABS (Cash and Investments Portfolio)		UPB	Impairment	Accretable Amount	Estimated Avg. Recovery Period (Yrs)	Average Annual Accretion \$
12		\$8,934	\$214	\$214	2	\$95

13	Total AFS Impairments	\$11,185	\$1,040	\$898		\$338
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¹ Assumes full accretion back to earnings. Actual results may vary and amounts realized may be materially less than indicated. Factors that could influence amounts realized include actual losses on impaired assets, and other factors that may impact the receipt of contractual cash flows.

Note: Impairment data as of June 30, 2008.

Incremental default rates required to incur a dollar loss, after defaulting the 60+ day delinquent population

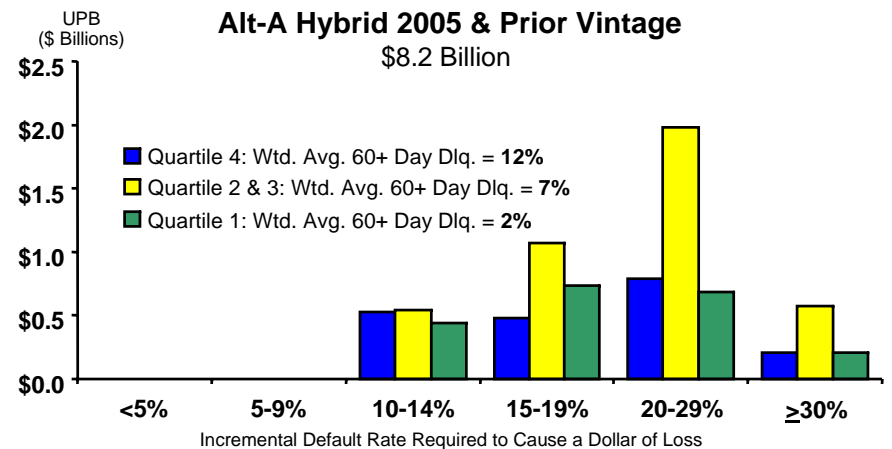
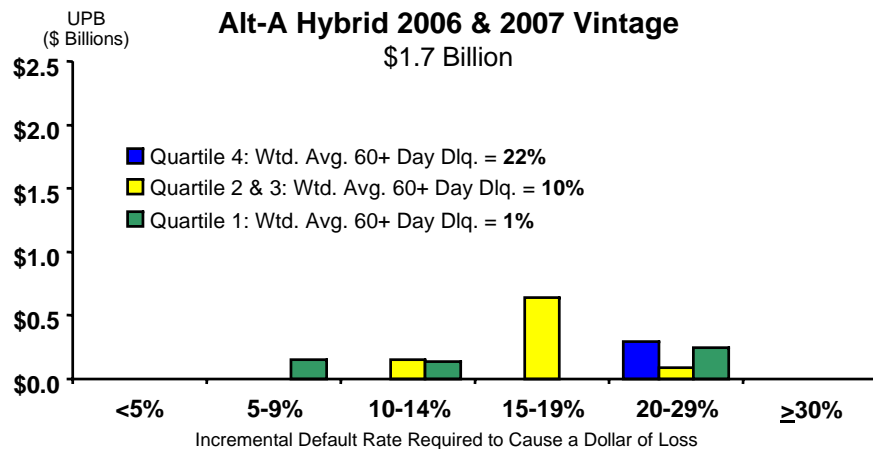
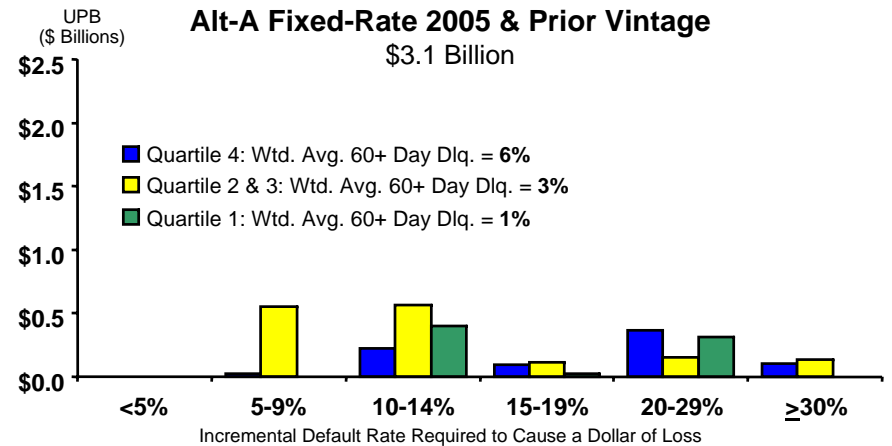
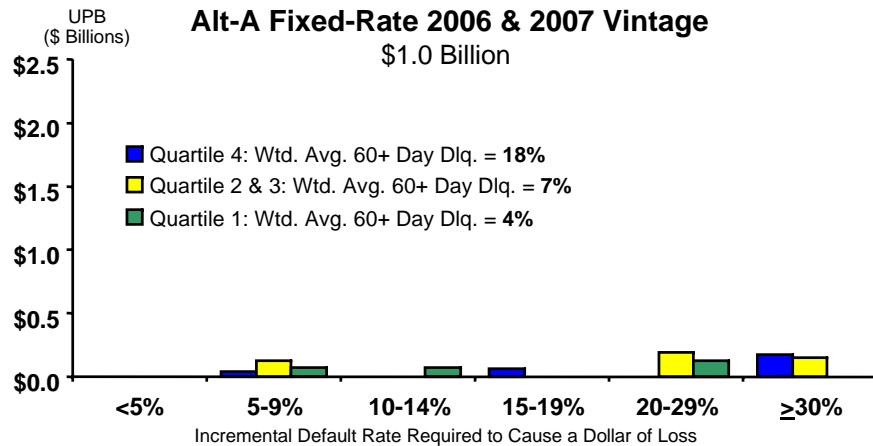


- Despite higher delinquency rates relative to the rest of the Alt-A portfolio, less than \$1.7 billion of the Alt-A floating-rate 2006 & 2007 vintage have incremental breakeven default rates of below 30% and none of these are in the worst performing quartile.
- Similarly, only around \$1.1 billion of the MTA 2006 & 2007 vintage have incremental breakeven default rates below 30%.

Notes: Alt-A & MTA severity rate assumptions: Alt-A - 50% peak, 45% average; MTA - 55% peak, 50% average.

In this analysis, impaired bonds and monoline insured bonds are excluded. Bonds insured by a certain monoline insurer are assumed to have no insurance benefit and have been included in this analysis.

Incremental default rates required to incur a dollar loss, after defaulting the 60+ day delinquent population

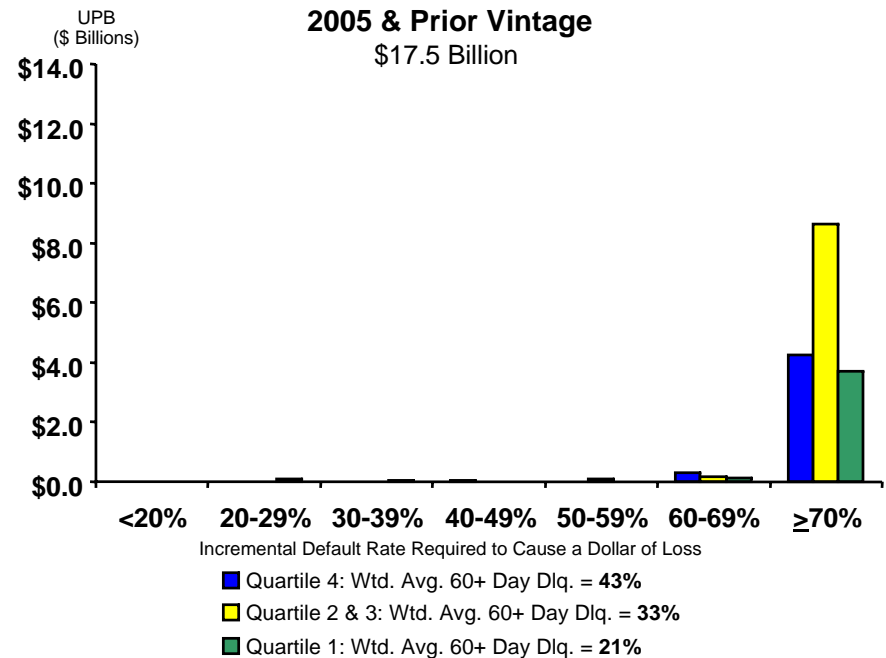
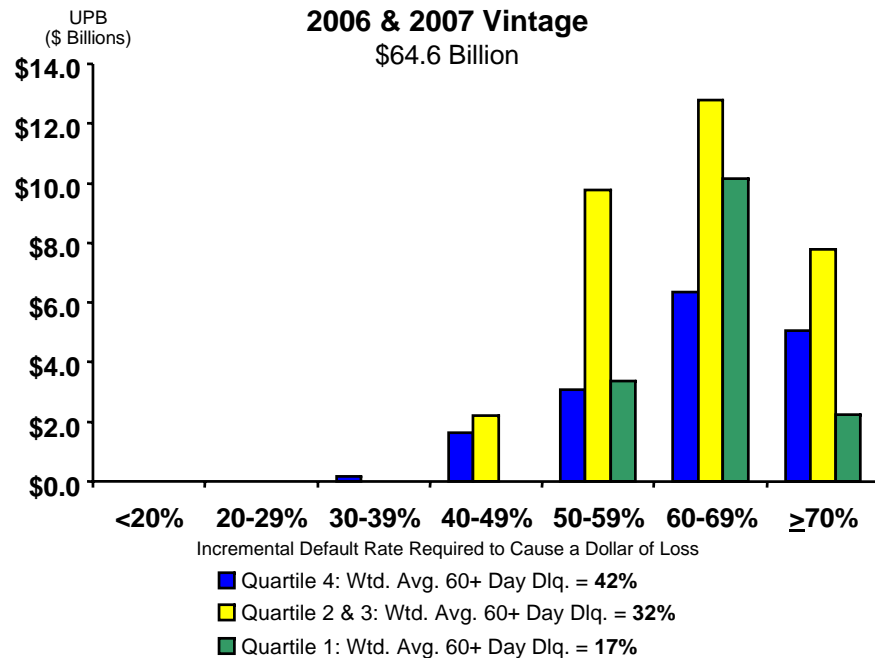


- The vast majority of both fixed-rate and hybrid Alt-A are from the 2005 and prior vintage, which have performed better than the 2006 & 2007 vintage.
- Delinquency rates on all but the worst performing quartiles are equal to or less than 10%.
- From the 2006 & 2007 vintages, approximately \$1.5 billion of Alt-A fixed-rate and hybrid have incremental break-even default rates below 20% and of these less than \$100 million are currently residing in the worst performing quartile.
- From the 2005 & prior vintages, performance has been very good especially in fixed rate.
 - » In fixed, around \$600 million breaks below 10%.
 - » In the hybrids, outside of the strongest quartile (with 60+day of 2%), around \$1 billion in UPB breaks below 15% with another \$1.6 billion below 20%.

Notes: Alt-A & MTA severity rate assumptions: Alt-A - 50% peak, 45% average; MTA - 55% peak, 50% average.

In this analysis, impaired bonds and monoline insured bonds are excluded. Bonds insured by a certain monoline insurer are assumed to have no insurance benefit and have been included in this analysis.

Subprime portfolio - incremental default rates required to incur a dollar loss, after defaulting the 60+ day delinquent population



- The graphs above depict a summary view of the cashflow analysis performed on every bond in order to determine whether we expect contractual cash shortfalls.
 - » In this analysis, loans currently 60+ day delinquent are assumed to default using very high transition rates (generally more than 90%).
 - » A break-even point of additional defaults (incremental default rate required) from the remaining population of currently performing loans (non-60+ day delinquent) is determined based on contractual credit enhancements and prepayment and severity assumptions ⁽¹⁾.
 - » Based on the characteristics of the remaining collateral, deal performance and other factors impacting projections of future performance, the break-even point is evaluated for each bond to determine if it is probable.
 - » Other factors evaluated in determining impairments are Ratings Agency actions, amount and length of unrealized loss, and any other factor that may impact the receipt of contractual cashflows.
- Approximately 95% (\$77.9 billion) of the bonds require incremental default rates of more than 50% in order to cause a dollar of loss.
- Only approximately \$1.9 billion currently resides in the worst quartile and 5% (\$4.2 billion) of the total subprime portfolio has incremental default rates below 50%.

(1) Subprime severity rate assumption: 60% peak, 55% average.

Note: In this analysis, impaired bonds and monoline insured bonds are excluded. Bonds insured by a certain monoline insurer are assumed to have no insurance benefit and have been included in this analysis.

Capital overview

(\$ Billions)	Estimated Regulatory Core Capital ¹	Estimated Statutory Minimum Capital Surplus ²	Estimated Surplus Over OFHEO Mandatory Target ³
1 As reported at 3/31/2008	\$38.3	\$11.4	\$6.0
2 As of 6/30/2008	\$37.1	\$8.4	\$2.7

Sources of capital flexibility

- Current capital surplus of \$2.7 billion
- Growth in revenues
- Expected reduction in common dividend to \$0.05 or less per quarter
- Manage the size of the retained portfolio

¹ Core capital consists of the par value of outstanding common stock (common stock issued less common stock held in treasury), the par value of outstanding non-cumulative perpetual preferred stock, additional paid-in capital and retained earnings, as determined in accordance with GAAP.

² Estimated statutory minimum capital surplus represents surplus above Freddie Mac's estimated statutory minimum capital requirement, as directed by the Office of Federal Housing Enterprise Oversight (OFHEO).

³ In March 2008, OFHEO reduced the mandatory target capital surplus from 30% to 20% of the company's estimated statutory minimum capital requirement.

Capital vs. Statutory Minimum Requirement ^{1,2}

(\$ in Billions)		2009			
		Loss Provision & REO (Cumulative 2008 - 2009, pre-tax)			
		\$15.5	\$19.4	\$25.0	\$29.0
ABS Impairments (Cum. 2008 - 2009, pretax)	\$2.0	13.3	10.7	6.9	4.3
	\$4.5	12.1	9.5	5.7	3.1
	\$7.0	10.8	8.2	4.5	1.8
	\$9.5	9.6	7.0	3.2	0.6
	\$12.0	8.3	5.7	2.0	(0.7)

¹ Amounts include 1H08 credit expenses and impairments totaling \$5.4 billion, completion of announced \$5.5 billion capital raise, reduction of common dividend to \$0.05 per share.

² The above chart depicts the effect of different ABS impairment and credit loss scenarios on certain revenue and expense assumptions that are held broadly consistent in each scenario. These assumptions are highly subjective and used for purposes of illustration only. They are not intended as revenue or expense forecasts and actual results may differ materially from those assumed, including as a result of the effect of items that are marked to market through our income statement as well as other variables. Our ABS impairment and credit loss scenarios reflect what we believe to be a range of possible outcomes, but actual results could fall outside this range, leading to capital levels significantly outside those depicted above.

Potential single-family lifetime credit costs¹

(\$ in Billions)

Prime Portfolio (2005 & Prior ⁵) Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		30%	35%	40%
1	1%	\$3	\$3	\$4
2	2%	\$6	\$7	\$8
3	3%	\$9	\$10	\$11
4	Balance (UPB \$ billions) ²		\$949	
5	% Seriously Delinquent ³		0.74%	

Prime Portfolio (2006 & After ⁵) Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		30%	35%	40%
3	3%	\$6	\$8	\$8
4	4%	\$8	\$10	\$11
5	5%	\$10	\$12	\$14
	Balance (UPB \$ billions) ²		\$698	
	% Seriously Delinquent ³		1.00%	

Prime Portfolio Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		Low	Med	High
Low	Low	\$9	\$11	\$12
Med	Med	\$14	\$17	\$19
High	High	\$19	\$22	\$25
	Balance (UPB \$ billions) ²		\$1,647	
	% Seriously Delinquent ³		0.82%	

Alt-A Portfolio (Worst 20% ⁴) Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		40%	45%	50%
6	30%	\$4	\$5	\$6
7	40%	\$6	\$7	\$7
8	50%	\$8	\$9	\$10
9	Balance (UPB \$ billions) ²		\$38	
10	% Seriously Delinquent ³		11.41%	

Alt-A Portfolio (Remaining Percent) Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		35%	40%	45%
5	5%	\$3	\$3	\$3
8	8%	\$4	\$4	\$5
10	10%	\$5	\$6	\$7
	Balance (UPB \$ billions) ²		\$152	
	% Seriously Delinquent ³		2.20%	

Alt-A Portfolio Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		Low	Med	High
Low	Low	\$7	\$8	\$9
Med	Med	\$10	\$11	\$12
High	High	\$13	\$15	\$17
	Balance (UPB \$ billions) ²		\$190	
	% Seriously Delinquent ³		3.72%	

Total Portfolio Nominal Lifetime Default Cost				
Default Rate	Severity Rate	Severity Rate		
		Low	Med	High
11	Low	\$16	\$19	\$21
12	Med	\$24	\$28	\$31
13	High	\$32	\$37	\$42
14	Balance (UPB \$ billions) ²		\$1,837	
15	% Seriously Delinquent ³		1.04%	

¹ These tables are for indicative purposes only. They do not reflect the company's views on the likelihood of any potential outcome with respect to defaults or severities on its mortgage portfolio. Actual results may differ substantially from the scenarios presented in these tables.

² Based on the unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio, including all structured transactions.

³ Loans 90 days or more delinquent, or in foreclosure. Percentage based on loan counts.

⁴ The worst 20% of the Alt-A population was identified by selecting the individual transactions from our bulk Alt-A business channel with the worst delinquency performance. Bulk Alt-A is also included in the remaining percent.

⁵ Vintage indicates year of loan origination.

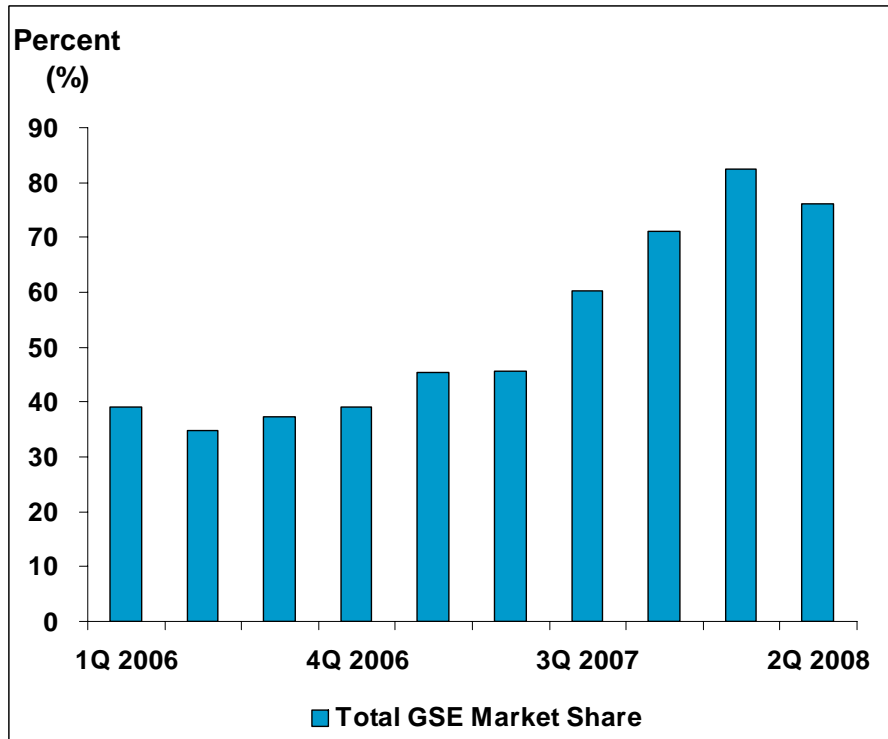
Credit profile of worst new quintile of new guarantees

Worst Quintile Credit Characteristics				Total Improvement From 2007 Peak
	2007 Peak	March 2008 ¹	June 2008 ¹	
1 FICO <620	21%	9%	6%	(15%)
2 TLTV >90	46%	22%	16%	(30%)
3 Reduced documentation loans	41%	12%	7%	(34%)
4 % of loans with 2nd lien exposure at origination	38%	12%	10%	(28%)
5 Expected Default Costs on worst quintile new guarantees (basis points)	97 bps	41 bps	35 bps	(62) bps

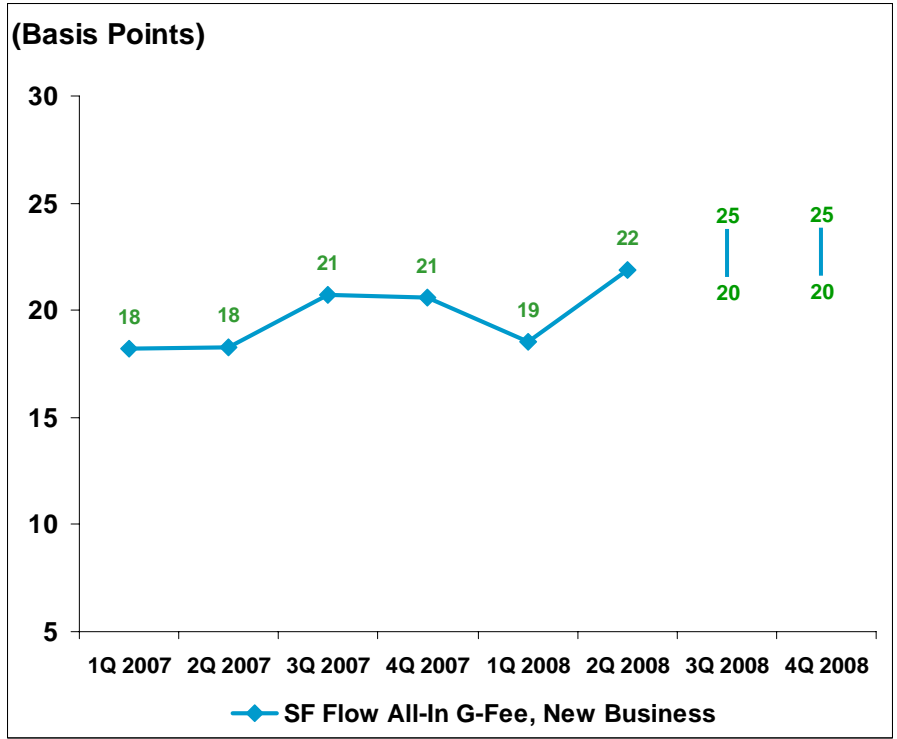
¹ Credit characteristics on new single-family deliveries are measured as of the end of the period listed.

Improved fundamentals in single-family guarantee business

GSE market share of new issuances



Expected all-in g-fees on new volumes

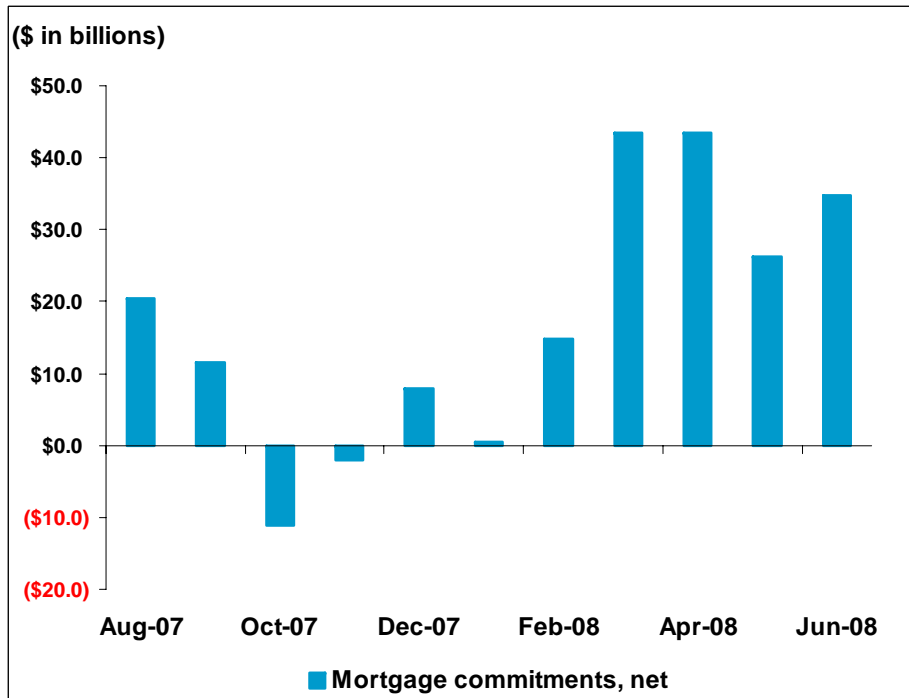


Source: Inside Mortgage Finance and Freddie Mac.

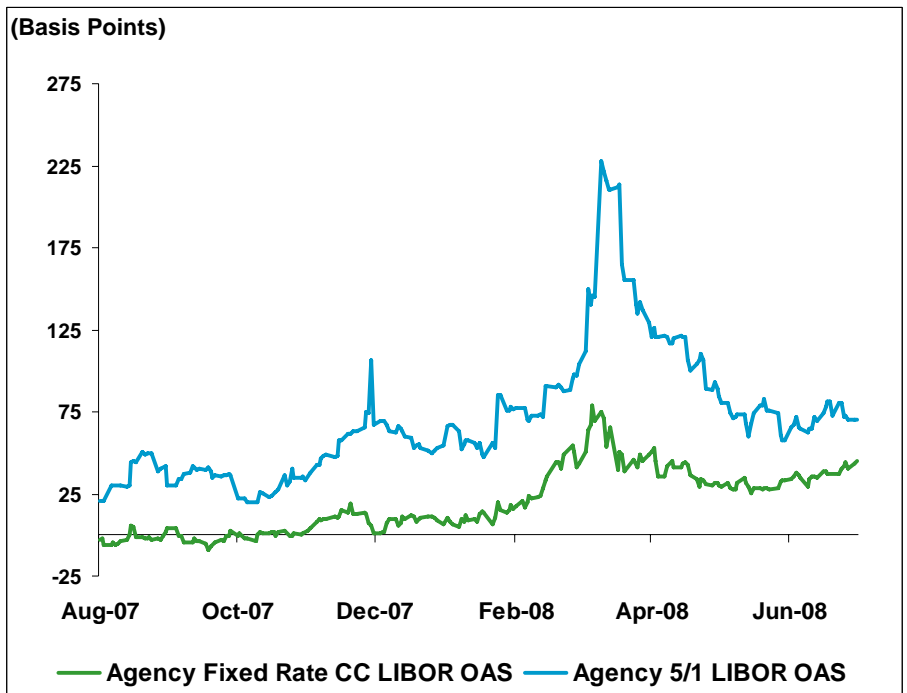
Note: All-in g-fees reflect contractual amounts as well as deferred delivery fee amounts which we recognized as a component of income on Guarantee obligation.

Improved fundamentals in retained portfolio

Retained portfolio commitments, net



Mortgage-to-LIBOR OAS



— Agency Fixed Rate CC LIBOR:	5 yr Avg. OAS = (1.8) bps
	June 30 OAS = 43 bps
— Agency 5/1 LIBOR:	2 yr Avg. OAS = 34.5 bps
	June 30 OAS = 71 bps



Appendix

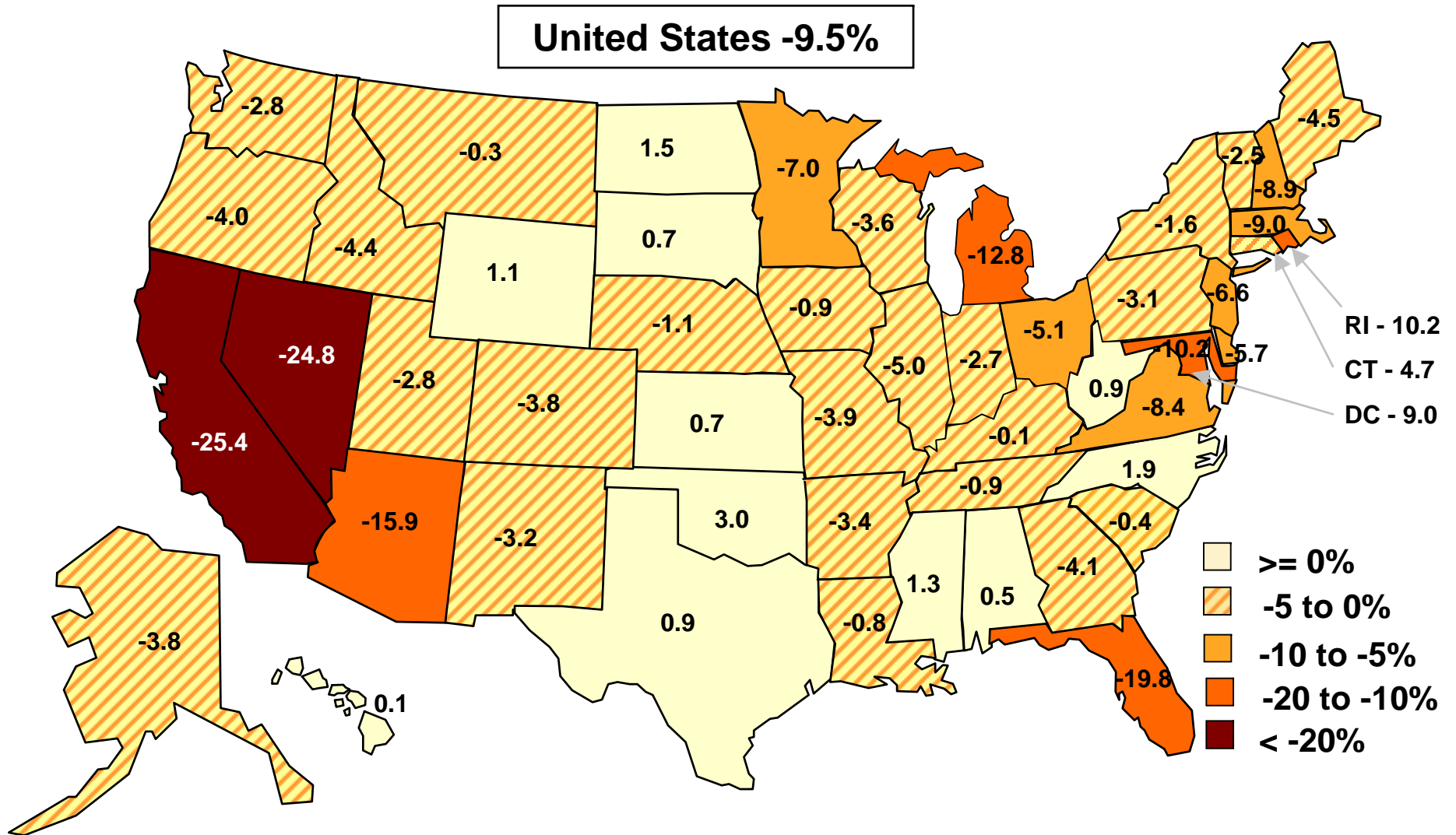
Quarterly mark-to-market items

				2Q 2008 vs 1Q 2008	Line No.	Primary source of change
(\$ Millions)	2Q 2007	1Q 2008	2Q 2008			
1 Gains (losses) on derivatives excluding accrual of periodic settlements and swaps denominated in foreign-currency	(\$108)	(\$1,330)	\$1,020	\$2,350		Increase in interest rates resulted in net fair value gains, as gains in the net pay-fixed swaps portfolio more than offset the losses on swaptions and forward purchase mortgage commitments.
2 Mark-to-market on guarantee asset	1,243	(920)	1,591	2,511	1	
3 Gains (losses) on trading securities	20	971	(2,279)	(3,250)		
4 Subtotal interest-rate related items (Lines 1, 2, 3)	1,155	(1,279)	332	1,611		
5 Losses on certain credit guarantees	(150)	(15)	-	15		Impact of higher interest rates produced losses on trading securities, which were partially offset by mark-to-market gains on the GA.
6 Losses on loans purchased	(264)	(51)	(120)	(69)	2/3	
7 Subtotal credit-related items (Lines 5, 6)	(414)	(66)	(120)	(54)		
8 AFS security impairments	(294)	(71)	(1,040)	(969)	8	Impairments on AFS securities as described on slide 6.
9 Other	(21)	75	(3)	(78)		
10 Total mark-to-market items	\$426	(\$1,341)	(\$831)	\$510		

2Q 2008 GAAP net interest yield analysis

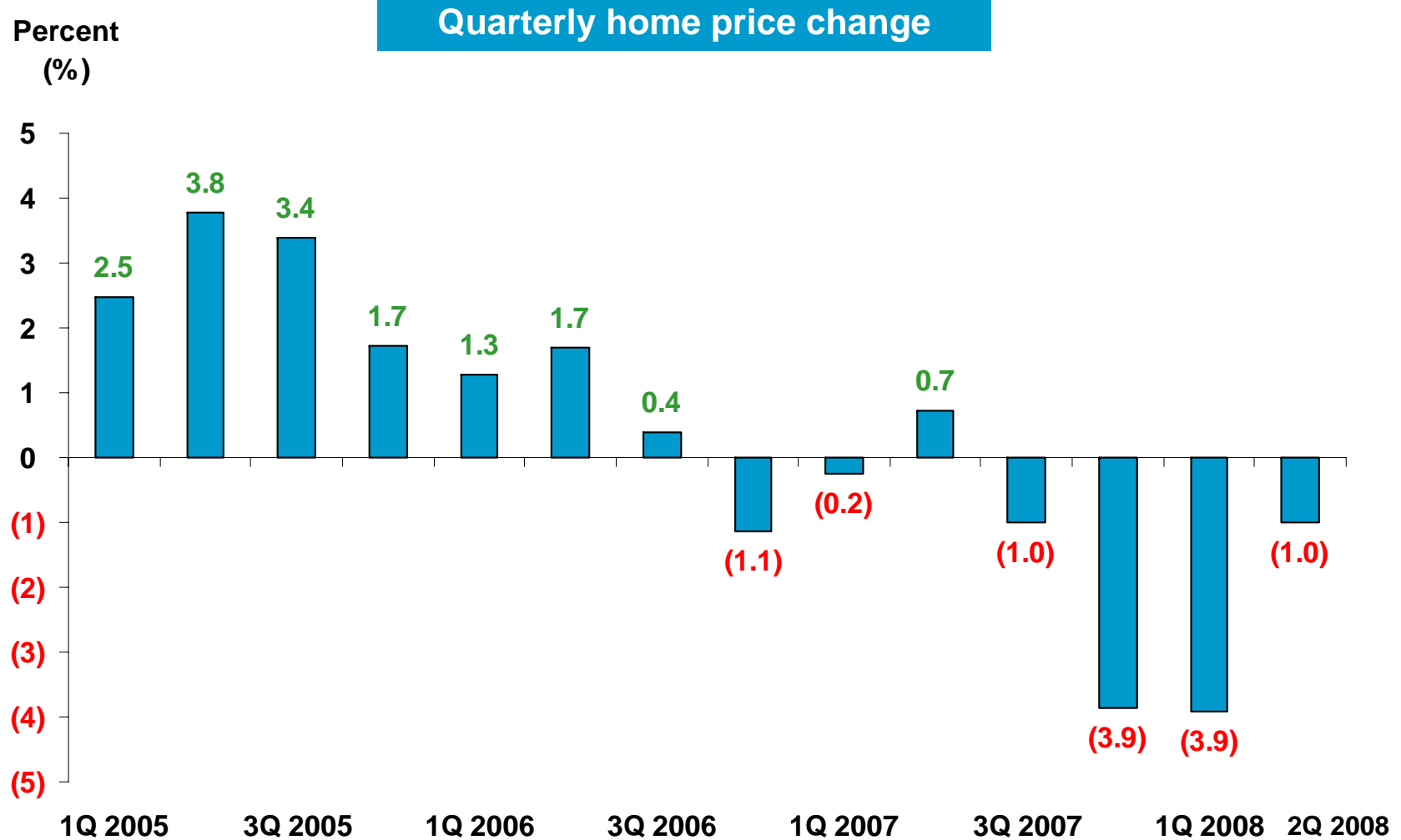
Roll Analysis		2Q 2008 vs 1Q 2008
1	Beginning Net Interest Yield (3/31/2008)	0.48%
2	Net impact from floating rate resets (assets and funding)	0.08
3	Increase in growth and change in mix	0.06
4	Reduction in long-term funding costs due to replacement of called / matured high coupon debt	0.14
5	Reduction in long-term funding costs due to new issuance of lower coupon debt	0.06
6	Increase in lower yielding assets	(0.02)
7	Ending Net Interest Yield (6/30/2008)	0.80%

39 States and Washington DC had house price declines from 2Q 2007 to 2Q 2008¹



¹ National home prices use the internal Freddie Mac index, which is value-weighted based on Freddie Mac's single-family portfolio.

National home prices have continued to decline¹



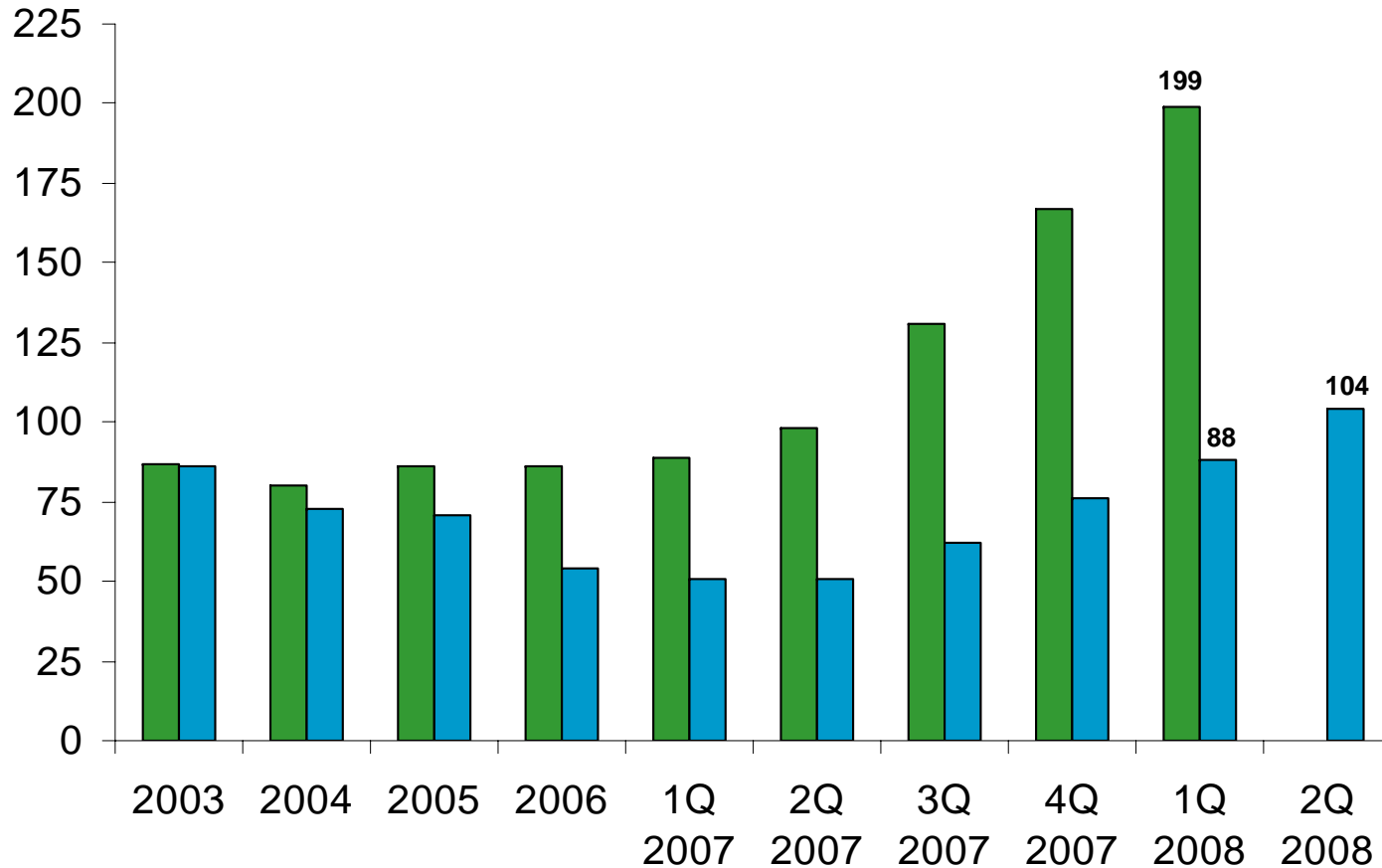
¹ National home prices use the internal Freddie Mac index, which is value-weighted based on Freddie Mac's single-family portfolio.

Source: Freddie Mac.

Delinquencies are low relative to the industry

(Basis Points)

90-day or more delinquencies



■ MBA Prime Conventional Mortgage Serious Delinquencies
■ Freddie Mac Total Single-Family 90-day or More Delinquencies¹

¹ Includes structured transactions. Delinquency rate excluding all structured transactions was 0.93% at June 30, 2008.

Source: Mortgage Bankers Association and Freddie Mac. Annual numbers taken at end of fourth quarter.

Single-family credit losses by book year, state, and mortgage product

2Q 2008 Single-Family Credit Losses by Book Year					
	Losses (\$ Millions)	Total Losses	% of Total Losses	Alt-A	
	(bps)				
1	2007	3.5	\$157	20%	\$112
2	2006	8.2	366	45	266
3	2005	3.2	146	18	56
4	2004	1.0	43	5	1
5	2003 & Prior	2.2	98	12	2
6	Total Credit Losses	18.1	\$810	100%	\$437

Home Price Change ¹				2007 / 2006 Book Years - Credit Losses by State				
	(\$ Millions)	% of Total UPB ²	2Q 2007 to 2Q 2008 HPA	2Q 2008	2Q 2008 Losses	% of 2Q 2008 Losses	Alt-A	Alt-A % of 2Q 2008 Losses
7	CA	14%	(25.4%)	(6.1%)	\$207	40%	\$168	32%
8	FL	7	(19.8)	(6.0)	50	10	34	6
9	AZ	3	(15.9)	(3.6)	55	10	40	8
10	VA	3	(8.4)	(1.3)	42	8	36	7
11	NV	1	(24.8)	(7.4)	25	5	22	4
12	GA	3	(4.1)	1.8	25	5	16	3
13	MI	3	(12.8)	2.1	28	5	9	2
14	MD	3	(10.2)	(3.2)	7	1	6	1
15	Subtotal	37%	n/a	n/a	\$439	84%	\$331	63%
16	All Other	63	n/a	n/a	84	16%	47	9
17	Total U.S.	100%	(9.5%)	(1.0%)	\$523	100%	\$378	72%

¹ National home prices use the internal Freddie Mac index, which is value-weighted based on Freddie Mac's single-family portfolio.

² Based on unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio.

Alt-A and Non-Alt-A credit losses by state

		Total Single-Family Credit Losses				
(UPB in \$ Billions; Credit Losses in \$ Millions)		2Q 2008 UPB	Q1 2008	Q2 2008	2Q 2008 vs 1Q 2008	Q/Q % Change
1	CA	Alt-A \$42	\$75	\$188	\$113	151%
2		Non-Alt-A 206	37	62	25	68
3	FL	Alt-A 19	20	42	22	110
4		Non-Alt-A 105	21	32	11	52
5	AZ	Alt-A 7	20	47	27	135
6		Non-Alt-A 45	11	22	11	100
7	VA	Alt-A 6	23	42	19	83
8		Non-Alt-A 54	4	9	5	125
9	NV	Alt-A 5	14	25	11	79
10		Non-Alt-A 18	3	5	2	67
11	GA	Alt-A 6	14	19	5	36
12		Non-Alt-A 54	17	17	-	-
13	MI	Alt-A 3	7	12	5	71
14		Non-Alt-A 59	72	86	14	19
15	MD	Alt-A 5	4	7	3	75
16		Non-Alt-A 46	2	1	(1)	(50)
17	Subtotal	Alt-A 93	177	382	205	116
18		Non-Alt-A 587	167	234	67	40
19	All Other	Alt-A 97	38	55	17	45
20		Non-Alt-A 1,060	146	139	(7)	(5)
21	Total U.S.	Alt-A 190	215	437	222	103
22		Non-Alt-A 1,647	313	373	60	19
23		Total \$1,837	\$528	\$810	\$282	53%

Credit loss summary: Alt-A

	(UPB in \$ Billions; Credit Losses in \$ Millions)	2Q 2008 Total Credit Losses ¹				
		Total Alt-A UPB	% of Total ²	Total Credit Losses (\$)	Total Credit Losses (bps) ³	% Seriously Delinquent ⁴
1	2007	\$60	17%	\$112	75	3.60%
2	2006	55	19	266	192	5.33
3	Rest of Book	75	6	59	31	2.78
4	Total	190	10	437	92	3.72
5	CA	42	17	188	178	4.97
6	FL	19	15	42	91	9.39
7	AZ	7	13	47	241	5.24
8	VA	6	10	42	288	3.03
9	NV	5	22	25	211	7.32
10	GA	6	10	19	123	2.65
11	MI	3	5	12	167	3.29
12	MD	5	10	7	55	3.37
13	Subtotal	93	14	382	164	5.66
14	All Other	97	8	55	23	2.20
15	Total U.S.	\$190	10%	\$437	92	3.72%

¹ Non-loan level losses are allocated among categories based on relative weight of losses for which there is loan level data.

² Represents Alt-A UPB as a percentage of the respective book years or states as indicated in the table.

³ Annualized total credit losses in basis points are calculated based on Total Alt-A UPB at June 30, 2008 for the respective book years or states as indicated in the table.

⁴ Loans 90 days or more delinquent, or in foreclosure. Percentage based on loan counts.

Credit loss summary: Non-Alt-A

	(UPB in \$ Billions; Credit Losses in \$ Millions)	Total Non-Alt-A UPB	2Q 2008 Total Credit Losses ¹		% Seriously Delinquent ³
			Total Credit Losses (\$)	Total Credit Losses (bps) ²	
1	2007	\$303	\$45	6	1.24%
2	2006	235	100	17	1.24
3	Rest of Book	1,109	228	8	0.68
4	Total	1,647	373	9	0.82
5	CA	206	62	12	0.61
6	FL	105	32	12	1.78
7	AZ	45	22	20	0.88
8	VA	54	9	6	0.38
9	NV	18	5	11	1.03
10	GA	54	17	13	0.93
11	MI	59	86	58	0.81
12	MD	46	1	1	0.55
13	Subtotal	587	234	16	0.92
14	All Other	1,060	139	5	0.78
15	Total U.S.	\$1,647	\$373	9	0.82%

¹ Non-loan level losses are allocated among categories based on relative weight of losses for which there is loan level data.

² Annualized total credit losses in basis points are calculated based on Total Non-Alt-A UPB at June 30, 2008 for the respective book years or states as indicated in the table.

³ Loans 90 days or more delinquent, or in foreclosure. Percentage based on loan counts.

Single-family credit guarantee portfolio characteristics

Attribute	Total Portfolio as of June 30, 2008 ¹	Option				Original	FICO<620	Jumbo
		Alt-A	IO	ARM	FICO<620	LTV >90%	and Original LTV>90%	
1 Balance (UPB \$ Billions)	\$1,837	\$190.0	\$164.1	\$13.0	\$76.0	\$145.0	\$14.3	\$0.5
2 Share of Total Portfolio	100%	10%	9%	1%	4%	8%	1%	0%
3 Average UPB per loan	\$143,546	\$175,961	\$254,505	\$227,798	\$132,369	\$132,195	\$122,494	\$612,135
4 Fixed Rate (% of total portfolio)	87%	58%	24%	0%	88%	92%	89%	82%
5 Owner Occupied	91%	83%	86%	75%	96%	97%	99%	99%
6 Second liens ²	0%	0%	0%	0%	0%	0%	0%	0%
7 % of Loans with Credit Enhancement	18%	16%	14%	13%	35%	92%	95%	8%
8 % Seriously Delinquent (D90+)	1.04% ³	3.72%	4.10%	4.92%	4.61%	2.83%	6.81%	0.00%

¹ Based on the unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio. In 2Q08, we enhanced our disclosures to include all structured transactions where loan characteristics data exists.

² Represents borrowers' secondary mortgage loan financing guaranteed by Freddie Mac.

³ Includes structured transactions. Delinquency rate excluding all structured transactions was 0.93% at June 30, 2008.

Note: Categories other than total portfolio based on internal management reports as of June 30, 2008 or most current period prior to June 30, 2008. Numbers are not additive across columns.

Single-family credit guarantee portfolio characteristics

Attribute	Total Portfolio as of June 30, 2008 ¹	Option				Original LTV >90%	FICO<620 and Original LTV>90%	Jumbo
		Alt-A	IO	ARM	FICO<620			
1 Balance (UPB \$ Billions)	\$1,837	\$190.0	\$164.1	\$13.0	\$76.0	\$145.0	\$14.3	\$0.5
2 Share of Total Portfolio	100%	10%	9%	1%	4%	8%	1%	0%
3 Original Loan-to-Value (OLTV)	71%	72%	74%	72%	77%	97%	97%	70%
4 OLTV > 90%	8%	4%	4%	2%	19%	100%	100%	0%
5 Current Loan-to-Value (CLTV)	67%	78%	86%	90%	75%	91%	92%	71%
6 CLTV > 90%	15%	29%	41%	47%	25%	63%	65%	0%
7 CLTV > 100%	7%	17%	23%	33%	12%	30%	35%	0%
8 Average FICO Score	724	724	719	711	589	692	589	751
9 FICO < 620	4%	4%	3%	4%	100%	10%	100%	0%
Book Year Vintage²								
10 2008	9%	7%	7%	0%	6%	10%	5%	95%
11 2007	20%	32%	42%	2%	30%	34%	41%	5%
12 2006	16%	29%	32%	11%	17%	13%	13%	0%
13 2005	16%	17%	16%	59%	14%	11%	8%	0%
14 2004	11%	6%	3%	27%	10%	9%	8%	0%
15 <= 2003	28%	9%	0%	1%	23%	23%	25%	0%

¹ Based on the unpaid principal balance of the underlying mortgage loans in the single-family mortgage portfolio. In 2Q08, we enhanced our disclosures to include all structured transactions where loan characteristics data exists.

² Vintage indicates year of loan origination.

Note: Categories other than total portfolio based on internal management reports as of June 30, 2008 or most current period prior to June 30, 2008. Numbers are not additive across columns.

Alt-A credit profile by vintage and product feature

Attribute		Alt-A Portfolio as of June 30, 2008	2008 Vintage	2007 Vintage	2006 Vintage	2005 Vintage	2004 Vintage	2003 and Earlier Vintages
1	Balance (UPB \$ Billions)	\$190	\$14	\$60	\$55	\$32	\$11	\$18
2	Share of Alt-A Portfolio	100%	7%	32%	29%	17%	6%	9%
3	Original Loan-to-Value (OLTV)	72%	69%	73%	74%	73%	69%	65%
4	OLTV>90%	4%	4%	5%	3%	2%	3%	6%
5	Current Loan-to-Value (CLTV)	78%	70%	83%	86%	82%	63%	40%
6	CLTV > 100%	17%	1%	17%	25%	21%	5%	0%
7	Average FICO Score	724	744	722	722	721	719	728
8	FICO<620	4%	1%	3%	3%	3%	4%	7%
9	Adjustable-rate	42%	13%	42%	52%	59%	42%	9%
10	Interest-Only	36%	12%	45%	48%	34%	12%	1%
11	Investor	10%	8%	12%	10%	11%	11%	5%
12	Condo/Coop	13%	10%	13%	14%	16%	12%	5%
	Geography:							
13	California	22%	23%	27%	21%	22%	24%	10%
14	Florida	10%	6%	9%	11%	12%	9%	8%
15	% of Loans with Credit Enhancement	16%	16%	13%	8%	31%	28%	16%
16	% Seriously Delinquent (D 90+)	3.72%	0.18%	3.60%	5.33%	4.16%	1.99%	2.67%

Note: Vintage indicates year of loan origination.

Total Single-family guarantee portfolio cumulative default rates by vintage year

Cumulative Default Rates - Overall Originations from 2000 to 2007

Book Year	Quarter post origination																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1 2000	0.00%	0.00%	0.00%	0.00%	0.01%	0.04%	0.07%	0.11%	0.17%	0.23%	0.29%	0.36%	0.43%	0.50%	0.56%	0.62%	0.68%
2 2001	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.08%	0.12%	0.16%	0.21%	0.26%	0.31%	0.35%	0.39%	0.43%	0.47%
3 2002	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.05%	0.08%	0.11%	0.15%	0.19%	0.22%	0.26%	0.29%	0.32%	0.35%	0.38%
4 2003	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.04%	0.05%	0.07%	0.09%	0.11%	0.13%	0.15%	0.17%	0.19%	0.21%
5 2004	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.05%	0.08%	0.11%	0.14%	0.17%	0.20%	0.24%	0.28%	0.32%	0.37%
6 2005	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.06%	0.11%	0.16%	0.22%	0.30%	0.40%	0.52%			
7 2006	0.00%	0.00%	0.00%	0.01%	0.02%	0.06%	0.13%	0.25%	0.42%	0.64%							
8 2007	0.00%	0.00%	0.00%	0.02%	0.09%	0.23%											

Book Year	Quarter post origination																	
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	
9 2000	0.73%	0.77%	0.81%	0.85%	0.87%	0.90%	0.92%	0.94%	0.95%	0.97%	0.99%	1.00%	1.01%	1.03%	1.04%	1.04%	1.06%	
10 2001	0.50%	0.53%	0.55%	0.58%	0.60%	0.62%	0.64%	0.65%	0.67%	0.68%	0.69%	0.71%	0.72%					
11 2002	0.40%	0.43%	0.45%	0.47%	0.49%	0.51%	0.53%	0.55%	0.57%									
12 2003	0.23%	0.24%	0.26%	0.29%	0.31%													
13 2004	0.42%																	
14 2005																		
15 2006																		
16 2007																		

Single-family Alt-A cumulative default rates by vintage year

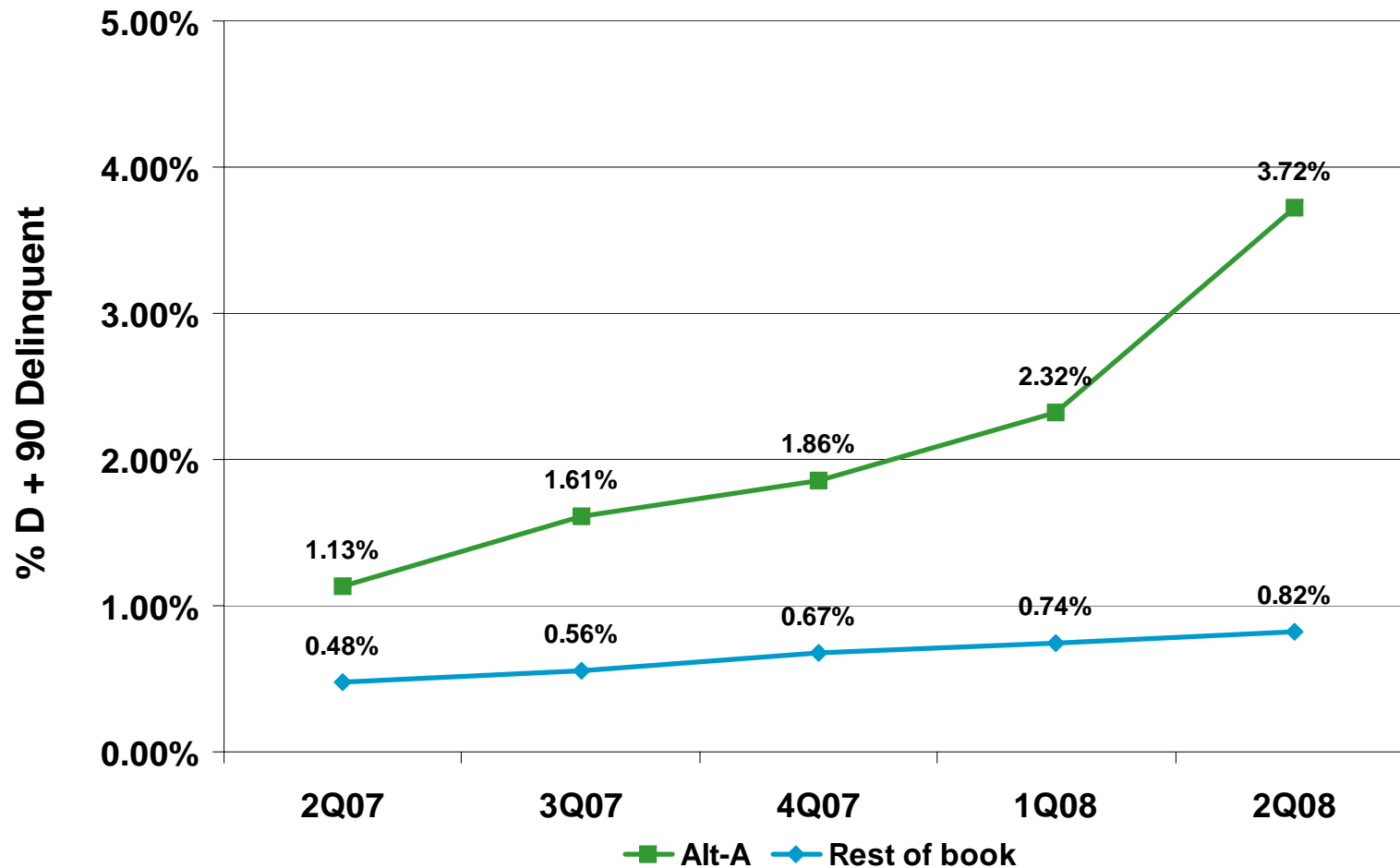
Cumulative Default Rates – Alt-A Originations from 2000 to 2007

Book Year	Quarter post origination																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1 2000	0.00%	0.00%	0.00%	0.01%	0.03%	0.08%	0.16%	0.25%	0.39%	0.51%	0.63%	0.76%	0.88%	1.00%	1.13%	1.23%	1.31%
2 2001	0.00%	0.00%	0.00%	0.02%	0.06%	0.17%	0.28%	0.42%	0.57%	0.77%	0.95%	1.13%	1.28%	1.42%	1.59%	1.71%	1.80%
3 2002	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.04%	0.04%	0.05%	0.05%	0.08%	0.09%	0.09%	0.10%	0.10%
4 2003	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.03%	0.06%	0.08%	0.12%	0.15%	0.17%	0.19%	0.23%	0.25%	0.27%	0.30%
5 2004	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.09%	0.14%	0.19%	0.24%	0.29%	0.34%	0.39%	0.45%	0.53%	0.63%
6 2005	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.08%	0.15%	0.27%	0.42%	0.63%	0.90%	1.23%	1.64%			
7 2006	0.00%	0.00%	0.00%	0.01%	0.04%	0.15%	0.38%	0.79%	1.35%	2.08%							
8 2007	0.00%	0.00%	0.01%	0.08%	0.31%	0.77%											

Book Year	Quarter post origination																
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
9 2000	1.41%	1.49%	1.55%	1.59%	1.62%	1.66%	1.68%	1.71%	1.73%	1.75%	1.76%	1.77%	1.78%	1.79%	1.80%	1.81%	1.82%
10 2001	1.86%	1.91%	1.96%	2.00%	2.03%	2.06%	2.09%	2.12%	2.13%	2.15%	2.17%	2.19%	2.21%				
11 2002	0.10%	0.11%	0.11%	0.11%	0.11%	0.11%	0.12%	0.12%	0.12%								
12 2003	0.32%	0.34%	0.36%	0.39%	0.42%												
13 2004	0.73%																
14 2005																	
15 2006																	
16 2007																	

Total Single-family portfolio serious delinquencies

Serious Delinquencies – Alt-A compared to Rest of Book¹

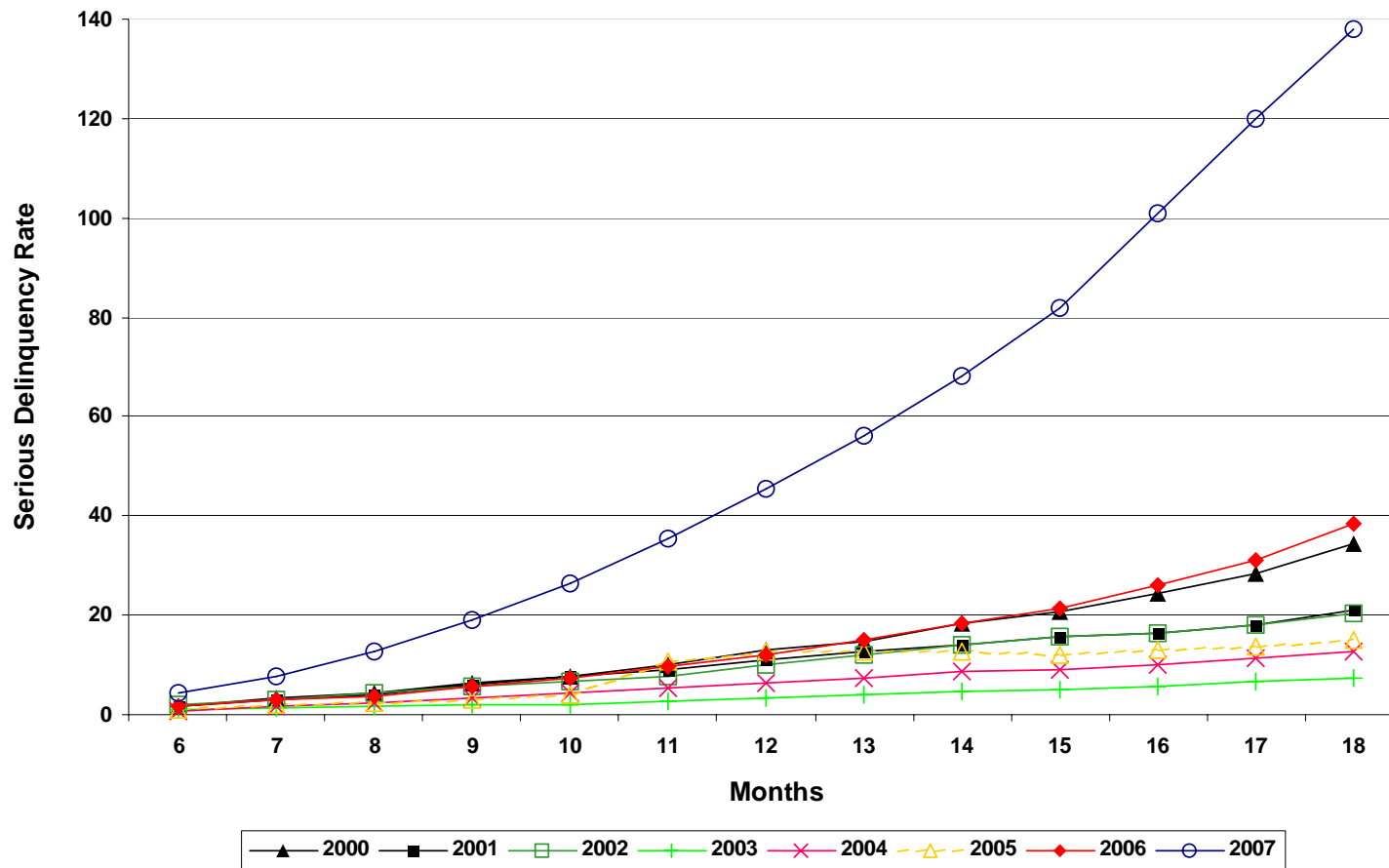


¹ Percentage based on loan counts. Includes structured transactions.

Single-family portfolio delinquencies by book year: Months 6 - 18

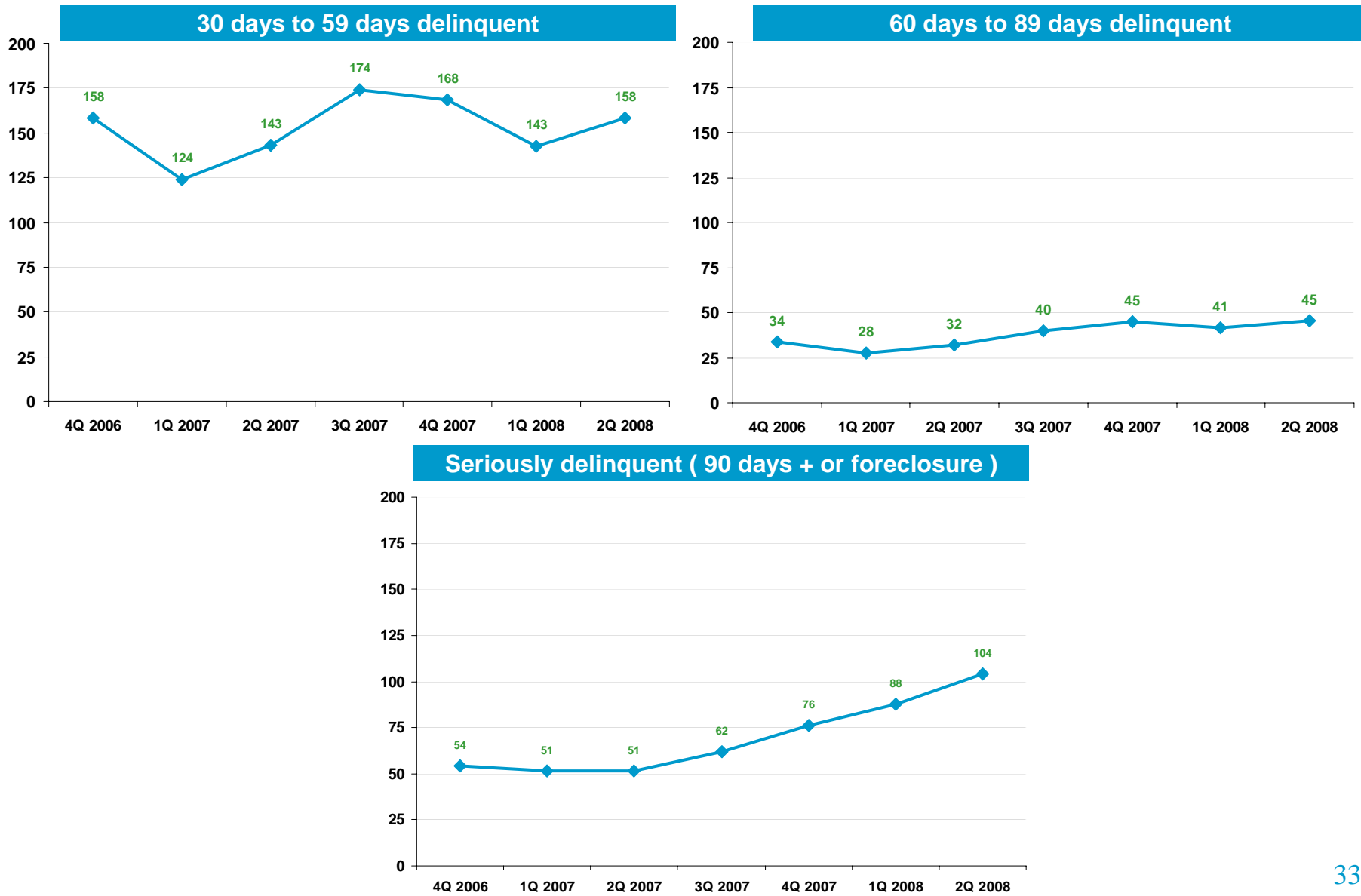
As of month 18 per Book Year	Book Year				
	2003 and earlier	2004	2005	2006	2007
1 Serious Delinquency Rate (bps)	11	13	15	38	138
2 Alt-A % of Book Year	4%	5%	11%	19%	16%

(Basis points)



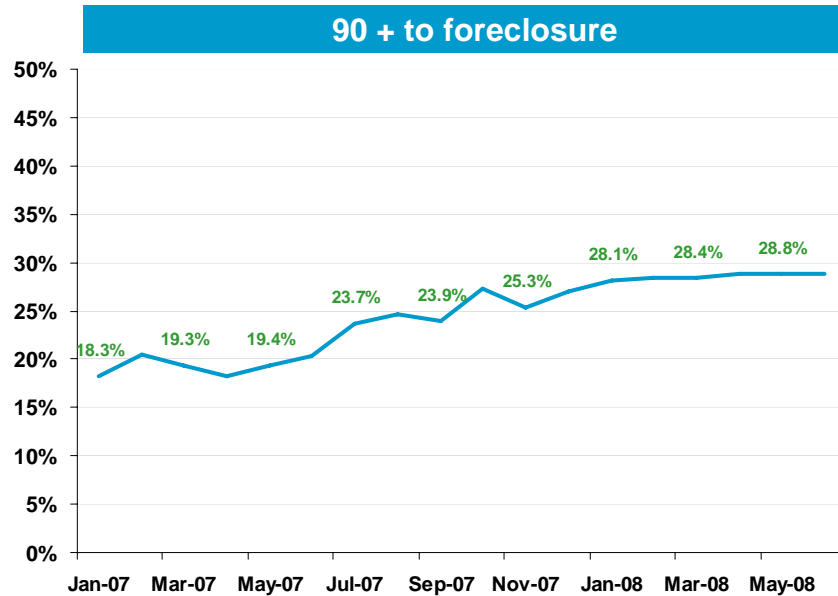
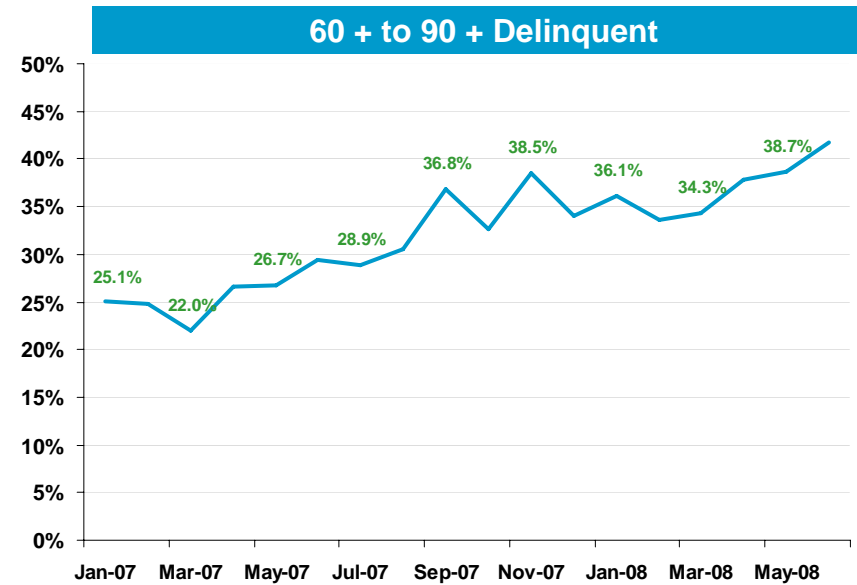
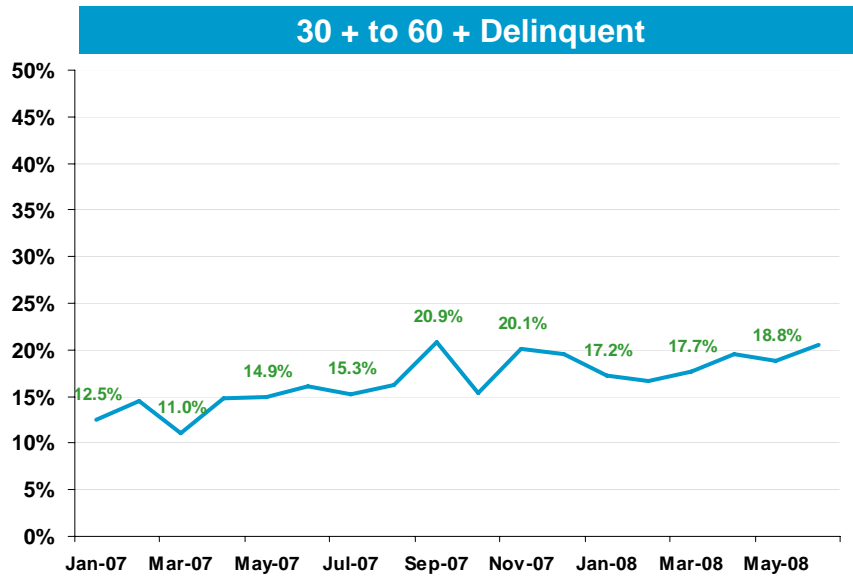
Note: Excludes structured transactions. Book year indicates year of loan origination.

Total Single-family portfolio delinquencies in bps¹



¹ Includes structured transactions.

Roll rates on total Single-family portfolio¹



¹ Primarily excludes structured transactions.

Summary of Alt-A & MTA ABS securities by book year

	Total Non-Impaired UPB (\$M)	Avg. 60+ Day Dfq.	Book Year			% Currently AAA
			% 2007	% 2006	% 2005 & Prior	
Alt-A						
Fixed	\$4,090	4.9	12%	13%	75%	100%
Hybrid	9,955	7.4	0%	17%	83%	100%
Floating	7,540	22.0	26%	32%	42%	79%
Alt-A Total	\$21,586	12.0	11%	22%	67%	93%
MTA Total	\$20,464	18.2	29%	49%	22%	99%

Alt-A ABS Holdings: \$21.6 billion (excludes impaired securities)

- We divided the Alt-A ABS Portfolio into its three main components: Fixed-Rate Passthroughs, Hybrid Passthroughs and Floaters.
- Unlike the overall market, the majority of the Alt-A book (67%) is 2005 and earlier production of which more than one-third is 2004 and earlier.
- In part as a result of seasoning, the majority of our Alt-A portfolio (fixed-rate and hybrid components) has demonstrated reasonable delinquency performance with poor performance concentrated in the Alt-A floaters.
 - » 60+ day delinquencies on both the fixed-rate and hybrid components are under 10%.
- Despite poor performance, impairment risk on the Alt-A floaters is greatly reduced because they benefit materially from excess interest and thus still require significant defaults from the non 60+ day delinquent population before losses will be incurred.

MTA ARMs:

- The MTA portfolio is more concentrated in 2006 and 2007 production and is thus more of a concern.
- However, as in the case of the Alt-A floaters, future default rates (after defaulting the delinquency pipeline) required to create a dollar of loss are still relatively high despite conservative severity assumptions.

Summary of stress test results

Acquisition Date	Total UPB (\$M)	Avg. 60+ Day Dfq.	Stress Test Scenario					
			Default Rate	Severity Rate	Loss Est. (\$M)	Default Rate	Severity Rate	Loss Est. (\$M)
Uninsured Subprime First Lien:								
1 2004 & Prior	1,300	20.2	50%	55%	0.0	57%	65%	0.9
2 2005	15,730	34.4	50%	55%	0.0	57%	65%	8.6
3 2006	33,166	36.6	55%	55%	0.0	63%	65%	748.5
4 2007	31,376	24.8	55%	55%	0.4	62%	65%	1,410.5
5 Uninsured Subprime First Lien Total	81,572	31.4	54%	55%	0.4	61%	65%	2,168.5
Uninsured Alt-A:								
6 2004 & Prior	5,210	5.8	19%	45%	2.5	27%	50%	68.9
7 2005	8,807	9.9	24%	45%	52.4	33%	50%	276.7
8 2006	4,806	17.4	30%	45%	43.3	40%	50%	170.2
9 2007	3,219	19.7	30%	45%	25.2	40%	50%	161.9
10 Uninsured Alt-A Total	22,042	12.0	25%	45%	123.4	34%	50%	677.7
Uninsured MTA:								
11 2005 & Prior	4,235	19.9	32%	45%	0.0	52%	55%	250.1
12 2006	9,475	20.3	32%	45%	0.0	52%	55%	576.1
13 2007	5,984	13.1	33%	45%	5.2	53%	55%	358.0
14 Uninsured MTA Total	19,694	18.0	32%	45%	5.2	52%	55%	1,184.2
15 Total	123,308				129.0			4,030.5

Acquisition Date	Total UPB (\$M)	Avg. 60+ Day Dfq.	Stress Test Scenario	
			Lower Stress Loss Assuming 50% Recovery (\$M)	Higher Stress Loss Assuming 50% Recovery (\$M)
Monoline Insured:				
16 AMBAC	2,907	11	48	227
17 FGIC	3,015	19	68	281
18 FSA	1,333	16	14	128
19 MBIA	770	10	2	63
20 XLCA	1,213	17	16	142
21 Monoline Insured Total	9,238	15	148	841

Note: Monoline stress test results excludes approximately \$325 million in UPB of bonds backed by manufactured housing loans.

Subprime ABS securities stress test results

	Acquisition Date	Quartile	Total UPB (\$M)	Avg. 60+ Day Dfq.	Stress Test Scenario					
					Default Rate	Severity (\$M)		Default Rate	Severity (\$M)	
						55%	65%		55%	65%
Uninsured Subprime First Lien										
1	2004 & Prior	1	338	11.6	45%	0.0	0.0	50%	0.0	0.0
2	2004 & Prior	2	333	17.8	50%	0.0	0.0	55%	0.0	0.2
3	2004 & Prior	3	307	21.3	50%	0.0	0.0	60%	0.0	0.0
4	2004 & Prior	4	322	30.5	55%	0.0	0.3	65%	0.2	0.7
5	2004 & Prior Total		1,300	20.2	50%	0.0	0.3	57%	0.2	0.9
6	2005	1	4,053	24.5	45%	0.0	0.0	50%	0.0	0.0
7	2005	2	3,918	33.0	50%	0.0	0.0	55%	0.0	0.0
8	2005	3	3,957	36.7	50%	0.0	0.0	60%	0.0	2.3
9	2005	4	3,802	43.9	55%	0.0	0.8	65%	2.2	6.3
10	2005 Total		15,730	34.4	50%	0.0	0.8	57%	2.2	8.6
11	2006	1	8,019	28.5	50%	0.0	4.6	55%	0.2	61.9
12	2006	2	8,335	34.1	50%	0.0	0.0	60%	2.0	80.1
13	2006	3	8,213	38.1	55%	0.0	31.4	65%	54.7	254.1
14	2006	4	8,599	45.0	65%	0.0	9.0	70%	32.6	352.4
15	2006 Total		33,166	36.6	55%	0.0	45.0	63%	89.5	748.5
16	2007	1	7,989	13.1	50%	0.0	2.8	55%	0.0	24.8
17	2007	2	8,149	22.6	50%	0.0	11.0	60%	45.7	264.0
18	2007	3	7,807	28.5	55%	0.0	19.6	65%	46.6	372.1
19	2007	4	7,431	35.8	65%	0.4	111.7	70%	196.3	749.6
20	2007 Total		31,376	24.8	55%	0.4	145.1	62%	288.6	1,410.5
21	Uninsured Subprime First Lien Total		81,572	31.4	54%	0.4	191.2	61%	380.5	2,168.5

Alt-A ABS securities stress test results

	Acquisition Date	Quartile	Total UPB (\$M)	Avg. 60+ Day Dfq.	Stress Test Scenario					
					Default Rate	Severity (\$M)		Default Rate	Severity (\$M)	
						45%	50%		45%	50%
Uninsured Alt-A										
1	2004 & Prior	1	1,268	1.7	10%	0.0	0.0	15%	1.9	4.1
2	2004 & Prior	2	1,241	3.5	15%	0.0	0.1	23%	1.0	5.9
3	2004 & Prior	3	1,311	6.0	20%	0.0	0.1	30%	10.3	20.1
4	2004 & Prior	4	1,390	11.5	30%	2.5	6.9	40%	22.2	38.8
5	2004 & Prior Total		5,210	5.8	19%	2.5	7.1	27%	35.5	68.9
6	2005	1	2,387	2.4	10%	0.0	0.7	15%	12.2	21.9
7	2005	2	2,327	7.2	20%	11.4	19.0	30%	61.0	87.1
8	2005	3	2,105	11.3	30%	25.8	40.7	40%	75.5	99.7
9	2005	4	1,988	20.5	40%	15.2	25.7	50%	49.2	68.0
10	2005 Total		8,807	9.9	24%	52.4	86.1	33%	197.9	276.7
11	2006	1	1,218	3.0	20%	11.1	17.2	30%	49.4	64.5
12	2006	2	1,247	11.4	30%	32.2	40.4	40%	62.4	77.5
13	2006	3	1,140	22.2	30%	0.0	2.0	40%	10.5	17.9
14	2006	4	1,201	33.7	40%	0.0	0.0	50%	3.2	10.3
15	2006 Total		4,806	17.4	30%	43.3	59.6	40%	125.5	170.2
16	2007	1	797	11.2	20%	20.6	27.9	30%	52.9	64.5
17	2007	2	801	17.4	30%	0.8	3.0	40%	16.3	24.7
18	2007	3	814	22.6	30%	1.2	4.0	40%	21.5	36.5
19	2007	4	807	27.5	40%	2.6	9.0	50%	23.5	36.2
20	2007 Total		3,219	19.7	30%	25.2	43.9	40%	114.2	161.9
21	Subtotal Alt-A Uninsured		22,042	12.0	25%	123.4	196.7	34%	473.0	677.7

MTA ABS securities stress test results

	Acquisition Date	Quartile	Total UPB (\$M)	Avg. 60+ Day Dfq.	Stress Test Scenario					
					Default Rate	Severity (\$M)		Default Rate	Severity (\$M)	
						45%	55%		45%	55%
Uninsured MTA										
1	2005 & Prior	1	1,126	14.5	25%	0.0	0.0	45%	1.9	26.2
2	2005 & Prior	2	1,167	17.4	30%	0.0	0.0	50%	18.0	62.3
3	2005 & Prior	3	1,016	20.8	35%	0.0	16.5	55%	53.5	104.0
4	2005 & Prior	4	926	28.6	40%	0.0	0.0	60%	12.1	57.6
5	2005 & Prior Total		4,235	19.9	32%	0.0	16.5	52%	85.5	250.1
6	2006	1	2,913	16.6	25%	0.0	1.4	45%	46.3	141.2
7	2006	2	2,299	19.6	30%	0.0	0.0	50%	26.0	127.7
8	2006	3	2,148	22.0	35%	0.0	2.5	55%	47.4	114.9
9	2006	4	2,115	24.4	40%	0.0	0.9	60%	85.9	192.3
10	2006 Total		9,475	20.3	32%	0.0	4.8	52%	205.6	576.1
11	2007	1	1,338	6.0	25%	0.0	0.0	45%	4.6	23.1
12	2007	2	1,624	11.8	30%	0.0	0.7	50%	14.2	56.0
13	2007	3	1,503	14.9	35%	5.2	23.1	55%	97.4	177.1
14	2007	4	1,519	19.1	40%	0.0	3.3	60%	51.9	101.8
15	2007 Total		5,984	13.1	33%	5.2	27.1	53%	168.1	358.0
16	MTA Uninsured Total		19,694	18.0	32%	5.2	48.4	52%	459.2	1,184.2

Monoline stress test results

Insurance	Total UPB (\$M)	WALA (months)	Avg. 60+ Day Dfq.	Current Natural CE (% existing UPB)	Lower Stress Case (\$M)	Higher Stress Case (\$M)	Higher Stress Case Assuming:		
							25% Recovery (\$M)	50% Recovery (\$M)	75% Recovery (\$M)
AMBAC:									
1 Alt-A	217	45	19	19	0	0	0	0	0
2 MTA	190	33	20	16	0	80	60	40	20
3 Subprime	895	49	15	7	84	150	113	75	38
4 HELOC	1,349	37	8	4	6	209	157	105	52
5 2nd Lien	74	16	11	11	7	14	10	7	4
6 HLTV	182	89	3	12	0	1	1	0	0
7 AMBAC Total	2,907	44	11	7	97	454	341	227	114
FGIC:									
8 Alt-A	370	44	24	12	1	11	9	6	3
9 Subprime	1,423	32	30	15	124	247	185	123	61
10 HELOC	821	41	6	3	0	193	144	96	48
11 2nd Lien	401	20	3	5	12	111	83	56	28
12 FGIC Total	3,015	34	19	10	137	562	421	281	140
FSA:									
13 MTA	199	27	21	14	10	87	65	44	22
14 Subprime	548	30	22	37	17	75	56	37	19
15 HELOC	586	27	8	2	0	94	71	47	23
16 FSA Total	1,333	28	16	18	27	256	192	128	64
MBIA:									
17 Subprime	31	111	20	54	0	0	0	0	0
18 HELOC	705	32	9	1	0	114	86	57	29
19 2nd Lien	34	19	13	0	5	13	10	7	3
20 MBIA Total	770	35	10	4	5	127	95	64	32
XLCA:									
21 MTA	382	28	22	13	21	185	139	93	46
22 Subprime	251	17	31	15	0	14	10	7	4
23 HELOC	496	30	7	3	0	57	43	28	14
24 2nd Lien	84	22	13	14	9	28	21	14	7
25 XLCA Total	1,213	26	17	10	30	284	213	142	71
26 Total	9,238	35	15	10	296	1,683	1,262	841	421

Note: Monoline stress test results excludes approximately \$325 million in UPB of bonds backed by manufactured housing loans.

Consolidated Segment Earnings¹

				2Q 2008 vs 1Q 2008	Line No.	Primary source of change
(\$ Millions)	2Q 2007	1Q 2008	2Q 2008			
1 Investments	\$571	\$113	\$793	\$680	1	Increased due to lower interest rates on new debt issuances, strong retained portfolio growth at wider spreads to overall funding costs, and amortization gains on certain futures positions.
2 Single-family Guarantee	129	(458)	(1,388)	(930)		
3 Multifamily	84	98	118	20		
4 All Other	(43)	(4)	144	148		
5 Total Segment Earnings (loss)	\$741	(\$251)	(\$333)	(\$82)		
6 Derivative and foreign-currency denominated debt-related adjustments	(\$471)	(\$1,194)	\$527	\$1,721		
7 Credit guarantee-related adjustments	831	(174)	1,818	1,992		
8 Investment sales, debt retirements and fair value-related adjustments	(379)	1,525	(3,096)	(4,621)		
9 Fully taxable-equivalent adjustments	(97)	(110)	(105)	5		
10 Total pre-tax adjustments	(116)	47	(856)	(903)		
11 Tax-related adjustments	104	53	368	315		
12 Total reconciling items, net of taxes	(12)	100	(488)	(588)		
13 Net income (loss) - GAAP Basis	\$729	(\$151)	(\$821)	(\$670)		

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008. 41

Segment Earnings – Investments¹

	(\$ Millions)			2Q 2008 vs 1Q 2008	Line No.	Primary source of change	
1	Net interest income	\$990	\$299	\$1,481	\$1,182	1	Increased due to lower interest rates on new debt issuances, strong retained portfolio growth at wider spreads to overall funding costs, and amortization gains on certain futures positions.
	Non-interest income (loss):						
2	AFS security impairments	(1)	(2)	(142)	(140)	2	Increased due to anticipated future principal credit losses associated with the ABS portfolio.
3	Other non-interest income (loss)	31	17	17	-		
4	Total non-interest income (loss)	30	15	(125)	(140)		
5	Total revenues	1,020	314	1,356	1,042		
	Non-interest expense:						
6	Administrative expenses	(133)	(131)	(130)	1		
7	Other non-interest expense	(8)	(9)	(7)	2		
8	Total non-interest expense	(141)	(140)	(137)	3		
9	Segment Earnings before income tax expense	879	174	1,219	1,045		
10	Income tax expense	(308)	(61)	(426)	(365)		
11	Segment Earnings	\$571	\$113	\$793	\$680		
12	Net interest yield - FTE - Segment Earnings basis	0.57%	0.19%	0.80%	0.61%		

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008.

Net interest income (NII) / Net interest yield (NIY)

(\$ Millions)	1Q 2008		2Q 2008		2Q 2008 vs 1Q 2008		1H 2008	
	\$	bps	\$	bps	\$	bps	\$	bps
GAAP - Consolidated NII / NIY								
1 Contractual amount of net interest income	\$1,511	79	\$2,267	109	\$756	30	\$3,778	95
2 Premium / discount amortization	(384)	(20)	(395)	(18)	(11)	2	(779)	(19)
3 Derivative expense	(329)	(17)	(343)	(16)	(14)	1	(672)	(17)
4 Net interest income	798	42	1,529	75	731	33	2,327	59
5 Fully taxable-equivalent (FTE) adjustment	107	6	105	5	(2)	(1)	212	6
6 Net interest income - FTE	\$905	48	\$1,634	80	\$729	32	\$2,539	65
Segments Earnings - Investments Segment NII / NIY¹								
7 Contractual amounts of net interest income	\$1,289	74	\$2,004	107	\$715	33	\$3,293	91
8 Premium / discount amortization	(428)	(24)	(414)	(22)	14	2	(842)	(23)
9 Interest income (expense) on derivatives	(346)	(20)	(403)	(21)	(57)	(1)	(749)	(21)
10 Net options expense amortization	(104)	(6)	192	10	296	16	88	3
11 Realized derivative gain (loss) amortization	(156)	(9)	34	2	190	11	(122)	(3)
12 Realized debt/asset gain (loss) amortization	(66)	(3)	(37)	(2)	29	1	(103)	(3)
13 Fully taxable-equivalent adjustment	110	7	105	6	(5)	(1)	215	6
14 Net interest income - FTE	\$299	19	\$1,481	80	\$1,182	61	\$1,780	50

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008. 43

Segment Earnings – Single-family Guarantee¹

				2Q 2008 vs 1Q 2008	Line No.	Primary source of change
(\$ Millions)	2Q 2007	1Q 2008	2Q 2008			
1 Net interest income	\$179	\$77	\$58	(\$19)		Decreased due to a reduction in credit fee amortization as 1Q08 experienced accelerated amortization recognition resulting from house price depreciation.
2 Management and guarantee income	704	895	840	(55)	2	
3 Other non-interest income	28	104	103	(1)		
4 Total revenues	911	1,076	1,001	(75)		
Non-interest expense:						
5 Administrative expenses	(209)	(204)	(212)	(8)	6	Increased due to continued credit deterioration.
6 Provision for credit losses	(469)	(1,349)	(2,630)	(1,281)		
7 REO operations expense	(16)	(208)	(265)	(57)		Increased due to an increase in losses recognized on REO dispositions driven by the decline in home prices, coupled with higher disposition volumes in REO inventory.
8 Other non-interest expense	(19)	(19)	(29)	(10)	7	
9 Total non-interest expense	(713)	(1,780)	(3,136)	(1,356)		
10 Segment Earnings (loss) before income tax (expense) benefit	198	(704)	(2,135)	(1,431)		
11 Income tax (expense) benefit	(69)	246	747	501		
12 Segment Earnings (loss)	\$129	(\$458)	(\$1,388)	(\$930)		
13 Single-family guarantee fee rate (in basis points) - Segment Earnings	17.9	20.4	18.7	(1.7)		

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008. 44

2Q 2008 guarantee fees

(In Basis Points)	2006		2007		1Q 2008		2Q 2008	
	GAAP	Segment	GAAP	Segment	GAAP	Segment	GAAP	Segment
1 Contractual G-fee (spread)	15.7	15.5	16.3	15.7	17.4	16.1	17.5	15.8
2 Amortization of Deferred Fees	4.3	2.5	2.9	2.3	4.7	4.3	2.5	2.9
3 Total Effective G-fee Rate	20.0	18.0	19.2	18.0	22.1	20.4	20.0	18.7

- GAAP includes Single-family Guarantee and Multifamily fees while Segment results contains only Single-family Guarantee fees.
- Contractual G-fee (spread): Both measures start with the contractual g-fee rate. GAAP includes the impact of buy-ups and buy-downs, which are adjusted out of the single-family guarantee segment presentation.
- Amortization: GAAP deferred fees are amortized on two separate time schedules depending on vintage of guarantee; Segment Earnings utilizes one static effective amortization rate.

Segment Earnings – Multifamily¹

	(\$ Millions)			2Q 2008 vs 1Q 2008	Line No.	Primary source of change		
	2Q 2007	1Q 2008	2Q 2008					
1	\$94	\$75	\$98	\$23	1	Increased due to higher retained volume in the second quarter, partially offset by decreased prepayment fee income.		
2	16	17	17	-				
3	5	8	7	(1)				
4	115	100	122	22				
Non-interest expense:								
5	(49)	(49)	(49)	-				
6	(1)	(9)	(7)	2				
7	(135)	(117)	(108)	9				
8	(8)	(4)	(5)	(1)				
9	(193)	(179)	(169)	10				
10	(78)	(79)	(47)	32				
11	135	149	149	-				
12	27	28	16	(12)				
13	\$84	\$98	\$118	\$20				

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008.

Segment Earnings – All Other^{1,2}

				2Q 2008 vs 1Q 2008	Line No.	Primary source of change
(\$ Millions)	2Q 2007	1Q 2008	2Q 2008			
1 Net interest income	\$ -	\$ -	\$ -	\$ -	7	Increased due to a favorable tax settlement with the Internal Revenue Service related to the tax treatment of the company's customer relationship intangible asset.
2 Non-interest income (loss)	(1)	4	(3)	(7)		
Non-interest expense:						
3 Administrative expenses	(51)	(13)	(13)	-		
4 Other non-interest expense	(8)	(3)	(17)	(14)		
5 Total non-interest expense	(59)	(16)	(30)	(14)		
6 Segment Earnings (loss) before income tax benefit	(60)	(12)	(33)	(21)		
7 Income tax benefit	17	8	177	169		
8 Segment Earnings (loss)	(\$43)	(\$4)	\$144	\$148		

¹ Segment Earnings is a non-GAAP measure of performance. For additional information about the company's segments and reconciliation to GAAP results, see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008.

² All Other includes corporate-level expenses not allocated to any of the company's reportable segments. For more information see the company's Registration Statement on Form 10 filed with the SEC on July 18, 2008.

Change in fair value of net assets

(\$ Billions)	2Q 2007	1Q 2008	2Q 2008	2Q 2008 vs 1Q 2008
1 Investment activities	(\$0.8)	(\$23.2)	\$6.7	\$29.9
2 <i>Impact of OAS¹</i>	(1.4)	(28.8)	1.9	30.7
3 Guarantee activities	1.8	(3.0)	(6.2)	(3.2)
4 <i>Change in value of single-family GA²</i>	1.8	(0.5)	1.9	2.4
5 <i>Change in value of single-family GO and LIA portfolio, net of credit enhancements^{2,3}</i>	(0.6)	(2.7)	(7.2)	(4.5)
6 Administrative expenses and other	(0.3)	(0.3)	(0.5)	(0.2)
7 Taxes and returns on capital	-	9.1	-	(9.1)
8 Increase (decrease) in fair value before capital transactions (Lines 1, 3, 6, 7)	0.7	(17.4)	-	17.4
9 Preferred stock transactions, including dividends	0.4	(0.3)	(0.2)	0.1
10 Common stock transactions, including dividends	(1.1)	(0.1)	(0.2)	(0.1)
11 Increase (decrease) in fair value of net assets (Lines 8, 9, 10)	\$ -	(\$17.8)	(\$0.4)	\$17.4
12 Total fair value of net assets attributable to stockholders	\$31.9	(\$5.2)	(\$5.6)	(\$0.4)

¹ Impact of OAS includes spread related gains/losses for Freddie Mac's preferred stock and relies on models, assumption, and other measurement techniques that will evolve over time.

² Line 4 and line 5 include the impact of new business that is associated with Freddie Mac's single-family guarantee activities.

³ Loans in acceleration (LIA) represent non-performing loans Freddie Mac purchased from PC pools.

Safe Harbor Statements

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