



**Supplement dated August 21, 2006 to
Information Statement dated June 28, 2006**

RECENT EVENTS

Legal Proceedings

ERISA Class Action Litigation. On August 21, 2006, Freddie Mac announced that a proposed settlement has been reached resolving the Employee Retirement Income Security Act (ERISA) class action litigation that was filed following the company's restatement of financial results for the years 2000 through 2002. The proposed settlement includes a payment of \$4.65 million without any admission of wrongdoing.

"Today's proposed settlement further demonstrates our commitment to resolving past issues so that we can maintain our focus on achieving our mission, serving our customers and running our business well," said Richard F. Syron, Freddie Mac's chairman and chief executive officer.

The payment will be fully covered by insurance. The proposed settlement is subject to the negotiation and execution of final documentation and preliminary and final approval by the court.

In anticipation of the proposed settlement, the Department of Labor informed Freddie Mac that it has closed its investigation of Freddie Mac's Thrift/401(k) Savings Plan. The Department has indicated that it will consider whether further action is warranted if the settlement is not finalized, approved, and implemented as proposed.

Freddie Mac has agreed to retain an independent fiduciary to review and approve the settlement and plan for the allocation of settlement proceeds. In addition, the company has agreed to conduct voluntary seminars to educate employees about investing and the importance of asset diversification, and to amend the Thrift/401(k) Savings Plan to appoint an independent fiduciary to oversee the Freddie Mac Stock Fund, one of the investment options under the plan. The company has also agreed to provide additional education to employee ERISA-fiduciaries regarding their obligations under ERISA.

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Freddie Mac's Information Statement Supplements sometimes contain forward-looking statements pertaining to management's current expectations as to its future business plans, results of operations and/or financial condition. Management's expectations for the company's future necessarily involve a number of assumptions and estimates, and various factors could

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cause actual results to differ materially from these expectations. These assumptions and factors are discussed in the company's Information Statement dated June 28, 2006, and its Information Statement Supplement dated August 1, 2006, which are available on the Investor Relations page of the company's Web site at www.FreddieMac.com/investors.