



**Supplement dated September 17, 2004 to
Information Statement dated February 27, 2004**

RECENT EVENTS

Legal Proceedings

As a result of the recently issued order from the federal District Court of the District of Columbia, Freddie Mac today announced that it has begun the process of unfreezing compensation and paying amounts due to the company's former Chairman and CEO, Leland C. Brendsel.

Since June 2003, Freddie Mac has complied with letters issued by Office of Federal Housing Enterprise Oversight (OFHEO) that directed Freddie Mac to freeze the payment of compensation to Mr. Brendsel arising from his prior employment with the company.

The federal District Court of the District of Columbia, however, recently issued an order that preliminarily enjoins the freeze directive in the June 2003 letters with respect to Mr. Brendsel's compensation. While the Justice Department has appealed the District Court's order to the Court of Appeals, it has not obtained a stay of that order pending a resolution of the appeal. The District Court's order therefore remains in effect, and Freddie Mac can no longer treat OFHEO's June 2003 letters as a valid and effective freeze directive with respect to Mr. Brendsel's compensation. Accordingly, as Freddie Mac has advised OFHEO, commencing today the company has begun the process of unfreezing Mr. Brendsel's compensation and paying amounts due to him under Freddie Mac's contractual obligations to Mr. Brendsel. Freddie Mac had previously accrued these amounts, and their payment does not affect the company's reported financial results. Administrative proceedings regarding OFHEO's demand to change Mr. Brendsel's termination status, its request for reimbursement of past bonuses from Mr. Brendsel, and its request for penalties against him are still pending.