



**Supplement dated October 19, 2006 to  
Information Statement dated June 28, 2006**

**RECENT EVENTS**

**Management**

On October 16, 2006, Freddie Mac announced that Anthony S. (“Buddy”) Pizel has been named Executive Vice President and Chief Financial Officer, effective November 13, 2006. Pizel will serve as a member of the company’s senior executive leadership team and report directly to President and Chief Operating Officer Eugene M. McQuade.

As chief financial officer, Pizel will have broad responsibility for the company’s financial controls, financial reporting, tax, capital oversight, and compliance with the requirements of Sarbanes-Oxley. He will also oversee the company’s annual budgeting and financial planning processes.

Richard F. Syron, Freddie Mac’s Chairman and Chief Executive Officer, said, “With the expertise Buddy brings to the Freddie Mac team, I am confident we will put in place the first-class financial controls we need to successfully meet our long-term business goals and fulfill our mission to help put more American families into their own homes.”

“Buddy Pizel brings deep financial and accounting experience to Freddie Mac,” McQuade said. “His broad experience, particularly in financial remediation, will be a tremendous asset to Freddie Mac as we continue our ongoing efforts to enhance our internal financial reporting infrastructure and return to timely, GAAP-compliant financial reporting.”

Pizel, 51, joins Freddie Mac from Health Net, Inc., where he served as executive vice president and chief financial officer since August 2004. While at Health Net, one of the nation’s largest publicly traded managed health care companies, he was responsible for all of the organization’s finance functions, including accounting, risk management, treasury and financial planning.

Prior to joining Health Net, Pizel served for more than a decade in senior financial positions at Prudential Financial, Inc., most recently as senior vice president and corporate controller from 1998 to 2004. He also served as Prudential’s corporate vice president assigned to special finance projects, chief financial officer of the individual life insurance business and chief financial officer of the asset management and retirement business. Pizel played a leading role in transforming Prudential from a private company to a public, SEC registered company.

Before joining Prudential, Pizel was an audit partner with Deloitte & Touche. He also served for two years as a practice fellow with the Financial Accounting Standards Board.

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Piszel received an M.B.A. in accounting from Golden Gate University and a B.A. in economics from Rutgers University. He serves on the board of directors and as chairman of the audit committee of RehabCare Group, Inc.

Freddie Mac has entered into an employment agreement with Piszel, which provides for his employment as Executive Vice President and Chief Financial Officer of Freddie Mac. The Office of Federal Housing Enterprise Oversight has reviewed this agreement and has approved the termination benefits it provides.

The terms of his employment agreement provide Piszel with the following during his employment with Freddie Mac:

- An annual base salary of \$650,000, which amount may be increased in the discretion of Freddie Mac;
- A sign-on bonus of \$7,500,000, composed of \$2,500,000 in cash and \$5,000,000 in the form of restricted stock units. The number of restricted stock units subject to the sign-on grant will be 78,940 (equal to \$5,000,000 divided by \$63.34, the average of the high and low prices of our common stock on September 7, 2006, the date that the Compensation and Human Resources Committee of the Board of Directors approved the terms of Piszel's compensation arrangements). The 78,940 restricted stock units will vest in four equal annual installments beginning on the first anniversary of the date of grant (which will be the date of the next regular scheduled meeting of the Compensation and Human Resources Committee after Piszel's employment begins);
- The opportunity to earn an annual cash bonus targeted at \$1,007,500, with guaranteed minimum annual bonuses for 2006 and 2007 of \$600,000 and \$1,007,500, respectively;
- The opportunity to earn a long-term performance-based incentive award with a targeted aggregate value of \$3,000,000, with a guaranteed minimum incentive grant in 2007 of \$3,000,000;
- Relocation benefits consisting of Freddie Mac's standard senior executive officer relocation benefit as well as four months temporary living at a local hotel or a comparable living arrangement (in lieu of Freddie Mac's standard temporary living relocation benefit), reimbursement of up to \$40,000 in travel costs incurred by Piszel and his immediate family members prior to permanent relocation to the Washington, D.C. area, and a cash payment of \$200,000 to cover relocation expenses not covered by Freddie Mac's standard senior executive officer relocation benefit (this amount will be grossed up to offset Piszel's personal tax liability associated with the cash payment);
- The opportunity to participate in all employee benefit plans pursuant to the terms of those plans offered to Freddie Mac senior executives;

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- Reimbursement up to \$25,000 for legal expenses incurred in connection with his employment agreement and his separation of employment from his current employer;
- Prior to the fourth anniversary of his employment date, if Freddie Mac terminates Pizsel's employment for any reason other than cause (as is defined in the employment agreement), he will receive a lump-sum cash payment equal to two times his annualized base salary in effect at the time of termination. This payment shall be made in lieu of any otherwise applicable Freddie Mac severance plan, policy or practice. In the event Pizsel's employment is terminated after the fourth anniversary of his employment date, he will be eligible to receive severance pay pursuant to the terms of any applicable Freddie Mac severance plan or policy;
- If Pizsel terminates his employment with Freddie Mac for any reason or is terminated for cause prior to the second anniversary of his employment date, he is required to repay the cash portion of the sign-on bonus to Freddie Mac; and
- In the event Freddie Mac terminates Pizsel's employment for any reason other than cause between the first and fourth anniversaries of the date of grant, then the sign-on grant of 78,940 restricted stock units shall continue to vest pursuant to the vesting schedule set forth in the grant agreement. In the event Freddie Mac terminates Pizsel's employment for any reason other than cause before the first anniversary of the date of grant, then the sign-on grant of restricted stock units shall be cancelled and Freddie Mac will pay Pizsel \$5,000,000 in cash. If Pizsel terminates his employment with Freddie Mac for any reason or is terminated for cause, then any unvested restricted stock units shall be forfeited.

Pizsel is subject to non-competition and non-solicitation of employees restrictions for a period of one year following any termination of his employment.