

TIMEFRAMES, PROCEDURAL REQUIREMENTS, AND PROCESS FOR SUBMITTING STOCKHOLDER PROPOSALS AND NOMINATIONS FOR DIRECTOR FOR FREDDIE MAC'S 2005 ANNUAL MEETING

As announced, Freddie Mac will hold its next annual stockholders' meeting on July 15, 2005. At this time, Freddie Mac is announcing the timeframes for submission of stockholder proposals and director nominations in order to provide stockholders with the opportunity to submit stockholder proposals to be considered for inclusion in the company's proxy statement, and to submit stockholder proposals and director nominations to be introduced from the floor of the annual meeting. Proxy materials and Freddie Mac's 2004 annual report will be mailed to stockholders by the company's transfer agent in accordance with Freddie Mac's bylaws and New York Stock Exchange rules.

To be considered for inclusion in the proxy statement, stockholder proposals must be submitted in writing to Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive MS 200, McLean, Virginia 22102, and be received by Freddie Mac by May 5, 2005. Stockholder proposals to be introduced from the floor during the annual meeting and stockholder nominations of candidates for election as directors must be submitted in writing to Corporate Secretary, Freddie Mac, 8200 Jones Branch Drive MS 200 McLean, Virginia 22102 by May 26, 2005.

Process for Stockholder Proposals to be Included in Freddie Mac's Proxy Statement

Freddie Mac will review stockholder proposals received by May 5, 2005 in order to determine whether to include the proposals in the proxy statement for the annual meeting.

Freddie Mac has committed to voluntarily register its common stock with the Securities Exchange Commission ("SEC") under Section 12 of the Securities Exchange Act of 1934 (the "Exchange Act") once the company has returned to timely financial reporting. In addition, the Office of Federal Housing Enterprise Oversight, Freddie Mac's safety and soundness regulator, adopted 12 C.F.R. §1730.3(b), which requires the company to conform to Exchange Act and SEC requirements applicable to proxy statements. As a result, once its voluntary registration becomes effective, Freddie Mac will be fully subject to the SEC's Rule 14a-8, which sets forth the rights of stockholders in SEC registrants to submit proposals for inclusion in the company's proxy materials. Until the effectiveness of Exchange Act registration, Freddie Mac has conformed its actions in this area to the requirements of Rule 14a-8, and the proponent shall also follow the procedures set forth in Rule 14a-8, except in those respects where conformity would not be possible in light of Freddie Mac's current unregistered status.

Because the process under Rule 14a-8 for submitting stockholder proposal disputes to the SEC staff for resolution is unavailable to Freddie Mac until its common stock is registered, Freddie Mac has implemented the use of an outside official as an alternative dispute resolution

mechanism until its voluntary registration becomes effective. If Freddie Mac determines not to include a stockholder proposal in its proxy statement, Freddie Mac will submit the proposal to Edward H. Fleischman, a former Commissioner of the SEC and currently Senior Counsel at the Linklaters law firm. Mr. Fleischman will act as an outside official to determine whether any particular stockholder proposal that has been submitted on time, but that Freddie Mac has decided should be omitted from the proxy statement, would most probably be determined to be excludable if considered by the SEC or its staff under Rule 14a-8. Freddie Mac has retained Mr. Fleischman in this capacity for several years in order to provide Freddie Mac stockholders with a process for fairly determining whether certain proposals should be included in or excluded from its proxy statements. Freddie Mac has no other ties with Mr. Fleischman or with Linklaters.

If Freddie Mac intends to exclude a proposal from its proxy statement, it will provide the proponent with a copy of Freddie Mac's submission to Mr. Fleischman at the time the proposal is referred to him. Additionally, if Freddie Mac intends to include in its proxy statement reasons why it believes stockholders should not vote in favor of a stockholder proposal that is included in the proxy statement, Freddie Mac will provide the proponent a copy of the company's statements opposing the proposal prior to mailing the proxy statement.

In order to expedite the process of addressing stockholder proposals, stockholders should include contact information such as name, address, phone and/or fax number, and an email address to Freddie Mac at the time of submitting a stockholder proposal.

Procedural Requirements for Submitting Stockholder Proposals to be Included in the Proxy Statement

1. In order to be eligible to submit a proposal in Freddie Mac's proxy statement, a stockholder must have continuously held at least \$2,000 in market value, or 1%, of Freddie Mac common stock for at least one year by the date the stockholder submits the proposal. The stockholder must continue to hold those shares through the date of the annual meeting.
 - If the stockholder is the registered holder of the shares, meaning the stockholder's name appears in Freddie Mac's records as a stockholder, Freddie Mac will verify eligibility. The stockholder also must provide Freddie Mac with a written statement that the stockholder intends to hold the securities through the date of the annual meeting at the time of submitting the proposal.
 - If the stockholder is not the registered holder of the shares, at the time of submitting the proposal, the stockholder must prove the stockholder's eligibility to Freddie Mac in one of two ways:
 - The first way is to submit to Freddie Mac a written statement from the "record" holder of the stockholder's shares (usually a broker or bank) verifying that, at the time the proposal was submitted, the stockholder continuously held the shares for at least one year. The stockholder must also include the

stockholder's own written statement that the stockholder intends to continue to hold the shares through the date of the annual meeting; or

- The second way to prove ownership applies if the stockholder submits to Freddie Mac reports filed with the company that are the equivalent of the SEC's Schedule 13D, Schedule 13G, Form 3, Form 4 and/or Form 5, or amendments to those documents or updated forms. If the stockholder has submitted one of these documents to Freddie Mac, the stockholder may demonstrate the stockholder's eligibility by submitting to the company:
 - A copy of the schedule and/or form, and any subsequent amendments reporting a change in the stockholder's ownership level;
 - The stockholder's written statement that the stockholder continuously held the required number of shares for the one-year period as of the date of the statement; and
 - The stockholder's written statement that the stockholder intends to continue ownership of the shares through the date of the annual meeting.

2. Each stockholder may submit no more than one proposal for the annual meeting.
3. The proposal, including any accompanying supporting statement, may not exceed 500 words.
4. Either the stockholder, or his or her representative who is qualified under state law to present the proposal on the stockholder's behalf, must attend the meeting to present the proposal.

Process for Stockholder Proposals to be Introduced from the Floor of the Annual Meeting

In accordance with Section 2.06 of Freddie Mac's bylaws, stockholder proposals to be introduced from the floor of the annual meeting must be submitted in writing as set forth above by May 26, 2005. The written notice must include:

1. A brief description of the business the stockholder desires to bring before the meeting and the reasons for conducting such business at the meeting;
2. The name and address of the stockholder proposing such business;
3. The number of shares of Freddie Mac common stock that are beneficially owned by the stockholder; and
4. Any material interest of the stockholder in such business.

If the stockholder does not comply with Section 2.06 of the company's bylaws, the chair of the 2005 annual meeting may declare the proposal not properly brought before the meeting.

Director Nominations

In accordance with Section 3.03 of Freddie Mac's bylaws, stockholder nominations of candidates for election as directors must be submitted in writing as set forth above by May 26, 2005. The written notice must include:

1. The name, age, business address and residential address of the nominee;
2. The principal occupation or employment of the nominee;
3. A description of all arrangements or understandings between the stockholder and the nominee and any other person relating to the nomination; and
4. All other information about the nominee that would be required to be included in a proxy statement soliciting proxies for the election of directors under Exchange Act rules, as well as a written consent from the nominee to being named in the proxy statement to serve if elected.

The stockholder also must provide his, her or its (1) name and record address, (2) the number of shares beneficially owned, and (3) a representation that the stockholder intends to appear in person or by proxy at the meeting to make the nomination. If the stockholder does not comply with Section 3.03 of the company's bylaws, the chair of the 2005 annual meeting may declare the nomination not properly brought before the meeting.