

Monthly Volume Summary

May 2004

(unaudited & subject to change)
(dollars in millions)

INTRODUCTORY NOTE:

We have completed the restatement of our 2002, 2001 and 2000 financial results (see our Information Statement ("IS") dated February 27, 2004, available on our website, www.freddie.com/investors, for additional information regarding the restatement). When results for 2003 are released, we will provide certain updated portfolio information for 2003 on a quarterly basis. These changes are not expected to significantly affect the overall growth trend reported for the retained portfolio. We also intend to re-estimate and disclose certain Interest-Rate Risk Sensitivity Disclosures upon the release of our 2003 results. Although these disclosures are expected to change, portfolio market value sensitivities are not expected to change by more than 2 percentage points and duration gap is not expected to change by more than 1 month. Additional information concerning Interest-Rate Sensitivity Disclosures as well as restated results for December 2002 and December 2001 can be found in our IS. We will provide certain updated 2004 activity and Interest-Rate Risk Sensitivity Disclosures as soon as practicable after our 2004 results are released.

TABLE 1 - TOTAL MORTGAGE PORTFOLIO (1) (2)

	New Business Purchases	Liquidations (3)	Net Increase/(Decrease)	Ending Balance	Annualized Growth Rate	Annualized Liquidation Rate (4)
May 2003	\$ 77,410	\$ (67,452)	\$ 9,958	\$ 1,310,121	9.2%	62.3%
June	75,279	(73,304)	1,975	1,312,096	1.8%	67.1%
July	80,012	(95,844)	(15,832)	1,296,264	(14.5%)	87.1%
Aug	99,488	(77,310)	22,178	1,318,442	20.5%	71.5%
Sep	90,854	(52,850)	38,004	1,356,446	34.6%	48.4%
Oct	77,547	(39,509)	38,038	1,394,484	33.7%	34.4%
Nov	44,529	(34,157)	10,372	1,404,856	8.9%	26.8%
Dec	44,240	(31,844)	12,396	1,417,252	10.6%	25.4%
Jan 2004	\$ 36,916	\$ (24,975)	\$ 11,941	\$ 1,429,193	10.1%	20.9%
Feb	33,808	(31,094)	2,714	1,431,907	2.3%	26.1%
Mar	43,055	(40,486)	2,569	1,434,476	2.2%	33.9%
Apr	48,445	(50,862)	(2,417)	1,432,059	(2.0%)	41.9%
May	50,671	(38,745)	11,926	1,443,985	10.0%	32.4%
YTD 2004	\$ 212,895	\$ (186,162)	\$ 26,733	\$ 1,443,985	4.5%	31.3%

TABLE 2 - RETAINED PORTFOLIO (1) (5)

	Retained Purchases	Sales, net of Other Activity (6)	Liquidations	Net Increase/(Decrease)	Ending Balance	Annualized Growth Rate	Annualized Liquidation Rate	Mortgage Purchase Agreements, net (7)
May 2003	\$ 28,967	\$ (2,854)	\$ (22,287)	\$ 3,826	\$ 571,900	8.1%	47.1%	49,301
June	39,711	(2,788)	(23,363)	13,560	585,460	28.5%	49.0%	63,532
July	44,304	(4,600)	(30,863)	8,841	594,301	18.1%	63.3%	46,221
Aug	51,461	(1,155)	(29,522)	20,784	615,085	42.0%	59.6%	23,463
Sep	49,864	(956)	(22,953)	25,955	641,040	50.6%	44.8%	18,420
Oct	35,163	(2,831)	(17,914)	14,418	655,458	27.0%	33.5%	3,739
Nov	9,139	(3,269)	(14,692)	(8,822)	646,636	(16.2%)	26.9%	7,593
Dec	15,298	(4,020)	(13,478)	(2,200)	644,436	(4.1%)	25.0%	12,227
Jan 2004	\$ 9,402	\$ (2,324)	\$ (11,884)	\$ (4,806)	\$ 639,630	(8.9%)	22.1%	\$ 14,891
Feb	11,252	(1,172)	(12,706)	(2,626)	637,004	(4.9%)	23.8%	11,529
Mar	17,361	(2,589)	(16,211)	(1,439)	635,565	(2.7%)	30.5%	20,583
Apr	19,620	(4,216)	(19,517)	(4,113)	631,452	(7.8%)	36.8%	20,260
May	21,856	(1,765)	(17,678)	2,413	633,865	4.6%	33.6%	17,110
YTD 2004	\$ 79,491	\$ (12,066)	\$ (77,996)	\$ (10,571)	\$ 633,865	(3.9%)	29.0%	\$ 84,373

TABLE 3 - TOTAL PCs ISSUED (1) (8) (9)

	PC Issuances	Liquidations (10)	Net Increase/(Decrease)	Ending Balance	Annualized Growth Rate	Structured Securitizations (11)
May 2003	\$ 66,175	\$ (60,806)	\$ 5,369	\$ 1,067,942	6.1%	\$ 25,306
June	58,124	(66,364)	(8,240)	1,059,702	(9.3%)	23,530
July	70,216	(87,333)	(17,117)	1,042,585	(19.4%)	30,613
Aug	91,196	(68,410)	22,786	1,065,371	26.2%	17,282
Sep	83,982	(44,919)	39,063	1,104,434	44.0%	15,396
Oct	69,868	(31,889)	37,979	1,142,413	41.3%	30,450
Nov	39,028	(25,045)	13,983	1,156,396	14.7%	10,062
Dec	33,871	(24,520)	9,351	1,165,747	9.7%	12,706
Jan 2004	\$ 31,653	\$ (19,570)	\$ 12,083	\$ 1,177,830	12.4%	\$ 13,943
Feb	26,368	(26,583)	(215)	1,177,615	(0.2%)	16,967
Mar	32,651	(34,996)	(2,345)	1,175,270	(2.4%)	21,855
Apr	38,219	(43,050)	(4,831)	1,170,439	(4.9%)	27,728
May	41,778	(31,208)	10,570	1,181,009	10.8%	16,740
YTD 2004	\$ 170,669	\$ (155,407)	\$ 15,262	\$ 1,181,009	3.1%	\$ 97,233

May 2004 Highlights:

* **Total mortgage portfolio** increased at an annualized rate of 10% in May.

* **Retained portfolio** increased at an annualized rate of 4.6% in May.

* **Retained portfolio purchases** rose to \$21.9 billion in May, up from \$19.6 billion in April.

* **Retained Portfolio mortgage purchase agreements, net** was \$17.1 billion in May, down from \$20.3 billion in April.

* **Total PCs Issued** increased at an annualized rate of 10.8% in May.

* **Structured securitizations** were \$16.7 billion in May, down from \$27.7 billion in April.

* **Single-family non-credit enhanced delinquency rate** was 24 basis points in May, down from 25 basis points in the prior month.

* **Portfolio market value sensitivity (PMVS-L)** averaged 1% in May, down from 2% in April; Freddie Mac's duration gap was zero in May, unchanged from April.

TABLE 4 - RETAINED PORTFOLIO COMPONENTS (1)

	Freddie Mac PCs	Non-Freddie Mac Mortgage-Related Securities	Mortgage Loans	Retained Portfolio Ending Balance
May 2003	\$ 329,721	\$ 179,894	\$ 62,285	\$ 571,900
June	333,066	187,145	65,249	585,460
July	340,622	187,423	66,256	594,301
Aug	362,014	188,943	64,128	615,085
Sep	389,028	190,932	61,080	641,040
Oct	403,387	192,860	59,211	655,458
Nov	398,176	189,670	58,790	646,636
Dec	392,931	191,729	59,776	644,436
Jan 2004	\$ 388,267	\$ 191,476	\$ 59,887	\$ 639,630
Feb	382,712	194,272	60,020	637,004
Mar	376,359	198,882	60,324	635,565
Apr	369,832	201,223	60,397	631,452
May	370,889	202,765	60,211	633,865
YTD 2004	\$ 370,889	\$ 202,765	\$ 60,211	\$ 633,865

TABLE 5 - OUTSTANDING PCs (1) (12)

	PC Issuances	PC Purchases Into Retained Portfolio	PC Sales From Retained Portfolio	Net		Total PCs Issued, net (13)	Annualized Growth Rate	Annualized Liquidation Rate (14)
				Liquidations (10)	Increase/(Decrease)			
May 2003	\$ 66,175	\$ (17,732)	\$ 3,408	\$ (45,719)	\$ 6,132	\$ 738,221	10.1%	74.2%
June	58,124	(22,556)	3,133	(50,286)	(11,585)	726,636	(18.8%)	81.0%
July	70,216	(34,508)	4,444	(64,825)	(24,673)	701,963	(40.7%)	106.3%
Aug	91,196	(43,169)	1,584	(48,217)	1,394	703,357	2.4%	81.6%
Sep	83,982	(42,992)	1,761	(30,702)	12,049	715,406	20.6%	51.6%
Oct	69,868	(27,484)	2,683	(21,447)	23,620	739,026	39.6%	35.1%
Nov	39,028	(3,638)	691	(16,887)	19,194	758,220	31.2%	26.7%
Dec	33,871	(4,929)	2,393	(16,739)	14,596	772,816	23.1%	25.7%
Jan 2004	\$ 31,653	\$ (4,139)	\$ 2,521	\$ (13,288)	\$ 16,747	\$ 789,563	26.0%	19.9%
Feb	26,368	(3,812)	1,671	(18,887)	5,340	794,903	8.1%	27.9%
Mar	32,651	(6,957)	3,008	(24,694)	4,008	798,911	6.1%	36.5%
Apr	38,219	(9,394)	3,851	(30,980)	1,696	800,607	2.5%	45.9%
May	41,778	(12,963)	2,061	(21,363)	9,513	810,120	14.3%	31.5%
YTD 2004	\$ 170,669	\$ (37,265)	\$ 13,112	\$ (109,212)	\$ 37,304	\$ 810,120	11.6%	33.2%

TABLE 6 - DELINQUENCIES

	Single-Family (90 days or more delinquent)			Multifamily (60 days or more delinquent)
	Non Credit Enhanced	Credit		
		Enhanced (15)	All Loans (15)	
May 2003	0.28%	2.34%	0.80%	0.05%
June	0.29%	2.41%	0.81%	0.01%
July	0.28%	2.54%	0.83%	0.01%
Aug	0.28%	2.67%	0.84%	0.01%
Sep	0.28%	2.71%	0.83%	0.01%
Oct	0.27%	2.80%	0.84%	0.01%
Nov	0.27%	2.89%	0.85%	0.06%
Dec	0.27%	2.95%	0.86%	0.05%
Jan 2004	0.27%	3.02%	0.87%	0.05%
Feb	0.27%	2.99%	0.86%	0.07%
Mar	0.25%	2.96%	0.83%	0.06%
Apr	0.24%	2.76%	0.78%	0.06%

TABLE 7 - INTEREST-RATE RISK SENSITIVITY DISCLOSURES (16)

	Portfolio Market Value Level (PMVS-L) (50bp) (17)		Portfolio Market Value Yield Curve (PMVS-YC) (25 bp) (17)		Duration Gap (in months) (18)	
	Monthly Average	Quarterly Average	Monthly Average	Quarterly Average	Monthly Average	Quarterly Average
Jun	2%	2%	1%	1%	0	0
Jul	5%	--	0%	--	1	--
Aug	3%	--	0%	--	0	--
Sep	4%	4%	0%	0%	(1)	0
Oct	4%	--	0%	--	0	--
Nov	4%	--	0%	--	0	--
Dec	3%	4%	0%	0%	0	0
Jan 2004	3%	--	0%	--	0	--
Feb	3%	--	0%	--	0	--
Mar	3%	3%	0%	0%	0	0
Apr	2%	--	0%	--	0	--
May	1%	--	0%	--	0	--
YTD 2004	3%	--	0%	--	0	--

A glossary of selected Monthly Volume Summary terms is available on the Investor Relations page of our website, www.freddiemac.com/investors

The Monthly Volume Summary includes volume and statistical data pertaining to our portfolios. Inquiries should be addressed to our Investor Relations Department, which can be reached by calling 571-382-4732 or writing to 1551 Park Run Drive Mailstop D40, McLean, VA 22102-3110.



ENDNOTES

- (1) Ending balances and activity are based on unpaid principal balances and exclude mortgage loans and mortgage-related securities traded, but not yet settled.
- (2) Total mortgage portfolio is defined as total PCs issued (Table 3) plus the sum of mortgage loans (within Table 4) and non-Freddie Mac mortgage-related securities (within Table 4).
- (3) Includes the impact of non-Freddie Mac mortgage-related security sales.
- (4) The sale of mortgage-related securities is excluded from the calculation of annualized liquidation rates.
- (5) Excludes mortgage-related securities held in connection with PC market-making and support activities, which are reflected in the "Investments" caption on the consolidated balance sheets.
- (6) Includes a reduction in the retained portfolio for mortgage-related securities that have been sold net of additions to the portfolio for delinquent mortgage loans and balloon reset mortgage loans that have been purchased out of PC pools.
- (7) Mortgage Purchase Agreements, net Includes: *i*) monthly purchase commitments of mortgage-related securities for the retained portfolio offset by monthly sales commitments of mortgage-related securities out of the retained portfolio. In some instances, these commitments may settle during the same period in which we have entered into the related commitment. Substantially all of these commitments are settled by delivery of a mortgage-related security, the remaining are net settled for cash, *ii*) mortgage-related securities that we expect to purchase pursuant to options written by us and held by certain counterparties. For all periods presented, we have purchased all of the mortgage-related securities associated with these written options in accordance with their contractual terms and *iii*) the net amount of monthly mortgage loan purchases and sales, which are based on settlement date as opposed to trade date due to data constraints.
- (8) Represents PCs and Structured Securities backed by non-Freddie Mac mortgage-related securities and other credit guarantees of mortgage loans held by third parties.
- (9) Includes housing authority bonds (approximately \$5 billion as of May 31, 2004) that were issued by third parties to fund the origination of multifamily mortgage loans and for which Freddie Mac provided a credit guarantee.
- (10) Liquidations include prepayment activity and delinquent mortgage loans and balloon reset mortgage loans purchased out of PC pools.
- (11) Includes activity related to multi-class Structured Securities, primarily REMICs as well as interest-only and principal-only stripped securities and other Structured Securities backed by non-Freddie Mac mortgage-related securities. These amounts exclude resecuritizations of PCs into single-class securities.
- (12) Represents PCs and Structured Securities backed by non-Freddie Mac mortgage-related securities that are held by third parties. When results for 2003 are released, these balances will be reduced by securities held by Freddie Mac for PC market-making and support activities.
- (13) Includes mortgage-related securities held in connection with PC market-making and support activities, which are reflected in the "Investments" caption on the consolidated balance sheets.
- (14) Includes liquidations due to prepayment activity but does not include liquidations due to the purchase out of PC pools of delinquent loans and balloon reset mortgages.
- (15) Includes delinquencies on mortgage loans where Freddie Mac has transferred primary or full default risk to various third parties, as well as Structured Securities backed by alternative collateral deals. Delinquency data reported for some Structured Securities may be omitted or subsequently revised by servicers of the underlying loans, which may require revision to previously reported numbers. For periods presented in this report, these revisions to previously reported delinquency rates have not been significant nor have they significantly affected the overall trend of our Single-Family "Credit Enhanced" and "All Loans" delinquency rates. Delinquencies on mortgage loans underlying alternative collateral deals may be categorized as delinquent on a different schedule than other mortgage loans due to variances in industry practice.
- (16) Methodologies employed to calculate Interest-Rate Risk Sensitivity Disclosures are periodically changed on a prospective basis to reflect improvements in underlying estimation processes.
- (17) Rounded to the nearest percent.
- (18) Rounded to the nearest month.