



Overview of Recent Pricing and Credit Changes for Sellers

Due to continued deterioration of today's credit market, and to ensure that our pricing is reflective of market risk, in the past several months we've introduced many changes to our pricing and credit requirements through special *Single-Family Seller/Service Guide* (Guide) Bulletins. We encourage you to use this overview in conjunction with the referenced Guide Bulletins and Exhibit 19 to become familiar with the key changes and effective dates. **The information below reflects key changes for Sellers announced from November 15, 2007 through March 13, 2008.**

New Requirements	Key Information	Effective Dates	Operational/System Changes										
Delivery Fee Rate Modifications													
Effective for Freddie Mac settlements on or after March 1, 2008													
<p>Introduced a new Indicator Score and LTV ratio-based delivery fee rate structure.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<p>All mortgages* with LTV ratios >70% will be assessed the following new delivery fee rates:</p> <table border="1" data-bbox="684 711 1157 881"> <thead> <tr> <th>Indicator Score</th> <th>Delivery Fee Rate</th> </tr> </thead> <tbody> <tr> <td>Below 620</td> <td>2.00%</td> </tr> <tr> <td>620-639</td> <td>1.75%</td> </tr> <tr> <td>640-659</td> <td>1.25%</td> </tr> <tr> <td>660-679</td> <td>0.75%</td> </tr> </tbody> </table> <p>*This delivery fee will apply to all mortgages except 15-year fixed-rate mortgages, Home Possible® Mortgages, Mortgages subject to CS/LTV (A-minus) fees (Loan Prospector A-minus and other Caution Mortgages, and Non-Loan Prospector Mortgages), FHA/VA Mortgages, Section 184 Native American Mortgages, and any Section 502 Guaranteed Rural Housing Mortgages (recourse and non-recourse).</p>	Indicator Score	Delivery Fee Rate	Below 620	2.00%	620-639	1.75%	640-659	1.25%	660-679	0.75%	<p>Effective for Freddie Mac settlements on or after March 1, 2008.</p>	<p>We will be making modifications by March 1, 2008 to the selling system to reflect these changes.</p> <p>We anticipate updating Loan Prospector feedback messages with a notification that these new fees will apply. We will provide more detailed information shortly, along with a release date.</p>
Indicator Score	Delivery Fee Rate												
Below 620	2.00%												
620-639	1.75%												
640-659	1.25%												
660-679	0.75%												
<p>Increased existing delivery fee rates for higher-risk mortgages.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<ul style="list-style-type: none"> Increased the delivery fee rate from zero to 50 basis points for 2-unit properties with LTV ratios >75% and ≤90% (does not include Home Possible 2-unit properties). Increased by 50 basis points the delivery fee rates for mortgages subject to CS/LTV (A-minus) delivery fees. Increased by 50 basis points the delivery fee rate for mortgages secured by manufactured homes. Increased by 75 basis points the delivery fee rate for balloon/reset mortgages with LTVs >90%. 	<p>Effective for Freddie Mac settlements on or after March 1, 2008.</p>	<p>We will be making modifications by March 1, 2008 to the selling system to reflect these changes.</p> <p>No Loan Prospector changes.</p>										

New Requirements	Key Information	Effective Dates	Operational/System Changes
<p>Reduced the pricing incentive for certain purchase transaction Home Possible Mortgages.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<p>Reduced by 50 basis points the 100 basis point pricing incentive for purchase transaction Home Possible Mortgages, and other lender-branded affordable mortgages, where the borrower's income is at or below 80% of the area median income.</p>	<p>Effective for Freddie Mac settlements on or after March 1, 2008.</p>	<p>We will be making modifications by March 1, 2008 to the selling system to reflect these changes.</p> <p>Loan Prospector currently provides a feedback message that identifies submissions eligible for a reduced Home Possible delivery fee.</p>
<p>Revised the delivery fee rate structure for mortgages with 80/10/10 secondary financing structures.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<p>Revised the delivery fee rate structure for mortgages with an 80/10/10 secondary financing and Home Possible Mortgages with secondary financing to reflect an Indicator Score range of <720 and ≥720.</p>	<p>Effective for Freddie Mac settlements on or after March 1, 2008.</p>	<p>We will be making modifications by March 1, 2008 to the selling system to reflect these changes.</p> <p>No Loan Prospector changes.</p>
<p>Effective for Freddie Mac settlements on or after March 9, 2008</p>			
<p>Announced a new "Market Condition" delivery fee.</p> <p>Refer to the December 11 Guide Bulletin for details.</p>	<ul style="list-style-type: none"> This new "Market Condition" delivery fee rate of 0.250% will apply to all mortgages delivered to Freddie Mac through flow purchase contracts, including mortgages sold with recourse and indemnification. This fee is in addition to all existing delivery fees, including those changes effective for settlements on and after March 1, 2008, as announced in our November 15 Guide Bulletin. 	<p>Effective for Freddie Mac settlements on or after March 9, 2008.</p>	<p>We anticipate updating Loan Prospector feedback messages with a notification that a "Market Condition" fee will apply. We will provide more detailed information shortly, along with a release date.</p> <p>Selling System Net Price Capability: Effective May 1, 2008, the "Market Condition" fee will be implemented in the selling system net price capability. Until this time, customers using Net Price will be billed post-settlement for this fee on your monthly <i>Seller Invoice</i>.</p>

New Requirements	Key Information	Effective Dates	Operational/System Changes
Effective for Freddie Mac settlements on or after May 1, 2008			
<p>Revised the delivery fee rate structure and delivery fee rates for Initial InterestSM Mortgages with certain secondary financing structures.</p> <p>Refer to the December 21 Guide Bulletin for details.</p>	<p>Revised the delivery fee rate structure and delivery fee rates for Initial Interest Mortgages with 75/20/5, 80/15/5, and 90/5/5 secondary financing structures by:</p> <ul style="list-style-type: none"> • Introducing the same Indicator Score range (<720 and ≥720) announced in the November 15 Guide Bulletin for mortgages with 80/10/10 secondary financing structures. • Increasing the delivery fee rate from 25 basis points to 50 basis points for Initial Interest Mortgages with these secondary financing structures that have Indicator Scores <720. 	<p>Effective for Freddie Mac settlements on or after May 1, 2008.</p>	<p>We will be making modifications by May 1, 2008 to the selling system to reflect these changes.</p> <p>We anticipate updating Loan Prospector feedback messages with a notification that these new fees will apply. We will provide more detailed information shortly, along with a release date.</p>
Effective for Freddie Mac settlements on or after June 1, 2008			
<p>Modified our Indicator Score/LTV ratio postsettlement delivery fee rate table and fee rates in Guide Exhibit 19. This delivery fee rate table was introduced in our November 15 Guide Bulletin.</p> <p>It is important that you review the new Indicator Score/LTV postsettlement delivery fee rate table in the February 21 Guide Bulletin or the revised Exhibit 19.</p>	<p>We have increased delivery fee rates by either 50 or 75 basis points for mortgages with certain Indicator Score and LTV ratio combinations. In addition, we made structural changes to the delivery fee rate table by:</p> <ul style="list-style-type: none"> ○ Assessing delivery fees for Indicator Score ranges ≥680 and <700, ≥700 and <720, and ≥720. ○ Adding new LTV ratio ranges of ≤60%, and >60% to ≤70%. ○ Providing a 25 basis point delivery fee credit for mortgages with LTV ratios ≤60% and Indicator Scores ≥700. <p>*This delivery fee will apply to all mortgages except 15-year fixed-rate mortgages, Home Possible® Mortgages, Mortgages subject to CS/LTV (A-minus) fees (Loan Prospector A-minus and other Caution Mortgages, and Non-Loan Prospector Mortgages), FHA/VA Mortgages, Section 184 Native American Mortgages, and any Section 502 Guaranteed Rural Housing Mortgages (recourse and non-recourse).</p>	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We will be making modifications by June 1, 2008 to the selling system to reflect these changes.</p>

New Requirements	Key Information	Effective Dates	Operational/System Changes
<p>Increased delivery fee rates for higher-risk mortgages.</p> <p><i>It is important that you review the February 21 Guide Bulletin or the revised Exhibit 19.</i></p>	<ul style="list-style-type: none"> Added a new 30 basis point delivery fee <i>for all mortgages</i> with LTV/TLTV ratios $\geq 80\%$ and minimum Indicator Scores < 740, including those sold with recourse or indemnification. This fee is in addition to all other delivery fees that apply to the mortgage. IMPORTANT NOTE: As announced in the March 13, 2008 Guide Bulletin, we suspended implementation of this delivery fee, effective immediately. Implemented Home Possible delivery fees for our Home Possible and Home Possible Neighborhood Solutions Three Percent Cash Mortgages. These mortgages were previously excluded from Home Possible Delivery Fees assessments. Increased CS/LTV (A-minus) LP Mortgage fee rates for A-minus Mortgages and Caution Mortgages with Level 1 feedback to 125 basis points and for Level 3 feedback to 275 basis points. We also made proportional changes to certain CS/LTV (A-minus) Non-LP Mortgages fee rates. <p>These delivery fees are effective for all flow executions, and are in addition to the delivery fees we previously announced that take effect for Freddie Mac settlements on and after March 1, March 9, and May 1, 2008.</p>	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We will be making modifications by June 1, 2008 to the selling system to reflect these changes.</p> <p>We anticipate updating Loan Prospector feedback messages with a notification that these new fees will apply. We will provide more detailed information shortly, along with a release date.</p>
<p>Revised the delivery fees rates for 2- to 4-unit properties</p> <p><i>Refer to the March 13 Guide Bulletin for details.</i></p>	<p>We implemented new LTV ratio ranges with delivery fee rates for mortgages secured by 2-4 unit properties as follows:</p> <ul style="list-style-type: none"> The existing 50 basis point delivery fee rate will apply to all eligible mortgages (other than Home Possible Mortgages) secured by 2-unit properties with LTV ratios $\leq 75\%$; and The existing 100 basis point delivery fee rate will apply to all eligible mortgages (other than Home Possible Mortgages) secured by 3- to 4-unit properties with LTV ratios $\leq 70\%$. 	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We will be making modifications by June 1, 2008 to the selling system to reflect these changes.</p> <p>We anticipate updating Loan Prospector feedback messages with a notification that these new fees will apply. We will provide more detailed information shortly, along with a release date.</p>

New Requirements	Key Information	Effective Dates	Operational/System Changes													
<p>Revised our delivery fee rate structure for Cash-out Refinance Mortgages. This fee has been renamed "Cash-out Refinance Mortgage Indicator Score/Loan-to-Value Delivery Fee".</p> <p>Refer to the March 13 Guide Bulletin for details.</p>	<p>With this change, we expanded our use of risk-based pricing by revising our delivery fee rate structure for cash-out refinances.</p> <p>It is important that you review the March 13 Guide Bulletin or the revised Exhibit 19 to view the modified Cash-out Refinance Mortgages Indicator Score/LTV delivery fee rate structure. Note that these delivery fee rates apply to Cash-out Refinance Mortgages in addition to the applicable Indicator Score/Loan-to-Value delivery fee.</p>	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We will be making modifications by June 1, 2008 to the selling system to reflect these changes.</p> <p>We anticipate updating Loan Prospector feedback messages with a notification that these new fees will apply. We will provide more detailed information shortly, along with a release date.</p>													
<p>Credit-related Changes</p>																
<p>Amending requirements for Maximum Financing Concessions, effective for all mortgages with Note Dates after March 14, 2008</p>																
<p>Amended our requirements for calculation of maximum financing concessions.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<p>We changed our guidelines to require that maximum financing concessions be based on TLTV ratio when secondary financing is present, and LTV ratio when there is no secondary financing.</p> <table border="1" data-bbox="499 854 1167 1081"> <thead> <tr> <th>Occupancy</th> <th>LTV/TLTV</th> <th>Maximum Financing Concessions*</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Primary residence and second home</td> <td>75% or less</td> <td>9%</td> </tr> <tr> <td>>75% and ≤90%</td> <td>6%</td> </tr> <tr> <td>>90%</td> <td>3%</td> </tr> <tr> <td>Investment Property</td> <td>All</td> <td>2%</td> </tr> </tbody> </table> <p>*based on the "value," as defined in Chapter 23</p>	Occupancy	LTV/TLTV	Maximum Financing Concessions*	Primary residence and second home	75% or less	9%	>75% and ≤90%	6%	>90%	3%	Investment Property	All	2%	<p>The change to maximum financing concessions applies to all mortgages with Note Dates after March 14, 2008.</p>	<p>No Loan Prospector or selling system changes.</p>
Occupancy	LTV/TLTV	Maximum Financing Concessions*														
Primary residence and second home	75% or less	9%														
	>75% and ≤90%	6%														
	>90%	3%														
Investment Property	All	2%														

New Requirements	Key Information	Effective Dates	Operational/System Changes
Providing additional flexibility for refinance mortgages, effective for Freddie Mac settlements on or after February 21, 2008			
<p>Exempted certain refinance mortgages secured by properties located in declining markets from the requirement to reduce maximum LTV/TLTV ratio.</p> <p>Refer to the February 21 Guide Bulletin for details.</p>	<p>The following mortgages secured by properties located in a market with declining values are exempt from our requirements to reduce the maximum LTV/TLTV ratios:</p> <ul style="list-style-type: none"> • Freddie Mac-owned Streamlined Refinance Mortgages • No cash-out refinance mortgages, when the mortgage being refinanced is currently owned or securitized by Freddie Mac <p>Note: Home Possible no cash-out refinance mortgages are already exempt from our declining markets maximum LTV/TLTV ratio requirements as described in Guide Section A34.6.</p> <p>Certain conditions apply to these exemptions as outlined in the February 21 Guide Bulletin.</p>	<p>Effective for Freddie Mac settlements on or after February 21, 2008</p>	<p>No Loan Prospector or selling system changes.</p>
Discontinuing purchases of mortgages with certain LTV/TLTV/HTLTV ratios, effective for Freddie Mac settlements on or after June 1, 2008			
<p>Discontinued the purchases of most mortgages with LTV/TLTV/HTLTV ratios >97%; retired Freddie Mac 100 Mortgages.</p> <p>Refer to the February 21 Guide Bulletin for details.</p>	<p>We have discontinued the purchase of mortgages with LTV/TLTV/HTLTV ratios >97% with the exception of Home Possible Mortgages with minimum Indicator Scores ≥700, lender-branded affordable products with minimum Indicator Scores ≥700, FHA/VA mortgages, and GRH Section 502 mortgages. As a result of this change, we have:</p> <ul style="list-style-type: none"> • Retired our Freddie Mac 100 Mortgage product. • Reduced to 97% the maximum HTLTV ratio requirements for Initial Interest Mortgages. 	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We expect to update Loan Prospector by June 1, 2008 to reflect these changes; until this time, you must perform a manual review of the mortgage file to ensure that the mortgage meets the revised requirements for sale to us.</p>
Modifying requirements for Home Possible Mortgages, effective for Freddie Mac settlements on or after June 1, 2008			
<p>Introduced several new requirements for Home Possible Mortgages.</p> <p>Refer to the February 21 Guide Bulletin for details.</p>	<ul style="list-style-type: none"> • Eliminated the use of secondary financing, other than Affordable Seconds® and Rural Housing Service Leveraged Seconds, as a source of funds for down payment, closing costs, financing costs, and prepaids/escrows. • Requiring homeownership education for first-time homebuyers for purchase transaction Home Possible Mortgages and other lender-branded affordable products. With this change, we will require that at least one qualifying borrower participate in a homeownership education program before the mortgage note date for these mortgages if all borrowers are first-time homebuyers. • Requiring that as of the note date, borrower(s) may not have any ownership in any other residential property. 	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We expect to update Loan Prospector by June 1, 2008 to reflect these changes; until this time, you must perform a manual review of the mortgage file to ensure that the mortgage meets the revised requirements for sale to us.</p>

New Requirements	Key Information	Effective Dates	Operational/System Changes
Discontinuing purchases of several Freddie Mac mortgages, effective for Freddie Mac settlements on or after June 1, 2008			
<p>Discontinued the purchase of Freddie Mac Streamlined Purchase for Homeowners Mortgages and Alt 97® Mortgages with Affordable Seconds.</p> <p>Refer to the February 21 Guide Bulletin for details.</p>	<p>We have discontinued the purchases of:</p> <ul style="list-style-type: none"> • Freddie Mac Streamlined Purchase for Homeowners Mortgages (Offerings 400 and 401). • Alt 97 Mortgages with Affordable Seconds. 	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>We expect to update Loan Prospector by June 1, 2008 to reflect these changes; until this time, you must perform a manual review of the mortgage file to ensure that the mortgage meets the revised requirements for sale to us.</p>
Declining Markets Policies			
Refining our policy on Declining Markets			
<p>Reinforced our appraisal standards and underwriting expectations related to maximum financing in declining markets.</p> <p>Refer to the November 15 Guide Bulletin for details.</p>	<p>We reinforced our existing appraisal standards and underwriting expectations related to maximum financing in declining markets, including but not limited to:</p> <ul style="list-style-type: none"> • Appraiser responsibilities • Seller responsibilities • Maximum financing: if you or the appraiser has determined that the property is located in a declining market, the LTV ratio must not exceed an amount that is at least 5 percentage points less than the maximum LTV ratio allowed for the specific type of mortgage or product. <p>We also notified you that we use the OFHEO House Price Index, published on a quarterly basis at www.ofheo.gov/hpi_download.aspx, to help identify declining markets. This is an example of a tool you may use to help determine whether a mortgage is subject to our maximum financing limits.</p>	<p>Not applicable</p>	<p>No Loan Prospector or selling system changes.</p>
<p>Requiring a five percentage point reduction in maximum TLTV ratios for mortgages originated in declining markets.</p> <p>Refer to the February 21 Guide Bulletin for details.</p>	<p>Requiring a five percentage point reduction in maximum TLTV ratios, as applicable, in addition to the existing reduction in LTV ratios, for mortgages originated in areas where property values are declining.</p>	<p>Effective for Freddie Mac settlements on or after June 1, 2008.</p>	<p>No Loan Prospector or selling system changes.</p>

New Requirements	Key Information	Effective Dates	Operational/System Changes
Providing specific guidance on the use of the OFHEO House Price Index			
<p>Providing further guidance for using OFHEO's House Price Index.</p> <p><i>It is important that you thoroughly review the additional information and guidance for analyzing and improving accurate property valuations in the February 21 Guide Bulletin.</i></p>	<p>Providing specific guidance regarding the use of OFHEO's House Price Index to assist you in determining if a property is in a declining market and whether a reduction in maximum financing amounts is necessary:</p> <ul style="list-style-type: none"> • Use the OFHEO House Price Index at http://www.ofheo.gov/hpi_download.aspx as a tool to help you identify markets where home prices may be declining. • Subject to your completing a rigorous analysis, consider home prices to be declining in the Metropolitan Statistical Areas (MSAs) in which a property is located, using the OFHEO Home Price Index, if either of the following is true: <ul style="list-style-type: none"> ▪ The overall decline in the OFHEO Index for the MSA for the most recent two quarters is >1%, which will help you identify rapidly declining markets, or ▪ There is an overall decline in the OFHEO Index for the MSA year-over-year, unless there is overall growth in the OFHEO Index for the MSA in the most recent two quarters. This method will help you more accurately determine markets with slower declines. <p>Using the criteria above, home prices in the MSA in which a property is located may be declining; however, there may be smaller geographic areas within the MSA that have stable or increasing property values. We expect Sellers to examine the appraisal and other information sources with care, and perform a rigorous analysis to determine whether in fact the property is located in a geographic area within the MSA where home prices are declining. If, after a rigorous analysis you determine property values in a smaller geographic area in which the property is located are stable or increasing, you may offer maximum financing that you can document using the conditions outlined in the February 21 Guide Bulletin.</p>	<p>Not applicable</p>	<p>No Loan Prospector or selling system changes.</p>

Publication #735
March 2008