



Distressed Asset Roundtable & Exchange

Freddie Mac Update

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SVP Default Asset Management

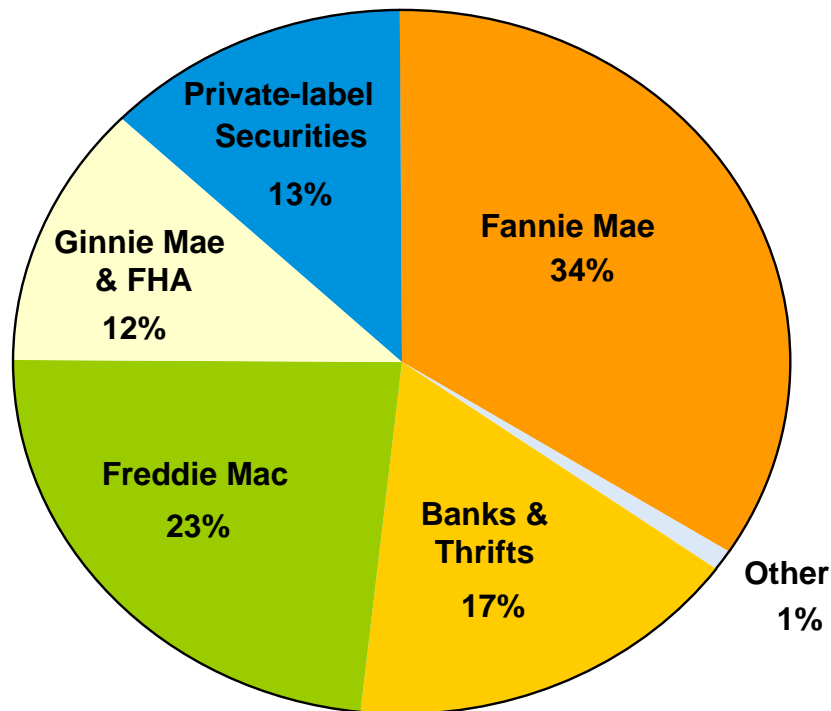
October 6, 2009

Company Overview

- New senior executive team
 - » Ed Haldeman, CEO
 - » Ross Kari, CFO
 - » Bruce Witherell, COO
 - » John Koskinen, non-executive Chairman of the Board
- Company-wide focus on Making Home Affordable
 - » Freddie Mac Relief RefinanceSM Mortgage
 - » Home Affordable Modification Program
 - » Compliance agent for the U.S. Treasury
- Investing for the future
 - » New technology platform

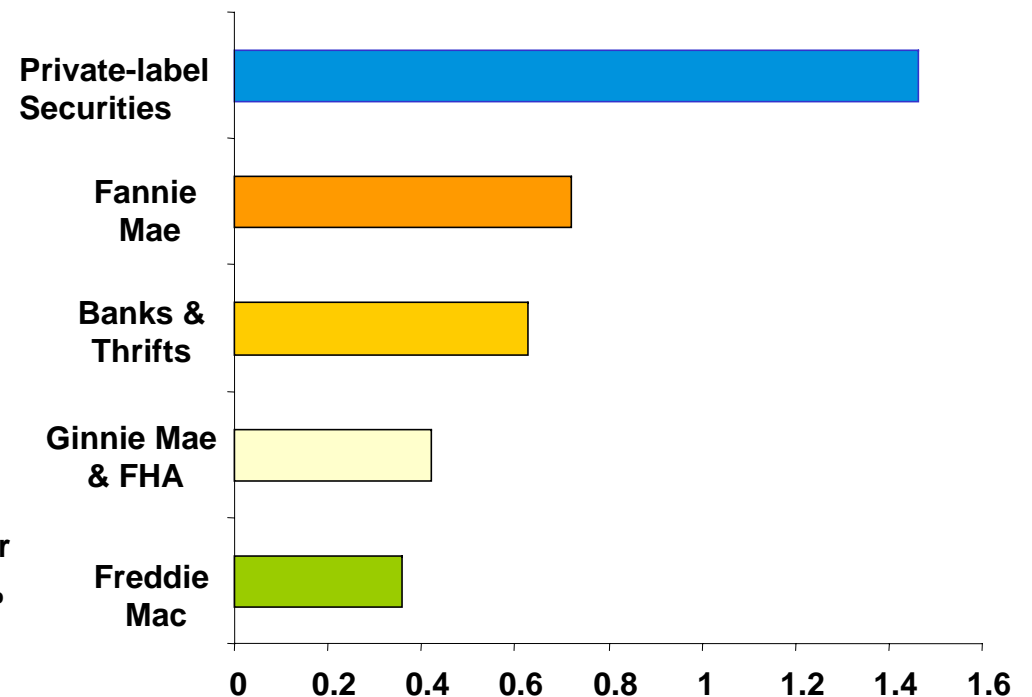
Freddie Mac holds 9% of the nation's 4.2 million seriously delinquent loans

Number of First Mortgages Outstanding
(in millions)



Total: 53 Million

Seriously Delinquent Mortgages
(in millions)



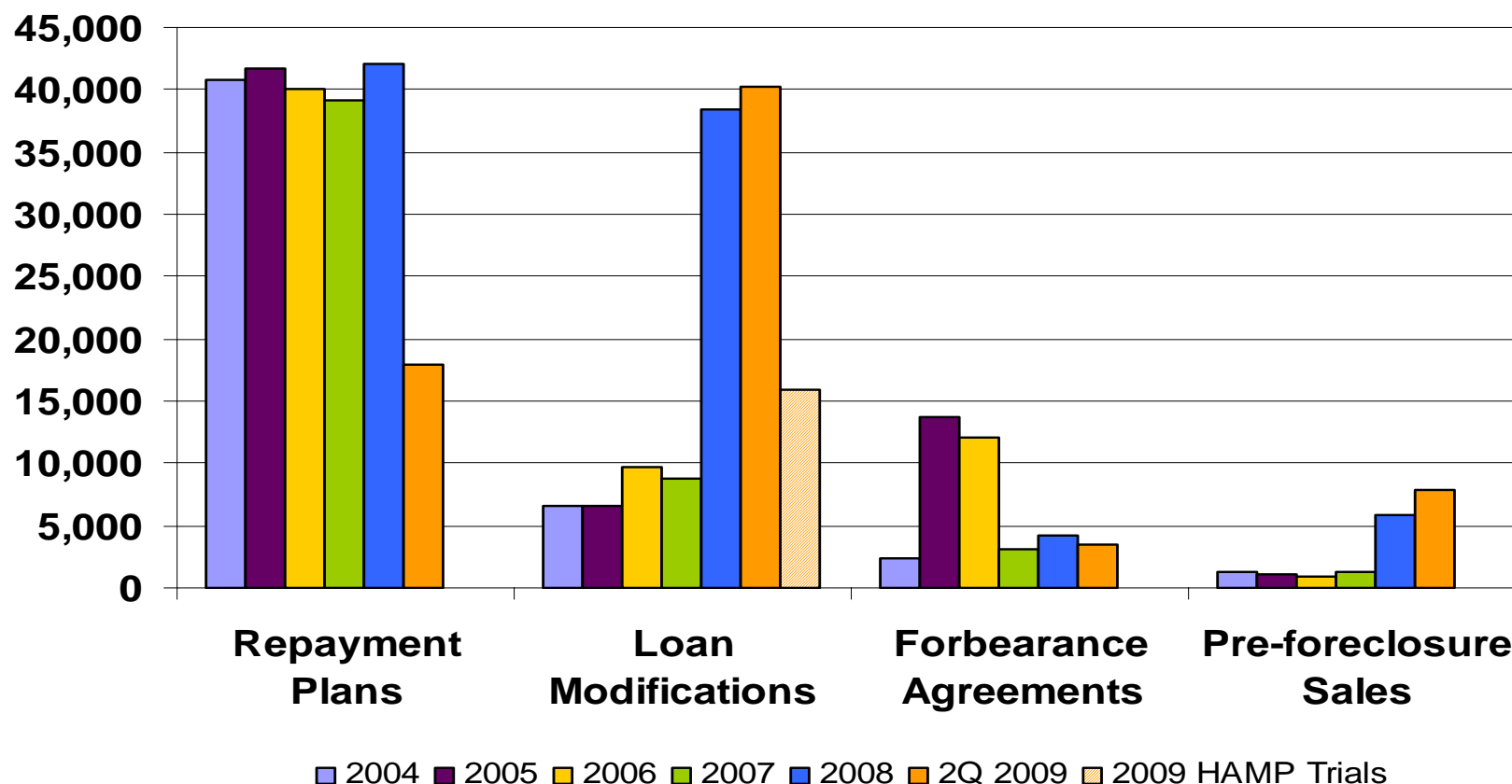
Total: 4.2 Million

Sources: FDIC, Freddie Mac, Fannie Mae, Mortgage Bankers Association, First American CoreLogic (LoanPerformance).

Note: Data as of June 30, 2009. Seriously Delinquent loans were at least 90 days delinquent or in foreclosure. Components may not sum to 100% because of rounding. Freddie Mac and Fannie Mae figures include whole loans held in portfolio and in guaranteed securities outstanding.

Keeping people in their homes is a long-standing priority for Freddie Mac

Single-Family Alternatives to Foreclosure
(number of loans)



Source: Freddie Mac

Increased our focus on foreclosure prevention

- Suspended foreclosures for eligible Freddie Mac mortgages
- Increased servicing staff by 60% with a flexible staffing model
- Doubled call center staff
- Placed senior loss mitigation specialists on site at key servicer shops
- Participated in more than 300 foreclosure prevention workshops - reaching borrowers in more than 25 states nationwide
- Launched a pilot workout initiative for high-risk loans
- Reimbursed servicers for document collection and signature services
- Initiated global second look declination review process

Playing a leadership role in Making Home Affordable Program

- Implemented Home Affordable Modification Program (HAMP)
 - » Debuted tools and technology to support HAMP
 - Developed borrower qualification worksheet
 - Mandated use of Workout Prospector[®]
 - » Created standardized process for early default workouts
 - » Soliciting targeted borrowers for modification eligibility through an agreement with Home Retention Services
 - » Providing servicer execution oversight of HAMP portfolio as master servicer
 - » Implemented a HAMP-specific second-look program to ensure borrowers are being properly considered

In addition to supporting the Administration's MHA Program, our process requires that any borrower who does not qualify for HAMP be considered for a workout through our long-standing foreclosure prevention programs

HAMP results & next steps

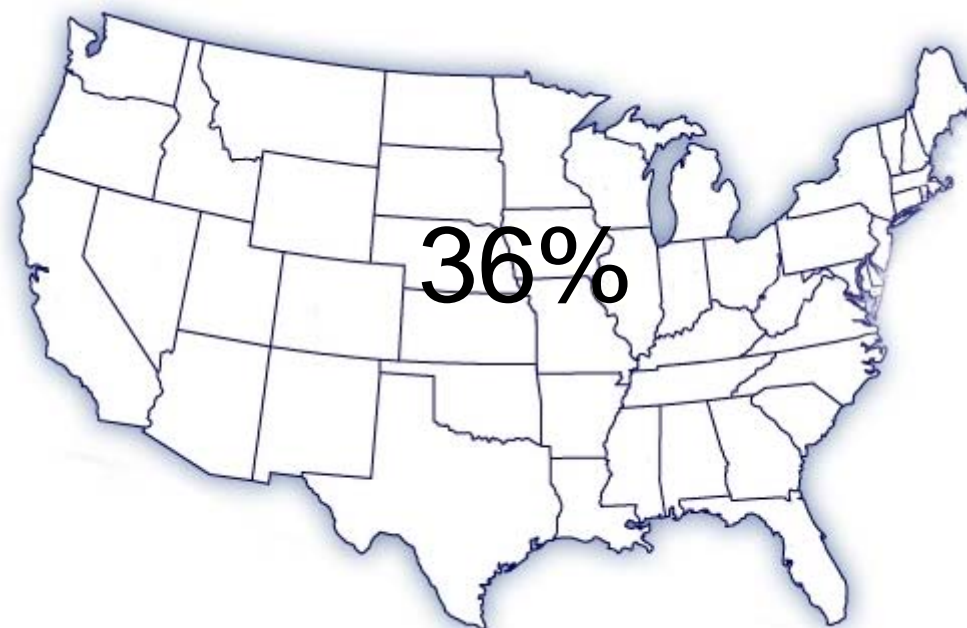
- Supported nearly 2 million borrower solicitations, including multiple attempts
- Approximately 16,000 loans entered trial periods in the second quarter of 2009, and a substantially greater number have entered trial periods since that date
- To continue to support HAMP Freddie Mac will:
 - » Streamline the modification execution process
 - » Accelerate document collection and signature services
 - » Explore new technologies to help servicers assess imminent default

Challenge: high vacancy rates impact our ability to reach borrowers

Vacancy Rate for Key States¹

(Overall Rate for 90+Foreclosure Loans for 07/31/2009)

State	Percent Vacant
Arizona	41
California	32
Florida	56
Georgia	41
Illinois	34
Michigan	41
Nevada	45
New York	34
Ohio	46
Pennsylvania	39
Texas	44



1: Vacancy Rate based on vacant/unknown properties, excludes any REO acquisitions.

Other challenges

- Document collection – both for eligibility and trial-period conversions
- Borrower comprehension about requirements and processes
- Manual servicer processes

Explore all options to help borrowers avoid foreclosure

- There may be other good options for homeowners who don't qualify for the Making Home Affordable Program
- Advise homeowners:
 - » Not to walk away, and not to give up
 - » To call their servicer to explore all available options:
 - To keep the home
 - To transition out of the home
- Utilize tools in Freddie Mac's Foreclosure Avoidance Toolkit

When all workout options are exhausted, best-in-class REO practices are critical

- Good Neighbor policy
- Freddie Mac Rental Initiative
- SmartBuy promotion
- Accelerated disposition strategies
- Vendor capacity analysis



We make home possibleSM