OFFERING CIRCULAR

6,500,000 Shares

Freddie Mac

Variable Rate, Non-Cumulative Preferred Stock

Initial Dividend Rate:	4.817% (from January 26, 2001 through March 31, 2003)
Variable Dividend Rate:	2-year CMT Rate plus 0.10%
Dividend Rate Cap:	11%
Payment Dates:	March 31, June 30, September 30 and December 31 of each year, beginning March 31, 2001
Dividend Rate Reset:	As of April 1, 2003 and as of April 1 every two years thereafter; we reset the dividend rate based on the 2-year CMT Rate determined two business days before the reset date plus 0.10%
Dividend Adjustment:	We will adjust the dividend if specified adverse changes to the dividends-received deduction occur before July 26, 2002
Liquidation Preference:	$50 per share plus current dividends
Optional Redemption:	On March 31, 2003 and on March 31 every two years thereafter
Issue Date:	January 26, 2001
Listing:	New York Stock Exchange (pending)

We alone are responsible for our obligations under and for making payments on the Preferred Stock. The Preferred Stock is not guaranteed by, and is not a debt or obligation of, the United States or any federal agency or instrumentality other than Freddie Mac.

	Initial Public Offering Price(1)	Underwriting Discount	Proceeds to Freddie Mac(1)(2)
Per Share	$50.00	$0.4375	$49.5625
Total	$325,000,000	$2,843,750	$322,156,250

(1) Plus any accrued dividends from January 26, 2001.
(2) Before deducting estimated expenses of $250,000.

Lehman Brothers

First Tennessee Bank NA **Merrill Lynch & Co.**

Blaylock & Partners, L.P. **Goldman, Sachs & Co.**
Bear, Stearns & Co. Inc. **Morgan Stanley Dean Witter**
Credit Suisse First Boston **Salomon Smith Barney**

The date of this Offering Circular is January 23, 2001.

The Underwriters may engage in transactions that affect the price of the Preferred Stock, including over-allotment, stabilizing and short-covering transactions in the Preferred Stock, and the imposition of a penalty bid, in connection with the Offering. For a description of these activities, see *Underwriting*.

ADDITIONAL INFORMATION

You should read this Offering Circular together with:

- the Certificate of Creation, Designation, Powers, Preferences, Rights, Privileges, Qualifications, Limitations, Restrictions, Terms and Conditions (the **"Certificate of Designation"**) for the Variable Rate, Non-Cumulative Preferred Stock (the **"Preferred Stock"**), which will be in substantially the form attached as *Appendix A*;

- our press release and unaudited financial statements issued on January 18, 2001 and attached as *Appendix B*; and

- our Information Statement dated March 31, 2000 and our Information Statement Supplements dated May 15, 2000, August 14, 2000 and November 14, 2000 (together, the **"Information Statement"**).

This Offering Circular incorporates the Information Statement by reference, which means that we are disclosing information to you by referring to it rather than by providing you with a separate copy. It is considered part of this Offering Circular. We also furnish our common stockholders with annual reports containing financial information audited by independent public accountants and quarterly reports containing unaudited financial information. You can obtain copies of any of these documents by contacting us at:

Freddie Mac
Shareholder Relations Department
8200 Jones Branch Drive
McLean, Virginia 22102-3110
Telephone: 1-800-FREDDIE (800-373-3343)

Our Information Statement, Information Statement Supplements and annual report also are available on the "Shareholders" page of our Internet Web-Site (http://www.freddiemac.com).

Because of applicable securities law exemptions, we have not registered the Preferred Stock with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

Dividends paid on the Preferred Stock have no exemption under federal law from federal, state or local taxation.

Some jurisdictions may by law restrict the distribution of this Offering Circular and the offer, sale and delivery of the Preferred Stock. Persons who receive this Offering Circular should know about and observe any such restrictions.

SUMMARY

This summary contains selected information about the Preferred Stock. You should refer to the remainder of this Offering Circular for further information.

Issuer .... Federal Home Loan Mortgage Corporation or **"Freddie Mac,"** a shareholder-owned government-sponsored enterprise.

Security Offered .... 6,500,000 shares of Variable Rate, Non-Cumulative Preferred Stock, with a $50 per share redemption price and liquidation preference.

Dividends:

Initial Dividend Rate .... 4.817% per annum. Dividends will accrue at the initial dividend rate from January 26, 2001 through March 31, 2003. The dividend rate will reset as of April 1, 2003 and as of April 1 every two years thereafter; we reset the dividend rate based on the 2-year CMT Rate determined two business days before the reset date plus 0.10%.

Variable Dividend Rate .... 2-year CMT Rate plus 0.10%. For information about how and when we determine the 2-year CMT Rate, see *Description of Preferred Stock — Dividends — Determination of CMT Rate.*

Rate Cap .... 11% per annum (maximum 2-year CMT Rate of 10.90% plus 0.10%)

Calculation Agent .... Freddie Mac

Frequency .... We will pay non-cumulative dividends quarterly, when, as and if declared by our Board of Directors.

Payment Dates .... We will pay dividends on March 31, June 30, September 30 and December 31 of each year, or the next business day, beginning March 31, 2001.

DRD Protection .... If an amendment to the Internal Revenue Code of 1986 (the **"Code"**) enacted before July 26, 2002 reduces the percentage of the dividends-received deduction below 70%, we will increase the amount of dividends we pay on the Preferred Stock to offset the effect of that reduction. However, we will not make any adjustment to the extent that the percentage of the dividends-received deduction is reduced below 50%. An adjustment may result in a dividend rate in excess of 11% per annum.

Preferences .... The Preferred Stock will receive a preference over our common stock and any other junior stock as to dividends and upon liquidation. The Preferred Stock will rank equally with our other currently outstanding series of preferred stock as to dividends and upon liquidation.

Optional Redemption	On March 31, 2003 and on March 31 every two years thereafter, we will have the option to redeem the Preferred Stock, in whole or in part, at the price of $50 per share plus the amount that would otherwise be payable as the dividend for the quarterly dividend period ending on the redemption date.
Liquidation Rights	If Freddie Mac is dissolved or liquidated, you will be entitled to receive, out of any assets available for distribution to our shareholders, up to $50 per share plus the dividend for the then-current quarterly dividend period accrued through the liquidation payment date.
Voting Rights	None, except in the case of specified changes in the terms of the Preferred Stock.
Preemptive and Conversion Rights	None.
Ratings	The Preferred Stock will be rated "aa3" by Moody's Investors Service, Inc. (**"Moody's"**) and "AA-" by Standard & Poor's Ratings Services (**"S&P"**). See *Ratings.*
Use of Proceeds	We will use the proceeds for general corporate purposes, including the purchase of residential mortgages, the redemption of previously issued shares of preferred stock, the repayment of outstanding debt and the repurchase of outstanding shares of our stock.
Transfer Agent, Dividend Disbursing Agent and Registrar	First Chicago Trust Company, a division of EquiServe.
Exchange Listing	We have applied to list the Preferred Stock on the New York Stock Exchange (the **"NYSE"**).

SUMMARY SELECTED FINANCIAL DATA

	Year Ended December 31,				
	2000[1]	1999	1998	1997	1996
	(dollars in millions, except per share amounts)				
BALANCE SHEET					
Retained portfolio[2]	$ 385,693	$ 324,443	$ 255,009	$ 164,421	$ 137,755
Total assets	$ 459,297	$ 386,684	$ 321,421	$ 194,597	$ 173,866
Primary capital base	$ 15,621	$ 12,297	$ 11,603	$ 8,215	$ 7,411
Adjusted total capital base	$ 15,766	$ 12,427	$ 11,765	$ 8,736	$ 7,901
MORTGAGE PURCHASE AND FINANCING ACTIVITIES					
New business purchases	$ 207,423	$ 272,472	$ 288,338	$ 121,490	$ 128,565
Number of new business purchases (# of loans)	1,465,280	2,058,330	2,396,651	1,085,046	1,232,540
PC issuances	$ 166,901	$ 233,031	$ 250,564	$ 114,258	$ 119,702
Total PCs	$ 822,310	$ 749,081	$ 646,459	$ 579,385	$ 554,260
INCOME STATEMENT					
Net interest income on earning assets	$ 2,838	$ 2,540	$ 1,927	$ 1,631	$ 1,542
Management and guarantee income	$ 1,489	$ 1,405	$ 1,307	$ 1,298	$ 1,249
Net income	$ 2,547	$ 2,223	$ 1,700	$ 1,395	$ 1,243
Earnings per common share:[3]					
Basic	$ 3.41	$ 2.97	$ 2.32	$ 1.90	$ 1.65
Diluted	$ 3.40	$ 2.96	$ 2.31	$ 1.88	$ 1.63
Dividends per common share	$ 0.68	$ 0.60	$ 0.48	$ 0.40	$ 0.35
Return on common equity[4]	23.7%	25.5%	24.1%	23.3%	22.2%

(1) The financial statements for the year ended December 31, 2000 have not been audited.
(2) Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.
(3) "Earnings per common share-basic" are computed based on weighted average common shares outstanding. "Earnings per common share-diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.
(4) Annual computations reflects the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" less preferred stock dividends divided by the simple average of the beginning and ending balances of "Stockholders' equity," net of preferred stock (at redemption value).

FREDDIE MAC

Freddie Mac was chartered by Congress on July 24, 1970 under the Federal Home Loan Mortgage Corporation Act (the **"Freddie Mac Act"**). Our statutory purposes are:

- to provide stability in the secondary market for residential mortgages,

- to respond appropriately to the private capital market,

- to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities), and

- to promote access to mortgage credit throughout the United States (including central cities, rural areas and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

Our principal activity is the purchase and financing of single-family and multifamily mortgages. We finance our purchases of residential mortgages and mortgage securities with securitization financing and debt financing. Securitization financing involves the securitization of purchased mortgages in the form of guaranteed mortgage passthrough securities. Debt financing involves the use of debt securities, other liabilities and equity capital to finance mortgages and mortgage-related securities we hold as portfolio investments. We also engage in other activities that help us to fulfill our statutory purposes. Neither the United States nor any agency or instrumentality of the United States (other than Freddie Mac) is obligated, either directly or indirectly, to fund our mortgage purchase or financing activities.

We are subject to two primary types of risk in the conduct of our business: credit risk associated with the mortgages we purchase and the institutions with which we do business; and interest-rate risk that principally results from mismatches between the maturities of the assets and liabilities associated with our mortgage portfolio. We also are subject to operational risk associated with losses that may occur due to human error, system failure, fraud or circumvention of internal controls. For a discussion of the impact and management of these risks, see *Management's Discussion and Analysis of Financial Condition and Results of Operations* in the Information Statement.

Our principal office is in McLean, Virginia. We have regional offices that are primarily responsible for the performance of various marketing activities and quality control procedures. These offices are located in Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; McLean, Virginia; New York, New York and Woodland Hills, California.

A more detailed discussion of our business appears under *Business* in the Information Statement.

USE OF PROCEEDS

We will use the net proceeds from the sale of Preferred Stock for general corporate purposes, including the purchase of residential mortgages, the redemption of shares of preferred stock we have previously issued, the repayment of outstanding indebtedness and the repurchase of outstanding shares of our stock. The precise amounts and timing of the application of the proceeds will depend upon our funding requirements.

We engage in financing transactions continuously. The amount and nature of these transactions are dependent upon a number of factors, including the volume of mortgage prepayments and mortgages we purchase, as well as general market conditions.

CAPITALIZATION

The following table shows our capitalization at December 31, 2000 and as adjusted to reflect the sale of the Preferred Stock. You should read this table together with our financial statements and other information contained in the Information Statement.

	December 31, 2000 (unaudited)	
	Actual	As Adjusted[1]
	(dollars in millions)	
Debt Securities:		
Notes and bonds payable due within one year:		
Discount notes, medium-term notes and securities sold under agreements to repurchase	$150,782	$150,782
Current portion of long-term debt	32,794	32,794
Notes and bonds payable due after one year	243,178	243,178
Total debt securities, net	426,754	426,754
Subordinated Borrowings	145	145
Stockholders' Equity[2]:		
Variable Rate, Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[3]	250	250
6.125% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[4]	287	287
6.14% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[5]	600	600
5.81% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[6]	150	150
5% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[7]	400	400
Variable Rate, Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[8]	220	220
5.1% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[8]	400	400
5.3% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[9]	200	200
5.1% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[10]	150	150
5.79% Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[11]	250	250
Variable Rate, Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[12]	288	288
Variable Rate, Non-Cumulative Preferred Stock, $1.00 par value and $50.00 redemption value[13]	—	325
Common stock, $0.21 par value	152	152
Additional paid-in capital	428	425
Retained earnings	11,630	11,630
Net unrealized gain on certain investments reported at fair value, net of taxes	456	456
Less: treasury stock, at cost	(1,024)	(1,024)
Total stockholders' equity	14,837	15,159
Total capitalization	441,736	442,058

(1) "As adjusted" reflects anticipated proceeds of $325 million from the issuance of 6.5 million shares of Preferred Stock and the deduction of $3 million in estimated transaction costs. The actual costs may differ.
(2) Preferred stock amounts reflect redemption values as shown. Costs associated with the issuance of preferred stock are included in additional paid-in capital.
(3) Optional redemption on or after June 30, 2001.
(4) Optional redemption on or after December 31, 2001.
(5) Optional redemption on or after June 30, 2002.
(6) Optional redemption on or after October 27, 1998.
(7) Optional redemption on or after March 31, 2003.
(8) Optional redemption on or after September 30, 2003.
(9) Optional redemption on or after October 30, 2000.
(10) Optional redemption on or after March 31, 2004.
(11) Optional redemption on or after June 30, 2009.
(12) Optional redemption on December 31, 2004 and on December 31 every five years thereafter.
(13) Optional redemption on March 31, 2003 and on March 31 every two years thereafter.

See Notes 7 and 8 to the Consolidated Financial Statements included in the Information Statement for further information about our debt securities, subordinated borrowings and stockholders' equity. Amounts of debt securities and subordinated borrowings are net of unamortized discounts, premiums and hedging gains or losses.

We engage in transactions affecting stockholders' equity from time to time and we issue or retire debentures, notes and other debt obligations on an ongoing basis. Accordingly, on any date after December 31, 2000, stockholders' equity may differ, and the amount of debt obligations outstanding will differ, and may differ substantially, from the figures contained in this capitalization table.

SELECTED FINANCIAL DATA

We have summarized or derived the following selected financial data for the years 1996 through 2000 from our audited consolidated financial statements or our internal accounting records. These data should be read in conjunction with the audited consolidated financial statements and notes to consolidated financial statements that are presented in our Information Statement. Adjustments included in the table are of a normal, recurring nature.

	Year Ended December 31,				
	2000[(1)]	1999	1998	1997	1996
	(Dollars in millions, except per share amounts)				
Balance Sheet					
Retained portfolio[(2)]	$ 385,693	$ 324,443	$ 255,009	$ 164,421	$ 137,755
Total assets	$ 459,297	$ 386,684	$ 321,421	$ 194,597	$ 173,866
Debt securities, net	$ 426,754	$ 360,581	$ 287,234	$ 172,321	$ 156,491
Total liabilities[(3)]	$ 443,865	$ 374,602	$ 309,978	$ 186,154	$ 166,271
Capital base:					
Stockholders' equity	$ 14,837	$ 11,525	$ 10,835	$ 7,521	$ 6,731
Reserve for mortgage losses[(4)]	784	772	768	694	680
Primary capital base	15,621	12,297	11,603	8,215	7,411
Subordinated borrowings	145	130	162	521	490
Adjusted total capital base	$ 15,766	$ 12,427	$ 11,765	$ 8,736	$ 7,901
Total PCs	$ 822,310	$ 749,081	$ 646,459	$ 579,385	$ 554,260
Freddie Mac PCs held in retained portfolio	$ 246,209	$ 211,198	$ 168,108	$ 103,400	$ 81,195
Primary capital ratio[(5)]	1.51%	1.33%	1.45%	1.23%	1.15%
Adjusted total capital ratio[(6)]	1.52%	1.34%	1.47%	1.30%	1.22%
Total mortgage portfolio	$ 961,794	$ 862,326	$ 733,360	$ 640,406	$ 610,820
New Business Purchase and Financing Activities					
New business purchases	$ 207,423	$ 272,472	$ 288,338	$ 121,490	$ 128,565
Number of new business purchases (# of loans)	1,465,280	2,058,330	2,396,651	1,085,046	1,232,540
PC issuances	$ 166,901	$ 233,031	$ 250,564	$ 114,258	$ 119,702
Structured securitizations[(7)]	$ 48,202	$ 119,565	$ 135,162	$ 84,366	$ 34,145
Income Statement and Performance Ratios					
Net interest income on earning assets	$ 2,838	$ 2,540	$ 1,927	$ 1,631	$ 1,542
Management and guarantee income	$ 1,489	$ 1,405	$ 1,307	$ 1,298	$ 1,249
Total revenues	$ 4,457	$ 4,055	$ 3,337	$ 3,029	$ 2,875
Income before income taxes and extraordinary item	$ 3,534	$ 3,161	$ 2,356	$ 1,964	$ 1,797
Net income	$ 2,547	$ 2,223	$ 1,700	$ 1,395	$ 1,243
Earnings per common share:[(8)]					
Basic	$ 3.41	$ 2.97	$ 2.32	$ 1.90	$ 1.65
Diluted	$ 3.40	$ 2.96	$ 2.31	$ 1.88	$ 1.63
Weighted average common shares outstanding (in thousands):[(8)]					
Basic	693,555	696,042	679,790	684,937	709,453
Diluted	696,448	700,211	684,658	691,701	714,878
Dividends per common share	$ 0.68	$ 0.60	$ 0.48	$ 0.40	$ 0.35
Dividend payout ratio on common stock	20.03%	20.14%	20.65%	21.08%	21.26%
Return on common equity[(9)]	23.7%	25.5%	24.1%	23.3%	22.2%
Return on total equity[(10)]	20.2%	20.3%	19.4%	19.5%	19.7%
Return on average assets and contingencies[(11)]	0.26%	0.26%	0.24%	0.21%	0.20%
Ratio of earnings to fixed charges[(12)]	1.14:1	1.16:1	1.16:1	1.17:1	1.19:1
Ratio of earnings to combined fixed charges and preferred stock dividends[(12)]	1.13:1	1.14:1	1.15:1	1.16:1	1.18:1

(1) The financial statements for the year ended December 31, 2000 have not been audited.
(2) Excludes related purchase and sale premiums, discounts and deferred fees, reserve for losses on retained mortgages and net unrealized gain (loss) on available-for-sale guaranteed mortgage securities.
(3) Excludes "Reserves for losses on Mortgage Participation Certificates" and "Subordinated borrowings."
(4) "Reserve for losses on retained mortgages" plus "Reserve for losses on Mortgage Participation Certificates."
(5) "Primary capital base" divided by the sum of "Total assets" and "Total PCs" less "Freddie Mac PCs held in retained portfolio."
(6) "Adjusted total capital base" divided by the sum of "Total assets" and "Total PCs" less "Freddie Mac PCs held in retained portfolio."
(7) Includes issuances of mortgage-related securities in which the cash flows are structured into various classes having a variety of features, the majority of which qualify for treatment as Real Estate Mortgage Investment Conduits ("REMICs") under the Internal Revenue Code.
(8) "Earnings per common share-basic" are computed based on weighted average common shares outstanding. "Earnings per common share-diluted" are computed based on the total of weighted average common shares outstanding and the effect of dilutive common equivalent shares outstanding.
(9) Annual computation reflects the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" less preferred stock dividends divided by the simple average of the beginning and ending balances of "Stockholders' equity," net of preferred stock (at redemption value).
(10) Annual computation reflects the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" divided by the simple average of the beginning and ending balances of "Stockholders' equity."
(11) Annual computation reflects the simple average of quarterly returns. Quarterly returns are computed as annualized "Net income" divided by the simple average of the beginning and ending balances of "Total assets" and "Total PCs" less "Freddie Mac PCs held in retained portfolio."
(12) Earnings represent consolidated pre-tax income plus consolidated fixed charges, less interest capitalized. Fixed charges include interest (including amounts capitalized) and the portion of net rental expense deemed representative of interest.

IMPLEMENTATION OF SFAS NO. 133

On January 1, 2001, we implemented Statement of Financial Accounting Standards (**"SFAS"**) No. 133, "Accounting for Derivative Instruments and Hedging Activities" (**"SFAS 133"**), which required that we recognize on balance sheet all derivatives as either assets or liabilities measured at their fair value. The adoption of this standard did not affect our previously issued financial statements up to and including the December 31, 2000 financial results. In the first quarter 2001, we, as required, will report the impact of SFAS 133 as a cumulative effect of a change in accounting principle. We currently expect that the net cumulative after-tax adjustment required by SFAS 133 will increase "Net Income" by approximately $10 to $20 million. Additionally, the mark-to-market adjustment related to certain derivatives that will now be reported as a component of "Total stockholders' equity" will decrease "Total stockholders' equity" by approximately $2.5 billion.

Management anticipates that the adoption of SFAS 133 may increase (perhaps materially) the volatility of both "Net income" and "Total stockholders' equity" in future periods. Consistent with other generally accepted accounting principles (**"GAAP"**)-based equity valuation adjustments, the change in GAAP-based equity due to SFAS 133 will not affect our regulatory core capital, which is equal to stockholders' equity excluding certain mark-to-market adjustments (such as the adjustment required by SFAS 133). Furthermore, the change in GAAP-based equity due to SFAS 133 will not adversely affect the fair value of our equity, which we determine based on fair value estimates of all assets and liabilities measured pursuant to SFAS No. 107, "Disclosure About Fair Value of Financial Instruments."

REGULATION AND GOVERNMENTAL RELATIONSHIPS

From time to time, our statutory, structural and regulatory relationships with the federal government may be subject to review or modification. While our status as a government-sponsored enterprise is often advantageous, proposals have been advanced that could adversely affect the fulfillment of our statutory purposes, as well as our results of operations. A more detailed discussion of our regulatory and governmental relationships appears under *Regulation and Governmental Relationships* in the Information Statement.

DESCRIPTION OF PREFERRED STOCK

The Preferred Stock will have the terms shown in the Certificate of Designation attached as *Appendix A*. The following is a summary of those terms.

General

Section 306(f) of the Freddie Mac Act authorizes us to issue an unlimited number of shares of preferred stock. The shares of Preferred Stock we are offering will have a par value of $1.00 per share and will be created by the Certificate of Designation.

First Chicago Trust Company, New York, New York, will be the transfer agent, dividend disbursing agent and registrar for the Preferred Stock.

Authorized Issuance

Our Board of Directors has authorized us to issue the shares of Preferred Stock. The Board may increase the authorized number of shares at any time, without the consent of the holders of Preferred Stock.

Dividends

General

Dividends on shares of the Preferred Stock are not mandatory. If you own shares of Preferred Stock, you will be entitled to receive non-cumulative, quarterly cash dividends which will accrue from but not including January 26, 2001 and will be payable on March 31, June 30, September 30 and December 31 of each year (each, a **"Dividend Payment Date"**), beginning on March 31, 2001. However, dividends are payable only if declared by our Board of Directors in its sole discretion, out of funds legally available for dividend payments.

If a Dividend Payment Date is not a Business Day, the related dividend will be paid on the next Business Day with the same effect as though paid on the Dividend Payment Date, without any increase to account for the period from the Dividend Payment Date through the date of actual payment. For these purposes, **"Business Day"** means a day other than (a) Saturday or Sunday, (b) a day on which New York City banks are closed or (c) a day on which our offices are closed. We will make dividend payments to holders of record on the record date established by our Board of Directors, which will be from 10 to 45 days before the applicable Dividend Payment Date.

The dividend rate for the period from January 26, 2001 through and including March 31, 2003 will be 4.817%. Thereafter, dividends will accrue at a variable per annum rate equal to the CMT Rate plus 0.10%, but not greater than 11%. On April 1, 2003, and on April 1 every two years thereafter, we will replace the previous dividend rate with a new dividend rate equal to the then-current CMT Rate plus 0.10%. We will determine the CMT Rate for each two-year period on the second Business Day before the first day of that period (each, a **"CMT Determination Date"**).

If we declare a dividend for the March 31 Dividend Payment Date, that initial dividend, which will be for the **"Dividend Period"** from but not including January 26, 2001 through and including March 31, 2001, will be $0.4282 per share and will be payable on March 31, 2001. Thereafter, the **"Dividend Period"** relating to a Dividend Payment Date will be the period from but not including the preceding Dividend Payment Date through and including the related Dividend Payment Date.

We will compute the amount of dividends payable for any period shorter than a full Dividend Period on the basis of twelve 30-day months and a 360-day year. We will compute any dividends payable on the Preferred Stock for each full Dividend Period by dividing the annual dividend by four. If we redeem the Preferred Stock, we will include the dividend that would otherwise be payable for the Dividend Period ending on the date of redemption in the redemption price of the shares redeemed. We will not pay this dividend to you separately.

Determination of CMT Rate

We determine the **"CMT Rate"** as follows:

1. The CMT Rate for any CMT Determination Date will be the rate (not greater than 10.90%) equal to the weekly average interest rate of U.S. Treasury securities having an index maturity of two years for the week that ends immediately before the week in which the relevant CMT Determination Date falls, as that rate appears on page "7052" on Telerate (or any other page that replaces the 7052 page on that service or any successor service) under the heading ". . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 p.m."

2. If the applicable rate described in clause 1 above is not displayed on Telerate page 7052 at 3:00 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the Treasury constant maturity rate applicable to a two-year index maturity for the weekly average as published in H.15(519).

3. If the applicable rate described in clause 2 above does not appear in H.15(519) at 3:00 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the Treasury constant maturity rate, or other U.S. Treasury rate, applicable to a two-year index maturity with reference to the CMT Determination Date, that:

   - is published by the Board of Governors of the Federal Reserve System or the U.S. Department of the Treasury; and

   - we have determined to be comparable to the applicable rate formerly displayed on Telerate page 7052 and published in H.15(519).

4. If the rate described in clause 3 above does not appear at 3:00 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury notes having an original maturity of approximately two years and a remaining term to maturity of not less than one year, and in a representative amount, as of approximately 3:30 p.m., New York City time, on the CMT Determination Date, as quoted by three primary U.S. government securities dealers in

New York City that we select. In selecting these offered rates, we will request quotations from five primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. Treasury notes are direct, non-callable, fixed rate obligations of the U.S. government.

5. If we are unable to obtain three quotations of the kind described in clause 4 above, the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury notes with an original maturity longer than two years and a remaining term to maturity closest to two years, and in a representative amount, as of approximately 3:30 p.m., New York City time, on the CMT Determination Date, as quoted by three primary U.S. government securities dealers in New York City that we select. In selecting these offered rates, we will request quotations from five primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. If two Treasury notes with an original maturity longer than two years have remaining terms to maturity that are equally close to two years, we will obtain quotations for the Treasury note with the shorter remaining term to maturity.

6. If fewer than five but more than two primary dealers are quoting offered rates as described above in clause 5, then the CMT Rate for the CMT Determination Date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.

7. If two or fewer primary dealers are quoting offered rates as described above in clause 5, the CMT Rate in effect for the new Dividend Period will be the CMT Rate in effect for the prior Dividend Period.

"H.15(519)" means the weekly statistical release entitled "Statistical Release H.15(519)," or any successor publication, published by the Board of Governors of the Federal Reserve System.

In the absence of clear error, our determination of the CMT Rate and dividend rate will be final and binding. You can obtain the CMT Rates and the dividend rates for the current and preceding Dividend Periods by contacting us at:

Freddie Mac
Investor Inquiry
8200 Jones Branch Drive
McLean, Virginia 22102-3110
Telephone: (800-336-FMPC)
(703-450-3777 within Washington, D.C. area)
e-mail: Investor_Inquiry@freddiemac.com

Preferences and Limitations

The Preferred Stock will rank prior to our Voting Common Stock, par value $0.21 per share (the **"Common Stock"**), with respect to dividends, as provided in the Certificate of Designation. We will not declare or pay any dividend on the Common Stock or any other junior stock unless dividends have been declared and paid or set apart, or ordered to be set apart, on the Preferred Stock for the then-current Dividend Period. The Preferred Stock will rank equally with respect to dividends with our currently outstanding classes of Preferred Stock (the **"Existing Preferred Stock"**), which are listed in Section 1 of the Certificate of Designation.

Dividends on the Preferred Stock are not cumulative. If we do not pay a dividend on the Preferred Stock, the holders of the Preferred Stock will have no claim to a payment as long as we do not pay a dividend for the then-current period on our Common Stock, any other junior stock, or the Existing Preferred Stock.

Our Board of Directors may, in its discretion, choose to pay dividends on the Preferred Stock without paying dividends on the Common Stock.

We intend to issue subordinated debt in the near future. The terms of the subordinated debt may provide for the deferral of interest payments under certain specified circumstances of financial distress. The terms of the subordinated debt are expected to prohibit the payment of dividends on our stock, including the Preferred Stock, during any period when we have deferred paying interest on such subordinated debt.

We will not declare or pay any dividends on the Preferred Stock if at the same time any arrears or default exists in the payment of dividends on any outstanding class or series of our stock ranking prior to the Preferred Stock with respect to the payment of dividends. At the time of issuance of the Preferred Stock, no class or series of our stock ranking prior to the Preferred Stock will exist.

Holders of shares of the Preferred Stock will not be entitled to any dividends, whether payable in cash or property, other than as described above and will not be entitled to interest, or any sum in lieu of interest, in respect of any dividend payment. See *Regulatory Matters* below for a description of possible regulatory restrictions on our ability to pay dividends.

Changes in the Dividends-Received Percentage

General

If one or more amendments to the Code enacted before July 26, 2002 reduce the percentage of the dividends-received deduction (currently 70%) as specified in section 243(a)(1) of the Code or any successor provision (the **"Dividends-Received Percentage"**), we will make certain adjustments in the dividends payable on the Preferred Stock, and Post Declaration Date Dividends and Retroactive Dividends may become payable, as described below.

We will adjust the amount of each dividend per share of Preferred Stock for dividend payments made on or after the effective date of such a change in the Code, by multiplying the amount of the dividend payable described above under *Dividends — General* (before adjustment) by a factor, which will be the number determined in accordance with the following formula (the **"DRD Formula"**), and rounding the result to the nearest cent (with one-half cent rounded up):

$$\frac{1-.35(1-.70)}{1-.35(1-\text{DRP})}$$

For the purposes of the DRD Formula, **"DRP"** means the Dividends-Received Percentage (expressed as a decimal) applicable to the dividend in question; however, if the Dividends-Received Percentage applicable to the dividend in question is less than 50%, then the DRP will equal .50. If the amount of any dividend payable on the Preferred Stock is adjusted through the application of the DRD Formula, the resulting dividend rate may exceed 11% per annum. No amendment to the Code, other than a change in the percentage of the dividends-received deduction in section 243(a)(1) of the Code or any successor provision, or a change in the percentage of the dividends-received deduction for certain categories of stock that is applicable to the Preferred Stock, will give rise to an adjustment.

No adjustment in the dividends will be made, and no Post Declaration Date Dividends or Retroactive Dividends will be payable, as a result of any amendment to the Code enacted on or after July 26, 2002.

If we receive either an unqualified opinion of nationally recognized independent tax counsel or a private letter ruling or similar form of assurance from the Internal Revenue Service (the **"IRS"**) that an amendment does not apply to a dividend payable on the Preferred Stock, then the amendment will not result in an adjustment, in Post Declaration Date Dividends or in Retroactive Dividends. Any opinion of counsel must be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS. Unless the context otherwise requires, references to dividends in this Offering Circular will mean dividends as adjusted by the DRD Formula. Our calculation of the dividends as so adjusted will be final.

If we adjust the amount of dividends or if we are going to pay Post Declaration Date Dividends or Retroactive Dividends, we will notify you of that fact.

Post Declaration Date Dividends

If an amendment to the Code as described above is enacted after the dividend payable on a Dividend Payment Date has been declared but before that dividend is paid, the amount of the dividend payable will not be increased. Instead, additional dividends (**"Post Declaration Date Dividends"**) equal to the excess of:

- the product of the dividend we paid on that Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage applicable to the dividend in question and .50), over
- the dividend we paid on that Dividend Payment Date

will be payable, if declared, to holders of Preferred Stock on the record date applicable to the next succeeding Dividend Payment Date, in addition to any other amounts payable on that date.

Retroactive Dividends

If an amendment to the Code as described above is enacted and the reduction in the Dividends-Received Percentage retroactively applies to a Dividend Payment Date on which we previously paid dividends on the Preferred Stock (an **"Affected Dividend Payment Date"**), we will pay, if declared, additional dividends (**"Retroactive Dividends"**) to holders of Preferred Stock on the record date applicable to the next succeeding Dividend Payment Date — or, if the amendment is enacted after the dividend payable on such Dividend Payment Date has been declared, to holders of Preferred Stock on the record date applicable to the second succeeding Dividend Payment Date following the date of enactment. The Retroactive Dividends will equal the excess of:

- the product of the dividend we paid on each Affected Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage and .50 applied to each Affected Dividend Payment Date), over
- the sum of the dividends we paid on each Affected Dividend Payment Date.

We will make only one payment of Retroactive Dividends for any such amendment.

Optional Redemption

The Preferred Stock will not be redeemable before March 31, 2003. On that date and on March 31 every two years thereafter, we may redeem the Preferred Stock, in whole or in part, out of legally available funds. The redemption price will be $50.00 per share plus an amount equal to the amount of the dividend that would otherwise be payable for the Dividend Period ending on the date of redemption. If we redeem less than all of the outstanding shares of the Preferred Stock, we will select shares to be redeemed by lot or pro rata (as nearly as possible) or by any other method which we deem equitable.

We will give notice of optional redemption by mail to holders of the Preferred Stock from 30 days to 60 days before the redemption date. Each notice will state the number of shares of Preferred Stock being redeemed, the redemption price, the redemption date and the place at which a holder's Preferred Stock certificates must be presented for redemption.

On and after the redemption date, the shares of Preferred Stock called for redemption will no longer be deemed outstanding, and all rights of the holders of those shares will cease.

The terms of the subordinated debt we intend to issue are expected to prohibit us from redeeming our stock, including the Preferred Stock, during any period when we have deferred paying interest on the subordinated debt. The terms of the subordinated debt may provide for the deferral of interest payments under certain specified circumstances of financial distress.

See *Regulatory Matters* below for a description of possible regulatory restrictions on our ability to redeem the Preferred Stock.

Regulatory Matters

Neither our right to declare dividends on nor our right to redeem the Preferred Stock is currently subject to prior regulatory approval. Under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the **"GSE Act"**), our ability to exercise these rights may be subject to regulatory approval only if we fail to meet applicable capital standards.

The GSE Act established our minimum capital, critical capital and risk-based capital standards.

The GSE Act has required that we maintain "core capital" in an amount that equals or exceeds the levels established under the minimum and critical capital standards since the GSE Act was enacted in 1992. In June 1996, the Director (the **"Director"**) of the Office of Federal Housing Enterprise Oversight (**"OFHEO"**) issued a final minimum capital regulation that interprets the minimum capital standard and implements a calculation methodology similar to the methodology OFHEO applied on an interim basis since the GSE Act was enacted.

The GSE Act does not require us to maintain "total capital" at a level that equals or exceeds the risk-based capital standard until the Director issues a final risk-based capital regulation establishing the risk-based capital stress test (and the risk-based capital level cannot be determined from the GSE Act alone).

The Director of OFHEO has issued a proposed regulation to implement the risk-based capital standard. We submitted to OFHEO detailed, written comments on the proposal. We commented that we believe the basic framework proposed by OFHEO is sound, but a number of changes in the components of the stress tests are necessary in order to align capital to risk as envisioned in the GSE Act. Our comments in this regard included recommendations regarding the measurement of the benchmark for regional credit loss experience for single-family mortgages, single-family and multifamily credit risk and prepayment models, treatment of non-borrower credit risk, projection of the U.S. Treasury yield curve and non-U.S. Treasury interest rates, and assumptions as to refunding and operation expenses. The comments emphasized the importance of implementing the infrastructure systems and procedures, including treatment of new activities that are needed to make the stress test operational and the proposal workable. Our comments also identified options to make the implementation of the proposed regulation accurate, predictable and timely. Copies of those comments are available upon request.

When the rule is completed, OFHEO will submit the rule to the Office of Management and Budget for final clearance and publication in the Federal Register. We understand that OFHEO hopes to complete this process in the first half of 2001. We believe that a reasonable implementation of the risk-based capital standard, when finalized, would be consistent with our internal assessment of capital adequacy.

The final risk-based capital regulation becomes effective when issued but, until the risk-based capital regulation has been in effect for one year, the Director must base any classification of our capital adequacy solely on whether our core capital is equal to or exceeds the minimum and critical capital levels.

Subject to the applicability of the risk-based capital standard described above, we may pay a dividend without prior OFHEO approval if the payment would not decrease our total capital to an amount less than our risk-based capital level and would not decrease the core capital level to an amount less than our minimum capital level. Beginning one year after the final risk-based capital regulation is issued, if our total capital is less than the risk-based capital level, but our core capital equals or exceeds the minimum capital level, we are prohibited from making a dividend payment that would decrease our core capital to an amount less than the minimum capital level. At any time, if our core capital is less than the minimum capital level, we may make a dividend payment only if the dividend payment satisfies certain statutory standards and would not decrease our core capital to less than the critical capital level and if the Director approves the payment.

In addition to the preceding requirements that relate directly to the payment of dividends, the Director has authority, under certain conditions, to require that we submit for the Director's approval a capital restoration plan or that we restrict our activities, either of which also could affect the payment of dividends. Specifically, if the Director determines, after the risk-based capital regulation has been in effect for one year, that we fail to meet the risk-based capital standard, or if the Director determines, at any time, that we fail to meet the minimum capital standard, we will be required to submit for the Director's approval a capital restoration plan setting forth a feasible plan for restoring our capital level. In addition, if we at any time fail to meet the minimum capital standard, the Director is authorized to impose various limitations on our activities. If, at any time, the Director determines that we fail to meet the critical capital standard, the Director may appoint a conservator.

If the Director does not approve a required capital restoration plan or determines that we have failed to make reasonable efforts to comply with such a plan, then the Director may treat us as not meeting capital standards that we otherwise meet and take the actions authorized when we do not meet such standards. Similarly, beginning one year after OFHEO issues a final risk-based capital regulation, if the Director determines that we are engaging in conduct not approved by the Director that could result in a rapid depletion of core capital or that the value of the property subject to mortgages we hold or have securitized has decreased significantly, the Director is authorized to treat us as not meeting capital standards that we otherwise meet.

If we fail to meet or are treated by the Director as not meeting applicable capital standards and the Director has reasonable cause to believe that we are engaging in or about to engage in any conduct (which could include the payment of dividends) that threatens to result in a material depletion of our core capital, then the Director is authorized to commence proceedings under which, after a hearing, the Director could issue a cease-and-desist order prohibiting such conduct. If we meet all applicable capital standards and the Director determines that the conduct in question is likely to cause a significant depletion of core capital, the Director is authorized to commence proceedings under which, after a hearing, the Director could issue a cease-and-desist order prohibiting such conduct. In addition, regardless of whether we meet applicable capital standards, if the Director determines that such conduct is likely to cause a significant depletion of core capital, insolvency or otherwise cause irreparable harm to Freddie Mac, the Director can issue a temporary cease-and-desist order without a hearing, which would be effective until completion of the cease-and-desist proceedings.

The Director has the authority to require us to submit a report to the Director regarding any capital distribution (including any dividend) declared by us before we make the distribution.

The foregoing discussion with respect to the payment of dividends is equally applicable to our redemption of the Preferred Stock and is based on our understanding and interpretations of the relevant provisions of the GSE Act. OFHEO has not yet issued any definitive guidance as to its interpretations of these provisions of the GSE Act. Until OFHEO has provided such guidance, we cannot be certain that the foregoing discussion will be consistent with OFHEO's interpretation in every respect. A more detailed discussion of the regulatory oversight of our capitalization and the terms used above appears under *Regulation and Governmental Relationships — Regulation of Freddie Mac — OFHEO Oversight* in the Information Statement.

No Preemptive Rights and No Conversion

As a holder of Preferred Stock, you will not have any preemptive right to purchase or subscribe for any other shares, rights, options or other securities. You will not have any right to convert your shares into or exchange your shares for any other class or series of our stock or obligations.

No Voting Rights

Section 306(f) of the Freddie Mac Act prohibits the holders of Preferred Stock from voting for the election of any member of our Board of Directors. Except as described under *Amendments* below, as a holder you will not be entitled to vote.

Liquidation Rights

If Freddie Mac voluntarily or involuntarily dissolves, liquidates or winds up our business, then, after payment of or provision for our liabilities and the expenses of dissolution, liquidation or winding up, the holders of the outstanding shares of the Preferred Stock will be entitled to receive out of our assets available for distribution to stockholders, before any payment or distribution is made on the Common Stock or any other junior stock, $50.00 per share plus an amount equal to the dividend for the then-current quarterly Dividend Period accrued through and including the date of the liquidation payment.

In the event of our dissolution, liquidation or winding up, the rights of the Preferred Stock rank equally with those of the Existing Preferred Stock. If our assets available for distribution to shareholders are insufficient to pay in full the aggregate amount payable to holders of the Preferred Stock, the Existing Preferred Stock and any other class or series of stock of equal priority upon liquidation, the assets will be distributed to the holders of Preferred Stock, the Existing Preferred Stock and such other stock pro rata, based on the amounts to which they are entitled.

Notwithstanding the foregoing, holders of the Preferred Stock will not be entitled to be paid any amount in respect of our dissolution, liquidation or winding up until holders of any classes or series of our stock ranking prior to the Preferred Stock upon liquidation have been paid all amounts to which they are entitled.

Our consolidation, merger or combination with or into any other corporation or entity, or the sale of all or substantially all of our property or business, will not constitute a liquidation, dissolution or winding up for purposes of these provisions on liquidation rights.

Additional Classes or Series of Stock

We will have the right to create and issue additional classes or series of stock ranking prior to, equally with or junior to the Preferred Stock, as to dividends, liquidation or otherwise, without the consent of holders of the Preferred Stock.

Amendments

Without the consent of the holders of the Preferred Stock, we will have the right to amend the Certificate of Designation to cure any ambiguity, to correct or supplement any term which may be defective or inconsistent with any other term or to make any other provisions so long as the amendment does not materially and adversely affect the interests of the holders of the Preferred Stock. Otherwise, we may amend the Certificate of Designation only with the consent of the holders of at least two-thirds of the outstanding shares of Preferred Stock. On matters requiring consent, each holder will be entitled to one vote per share.

NYSE Listing

We have applied to list the Preferred Stock on the NYSE. Approval of our application will be subject, among other things, to satisfactory distribution of the Preferred Stock.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The Preferred Stock and payments on it are generally subject to taxation by the United States and other taxing jurisdictions to the same extent as stock of any other corporation. The following discussion addresses some of the U.S. federal income tax consequences that may result from ownership of the Preferred Stock by a U.S. person who holds the Preferred Stock as a capital asset.

For this purpose, a U.S. person is an individual who is a citizen or resident of the United States for federal income tax purposes, a corporation, partnership or other type of entity organized under the laws of the United States or any State (other than a partnership that is not treated as a U.S. person under any applicable Treasury regulations), an estate whose income is subject to U.S. federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision of the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as U.S. persons prior to such date, that elect to continue to be treated as U.S. persons, also will be U.S. persons.

This discussion does not purport to address all rules which may apply to particular investors. Investors are encouraged to consult their own tax advisors regarding the federal, state, local and foreign tax considerations applicable to an investment in the Preferred Stock.

This discussion reflects current federal income tax laws and regulations and administrative and judicial interpretations. Changes to any of these that occur after the date of this Offering Circular may affect the tax consequences that we describe.

Dividends

Distributions on the Preferred Stock which are paid out of current earnings and profits, or earnings and profits accumulated after 1984, generally constitute dividends taxable as ordinary income. To the extent that the amount of any distribution paid on a share of Preferred Stock exceeds the current or accumulated earnings and profits for federal income tax purposes attributable to that share, such excess will be treated first as a return of capital (rather than as ordinary income) and will be applied against and reduce the holder's adjusted tax basis in that share of Preferred Stock. Any such amount in excess of the holder's adjusted tax basis will then be taxed as capital gain. For purposes of the remainder of this discussion, it is assumed that dividends paid with respect to the Preferred Stock will constitute dividends for U.S. federal income tax purposes.

Dividends received by corporations generally will be eligible for the dividends-received deduction. The dividends-received deduction is available only with respect to a dividend received on stock held for more than 45 days (or more than 90 days in the case of a dividend on preferred stock attributable to periods aggregating in excess of 366 days), including the day of disposition but not the day of acquisition. This holding period must be satisfied during the 90-day period (180-day period in the case of a preferred stock dividend attributable to periods aggregating in excess of 366 days) beginning on the date which is 45 (90) days before the date on which the stock becomes ex-dividend with respect to the dividend. The length of time that a corporate shareholder is deemed to have held stock for these purposes is reduced for periods during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales or other similar transactions. The amount of such deduction generally will equal 70 percent of the amount of the dividends received, subject to reduction in certain events, including where a holder has indebtedness outstanding that is directly attributable to an investment in the Preferred Stock. For this purpose, indebtedness of a depository institution attributable to deposits received in the ordinary course of its business is not treated as indebtedness directly attributable to an investment in the Preferred Stock.

For purposes of the corporate alternative minimum tax, alternative minimum taxable income is increased by 75 percent of the amount by which a corporation's adjusted current earnings exceeds its alternative minimum taxable income prior to the addition of the applicable tax preference item. The amount of any dividend that is included in a corporate shareholder's adjusted current earnings will not be reduced by any dividends-received deduction otherwise allowable with respect to that dividend.

Dispositions, Including Redemptions

Any sale, exchange, redemption (except as discussed below) or other disposition of the Preferred Stock generally will result in taxable gain or loss equal to the difference between the amount received and the shareholder's adjusted tax basis in the Preferred Stock. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the holding period for the Preferred Stock exceeds one year.

A redemption of Preferred Stock may be treated as a dividend, rather than as payment in exchange for the Preferred Stock, unless the redemption is "not essentially equivalent to a dividend" with respect to the holder within the meaning of section 302(b)(1) of the Code. In applying this standard, the holder must take into account not only the Preferred Stock and other stock of Freddie Mac that it owns directly, but also the Preferred Stock and other stock of Freddie Mac that it constructively owns within the meaning of section 318 of the Code. A redemption payment made to a holder will be "not essentially equivalent to a dividend" if it results in a "meaningful reduction" in the holder's aggregate stock interest in Freddie Mac. Because of the ambiguities in applying this rule, each holder should consult its own tax advisor to determine whether a redemption of Preferred Stock will be treated as a dividend or as payment in exchange for the Preferred Stock. If the redemption payment is treated as a dividend, the rules discussed above under "Dividends" apply.

Information Reporting and Backup Withholding

Payments of dividends on shares of Preferred Stock held of record by U.S. persons other than corporations and other exempt holders are required to be reported to the IRS.

Backup withholding of U.S. federal income tax at a rate of 31 percent may apply to payments made with respect to shares of Preferred Stock, as well as payments of proceeds from the sale of shares of Preferred Stock, to holders that are not "exempt recipients" and that fail to provide certain identifying information (such as the taxpayer identification number of the holder) in the manner required. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether the shares of Preferred Stock constitute legal investments for you and whether the shares of Preferred Stock can be used as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators in determining the appropriate treatment of the shares of Preferred Stock under risk-based capital or similar rules.

If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in the shares of Preferred Stock. Institutions regulated by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Department of the Treasury or any other federal or state agency with similar authority should review any applicable regulations, policy statements and guidelines before purchasing or pledging the shares of Preferred Stock.

UNDERWRITING

Under the terms of an underwriting agreement (the **"Underwriting Agreement"**), we have agreed to sell to the Underwriters named below, and the Underwriters, for whom Lehman Brothers Inc. is acting as representative, have severally agreed to purchase from us, the shares of Preferred Stock opposite their names.

Underwriter	Number of Shares of Preferred Stock
Lehman Brothers Inc.	3,250,000
First Tennessee Bank National Association	650,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	650,000
Blaylock & Partners, L.P.	325,000
Bear, Stearns & Co. Inc.	325,000
Credit Suisse First Boston Corporation	325,000
Goldman, Sachs & Co.	325,000
Morgan Stanley & Co. Incorporated	325,000
Salomon Smith Barney Inc.	325,000
Total	6,500,000

The Underwriting Agreement requires the Underwriters to take and pay for all of the shares of Preferred Stock, if any are taken.

The Underwriters propose to offer a portion of the Preferred Stock directly to the public at the initial offering price shown on the cover page of this Offering Circular, plus accrued dividends, if any, from January 26, 2001, and a portion to certain dealers at that price less a concession of not more than $0.25 per share. The Underwriters may allow, and the dealers may reallow, a concession of not more than $0.20 per share on sales to certain brokers and dealers. After the shares of Preferred Stock are released for sale to the public, the Underwriters may vary the offering price and other selling terms.

Until this offering, there has been no public market for the Preferred Stock. We have applied to list the Preferred Stock on the NYSE. Trading of the Preferred Stock on the NYSE is expected to commence within a fourteen-day period after the initial delivery of the Preferred Stock. The Underwriters have advised us that they intend to make a market in the Preferred Stock prior to the commencement of trading on the NYSE, but are not obliged to do so and may discontinue any such market making at any time without notice.

In connection with the offering, the Underwriters may purchase and sell the Preferred Stock in the open market. These transactions may include over-allotment and stabilizing transactions and purchases to cover syndicate short positions created in connection with the offering. Stabilizing transactions consist of certain bids or purchases for the purpose of preventing or retarding a decline in the market price of the Preferred Stock. Syndicate short positions involve the sale by the Underwriters of a greater number of shares of Preferred Stock than they are required to purchase from us in the offering. The Underwriters also may impose a penalty bid, whereby selling concessions allowed to syndicate members or other broker-dealers for securities sold in the offering for their account may be reclaimed by the syndicate if such shares of Preferred Stock are repurchased by the Underwriters in stabilizing or covering transactions. These activities may stabilize, maintain or otherwise affect the market price of the Preferred Stock, which may be higher than the price that might otherwise prevail in the open market; and these activities, if commenced, may be discontinued at any time. These transactions may be effected in the over-the-counter market or otherwise.

We and the Underwriters have agreed to indemnify each other against certain liabilities in connection with the offering and sale of the Preferred Stock.

Some of the Underwriters, dealers or agents may engage in transactions with us and perform services for us in the ordinary course of business.

RATINGS

Moody's will assign the Preferred Stock a rating of "aa3." A rating of "aa" is the second highest rating that Moody's assigns to preferred stock. An issue which is rated "aa" is considered by Moody's to be a "high-grade preferred stock." According to Moody's, this rating indicates that "there is a reasonable assurance the earnings and asset protection will remain relatively well maintained in the foreseeable future." The numerical modifier "3" indicates that the issue ranks in the lower end of the generic rating category of "aa."

S&P will assign the Preferred Stock a rating of "AA−." A rating of "AA" is the second highest rating that S&P assigns to preferred stock. An issue which is rated "AA" is considered by S&P to be a "high-quality, fixed-income security." According to S&P, this rating indicates that "the capacity to pay preferred stock dividends is very strong, although not as overwhelming as for issues rated AAA." The addition of the minus (−) sign indicates that the issue ranks in the lower end of the generic rating category "AA."

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization.

INDEPENDENT PUBLIC ACCOUNTANTS

The Consolidated Financial Statements of Freddie Mac included in the Information Statement have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto.

LEGAL MATTERS

Maud Mater, Esq., our Executive Vice President-General Counsel and Secretary, will render an opinion on the legality of the Preferred Stock. As of December 31, 2000, Ms. Mater was the beneficial owner of 85,097 shares of Common Stock and options covering an additional 136,442 shares of Common Stock. Cleary, Gottlieb, Steen & Hamilton is representing the Underwriters on legal matters concerning the Preferred Stock.

Appendix A

FREDDIE MAC

CERTIFICATE OF CREATION, DESIGNATION, POWERS, PREFERENCES, RIGHTS, PRIVILEGES, QUALIFICATIONS, LIMITATIONS, RESTRICTIONS, TERMS AND CONDITIONS of VARIABLE RATE, NON-CUMULATIVE PREFERRED STOCK (Par Value $1.00 Per Share)

I, MAUD MATER, Secretary of the Federal Home Loan Mortgage Corporation, a government-sponsored enterprise of the United States of America ("Freddie Mac" or the "Corporation"), do hereby certify that, pursuant to authority vested in the Board of Directors of Freddie Mac by Section 306(f) of the Federal Home Loan Mortgage Corporation Act, as amended (12 U.S.C. §1455(f)), the Board of Directors adopted FHLMC Resolution 99-22 on September 10, 1999, which resolution is now, and at all times since such date has been, in full force and effect, and that the Chairman and Chief Executive Officer, pursuant to the authority delegated to him by such resolution, approved the final terms of the public issuance and sale of the preferred stock of Freddie Mac designated above.

The Variable Rate, Non-Cumulative Preferred Stock shall have the following designation, powers, preferences, rights, privileges, qualifications, limitations, restrictions, terms and conditions:

1. Designation, Par Value, Number of Shares and Seniority

The class of preferred stock of Freddie Mac created hereby (the "Non-Cumulative Preferred Stock") shall be designated "Variable Rate, Non-Cumulative Preferred Stock," shall have a par value of $1.00 per share and shall consist of 6,500,000 shares. The Board of Directors shall be permitted to increase the authorized number of such shares at any time. The Non-Cumulative Preferred Stock shall rank prior to the Voting Common Stock of Freddie Mac (the "Common Stock") to the extent provided in this Certificate and shall rank, both as to dividends and upon liquidation, on a parity with the Variable Rate, Non-Cumulative Preferred Stock issued on November 5, 1999, the 5.79% Non-Cumulative Preferred Stock issued on July 21, 1999, the 5.1% Non-Cumulative Preferred Stock issued on March 9, 1999, the 5.3% Non-Cumulative Preferred Stock issued on October 28, 1998, the 5.1% Non-Cumulative Preferred Stock issued on September 23, 1998, the Variable Rate, Non-Cumulative Preferred Stock issued on September 23, 1998 and September 29, 1998, the 5% Non-Cumulative Preferred Stock issued on March 23, 1998, the 5.81% Non-Cumulative Preferred Stock issued on October 27, 1997, the 6.14% Non-Cumulative Preferred Stock issued on June 3, 1997, the 6.125% Non-Cumulative Preferred Stock issued on November 1, 1996 and the Variable Rate, Non-Cumulative Preferred Stock issued on April 26, 1996 (collectively, the "Existing Preferred Stock").

2. Dividends

(a) Holders of outstanding shares of Non-Cumulative Preferred Stock will be entitled to receive, ratably, non-cumulative quarterly cash dividends which will accrue from but not including January 26, 2001 and will be payable on March 31, June 30, September 30 and December 31 of each year (each, a "Dividend Payment Date"), beginning on March 31, 2001, when as and if declared by the Board of Directors in its sole discretion, out of funds legally available for dividend payments. If a Dividend Payment Date is not a "Business Day," the related dividend will be paid on the next Business Day with the same force and effect as though paid on the Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. For these purposes, "Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which New York City banks are closed or (iii) a day on which the offices of Freddie Mac are closed. Dividends will be paid to holders of record on the record date fixed by the Board of Directors, not to be earlier than 45 days or later than 10 days preceding the applicable Dividend Payment Date.

The dividend rate for the period from January 26, 2001 through and including March 31, 2003 will be 4.817%. Thereafter, dividends will accrue at a variable per annum rate (not greater than 11%) equal to the "CMT Rate" (as defined below) plus 0.10%. On April 1, 2003, and on April 1 every two years thereafter, the previous dividend rate will be replaced by the then-current CMT Rate plus 0.10%. The CMT Rate for each two-year period will be determined by Freddie Mac on the second Business Day immediately preceding the first day of such period (each, a "CMT Determination Date"). If declared, the initial dividend, which will be for the "Dividend Period" from but not including January 26, 2001 through and including March 31, 2003, will be $0.4282 per share and will be payable on March 31, 2001. Thereafter, the "Dividend Period" relating to a Dividend Payment Date will be the period from but not including the preceding Dividend Payment Date through and including the related Dividend Payment Date. The amount of dividends payable for any period shorter than a full Dividend Period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of dividends payable for each full Dividend Period will be determined by dividing the annual dividend by four. If Freddie Mac redeems the Non-Cumulative Preferred Stock, the dividend that would otherwise be payable for the Dividend Period ending on the date of redemption will be included in the redemption price of the shares redeemed and will not be separately payable.

(b) The "CMT Rate" for any CMT Determination Date will be the rate (not greater than 10.90%) equal to:

(1) the weekly average interest rate of U.S. Treasury securities having an index maturity of two years for the week that ends immediately before the week in which the relevant CMT Determination Date falls, as that rate appears on page "7052" on Telerate (or such other page as may replace the 7052 page on that service or any successor service) under the heading ". . . Treasury Constant Maturities . . . Federal Reserve Board Release H.15 . . . Mondays Approximately 3:45 p.m."

(2) If the applicable rate described in clause (1) above is not displayed on Telerate page 7052 at 3:00 p.m., New York City time, on the relevant CMT Determination Date, then the CMT Rate will be the Treasury constant maturity rate applicable to a two-year index maturity for the weekly average as published in H.15(519) (as defined below).

(3) If the applicable rate described in clause (2) above does not appear in H.15(519) at 3:00 p.m., New York City time, on the relevant CMT Determination Date, then the CMT Rate

will be the Treasury constant maturity rate, or other U.S. Treasury rate, applicable to a two-year index maturity with reference to the relevant CMT Determination Date, that:

(A) is published by the Board of Governors of the Federal Reserve System or the U.S. Department of the Treasury; and

(B) is determined by Freddie Mac to be comparable to the applicable rate formerly displayed on Telerate page 7052 and published in H.15(519).

(4) If the rate described in clause (3) above does not appear at 3:00 p.m., New York City time, on the relevant CMT Determination Date, then the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury notes having an original maturity of approximately two years and a remaining term to maturity of not less than one year, and in a representative amount, as of approximately 3:30 p.m., New York City time, on the relevant CMT Determination Date, as quoted by three primary U.S. government securities dealers in New York City selected by Freddie Mac. In selecting these offered rates, Freddie Mac will request quotations from five primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. Treasury notes are direct, non-callable, fixed rate obligations of the U.S. government.

(5) If Freddie Mac is unable to obtain three quotations of the kind described in clause (4) above, the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury notes with an original maturity longer than two years and a remaining term to maturity closest to two years, and in a representative amount, as of approximately 3:30 p.m., New York City time, on the relevant CMT Determination Date, as quoted by three primary U.S. government securities dealers in New York City selected by Freddie Mac. In selecting these offered rates, Freddie Mac will request quotations from five primary dealers and will disregard the highest quotation — or, if there is equality, one of the highest — and the lowest quotation — or, if there is equality, one of the lowest. If two Treasury notes with an original maturity longer than two years have remaining terms to maturity that are equally close to two years, Freddie Mac will obtain quotations for the Treasury note with the shorter remaining term to maturity.

(6) If fewer than five but more than two primary dealers are quoting offered rates as described in clause (5) above, then the CMT Rate for the relevant CMT Determination Date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded.

(7) If two or fewer primary dealers are quoting offered rates as described in clause (5) above, the CMT Rate in effect for the new Dividend Period will be the CMT Rate in effect for the prior Dividend Period.

"H.15(519)" means the weekly statistical release entitled "Statistical Release H.15(519)," or any successor publication, published by the Board of Governors of the Federal Reserve System.

Absent manifest error, Freddie Mac's determination of the CMT Rate and the dividend rate will be final and binding.

No dividends shall be declared or paid or set apart for payment on the Common Stock or any other class or series of stock ranking junior to or (except as hereinafter provided) on a parity with the Non-Cumulative Preferred Stock with respect to the payment of dividends unless dividends have been declared and paid or set apart (or ordered by the Board of Directors to be set apart) for payment on the outstanding Non-Cumulative Preferred Stock in respect of the then-current Dividend Period; provided, however, that the foregoing dividend preference shall not be cumulative and shall not in any way create any claim or right in favor of the holders of Non-Cumulative Preferred Stock in the event that Freddie Mac shall not have declared or paid or set apart (or the Board of Directors shall not have ordered to be set apart) dividends on the Non-Cumulative Preferred Stock in respect of any prior Dividend Period. In the event that Freddie Mac shall not pay any one or more dividends or any part thereof on the Non-Cumulative Preferred Stock, the holders of the Non-Cumulative Preferred Stock shall not have any claim in respect of such non-payment so long as no dividend is paid on any junior or parity stock in violation of the next preceding sentence.

(c) If, prior to July 26, 2002, one or more amendments to the Internal Revenue Code of 1986, as amended (the "Code"), are enacted that reduce or eliminate the percentage of the dividends-received deduction as specified in section 243(a)(1) of the Code or any successor provision (the "Dividends-Received Percentage"), including any change applicable only to certain categories of stock, which change is applicable to the Preferred Stock, certain adjustments may be made in respect of the dividends payable by the Corporation, and Post Declaration Date Dividends and Retroactive Dividends (as such terms are defined below) may become payable, as described below.

The amount of each dividend payable (if declared) per share of Non-Cumulative Preferred Stock for dividend payments made on or after the effective date of such change in the Code will be adjusted by multiplying the amount of the dividend payable pursuant to Section 2(a) (before adjustment) by a factor, which shall be the number determined in accordance with the following formula (the "DRD Formula"), and rounding the result to the nearest cent (with one-half cent rounded up):

$$\frac{1-.35(1-.70)}{1-.35(1-\text{DRP})}$$

For the purposes of the DRD Formula, "DRP" means the Dividends-Received Percentage (expressed as a decimal) applicable to the dividend in question; *provided, however,* that if the Dividends-Received Percentage applicable to the dividend in question is less than 50%, then the DRP will equal .50. In the event an adjustment to any dividend payable on the Non-Cumulative Preferred Stock is made pursuant to this Section 2(c), the resulting dividend rate may exceed % per annum. No amendment to the Code, other than a change in the percentage of the dividends-received deduction set forth in section 243(a)(1) of the Code or any successor provision, or a change in the percentage of the dividends-received deduction for certain categories of stock, which change is applicable to the Preferred Stock, will give rise to an adjustment.

Notwithstanding the foregoing provisions, if, with respect to any such amendment, the Corporation receives either an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation or a private letter ruling or similar form of assurance from the Internal Revenue Service (the "IRS") to the effect that such an amendment does not apply to a dividend payable on the Non-Cumulative Preferred Stock, then such amendment shall not result in the adjustment provided for pursuant to the DRD Formula with respect to such dividend. The opinion referenced in the previous sentence shall be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation. Unless the context otherwise requires, references to dividends herein shall mean dividends as adjusted by the DRD

Formula. The Corporation's calculation of the dividends payable as so adjusted shall be final and not subject to review, absent manifest error.

Notwithstanding the foregoing, if any such amendment to the Code is enacted after the dividend payable on a Dividend Payment Date has been declared but before such dividend is paid, the amount of the dividend payable on such Dividend Payment Date shall not be increased. Instead, additional dividends (the "Post Declaration Date Dividends"), equal to the excess, if any, of (x) the product of the dividend paid by the Corporation on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage applicable to the dividend in question and .50) over (y) the dividend paid by the Corporation on such Dividend Payment Date, shall be payable (if declared) to holders of Non-Cumulative Preferred Stock on the record date applicable to the next succeeding Dividend Payment Date, in addition to any other amounts payable on such date.

If any such amendment to the Code is enacted and the reduction in the Dividends-Received Percentage retroactively applies to a Dividend Payment Date as to which the Corporation previously paid dividends on the Non-Cumulative Preferred Stock (each, an "Affected Dividend Payment Date"), the Corporation shall pay (if declared) additional dividends (the "Retroactive Dividends") to holders on the record date applicable to the next succeeding Dividend Payment Date (or, if such amendment is enacted after the dividend payable on such Dividend Payment Date has been declared, to holders on the record date applicable to the second succeeding Dividend Payment Date following the date of enactment) in an amount equal to the excess of (x) the product of the dividend paid by the Corporation on each Affected Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage and .50 applied to each Affected Dividend Payment Date) over (y) the sum of the dividend paid by the Corporation on each Affected Dividend Payment Date. The Corporation will make only one payment of Retroactive Dividends for any such amendment. Notwithstanding the foregoing provisions, if, with respect to any such amendment, the Corporation receives either an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation or a private letter ruling or similar form of assurance from the IRS to the effect that such amendment does not apply to a dividend payable on an Affected Dividend Payment Date for the Non-Cumulative Preferred Stock, then such amendment will not result in the payment of Retroactive Dividends with respect to such Affected Dividend Payment Date. The opinion referenced in the previous sentence must be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation.

In the event that the amount of dividends payable per share of the Non-Cumulative Preferred Stock is adjusted pursuant to the DRD Formula and/or Post Declaration Date Dividends or Retroactive Dividends are to be paid, the Corporation will give notice of each such adjustment and, if applicable, any Post Declaration Date Dividends and Retroactive Dividends to be given as soon as practicable to the holders of Non-Cumulative Preferred Stock.

(d) Notwithstanding any other provision of this Certificate, the Board of Directors, in its discretion, may choose to pay dividends on the Non-Cumulative Preferred Stock without the payment of any dividends on the Common Stock or any other class or series of stock from time to time outstanding ranking junior to the Non-Cumulative Preferred Stock with respect to the payment of dividends.

(e) No dividend shall be declared or paid or set apart for payment on any shares of the Non-Cumulative Preferred Stock if at the same time any arrears or default exists in the payment of dividends on any outstanding class or series of stock of Freddie Mac ranking prior to or (except as provided herein) on a parity with the Non-Cumulative Preferred Stock with respect to the payment of dividends. If and whenever dividends, having been declared, shall not have been paid in full, as aforesaid, on shares of the Non-Cumulative Preferred Stock and on the shares of any other class or series of stock of Freddie Mac ranking on a parity with the Non-Cumulative Preferred Stock with respect to the payment of dividends, all such dividends that have been declared on shares of the Non-Cumulative Preferred Stock and on the shares of any such other class or series shall be paid pro rata, so that the respective amounts of dividends paid per share on the Non-Cumulative Preferred Stock and on such other class or series shall in all cases bear to each other the same ratio that the respective amounts of dividends declared but unpaid per share on the shares of the Non-Cumulative Preferred Stock (including any adjustments due to changes in the Dividends-Received Percentage) and on the shares of such other class or series bear to each other.

(f) Holders of shares of the Non-Cumulative Preferred Stock shall not be entitled to any dividends, in cash or in property, other than as herein provided and shall not be entitled to interest, or any sum in lieu of interest, on or in respect of any dividend payment.

3. Optional Redemption

(a) The Non-Cumulative Preferred Stock shall not be redeemable prior to March 31, 2003. On that date and on March 31 every two years thereafter, subject to the notice provisions set forth in Section 3(b) below and to any further limitations which may be imposed by law, Freddie Mac may redeem the Non-Cumulative Preferred Stock, in whole or in part, out of funds legally available therefor, at the redemption price of $50.00 per share plus an amount, determined in accordance with Section 2 above, equal to the amount of the dividend that would otherwise be payable for the Dividend Period ending on the date of such redemption. If less than all of the outstanding shares of the Non-Cumulative Preferred Stock are to be redeemed, Freddie Mac shall select shares to be redeemed from the outstanding shares not previously called for redemption by lot or pro rata (as nearly as possible) or by any other method which Freddie Mac in its sole discretion deems equitable.

(b) In the event Freddie Mac shall redeem any or all of the Non-Cumulative Preferred Stock as aforesaid, notice of such redemption shall be given by Freddie Mac by first class mail, postage prepaid, mailed neither less than 30 nor more than 60 days prior to the redemption date, to each holder of record of the shares of the Non-Cumulative Preferred Stock being redeemed, at such holder's address as the same appears in the books and records of Freddie Mac. Each such notice shall state the number of shares being redeemed, the redemption price, the redemption date and the place at which such holder's certificate(s) representing shares of the Non-Cumulative Preferred Stock must be presented for cancellation or exchanges, as the case may be, upon such redemption. Failure to give notice, or any defect in the notice, to any holder of the Non-Cumulative Preferred Stock shall not affect the validity of the proceedings for the redemption of shares of any other holder of the Non-Cumulative Preferred Stock being redeemed.

(c) Notice having been mailed as aforesaid, from and after the redemption date specified therein and upon payment of the consideration set forth in Section 3(a) above, said shares of the Non-Cumulative Preferred Stock shall no longer be deemed to be outstanding, and all rights of the holders thereof as holders of the Non-Cumulative Preferred Stock shall cease, with respect to shares so redeemed.

(d) Any shares of the Non-Cumulative Preferred Stock which shall have been redeemed shall, after such redemption, no longer have the status of authorized, issued or outstanding shares.

4. No Voting Rights

Except as set forth in Section 9(h) below, the shares of the Non-Cumulative Preferred Stock shall not have any voting powers, either general or special.

5. No Conversion or Exchange Rights

The holders of shares of the Non-Cumulative Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock or obligations of Freddie Mac.

6. No Preemptive Rights

No holder of the Non-Cumulative Preferred Stock shall as such holder have any preemptive right to purchase or subscribe for any other shares, rights, options or other securities of any class of Freddie Mac which at any time may be sold or offered for sale by Freddie Mac.

7. Liquidation Rights and Preference

(a) Except as otherwise set forth herein, upon the voluntary or involuntary dissolution, liquidation or winding up of Freddie Mac, after payment of or provision for the liabilities of Freddie Mac and the expenses of such dissolution, liquidation or winding up, the holders of the outstanding shares of the Non-Cumulative Preferred Stock shall be entitled to receive out of the assets of Freddie Mac available for distribution to stockholders, before any payment or distribution shall be made on the Common Stock or any other class or series of stock of Freddie Mac ranking junior to the Non-Cumulative Preferred Stock upon liquidation, the amount of $50.00 per share plus an amount, determined in accordance with Section 2 above, equal to the dividend, if any, otherwise payable for the then-current Dividend Period accrued through and including the date of payment in respect of such dissolution, liquidation or winding up, and the holders of the outstanding shares of any class or series of stock of Freddie Mac ranking on a parity with the Non-Cumulative Preferred Stock upon liquidation shall be entitled to receive out of the assets of Freddie Mac available for distribution to stockholders, before any such payment or distribution shall be made on the Common Stock or any other class or series of stock of Freddie Mac ranking junior to the Non-Cumulative Preferred Stock and to such parity stock upon liquidation, any corresponding preferential amount to which the holders of such parity stock may, by the terms thereof, be entitled; provided, however, that if the assets of Freddie Mac available for distribution to stockholders shall be insufficient for the payment of the full amounts to which the holders of the outstanding shares of the Non-Cumulative Preferred Stock and the holders of the outstanding shares of such parity stock shall be entitled to receive upon such dissolution, liquidation or winding up of Freddie Mac as aforesaid, then, subject to paragraph (b) of this Section 7, all of the assets of Freddie Mac available for distribution to stockholders shall be distributed to the holders of outstanding shares of the Non-Cumulative Preferred Stock and to the holders of outstanding shares of such parity stock pro rata, so that the amounts so distributed to holders of the Non-Cumulative Preferred Stock and to holders of such classes or series of such parity stock, respectively, shall bear to each other the same ratio that the respective distributive amounts to which they are so entitled (including any adjustment due to changes in the Dividends-Received Percentage) bear to each other. After the payment of the aforesaid amounts to which they are entitled, the holders of outstanding shares of the Non-Cumulative Preferred Stock and the holders of outstanding shares of any such parity stock shall not be entitled to any further participation in any distribution of assets of Freddie Mac.

(b) Notwithstanding the foregoing, upon the dissolution, liquidation or winding up of Freddie Mac, the holders of shares of the Non-Cumulative Preferred Stock then outstanding shall not be entitled to be paid any amounts to which such holders are entitled pursuant to paragraph (a) of this Section 7 unless and until the holders of any classes or series of stock of Freddie Mac ranking prior upon liquidation to the Non-Cumulative Preferred Stock shall have been paid all amounts to which such classes or series are entitled pursuant to their respective terms.

(c) Neither the sale of all or substantially all of the property or business of Freddie Mac, nor the merger, consolidation or combination of Freddie Mac into or with any other corporation or entity, shall be deemed to be a dissolution, liquidation or winding up for the purpose of this Section 7.

8. Additional Classes or Series of Stock

The Board of Directors shall have the right at any time in the future to authorize, create and issue, by resolution or resolutions, one or more additional classes or series of stock of Freddie Mac, and to determine and fix the distinguishing characteristics and the relative rights, preferences, privileges and other terms of the shares thereof. Any such class or series of stock may rank prior to or on a parity with or junior to the Non-Cumulative Preferred Stock as to dividends or upon liquidation or otherwise.

9. Miscellaneous

(a) Any stock of any class or series of Freddie Mac shall be deemed to rank:

(i) prior to the shares of the Non-Cumulative Preferred Stock, either as to dividends or upon liquidation, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of Freddie Mac, as the case may be, in preference or priority to the holders of shares of the Non-Cumulative Preferred Stock;

(ii) on a parity with shares of the Non-Cumulative Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates or amounts, dividend payment dates or redemption of liquidation prices per share, if any, be different from those of the Non-Cumulative Preferred Stock, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of Freddie Mac, as the case may be, in proportion to their respective dividend rates or amounts or liquidation prices, without preference or priority, one over the other, as between the holders of such class or series and the holders of shares of the Non-Cumulative Preferred Stock; and

(iii) junior to shares of the Non-Cumulative Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock, or if the holders of shares of the Non-Cumulative Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of Freddie Mac, as the case may be, in preference or priority to the holders of shares of such class or series.

(b) Freddie Mac and any agent of Freddie Mac may deem and treat the holder of a share or shares of Non-Cumulative Preferred Stock, as shown in Freddie Mac's books and records, as the absolute owner of such share or shares of Non-Cumulative Preferred Stock for the purpose of receiving payment of dividends in respect of such share or shares of Non-Cumulative Preferred Stock and for all other purposes whatsoever, and neither Freddie Mac nor any agent of Freddie Mac shall be affected by any notice to the contrary. All payments made to or upon the order of any such person shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge liabilities for moneys payable by Freddie Mac on or with respect to any such share or shares of Non-Cumulative Preferred Stock.

(c) The shares of the Non-Cumulative Preferred Stock, when duly issued, shall be fully paid and non-assessable.

(d) The Non-Cumulative Preferred Stock shall be issued, and shall be transferable on the books of Freddie Mac, only in whole shares, it being intended that no fractional interests in shares of Non-Cumulative Preferred Stock shall be created or recognized by Freddie Mac.

(e) For purposes of this Certificate, the term "Freddie Mac" means the Federal Home Loan Mortgage Corporation and any successor thereto by operation of law or by reason of a merger, consolidation or combination.

(f) This Certificate and the respective rights and obligations of Freddie Mac and the holders of the Non-Cumulative Preferred Stock with respect to such Non-Cumulative Preferred Stock shall be construed in accordance with and governed by the laws of the United States, provided that the law of the Commonwealth of Virginia shall serve as the federal rule of decision in all instances except where such law is inconsistent with Freddie Mac's enabling legislation, its public purposes or any provision of this Certificate.

(g) Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served to or upon Freddie Mac shall be given or served in writing addressed (unless and until another address shall be published by Freddie Mac) to Freddie Mac, 8200 Jones Branch Drive, McLean, Virginia 22102, Attn: Executive Vice President-General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of a writing by Freddie Mac. Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served by Freddie Mac hereunder may be given or served by being deposited first class, postage prepaid, in the United States mail addressed (i) to the holder as such holder's name and address may appear at such time in the books and records of Freddie Mac or (ii) if to a person or entity other than a holder of record of the Non-Cumulative Preferred Stock, to such person or entity at such address as appears to Freddie Mac to be appropriate at such time. Such notice, demand or other communication shall be deemed to have been sufficiently given or made, for all purposes, upon mailing.

(h) Freddie Mac, by or under the authority of the Board of Directors, may amend, alter, supplement or repeal any provision of this Certificate pursuant to the following terms and conditions:

(i) Without the consent of the holders of the Non-Cumulative Preferred Stock, Freddie Mac may amend, alter, supplement or repeal any provision of this Certificate to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Certificate, provided that such action shall not materially and adversely affect the interests of the holders of the Non-Cumulative Preferred Stock.

(ii) The consent of the holders of at least 66 2/3% of all of the shares of the Non-Cumulative Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of the Non-Cumulative Preferred Stock shall vote together as a class, shall be necessary for authorizing, effecting or validating the amendment, alteration, supplementation or repeal of the provisions of this Certificate if such amendment, alteration, supplementation or repeal would materially and adversely affect the powers, preferences, rights, privileges, qualifications, limitations, restrictions, terms or conditions of the Non-Cumulative Preferred Stock. The creation and issuance of any other class or series of stock, or the issuance of additional shares of any existing class or series of stock of Freddie Mac (including the Non-Cumulative Preferred Stock), whether ranking prior to, on a parity with or junior to the Non-Cumulative Preferred Stock, shall not be deemed to constitute such an amendment, alteration, supplementation or repeal.

(iii) Holders of the Non-Cumulative Preferred Stock shall be entitled to one vote per share on matters on which their consent is required pursuant to subparagraph (ii) of this paragraph (h). In connection with any meeting of such holders, the Board of Directors shall fix a record date, neither earlier than 60 days nor later than 10 days prior to the date of such meeting, and holders of record of shares of the Non-Cumulative Preferred Stock on such record date shall be entitled to notice of and to vote at any such meeting and any adjournment. The Board of Directors, or such person or persons as it may designate, may establish reasonable rules and procedures as to the solicitation of the consent of holders of the Non-Cumulative Preferred Stock at any such meeting or otherwise, which rules and procedures shall conform to the requirements of any national securities exchange on which the Non-Cumulative Preferred Stock may be listed at such time.

(i) RECEIPT AND ACCEPTANCE OF A SHARE OR SHARES OF THE NON-CUMULATIVE PREFERRED STOCK BY OR ON BEHALF OF A HOLDER SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER (AND ALL OTHERS HAVING BENEFICIAL OWNERSHIP OF SUCH SHARE OR SHARES) OF ALL OF THE TERMS AND PROVISIONS OF THIS CERTIFICATE. NO SIGNATURE OR OTHER FURTHER MANIFESTATION OF ASSENT TO THE TERMS AND PROVISIONS OF THIS CERTIFICATE SHALL BE NECESSARY FOR ITS OPERATION OR EFFECT AS BETWEEN FREDDIE MAC AND THE HOLDER (AND ALL SUCH OTHERS).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Freddie Mac this 26th day of January, 2001.

[Seal]

Maud Mater, *Secretary*

FOR IMMEDIATE RELEASE
January 18, 2001
MEDIA CONTACT: GISELA VALLANDIGHAM
703.903.2558
INVESTOR CONTACT: BILL STEPHENS
703.903.2798

Freddie Mac

NewsRelease

FREDDIE MAC ANNOUNCES RECORD EARNINGS FOR 2000

2000 Earnings Per Share Up 15 Percent

McLean, VA—Freddie Mac (NYSE:FRE) today announced record diluted earnings per common share of $3.40 for 2000, a 15 percent increase over 1999 diluted earnings per common share of $2.96. Net income for 2000 was $2.547 billion, a 15 percent increase over 1999 net income of $2.223 billion.

Fourth quarter 2000 diluted earnings per common share of $0.89 represent a 13 percent increase over fourth quarter 1999 diluted earnings per common share of $0.79. Net income for the fourth quarter 2000 was $663 million, compared to $594 million for the same period a year ago and $645 million for third quarter 2000.

"2000 was another excellent year for Freddie Mac, building upon our extraordinary record of performance," said Leland C. Brendsel, Chairman and Chief Executive Officer. "We delivered high-quality earnings growth of 15 percent, while keeping credit and interest-rate risk at conservative levels. We achieved our 30th consecutive year of profitability, and our return on common equity exceeded 20 percent for the 19th year in a row."

Brendsel added, "We ended the year with rock-solid financial strength, well protected from economic volatility and ready to meet the nation's housing finance needs for years to come. Our tremendous success in fulfilling our mission has earned us broad public support. The enhancements to our capital management and disclosure practices that we announced in October raise the already high standard of information we provide to investors and far exceed current industry practice."

David W. Glenn, Vice Chairman and President, said, "Solid portfolio growth, stable margins and continued credit strength drove our performance during the year. We recorded high-quality, double-digit portfolio growth in both lines of business, and our credit losses for the year represented just over 1 basis point of our total mortgage portfolio."

Glenn added, "Worldwide demand for our debt remains strong. During the year, we issued nearly $60 billion in dollar-denominated Reference Notes[SM]. In addition, our innovative EuroReference Note[SM] Programme met an outstanding reception, becoming one of the most active, liquid issues on the Euro bond market."

Revenues

Freddie Mac's total revenues for 2000 reached $4.457 billion, a 10 percent increase over 1999 total revenues of $4.055 billion. For fourth quarter 2000, total revenues were $1.159 billion, an increase of 10 percent over fourth quarter 1999 total revenues of $1.049 billion, and up from $1.125 billion in third quarter 2000.

Net interest income on earning assets totaled $2.838 billion for 2000, a 12 percent growth from 1999 net interest income on earning assets of $2.540 billion. The increase in net interest income for full-year 2000 was driven by a $53.5 billion, or 18 percent, increase in the average balance of the retained portfolio. Net interest income on earning assets grew to $738 million in fourth quarter 2000, compared to $664 million in fourth quarter 1999 and $737 million in third quarter 2000. The increase in net interest income from third quarter 2000 was driven by a $15.7 billion, or 4 percent, increase in the average balance of the retained portfolio.

For full-year 2000, on a fully taxable equivalent (FTE) basis, the net interest yield on earning assets was 0.75 percent, compared to 0.80 percent in 1999. In fourth quarter 2000, FTE net interest yield was 0.74 percent, compared to 0.80 percent in fourth quarter 1999 and 0.77 percent in third quarter 2000.

In 2000 recognized net gains on hedging activities, which are reported as part of Other income, net, totaled $71 million and contributed 2 basis points to the full-year FTE comprehensive net interest yield. In 1999 recognized net hedging gains were $22 million and had a 1 basis point impact on FTE comprehensive net interest yield.

In fourth quarter 2000, recognized net hedging gains totaled $13 million and contributed 1 basis point to FTE comprehensive net interest yield. In fourth quarter 1999, recognized net hedging gains totaled $5 million and contributed 1 basis point to the quarter's FTE comprehensive net interest yield. For third quarter 2000, recognized net hedging gains totaled $2 million and had no effect on the quarter's FTE comprehensive net interest yield.

In 2000 management and guarantee fee income totaled $1.489 billion, a 6 percent increase over 1999 management and guarantee fee income of $1.405 billion. The average balance of Total PCs increased by $62 billion, or 9 percent in 2000, and the average guarantee fee rate for 2000 was 19.3 basis points, compared to 19.8 basis points in 1999.

Management and guarantee fee income totaled $383 million in fourth quarter 2000, compared to $362 million in fourth quarter 1999 and $372 million in third quarter 2000. During fourth quarter 2000, the average balance of Total PCs increased by $29 billion, or 4 percent from third quarter 2000, while the average guarantee fee rate was 19.1 basis points, compared to 19.2 basis points in third quarter 2000.

Other income, net, totaled $130 million in 2000, compared to $110 million in 1999. In fourth quarter 2000, Other income, net, was $38 million, up from $23 million in fourth quarter 1999 and $16 million in third quarter 2000. Other income, net, which generally includes resecuritization fees and gains and losses related to certain hedging and investment activities, may fluctuate from period to period.

Credit

Full-year 2000 credit-related expenses (the provision for mortgage losses plus REO operations expense) totaled $106 million, down 33 percent from 1999. The provision for mortgage losses was reduced 33 percent from $60 million in 1999 to $40 million in 2000, while REO operations expense decreased 33 percent from $99 million in 1999 to $66 million in 2000.

Fourth quarter 2000 credit-related expenses totaled $25 million, compared to $40 million for fourth quarter 1999 and $21 million for third quarter 2000. The provision for mortgage losses was $10 million for fourth quarter 2000, compared to $15 million for fourth quarter 1999 and unchanged from third quarter 2000.

In 2000 total mortgage charge-offs were $28 million, down from $56 million in 1999. Single-family charge-offs were $32 million, down from $59 million in 1999. Multifamily recoveries of amounts previously charged off totaled $4 million in 2000, compared to $3 million in 1999.

In fourth quarter 2000, mortgage charge-offs were $6 million, compared to $10 million in fourth quarter 1999 and unchanged from third quarter 2000. Fourth quarter 2000 single-family charge-offs were $8 million, compared to $9 million in fourth quarter 1999 and $7 million in third quarter 2000. Multifamily recoveries were $2 million in fourth quarter 2000, compared to $1 million of charge-offs for fourth quarter 1999 and $1 million of recoveries in third quarter 2000.

For full-year 2000, credit losses (charge-offs plus REO operations expense) represented 1.1 basis points of the average total mortgage portfolio (excluding non-Freddie Mac securities), compared to 2.0 basis points in 1999. Annualized fourth quarter 2000 credit losses were 1.0 basis point of the average total mortgage portfolio, compared to 1.8 basis points in fourth quarter 1999 and 0.8 basis points in third quarter 2000.

At December 31, 2000, total REO balances were $348 million, down from $438 million at December 31, 1999 and $364 million at September 30, 2000. Single-family REO balances were $346 million at December 31, 2000, down from $437 million at December 31, 1999 and $363 million at September 30, 2000. Multifamily REO balances were $2 million at December 31, 2000, up from $1 million at both December 31, 1999 and September 30, 2000.

Administrative Expenses

In 2000 administrative expenses totaled $713 million, compared to $655 million in 1999. Annualized administrative expenses represented 8.0 basis points of the average total mortgage portfolio in 2000, compared to 8.1 basis points in 1999. Fourth quarter 2000 administrative expenses were $184 million, compared to $167 million in fourth quarter 1999 and $180 million in third quarter 2000. Annualized administrative expenses represented 7.9 basis points of the average total mortgage portfolio in fourth quarter 2000, compared to 7.8 basis points for the same period a year ago and 8.0 basis points in third quarter 2000.

Capital

The corporation's primary capital base (stockholders' equity plus the reserve for mortgage losses) totaled $15.621 billion at December 31, 2000, compared to $12.297 billion at December 31, 1999 and $13.972 billion at September 30, 2000.

Extraordinary Item

Freddie Mac recorded net after-tax gains of $8 million (or $0.01 per diluted common share) in 2000 as a result of the repurchase of debt, compared to net after-tax gains of $5 million (or $0.01 per diluted common share) in 1999. In fourth quarter 2000, there were no gains or losses on the repurchase of debt. During fourth quarter 1999, net after-tax gains from the repurchase of debt totaled $8 million (or $0.01 per diluted common share). During third quarter 2000, net after-tax gains from the repurchases of debt totaled $3 million (no impact on a diluted common share basis).

Conference Call

Freddie Mac will host a conference call discussing the corporation's fourth quarter 2000 results today at 5 p.m. eastern time. The conference call will be web cast live on Freddie Mac's web site at http://www.freddiemac.com.

A telephone recording of this conference call will be available continuously beginning at 11:00 p.m. eastern time Thursday, January 18, 2001 until midnight Thursday, February 1, 2001. To access this recording, call 1-800-475-6701 and use access code 564677.

* * * *

Freddie Mac's quarterly announcements of earnings results sometimes contain forward-looking statements pertaining to management's current expectations as to Freddie Mac's future business plans, results of operations and/or financial condition. Management's expectations for the corporation's future necessarily involve a number of assumptions and estimates, and various factors could cause actual results to differ materially from these expectations. These assumptions and factors are discussed in the corporation's Annual Report to Shareholders and its Information Statement and quarterly Information Statement Supplements.

Freddie Mac is a stockholder-owned corporation established by Congress in support of homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage passthrough securities and debt instruments in the capital markets. Over the years, Freddie Mac has opened doors for one in six homebuyers in America.

Freddie Mac's earnings releases and other financial disclosures are available on the Shareholders' page of our World Wide Web site at http://www.freddiemac.com.

FREDDIE MAC
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(dollars in millions, except per share amounts)

	Quarter Ended			Twelve Months Ended	
	December 31, 2000	September 30, 2000	December 31, 1999	December 31, 2000	December 31, 1999
Net interest income on earning assets	$ 738	$ 737	$ 664	$ 2,838	$ 2,540
Management and guarantee income	383	372	362	1,489	1,405
Other income, net	38	16	23	130	110
Total revenues	1,159	1,125	1,049	4,457	4,055
Provision for mortgage losses	(10)	(10)	(15)	(40)	(60)
REO operations expense	(15)	(11)	(25)	(66)	(99)
Administrative expenses	(184)	(180)	(167)	(713)	(655)
Housing tax credit partnerships	(26)	(26)	(18)	(104)	(80)
Total non-interest expense	(235)	(227)	(225)	(923)	(894)
Income before income taxes and extraordinary item	924	898	824	3,534	3,161
Income taxes	(261)	(256)	(238)	(995)	(943)
Income before extraordinary item, net of taxes	663	642	586	2,539	2,218
Extraordinary gain on retirement of debt, net of taxes	-	3	8	8	5
Net income	$ 663	$ 645	$ 594	$ 2,547	$ 2,223
Preferred stock dividends	(45)	(45)	(42)	(180)	(153)
Net income available to common stockholders	$ 618	$ 600	$ 552	$ 2,367	$ 2,070
Earnings per common share before extraordinary item					
Basic	$ 0.89	$ 0.86	$ 0.78	$ 3.40	$ 2.97
Diluted	$ 0.89	$ 0.86	$ 0.78	$ 3.39	$ 2.95
Earnings per common share					
Basic	$ 0.89	$ 0.87	$ 0.79	$ 3.41	$ 2.97
Diluted	$ 0.89	$ 0.86	$ 0.79	$ 3.40	$ 2.96
Weighted average common shares outstanding (thousands)					
Basic	692,278	691,543	696,560	693,555	696,042
Diluted	695,870	693,719	700,092	696,448	700,211

FREDDIE MAC
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(dollars in millions)

		December 31, 2000		September 30, 2000		December 31, 1999
Assets						
Retained porfolio, net	$	385,117	$	359,304	$	322,569
Investments		48,572		48,817		41,852
Other assets		25,608		25,225		22,263
Total Assets	$	459,297	$	433,346	$	386,684
Liabilities and Stockholders' Equity						
Total debt securities, net plus subordinated borrowings	$	426,899	$	406,936	$	360,711
Guarantees						
Total Mortgage Participation Certificates (Total PCs)		822,310		790,891		749,081
Less--Underlying mortgages		(822,310)		(790,891)		(749,081)
		-		-		-
Other liabilities		17,561		13,218		14,448
Stockholders' equity		14,837		13,192		11,525
Total Liabilities and Stockholders' Equity	$	459,297	$	433,346	$	386,684

If you intend to purchase Preferred Stock, you should rely only on the information in this Offering Circular, including the information in the disclosure documents that we have incorporated by reference. We have not authorized anyone to provide you with different information.

This Offering Circular and the incorporated documents may not be correct after their dates.

We are not offering the Certificates in any jurisdiction that prohibits their offer.

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6,500,000 Shares

Freddie Mac

Variable Rate, Non-Cumulative Preferred Stock (Liquidation Preference $50.00 Per Share)

Freddie Mac

Lehman Brothers

First Tennessee Bank NA

Merrill Lynch & Co.

Blaylock & Partners, L.P.

Bear, Stearns & Co. Inc.

Credit Suisse First Boston

Goldman, Sachs & Co.

Morgan Stanley Dean Witter

Salomon Smith Barney

January 23, 2001