

Second Quarter 2020 Financial Results Supplement

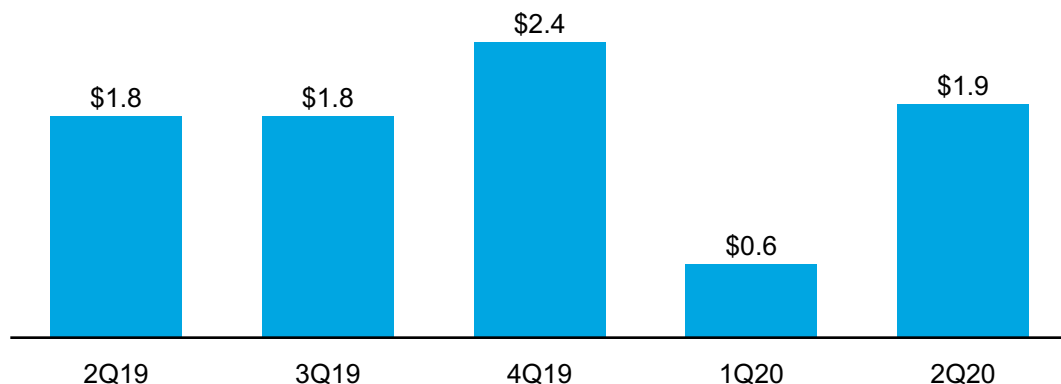
July 30, 2020

Financial Highlights



Comprehensive Income

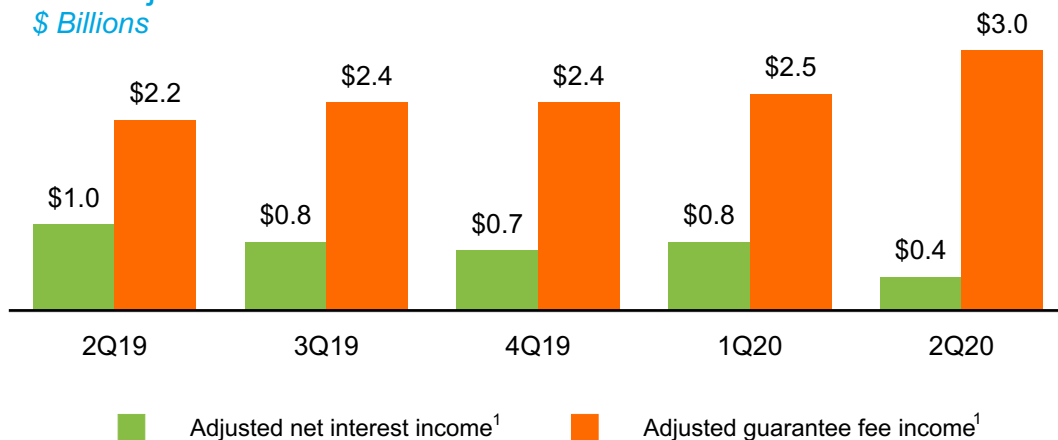
\$ Billions



- Comprehensive income of \$1.9 billion**, up \$1.3 billion from the prior quarter, driven by:
 - Higher investment gains of \$1.2 billion, after-tax, primarily due to higher quoted spreads in the Multifamily business resulting in higher margins combined with fair value gains due to improved spreads;
 - Lower credit-related expense of \$0.3 billion, after-tax, primarily reflecting updated estimates of current expected credit losses in the second quarter; and
 - Higher combined net interest income and guarantee fee income of \$0.1 billion, after-tax.

Adjusted Net Interest Income and Adjusted Guarantee Fee Income

\$ Billions



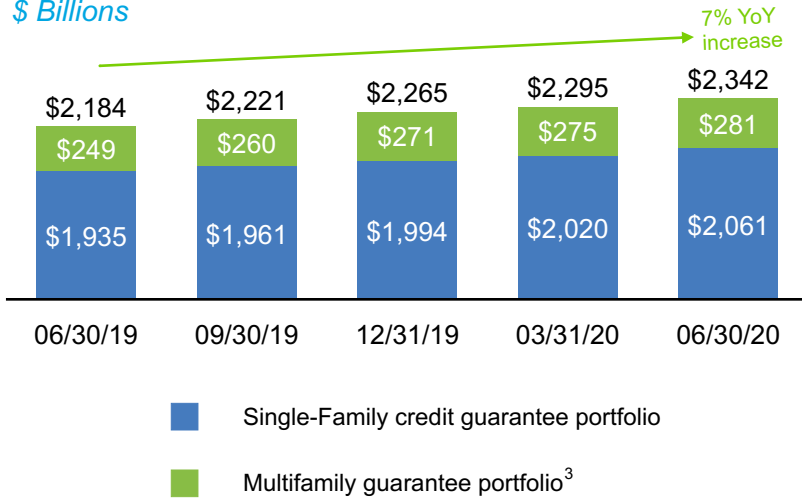
- Adjusted net interest income** decreased from the prior quarter, primarily driven by higher loan prepayments that resulted in an increase in amortization expense combined with the additional expense from payments to security holders for the full monthly coupon rate when loans pay off mid-month. In addition, the custodial trust account balance increased due to higher loan prepayments and earned a minimal yield due to historically low interest rates.
- Adjusted guarantee fee income** increased from the prior quarter, due to increased upfront fee amortization income (net of the hedging impact), driven by higher loan prepayments compared to the prior quarter.

Note: Totals may not add due to rounding.

Total Portfolio Balances



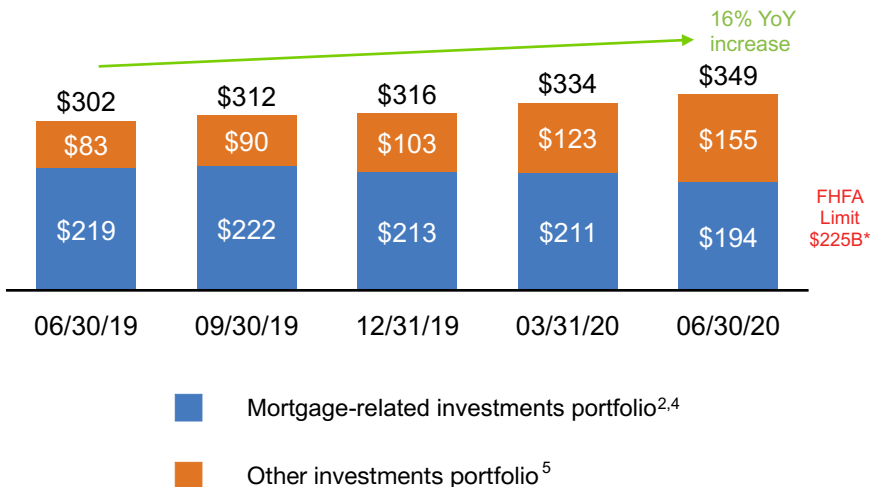
Total guarantee portfolio² \$ Billions



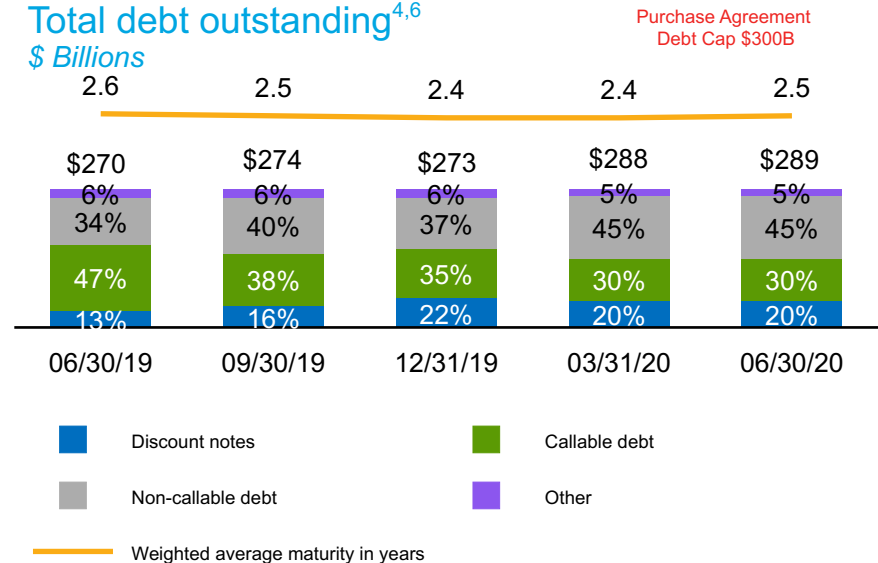
Portfolio balance highlights

- Total guarantee portfolio:
 - Single-Family - grew \$126 billion, or 7%, year-over-year.
 - Multifamily - grew \$32 billion, or 13%, year-over-year.
- Total investments portfolio:
 - Mortgage-related investments portfolio - decreased \$25 billion, or 11%, year-over-year.

Total investments portfolio \$ Billions



Total debt outstanding^{4,6} \$ Billions



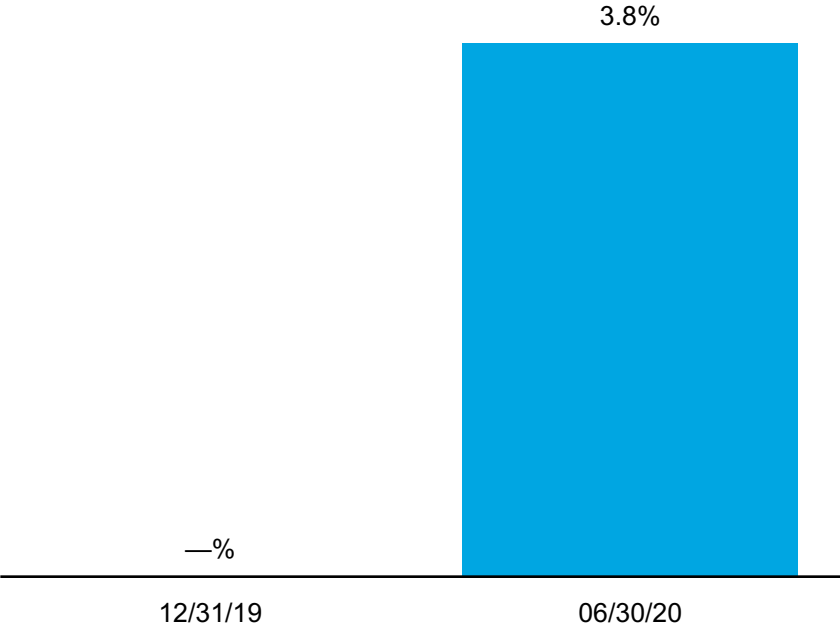
Note: Totals may not add due to rounding.

*In February 2019, FHFA instructed the company to maintain the mortgage-related investments portfolio at or below \$225 billion at all times.

Percentage of Loans in Forbearance

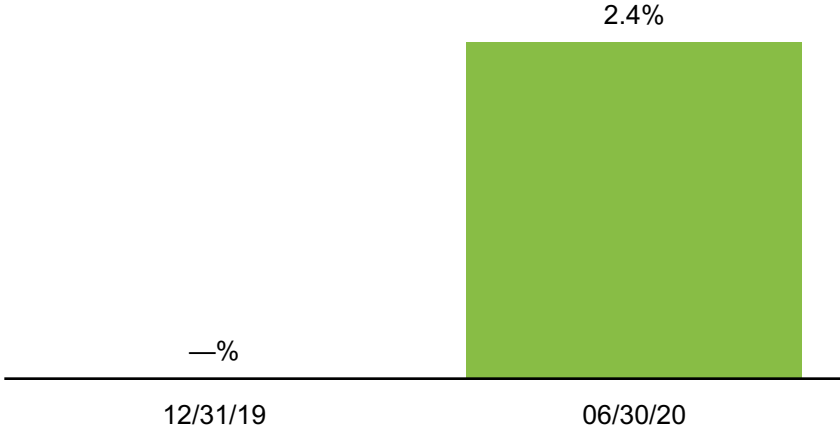


Single-Family⁽⁷⁾



Percentage of loans in the single-family guarantee portfolio that were delinquent and in forbearance (based on loan count).

Multifamily⁽⁸⁾

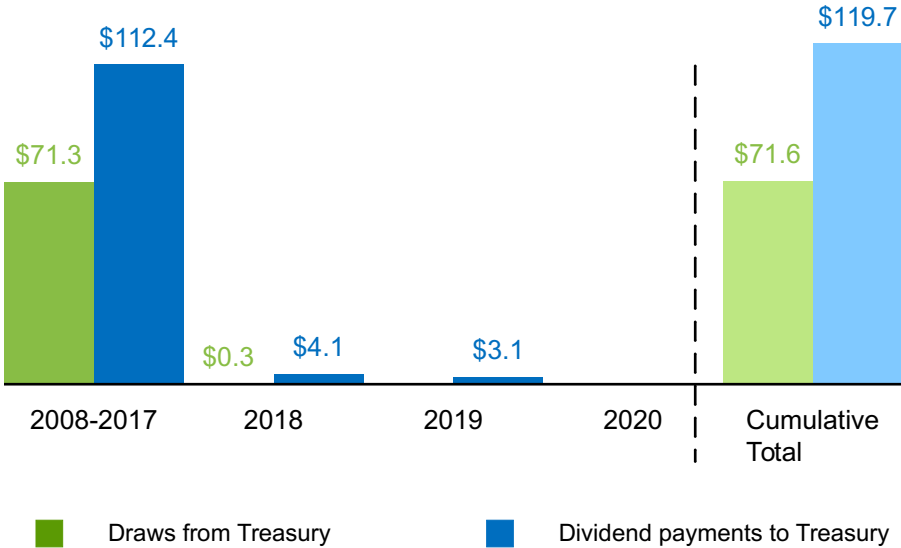


Percentage of loans in the multifamily mortgage portfolio that were in forbearance (based on UPB).

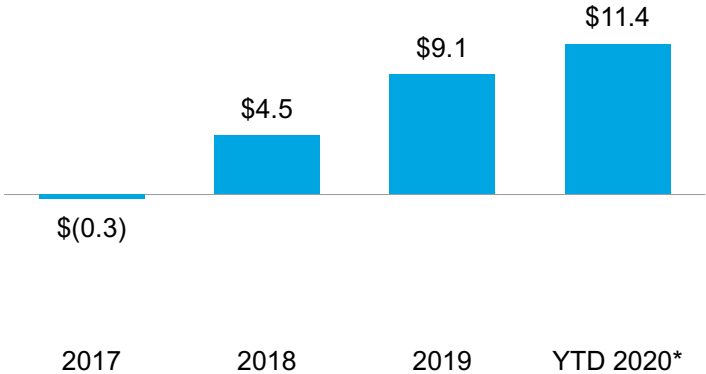
Conservatorship Matters and Total Equity



Treasury draws and dividend payments⁽⁹⁾
\$ Billions



Total equity / Net worth
\$ Billions



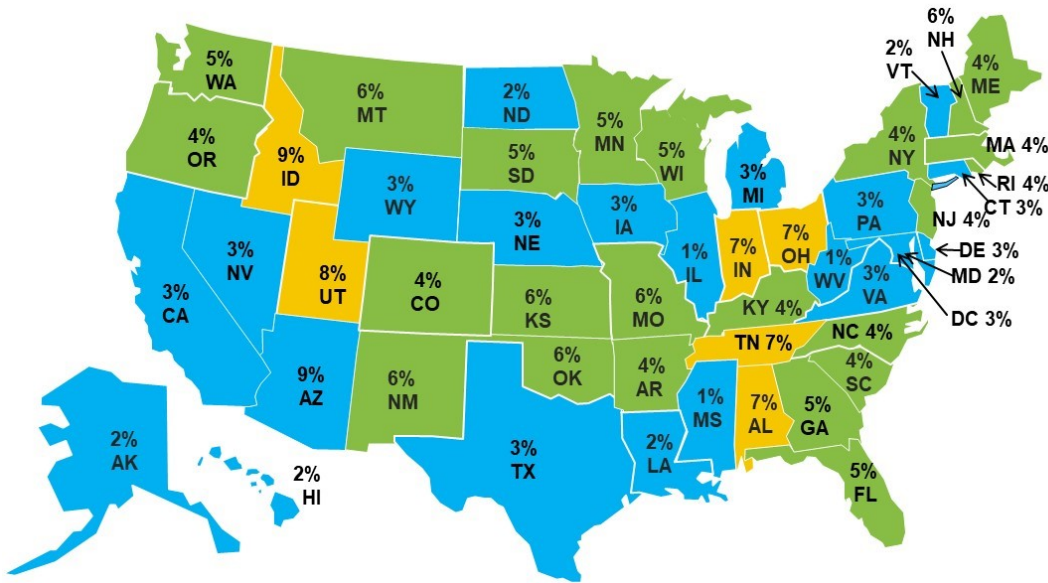
• Pursuant to the September 2019 Letter Agreement, the company will not have a dividend requirement on the senior preferred stock until its Net Worth Amount exceeds \$20.0 billion.

Note: Totals may not add due to rounding.

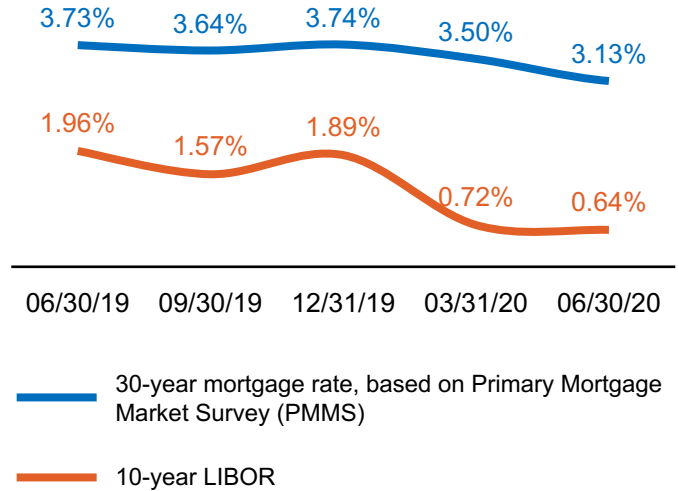
*As of June 30, 2020.

Key Economic Indicators

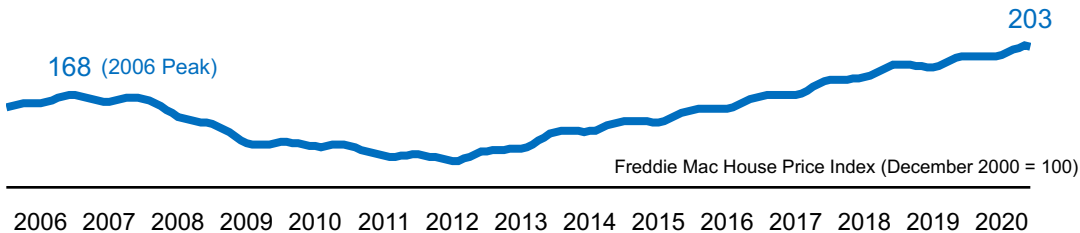
National house prices increased by an average of 3.9% over the past year



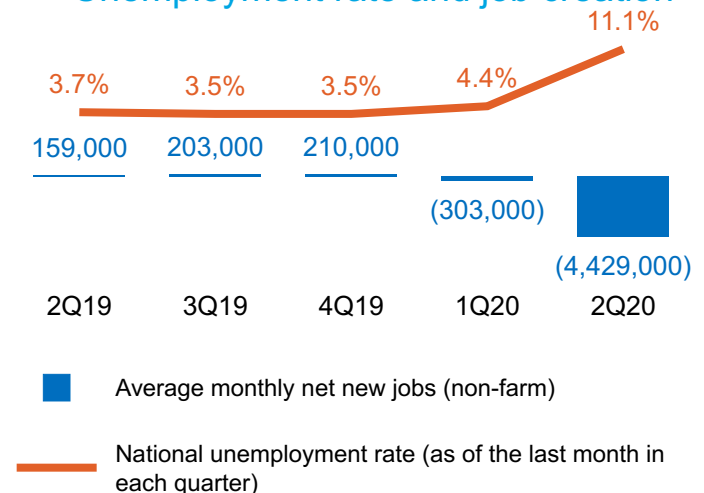
Quarterly ending interest rates



National house prices continued upward trend



Unemployment rate and job creation



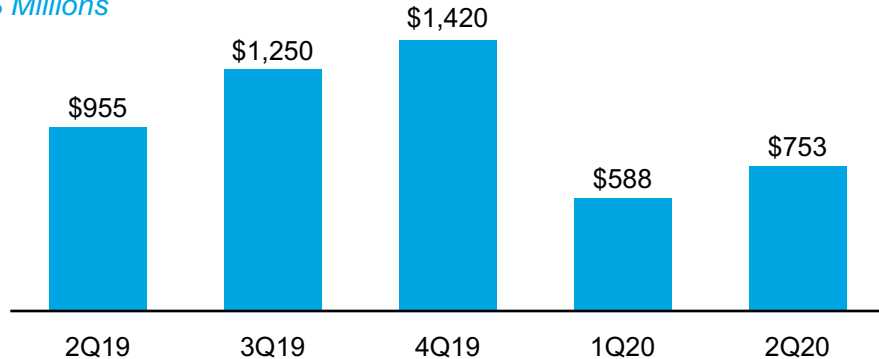
United States (Not Seasonally Adjusted)

Single-Family Guarantee Financial Highlights and Key Metrics



Single-Family Guarantee Segment Earnings

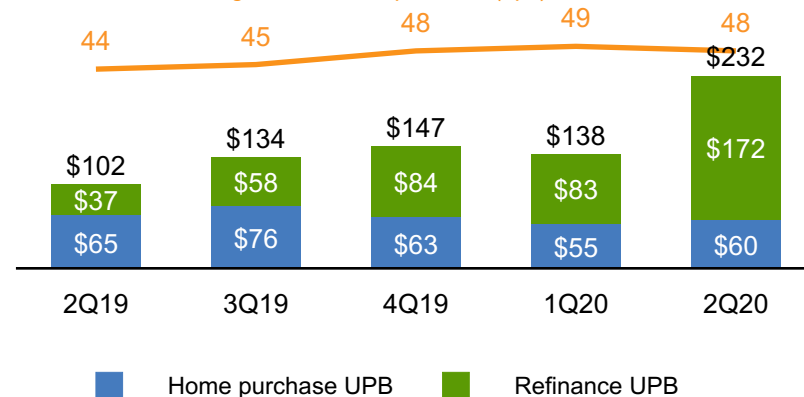
\$ Millions



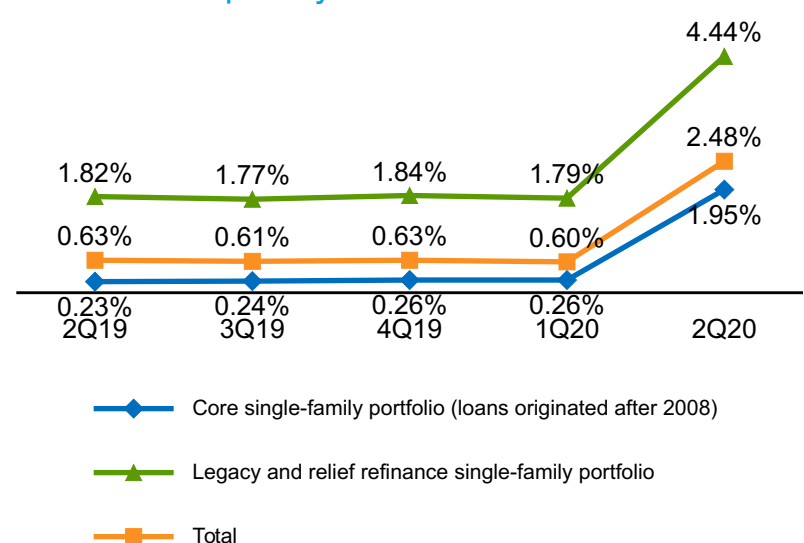
New business activity

\$ Billions

Guarantee fees charged on new acquisitions (bps)¹⁰

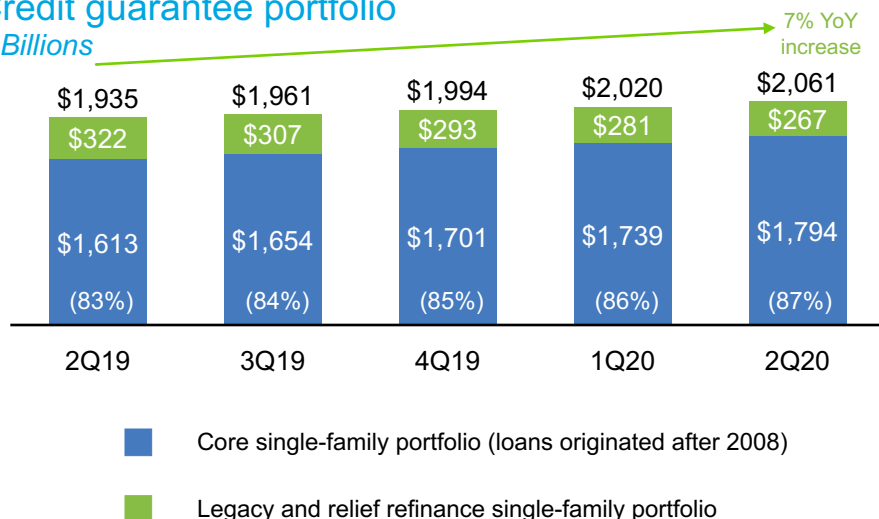


Serious delinquency rates⁷



Credit guarantee portfolio

\$ Billions

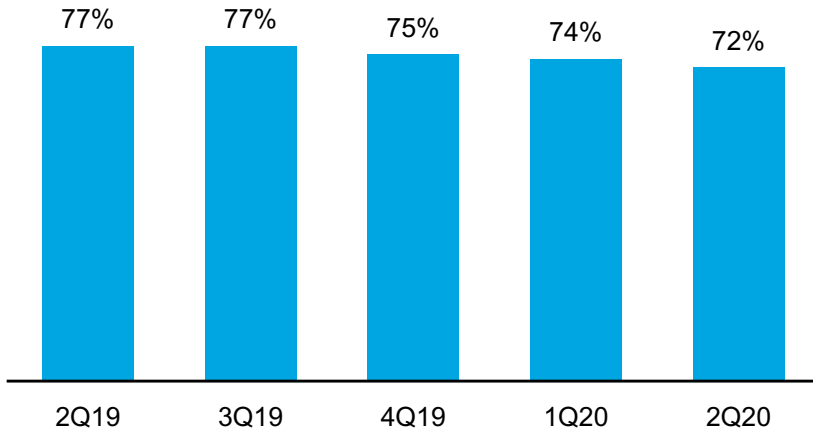


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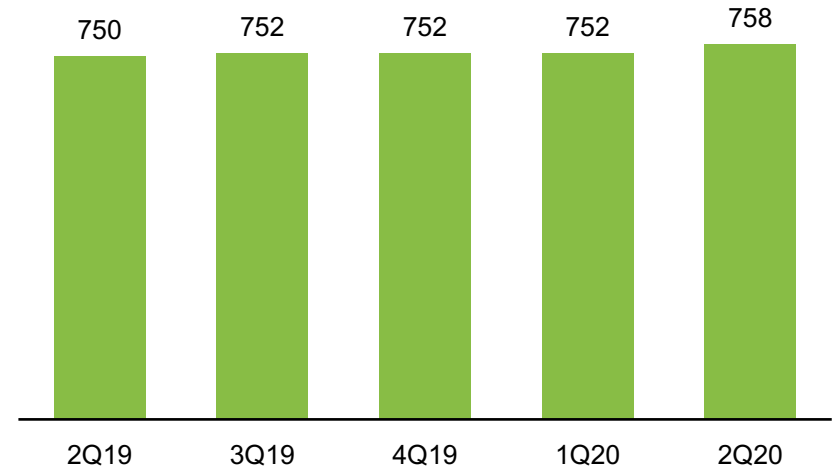
Single-Family Guarantee Loan Purchase Credit Characteristics



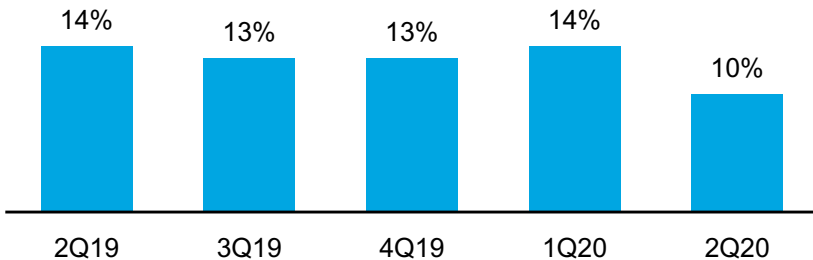
Weighted average original loan-to-value ratio (OLTV)



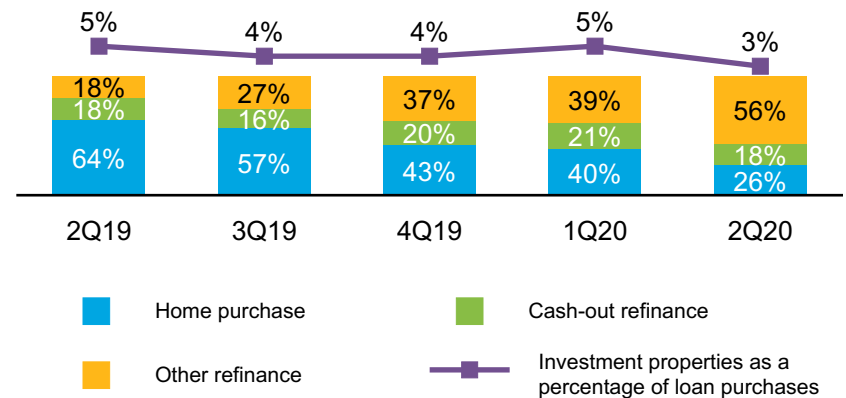
Weighted average original credit score



New business activity with debt-to-income ratio > 45 %



Loan purpose and investment properties as a percentage of loan purchases



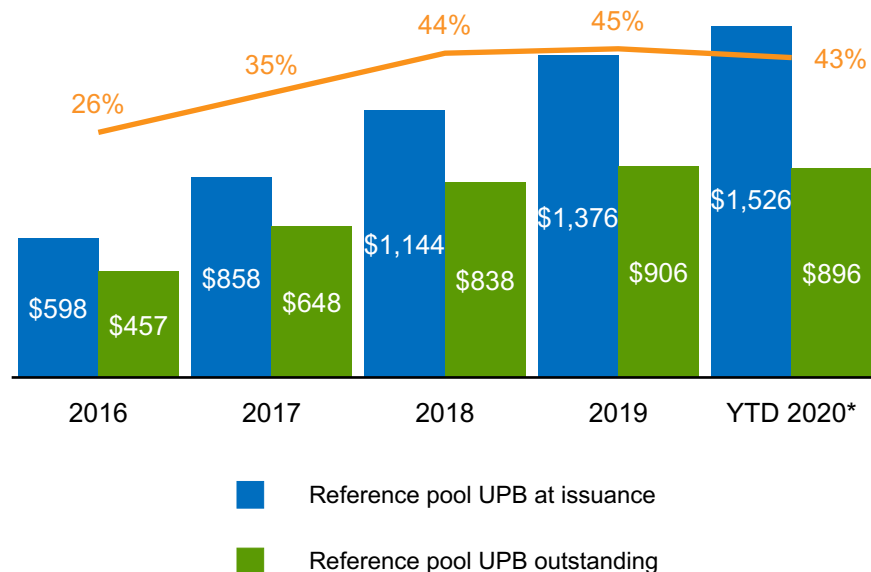
Single-Family Guarantee Credit Risk Transfer (CRT) – STACR / ACIS



Total single-family credit guarantee portfolio with transferred credit risk

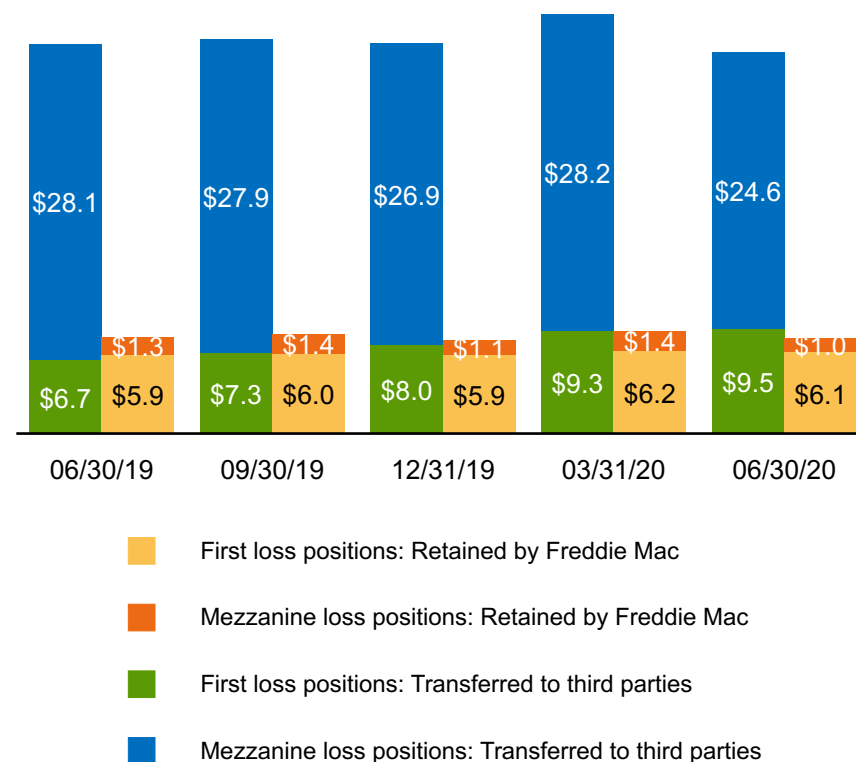
\$ Billions

Outstanding reference pool UPB as a percentage of total single-family portfolio



Cumulative single-family transferred credit risk based on outstanding balance at period end

\$ Billions



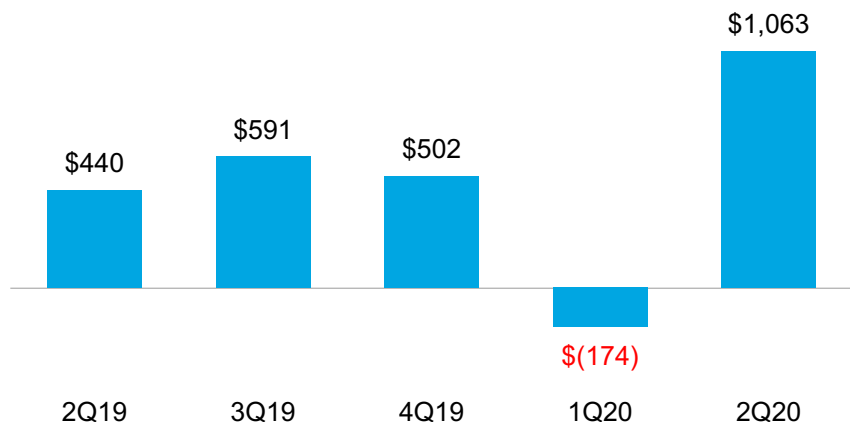
• This slide reflects STACR and ACIS CRT transactions only. It excludes senior subordinate securitization structures and lender risk-sharing transactions.

*As of June 30, 2020.

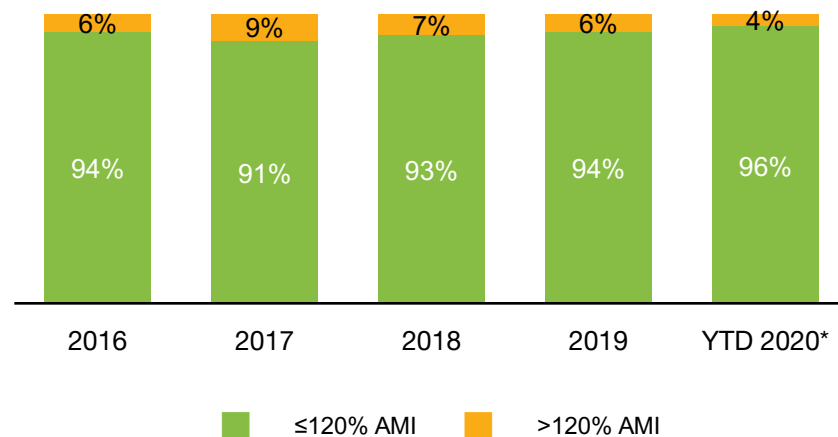
Multifamily Financial Highlights and Key Metrics



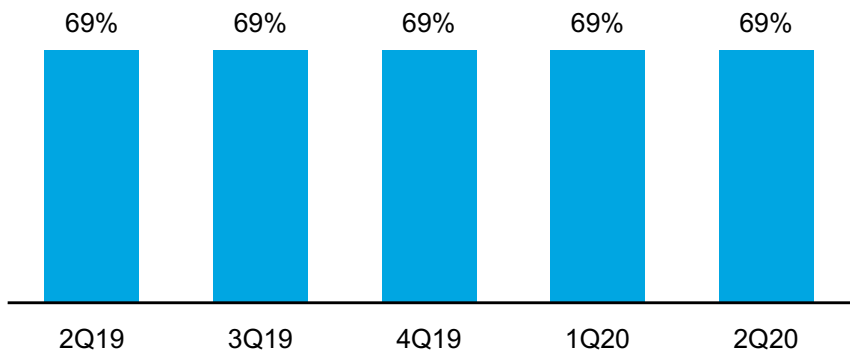
Multifamily comprehensive income (loss)
\$ Millions



Multifamily acquisitions of units by area median income (AMI) (% of eligible units acquired)



Weighted average original loan-to-value ratio (OLTV)
for new business activity



Weighted average original debt service coverage ratio (ODSCR)
for new business activity

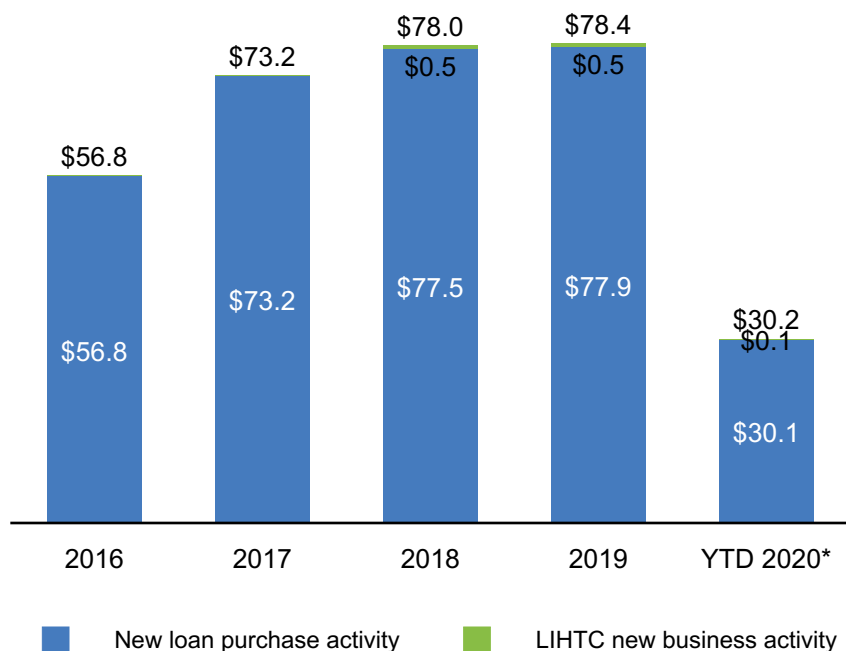


*As of June 30, 2020.

Multifamily Key Metrics, continued

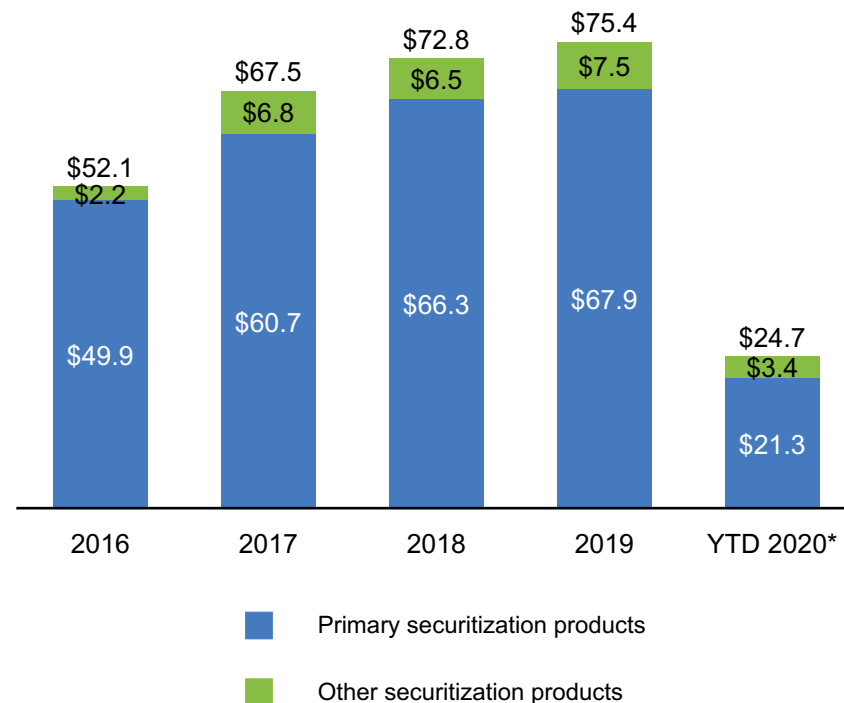


New business activity \$ Billions



- The multifamily loan purchase cap is \$100.0 billion for the five-quarter period from the fourth quarter of 2019 through the fourth quarter of 2020, and at least 37.5% must be mission-driven affordable housing. As of June 30, 2020, the total cumulative new business activity subject to the cap was \$47.6 billion, and approximately 40% was mission-driven affordable housing.

Multifamily securitization activity^{11,12} \$ Billions



Note: Totals may not add due to rounding.

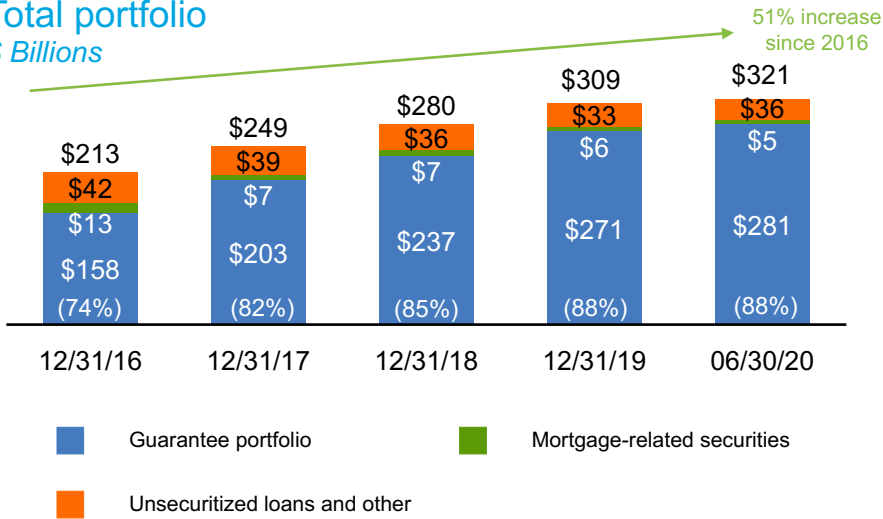
*As of June 30, 2020.

Multifamily Portfolio Metrics



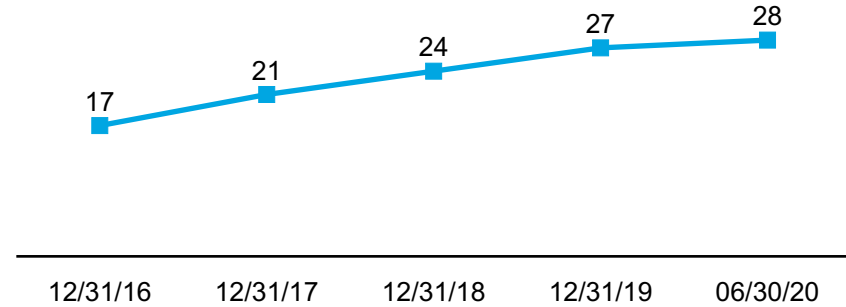
Total portfolio

\$ Billions



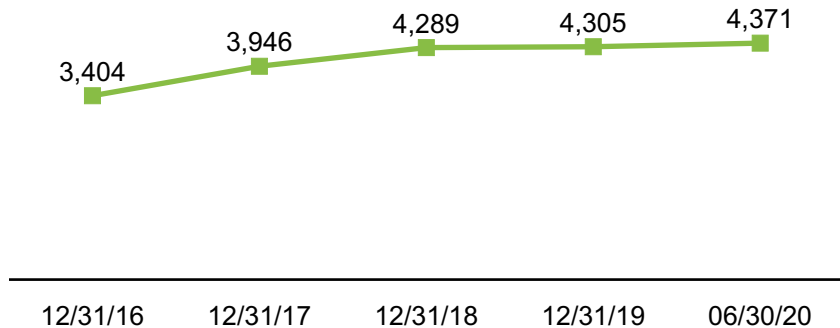
Total portfolio loan count

In Thousands

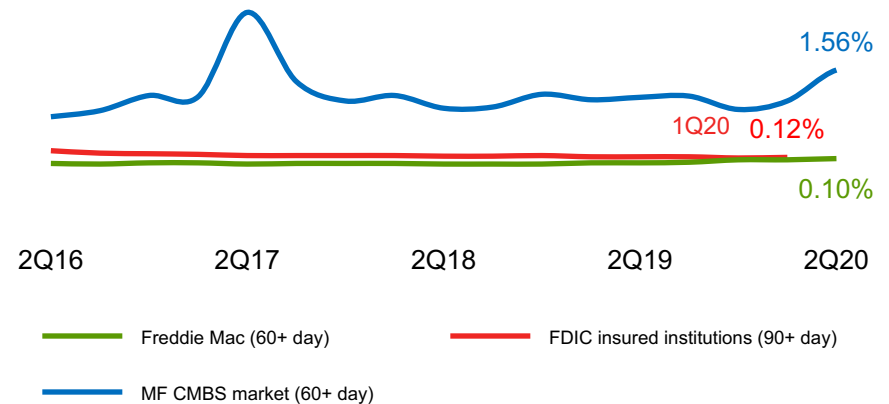


Total portfolio unit count

In Thousands



Multifamily market and Freddie Mac delinquency rates⁸



Note: Totals may not add due to rounding.

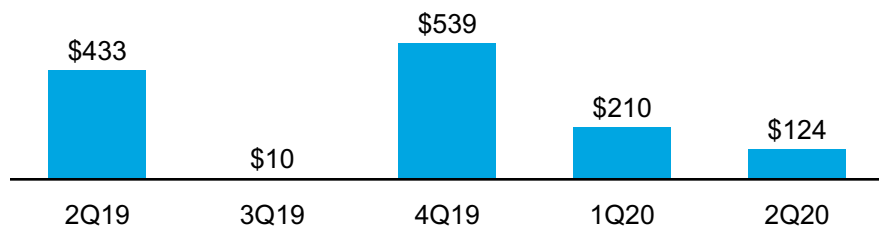
Capital Markets

Financial Highlights and Key Metrics



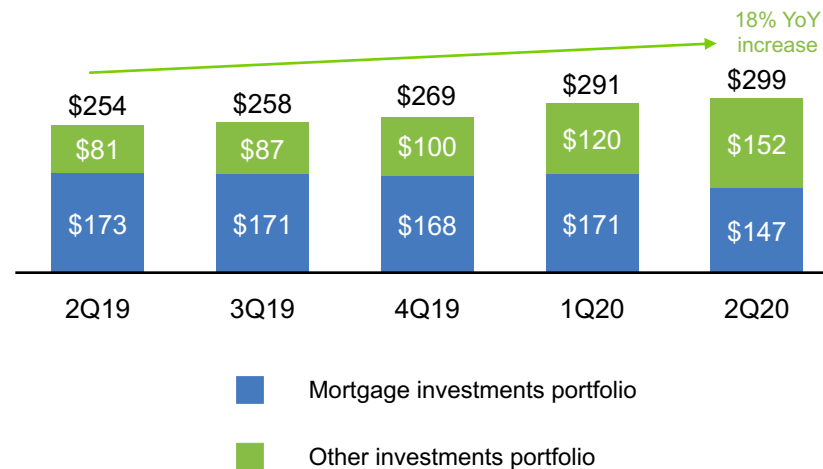
Capital Markets comprehensive income

\$ Millions



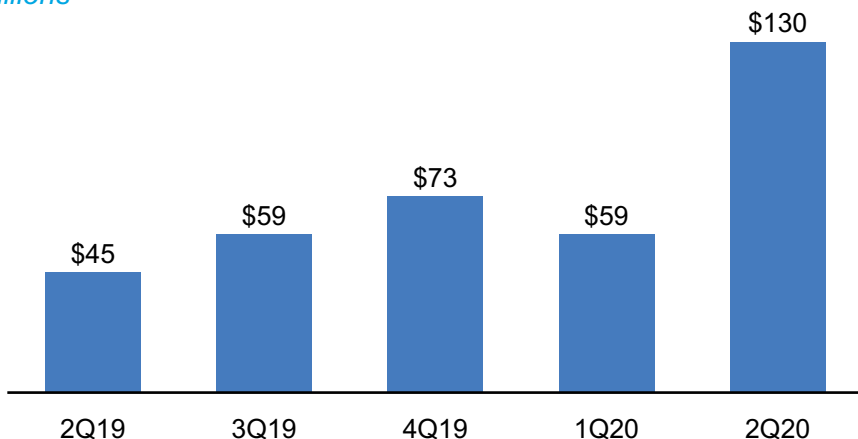
Capital Markets investments portfolio

\$ Billions



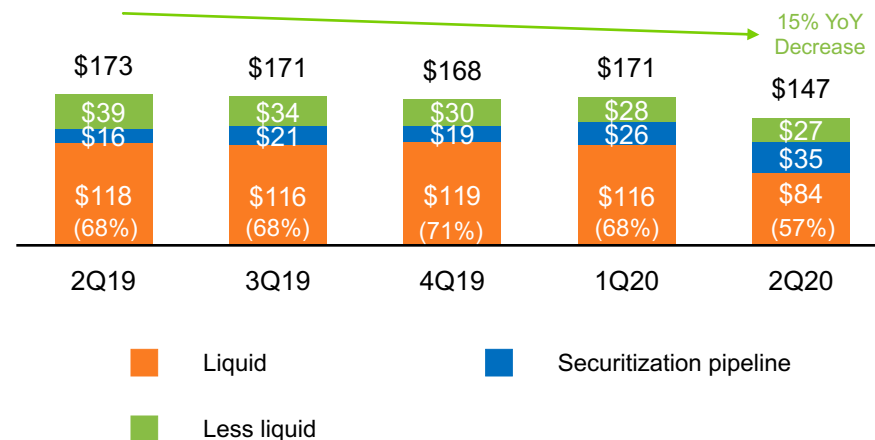
Capital Markets cash window securitization

\$ Billions



Capital Markets mortgage investments portfolio

\$ Billions

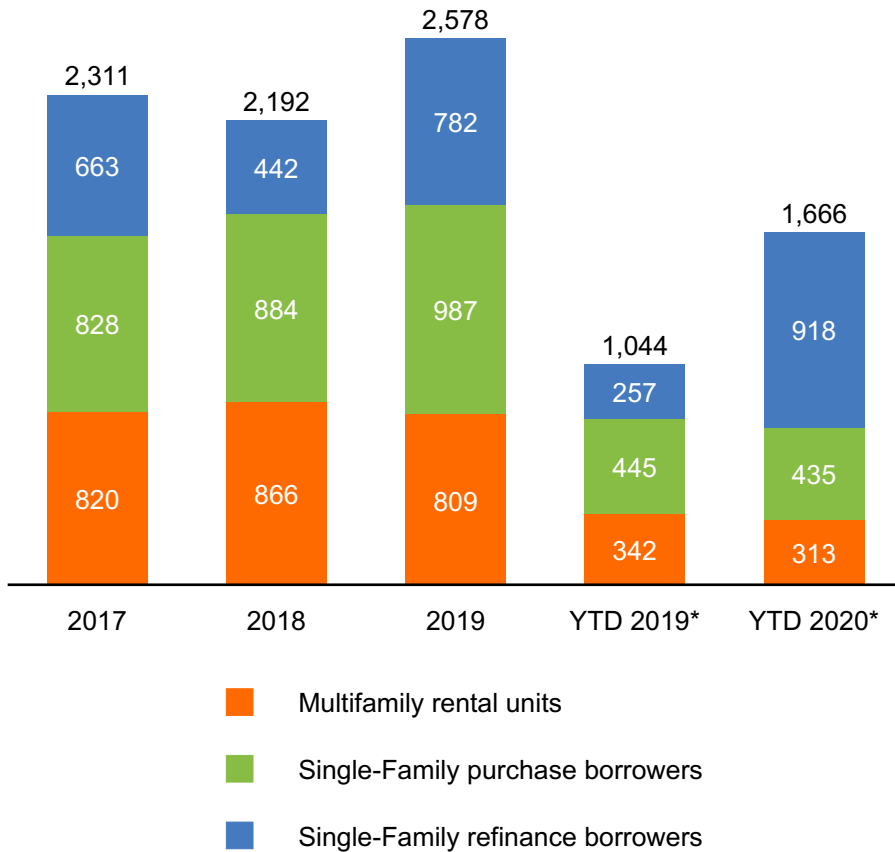


Note: Totals may not add due to rounding.

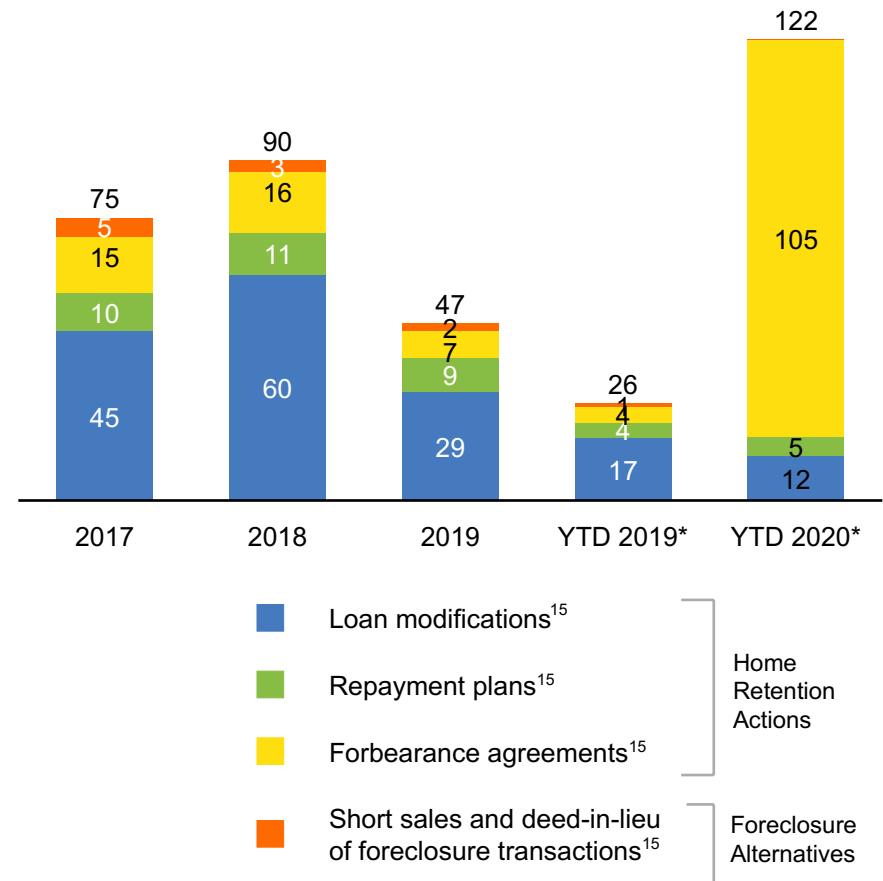
Housing Market Support



Number of families Freddie Mac helped to own or rent a home¹³
In Thousands



Number of single-family loan workouts¹⁴
In Thousands



Note: Totals may not add due to rounding.

*As of June 30.

- 1 For additional information regarding Freddie Mac's non-GAAP financial measures and reconciliations to the comparable amounts under GAAP, see the company's Press Release for the quarter ended June 30, 2020.
- 2 Based on unpaid principal balances (UPB) of loans and securities. Excludes mortgage-related securities traded, but not yet settled.

Effective January 2020, FHFA instructed Freddie Mac to include 10% of the notional value of interest-only securities the company holds when calculating the size of its mortgage-related investments portfolio. As a result, the balance of the mortgage-related investments portfolio as determined under this FHFA guidance was \$199.4 billion as of June 30, 2020, including \$5.3 billion representing 10% of the notional amount of the interest-only securities the company held at that date.
- 3 Primarily Freddie Mac's K Certificate and SB (Small Balance) Certificate transactions.
- 4 The company's Purchase Agreement with Treasury limits the amount of mortgage assets the company can own and indebtedness it can incur. See the company's Annual Report on Form 10-K for the year ended December 31, 2019 for more information.
- 5 The other investments portfolio is primarily used for short-term liquidity management, cash and other investments held by consolidated trusts, and other investments, which include investments in debt securities used to pledge as collateral, LIHTC partnerships, and secured lending activities.
- 6 Represents the company's aggregate indebtedness for purposes of the Purchase Agreement debt cap and primarily includes the par value of other short-term and long-term debt used to fund its business activities.

Beginning in 2020, the company offset amounts recognized as payables under repurchase agreements accounted for as collateralized borrowings and amounts recognized as receivables under reverse repurchase agreements accounted for as collateralized borrowings when such amounts meet the conditions for offsetting repurchase and reverse repurchase agreements in FASB ASC Subtopic 210-20 (Balance Sheet - Offsetting). Previously, such amounts were presented on a gross basis, with amounts recognized as payables under repurchase agreements accounted for as collateralized borrowings included in Other Debt and amounts recognized as receivables under reverse repurchase agreements accounted for as collateralized borrowings included in Other Investments. Prior periods have been revised to conform to the current period presentation.
- 7 Information related to single-family loans in forbearance is based on information reported by servicers. Single-family loans in forbearance are reported as delinquent during the forbearance period to the extent that payments are past due based on the loan's original contractual terms, irrespective of the forbearance agreement. Single-family servicers are not required to report forbearance information to the company if the borrower continues to make payments during the forbearance period and remains in current status.
- 8 Multifamily loans in forbearance are reported as current as long as the borrower is in compliance with the forbearance agreement, including the agreed upon repayment plan. Loans in forbearance are therefore not included in the multifamily delinquency rates, if the borrower is in compliance with the forbearance agreement.
- 9 Excludes the initial \$1 billion liquidation preference of the senior preferred stock issued to Treasury in September 2008 and the \$9.5 billion increase to-date in the aggregate liquidation preference of the senior preferred stock pursuant to the Letter Agreements.
- 10 Represents the estimated average rate of guarantee fees for new acquisitions during the period assuming amortization of upfront fees using the estimated life of the related loans rather than the original contractual maturity date of the related loans. Includes the effect of fee adjustments that are based on the price performance of Freddie Mac's PCs relative to comparable Fannie Mae securities. Net of legislated 10 basis point guarantee fee remitted to Treasury as part of the Temporary Payroll Tax Cut Continuation Act of 2011.
- 11 Multifamily's primary securitization products are K Certificates and SB Certificates. In these transactions, the company guarantees the senior securities, but does not issue or guarantee the mezzanine or subordinated securities. The interest-rate risk and a large majority of expected and stress credit risk is sold to third-party investors through the mezzanine and subordinated securities, thereby reducing the company's risk exposure.
- 12 Excludes re-securitization UPB of primary and other securitization products.
- 13 Based on the company's purchases of loans and issuances of mortgage-related securities. For the periods presented, a borrower may be counted more than once if the company purchased more than one loan (purchase or refinance mortgage) relating to the same borrower.
- 14 Consists of both home retention actions and foreclosure alternatives.
- 15 Categories are not mutually exclusive, and a borrower in one category may also be included in another category in the same or another period. For example, a borrower helped through a home retention action in one period may subsequently lose his or her home through a foreclosure alternative in a later period.

Freddie Mac obligations

Freddie Mac's securities are obligations of Freddie Mac only. The securities, including any interest or return of discount on the securities, are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

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Forward-looking statements

Freddie Mac's presentations may contain forward-looking statements, which may include statements pertaining to the conservatorship, the company's current expectations and objectives for its Single-family Guarantee, Multifamily, and Capital Markets segments, its efforts to assist the housing market, liquidity and capital management, economic and market conditions and trends, the effects of the COVID-19 pandemic and actions taken in response thereto on its business, financial condition, and liquidity, its market share, the effect of legislative and regulatory developments and new accounting guidance, credit quality of loans the company owns or guarantees, the costs and benefits of the company's credit risk transfer transactions, and results of operations and financial condition on a GAAP, Segment Earnings, non-GAAP, and fair value basis. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve a number of assumptions, judgments, and estimates, and various factors, including changes in market conditions, liquidity, mortgage spreads, credit outlook, uncertainty about the duration and severity, and effects of, the COVID-19 pandemic and actions taken in response thereto, actions by the U.S. government (including FHFA, Treasury, Congress, and state and local governments), and the impacts of legislation or regulations and new or amended accounting guidance, could cause actual results to differ materially from these expectations. These assumptions, judgments, estimates, and factors are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2019, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, and June 30, 2020, and Current Reports on Form 8-K, which are available on the Investor Relations page of the company's website at www.freddiemac.com/investors and the SEC's website at www.sec.gov. The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this presentation.