Offering Circular

$3,917,524,006
(Approximate)
Freddie Mac Securities REMIC Trust 2005-S001

Certificates:	Freddie Mac Securities, Series 2005-S001
Issuer:	Freddie Mac Securities REMIC Trust 2005-S001
Offered Certificates:	Classes of Certificates shown below
Trust Assets:	Two groups of adjustable-rate mortgages subject to maximum interest rates, payment caps and potential negative amortization
Depositor:	Freddie Mac
Servicer:	Washington Mutual Bank
Sellers of Mortgages:	Washington Mutual Bank and Washington Mutual Bank fsb
Trustee:	Wells Fargo Bank, N.A.
Guarantor of Offered Certificates:	Freddie Mac
Custodian:	Washington Mutual Bank fsb
Payment Dates:	Monthly beginning in September 2005
Optional Termination:	The Trust is subject to clean-up calls as described in this Offering Circular
Form of Offered Certificates:	*1A1, 1A2, 2A1, 2A2 and X*: Book-entry on the depository system of DTC *R and RS*: Certificated
Offering Terms:	The underwriters named below are offering the Certificates shown in the table below in negotiated transactions at varying prices
Closing Date:	August 22, 2005

Class	Original Balance(1)	Class Coupon	CUSIP Number	Final Payment Date
1A1	$ 814,512,000	(2)	35562QAA6	September 25, 2035
1A2	103,000,000	(2)	35562QAB4	September 25, 2035
2A1	2,680,012,006	(2)	35562QAC2	September 25, 2045
2A2	320,000,000	(2)	35562QAD0	September 25, 2045
X	505,501,145(3)	(2)	35562QAE8	September 25, 2045
R	0	0.0%	35562QAJ7	September 25, 2045
RS	0	0.0	35562QAN8	September 25, 2045

(1) Approximate. May vary by up to 10%.
(2) See *Summary — Interest*.
(3) Reflects original notional balance of X-IO component. See *Summary — X Certificates*.

Only 1A1, 1A2, 2A1, 2A2, X, R and RS are offered by this Offering Circular. Information about 1B1, 1B2, 1B3, 1B4, 1B5 and 1B6 is included in this Offering Circular to help you understand the Offered Certificates.

The Certificates may not be suitable investments for you. You should not purchase Certificates unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. *Risk Factors* beginning on page 17 highlights some of these risks.

You should purchase Certificates only if you have read and understood this Offering Circular and the documents listed under *Available Information.*

Freddie Mac guarantees principal and interest payments on the Offered Certificates. These payments are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Certificates are not tax-exempt. Because of applicable securities law exemptions, the Certificates are not registered with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

WaMu Capital Corp. **RBS Greenwich Capital**

(Co-Lead Underwriters and Joint Book Running Managers)

August 17, 2005

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

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

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

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Appendix I shows the page numbers where definitions of capitalized terms appear.

No person has been authorized to give any information or to make any representations other than those contained in this Offering Circular and, if given or made, such information or representations must not be relied upon. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Certificates. The delivery of this Offering Circular at any time does not imply that any information in this Offering Circular is correct as of any time after the date hereof.

This Offering Circular contains substantial information concerning the Mortgages and the obligations of the Servicer and others with respect thereto. Potential investors are urged to review this Offering Circular in its entirety. The obligations of the parties with respect to the transactions contemplated herein are set forth in and will be governed by certain documents described herein, and all of the statements and information herein are qualified in their entirety by reference to such documents.

Potential investors should consult their own investment, legal, tax, and accounting advisors to determine whether the Certificates constitute appropriate investments for each such investor and what the applicable legal, tax, regulatory, and accounting treatment of the Certificates should be.

Any discussion of tax matter in this Offering Circular was not intended or written to be used, and cannot be used, by any person for the purpose of avoiding tax penalties that may be imposed on such person. Such discussion was written to support the promotion and marketing of the Certificates. Investors should consult their own independent tax advisors regarding the Certificates and each investor's particular circumstances.

Each purchaser of Certificates must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells any Certificates or possesses or distributes this Offering Circular and must obtain any consent, approval, or permission required by it for the purchase, offer or sale by it of any Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, or sales, and none of the Issuer, Depositor or Guarantor shall have any responsibility therefor.

FREDDIE MAC

The Federal Home Loan Mortgage Corporation (**"Freddie Mac"**), the depositor into the Trust and the Guarantor of the Offered Certificates is one of the largest participants in the U.S. mortgage market. Freddie Mac is a stockholder-owned government-sponsored enterprise, or GSE, chartered by Congress on July 24, 1970 under the Federal Home Loan Mortgage Corporation Act, as amended, which is referred to in this Offering Circular as the **"Freddie Mac Act."**

Freddie Mac's statutory purposes are:

- To provide stability in the secondary market for residential mortgages;
- To respond appropriately to the private capital markets;
- To provide ongoing assistance to the secondary market for residential mortgages (including mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return received on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage finance; and
- To promote access to mortgage credit throughout the U.S. (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 finance.

Freddie Mac fulfills these statutory purposes primarily by purchasing residential mortgage loans and mortgage-related securities from mortgage lenders and securities dealers, financing these purchases with debt, equity and mortgage-related securities, and guaranteeing the payment of principal and interest on the mortgage-related securities we issue.

"We," as used herein, refers to Freddie Mac.

AVAILABLE INFORMATION

Freddie Mac prepares an annual Information Statement that describes its business and operations and contains important financial and other information, including its audited consolidated financial statements (the **"Information Statement"**). Freddie Mac also prepares quarterly and other periodic Information Statement Supplements that include unaudited consolidated financial data and other information concerning its business and operations (each, an **"Information Statement Supplement"**). These documents are (or upon publication will be) incorporated by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents. These documents are considered part of this Offering Circular.

You should read this Offering Circular, and any applicable supplements or amendments, in conjunction with Freddie Mac's most recent Information Statement and any subsequent Information Statement Supplements incorporated by reference in this Offering Circular. As of the date of this Offering Circular, Freddie Mac's current Information Statement is dated June 14, 2005 and contains audited consolidated financial statements for the year ended December 31, 2004. You should rely only on the most current information provided or incorporated by reference in this Offering Circular and any applicable supplement or amendment.

You can obtain any of these documents and any other documents relating to the Certificates by contacting Freddie Mac at:

Freddie Mac — Investor Inquiry
8200 Jones Branch Drive
McLean, Virginia 22102-3110
Telephone: 1-800-336-FMPC
(703-450-3777 within Washington, D.C. area)
E-Mail: Investor_Inquiry@freddiemac.com
Internet Web-Site: http://www.freddiemac.com

You can also obtain the Information Statement and any other documents relating to the Certificates by contacting:

WaMu Capital Corp.
1201 Third Avenue
WMT 0626
Seattle, WA 98101

Greenwich Capital Markets, Inc.
600 Steamboat Road
Greenwich, CT 06830

SUMMARY

This summary highlights selected information about the Certificates. Before buying Certificates, you should read the remainder of this Offering Circular.

In this Offering Circular we sometimes refer to Classes and components only by their letter designation. For example, "R" refers to the R Class.

Issuer

Freddie Mac Securities REMIC Trust 2005-S001 (the **"Trust"**).

Certificates

Freddie Mac Securities, Series 2005-S001 (the **"Certificates"**).

Trust Assets

First lien, one- to four-family, adjustable-rate mortgage loans subject to maximum interest rates, payment caps and potential negative amortization, having the characteristics described in this Offering Circular (the **"Mortgages"**).

The Mortgages are divided into two groups (the **"Group 1 Loans"** and the **"Group 2 Loans"**):

Group	Number of Mortgages	Principal Balance as of Cut-Off Date	Maximum Original Years to Maturity
1	4,407	$1,000,013,145	30
2	13,025	3,000,012,007	40

After an initial fixed-rate period for each Mortgage of one, two, three or twelve months, the interest rate on each Mortgage adjusts monthly to equal the sum of (a) the 12-month moving average monthly yield on United States Treasury Securities adjusted to a constant maturity of one year (**"One-Year MTA"**) and (b) the per annum rate specified in the applicable mortgage note (a **"Margin"**).

Each Mortgage allows the related borrower to choose, each month, one of several payment options, which may include an amount less than, equal to or greater than a fully-amortizing monthly payment.

The minimum monthly payment required to be paid by a borrower adjusts annually. Since the interest rate adjusts monthly, and the minimum payment adjusts annually, in any month, if the monthly payment on a Mortgage is less than the amount needed to pay all of the monthly accrued interest on that Mortgage, that Mortgage will experience negative amortization.

See *Description of the Mortgages.*

Cut-Off Date: Opening of business on August 8, 2005.

Closing Date: August 22, 2005.

First Payment Date: September 26, 2005.

Mortgage Purchase Agreement

Freddie Mac purchased the Mortgages, pursuant to a mortgage loan purchase and sale agreement, dated as of August 22, 2005, among Washington Mutual Bank and Washington Mutual Bank fsb (together, the **"Sellers"**), and Freddie Mac, as purchaser (the **"Mortgage Purchase Agreement"**).

Servicing Agreement

The Mortgages will be serviced pursuant to a servicing agreement, dated as of August 22, 2005, between Washington Mutual Bank (the **"Servicer"**) and Freddie Mac (the **"Servicing Agreement"**).

See *Description of Mortgages* and *Appendix II.*

Trust Agreement

The Trust is a statutory trust formed under Delaware law pursuant to a short-form trust agreement, dated as of August 1, 2005, between Freddie Mac, as depositor (the **"Depositor"**) and as guarantor (the **"Guarantor"**) of the Offered Certificates, and Christiana Bank & Trust Company, as Delaware trustee (the **"Delaware Trustee"**). The short-form trust agreement will be amended on the Closing Date, pursuant to an amended and restated trust agreement among the Depositor, the Guarantor, Wells Fargo Bank, N.A., as trustee (the **"Trustee"**), and the Delaware Trustee. We refer to the short-form trust agreement and the amended and restated trust agreement together as the **"Trust Agreement."**

Custodial Agreement

Pursuant to a custodial agreement, dated as of August 22, 2005, among Washington Mutual Bank fsb (the **"Custodian"**), a wholly-owned subsidiary of the Servicer, Washington Mutual Bank, Freddie Mac and the Trustee, on behalf of the Trust, (the **"Custodial Agreement"**), the Custodian will retain possession of and review the Mortgage notes and files for the Trust.

Assignment, Assumption and Recognition Agreement

Pursuant to an assignment, assumption and recognition agreement, dated as of August 22, 2005, among Freddie Mac, the Trustee, on behalf of the Trust, Washington Mutual Bank fsb, as Seller and Custodian, and Washington Mutual Bank, as Seller and Servicer (the **"Assignment Agreement"**), all of Freddie Mac's rights in the Mortgage Purchase Agreement and Servicing Agreement will be transferred to the Trust.

Optional Termination

Freddie Mac may purchase from the Trust all remaining Mortgages and other assets thereof, and thereby effect early termination of the Certificates, on any Payment Date on or after the date (the **"Earliest Clean-Up Call Option Date"**) on which the aggregate Outstanding Principal Balance of all the Mortgages has been reduced to less than 10% of the Cut-Off Date Principal Balance.

In addition, the Servicer, with the consent of Freddie Mac, as Guarantor (which consent shall not be unreasonably withheld), may purchase from the Trust all remaining Mortgages and other assets, and thereby retire the Certificates, on any Payment Date on or after the date on which the aggregate Outstanding Principal Balance of the Mortgages is equal to or less than 5% of the aggregate Cut-Off Date Principal Balance.

See *Description of Certificates — Optional Termination.*

Certificates

The Certificates will consist of the classes (each a **"Class"**) described below, which represent the entire beneficial ownership interest in the Trust.

"Group 1 Senior Certificates": The Trust will issue, and Freddie Mac will guarantee, the following Group 1 Senior Certificates:

1A1

1A2

"Group 1 Subordinate Certificates": The Trust will issue, but Freddie Mac will **not** guarantee, the following Group 1 Subordinate Certificates:

Class	Original Balance*
1B1	$33,500,000
1B2	15,000,000
1B3	9,500,000
1B4	10,500,000
1B5	8,000,000
1B6	6,001,145

* Approximate. May vary by up to 10%.

"Group 2 Certificates": The Trust will issue, and Freddie Mac will guarantee, the following Group 2 Certificates:

2A1

2A2

X, R and RS

The Trust will issue, and Freddie Mac will guarantee, X, R and RS. See *Summary — X Certificates* for a description of X and *Summary — REMIC Election and Tax Status of the Certificates* for a description of R and RS.

X Certificates

Solely for purposes of calculating payments of principal and interest, X will be deemed to be comprised of three components, one interest only component and two principal only components, having the following designations:

Designation	Type
X-IO	Interest Only
X-PO-1	Principal Only
X-PO-2	Principal Only

X-IO will have a notional amount (the **"X Notional Amount"**) which, on any Payment Date, will equal the aggregate principal balance of 1A2, 2A2, the Group 1 Subordinate Certificates and the aggregate principal balance of X-PO-1 and X-PO-2, if any. The initial X Notional Amount is approximately $505,501,145.

For each Payment Date, X-IO will accrue interest on the X Notional Amount. Payments of interest on X-IO will be based on payments from both the Group 1 and Group 2 Loans. See *— Interest* below.

X-PO-1 and X-PO-2 will each have a principal balance, which initially will equal zero, and will increase to the extent Net Negative Amortization is added to their respective balances from their related Mortgages, as described below. X-PO-1 will receive principal payments based on payments from the Group 1 Loans, and X-PO-2 will receive principal payments based on payments from the Group 2 Loans. X-PO-1 and X-PO-2 will not receive interest payments.

On each Payment Date, in the event that interest to be paid to X-IO is reduced as a result of Net Negative Amortization, as described herein, (i) the amount of such Net Negative Amortization attributable to the Group 1 Loans will be added to the principal balance of X-PO-1 and (ii) the amount of such Net Negative Amortization attributable to the Group 2 Loans will be added to the principal balance of X-PO-2. The X Notional Amount will be correspondingly increased as Net Negative Amortization is added to the X-PO components.

The Holders of X will be entitled to receive payments of principal and interest on each Payment Date to the extent of the amount of principal paid to X-PO-1 and X-PO-2 and the amount of interest paid to X-IO. Notwithstanding the foregoing, amounts otherwise payable as interest to X-IO on any Payment Date may instead be reduced by Net Negative Amortization amounts, or may be paid as carryover shortfall amounts to certain other Classes. See *Description of Certificates — Distributions of Principal — Net Negative Amortization* and *— Carryover Shortfall Amounts.*

Offered Certificates

Only the Group 1 Senior Certificates, the Group 2 Certificates, X, R and RS (together, the **"Offered Certificates"**) are being offered by this Offering Circular. On the Closing Date, the Trust also will issue the Group 1 Subordinate Certificates and deliver them to or on behalf of one or more dealers, which may sell them at any time thereafter in limited private offerings by means of a Private Placement Memorandum. This Offering Circular includes certain information about the Group 1 Subordinate Certificates only to help you understand the Offered Certificates. The Group 1 Subordinate Certificates are not guaranteed by Freddie Mac.

Relationship Between Loan Groups and the Certificates

The Certificates whose class designation begins with "1" correspond to the Group 1 Loans. The certificates whose class designation begins with "2" correspond to the Group 2 Loans.

The Group 1 Certificates will generally receive principal and interest only from the Group 1 Loans, and the Group 2 Certificates will generally receive principal and interest only from the Group 2 Loans. X will receive principal and interest from both loan groups.

The Residual Classes will not receive payments of principal or interest but rather will receive residual proceeds, if any, of the Trust. See *Description of Certificates — Residual Proceeds.*

Interest

Class Coupons

The Classes will bear interest as follows:

1A1

For each Payment Date, the Class Coupon of 1A1 will equal the lesser of (x) the Group 1 Net WAC Cap (as defined herein) and (y) One-Year MTA plus 1.60%.

For the first Payment Date, the Class Coupon will equal One-Year MTA as of July 15, 2005 plus 1.60%, or approximately 4.337%.

1A2

For each Payment Date, the Class Coupon of 1A2 will equal the lesser of (x) the Group 1 Net WAC Cap and (y) LIBOR plus 0.15%. For the first Payment Date, the Class Coupon will equal LIBOR as of August 18, 2005 plus 0.15%. In addition, if on any Payment Date the 1A2 Class Coupon is equal to the Group 1 Net WAC Cap, 1A2 may be entitled to receive, as interest, carryover shortfall amounts from amounts, if any, otherwise payable to X. Such carryover shortfall amounts are not guaranteed by Freddie Mac. See *Description of Certificates — Distributions of Interest — Carryover Shortfall Amount*.

2A1

For each Payment Date, the Class Coupon of 2A1 will equal the lesser of (x) the Group 2 Net WAC Cap (as defined herein) and (y) One-Year MTA plus 1.60%.

For the first Payment Date, the Class Coupon will equal One-Year MTA as of July 15, 2005 plus 1.60%, or approximately 4.337%.

2A2

For each Payment Date, the Class Coupon of 2A2 will equal the lesser of (x) the Group 2 Net WAC Cap and (y) LIBOR plus 0.15%. For the first Payment Date, the Class Coupon will equal LIBOR as of August 18, 2005 plus 0.15%. In addition, if on any Payment Date the 2A2 Class Coupon is equal to the Group 2 Net WAC Cap, 2A2 may be entitled to receive, as interest, carryover shortfall amounts from amounts, if any, otherwise payable to X. Such carryover shortfall amounts are not guaranteed by Freddie Mac. See *Description of Certificates — Distributions of Interest — Carryover Shortfall Amount*.

X

For each Payment Date, the Class Coupon on X-IO will equal the weighted average of (i) the excess, if any, of (x) the Group 1 Net WAC Cap for that Payment Date over (y) the weighted average of the Class Coupons of 1A2, X-PO-1 and the Group 1 Subordinate Certificates for that Payment Date, and (ii) the excess, if any of (x) the Group 2 Net WAC Cap for that Payment Date over (y) the weighted average of the Class Coupons of 2A2 and X-PO-2 for that Payment Date, adjusting the Class Coupons of 1A2, 2A2 and the Group 1 Subordinate Certificates to an Accrual Period based on a year consisting of twelve thirty-day months.

The initial Class Coupon on X-IO will be determined on August 18, 2005.

Notwithstanding the foregoing, amounts otherwise payable as interest to X-IO on any Payment Date may instead be reduced by Net Negative Amortization or may be paid as carryover shortfall amounts to certain other Classes.

See *Description of Certificates — Distributions of Interest.*

Group 1 Subordinate Certificates

For each Payment Date, the Class Coupons of the Group 1 Subordinate Certificates will be equal to the lesser of (x) the Group 1 Net WAC Cap and (y) LIBOR plus the related margin. The initial Class Coupons will be determined based on LIBOR available on August 18, 2005. The related margins are as follows:

Class	Related Margin On or Before Earliest Clean-Up Call Option Date	Related Margin After Earliest Clean-Up Call Option Date
1B1	0.57%	0.855%
1B2	0.85	1.275
1B3	1.20	1.800
1B4	1.20	1.800
1B5	1.20	1.800
1B6	1.20	1.800

Closing Date Cash Deposit

On or prior to the Closing Date, the Depositor will deposit in the Certificate Account, for distribution to the Holders on the first Payment Date, $1,847,324.39. Such amount represents, for each Mortgage still in its initial fixed-rate period, one month of interest on the principal balance of each such Mortgage as of the Cut-Off Date for the month remaining in the fixed-rate period for such Mortgage at a rate equal to the excess, if any, of (i) One-Year MTA as of July 15, 2005 plus 1.60% over (ii) the related initial fixed rate.

See *Description of Certificates — Payments of Interest.*

Payments on the Certificates

General

Each month, the Trustee will make payments of interest and/or principal to the holders of the Certificates. Payments will be made on the 25th day of each month, or if the 25th day is not a business day, on the next business day (each, a **"Payment Date"**).

Payments of Interest

On each Payment Date interest will be distributed to the Classes as shown under *Description of Certificates — Priority of Distributions.* X-PO-1 and X-PO-2 will not accrue or be paid interest.

Negative Amortization

In the event that an increase in the level of One-Year MTA causes interest to be accrued on a Mortgage for a given month in excess of the monthly payment made for that Mortgage, such excess interest will be added to the Outstanding Principal Balance of that Mortgage in the form of negative amortization. For any Payment Date, the excess, if any, of (i) the aggregate amount of negative amortization with respect to all Mortgages in a loan group for the calendar month prior to that Payment Date over (ii) the aggregate amount of prepayments in full and partial prepayments received with respect to the Mortgages in that loan group during the related prepayment period (the **"Net Negative Amortization"**), will reduce the interest paid to X-IO and, if such X-IO interest is reduced to zero, will then reduce the interest paid to the related Certificates as described in *Description of Certificates — Distributions of Interest* and *— Net Negative Amortization.* Such amount deducted from the interest paid to each Class will be added to the principal balance of that Class or the related component balance.

Interest Shortfalls Resulting from Insufficient Mortgage Payments

On each Payment Date, the Servicer is required to make advances to cover delinquent payments of principal and interest on the Mortgages. However, the Servicer is not required to make such advances if the Servicer determines that the advance would be nonrecoverable from future collections on the related Mortgages. Therefore, it is possible that, on any given Payment Date, there could be insufficient payments from the Mortgages to make the interest payments required on the Certificates, resulting in an interest shortfall. In this case, Freddie Mac, pursuant to its guarantee, would pay the amount of any such interest shortfall allocated to the Offered Certificates. The Group 1 Subordinate Certificates would not be entitled to receive such interest shortfall on that or any subsequent Payment Date unless there are future recoveries made on the related Mortgages.

In addition, there may be shortfalls in interest paid on the Mortgages due to the application of the Servicemembers' Civil Relief Act or similar state laws (collectively, the **"Relief Act"**). Such shortfalls will not be paid by the Servicer, but will be covered on the Offered Certificates by Freddie Mac pursuant to its guarantee to the extent such shortfalls are allocated to the Offered Certificates.

Interest Shortfalls Resulting from the Applicable Net WAC Cap

One-Year MTA Certificates. The Class Coupons for 1A1 and 2A1 adjust monthly based on One-Year MTA. See *Description of Mortgages — One-Year MTA*. However, the Class Coupons of these Certificates may not exceed the related Net WAC Cap. 1A1 and 2A1 will not be entitled to receive, either currently or on any later Payment Date, any excess of the Class Coupon based on One-Year MTA over the related Net WAC Cap.

LIBOR Certificates. The Class Coupons for 1A2, 2A2 and the Group 1 Subordinate Certificates adjust monthly based on LIBOR. See *Description of Certificates — LIBOR*. However, the Class Coupons of these Certificates may not exceed the related Net WAC Cap. These Certificates may receive as interest, in addition to interest accrued at their Class Coupons, Carryover Shortfall Amounts (representing some or all of any amounts in excess of the related Net WAC Cap), as described under *Description of Certificates — Distributions of Interest — Carryover Shortfall Amounts.* However, such carryover shortfall amounts on the LIBOR Certificates are **not** guaranteed by Freddie Mac.

Interest Shortfalls Due to Compensating Interest

When borrowers make prepayments in full or in part, they need not pay a full month's interest. Instead, they are required to pay interest only to the date of their prepayment. To compensate Holders for the shortfall in interest this causes, the Servicer will pay compensating interest to the Trust, for the benefit of the Holders, out of its Servicing Fee in an amount for each Payment Date up to that Servicing Fee. To the extent not covered by compensating interest paid by the Servicer, Freddie Mac, pursuant to its guarantee, will pay any such shortfall allocated to the Offered Certificates to the Holders of those Certificates. For a description of how compensating interest is allocated among the Certificates as well as limitations on its amount, see *Description of Certificates — Distributions of Interest — Compensating Interest* and *Yield and Prepayment Considerations.*

Payments of Principal

Group 1 Certificates

On each Payment Date, available principal received or advanced on the Group 1 Loans will generally be paid in the following order of priority:

First, concurrently to 1A1 and 1A2, pro rata, until retired;

Second, to X-PO-1, until retired; and

Third, after certain reimbursements to the Guarantor, to 1B1, 1B2, 1B3, 1B4, 1B5 and 1B6, in that order, until retired.

Unless credit enhancement to the Group 1 Senior Certificates and X-PO-1 has reached a specified level and the delinquencies and losses on the Group 1 Loans do not exceed specified limits, the Group 1 Subordinate Certificates generally will not receive principal prepayments until September 2015. However, in certain circumstances, the Group 1 Subordinate Certificates may begin receiving principal prepayments on Payment Dates earlier than September 2015. See *Description of Certificates — Distributions of Principal* and *— Principal Prepayments.*

Group 2 Certificates

On each Payment Date, available principal received or advanced on the Group 2 Loans will generally be paid in the following order of priority:

First, concurrently to 2A1 and 2A2, pro rata, until retired; and

Second, to X-PO-2, until retired.

See *Description of Certificates — Priority of Distributions.*

Allocation of Losses

Realized Losses. A loss is realized on a Mortgage when the Servicer determines that it has received all amounts it expects to recover for that Mortgage and the amounts are less than the Outstanding Principal Balance of the Mortgage plus its accrued and unpaid interest and unreimbursed advances. Losses will be allocated to the Certificates by reducing the principal balance of the Certificates by such loss amount without making any corresponding payments to the Holders.

Realized Losses in respect of one group of loans will not be allocated to the Certificates of the other group.

Group 1 Certificates. Losses will be allocated to the most junior Class of Group 1 Subordinate Certificates then outstanding. Losses on the Group 1 Loans will be allocated to the Group 1 Senior Certificates and X-PO-1, pro rata, only after the principal balances of all the Group 1 Subordinate Certificates have been retired. Losses allocated to the Group 1 Senior Certificates and X-PO-1 will be covered by the Freddie Mac guarantee.

Group 2 Certificates. Losses will be allocated to the Group 2 Certificates and X-PO-2, pro rata. Losses allocated to the Group 2 Certificates and X-PO-2 will be covered by the Freddie Mac guarantee.

Weighted Average Lives (years)*

Group 1

	CPR Prepayment Assumption					
	0%	5%	10%	25%	35%	50%
1A1	19.9	11.8	7.7	3.3	2.2	1.3
1A2	19.9	11.8	7.7	3.3	2.2	1.3

Group 2

	CPR Prepayment Assumption					
	0%	5%	10%	25%	35%	50%
2A1	20.5	12.5	8.2	3.5	2.4	1.5
2A2	20.5	12.5	8.2	3.5	2.4	1.5

* Determined as specified under *Prepayment, Yield and Suitability Considerations.*

Credit Enhancement Related to the Offered Certificates

Freddie Mac Guarantee of Offered Certificates

Freddie Mac will guarantee to the Holders of the Offered Certificates the timely payment of interest and the ultimate payment of principal. This guarantee, with respect to interest, excludes any interest added to the principal balance of the Certificates in the form of negative amortization; however, the guarantee with respect to the ultimate payment of principal includes such amounts.

Freddie Mac will not guarantee any interest carryover shortfall amounts.

Freddie Mac will not guarantee principal or interest on the Group 1 Subordinate Certificates.

Freddie Mac will be entitled to reimbursement for certain guarantee payments made with respect to the Group 1 Senior Certificates (including X-PO-1 and X-IO to the extent such payments relate to delinquencies or losses on the Group 1 Loans).

Group 1 Certificates — Subordination

The Group 1 Senior Certificates and X-PO-1 will receive payments of principal and interest before the Group 1 Subordinate Certificates. This structure provides credit enhancement to the Group 1 Senior Certificates and X-PO-1.

Group 1 Certificates — Shifting of Interests

The Group 1 Senior Certificates and X-PO-1 generally will receive their pro rata share of scheduled principal payments received on the Group 1 Loans on each Payment Date. In addition, unless credit enhancement to the Group 1 Senior Certificates and X-PO-1 has reached a specified level and the delinquencies and losses on the Group 1 Loans do not exceed specified limits, the Group 1 Senior Certificates and X-PO-1 in the aggregate generally will receive 100% of all principal prepayments received on the Group 1 Loans, net of any portion thereof applied to reduce negative amortization, until September 2015. During the next four years, the Group 1 Senior Certificates and X-PO-1 will generally receive a disproportionately large, but decreasing, share of principal prepayments. Both of these features will result in a quicker return of principal to the Group 1 Senior Certificates and X-PO-1. See *Description of Certificates — Distributions of Principal* and *— Principal Prepayments.*

Ratings

As a condition to issuance, Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (**"S&P"**), and Moody's Investors Service, Inc. (**"Moody's"** and, together with S&P, the **"Rating Agencies"**) must assign the ratings in the following table to the Group 1 Certificates and X:

Class	S&P Rating	Moody's Rating
1A1	AAA	Aaa
1A2	AAA	Aaa
X	AAA	Aaa
1B1	AA	Aa2
1B2	A	A2
1B3	BBB	Baa2
1B4	BB	Ba2
1B5	B	B2
1B6	None	None

The Group 2 Certificates and Residual Certificates are not rated.

REMIC Election and Tax Status of the Certificates

We will elect to treat applicable portions of the Trust as a real estate mortgage investment conduit (a **"REMIC"**) under the Internal Revenue Code of 1986 (the **"Code"**), each such portion, a **"REMIC Pool."** Specifically, we will form an Upper-Tier REMIC Pool and a Lower-Tier REMIC Pool. R and RS will be **"Residual Certificates"** in the Upper-Tier REMIC Pool and Lower-Tier REMIC Pool, respectively, and the Group 1 Senior Certificates, Group 1 Subordinate Certificates, Group 2 Certificates and X will be **"Regular Certificates."** The Regular Certificates (exclusive of the right to receive any carryover shortfall amount in the case of 1A2, 2A2 and the Group 1 Subordinate Certificates and exclusive of the obligation to pay any carryover shortfall amount from interest otherwise payable to X) constitute "regular interests" in the Upper-Tier REMIC Pool and each Residual Certificate constitutes a "residual interest" in the applicable REMIC Pool.

In general, regular interests are taxed as debt instruments, but residual interests are not. Special tax rules apply to residual interests. These rules often impose tax liabilities on residual interests that exceed any payments they receive. You should not purchase a residual interest before consulting your tax advisor.

ERISA Eligibility

The Offered Certificates (other than the Residual Certificates) are expected to be eligible for purchase by ERISA Plans. Prospective investors should review with their legal advisors whether the purchase and holding of such Offered Certificates could give rise to a transaction prohibited or not otherwise permissible under ERISA, the Code or other similar laws. See *ERISA Considerations*.

RISK FACTORS

As an investor you will bear the risks of owning mortgage securities. This section highlights some of these risks. You should also read *Risk Factors* and *Prepayment, Yield and Suitability Considerations* and *Risk Factors* for further discussions of these risks.

Certificates May Not be Suitable Investments for You. The Certificates are complex securities. You should not purchase Certificates unless you are able to understand and bear the associated prepayment, redemption, interest rate, yield and market risks.

Principal Payment Rates are Uncertain. Principal payment rates on the Certificates will depend on the rates of principal payments on the Mortgages. Mortgage principal payments include:

- principal payments made on the Mortgages (based on the minimum monthly payment required); and
- principal prepayments, which consist of:
  - prepayments in full on a Mortgage;
  - partial prepayments on a Mortgage
  - liquidation principal, which is the principal recovered after foreclosing on or otherwise liquidating a defaulted Mortgage;
  - condemnation principal proceeds, which are awards or settlements in respect of taking a Mortgage Property (or part thereof) by condemnation or power of eminent domain; and
  - the principal portion of insurance proceeds from insurance policies covering a Mortgage.

Prepayment rates fluctuate continuously and (in some market conditions) substantially. Prepayments include voluntary prepayments in full or in part of a Mortgage. In general, prepayments tend to increase when current interest rates decline, as more borrowers choose to refinance their existing mortgages. As current interest rates increase, refinancings and prepayments generally decline.

The rate of prepayments of the Mortgages cannot be predicted and is influenced by a variety of economic, social and other factors, including local and regional economic conditions, homeowner mobility, the availability of alternative financing and any applicable prepayment penalties. Prepayments are also affected by servicing decisions and policies, such as decisions to pursue alternatives to foreclosure.

Prepayments Can Reduce Your Yield. Your yield on a Class of Certificates will depend on its price, the rate of prepayments on the Mortgages and the actual characteristics of those Mortgages. The Mortgages may be voluntarily prepaid at any time in full or in part, subject to any applicable prepayment penalties. The Mortgages also may be prepaid due to defaults, casualties, condemnations and repurchases. The yield on your Class could be lower than you expect if:

- You buy your Class at a discount to its principal amount and principal payments are slower than you expect.

- You buy your Class at a premium over its principal amount and principal payments are faster than you expect.

Faster than Expected Prepayments Can Reduce the Yield of X. X generally receives only payments of interest (except for amounts added to its component principal balances as a result of Net Negative Amortization, which is then distributed to X as principal). The yield to maturity on X will be extremely sensitive to the level of prepayments on the Mortgages. The faster the Mortgages prepay, the less interest X will receive, other things being equal. The yield to maturity on X will be especially sensitive to the level of prepayments on the Mortgages with higher interest rates. Since the Class Coupon of X is based in part on the weighted average of the Net Rates of the Mortgages, the higher the interest rates on the Mortgages that prepay, the less interest X will receive. If mortgage interest rates decline, the higher interest rate Mortgages are more likely to be refinanced, and, therefore, prepayments in full on these Mortgages are more likely to occur.

You should fully consider the risks associated with an investment in X. If the Mortgages prepay faster than expected or if the Trust is terminated earlier than expected, you may not fully recover your initial investment. See *Yield and Prepayment Considerations — Yield Considerations with Respect to X*.

Changes to the Certificate Margins May Reduce the Yield on X. The certificate margins for the Group 1 Subordinate Certificates will increase after the Earliest Clean-Up Call Option Date as shown under *Summary — Interest — Class Coupons*. Consequently, the Class Coupon for X may be reduced after that date.

The Certificates are Subject to an Interest Rate Cap. The Class Coupons of the LIBOR and One-Year MTA Certificates adjust monthly, based on LIBOR or One-Year MTA, respectively, but are subject to a cap based on the weighted average of the Net Rates on the Mortgages. Each Mortgage is subject to a maximum interest rate. If the cap based on the Net Rates is in effect on any Payment Date, these Certificates will not receive any amount of interest above the capped amount on that Payment Date, although, in the case of the LIBOR Certificates, they may receive a portion of that interest on future Payment Dates.

Index Levels Can Reduce the Yields of Your Certificates. If the LIBOR or One-Year MTA level, as applicable, is lower than you expect, the yields on your Certificates could be lower than you expect. In addition, the yield on X may be reduced if the differential between One-Year MTA and LIBOR decreases.

Reinvestment of Principal Payments May Produce Lower Yields. Mortgages tend to prepay fastest when current interest rates are low. When you receive principal payments in a low interest rate environment, you may not be able to reinvest them in comparable securities with as high a yield as your Certificates.

Your Yield May be Affected by Which Payment Option the Related Borrowers Choose Each Month and When They Pay. Each Mortgage allows the related borrower to choose, each month, one of several payment options, which may include an amount less than, equal to or greater than a fully-amortizing monthly payment. If the borrower chooses to pay the Minimum Monthly Payment, the principal portion, if any, of that amount is treated as the scheduled principal payment. If the borrower chooses one of the other options, then any principal payment amount over the principal portion of the Minimum Monthly Payment will be treated as a partial prepayment and will result in your receiving principal faster than you expected.

Possible Negative or Accelerated Amortization May Adversely Affect Your Certificates. The interest rates on the Mortgages adjust monthly, while their Minimum Monthly Payments adjust annually. In any month, if the monthly payment made by a borrower on a Mortgage is less than the amount needed to pay all of the monthly accrued interest on that Mortgage, that Mortgage will experience negative amortization. On each Payment Date, negative amortization on the Mortgages in each group is netted against the Payoffs and Curtailments of such group on that Payment Date, such that the aggregate amount of such Payoffs and Curtailments paid to the Certificates as principal is reduced. As a result, the application of any Net Negative Amortization may delay the date on which your Certificates retire (although not past the related Final Payment Date), and lengthen their weighted average life. Conversely, in any month, if the monthly payment on a Mortgage exceeds the amount needed to pay the principal and interest of that Mortgage on a level-payment, fully amortizing basis, that Mortgage will experience accelerated amortization. If accelerated amortization occurs, your Certificates may retire sooner than you expected and their weighted average life may be reduced.

Negative Amortization May Increase Losses Applied to Your Certificates. When interest due on a Mortgage is added to the principal balance of the Mortgage through negative amortization, the Mortgaged Property provides proportionally less security for the repayment of the Mortgage. Therefore, if the borrower defaults on the Mortgage, there is a greater likelihood that a loss will be incurred upon the liquidation of the Mortgaged Property. Furthermore, the loss will be larger than would otherwise have been recognized in the absence of negative amortization. Certificateholders will bear these losses as described in *Description of Certificates — Allocation of Losses*. The amount of any such losses on the Offered Certificates will be covered by the Freddie Mac guarantee.

If One-Year MTA is Replaced, the Mortgage Margins and the Certificate Margin May Be Adjusted. If One-Year MTA is no longer available, the Servicer, in accordance with the terms of the Servicing Agreement and with the consent of Freddie Mac, as Guarantor, will choose a new index for the Mortgage Loans that is based on comparable information. When the Servicer chooses a new index, it will increase or decrease the margin for each Mortgage Loan by the difference between the average of the One-Year MTA values for the most recent three years and the average of the replacement index values for the most recent three years. The new margin for each Mortgage may be rounded up as provided in the related Mortgage Note.

Mortgage-Backed Certificates Are Subject to Various Risks on the Mortgages. The Certificates may be subject to various types of credit risk, including the following:

- **Foreclosure of Mortgaged Properties could result in losses and usually involve delays and expense.** A Mortgaged Property may not provide adequate security to cover all principal and interest due on the related Mortgage plus the costs of foreclosure. Even if the Mortgaged Properties provide adequate security for the Mortgages, foreclosure of defaulted Mortgages could involve substantial delays and costs that would delay or limit the receipt of the foreclosure proceeds. Foreclosures are regulated by state statutes, rules and judicial decisions and are subject to many of the delays and expenses of other lawsuits, sometimes requiring several years to complete. The Servicer will in most cases be entitled to reimburse itself for any expenses it has paid in attempting to recover amounts due on the liquidated Mortgages, accrued fees of the Servicer, legal fees and costs of legal action, real estate taxes, and maintenance and preservation expenses. This will reduce the amount of the proceeds to the Trust and the amount available to make distributions to you.

- **Geographic concentration of Mortgaged Properties may result in higher losses if particular regions experience downturns.** Some geographic regions from time to time will experience weaker regional economic conditions and housing markets than will other regions. Consequently, the Mortgages from such regions are likely to experience higher rates of loss and delinquency. The Mortgages in the Trust may be concentrated in these weaker regions, and these concentrations may present risks in addition to those present for similar Certificates without these concentrations. See *The Mortgages* for more information about geographic concentration of Mortgaged Properties.

- **Environmental condition of the Mortgaged Properties may give rise to liability for the Trust, which could reduce the amounts available to pay you on your Certificates.** Real property may be subject to environmental risks which could cause losses on your Certificates. Under the laws of some states, contamination of a Mortgaged Property may give rise to a lien on the Mortgaged Property to assure the costs of clean up. In several states, this type of lien has priority over the lien of an existing mortgage or owner's interest against the property. In addition, under the laws of some states and under federal law, the Servicer may be liable for costs of addressing releases or threatened releases of hazardous substances that require remedy at a property, if agents or employees of the Servicer have become sufficiently involved in the operations of the borrower, whether or not the environmental damage or threat was caused by a prior owner. The Trust could also increase its risk of environmental liability upon foreclosure of the Mortgaged Property, since the Trust may then become the legal owner of the property.

- **Government Regulations may limit collection of principal and interest on the Mortgages, as well as future income generated from the related Mortgaged Property.** Residential mortgage lending is highly regulated at both the federal and state levels. Violations of laws, policies and principles may limit the ability of the Servicer to collect all or part of the amounts due on the Mortgages, entitle the borrower to a refund of amounts previously paid or subject the Trust, as the owner of the Mortgages, to claims for damages and to administrative enforcement, any of which could cause losses on your Certificates.

- **Property values may decline, leading to higher losses on the Mortgages.** A decline in real estate values and changes in the borrower's financial condition may result in a rise in the rates of delinquencies and foreclosures. You could bear the risk of these losses and will have to look primarily to the value of the Mortgaged Properties for recovery of the outstanding principal and unpaid interest on the defaulted loans.

The Certificates are Subject to Redemption Risk. Freddie Mac or the Servicer, with the consent of Freddie Mac (which consent will not be unreasonably withheld), may purchase all of the Mortgages owned by the Trust, on or after the Payment Date on which the remaining principal balance of the Mortgages is reduced, to 10% or 5%, respectively, of their aggregate Cut-Off Date Principal Balance, which will terminate the Trust. See *Description of the Certificates — Optional Termination of the Trust* herein. If this happens, the purchase price paid by Freddie Mac or the

Servicer will be passed through to the Certificateholders. This would have the same effect as if all of the remaining borrowers made prepayments in full on the last day of the month. If the Certificates were purchased at a premium, your yield on the Certificates could be adversely affected by an optional termination of the Trust.

The Certificates are Subject to Market Risks. You will bear all of the market risks of your investment. The market value of your Certificates will vary over time, primarily in response to changes in prevailing interest rates. If you sell your Certificates when their market value is low, you may experience significant losses. The Certificates will be delivered to the underwriters named on the front cover (the **"Underwriters"**). The Underwriters intend to make a market for the purchase and sale of the Certificates after they are issued, but have no obligation to do so. A secondary market may not develop. Even if one does develop, it may not be liquid enough to allow you to sell your Certificates easily or at your desired price.

Possession by a Subsequent Purchaser of the Mortgage Notes and Mortgages Could Defeat the Interests of the Trust in the Mortgage Notes and Mortgages. The Trustee will not have physical possession of the mortgage notes and mortgages related to the Mortgages in the Trust. In addition, the Trustee will not conduct any independent review or examination of the related mortgage files. Instead, to facilitate servicing and reduce administrative costs, Washington Mutual Bank fsb, one of the Sellers of the Mortgages and a wholly-owned subsidiary of Washington Mutual Bank, the servicer of the Mortgage Loans, will retain possession of and will review the mortgage notes and mortgages as custodian for the Trust and financing statements will be filed on behalf of Freddie Mac evidencing the Trust's interest in the Mortgage Loans. The mortgage notes will be endorsed in blank (and will not be endorsed to the Trust) and no assignment of the Mortgages to the Trust will be prepared. If a subsequent purchaser were able to take physical possession of the mortgage notes and mortgages without knowledge of the transfer of the Mortgages to the Trust, the interests of the Trust in the mortgage notes and mortgages could be defeated. In that event, distributions to Certificateholders may be adversely affected.

The Minimum Monthly Payment on the Mortgages May be Less Than the Interest Accrued For the First Five Years, Increasing the Likelihood of Negative Amortization. The Minimum Monthly Payment for the entire first year following origination of a Mortgage reflects the fixed rate in effect during the initial fixed-rate period, which will generally be lower than the fully indexed rate in effect at any time during the first year. Therefore, even if the One-Year MTA value does not increase, the Minimum Monthly Payment during the first five years of the Mortgage may not be enough to pay the amount of interest due on the Mortgage at the fully indexed rate, which is calculated based on the sum of One-Year MTA and the related Margin. In such case, if the related borrower chooses to pay the Minimum Monthly Payment rather than selecting one of the other higher payment options, this will lead to an increase in the Outstanding Principal Balance of the Mortgage in the form of negative amortization. After the first year, the Minimum Monthly Payment may increase by 7.5%, provided that this 7.5% limitation does not apply to the adjustment made on the fifth anniversary of the first Due Date and each fifth anniversary thereafter or if the principal balance of the Mortgage would otherwise exceed 110% or 125%, as applicable, of its original principal balance). This adjustment may not be enough to raise the Minimum Monthly Payment to the amount necessary to pay the interest due on the Mortgage based on the sum of the Index value and the Margin in effect during the following year. If the new rate on which the Minimum Monthly

Payment is based is still less than the fully indexed rate during the following year, there will continue to be negative amortization if the related borrower chooses to pay the Minimum Monthly Payment.

Therefore the effect of the initial fixed rate at the beginning of the life of the Mortgage may continue to cause the Minimum Monthly Payment to be less than the monthly interest due on the Mortgage until the earlier of the fifth anniversary of the first due date, when the Minimum Monthly Payment will be reset to a fully-amortizing payment regardless of the 7.5% limit, or the date on which the principal balance of the Mortgage would otherwise exceed 110% or 125%, as applicable, of its original principal balance. See *Description of the Mortgages*.

Potential Inadequacy of Credit Enhancement for the Certificates. Credit enhancement will be provided for the Group 1 Senior Certificates, first, by their right to receive payments before the Group 1 Subordinate Certificates and, second, by the allocation of realized losses on the Group 1 Loans to the Group 1 Subordinate Certificates. Accordingly, if the aggregate principal balance of the Group 1 Subordinate Certificates were reduced to zero, certain delinquencies and defaults on the Group 1 Loans would cause losses to be allocated to the Group 1 Senior Certificates and X-PO-1, which losses would be covered by Freddie Mac, pursuant to its guarantee.

The Freddie Mac guarantee provides credit enhancement to the Offered Certificates as described herein. The Freddie Mac guarantee is intended to increase the likelihood that holders of the Offered Certificates will receive regular distributions of interest and the ultimate distribution of principal, as applicable. The Offered Certificates, including interest thereon, are not guaranteed by the United States and do not constitute debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac. If Freddie Mac were to experience significant financial difficulties, the credit enhancement provided by the Freddie Mac guarantee may be insufficient and the holders of the Senior Certificates may suffer losses as a result of the various contingencies described in this *Risk Factors* section and elsewhere in this Offering Circular. See *Description of Certificates — Freddie Mac Guarantee* for a detailed description of the Freddie Mac guarantee.

Freddie Mac does not guarantee interest carryover shortfall amounts, if any, payable to the Offered Certificates, and does not guarantee the Group 1 Subordinate Certificates.

Certain Regulatory Matters Regarding the Servicer. The operations and financial condition of the Servicer are subject to extensive regulation and supervision under federal and state law. The appropriate banking regulatory authorities, including the Office of Thrift Supervision (the **"OTS"**) and the Federal Deposit Insurance Corporation (the **"FDIC"**), have broad enforcement powers over the Servicer.

If federal bank regulatory authorities supervising any bank were to find that any obligation of such bank or an affiliate under a securitization or other agreement, or any activity of such bank or affiliate, constituted an unsafe or unsound practice or violated any law, rule, regulation or written condition or agreement applicable to the related bank, such federal bank regulatory authorities have the power to order such bank or affiliate, among other things, to rescind such agreement or contract, refuse to perform that obligation, terminate the activity, amend the terms of such obligation or take such other action as such regulatory authorities determine to be appropriate. If such an event occurs with respect to the Servicer or its affiliates, the Servicer may not be liable to the Holders of the Certificates for contractual damages for complying with such an order and the Holders of the Certificates may have no recourse against the relevant regulatory authority.

Recently, after the Office of the Comptroller of the Currency (the **"OCC"**) found that a national bank was, contrary to safe and sound banking practices, receiving inadequate servicing compensation under its securitization agreements, that bank agreed to a consent order with the OCC. Such consent order requires that bank, among other things, to resign as servicer and to cease performing its duties as servicer within approximately 120 days, to immediately withhold and segregate funds from collections for payment of its servicing fee (notwithstanding the priority of payments in the securitization agreements and the perfected security interest of the relevant trust in those funds) and to increase its servicing fee percentage above that which was originally agreed upon in its securitization agreements.

While the Servicer has no reason to believe that any appropriate banking regulatory authority would consider provisions relating to the Servicer acting as such or the payment or amount of a servicing fee to the Servicer, or any other obligation of the Servicer under this transaction to be unsafe or unsound or violative of any law, rule or regulation applicable to it, there can be no assurance that any such regulatory authority would not conclude otherwise in the future. If such a regulatory authority did reach such a conclusion and ordered the Servicer to rescind or amend its securitization agreements, payments to the Holders of the Certificates could be delayed or reduced.

GENERAL INFORMATION

The Trust

The issuer of the Certificates, the Freddie Mac Securities REMIC Trust 2005-S001 (the **"Trust"**), will be a statutory trust formed under the laws of the State of Delaware pursuant to the Trust Agreement. Pursuant to the Mortgage Purchase Agreement, Washington Mutual Bank and Washington Mutual Bank fsb sold the Mortgages to Freddie Mac. Pursuant to the Custodial Agreement, the Custodian will retain possession of and will review the mortgage notes and Mortgages for the Trust and financing statements will be filed evidencing the Trust's interest in the Mortgages. Pursuant to the Servicing Agreement, the Servicer will service the Mortgages. Pursuant to the Assignment Agreement, the rights and obligations of Freddie Mac, as Depositor, under the Mortgage Purchase Agreement, Servicing Agreement and Custodial Agreement will be transferred to the Trust. Pursuant to the Trust Agreement, the Mortgages and other assets will be sold by Freddie Mac to the Trust on the Closing Date, and in exchange, Freddie Mac will acquire all the Certificates upon issuance.

The Mortgages will be the primary asset of the Trust. The Trust will own the right to receive all payments of principal and interest on the Mortgages due on or after the Cut-Off Date and all Payoffs and Curtailments received on or after the Cut-Off Date. In exchange for the Mortgages and other property, the Trustee will authenticate and deliver the Certificates to Freddie Mac.

A schedule to the Mortgage Purchase Agreement (the **"Mortgage Loan Schedule"**) will include information about each Mortgage, including, but not limited to:

- the applicable loan group;
- the original principal balance;
- the original term to maturity of the Mortgage;

- the Outstanding Principal Balance as of the opening of business on the Cut-Off Date which reflects (i) the principal portion of all Actual Monthly Payments received before the Cut-Off Date, (ii) the principal portion of the aggregate amount of all Minimum Monthly Payments due as of August 1, 2005 but not received before the Cut-Off Date and (iii) any amounts added to the Outstanding Principal Balance of the Mortgages as a result of negative amortization before the Cut-Off Date (the **"Cut-Off Date Principal Balance"**); and
- the Note Rate as of the close of business on the Cut-Off Date and information about how that Note Rate adjusts.

The Trust will also contain other property, including:

- insurance policies related to individual Mortgages, if applicable;
- any property that is acquired after the Cut-Off Date as a result of foreclosure or threatened foreclosure of a Mortgage;
- the obligations of Freddie Mac pursuant to the Freddie Mac guarantee; and
- amounts held in the Collection Account and the Certificate Account (including the cash deposited into the Certificate Account by the Depositor on the Closing Date for each Mortgage still in its initial fixed-rate period).

The Servicing Agreement permits Washington Mutual Bank, as the Servicer, to invest funds held in the Collection Account in permitted investments for its own benefit before those funds are to be remitted to the Trustee for deposit into the Certificate Account. The Trust Agreement also permits the Trustee to invest funds held in the Certificate Account in permitted investments for its own benefit before those funds are to be distributed to the Holders. See *The Agreements — Collection Account and Certificate Account*.

Structure of Transaction

This transaction is structured as a double-tier REMIC. Specifically, the Upper-Tier and Lower-Tier REMIC Pools are structured as follows:

REMIC Pool	Certificates Issued from REMIC Pool	Principal REMIC Pool Assets
Upper-Tier	All Regular Certificates and R	All Lower-Tier regular interests
Lower-Tier	RS	The Mortgages and the cash deposit

DESCRIPTION OF THE MORTGAGES

The description of the Mortgages and Mortgaged Properties in this section and in Appendix II is based on the Cut-Off Date Principal Balance of the Mortgages, unless otherwise indicated. All references to "principal balance" refer to the Cut-Off Date Principal Balance of the Mortgages, unless otherwise specifically stated or required by the context. Due to rounding, percentages may not sum to 100%. References to percentages of Mortgages refer in each case to the percentage of the aggregate Cut-Off Date Principal Balance of the Mortgages. References to weighted averages refer in each case to weighted averages by Cut-Off Date Principal Balance.

General

The Trust will consist of 17,432 Mortgages that will have an aggregate Cut-Off Date Principal Balance of approximately $4,000,025,152. The Mortgages were originated or acquired by Washington Mutual Bank or Washington Mutual Bank fsb.

As described in the Mortgage Purchase Agreement, the Mortgages were originated in accordance with:

- the master agreement, dated as of April 1, 2005, by and among Freddie Mac, Washington Mutual Bank and Washington Mutual Bank fsb (as it may be amended, the **"Master Agreement"**), or, with respect to Mortgages originated prior to April 1, 2005, the master agreement then in effect, the Freddie Mac Single-Family Seller/Servicer Guide and/or certain credit underwriting waivers (as described in the Trust Agreement);
- the requirements of Washington Mutual Bank's proprietary automated underwriting system as described in the Mortgage Purchase Agreement; or
- in the case of cooperative loans, in a manner similar to other cooperative loans originated by either of the Sellers for their own respective accounts and in accordance with the applicable underwriting standards of the Sellers.

The Mortgages are secured by first mortgages or first deeds of trust or other similar security instruments creating first liens on one- to four-family residential properties or shares of stock relating to cooperative units (each, a **"Mortgaged Property"**). These Mortgaged Properties, which may include detached homes, duplexes, triplexes, fourplexes, townhouses and individual condominium units, have the additional characteristics described below and in *Appendix II*.

Some borrowers are obligated on more than one Mortgage, which Mortgage may or may not be in the Trust. As of the Cut-Off Date, approximately 0.52% of the borrowers are obligated on more than one Mortgage underlying the Certificates. As of the Cut-Off Date, the maximum number of Mortgages in the Trust related to a single borrower is 8, and the maximum principal balance of Mortgages related to a single borrower represents approximately 0.03% of the Mortgages by principal balance. No other borrower is obligated on more than approximately 0.03% of the Mortgages by principal balance.

All of the Mortgages provide that principal and interest are payable on the first day of each calendar month (the **"Due Date"**). Each Mortgage had a first payment Due Date during the period from September 1, 2002 through September 1, 2005, inclusive, and has an original term to maturity of not more than 40 years.

Each Mortgage will be a conventional Mortgage evidenced by a **"Mortgage Note."** The **"Note Rate"** with respect to each Mortgage will equal the per annum rate at which interest accrues on that Mortgage. After an initial fixed-rate period of one, two, three or twelve months, the Note Rate on each Mortgage adjusts monthly to equal the sum of the One-Year MTA value and the per annum rate specified in the applicable Mortgage Note (the **"Margin"**), rounded as provided in the applicable Mortgage Note. As of the Cut-Off Date, approximately 15.03% (by aggregate Cut-Off Date Principal Balance) of the Mortgages were still in their initial fixed-rate period. The Margin for each Mortgage may change if One-Year MTA is replaced. See *One-Year MTA*. In addition, adjustments to the Note Rate for each Mortgage are subject to a lifetime maximum interest rate (a **"Rate Ceiling"**). The minimum interest rate for each Mortgage is its related Margin, except while such Mortgage was in its initial one, two, three or twelve month fixed interest rate period, as applicable.

Each Mortgage was originated with an initial fixed-rate period of one, two, three or twelve months. As of the Cut-off Date, approximately 15.03% (by aggregate Cut-Off Date Principal Balance) of the Mortgages had one month remaining in their initial fixed-rate period. These Mortgages bear a fixed Note Rate ranging from 1.100% to 3.350% per annum, with a weighted average of approximately 1.320% per annum.

The initial Minimum Monthly Payment for each Mortgage is the amount which will fully amortize the Mortgage at its initial fixed interest rate (which will generally be lower than the sum of One-Year MTA and the Margin) in equal monthly installments over its remaining term to maturity. The **"Minimum Monthly Payment"** related to a Mortgage is the minimum monthly payment required to be paid by the borrower pursuant to the terms of the Mortgage Note. The monthly payment actually made by or on behalf of the borrower is the **"Actual Monthly Payment."** Each Mortgage allows the related borrower to choose, each month, one of several payment options, which may include an amount less than, equal to or greater than a fully-amortizing monthly payment. In general, the options are as follows:

- when the Minimum Monthly Payment is less than the amount of interest due that month, the borrower will have the option to pay the actual amount of interest due that month, which would prevent negative amortization on such borrower's loan for that month.
- when the Minimum Monthly Payment is less than a fully-amortizing monthly payment, the borrower will have the option to pay that fully-amortizing amount.
- the borrower of a Mortgage with an original term to maturity exceeding 15 years will have the option of making a monthly payment that would amortize the Mortgage in 15 years, rather than the 30-year or 40-year term of the Mortgage.

Notwithstanding the above, the borrower must pay at least the Minimum Monthly Payment each month.

The Minimum Monthly Payment for each Mortgage will adjust annually, and also on any Due Date on which the principal balance of the Mortgage would otherwise exceed 110% (in the case of approximately 6.59% of the Mortgages, as of the Cut-Off Date) or 125% (in the case of approximately 93.41% of the Mortgages, as of the Cut-Off Date) of its original principal balance, to an amount which will fully amortize the Mortgage at the then current Note Rate in equal monthly installments over its remaining term to maturity. The Minimum Monthly Payment may not, however, increase or decrease on any adjustment date by an amount greater than 7.5% of the Minimum Monthly Payment in effect immediately before that adjustment date (the **"Payment Cap"**), provided that this 7.5% limitation does not apply to the adjustment made on the fifth anniversary of the first Due Date and each fifth anniversary thereafter or on any Due Date on which the principal balance of the Mortgage would otherwise exceed 110% or 125%, as applicable, of its original principal balance. The final payment on each Mortgage also is not subject to any limit; the Borrower is required to pay the entire remaining amount, regardless of the increase from the previous payments. Depending on the amount and timing of increases to the principal balance of a Mortgage due to negative amortization, the final payment on that Mortgage may be substantially larger than the immediately preceding Minimum Monthly Payment.

Since the Note Rate on each Mortgage adjusts monthly and the Minimum Monthly Payment adjusts annually, subject to the limitations described above, and since the Minimum Monthly Payment may not be increased on most adjustment dates by an amount greater than 7.5%, increases in the value of One-Year MTA will cause a larger portion of the Minimum Monthly Payment to be allocated to interest and a smaller portion to principal. In some cases, the interest accrued on a Mortgage may exceed the then-current Minimum Monthly Payment due on that Mortgage. Any such excess, to the extent not paid in the applicable Actual Monthly Payment, will be added to the Outstanding Principal Balance of the Mortgage in the form of "negative amortization." For any Due Date, negative amortization is calculated based on the Minimum Monthly Payment due on that Due Date, unless a different Actual Monthly Payment has been received prior to the Due Date. If any adjustment is necessary because an Actual Monthly Payment received on or after a Due Date is different from the applicable Minimum Monthly Payment, such adjustment will be made for the Due Date following such receipt. Decreases in the value of One-Year MTA, on the other hand, will cause a larger portion of the Minimum Monthly Payment to be allocated to principal and a smaller portion to interest.

The Minimum Monthly Payment for the entire first year of the Mortgage following origination reflects the fixed rate in effect during that initial fixed-rate period, which will generally be lower than the fully indexed rate in effect at any time during the first year. Therefore, even if the value of One-Year MTA does not increase during the first five years of the Mortgage, the Minimum Monthly Payment during those first five years may not be enough to pay the amount of interest due on the Mortgage at the fully indexed rate, which is calculated based on the sum of the value of One-Year MTA and the Margin. If the borrower chooses to pay the Minimum Monthly Payment rather than another payment option, this will likely lead to an increase in the Outstanding Principal Balance of the Mortgage in the form of negative amortization. Even after the first year, when the Minimum Monthly Payment may increase by 7.5%, this adjustment may not be enough to raise the Minimum Monthly Payment to the amount necessary to pay the interest due on the Mortgage based on the sum of the value of One-Year MTA and the Margin in effect during the following year. If the new Minimum Monthly Payment is still less than the fully indexed rate during the following year, there will continue to be negative amortization if the borrower chooses to pay only the Minimum Monthly Payment. Therefore the effect of the initial fixed rate at the beginning of the life of the Mortgage may continue to cause the Minimum Monthly Payment to be less than the monthly interest due on the Mortgage until the earlier of the fifth anniversary of the first Due Date or the date on which principal balance of the Mortgage would otherwise exceed 110% or 125%, as applicable, of its original principal balance, when the Minimum Monthly Payment will be reset to a fully-amortizing payment.

All of the Mortgages are assumable to the extent provided in the related Mortgage Note. The Mortgage Note for each Mortgage provides that if the Mortgage is assumed, the Rate Ceiling following the assumption may be adjusted to the greater of (i) the original Rate Ceiling for the Mortgage or (ii) the interest rate in effect for the Mortgage at the time of assumption plus five percentage points, to the extent permitted by applicable law.

Approximately 89.64% (by aggregate Cut-Off Date Principal Balance) of the Mortgages impose penalties for voluntary or involuntary prepayments, as follows (all percentages are by aggregate Cut-Off Date Principal Balance):

- Approximately 54.13% of the Group 1 Loans and 55.45% of the Group 2 Loans impose prepayment penalties for prepayments in full received within one year of origination.
- Approximately 31.80% of the Group 1 Loans and 30.22% of the Group 2 Loans impose prepayment penalties for prepayments in full received within three years of origination.
- Approximately 3.70% of the Group 1 Loans and 3.97% of the Group 2 Loans impose prepayment penalties for partial, in addition to full, prepayments during the first 30 months after origination.

As to each Mortgage, the prepayment penalty in effect for prepayments in full and certain partial prepayments:

- for prepayments in full occurring within one to three years after the origination of such Mortgage, will equal from 1.00% to 3.00% of the principal balance of such Mortgage as of the date of origination;
- for prepayments in full occurring within the first twelve months after origination of such Mortgage, will equal 2.00% of the principal balance of such Mortgage as of the date of origination; and
- for all prepayments occurring within 30 months after the origination of such Mortgage if the prepayments received within a 12-month period exceed in the aggregate 20% of the principal balance of such Mortgage as of the date of origination, will equal 2.00% of the prepaid amount in excess of 20% of the principal balance of such Mortgage as of the date of origination.

Notwithstanding the above, no prepayment penalties are imposed:

- in some cases where the borrower sells the Mortgaged Property and obtains a new mortgage originated and serviced by one of the Sellers to purchase another property if the prepayment is made no earlier than one year after origination;
- in some cases where the borrower refinances the Mortgage with a new mortgage loan originated and serviced by one of the Sellers if 90 days or less remain in the prepayment penalty term; or
- for prepayments of accrued but unpaid interest that has been added to principal as a result of negative amortization.

Additionally, notwithstanding the provisions of the Applicable Freddie Mac Guidelines, some of the Mortgages have provisions permitting imposition of a prepayment penalty in connection with voluntary or involuntary prepayment of the Mortgage Note, but pursuant to the terms of the

Servicing Agreement, the Servicer will represent, warrant and covenant that for such Mortgages, the Servicer has policies and procedures that prohibit imposing, and it will not impose, a prepayment penalty in the event of a prepayment made on a defaulted Mortgage or in the event of an acceleration of such Mortgage Note by the note holder or the Servicer.

No prepayment penalty is in effect longer than three years after the origination of the related Mortgage. Prepayment penalties will be retained by the Servicer as additional servicing compensation.

Loan Group 1

The Group 1 Loans consist of 4,407 Mortgages with an aggregate principal balance as of the Cut-Off Date of approximately $1,000,013,145.

None of the Group 1 Loans are buydown loans. As of the Cut-Off Date, approximately 1.04% of the Group 1 Loans were covered by a primary insurance policy. All of the Group 1 Loans with loan-to-value ratios as of the Closing Date in excess of 80% were covered by a primary insurance policy.

All of the Group 1 Loans have original terms to maturity of 30 years.

As of the Cut-Off Date, approximately 89.63% of the Group 1 Loans impose penalties for early prepayments.

See Appendix II for a detailed description of the Group 1 Loans. See also Freddie Mac's website at www.freddiemac.com/mbs/data/05s001ln1.pdf for supplemental information on the Group 1 Loans.

Loan Group 2

The Group 2 Loans consist of 13,025 Mortgages with an aggregate principal balance as of the Cut-Off Date of approximately $3,000,012,007.

None of the Group 2 Loans are buydown loans. As of the Cut-Off Date, approximately 2.97% of the Group 2 Loans were covered by a primary insurance policy. All of the Group 2 Loans with loan-to-value ratios as of the Closing Date in excess of 80% were covered by a primary insurance policy.

Approximately 0.14% of the Group 2 Loans will have original terms to maturity of 15 years, approximately 91.96% will have original terms to maturity of 30 years and approximately 7.90% will have original terms to maturity of 40 years.

As of the Cut-Off Date, approximately 89.64% of the Group 2 Loans impose penalties for early prepayments.

See Appendix II for a detailed description of the Group 2 Loans. See also Freddie Mac's website at www.freddiemac.com/mbs/data/05s001ln2.pdf for supplemental information on the Group 2 Loans.

One-Year MTA

The index for the Mortgages is a per annum rate equal to the twelve month moving average monthly yield on United States Treasury Securities adjusted to a constant maturity of one year

(**"One-Year MTA"**), as published by the Federal Reserve Board in the Federal Reserve Statistical Release "Selected Interest Rates (H.15)", determined by averaging the monthly yields for the most recently available twelve months. One-Year MTA values are available on the Federal Reserve Board's website at www.federalreserve.gov/releases/h15. The One-Year MTA value used for each interest rate adjustment date will be the most recent One-Year MTA value available as of 15 days before that date.

If One-Year MTA is no longer available, the Servicer, in accordance with the terms of the Servicing Agreement and with the consent of Freddie Mac, as Guarantor, will choose a new index that is based on comparable information. When the Servicer chooses a new index, it may increase or decrease the Margin on each Mortgage by the difference between the average of One-Year MTA values for the most recent three years and the average of the replacement index values for the most recent three years. The Margin will be increased by that difference if the average of One-Year MTA is greater than the average of the replacement index, and the Margin will be decreased by that difference if the average of the replacement index is greater than the average of One-Year MTA. The new Margin will be rounded, if required, pursuant to, and as provided in, the related Mortgage Note.

The Sellers

Washington Mutual Bank

Washington Mutual Bank (**"WMB"**) is a federally chartered savings bank. WMB's principal executive offices are located at 1201 Third Avenue, Seattle, WA 98101, telephone (206) 461-2000. The primary mortgage loan servicing office of WMB is located at 9401 Oakdale Avenue, Chatsworth, California 91311. Its telephone number is (818) 775-2278. WMB is subject to regulation and examination by OTS, which is its primary regulator. Its deposit accounts are insured by the FDIC, primarily through the Savings Association Insurance Fund. As a result, the FDIC also has some authority to regulate WMB.

Washington Mutual Bank fsb

Washington Mutual Bank fsb (**"WMBfsb"**) is a federally chartered savings bank. WMBfsb's principal executive offices are located at 1201 Third Avenue, Seattle, WA 98101, telephone (206) 461-2000. WMBfsb is subject to regulation and examination by OTS, which is its primary regulator. Its deposit accounts are insured by the FDIC through the Savings Association Insurance Fund. As a result, the FDIC also has some authority to regulate WMBfsb. WMBfsb is a wholly-owned subsidiary of WMB.

Additional Information

Appendix II contains important information about the Mortgages, including but not limited to:

- the Note Rates as of August 1, 2005 and the original principal balances of the Mortgages;
- the Margins and the Rate Ceilings;
- the years in which initial monthly payments on the Mortgages were due;
- the first interest rate adjustment dates on the Mortgages;

- the loan-to-value ratios of the Mortgages as of the Cut-Off Date;
- the types of Mortgaged Properties;
- the geographic distribution by state of the Mortgaged Properties;
- the scheduled maturity years of the Mortgages;
- the original terms to maturity of the Mortgages;
- the number of Mortgages originated under full documentation or reduced documentation programs;
- the stated owner occupancy status of the Mortgaged Properties when the Mortgages were originated;
- the borrowers' purpose of financing;
- the credit score ranges; and
- any prepayment penalties related to the Mortgages.

The credit score tables appearing in Appendix II show the credit scores, if any, that the originators of the Mortgages collected for the borrowers. Third-party credit reporting organizations provide credit scores as an aid to lenders in evaluating the creditworthiness of borrowers. Although different credit reporting organizations use different methodologies, higher credit scores generally indicate greater creditworthiness. Credit scores do not necessarily correspond to the probability of default over the life of the related Mortgage because they reflect past credit history, rather than an assessment of future payment performance. In addition, the credit scores shown were collected from a variety of sources over a period of weeks, months or longer, and the credit scores do not necessarily reflect the credit scores that would be reported as of the date of this Offering Circular. Credit scores also only indicate general consumer creditworthiness, and credit scores are not intended to specifically apply to mortgage debt. Therefore, credit scores should not be considered as an accurate predictor of the likelihood of repayment of the related Mortgages.

DESCRIPTION OF CERTIFICATES

General

The Freddie Mac Securities, Series 2005-S001 Certificates will be issued pursuant to the Trust Agreement. This Offering Circular contains important additional information regarding the terms and conditions of the Trust Agreement and the Offered Certificates. The Offered Certificates will not be issued unless they receive the ratings indicated under *Summary — Ratings*.

Collectively, the Certificates will represent the beneficial ownership of the property in the Trust, legal title to which will be held by the Trust. The Certificates will have the following designations:

Group 1 Senior Certificates	1A1 and 1A2
Group 1 Subordinate Certificates	1B1, 1B2, 1B3, 1B4, 1B5 and 1B6
Group 1 Certificates	Group 1 Senior and Group 1 Subordinate Certificates
Group 2 Certificates	2A1 and 2A2

Certificate Group	Group 1 or Group 2 Certificates
Offered Certificates	1A1, 1A2, 2A1, 2A2 and X and Residual Certificates
Residual Certificates	R and RS
Regular Certificates	All Classes of Certificates other than Residual Certificates
One-Year MTA Certificates	1A1 and 2A1
LIBOR Certificates	1A2, Group 1 Subordinate Certificates and 2A2
X Components	X-IO, X-PO-1 and X-PO-2
X Certificates	X
Book-Entry Certificates	Offered Certificates (other than the Residual Certificates), 1B1, 1B2 and 1B3
Physical Certificates	1B4, 1B5, 1B6 and the Residual Certificates

Only the Offered Certificates are offered by this Offering Circular. The Group 1 Subordinate Certificates are not offered by this Offering Circular.

The **"Class Principal Balance"** for any Payment Date and for any Class of Certificates or, in the case of X, for the X-PO-1 and X-PO-2 Components, as applicable, will equal:

(i) its original principal balance on the Closing Date, *reduced by*

(ii) all distributions of principal to that Class or component, as applicable, and any allocations of losses (after taking into account any guarantee payments made on that Payment Date) required to be borne by that Class or component, as applicable, before that Payment Date, and *increased by*

(iii) the portion of the aggregate Net Negative Amortization allocated to that Class or component, as applicable, as described under — *Distributions of Interest*.

The X-IO Component will not have a Class Principal Balance, but will accrue interest on a notional balance. On any Payment Date, this notional balance will equal the aggregate Class Principal Balance of 1A2, 2A2, X-PO-1, X-PO-2 and the Group 1 Subordinate Certificates immediately prior to that Payment Date (such balance, the **"X Notional Amount"**). The Class Principal Balance of each of X-PO-1 and X-PO-2 will initially be zero and will increase on each Payment Date to the extent that Net Negative Amortization attributable to their related group of loans is added to their principal balance.

The **"Certificate Principal Balance"** for any Certificate will be the portion of the corresponding Class Principal Balance or X Notional Amount that it represents.

Payments on the Certificates will be made on the 25th calendar day of each month, or, if such day is not a Business Day, on the next succeeding Business Day, to Holders. For this purpose, **"Business Day"** means a day other than:

- a Saturday or a Sunday.
- a day on which Freddie Mac is authorized or obligated by law or executive order to be closed.

- a day on which banking or savings and loan institutions are authorized or obligated by law or executive order to be closed in the State of New York, any state in which the Servicer operates, or any city in which the corporate trust office of the Trustee or the principal offices of the Servicer, Freddie Mac or the Trustee are located, are authorized or obligated by law or executive order to be closed.

On each Payment Date, any payment on a Certificate is made to the Holder of record as of the **"Record Date,"** which is:

- In the case of the LIBOR Certificates, the day preceding each Payment Date.
- In the case of the One-Year MTA Certificates and X, the last day of the preceding calendar month.

Class Factors

General

Freddie Mac will make Class Factors for the Certificates available at least two Business Days before each Payment Date.

The **"Class Factor"** for any class for any month is a truncated eight-digit decimal number which, when multiplied by the original principal amount of a Certificate of that class, will equal its remaining principal amount. The Class Factor for any month reflects payments of principal to be made on the Payment Date in the same month. The Class Factor for August 2005 is 1.00000000.

The Trustee will make **"Component Factors"** available for each of X-PO-1, X-PO-2 and X-IO. The Component Factor for a component is analogous to a Class Factor for a Class. For this purpose, X-PO-1 and X-PO-2 will be deemed to have initial balances of $0.01.

When negative amortization occurs on any Class, Freddie Mac will indicate this in the current month by (a) publishing a Net Negative Amortization Factor for that Class at the same time and in the same manner as the related Class or Component Factor and (b) reflecting the amount of the Net Negative Amortization in the related Class or Component Factor.

The **"Net Negative Amortization Factor"** is a truncated eight-digit decimal number that reflects the amount of interest added to the principal balance of the Mortgages minus prepayments received on the Mortgages in the current month. If Net Negative Amortization occurs, the affected Certificates receive interest payments at the applicable Class Coupon, less the amount of interest indicated by the related Net Negative Amortization Factor.

You can obtain Class, Component and Net Negative Amortization Factors from Freddie Mac at the address shown under *Available Information*.

Use of Factors

You can calculate principal and interest payments by using the Class, Component and Net Negative Amortization Factors.

For example, the reduction in the balance of a Class in February will equal its original balance times the difference between its January and February Class Factors, as increased by its February Net Negative Amortization Factor, if any. The amount of interest to be paid on that Class in February (in the absence of Net Negative Amortization allocated to that Class) will equal interest at its Class Coupon, accrued during the related Accrual Period, on its balance determined by its January Class Factor. If Net Negative Amortization is allocated to that Class, the interest payment will be correspondingly reduced.

Freddie Mac Guarantee of Offered Certificates

Freddie Mac guarantees to each Holder of an Offered Certificate the following:

- The timely payment of interest at its Class Coupon.
- The ultimate payment of principal, which means the payment of its entire outstanding principal amount (including amounts added as Net Negative Amortization, if any) by its Final Payment Date.

The Freddie Mac guarantee of the Offered Certificates will cover interest shortfalls on those Certificates resulting from (i) prepayments (in full or in part) on the Mortgages, to the extent not covered by Compensating Interest, and (ii) application of the Relief Act. Freddie Mac will make any guarantee payments to the Trustee for distribution to the Holders.

Pursuant to its guarantee of timely interest and ultimate payment of principal, on each Payment Date, Freddie Mac will pay to the Offered Certificates the sum of:

(i) the amount, if any, by which the Accrued Interest on the Offered Certificates (not including any amounts added to principal as negative amortization) exceeds the amount on deposit in the Certificate Account available to be paid as interest to the Offered Certificates on such Payment Date, and

(ii) for each group of loans (and, in the case of the Group 1 Senior Certificates, after the Group 1 Subordinate Certificates are retired), the amount, if any, by which the aggregate Class Principal Balance of the related Certificates (after giving effect to all amounts payable and allocable to principal on such Payment Date) exceeds the Outstanding Principal Balance of the related Mortgages as of the immediately preceding Due Date.

The Freddie Mac guarantee will not cover Carryover Shortfall Amounts. See *Description of Certificates — Distributions of Interest — Carryover Shortfall Amounts.*

Repurchase of Non-Conforming Mortgages

Upon notification by Freddie Mac, the applicable Seller must repurchase any Mortgage that it sold to Freddie Mac pursuant to the Mortgage Purchase Agreement that has an original principal balance which, together with the original principal balance of another mortgage loan owned by Freddie Mac as of the Closing Date and which is secured by the same property as such Mortgage, exceeds the Freddie Mac loan limits.

Residual Proceeds

Upon surrender of their Certificates to the Trustee, the Holders of the Residual Certificates will receive the proceeds of any related remaining assets of the Trust after all required principal and interest payments on the Certificates and any Guarantor reimbursements have been made. Any remaining assets are likely to be insignificant.

Denominations, Form, Holders and Payment Procedures of Certificates

Denominations

The Offered Classes (other than the Residual Classes) are issued, held and transferred in the following minimum denominations and additional increments of $1:

Group 1 Senior Certificates and Group 2 Certificates	$ 1,000
X	$100,000

The Residual Classes are issued in a single physical Certificate for each Class.

The Group 1 Subordinate Certificates are issued, held and transferred in minimum denominations of $250,000 and additional increments of $1.

Form

The Offered Certificates other than the Residual Classes are issued, held and transferable on the book-entry system (the **"Depository System"**) of The Depository Trust Company or its successors (**"DTC"**).

DTC is a New York-chartered limited purpose trust company that performs services for its participants (**"DTC Participants"**), mostly brokerage firms and other financial institutions. Certificates held on the Depository System will be represented by certificates registered in the name of DTC or Cede & Co., its nominee. Therefore, DTC or its nominee is the Holder of Certificates held on the Depository System.

R and RS will be issued in registered, certificated form. They will be transferable at the Minneapolis, Minnesota office of the Trustee. A Holder may have to pay a service charge for any registration of transfer of a Residual Class, and will have to pay any transfer taxes or other governmental charges.

Holders

As an investor in Certificates, you are not necessarily the Holder of those Certificates. You ordinarily must hold your Certificates through one or more financial intermediaries. You may exercise your rights as an investor only through the Holder of your Certificates, and the Holder may be treated as the absolute owner of your Certificates. The term **"Holder"** means:

- For Certificates held on the Depository System, DTC or its nominee.
- For a certificated Class, any entity or individual that appears on the records of the Trustee as a registered holder of that Class.

Payment Procedures

The Trustee will make payments on Certificates held on the Depository System in immediately available funds to DTC. DTC will be responsible for crediting the payment to the accounts of the appropriate DTC Participants in accordance with its normal procedures.

The Trustee will make payments on a certificated Class by check, mailed to the addresses of the Holders shown on the Trustee's records or by wire transfer to the Holders. However, a Holder will receive the final payment on a certificated Class only upon presentation and surrender of the Holder's certificate to the Trustee.

Each Holder and each other financial intermediary will be responsible for remitting payments to the beneficial owners of a Certificate that it represents.

Available Distribution Amount

On each Payment Date, the Available Distribution Amount for that Payment Date, which will be determined separately with respect to each loan group, will be distributed to Holders, as specified in this Offering Circular.

The **"Available Distribution Amount"** for any Payment Date, for each loan group, as more fully described in the Trust Agreement, will equal the sum of the following amounts received by the Trust with respect to the related Mortgages, net of amounts reimbursable to the Servicer and the Trustee:

(1) the aggregate amount (without duplication) of (i) Actual Monthly Payments on the related Mortgages received by the Servicer during the related Due Period (but excluding any Prepaid Monthly Payments for Due Dates following the applicable Payment Date, and including any Prepaid Monthly Payments for the Due Date preceding the applicable Payment Date) and (ii) Minimum Monthly Payments received or advanced on or before the related Servicer Remittance Date, in each case, after deduction of the Servicing Fee for such Payment Date and any accrued and unpaid Servicing Fees for prior Payment Dates;

(2) certain unscheduled payments in respect of the related Mortgages, including Curtailments (to the extent not included in (1) above), Payoffs, Liquidation Proceeds and proceeds from repurchases of and substitutions for the Mortgages occurring during the related Prepayment Period, but excluding prepayment penalties;

(3) payments from the Servicer in connection with Compensating Interest to be paid on the applicable Payment Date; and

(4) with respect to the first Payment Date, the cash deposit made by the Depositor for each Mortgage still in its initial fixed-rate period.

Priority of Distributions

On each Payment Date, payments will be made to the Holders in the order and priority as follows:

(a) with respect to the Group 1 and Group 2 Certificates and X, to the extent of the related Available Distribution Amount for that Payment Date:

(i) first, concurrently:

(x) from the Available Distribution Amount related to the Group 1 Loans, to 1A1, 1A2 and X-IO, pro rata, accrued and unpaid interest at their respective Class Coupons on their respective Class Principal Balance or the X Notional Amount, *provided, however,* that, for purposes of interest payments to X-IO, only the portion of the X Notional Amount relating to 1A2, the Group 1 Subordinate Certificates and X-PO-1 will be used to calculate payments of interest to X-IO from the Group 1 Loans, and that notwithstanding the foregoing, amounts to be distributed to X in respect of accrued interest from either loan group (the **"X Distributable Interest"**) will be (A) reduced (but not below zero) by the amount of Net Negative

Amortization with respect to the Group 1 Loans on that Payment Date and then (B) reduced (but not below zero) to the extent necessary to pay any Carryover Shortfall Amount to 1A2, 2A2 and the Group 1 Subordinate Certificates as described below; and

(y) from the Available Distribution Amount related to the Group 2 Loans, to 2A1, 2A2 and X-IO, pro rata, accrued and unpaid interest at their respective Class Coupons on their respective Class Principal Balance or the X Notional Amount, *provided, however,* that, for purposes of interest payments to X-IO, only the portion of the X Notional Amount relating to 2A2 and X-PO-2 will be used to calculate payments of interest to the X-IO from the Group 2 Loans, and that notwithstanding the foregoing, the X Distributable Interest will be (A) reduced (but not below zero) by the amount of Net Negative Amortization with respect to the Group 2 Loans on that Payment Date and then (B) reduced (but not below zero) to the extent necessary to pay any Carryover Shortfall Amount to 1A2, 2A2 and the Group 1 Subordinate Certificates as described below;

(ii) second, concurrently:

(x) from the remaining Available Distribution Amount related to the Group 1 Loans, to 1A1 and 1A2, pro rata, until retired, and then to X-PO-1, as principal, the Group 1 Senior Principal Distribution Amount, as more fully described in *— Distributions of Principal — Group 1 Senior Principal Distribution Amount* below; and

(y) from the remaining Available Distribution Amount related to the Group 2 Loans, to 2A1 and 2A2, pro rata, until retired, and then to X-PO-2, as principal, the Group 2 Principal Distribution Amount, as more fully described in *— Distributions of Principal — Group 2 Principal Distribution Amount* below;

(iii) third, from the remaining Available Distribution Amount related to the Group 1 Loans and excluding the X Distributable Interest, to Freddie Mac, reimbursement of payments made pursuant to its guarantee of 1A1, 1A2, X-PO-1 and X-IO to the extent the payment was related to the Group 1 Loans, less any amounts paid by Freddie Mac pursuant to its guarantee to cover interest shortfalls due to application of the Relief Act on 1A1, 1A2, X-PO-1, and X-IO to the extent the payment was related to the Group 1 Loans, with interest thereon; and

(iv) fourth, to 1A2 and 2A2, the Carryover Shortfall Amount for each such Class, pro rata based on unpaid Carryover Shortfall Amounts, to the extent of the X Distributable Interest;

(b) with respect to the Group 1 Subordinate Certificates, to the extent of the remaining Available Distribution Amount for the Group 1 Loans for that Payment Date, subject to the payment of the Group 1 Senior Certificates and Freddie Mac as described above in paragraph (a):

(i) first, to 1B1, accrued and unpaid interest at its Class Coupon on the Class 1B1 Principal Balance;

(ii) second, to 1B1, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) above;

(iii) third, to 1B1, its pro rata share of the Subordinate Principal Distribution Amount;

(iv) fourth, to 1B2, accrued and unpaid interest at its Class Coupon on the Class 1B2 Principal Balance;

(v) fifth, to 1B2, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) and (b)(ii) above;

(vi) sixth, to 1B2, its pro rata share of the Subordinate Principal Distribution Amount;

(vii) seventh, to 1B3, accrued and unpaid interest at its Class Coupon on the Class 1B3 Principal Balance;

(viii) eighth, to 1B3, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) and (b)(ii) and (v) above

(ix) ninth, to 1B3, its pro rata share of the Subordinate Principal Distribution Amount;

(x) tenth, to 1B4, accrued and unpaid interest at its Class Coupon on the Class 1B4 Principal Balance;

(xi) eleventh, to 1B4, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) and (b)(ii), (v) and (viii) above;

(xii) twelfth, to 1B4, its pro rata share of the Subordinate Principal Distribution Amount;

(xiii) thirteenth, to 1B5, accrued and unpaid interest at its Class Coupon on the Class 1B5 Principal Balance;

(xiv) fourteenth, to 1B5, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) and (b)(ii), (v), (viii) and (xi) above;

(xv) fifteenth, to 1B5, its pro rata share of the Subordinate Principal Distribution Amount;

(xvi) sixteenth, to 1B6, accrued and unpaid interest at its Class Coupon on the 1B6 Principal Balance;

(xvii) seventeenth, to 1B6, the Carryover Shortfall Amount for that Payment Date, to the extent of the X Distributable Interest and after payment in (a)(iv) and (b)(ii), (v), (viii), (xi) and (xiv) above; and

(xviii) eighteenth, to 1B6, their pro rata share of the Subordinate Principal Distribution Amount; and

(c) to the extent of the remaining Available Distribution Amount for each loan group for that Payment Date:

(i) first, concurrently (x) from the remainder of the Group 1 Available Distribution Amount, to 1A1, 1A2 and X-PO-1, pro rata, according to Class Principal Balance, as applicable, and then to each Class of Group 1 Subordinate Certificates in order of seniority, up to the amount of any unreimbursed realized losses previously allocated to those Classes, if any and not covered by Freddie Mac's guarantee; *provided, however,* that any amounts distributed pursuant to this clause will not cause a further reduction in the Class Principal Balances of any of the Certificates; and (y) from the remainder of the Group 2 Available Distribution Amount, to 2A1, 2A2 and X-PO-2, pro rata, according to Class Principal Balance, as applicable, up to the amount of any unreimbursed realized losses previously allocated to those Classes, if any, and not covered by Freddie Mac's guarantee; and

(ii) second, to the Residual Certificates, any remaining amounts in the related REMIC Pools.

Notwithstanding the above, amounts to be paid to each Class in respect of accrued interest on any Payment Date will be reduced by the amount of Net Negative Amortization, if any, allocated to that Class.

On any Payment Date on which the Subordination Level for any Class or Classes of Group 1 Subordinate Certificates is less than the Subordination Level as of the Closing Date, the amount of the Group 1 Subordinate Prepayment Distribution Amount, if any, otherwise allocable to such Class or Classes will be allocated to the more senior Classes of the Group 1 Subordinate Certificates, pro rata according to the Class Principal Balances of those Classes.

With respect to any Class of Group 1 Subordinate Certificates, the **"Subordination Level"** on any specified date is the percentage obtained by dividing the sum of the Class Principal Balances of all Classes of Subordinate Certificates that are subordinate in right of payment to that Class by the sum of the Class Principal Balances of all Classes of Certificates as of that date before giving effect to distributions and allocations of realized losses to the Certificates on that date.

Distributions of Interest

General

For each Class of Certificates, interest accrued during the related Accrual Period at the applicable Class Coupon will be paid (or added to principal to the extent described herein) monthly on each Payment Date as described herein. Interest on 1A1, 2A1 and X will be calculated based on a year consisting of twelve thirty day months. Interest on 1A2, 2A2 and the Group 1 Subordinate Certificates will be calculated based on the actual number of days in the Accrual Period and assuming a 360 day year. The Class Coupons for the Certificates are shown under *Summary — Interest.*

The amount of interest accrued on 1A1, 2A1 and X during each Accrual Period will equal 1/12th of the applicable Class Coupon in effect for that Accrual Period multiplied by the related Class Principal Balance or X Notional Amount, as applicable. The amount of interest accrued on 1A2, 2A2 and each Group 1 Subordinate Certificate during each Accrual Period will equal a ratio, the numerator of which is the actual number of days in the related Accrual Period and the denominator of which is 360, multiplied by the applicable Class Coupon for that Accrual Period.

On each Payment Date, (a) interest paid to the Certificates will be reduced by any prepayment interest shortfalls not covered by Compensating Interest and (b) any interest shortfalls relating to the Relief Act will be allocated to the Certificates. Freddie Mac will cover such shortfalls allocated to the Offered Certificates pursuant to its guarantee. Notwithstanding the above, on each Payment Date, a portion of the interest accrued on any Class will be reduced if the Class Coupon for such Class exceeds the related Net WAC Cap for that Payment Date and the amount of interest to be paid to the Certificates may be adjusted as described under — *Carryover Shortfall Amounts*.

The **"Accrual Period"** for each Payment Date is:

- For the One-Year MTA Classes and X—the preceding calendar month.
- For the LIBOR Classes — from the 25th of the preceding month to the 24th of the month of that Payment Date, except that the first Accrual Period is from the Closing Date to September 24, 2005.

Definitions

Certain definitions are necessary to understand interest payments on the Certificates. These terms are defined below.

"Adjusted Net WAC Cap" means, for any Payment Date and:

(a) 1A1 and 1A2 and the Group 1 Subordinate Certificates, (x) the Group 1 Net WAC Cap less (y) a per annum rate equal to: (i) the product of (a) the Net Negative Amortization for the Group 1 Loans for that Payment Date and (b) 12, divided by (ii) the Outstanding Principal Balance of the Group 1 Loans as of the second preceding Due Date (after giving effect to the payments due on the Group 1 Loans on that Due Date), adjusted, in the case of 1A2 and the Group 1 Subordinate Certificates, by multiplying by a ratio, the numerator of which is 30 and the denominator of which is the actual number of days in that Accrual Period;

(b) 2A1 and 2A2, (x) the Group 2 Net WAC Cap less (y) a per annum rate equal to: (i) the product of (a) the Net Negative Amortization for the Group 2 Mortgage Loans for that Payment Date and (b) 12, divided by (ii) the Outstanding Principal Balance of the Group 2 Loans as of the second preceding Due Date (after giving effect to the payments due on the Group 2 Loans on that Due Date), adjusted, in the case of 2A2, by multiplying by a ratio, the numerator of which is 30 and the denominator of which is the actual number of days in that Accrual Period; and

(c) the X Certificates will equal the Class Coupon for X, computed for this purpose by (i) reducing the Group 1 and Group 2 Net WAC Cap for that Payment Date by a per annum rate equal to a fraction, the numerator of which is the Net Negative Amortization for the Group 1 or Group 2 Loans, as applicable, for that Payment Date times 12, and the denominator of which is equal to the Outstanding Principal Balance of the Group 1 or Group 2 Loans, as applicable, as of the second preceding Due Date after giving effect to the payments due on the Group 1 or Group 2 Loans, as applicable, on that Due Date and (ii) substituting the applicable "Adjusted Net WAC Cap" for "Group 1 Net WAC Cap" or "Group 2 Net WAC Cap," as applicable, in clause (x) in the calculation of Class Coupons for the Classes (other than X) shown under *Summary — Interest*.

"Outstanding Principal Balance" means for each Mortgage, as of any Due Date subsequent to the Cut-Off Date up to and including the date on which such Mortgage is finally liquidated or repurchased from the Trust, the original principal balance of such Mortgage, (i) as reduced (without duplication) by (A) the sum of the principal portion of (x) all Actual Monthly Payments received before such Due Date and (y) all Minimum Monthly Payments due but not received by that Due Date (other than Minimum Monthly Payments that have not been made and with respect to which the Servicer determines that a P&I Advance would be a nonrecoverable Advance), and (B) the principal portion of Liquidation Proceeds, Curtailments and Payoffs, received on or before the last day of the related Prepayment Period preceding such date of determination, and (ii) as increased by the aggregate amount of negative amortization allocated to such Mortgage on or before such Due Date, provided, however, that the Outstanding Principal Balance of any Liquidated Mortgage Loan shall be deemed to be $0.

"Group 1 Net WAC Cap" means for the first Payment Date, 4.337%, and for each subsequent Payment Date, the weighted average of the Net Rates of the Group 1 Loans as of the second preceding Due Date after giving effect to the payments due on the Group 1 Loans on that Due Date, adjusted, in the case of 1A2 and the Group 1 Subordinate Certificates, by multiplying by a ratio, the numerator of which is 30 and the denominator of which is the actual number of days in the related Accrual Period;

"Group 2 Net WAC Cap" means for the first Payment Date, 4.337%, and for each subsequent Payment Date, the weighted average of the Net Rates of the Group 2 Loans as of the second preceding Due Date after giving effect to the payments due on the Group 2 Loans on that Due Date, adjusted, in the case of 2A2, by multiplying by a ratio, the numerator of which is 30 and the denominator of which is the actual number of days in the related Accrual Period;

"Net Rate" means for each Mortgage the per annum mortgage interest rate on that Mortgage less the related Servicing Fee Rate.

Net Negative Amortization

The **"Net Negative Amortization"** for any Payment Date and either the Group 1 or Group 2 Loans will equal the excess, if any, of (i) the aggregate amount of negative amortization with respect to all Mortgages in such loan group during the related Due Period, over (ii) the aggregate amount of Payoffs and Curtailments received with respect to all Mortgages in such loan group during the related Prepayment Period. For any Payment Date, the Net Negative Amortization will be allocated first to X until the interest otherwise payable on X is reduced to zero, and then among the related Classes in proportion to the excess, if any, for each such Class of (i) the current interest accrued at the applicable Class Coupon, over (ii) the amount of current interest that would have accrued had the Class Coupon for such Class equaled the related Adjusted Net WAC Cap for such Class and for such Payment Date.

The Class Principal Balance of each Class of Certificates (or the applicable component in the case of X) will be increased by the portion of any Net Negative Amortization allocated to such Class in reduction of interest payable to such Class.

With respect to X, any amount of Net Negative Amortization that reduces interest paid to X-IO will be added as principal to the Class Principal Balance of X-PO-1 or X-PO-2, as applicable, in an amount equal to the amount of such Net Negative Amortization attributable to the Mortgages in the related loan group. As a result of the allocation of Net Negative Amortization, a portion of the interest accrued on the Certificates may be distributed to the Certificates later than otherwise anticipated.

Interest to be paid on the Certificates (or added to the Class Principal Balance of the Certificates or components as a result of the allocation of Net Negative Amortization) on any Payment Date will consist of accrued and unpaid interest as of previous Payment Dates and current interest.

Compensating Interest

The Servicer is obligated to remit to the Certificate Account on the business day before each Payment Date with respect to each loan group an amount (such amount, **"Compensating Interest"**) equal to any shortfall in interest collections for the previous month, if any, resulting from Curtailments and the timing of Payoffs. However, the amount of such Compensating Interest required to be paid by the Servicer with respect to any Payment Date will be limited to the aggregate amount of the Servicing Fee actually received by the Servicer with respect to such Payment Date. Compensating Interest will be paid with respect to each loan group and will be added to the Available Distribution Amount for each loan group. Notwithstanding the above, the Servicer will not pay Compensating Interest for any shortfalls due to the Relief Act. On any Payment Date, to the extent that (i) the amount of Compensating Interest required to be paid by the Servicer, does not cover the interest shortfalls due to Compensating Interest on that Payment Date or (ii) the Servicer fails to pay Compensating Interest shortfalls it owes on that Payment Date, Freddie Mac will pay any such shortfall to the Offered Certificates pursuant to its guarantee.

To the extent not covered by the Freddie Mac guarantee for the Offered Certificates, any remaining shortfall in interest collections resulting from Curtailments, the timing of Payoffs or the application of the Relief Act will be allocated to the Certificates of a Class pro rata according to the amount of interest to which each such certificate would otherwise be entitled (before giving effect to the payment of Carryover Shortfall Amounts), in reduction of that amount.

See *Yield, Prepayment and Suitability Considerations.*

Carryover Shortfall Amounts

For any Payment Date and for 1A2, 2A2 and the Group 1 Subordinate Certificates, the **"Carryover Shortfall Amount"** for such Class will equal the sum of:

(i) the excess, if any, of (a) the lesser of (1) the amount of interest that such Class would have been entitled to receive if the Class Coupon for such Class were calculated without regard to the related Net WAC Cap and (2) the related Net WAC Cap (computed for this purpose by using the Rate Ceilings for the Mortgages net of the related Servicing Fee), over (b) the actual amount of interest such Class actually receives on such Payment Date;

(ii) the portion of the amount described in clause (i) above remaining unpaid from prior Payment Dates; and

(iii) one month's interest at the rate described in clause (i)(a) above on the amount described in clause (ii) above.

Carryover Shortfall Amounts will be paid to 1A2, 2A2 and the Group 1 Subordinate Certificates from the Class X Distributable Interest that would otherwise be payable to the Class X Certificates. See — *Priority of Distributions.*

The amounts to be distributed to X in respect of accrued interest will be reduced by the aggregate Carryover Shortfall Amounts paid to the holders of 1A2, 2A2 and the Group 1 Subordinate Certificates. The Freddie Mac guarantee will not cover the reduction in interest distributions to X necessary to pay Carryover Shortfall Amounts.

LIBOR

Each LIBOR Class bears interest during each Accrual Period by reference to the arithmetic mean of the London interbank offered quotations for Eurodollar deposits with a maturity of one month (**"LIBOR"**).

The Trustee will calculate the Class Coupons of the LIBOR Classes for each Accrual Period (after the first Accrual Period) on the second business day before the Accrual Period begins (an **"Adjustment Date"**). For this purpose, a "business day" is a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C. LIBOR is determined using the "Interest Settlement Rate" for U.S. dollar deposits of one month set by the British Bankers' Association (the **"BBA"**) as of 11:00 a.m. (London time) on the Adjustment Date (the **"BBA Method"**).

The BBA's Interest Settlement Rates are currently displayed on the Moneyline Telerate Service page 3750. That page, or any other page that may replace page 3750 on that service or any other service the BBA nominates as the information vendor to display the BBA's Interest Settlement Rates for deposits in U.S. dollars, is a **"Designated Telerate Page."** Reuters Monitor Money Rates Service page "LIBOR01" and Bloomberg L.P. page "BBAM" also currently display the BBA's Interest Settlement Rates. The BBA's Interest Settlement Rates currently are rounded to five decimal places. If the BBA's Interest Settlement Rate does not appear on the Designated Telerate Page as of 11:00 a.m. (London time) on an Adjustment Date, or if the Designated Telerate Page is not then available, the Trustee will obtain the Interest Settlement Rate from Reuters' or Bloomberg's page. If neither of those two pages publishes the Interest Settlement Rate for the Adjustment Date, LIBOR for that date will be the most recently published Interest Settlement Rate. If the BBA no longer sets an Interest Settlement Rate, the Trustee will designate an alternative index that has performed, or that the Trustee expects to perform, in a manner substantially similar to the BBA's Interest Settlement Rate. The Trustee will select an alternative index only if tax counsel advises it that the alternative index will not cause the Trust to lose its REMIC status.

One-Year MTA

Each One-Year MTA Class bears interest during each Accrual Period by reference to One-Year MTA.

If One-Year MTA is no longer available, the index used to determine the Class Coupon on the Certificates will be the same index selected to determine the Note Rates on the Mortgages. If One-

Year MTA is replaced with a new index, the Certificate Margin for 1A1 and 2A1 will be increased or decreased by the amount of the increase or decrease in the Margin for each Mortgage Loan (before rounding of the replacement Margin pursuant to the related Mortgage Note). See *Description of the Mortgages — One Year MTA*.

Distributions of Principal

General

On each Payment Date, Holders of each Certificate Group will be entitled to receive principal distributions from the related Available Distribution Amount to the extent and in the priority described in this Offering Circular. See *— Priority of Distributions.* The Group 1 and Group 2 Certificates will receive principal collected from the Group 1 and Group 2 Loans, respectively.

Definitions

Certain definitions are necessary to understand principal payments to the Certificates. These terms are defined below.

"Condemnation Proceeds" means all awards or settlements in respect of a taking of a Mortgaged Property (or part thereof) by power of eminent domain or condemnation.

"Curtailments" are partial prepayments on a Mortgage. The excess if any, of the principal portion of any Actual Monthly Payment received for a Due Date over the principal portion, if any, of the Minimum Monthly Payment for that Due Date is considered a Curtailment; provided, however, that the portion of each Prepaid Monthly Payment that exceeds the principal portion of the applicable Minimum Monthly Payment will be a Curtailment only on the Due Date for which the payment was intended. Curtailments will be passed through to Holders on the Payment Date in the month following the calendar month in which they were received.

"Due Period" means, for any Payment Date (other than the first), the immediately preceding calendar month, and for the first Payment Date, the Cut-Off Date through August 31, 2005.

"Insurance Proceeds" means proceeds from any mortgage insurance, title policy, hazard policy or other insurance policy covering a Mortgage or related property, if any, to the extent such proceeds are not to be applied to the restoration of the related Mortgaged Property or released to the Mortgagor by the Servicer.

"Liquidated Mortgage Loan" means a Mortgage (other than as to which a Payoff has been received) for which the Servicer has determined that it has received all amounts that it expects to recover from or on account of the Mortgage, whether from Insurance Proceeds, Condemnation Proceeds, Liquidation Proceeds or otherwise.

"Liquidation Principal" is the principal portion of Liquidation Proceeds received with respect to each Mortgage that became a Liquidated Mortgage Loan during the calendar month preceding the month of the Payment Date.

"Liquidation Proceeds" means all amounts received by the Servicer in connection with the liquidation of a defaulted Mortgage Loan through trustee's sale, foreclosure or otherwise, including (i) amounts received in connection with the disposition of a Mortgaged Property, (ii) Subsequent Proceeds; (iii) Condemnation Proceeds and (iv) Insurance Proceeds.

"Payoffs" are voluntary prepayments in full on a Mortgage.

"Prepaid Monthly Payments" means payments made during a Due Period but designated by the borrower that they are in respect of future Due Dates and not intended as a Curtailment. These payments will be held in the Collection Account and paid to Holders on the Payment Date relating to the future Due Date for which the payments were intended.

"Prepayment Period" means the calendar month preceding the month in which the Payment Date occurs.

"Principal Payment Amount" means, for any Payment Date and for any loan group, the sum (without duplication) of: (i) the sum of the principal portion of (a) all Actual Monthly Payments on the related Mortgages received for the Due Date in the month of the Payment Date during the related Due Period and (b) all Minimum Monthly Payments due on the Due Date in the month of the Payment Date, if any, advanced on the related Mortgages; (ii) the principal portion of repurchase proceeds received on any related Mortgage for which an obligation to repurchase arose during the related Due Period; and (iii) any other unscheduled payments of principal which were received on any related Mortgage during the related Prepayment Period, other than Payoffs, Curtailments, Liquidation Principal and Subsequent Recoveries.

"Principal Prepayment Amount" for any Payment Date and for any loan group, is the sum with respect to the Mortgages in that loan group of all Payoffs and Curtailments relating to the Mortgages in that loan group that were received during the related Prepayment Period, reduced (but not to less than zero) by the aggregate amount of negative amortization with respect to the Mortgages during the prior calendar month.

"Subsequent Recoveries" are amounts received by the Servicer in connection with the liquidation of defaulted Mortgages after those Mortgages became Liquidated Mortgage Loans, up to the amount of losses previously allocated in respect of those Mortgages. On each Payment Date on which Subsequent Recoveries are distributed to Holders, the Class Principal Balance of the Certificates with the lowest priority outstanding generally will be increased by the amount of those Subsequent Recoveries.

Group 1 Senior Principal Distribution Amount

On each Payment Date, an amount, up to the amount of the Group 1 Senior Principal Distribution Amount (as defined below) for that Payment Date, will be distributed as principal:

(i) first, to 1A1 and 1A2, pro rata, until their aggregate Class Principal Balance has been reduced to zero; and

(ii) second, to X-PO-1, until its principal balance has been reduced to zero.

The **"Group 1 Senior Principal Distribution Amount"** for any Payment Date will equal the sum of (i) the Group 1 Senior Percentage of the Principal Payment Amount for the Group 1 Loans, (ii) the Group 1 Senior Prepayment Percentage of the Principal Prepayment Amount for the Group 1 Loans and (iii) the Group 1 Senior Liquidation Amount.

The **"Group 1 Senior Percentage"** for any Payment Date will equal the aggregate Class Principal Balance of 1A1, 1A2 and X-PO-1 divided by the Outstanding Principal Balance of the Group 1

Loans, in each case immediately before that Payment Date. The Group 1 Senior Percentage as of the Closing Date will be approximately 91.75%.

The **"Group 1 Senior Liquidation Amount"** for any Payment Date will equal the sum of (A) the aggregate, for each Group 1 Loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Payment Date, of the lesser of (i) the Group 1 Senior Percentage of the Outstanding Principal Balance of that Mortgage and (ii) the Group 1 Senior Prepayment Percentage of the Liquidation Principal with respect to that Mortgage and (B) the Group 1 Senior Prepayment Percentage of any Subsequent Recoveries.

The **"Group 1 Senior Prepayment Percentage"** for any Payment Date in or before August 2015 will equal 100%. During the next four years, these percentages will be calculated as follows:

- for any Payment Date occurring in or between September 2015 and August 2016, the Group 1 Senior Percentage for that Payment Date plus 70% of the Group 1 Subordinate Percentage for that Payment Date;
- for any Payment Date occurring in or between September 2016 and August 2017, the Group 1 Senior Percentage for that Payment Date plus 60% of the Group 1 Subordinate Percentage for that Payment Date;
- for any Payment Date occurring in or between September 2017 and August 2018, the Group 1 Senior Percentage for that Payment Date plus 40% of the Group 1 Subordinate Percentage for that Payment Date;
- for any Payment Date occurring in or between September 2018 and August 2019, the Group 1 Senior Percentage for that Payment Date plus 20% of the Group 1 Subordinate Percentage for that Payment Date;

For any Payment Date occurring in or after September 2019, the Group 1 Senior Prepayment Percentage will equal the Group 1 Senior Percentage for that Payment Date.

There are important exceptions to the calculation of the Group 1 Senior Prepayment Percentage described in the above paragraphs. On any Payment Date:

(i) if the Group 1 Senior Percentage for that Payment Date exceeds the initial Group 1 Senior Percentage as of the Closing Date, then the Group 1 Senior Prepayment Percentage for that Payment Date will equal 100%,

(ii) if before the Payment Date in September 2008, the Group 1 Subordinate Percentage for any Payment Date is greater than or equal to twice that percentage as of the Closing Date, then the Group 1 Senior Prepayment Percentage for that Payment Date will equal the Group 1 Senior Percentage plus 50% of the Group 1 Subordinate Percentage for that Payment Date, and

(iii) if on or after the Payment Date in September 2008, the Group 1 Subordinate Percentage for any Payment Date is greater than or equal to twice that percentage as of the Closing Date, then the Group 1 Senior Prepayment Percentage for that Payment Date will equal the Group 1 Senior Percentage.

Notwithstanding the above, on any Payment Date, if the delinquencies or losses on the Group 1 Loans exceed the limits specified in the Trust Agreement, then the Group 1 Senior Prepayment Percentage for that Payment Date will not decrease as described in the definition of Group 1 Senior

Prepayment Percentage above. Finally, if on any Payment Date the allocation of prepayments to the Group 1 Senior Certificates in the percentage required would reduce the aggregate Class Principal Balance of those certificates below zero, the Group 1 Senior Prepayment Percentage for that Payment Date will be limited to the percentage necessary to reduce that Class Principal Balance to zero.

Group 1 Subordinate Principal Distribution Amount

On each Distribution Date, an amount, up to the amount of the Group 1 Subordinate Principal Distribution Amount for that Payment Date, will be paid as principal to the Group 1 Subordinate Certificates.

On each Payment Date, except Payment Dates on which the Subordination Level for any Class or Classes is less than the related Subordination Level as of the Closing Date, each Class of Group 1 Subordinate Certificates will be entitled to receive its pro rata share (by Class Principal Balance on the Payment Date) of the Group 1 Subordinate Principal Distribution Amount, to the extent of the Available Distribution Amount for the Group 1 Loans remaining after (i) distributions of interest and principal to the Group 1 Senior Certificates, (ii) distributions of interest and principal to all of the Group 1 Subordinate Certificates senior to that Class and (iii) distributions of interest to that Class. The relative seniority, from highest to lowest, of the Group 1 Subordinate Certificates is: 1B1, 1B2, 1B3, 1B4, 1B5 and 1B6. See — *Priority of Distributions.*

On any Payment Date on which the Subordination Level for any Class of Group 1 Subordinate Certificates is less than the related Subordination Level as of the Closing Date, that Class will not be entitled to receive any principal prepayments (net of deferred interest) and the amount otherwise distributable to that Class in respect of principal prepayments (net of deferred interest) will be allocated among the remaining Classes of Group 1 Subordinate Certificates, *pro rata,* based upon their respective Certificate Principal Balances.

The **"Group 1 Subordinate Principal Distribution Amount"** for any Payment Date will equal the sum of:

(i) the Group 1 Subordinate Percentage of the Principal Payment Amount for the Group 1 Loans;

(ii) the Group 1 Subordinate Prepayment Distribution Amount; and

(iii) the Group 1 Subordinate Liquidation Amount.

The **"Group 1 Subordinate Percentage**" for any Payment Date will equal the excess of 100% over the Group 1 Senior Percentage for that date. The Group 1 Subordinate Percentage as of the Closing Date will be approximately 8.25%.

The **"Group 1 Subordinate Prepayment Distribution Amount"** for any Payment Date will equal Group 1 Subordinate Prepayment Percentage of the Principal Prepayment Amount for the Group 1 Loans.

The **"Group 1 Subordinate Prepayment Percentage"** for any Payment Date will equal the excess of 100% over the Group 1 Senior Prepayment Percentage; *provided, however,* that if the Class Principal Balances of 1A1, 1A2 and X-PO-1 have each been reduced to zero, then the Group 1 Subordinate Prepayment Percentage will equal 100%.

The **"Group 1 Subordinate Liquidation Amount"** for any Payment Date will equal the excess, if any, of (A) the sum of (i) the aggregate Liquidation Principal for all Group 1 Loans that became Liquidated Mortgage Loans during the calendar month preceding the month of that Payment Date and (ii) any Subsequent Recoveries received during that calendar month, over (B) the Group 1 Senior Liquidation Amount for that Payment Date.

The rights of the holders of the Group 1 Subordinate Certificates to receive distributions of interest and principal are subordinated to the rights of the holders of the Group 1 Senior Certificates to receive all distributions of interest and principal to which they are entitled. See — *Subordination and Allocation of Losses.*

Group 2 Principal Distribution Amount

On each Payment Date, an amount, up to the amount of the Group 2 Principal Distribution Amount (as defined below) for that Payment Date, will be distributed as principal:

(iii) first, to 2A1 and 2A2, pro rata, until their aggregate Class Principal Balance has been reduced to zero; and

(iv) second, to X-PO-2, until its principal balance has been reduced to zero.

The **"Group 2 Principal Distribution Amount"** for any Payment Date will equal the sum of (i) the Principal Payment Amount for the Group 2 Loans, (ii) the Principal Prepayment Amount for the Group 2 Loans and (iii) the Group 2 Liquidation Amount.

The **"Group 2 Liquidation Amount"** for any Payment Date will equal the sum of (i) for each Group 2 Loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Payment Date, the Outstanding Principal Balance of that Mortgage and (ii) any Subsequent Recoveries on the Group 2 Loans.

Subordination and Allocation of Losses

Losses — General

Losses will be allocated to the Certificates by reducing the Class Principal Balance of the Certificates by such loss amount without making any corresponding payments to the Holders. Any loss on the Group 1 Loans will not be allocated to the Group 2 Certificates, and any loss on the Group 2 Loans will not be allocated to the Group 1 Certificates. Freddie Mac, pursuant to its guarantee, will cover losses on the Offered Certificates. Losses do not include Carryover Shortfall Amounts.

Group 1

The Group 1 Subordinate Certificates will be subordinate in right of payment and provide credit support to the Group 1 Senior Certificates as described herein. The support provided by the Group 1 Subordinate Certificates is intended to enhance the likelihood of regular receipt by the Group 1 Senior Certificates of the full amount of the monthly distributions of interest and principal to which they are entitled and to afford the Group 1 Senior Certificates protection against some losses. The protection afforded to the Group 1 Senior Certificates by the Group 1 Subordinate Certificates will be accomplished by the right on each Payment Date of the Group 1 Senior Certificates to receive payments of interest and principal to which they are entitled before payments of interest and principal to the Group 1 Subordinate Certificates and by the allocation of losses to the Group 1 Subordinate Certificates before any allocation of losses to the Group 1 Senior Certificates. Any losses allocated to the Group 1 Senior Certificates will be covered by Freddie Mac, pursuant to its guarantee

In addition, each Class of Group 1 Subordinate Certificates will be subordinate in right of payment and provide credit support to each class of Group 1 Subordinate Certificates with a lower numerical class designation. The protection afforded a Class of Group 1 Subordinate Certificates by the classes of Group 1 Subordinate Certificates with higher numerical class designations will be similarly accomplished by the preferential right of those classes with lower numerical class designations to receive distributions of interest and principal before distributions of interest and principal to those classes of Group 1 Subordinate Certificates with higher numerical class designations.

Any loss realized on a Group 1 Loan will first be allocated to the Group 1 Subordinate Certificates, in reverse numerical order, until retired, and then to 1A1, 1A2 and X-PO-1, pro rata, according to, and in reduction of, the Class Principal Balances thereof.

Group 2

Any loss realized on a Group 2 Loan will be allocated to 2A1, 2A2 and X-PO-2, pro rata according to, and in reduction of, the Class Principal Balances thereof.

Any losses allocated to the Group 2 Certificates will be covered by Freddie Mac, pursuant to its guarantee.

Advances

For each Mortgage, the Servicer will make advances (**"P&I Advances"**) of principal and interest to the Certificate Account on or before each Payment Date to cover the excess, if any, of (i) the Minimum Monthly Payment for that Mortgage Loan for the Due Date prior to such Payment Date, over (ii) the Actual Monthly Payment for that Mortgage Loan for the Due Date prior to such Payment Date. In addition, the Servicer will advance amounts necessary to preserve the Trust's interest in the Mortgaged Properties or the Mortgages, such as property taxes or insurance premiums that the applicable borrower failed to pay (**"Servicing Advances"** and, together with P&I Advances, **"Advances"**). However, if the Servicer determines, in good faith, that an Advance would not be recoverable from Liquidation Proceeds or other amounts received for the Mortgage, it will not make an Advance.

An Advance will be reimbursable to the Servicer from Liquidation Proceeds or other amounts recoverable from the Mortgage as to which such Advance was made. Nonrecoverable advances are reimbursable to the Servicer from cash in the Collection Account or the Certificate Account, respectively, before payments to the Certificateholders if the Servicer determines that such Advances previously made are not recoverable from Liquidation Proceeds or other amounts recoverable from the applicable Mortgage. Pursuant to the Servicing Agreement, Freddie Mac may require the Servicer, under certain circumstances, to provide Advances from its own funds, rather than from the Collection Account.

Final Payment Dates

The **"Final Payment Date"** for a Class is the latest date by which it will be paid in full and will be retired. The Final Payment Dates for the Classes are shown on the front cover. The actual retirement of any Class is likely to occur significantly earlier than its Final Payment Date.

Optional Termination

On any Payment Date on or after the Earliest Clean-Up Call Option Date, Freddie Mac may purchase from the Trust all remaining Mortgages and other assets and thereby retire the Certificates.

In addition, the Servicer, with the consent of Freddie Mac, as Guarantor (which consent shall not be unreasonably withheld), may purchase from the Trust all remaining Mortgage and other assets, and thereby retire the Certificates, on any Payment Date on or after the date on which the aggregate Outstanding Principal Balance of the Mortgages is equal to or less than 5% of the aggregate Cut-Off Date Principal Balance.

The purchase price to be paid for an optional termination will equal 100% of the aggregate Outstanding Principal Balance of the Mortgages (other than for Mortgaged Properties, for which the purchase price will equal the fair market value thereof as determined by a broker's price opinion), plus accrued interest at the applicable Net Rates through the last day of the month of purchase.

An optional termination of the Trust will cause the Outstanding Principal Balance of the Certificates to be paid in full through the payment of those proceeds, and upon that payment in full, the Trust will be terminated.

In the case of an optional termination, the Trustee will adopt a liquidation plan that meets the requirements of a "qualified liquidation" under Section 860F(a)(4) of the Code.

THE AGREEMENTS

The following summary describes various provisions of the Servicing Agreement and the Trust Agreement (together, the **"Agreements"**). This summary is not complete. You should refer to an Agreement if you would like further information about its provisions. You can obtain the Agreements from WaMu Capital Corp. or Freddie Mac. See *Available Information*.

Transfer of Mortgages to the Trust

The Mortgages will be sold by the Sellers to Freddie Mac pursuant to the Mortgage Purchase Agreement. The Mortgages, together with all principal and interest due on the Mortgages after the Cut-Off Date, will be sold by Freddie Mac, as depositor, to the Trust pursuant to the terms of the Trust Agreement. The Trustee will, concurrently with such sale, execute, authenticate and deliver the Certificates to Freddie Mac.

Pursuant to the Assignment Agreement, Freddie Mac will transfer all of its rights, as Depositor, under the Mortgage Purchase Agreement, Servicing Agreement and Custodial Agreement to the Trust.

As to each Mortgage, certain documents, including, as applicable, the following, are required to be delivered to the Custodian in accordance with the Custodial Agreement:

- the original note, or other evidence of the indebtedness of a borrower, secured by a Mortgage and any riders thereto (the **"Mortgage Note"**) (or, if the original note is lost, a copy of such Mortgage Note accompanied by a "lost note affidavit") endorsed in blank, without recourse, by the applicable Seller, with a complete chain of endorsements from the original mortgagee to the applicable Seller;
- the original or a certified copy of the mortgage, deed of trust or other instrument and riders thereto, which creates a first lien on an unsubordinated estate in fee simple in real property, with evidence of recording thereon; and
- originals or certified copies of any modification agreements.

Representations and Warranties With Respect to the Mortgages

Pursuant to the Mortgage Purchase Agreement, the Sellers will make certain representations and warranties to Freddie Mac with respect to the Mortgages as of the Cut-Off Date, and pursuant to the Assignment Agreement Freddie Mac will assign those representations and warranties to the Trust. Those representations and warranties include but are not limited to:

(i) the information set forth in the Mortgage Loan Schedule is true and correct in all material respects;

(ii) as of the time each Mortgage was originated, the Mortgage complied with all applicable local, state and federal laws, including usury, equal credit opportunity, borrower disclosure and recording laws applicable to the originating lender;

(iii) no borrower was required to obtain, and no proceeds from the closing of the related Mortgage were directly disbursed from such closing for the purchase of, a prepaid single-premium credit-life, credit disability, credit unemployment or credit property insurance policy;

(iv) none of the Mortgages is secured by a Mortgaged Property located in the State of Georgia which was originated on or after October 1, 2002 and before March 7, 2003;

(v) with respect to Mortgages that impose a prepayment penalty, each Seller represents that (i) notwithstanding that most of the Mortgages have provisions permitting the imposition of a prepayment penalty in connection with a voluntary or involuntary prepayment, it has policies and procedures that prohibit imposing a prepayment penalty in the event of a prepayment made on a defaulted Mortgage or in the event of an acceleration of a related Mortgage Note by the note holder or the Servicer; (ii) its policies and procedures relating to prepayment penalties are implemented in a consistent manner for all borrowers and (iii) none of the Mortgages impose a prepayment penalty in excess of three years from the date of origination of the Mortgage;

(vi) information regarding the borrower credit file related to each Mortgage has been furnished to Equifax, Experian, Trans Union Credit Information Company and

Innovis Data Solutions (or their successors) in compliance with the provisions of the Fair Credit Reporting Act and the applicable implementing regulations;

(vii) no Mortgage is subject to the Home Ownership and Equity Protection Act of 1994 or 12 C.F.R. Section 226.32 (Regulation Z), is a "high-cost" loan or a "predatory" loan as defined under any state or local law or regulation applicable to the originator of such Mortgage or which would result in liability to the purchaser or assignee of such Mortgage under any predatory or abusive lending law, or, without limiting the generality of the foregoing, is a "covered" loan under the laws of the states of California, Colorado, New Jersey (excluding home loans that were originated between November 26, 2003 and July 7, 2004 defined as "covered home loans" pursuant to clause (1) of the definition of that term in the New Jersey Ownership Security Act of 2002), Washington, D.C. (excluding home loans defined under Section 7(B) of the Home Loan Protection Act of 2002), or Ohio;

(viii) for any Mortgage originated on or after August 1, 2004, no Mortgage requires the Mortgagor to submit to arbitration to resolve any dispute arising out of or relating in any way to the Mortgage;

(ix) each Mortgage constitutes a qualified mortgage under Section 860G(a)(3)(A) of the Code and Treasury Regulations Section 1.860G-2(a)(1); and

(x) as of the Cut-Off Date, all payments due on each Mortgage had been made, no Mortgage had been delinquent (i.e., was 30 or more days past due) more than one time in the preceding 12 months and any such delinquency lasted for no more than 30 days and no Mortgage is delinquent (i.e., is 30 or more days past due).

The Mortgage Purchase Agreement will set forth additional representations and warranties from the Sellers. In addition, with respect to any Mortgage as to which the Sellers deliver to the custodian an affidavit certifying that the original Mortgage Note has been lost or destroyed, if such Mortgage subsequently is in default and the enforcement thereof is materially adversely affected by the absence of the original Mortgage Note, the applicable Seller will be obligated to repurchase or substitute for such Mortgage in the manner described below.

In the event of the discovery by a Seller, the Servicer, the Trustee or Freddie Mac, of a breach of any representation or warranty which materially and adversely affects the interest of the Trust in the related Mortgage, or the receipt of notice of such a breach from a Seller, the Servicer, the Trustee or Freddie Mac, as the case may be, the related Seller will cure the breach, repurchase or substitute a new mortgage loan for such Mortgage, or any Mortgaged Property acquired with respect thereto, on the terms set forth in the Mortgage Purchase Agreement and/or the Trust Agreement; provided, that any breach of the representation set forth in clauses (iii) through (v), (vii) and (viii) above shall be deemed to materially and adversely affect the interest of the Trust in the related Mortgage. The proceeds of any such repurchase will be passed through to Holders as a prepayment of principal.

Collection Account and Certificate Account

The Servicer is required to establish and maintain an account (the **"Collection Account"**) into which it must deposit daily, upon receipt, payments of principal and interest on the Mortgages. Such deposits will include but not be limited to:

- payments of principal and interest received on the Mortgages, net of the related Servicing Fee,
- principal prepayments on the Mortgages,
- reimbursements by the Servicer for any losses suffered on investment of Collection Account funds,
- Liquidation Proceeds, and
- the proceeds of any purchase of the Mortgages due to breaches of representations or warranties.

The Servicer is not required to deposit, but rather can retain, the Servicing Fee, late payment fees, assumption fees and prepayment penalties. Monthly payments received that relate to payments due before the Cut-Off Date, regardless of when received, belong to the applicable Seller and will not be deposited into the Collection Account.

The Collection Account will be held in trust for the benefit of the Trust, the Holders and Freddie Mac, as Guarantor. The Servicer (or the Trustee in its capacity as successor servicer) may withdraw amounts from the Collection Account only for the following purposes:

- to reimburse itself for unreimbursed P&I Advances (such reimbursement being limited to amounts received on the related Mortgages for which it advanced, which represent late recoveries of (a) principal and/or interest respecting which a P&I Advance was made or (b) taxes, insurance premiums or other amounts respecting which a Servicing Advance was made) and any unreimbursed Servicing Fees from late payments, Liquidation Proceeds and other collections from the related Mortgage Loan,
- to pay itself the Servicing Fee (net of Compensating Interest) and net investment earnings on funds on deposit in the Collection Account (to the extent the Servicer deposited the Servicing Fee and other compensation into the Collection Account),
- to deposit monies into the Certificate Account pursuant to the Trust Agreement,
- to reimburse itself for certain indemnification expenses, subject to a maximum of $100,000 per calendar year, to the extent not caused by the Servicer's failure, as Servicer, to service the Mortgages in strict compliance with the Servicing Agreement,
- to reimburse the Trustee for certain expenses,
- to withdraw amounts deposited in the Collection Account in error,
- to reimburse itself for nonrecoverable Advances; and
- to clear and terminate the account.

No later than 1:00 p.m. New York time on the Business Day prior to each Payment Date (the **"Servicer Remittance Date"**), the Servicer is required to remit to the Trustee the Available

Distribution Amounts for both loan groups and any other amounts payable to the Trustee. Upon receipt, the Trustee is required to deposit funds received from the Servicer into a trust account established by the Trustee (the **"Certificate Account"**) for the benefit of the Trust, the Holders and Freddie Mac, as Guarantor. The Trustee will make payments to the Holders from amounts in the Certificate Account prior to 12:00 p.m. New York time on each Payment Date.

Each of the Collection Account and the Certificate Account must be:

- a deposit account or accounts maintained with a federal or state chartered depository institution, or
- a trust account or accounts maintained within the corporate trust department of a federal or state chartered depository institution or trust company acting in its fiduciary capacity;

in each case, the deposits of which are insured by the Federal Deposit Insurance Corporation to the applicable limits and the short-term unsecured debt obligations of which (or, in the case of a depository institution that is a subsidiary of a holding company, the short-term unsecured debt obligations of such holding company) are rated "A-1" by S&P and "Prime-1" by Moody's (or a comparable rating if another rating agency is specified by the Trustee by written notice to the Servicer) at the time any deposits are held on deposit therein. The Collection and Certificate Account may be maintained at the Servicer or the Trustee, respectively, or any of their affiliates, if these qualifications are met.

Notwithstanding the above, an account maintained with Washington Mutual Bank shall be considered to meet these qualifications if the following conditions are satisfied:

- Washington Mutual Bank is acting as Servicer,
- the long-term unsecured debt obligations of Washington Mutual Bank are rated no lower than "A-" by S&P and the short-term unsecured debt obligations of Washington Mutual Bank are rated no lower than "A-2" by S&P, and
- the long-term unsecured debt obligations of Washington Mutual Bank are rated no lower than "A2" by Moody's and the short-term unsecured debt obligations of Washington Mutual Bank are rated no lower than "Prime-1" by Moody's;

provided, that if the long-term or short-term unsecured debt obligations of Washington Mutual Bank are downgraded by any of the Rating Agencies to a rating lower than the applicable rating specified in this sentence, an account maintained with Washington Mutual Bank shall cease to qualify as an acceptable Collection Account six Business Days after notification of such downgrade.

The amount on deposit in each of the Certificate Account and Collection Account, to the extent such funds are invested, will be invested in permitted investments as described in the Servicing or Trust Agreement. Permitted investments must mature no later than the related Payment Date. Except as described in the Servicing or Trust Agreement and herein, obligations of the Sellers, the Servicer or Trustee will not constitute permitted investments.

Any investment income earned on the Collection Account will be paid to the Servicer as additional compensation and income earned on the Certificate Account will be paid to the Trustee as its total compensation for acting in the capacity of trustee under the Trust Agreement. If there is a loss incurred in the Certificate Account or the Collection Account because of an investment, the

Trustee or the Servicer, respectively, must deposit immediately into such account the amount of such loss, without reimbursement.

Reports to Holders

Based upon information provided by the Servicer in accordance with the Servicing Agreement, the Trustee will prepare and make available to each Holder on each Payment Date a statement, which will include but not be limited to the following for that Payment Date:

- the amount applied to reduce the Class Principal Balance of each Class of Certificates and Components;
- the amount allocated to interest payments (separately identifying (a) the amount of interest accrued during the related Accrual Period and (b) the amount accrued during previous Accrual Periods) and the amount of Net Negative Amortization allocated to the Certificates;
- the amount of the Servicing Fee paid;
- the amount of any fee or expenses paid out of the Available Distribution Amount as permitted under the Servicing Agreement and/or the Assignment Agreement and/or the Trust Agreement;
- the aggregate amount, if any, of P&I Advances and Servicing Advances included in such distribution;
- the number and aggregate Outstanding Principal Balance of the Mortgages as of the last Business Day of the calendar month preceding that Payment Date;
- the number and aggregate Outstanding Principal Balance of the Mortgage Loans (a) delinquent in payment on a contractual basis, identifying the length of the contractual delinquency, as specified in the Servicing Agreement, (b) as to which foreclosure proceedings have been commenced, (c) as to which the related Mortgage is subject to a bankruptcy proceeding, and (d) secured by REO properties;
- the Class Principal Balance as of the close of business on such Distribution Date and the Class Coupons for the Certificates applicable to such Payment Date;
- the aggregate amount of Payoffs, Liquidation Proceeds and Curtailments received.

In addition, at the end of each calendar year, the Trustee will provide to each person who was a Holder at any time during that year customary information required by the Internal Revenue Service.

The Trustee will make the monthly distribution report (and, at its option, any additional files containing the same information in an alternative format) available each month to the Holders and to the parties to the Trust Agreement on its internet website. The Trustee's internet website shall initially be located at "www.ctslink.com". If you need assistance in using the website, you should call the Trustee's customer service desk at (301) 815-6600. You may have a paper copy of the report mailed to you by requesting a copy from the Trustee's customer service desk.

Reports to Freddie Mac

On or before the tenth Business Day before each Payment Date, the Servicer shall, in accordance with the terms of the Servicing Agreement, prepare and distribute to Freddie Mac and the Trustee certain reports related to the Mortgages. On or before the fifth Business Day before each Payment Date, the Trustee shall, in accordance with the terms of the Trust Agreement, prepare and distribute to Freddie Mac certain reports related to the Certificates.

If either (a) the Servicer does not deliver the information described above (and other information set forth in the Servicing Agreement), on or before the tenth Business Day before each Payment Date, or (b) the information the Servicer delivers on such date is not correct or complete in any material respect, the Servicer shall be subject to certain penalties, as described in the Servicing Agreement.

Collection and Other Servicing Procedures

The Servicing Agreement will require the Servicer to proceed diligently to collect all payments required under the Mortgages, and with respect to each Mortgage, to follow servicing practices of prudent mortgage lending institutions that service mortgage loans of the same type as such Mortgage in the jurisdiction where the related Mortgaged Property is located.

Pursuant to the Servicing Agreement, the Servicer will establish and maintain an account or accounts (each, an **"Escrow Account"**) into which certain borrowers will be required to deposit amounts sufficient to pay taxes, assessments, standard hazard insurance premiums and other similar items. The Servicer will be responsible for the administration of any Escrow Account maintained by it and will be obligated to make advances to such account when a deficiency exists therein (unless the Servicer determines that such advance would be a nonrecoverable advance).

The Servicer can make withdrawals from an Escrow Account it maintains for the following reasons:

- to pay taxes, assessments, standard hazard premiums or similar items,
- to reimburse itself for any Servicing Advances made with respect to the related Mortgage (but only from amounts received on the related Mortgage from late collections of escrowed amounts thereunder),
- to refund to borrowers amounts determined to be overages,
- to pay interest on balances in the Escrow Account to itself, or if required by law, to the related borrowers,
- to repair or otherwise protect the Mortgaged Property, and
- to clear and terminate such account.

Servicing Compensation and Payment of Expenses

The **"Servicing Fee"** with respect to each Mortgage Loan will equal, for each Accrual Period, the product of (a) an annual fixed rate (the **"Servicing Fee Rate"**) equal to the excess of (i) the applicable Margin for such Mortgage over (ii) 1.60% times (b) the Outstanding Principal Balance as of the first day of that Accrual Period.

The Servicer is entitled to retain as additional servicing compensation (a) all ancillary fees related to the Mortgages to the extent such fees are collected from borrowers, including, all assumption fees, prepayment penalties, non-sufficient funds fees and late fees, and (b) any interest or other income earned on funds held in the Collection Account.

The Servicer will be entitled to reimbursement for certain expenses incurred by it in connection with:

- the liquidation of defaulted Mortgages; and
- the restoration of Mortgaged Property securing a defaulted Mortgage Loan.

Such reimbursement (to the extent related to nonrecoverable expenditures) will be prior to the rights of the Holders to receive any related Liquidation Proceeds.

During liquidation of a Mortgage, claims under applicable insurance policies either may not be made or paid, or insurance coverage may be exhausted. In either case, there will be a shortfall of amounts payable to the Trust to the extent that Liquidation Proceeds on the related Mortgage (after reimbursement of the Servicer's expenses), are less than the Outstanding Principal Balance of and unpaid interest on the related Mortgage that would be payable to Holders. However, the Freddie Mac guarantee will cover any such shortfalls with respect to the Offered Certificates.

The rights of the Servicer to receive funds from the Collection Account, such as the Servicing Fee or other compensation, or for the reimbursement of non-recoverable Advances, expenses or otherwise (all as more fully described in the Servicing Agreement), are senior to the rights of the Holders.

Evidence as to Servicing Compliance

No later than March 15th of each year the Servicer will cause a firm of independent public accountants to prepare a statement to the effect that the accountants reviewed certain documents and records relating to the servicing of the Mortgages, and that on the basis of such examination conducted in compliance with the standards established by the American Institute of Certified Public Accountants, the Servicer has complied with certain minimum residential mortgage loan servicing standards in its role as Servicer of the Mortgages during its most recently completed fiscal year. The Servicer shall deliver the accountant's statement, along with a copy of the related management report, to the Trustee. In addition, the Servicer will be required to deliver to the Trustee an officer's certificate to the effect that it has fulfilled its obligations under the Servicing Agreement during the preceding fiscal year or identifying any ways in which it has failed to fulfill its obligations during the fiscal year and the steps that have been taken to correct such failure.

The Servicer is required to maintain a fidelity bond and an errors and omissions policy.

Certain Matters Regarding the Servicer

The Servicing Agreement provides that neither the Servicer nor any of its directors, officers, employees or agents shall be under any liability to the Trust for:

- any action taken or for refraining from the taking of any action in good faith pursuant to the Servicing Agreement, or
- for errors in judgment;

provided, however, that this provision shall not protect the Servicer or any such person against:

- any breach of warranties or representations made in the Servicing Agreement,
- failure to perform its obligations in strict compliance with any standard of care set forth in the Servicing Agreement, or
- any other liability which would otherwise be imposed under the Servicing Agreement.

The Servicer and any of its directors, officers, employees or agents may rely in good faith on any document properly executed and submitted by any person relating to any matters under the Servicing Agreement.

The Servicer will not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to service the Mortgages in accordance with the Servicing Agreement and which in its opinion may involve it in any expense or liability; provided, however, that the Servicer may undertake any such action which it may deem necessary or desirable with respect to the Servicing Agreement and the rights and duties of the parties thereto. In such event, the Servicer shall be entitled to reimbursement from the Trust of the reasonable legal expenses and costs of such action, subject to a maximum of $100,000 per calendar year.

Under the terms of the Servicing Agreement, the Servicer cannot resign from its obligations and duties under the Servicing Agreement unless it is determined that such obligations and duties are no longer permissible under applicable law. The Servicer's resignation cannot become effective until a successor servicer has assumed the Servicer's responsibilities and obligations as provided in the Servicing Agreement.

Servicer Events of Default

Events of default (each, a **"Servicer Event of Default"**) under the Servicing Agreement will include, without limitation,

(i) any failure by the Servicer, other than a failure as set forth in clause (iv) below, to make a required deposit to the Certificate Account which continues unremedied for three Business Days after the giving of written notice by the Trustee of such failure to the Servicer, or to the Servicer and the Trustee by the Guarantor;

(ii) any failure on the part of the Servicer duly to observe or perform in any material respects any other of the covenants or agreements on the part of the Servicer contained in the Servicing Agreement which continues unremedied for 30 days (provided, however, that, if the Servicer is not able to remedy such failure within such 30 day period, such period shall be extended, with the consent of Freddie Mac, as Guarantor (which consent shall not be unreasonably withheld) for an additional 30 days) after the giving of written notice of such failure to the Servicer by the Trustee, or to the Servicer and the Trustee by Freddie Mac, as Guarantor;

(iii) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings and certain actions by the Servicer indicating insolvency, reorganization or inability to pay its obligations;

(iv) any failure of the Servicer to make any P&I Advance or Servicing Advance (other than a nonrecoverable Advance) which continues unremedied at the opening of business on the Payment Date in respect of which such P&I Advance was to have been made or the date on which such Servicing Advance was to have been made;

(v) the failure of the Servicer to deliver to Freddie Mac the reports, as described under — *Reports to Freddie Mac* above, in accordance with the Servicing Agreement; and

(vi) the termination of the Servicer by Freddie Mac in accordance with Freddie Mac's Single Family Seller/Servicer Guide.

Rights Upon Servicer Events of Default

As long as a Servicer Event of Default under the Servicing Agreement remains unremedied, the Trustee or Freddie Mac, as Guarantor, or the Holders of the Certificates evidencing 51% of the remaining interests in the Trust may terminate all of the rights and obligations of the defaulting Servicer under the Servicing Agreement. Upon such termination, the Trustee will succeed to all the responsibilities, duties and liabilities of the Servicer under the Servicing Agreement and will be entitled to similar compensation arrangements and limitations on liability. If the Trustee is unwilling or unable so to act, it may appoint, or petition a court of competent jurisdiction for the appointment of, a housing and home finance institution with a net worth of at least $10,000,000 to act as successor to the defaulting Servicer. Until any such appointment, the Trustee is obligated to act in such capacity.

Notwithstanding the foregoing, if a Servicer Event of Default described in clause (iv) above occurs, Freddie Mac, as Guarantor, or the Trustee, with the consent of Freddie Mac, as Guarantor, will by written notice to the Servicer, suspend all of the rights of the Servicer thereafter arising under the Servicing Agreement and the Trustee will act to carry out the duties of the Servicer, including the obligation to make any required Advance (subject to its own recoverability determination) the nonpayment of which was a Servicer Event of Default described in clause (iv) above. The Trustee, in its capacity as successor servicer, immediately will assume all of the obligations of the Servicer to make Advances and the Trustee will assume the other duties of the Servicer as soon as practicable, but in no event later than 90 days after the Trustee becomes successor servicer. Freddie Mac, as Guarantor, or the Trustee, with the consent of Freddie Mac, as Guarantor, may permit the Servicer to resume its rights and obligations as Servicer under the Servicing Agreement if the Servicer, within two Business Days following its suspension, remits to the Trustee the amount of any Advance the nonpayment of which was a Servicer Event of Default described in clause (iv) above, plus accrued interest thereon.

Notwithstanding anything to the contrary set forth above, Freddie Mac, as Guarantor, may waive any Servicer Event of Default permitting removal of the Servicer, provided that the Servicer has paid to the Trustee the amount of any payment (plus interest accrued thereon) the nonpayment of which gave rise to such Servicer Event of Default. Upon any waiver of an existing default and receipt of such payment, such default shall cease to exist and any Servicer Event of Default arising therefrom shall be deemed to have been remedied. The Servicing Agreement provides that no such waiver shall extend to any subsequent or other default or impair any right consequent thereto except to the extent expressly waived by Freddie Mac, as Guarantor.

In the event the Trustee acts as successor to the Servicer, the Trustee, as servicer, will be obligated to make Advances under the same circumstances as the original Servicer, unless it is prohibited by law from doing so. The Trustee and any successor servicer may agree upon the servicer's compensation, which may not be greater than the Servicer's compensation under the Servicing Agreement. Notwithstanding the foregoing, the Trustee, in its capacity as successor servicer, will not be responsible for the lack of information and/or documents that it cannot obtain through reasonable efforts. Generally, all costs associated with any such succession or other servicing transfer shall be borne by the resigning or terminated servicer, and if not paid by such servicer, then by the Trust. Any such amounts borne by the Trust are subject to a maximum of $500,000 per calendar year (such $500,000 to be the total amount of reimbursement to the Trustee per year from the Trust for indemnification and servicing transfer costs).

Maintenance of Insurance Policies; Insurance Claims and Other Realization Upon Defaulted Mortgage Loans

The Servicer will be required to maintain a standard hazard insurance policy for each related Mortgaged Property in full force and effect as long as such coverage is required under the Servicing Agreement and to pay the related premium on a timely basis. The Servicer may meet this requirement with blanket policies providing protection equivalent to the individual policies otherwise required. In that case, the Servicer will pay any deductible amount with respect to claims under any such policy relating to the Mortgage Loans. Where any part of any improvement to a Mortgaged Property (other than a Mortgaged Property secured by a cooperative loan) is located in a federally designated special flood hazard area and in a community which participates in the National Flood Insurance Program at the time of origination of the related Mortgage, the Servicer shall cause flood insurance to be obtained by the related borrower. No earthquake or other additional insurance is required.

If the proceeds of any liquidation of the property securing any defaulted Mortgage are less than (a) the Outstanding Principal Balance of that defaulted Mortgage, plus (b) (i) interest accrued at the Note Rate, and (ii) the aggregate amount of expenses incurred by the Servicer in connection with the related liquidation proceedings and which are reimbursable under the Servicing Agreement, there will be a shortfall in the amounts payable to the Trust equal to the amount of such difference. In such event, the Servicer will be entitled to withdraw (or debit) from the Collection Account out of the Liquidation Proceeds recovered on any defaulted Mortgage, prior to the distribution thereof to Holders, amounts representing its normal servicing compensation on the applicable Mortgage and unreimbursed Advances made or incurred with respect to the Mortgage.

If the Servicer has expended its own funds to restore damaged property and such funds have not been reimbursed under any insurance policy or any other related proceeds, the Servicer will be entitled to withdraw (or debit) from the Collection Account an amount equal to such expenses incurred by it, in which event, to the extent not covered by the Guarantor, the Trust may realize a loss up to the amount so charged.

Certain Matters Regarding the Trustee

Wells Fargo Bank, N.A. will be the Trustee under the Trust Agreement. The Trustee will perform certain obligations specified in the Trust Agreement with respect to making payments on the Certificates, including, but not limited to, registering and transferring the Certificates and performing tax administration. In addition, the Trustee will be obligated to act as successor servicer in the event of the resignation or removal of the Servicer. The Sellers and the Servicer may maintain other banking relationships in the ordinary course of business with the Trustee. The Assignment Agreement provides that the Trustee will be indemnified by the Servicer against any loss, liability or expense incurred by the Trustee arising out of its obligations as successor servicer, except as may arise from its negligence or bad faith to the extent described in the Assignment Agreement. To the extent the Servicer fails to indemnify the Trustee as described in the immediately preceding sentence, the Trustee and any director, officer, employee or agent thereof will be indemnified by the Trust, subject to a cap on such indemnification of $500,000 per calendar year (such $500,000 to be the total amount of reimbursement to the Trustee per year from the Trust for indemnification and servicing transfer costs). Indemnified losses and expenses in excess of such annual cap will be reimbursed to the Trustee in subsequent years, subject to the same annual cap.

The Trustee may, upon written notice to the Servicer and the Guarantor, resign at any time, in which event Freddie Mac will promptly appoint a successor.

If no successor has been appointed and has accepted appointment within 30 days after giving such notice of resignation, the resigning party may petition any court of competent jurisdiction for appointment of a successor. If a court of competent jurisdiction fails to identify a successor trustee, the Guarantor, to extent permissible by regulation, law and corporate authority, will assume the responsibilities of the Trustee as successor trustee.

If the Trustee ceases to be an eligible trustee as set forth in the Trust Agreement, Freddie Mac may remove the Trustee and appoint a successor. The Trustee may also be removed at any time by Freddie Mac, or the Holders of Certificates evidencing at least 51% of the aggregate Class Principal Balance of the Certificates. Any removal or resignation of the Trustee and appointment of a successor as described above will not become effective until acceptance of appointment by the successor.

Amendment of Trust Agreement

The Trust Agreement may be amended by the parties thereto without the consent of any of the Holders:

- to cure any ambiguity,
- to correct or supplement any provision therein which may be defective or inconsistent with any other provision therein,
- to comply with any requirements imposed by the Code or any regulations thereunder, including provisions to such extent as shall be necessary to avoid or minimize the risk of imposition of any tax on the Trust,
- to correct the description of any property at any time owned by the Trust, or to assure conveyance to the Trust of any property to be included as assets of the Trust,
- to modify, add to or eliminate certain provisions set forth in the Trust Agreement relating to the form of Certificates and
- to add any provision to, or amend any provision in, the Trust Agreement, provided that such addition or amendment does not adversely affect in any material respect the interests of any Certificateholder.

The Trust Agreement may also be amended by all of the parties thereto with the consent of the Holders of each Class of Certificates evidencing interests aggregating not less than 66% (as determined in the manner set forth in the Trust Agreement) of the Class Principal Balance for such Class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust Agreement or of modifying in any manner the rights of the holders of Certificates; provided, however, that no such amendment may, among other things:

- reduce in any manner the amount of, or delay the timing of, payments received on Mortgages which are required to be distributed in respect of any Certificate without the consent of the Holder of such Certificate, or
- reduce the aforesaid percentage of Certificates, the Holders of which are required to consent to any such amendment without the consent of the Holders of all Certificates then outstanding.

As set forth in the Trust Agreement, the Trustee shall not consent to any amendment of the Trust Agreement without first receiving (i) an opinion of counsel to the effect that such amendment will not cause the imposition of any tax on the REMIC or cause the REMIC to fail to qualify as a REMIC and (ii) a certificate of an officer of Freddie Mac to the effect that such amendment will not result in the Trust being permitted to act in a manner that is inconsistent with the restrictions established in the Trust Agreement.

Termination

The Trust Agreement will terminate when the last Mortgage remaining in the Trust has been paid off or liquidated, and the proceeds of that loan have been paid to Holders. The Trust Agreement also will terminate if Freddie Mac or the Servicer exercises its optional termination right. The Trustee will notify each affected Holder in writing of the termination of the Trust Agreement, and will make the final payment to each person entitled to it.

THE SERVICER'S SINGLE-FAMILY RESIDENTIAL NONPERFORMING ASSET STATISTICS

The following table sets forth information concerning single-family residential (**"SFR"**) loans, which the Servicer holds in its own portfolio and services, as well as SFR nonaccrual loans and foreclosed assets. Assets considered to be nonperforming include non-accrual loans and foreclosed assets. Loans are generally placed on nonaccrual status when they are 90 days or more past due or when the timely collection of the principal of the loan, in whole or in part, is not expected.

Management's classification of a loan as nonaccrual does not necessarily indicate that the principal of the loan is uncollectible in whole or in part.

	June 30, 2005	December 31, 2004 (restated)	December 31, 2003 (restated)	December 31, 2002 (restated)
		(dollars in thousands)		
Nonaccrual SFR loans (excluding loans serviced by others)[(1)(2)]	$ 479,923	$ 514,341	$ 685,097	$ 926,497
Total SFR loans held in portfolio (excluding loans serviced by others)	$106,933,492	$109,111,330	$98,587,112	$80,119,115
Nonaccrual SFR loans as a percentage of total SFR loans held in portfolio (excluding loans serviced by others)	0.45%	0.47%	0.69%	1.16%
Foreclosed SFR assets (excluding loans serviced by others)	$ 119,734	$ 127,044	$ 135,350	$ 142,068

(1) Nonaccrual SFR loans exclude nonaccrual SFR loans held for sale.
(2) Nonaccrual SFR loans exclude foreclosed SFR assets. Foreclosed SFR assets are listed separately in the table above.

The above information represents the nonaccrual and foreclosure statistics of the Servicer as a servicer of SFR loans held in its portfolio. The nonaccrual and foreclosure statistics of the mortgage loans in the Servicer's portfolio are unlikely to be a meaningful predictor of the performance of the Mortgages in the Trust. The statistics shown above represent the nonaccrual and foreclosure statistics of the Servicer's portfolio only for the periods presented whereas the aggregate delinquency and loss experience of the Mortgages in the Trust will depend on the results obtained over the life of the Trust. In addition, the foregoing statistics include mortgage loans with a variety of payment and other characteristics that may not correspond to those of the Mortgages in the Trust.

The statistics shown above should not be considered as a basis of assessing the likelihood, amount or severity of losses of the Mortgages in the Trust. If the residential real estate market should experience any overall decline in property values, the actual rate of delinquencies, foreclosures and losses could be higher than those previously experienced by the Servicer in its portfolio. In addition, adverse economic conditions (which may or may not affect property values) may affect the timely payment by mortgagors of scheduled payments of principal and interest on the Mortgages in the Trust, and accordingly, the actual rates of delinquencies, foreclosures and losses with respect to the Mortgages in the Trust. The likelihood that mortgagors will become delinquent in the payment of their mortgage loans may be affected by a number of factors related to a mortgagor's personal circumstances, including, for example, unemployment, fluctuations in income and a mortgagor's equity in the related mortgaged property. The actual delinquency and foreclosure experience of the Mortgages in the Trust may also be sensitive to the level of interest rates and influenced by servicing decisions on the applicable Mortgages. Regional economic conditions (including declining real estate values) may particularly affect delinquency and foreclosure experience on the Mortgages in the Trust to the extent that mortgaged properties are concentrated in certain geographic areas. Accordingly, the information regarding the nonaccrual and foreclosure statistics of the Servicer's portfolio is not likely to provide an accurate assessment of the delinquency, default and loss experience of the Mortgages in the Trust over time.

PREPAYMENT, YIELD AND SUITABILITY CONSIDERATIONS

General

The yield to maturity of the Certificates will depend upon, among other things, the price at which the Certificates are purchased, the interest rate on the Certificates, the actual characteristics of the Mortgages, the rate of principal payments (including prepayments) on the related Mortgages and the rate and timing of liquidations and loss severity on the related Mortgages. The yield to maturity to holders of the 1A1, 2A1 and X will be lower than the yield to maturity otherwise produced by the applicable interest rate and purchase price of those Certificates because principal and interest distributions will not be payable to the Certificateholders until the 25th day of the month following the month of accrual (without any additional distribution of interest or earnings with respect to the delay).

The Note Rates on the Mortgages will adjust monthly (except during the initial one, two, three or twelve month fixed rate period, as applicable) and may vary significantly over time. Once a Mortgage begins its adjustable rate period, increases and decreases in the Note Rate will be calculated for each monthly accrual period based on the One-Year MTA value as of a specified date. The One-Year MTA value may not rise and fall consistently with mortgage interest rates. As a result, the Note Rates on the Mortgages at any time may not equal the prevailing mortgage interest rates for similar adjustable rate loans, and accordingly the prepayment rate may be lower or higher than would otherwise be anticipated. Moreover, each Mortgage has a Rate Ceiling.

Although Note Rates will increase (subject to the Rate Ceilings) or decrease monthly (after the initial one, two, three or twelve month fixed rate period, as applicable) as the One-Year MTA value changes, the Minimum Monthly Payments on the Mortgages generally will adjust only once a year. As a result, an increase or decrease in the One-Year MTA value will cause a greater or lesser portion of the Minimum Monthly Payment to be allocated to the payment of interest, and the amortization of the Mortgages to decelerate or accelerate, thereby causing a corresponding change in the amortization of the Certificates. In the event that an increase in the One-Year MTA value causes interest to accrue on a Mortgage for a given month in an amount in excess of the Minimum Monthly Payment due on the applicable Due Date, such excess amount, to the extent not paid in the related Actual Monthly Payment received for that month, will be added to the Outstanding Principal Balance of that Mortgage in the form of "negative amortization" as of the Due Date for such Minimum Monthly Payment. In addition, because the initial Minimum Monthly Payment is set based on the initial fixed rate rather than the sum of the Margin and the then-current One-Year MTA value, it is more likely than it would otherwise be that the Minimum Monthly Payment will be less than the interest due on a Mortgage during its first five years. If a borrower pays only the Minimum Monthly Payment due, there may be interest shortfalls and corresponding negative amortization on the Mortgage until the fifth anniversary of the first Due Date, when the Minimum Monthly Payment will be reset to a fully amortizing amount without regard to the 7.5% adjustment cap. Amounts received with respect to Payoffs and Curtailments will be reduced to offset negative amortization. To the extent that the aggregate amount of negative amortization with respect to all Mortgages in a group for a given month exceeds the amount of Payoffs and Curtailments in that group for the related Distribution Date, such excess amount will be deducted from the interest payable to the applicable Certificates and added to the Class Principal Balances of the applicable Certificates as described in *Description of the Certificates — Distributions of Interest.*

Further, some borrowers who prefer the certainty provided by fixed-rate mortgage loans may nevertheless obtain adjustable-rate mortgage loans at a time when they regard the mortgage interest rates (and, therefore, the payments) on fixed-rate mortgage loans as unacceptably high. These mortgagors may be induced to refinance adjustable-rate mortgage loans when the mortgage interest rates and monthly payments on comparable fixed-rate mortgage loans decline to levels that these mortgagors regard as acceptable, even though the mortgage interest rates and monthly payments may be significantly higher than the current mortgage interest rates and monthly payments on the mortgagors' adjustable-rate mortgage loans. The ability to refinance a mortgage loan will depend on a number of factors prevailing at the time refinancing is desired, including, without limitation, prepayment penalties, real estate values, the mortgagor's financial situation, prevailing mortgage interest rates, the mortgagor's equity in the related Mortgaged Property, tax laws and prevailing general economic conditions.

PREPAYMENTS

The rates of principal payments on the Certificates will depend on the rates of principal payments on the Mortgages. Mortgage principal payments may be in the form of scheduled amortization or partial or full prepayments. Prepayments include:

- Prepayments by the borrower (Curtailments or Payoffs).
- Liquidations resulting from default, casualty or condemnation.
- Optional termination of the Trust by Freddie Mac or the Servicer.

Mortgage prepayment rates are likely to fluctuate significantly over time. Prepayment rates are influenced by many factors, which may exist in multiple combinations, such as:

- The age, principal amount, geographic distribution and payment terms of Mortgages.
- Characteristics of the borrowers (such as credit status and income level) and their equity positions in their houses (whether the LTV ratio is high or low)
- Changes in local industry and population migration and relocation as they affect housing turnover.
- Activity of lenders in soliciting refinancing (including refinancing without the payment of points or other significant transaction costs by the borrower)
- Fluctuations in One-Year MTA levels.
- The assessment of prepayment penalties.

No representation can be made concerning the particular effect that any of these factors may have on prepayment behavior.

In a fluctuating interest rate environment, the predominant factor affecting the prepayment rate on a large, geographically diverse, concurrently originated group of Mortgages underwritten consistently is the difference between the interest rates of the Mortgages in that group (giving consideration to the cost of any secondary financing) and prevailing mortgage interest rates generally available during the terms to maturity of the Mortgages. In general, prepayment rates are inversely correlated with changes in prevailing mortgage interest rates. As mortgage interest rates decline, borrowers tend to refinance their current mortgages, which results in faster prepayment rates on a mortgage pool. On the other hand, as mortgage interest rates increase, borrowers tend not to refinance their mortgages, which results in slower prepayment rates on a mortgage pool.

Transfers of Mortgaged Properties also influence prepayment rates. All of the Mortgages are assumable to the extent provided in the related Mortgage Note, meaning the transferee of a Mortgaged Property can assume the transferor's obligations on the related Mortgage. The Mortgage Note for each Mortgage provides that if the Mortgage is assumed, the Rate Ceiling may be increased.

Some of the Mortgages provide for prepayment penalties. The assessment of these penalties could deter prepayments by borrowers. All prepayment penalties will be retained by the Servicer as additional servicing compensation. See *Description of the Mortgages — General*.

From time to time, Washington Mutual Bank may implement programs to solicit borrowers of qualifying mortgage loans that it services for refinance, including the Mortgages. While those programs will not specifically target the Mortgages for refinance, they may have the effect of accelerating the prepayment rate of those Mortgages. Additionally, the applicable Seller may be required to repurchase certain Mortgages that exceed Freddie Mac loan limits or upon a breach of its representations and warranties with respect to the Mortgage. See *The Agreements — Representations and Warranties With Respect to the Mortgages*. Any of these actions or requirements may have the effect of accelerating the prepayment rate of the Mortgage, which would adversely affect the yield on your Certificates purchased at a premium.

The rate of principal payments on the Certificates may fluctuate significantly from month to month as a result of fluctuations in the principal payment rates of the Mortgages which in turn may fluctuate based on the payment option chosen by the borrower. The Certificates may experience payment behavior that is similar to or different from that experienced by other securities backed by similar Mortgages. No representation can be made concerning the particular effect that any factor may have on Mortgage prepayment behavior, or the prepayment rates for the Mortgage as compared to other kinds of mortgages.

YIELDS

General

In general, your yield on any Class of Certificates will depend on several variables, including:

- The price you paid for that Class.
- The rate of principal payments on the related Mortgages.
- The actual characteristics of the related Mortgages.
- The payment priorities of your Class and the other Classes.
- The level of LIBOR and One-Year MTA.
- The payment delay of your Class.

You should carefully consider the yield risks associated with the Certificates, including these:

- If you purchase a Class at a discount to its principal amount and the rate of principal payments on the Mortgages is slower than you expect, you will receive payments over a longer period than you expect, so the yield on your investment will be lower than you expect.

- If you purchase a Class at a premium over its principal amount and the rate of principal payments on the Mortgages is faster than you expect, you will receive payments over a shorter period than you expect, so the yield on your investment will be lower than you expect.

- If you purchase a Class at a significant premium over its principal amount and there are faster than expected principal payments on the Mortgages, you may not even recover your investment in that Class.

- In general, the rate of Mortgage principal payments early in your investment has the greatest effect on your yield to maturity. As a result, a negative effect on your yield produced by principal payments at a higher (or lower) rate than you expect in the period immediately following your purchase of a Certificate is not likely to be offset by an equivalent reduction (or increase) in that rate in later periods.

- Mortgages tend to prepay fastest when prevailing interest rates are low. When this happens, you may not be able to reinvest your principal payments in comparable securities at as high a yield.

- The netting of Curtailments and Payoffs against negative amortization will have the effect of slowing the rate at which principal prepayments are paid to the related Certificates and will reduce the yield of Certificates purchased at a discount.

Effects of LIBOR and One-Year MTA

Since the LIBOR and One-Year MTA Certificates bear interest based on LIBOR and One-Year MTA, respectively, you should consider the following:

- LIBOR or One-Year MTA levels lower than you expect could result in yields lower than you expected. Also, the Class Coupon of your Class can never be higher than its stated maximum rate, regardless of the level of LIBOR or One-Year MTA.

- When mortgage interest rates are generally low, which usually results in faster prepayments, LIBOR or One-Year MTA levels may be high. On the other hand, when mortgage interest rates are generally high, which usually results in slower prepayments, LIBOR or One-Year MTA levels could be low. Either of these scenarios could result in a lower than expected yield on your Certificates.

- LIBOR and One-Year MTA will not remain constant at any level. Even if the average LIBOR or One-Year MTA level is consistent with what you expect, the timing of any changes in that value may affect your actual yield. In general, the earlier a change in the level of LIBOR or One-Year MTA, the greater the effect on your yield. As a result, a negative effect on your yield produced by a LIBOR or One-Year MTA level that is higher (or lower) than you expect early in your investment is not likely to be offset by an equivalent reduction (or increase) in that level in later periods.

Since the Mortgages bear interest based on One-Year MTA, you should also consider the following:

- If the One-Year MTA levels of the Mortgages are lower than you expect, the yield on your investment could be lower than you expect.

- The Note Rates on the Mortgages will adjust monthly (except during the initial one, two, three or twelve month fixed rate period, as applicable) and may vary significantly over time. Once a Mortgage begins its adjustable rate period, increases and decreases in the Note Rate will be calculated for each monthly accrual period based on the One-Year MTA levels as of a specified date. The level of One-Year MTA may not rise and fall consistently with prevailing mortgage interest rates. As a result, the Note Rates on the Mortgages at any time may not equal the prevailing mortgage interest rates for similar adjustable rate loans, and accordingly the prepayment rate may be lower or higher than would otherwise be anticipated.

- Although the Note Rates on the Mortgages will increase (subject to the Rate Ceilings) or decrease monthly (after the initial fixed rate period), as the One-Year MTA level changes, the Minimum Monthly Payments on the Mortgage Loans generally will adjust only once a year. As a result and based on borrowers' payment options, an increase or decrease in the One-Year MTA level will cause (a) a greater or lesser portion of the Minimum Monthly Payment to be allocated to the payment of interest, and (b) an increase or decrease in the amortization of the Mortgages and, therefore, the Certificates.

- In the event that an increase in the One-Year MTA level causes interest to accrue on a Mortgage for a given month in an amount in excess of the Minimum Monthly Payment due on the applicable Due Date, such excess amount, to the extent not paid in the related Actual Monthly Payment received for that month, will be added to the Outstanding Principal Balance of that Mortgage Loan as negative amortization as of the Due Date for such Minimum Monthly Payment.

- The initial Minimum Monthly Payment on a Mortgage is set based on the initial fixed rate of that Mortgage, rather than the sum of the Margin and the then-current One-Year MTA level. Therefore, it is likely that the Minimum Monthly Payment will be less than the interest due on a Mortgage during its first five years. If a borrower pays only the Minimum Monthly Payment due each month during those first five years, there may be interest shortfalls and corresponding negative amortization on the Mortgage Loan until the fifth anniversary of the first Due Date, when the Minimum Monthly Payment will be reset to a fully amortizing amount without regard to the 7.5% adjustment cap. The aggregate amount, if any, of Net Negative Amortization added to the principal balances of all Mortgages in a loan group as of a Due Date will be deducted from the interest otherwise payable on the applicable Certificates to the extent described herein, and added to the principal balances of the applicable Certificates, in each case as of the following Payment Date, as described herein.

- Disproportionate principal payments, including prepayments, on Mortgages that have relatively low and high interest rates compared to the other Mortgages in the Trust will affect the level of the interest rates on the Certificates, even if the interest rates on those Mortgages remain unchanged.

Payment Delay

The effective yield on 1A1, 2A1 or X will be less than the yield that its Class Coupon and purchase price would otherwise produce, because interest will accrue during the related Accrual Period, which will end 25 days before that Payment Date.

SUITABILITY

The Certificates may not be suitable investments for you. You should consider the following before you invest in Certificates.

- The Certificates are not appropriate investments if you require a single lump sum payment on a date certain, or if you require an otherwise definite payment stream.

- A market may not develop for the sale of some Certificates after their initial issuance. Even if a market develops, it may not continue. As a result, you may not be able to sell your Certificates easily or at prices that will allow you to realize your desired yield.

- The market values of your Certificates are likely to fluctuate, primarily in response to changes in prevailing interest rates. Such fluctuations may result in significant losses to you.

- The secondary markets for mortgage-related securities have experienced periods of illiquidity in the past, and can be expected to do so in the future. Illiquidity can have a severely negative effect on the prices of Certificates, especially those that are particularly sensitive to prepayment, redemption or interest rate risk or that have been structured to meet the investment needs of limited categories of investors.

- You may not be able to sell very small or very large amounts of Certificates at prices available to other investors.

- The Certificates are complex securities. Before investing in a Certificate, you should be able, either alone or with a financial advisor, to evaluate the information contained and incorporated in this Offering Circular. You should evaluate the information in the context of your personal financial situation and your views on possible and likely interest rate and economic scenarios.

This Offering Circular does not describe all the possible risks of an investment in Certificates that may result from your particular circumstances, nor does it predict how Certificates will perform under all possible interest rate and economic scenarios. You should purchase Certificates only if you understand and can bear the prepayment, redemption, interest rate, yield and market risks associated with your investment under a variety of interest rate and economic scenarios. If you purchase Certificates, you need to have enough financial resources to bear all the risks related to your Certificates.

TABULAR INFORMATION

General

For purposes of preparing the tables shown in this Offering Circular, it is assumed (the **"Modeling Assumptions"**) that:

- The Mortgages consist of the groups of hypothetical mortgages having the characteristics below:

Groups of Hypothetical Mortgages

Group	Outstanding Principal Balance as of the Cut-Off Date($)	Original Term to Maturity (months)	Remaining Term To Maturity (months)	Current Note Rate(%)	Current Net Rate(%)	Margin(%)	Rate Ceiling(%)	Months to Next Payment Adjustment	Original Principal Balance($)	Current Minimum Monthly Payment($)	Negative Amortization Cap(%)
1	4,418,202.86	360	349	5.6795599084	4.3370000000	2.9425599084	9.9724847249	2	4,436,300.00	15,002.00	125
1	4,610,531.51	360	350	5.4733190718	4.3370000000	2.7363190718	10.0347027730	3	4,625,157.00	15,618.94	124
1	5,972,711.41	360	351	5.2843873462	4.3370000000	2.5473873462	10.0555050172	4	5,996,580.00	19,673.17	123
1	3,291,489.51	360	352	5.4305958299	4.3370000000	2.6935958299	10.0489557059	5	3,298,241.00	11,298.37	123
1	12,601,123.91	360	353	5.2487394010	4.3370000000	2.5117394010	10.0281971866	6	12,615,370.00	42,116.26	124
1	15,970,691.73	360	354	5.2627601303	4.3370000000	2.5257601303	10.0205427762	7	16,003,304.00	53,516.17	124
1	14,700,420.15	360	355	5.2945811251	4.3370000000	2.5575811251	10.0278113421	8	14,727,925.00	49,325.10	124
1	41,616,199.88	360	356	5.2095784101	4.3370000000	2.4725784101	9.9720922250	9	41,740,236.00	139,362.31	122
1	309,309,927.62	360	357	5.0450819836	4.3370000000	2.3080819836	9.9635152811	10	310,319,491.00	1,035,354.68	124
1	310,309,604.47	360	358	4.9927170988	4.3370000000	2.2557170988	9.9616783197	11	311,246,891.00	1,038,151.65	124
1	257,132,649.13	360	359	4.9576641369	4.3370000000	2.2206641369	9.9535116785	12	257,981,247.00	865,857.34	124
1	3,945,973.24	360	348	5.5993520156	4.3370000000	2.8623520156	9.9904798772	13	3,970,950.00	13,756.73	125
1	16,133,620.00	360	360	1.3047793985	0.6012527256	2.3035266729	9.9513010099	13	16,133,620.00	54,217.61	123
2	836,059.13	180	173	5.4620826093	4.3370000000	2.7250826093	10.2503304372	6	851,200.00	5,303.35	125
2	50,607.13	180	163	6.0370000000	4.3370000000	3.3000000000	10.3500000000	8	53,500.00	360.89	125
2	80,303.74	180	164	5.6370000000	4.3370000000	2.9000000000	9.9500000000	9	86,500.00	566.80	125
2	310,446.93	180	177	4.9525757572	4.3370000000	2.2155757572	9.9500000000	10	314,731.00	1,918.46	125
2	1,381,117.57	180	178	5.0165142503	4.3370000000	2.2795142503	9.9771221870	11	1,399,400.00	8,101.62	120
2	1,186,374.93	180	177	5.1601866192	4.3370000000	2.4231866192	9.9500000000	12	1,198,150.00	7,406.63	125
2	10,866,522.11	360	349	5.5353880876	4.3370000000	2.7983880876	10.0799246716	2	10,858,265.00	37,200.95	125
2	12,202,718.16	360	350	5.4310532106	4.3370000000	2.6940532106	10.1106919006	3	12,226,711.00	41,085.08	124
2	17,247,640.55	360	351	5.3579309792	4.3370000000	2.6209309792	10.0680826751	4	17,256,970.00	56,991.26	124
2	18,863,172.70	360	352	5.3133128413	4.3370000000	2.5763128413	10.0287672067	5	18,906,215.00	62,547.46	122
2	41,076,150.66	360	353	5.2185880390	4.3370000000	2.4815880390	9.9987885313	6	41,254,945.00	138,057.70	124
2	46,417,005.19	360	354	5.2519004011	4.3370000000	2.5149004011	10.0317210438	7	46,473,626.00	156,650.95	124
2	38,266,460.61	360	355	5.2690027036	4.3370000000	2.5320027036	10.0150988491	8	38,507,723.00	129,108.11	123
2	88,520,274.00	360	356	5.1840950927	4.3370000000	2.4470950927	9.9857837140	9	88,886,539.00	300,422.60	122
2	563,677,879.11	360	357	5.0565608403	4.3370000000	2.3195608403	9.9652974382	10	565,661,930.00	1,904,099.93	124
2	750,381,264.82	360	358	5.0259028525	4.3370000000	2.2889028525	9.9629483506	11	753,142,340.00	2,529,732.81	124
2	631,853,294.87	360	359	5.0389376889	4.3370000000	2.3019376889	9.9753336541	12	633,840,945.00	2,132,875.77	124
2	8,019,816.29	360	348	5.6498453540	4.3370000000	2.9128453540	10.1110720853	13	8,029,573.00	28,292.42	125
2	1,258,599.33	480	469	5.3822836049	4.3370000000	2.6452836049	10.0704140670	2	1,256,750.00	3,721.03	125
2	938,826.39	480	470	5.4512095189	4.3370000000	2.7142095189	10.0359301665	3	935,000.00	2,688.74	125
2	546,923.14	480	471	5.2961777920	4.3370000000	2.5591777920	9.9500000000	4	543,250.00	1,505.74	125
2	936,355.62	480	472	5.3437095294	4.3370000000	2.6067095294	10.0786311840	5	931,500.00	2,642.91	125
2	1,245,493.45	480	473	5.1709065977	4.3370000000	2.4339065977	9.9500000000	6	1,239,500.00	3,540.65	125
2	2,730,779.66	480	474	5.3464630103	4.3370000000	2.6094630103	10.0722354846	7	2,724,340.00	7,950.13	125
2	2,146,802.90	480	475	5.3855388742	4.3370000000	2.6485388742	10.0169797218	8	2,143,565.00	6,212.81	124
2	5,947,919.59	480	476	5.3440381089	4.3370000000	2.6070381089	9.9889523537	9	5,992,985.00	17,426.08	122
2	46,436,007.42	480	477	5.0982769617	4.3370000000	2.3612769617	9.9589338472	10	46,435,254.00	135,008.27	124
2	63,957,436.00	480	478	5.0537912077	4.3370000000	2.3167912077	9.9632212233	11	63,994,854.00	185,402.75	125
2	57,271,704.95	480	479	5.0448964519	4.3370000000	2.3078964519	9.9701346654	12	57,363,777.00	165,828.91	124
2	221,644.64	480	468	5.7070000000	4.3370000000	2.9700000000	9.9500000000	13	219,000.00	682.34	125
2	260,000.00	180	180	1.3500000000	0.4000000000	2.5500000000	10.0500000000	13	260,000.00	1,596.44	125
2	531,398,302.06	360	360	1.2989860007	0.6375120711	2.2614739296	9.9605259459	13	531,529,016.00	1,784,572.34	124
2	53,478,103.00	480	480	1.5286806350	0.7920061494	2.3366744856	10.0044411252	13	53,478,103.00	149,139.39	125

- Beginning with the second Accrual Period, One-Year MTA remains constant at 2.865%;
- LIBOR remains constant at 3.57125%;
- each month, borrowers pay the then-current Minimum Monthly Payments;
- the Servicing Fee is as set forth in this Offering Circular;
- after the next adjustment to the Minimum Monthly Payment for each Mortgage, subsequent adjustments will be made once every twelve months thereafter;
- the Payment Cap for each Mortgage is 7.50%;
- the rate floor for each Mortgage is equal to its Margin;
- there are no limitations on the adjustment of the Note Rates on the Mortgages other than the related Rate Ceiling and rate floor;
- no Mortgages are assumed upon the transfer of the related Mortgaged Properties;
- scheduled payments on all Mortgages are received on the first day of each month beginning September 1, 2005;
- any Payoffs on the Mortgages are received on the last day of each calendar month beginning in August 2005 and include 30 days of interest;
- there are no defaults or delinquencies on the Mortgages;
- no optional termination of the Trust occurs;
- there are no partial prepayments on the Mortgages and prepayments are computed after giving effect to scheduled payments received on the following day;
- the Mortgages prepay in full at the indicated constant percentages of CPR;
- the Certificates are issued on the Closing Date;
- payments on the Certificates are made on the 25th day of each month when due; and
- on each payment adjustment date, the Minimum Monthly Payment for each hypothetical mortgage loan will be computed based upon its unpaid principal balance, mortgage interest rate and remaining term such that each hypothetical mortgage loan will fully amortize on its maturity date (subject to the Payment Cap).

Because the Mortgages will have characteristics that differ from those assumed in preparing any table, the actual weighted average lives, pre-tax yields and declining principal balances are likely to differ from those shown, even in the unlikely event that all the Mortgages were to prepay at the assumed rates.

Weighted Average Lives

The weighted average life of a security refers to the average amount of time that will elapse from the date of its issuance until each dollar of principal has been repaid to the investor. The weighted average lives of the Classes of Certificates will depend primarily on the rate at which principal is paid on the Mortgages. Weighted average lives are calculated by:

1. Multiplying the assumed net reduction, if any, in the principal amount on each Payment Date by the number of years from the date of issuance to that Payment Date.

2. Summing the results.

3. Dividing the sum by the aggregate amount of the assumed net reductions in principal amount.

Prepayment Assumption

Prepayments on mortgage loans are commonly measured relative to a prepayment standard or model. The prepayment model used in this Offering Circular is the **"Constant Prepayment Rate"** or **"CPR."** The CPR models assumes an annual constant mortgage prepayment rate each month relative to the then Outstanding Principal Balance of a pool of mortgages for the life of that pool. For example, at 6% CPR, the CPR model assumes that the monthly prepayment rate will be constant at 6% per annum.

The CPR model does not describe historical prepayment experience and cannot predict the prepayment rate of any actual mortgage pool. Even though the tables in this Offering Circular use assumed constant Mortgage prepayment rates, the Mortgages will not prepay at a constant rate until maturity, nor will all of those Mortgages prepay at the same rate. You must make an independent decision regarding the appropriate principal prepayment scenarios to use in deciding whether to purchase Certificates.

Declining Balances Table

The following tables show:

- Percentages of original balances (as of the Closing Date) that would be outstanding after each of the Payment Dates shown at various percentages of CPR.
- Corresponding weighted average lives.

These tables were prepared using the Modeling Assumptions.

Group 1

	1A1						1A2					
	CPR Prepayment Assumption						CPR Prepayment Assumption					
Date	0%	5%	10%	25%	35%	50%	0%	5%	10%	25%	35%	50%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100
August 25, 2006	101	96	90	74	63	46	100	96	90	74	63	46
August 25, 2007	102	91	81	54	39	21	101	91	81	54	39	21
August 25, 2008	102	87	72	39	24	9	101	87	72	39	24	9
August 25, 2009	103	82	64	29	16	5	101	82	64	29	16	5
August 25, 2010	102	77	57	22	10	2	100	77	57	22	10	2
August 25, 2011	100	71	49	16	6	1	98	71	49	16	6	1
August 25, 2012	98	66	43	12	4	1	96	66	43	12	4	1
August 25, 2013	95	61	37	9	3	0	94	61	37	9	3	0
August 25, 2014	93	56	33	6	2	0	91	56	33	6	2	0
August 25, 2015	90	51	29	5	1	0	89	51	29	5	1	0
August 25, 2016	88	47	25	3	1	0	86	47	25	3	1	0
August 25, 2017	85	43	22	2	0	0	83	43	22	2	0	0
August 25, 2018	82	39	19	2	0	0	80	39	19	2	0	0
August 25, 2019	79	36	16	1	0	0	77	36	16	1	0	0
August 25, 2020	75	33	14	1	0	0	74	33	14	1	0	0
August 25, 2021	72	29	12	1	0	0	70	29	12	1	0	0
August 25, 2022	68	27	10	0	0	0	67	27	10	0	0	0
August 25, 2023	64	24	9	0	0	0	63	24	9	0	0	0
August 25, 2024	60	21	7	0	0	0	59	21	7	0	0	0
August 25, 2025	56	19	6	0	0	0	55	19	6	0	0	0
August 25, 2026	51	16	5	0	0	0	50	16	5	0	0	0
August 25, 2027	47	14	4	0	0	0	46	14	4	0	0	0
August 25, 2028	42	12	3	0	0	0	41	12	3	0	0	0
August 25, 2029	36	10	3	0	0	0	36	10	3	0	0	0
August 25, 2030	31	8	2	0	0	0	30	8	2	0	0	0
August 25, 2031	25	6	1	0	0	0	24	6	1	0	0	0
August 25, 2032	19	4	1	0	0	0	18	4	1	0	0	0
August 25, 2033	12	3	1	0	0	0	12	3	1	0	0	0
August 25, 2034	5	1	0	0	0	0	5	1	0	0	0	0
August 25, 2035	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	19.9	11.8	7.7	3.3	2.2	1.3	19.9	11.8	7.7	3.3	2.2	1.3

Group 2

Date	2A1 CPR Prepayment Assumption 0%	5%	10%	25%	35%	50%	2A2 CPR Prepayment Assumption 0%	5%	10%	25%	35%	50%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100
August 25, 2006	101	96	91	76	66	51	100	96	91	76	66	51
August 25, 2007	102	92	83	57	43	25	101	92	83	57	43	25
August 25, 2008	103	88	75	43	28	13	101	88	75	43	28	13
August 25, 2009	103	84	68	33	18	6	101	84	68	33	18	6
August 25, 2010	102	79	61	24	12	3	100	79	61	24	12	3
August 25, 2011	100	74	53	18	8	2	98	74	53	18	8	2
August 25, 2012	98	69	47	13	5	1	96	69	47	13	5	1
August 25, 2013	96	64	41	10	3	0	94	64	41	10	3	0
August 25, 2014	94	59	36	7	2	0	92	59	36	7	2	0
August 25, 2015	91	55	32	5	1	0	89	55	32	5	1	0
August 25, 2016	89	51	28	4	1	0	87	51	28	4	1	0
August 25, 2017	86	47	24	3	0	0	84	47	24	3	0	0
August 25, 2018	83	43	21	2	0	0	81	43	21	2	0	0
August 25, 2019	80	39	18	1	0	0	78	39	18	1	0	0
August 25, 2020	77	36	16	1	0	0	75	36	16	1	0	0
August 25, 2021	73	32	14	1	0	0	72	32	14	1	0	0
August 25, 2022	70	29	12	1	0	0	68	29	12	1	0	0
August 25, 2023	66	26	10	0	0	0	65	26	10	0	0	0
August 25, 2024	62	24	8	0	0	0	61	24	8	0	0	0
August 25, 2025	58	21	7	0	0	0	57	21	7	0	0	0
August 25, 2026	54	18	6	0	0	0	53	18	6	0	0	0
August 25, 2027	49	16	5	0	0	0	48	16	5	0	0	0
August 25, 2028	44	14	4	0	0	0	43	14	4	0	0	0
August 25, 2029	39	12	3	0	0	0	38	12	3	0	0	0
August 25, 2030	34	9	2	0	0	0	33	9	2	0	0	0
August 25, 2031	28	8	2	0	0	0	28	8	2	0	0	0
August 25, 2032	22	6	1	0	0	0	22	6	1	0	0	0
August 25, 2033	16	4	1	0	0	0	16	4	1	0	0	0
August 25, 2034	9	2	0	0	0	0	9	2	0	0	0	0
August 25, 2035	4	1	0	0	0	0	4	1	0	0	0	0
August 25, 2036	3	1	0	0	0	0	3	1	0	0	0	0
August 25, 2037	3	1	0	0	0	0	3	1	0	0	0	0
August 25, 2038	3	1	0	0	0	0	3	1	0	0	0	0
August 25, 2039	2	0	0	0	0	0	2	0	0	0	0	0
August 25, 2040	2	0	0	0	0	0	2	0	0	0	0	0
August 25, 2041	1	0	0	0	0	0	1	0	0	0	0	0
August 25, 2042	1	0	0	0	0	0	1	0	0	0	0	0
August 25, 2043	1	0	0	0	0	0	1	0	0	0	0	0
August 25, 2044	0	0	0	0	0	0	0	0	0	0	0	0
August 25, 2045	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	20.5	12.5	8.2	3.5	2.4	1.5	20.5	12.5	8.2	3.5	2.4	1.5

Yield Calculations

Pre-tax yields are calculated by:

1. Determining the monthly discount rates (whether positive or negative) that, when applied to the assumed stream of cash flows to be paid on a Class, would cause the discounted present value of those cash flows to equal the assumed purchase price (excluding accrued interest) of the Class.

2. Converting the monthly rates to corporate bond equivalent (semiannual payment) rates.

These yield calculations do not take into account any variations in the interest rates at which you might reinvest payments that you receive. Consequently, they will not reflect the return on any investment when those reinvestment rates are considered.

Yield Considerations with Respect to X

X generally receives only payments of interest (except for amounts added to its component principal balances as a result of the allocation of Net Negative Amortization, which are later distributed to X as principal). The yield to maturity on X will be extremely sensitive to the level of prepayments on the Mortgages. The faster the prepayments, the less interest X will receive, other things being equal. Furthermore, the higher the interest rates on the Mortgages that prepay, the less interest X will receive. If for any Payment Date the Group 1 and 2 Net WAC Caps are equal to the weighted average of the Class Coupons of the related Certificates, X will receive no payments of interest on that Payment Date. Prospective investors should fully consider the risks associated with an investment in X, including the possibility that if the rate of prepayments on the Mortgages is faster than expected or an optional termination of the Trust occurs earlier than expected, investors may not fully recover their initial investments.

The following table shows pre-tax yields to maturity (corporate bond equivalent) of X at various percentages of CPR. We have prepared this table using the Modeling Assumptions and the assumed price in the table caption, excluding accrued interest. Actual sales will not necessarily occur at the assumed prices.

X Class
(Assumed Price: 1.218%)

5% CPR	10% CPR	25% CPR	35% CPR	50% CPR
43.7%	37.1%	16.3%	0.3%	(29.0)%

Any differences between the assumptions and the actual characteristics and performance of the Mortgages may result in a yield to maturity being different from those shown in the table. **Discrepancies between assumed and actual characteristics and performances underscore the hypothetical nature of the table, which is provided only to give a general sense of the sensitivity of the yield to maturity of X in varying prepayment scenarios.**

In addition, it is highly unlikely that the Mortgages will prepay at a constant level of the CPR until maturity or that all of the Mortgages will prepay at the same rate. The timing of changes to the rate of prepayments may significantly affect the actual yield to maturity to an investor, even if the average rate of prepayments is consistent with an investor's expectation. In general, the earlier a payment of principal on the Mortgages, the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield to maturity of prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the certificates will not be equally offset by a later like reduction (or increase) in the rate of prepayments. Based on the Modeling Assumptions, if the actual prepayment rate were to exceed 35.1% CPR, even for one month, while equaling that rate for all other months, investors in X would not fully recover their initial purchase price.

CERTAIN LEGAL ASPECTS OF THE MORTGAGES

The following discussion is a summary of certain legal aspects of Mortgages secured by single-family residential properties. Such legal aspects are governed primarily by applicable state laws which may differ considerably. The summary, therefore, is not intended to be complete nor reflect the laws of any particular state. You should refer to the applicable federal and state laws governing the Mortgages.

General

The Mortgages are deeds of trust, security deeds or deeds to secure debt or mortgages, depending upon the prevailing practice and law in the state in which the Mortgaged Property is located. A mortgage creates a lien upon the real property encumbered by the mortgage. It is not prior to the lien for real estate taxes and assessments. Priority between mortgages depends on their terms and generally on the order of filing with a state or county office. There are two parties to a mortgage: the mortgagor, who is usually the borrower and homeowner, and the mortgagee, who is the lender. Under the mortgage instrument, the mortgagor delivers to the mortgagee a note or bond and the mortgage. Although a deed of trust is similar to a mortgage, a deed of trust formally has three parties; the borrower-homeowner, called the trustor (similar to a mortgagor), a lender, called the beneficiary (similar to a mortgagee), and a third-party grantee, called the trustee. Under a deed of trust, the trustor grants the property, irrevocably until the debt is paid, in trust, generally with a power of sale, to the trustee to secure payment of the obligation. In some cases, a mortgage will also contain a power of sale. The trustee's authority under a deed of trust and the mortgagee's authority under a mortgage are governed by law, by the express provisions of the deed of trust or mortgage and, in some cases, by the directions of the beneficiary. For purposes of the following discussion "mortgagor" shall, as appropriate, refer to a mortgagor or trustor, and "lender" shall refer to a mortgagee or beneficiary.

Foreclosure

Judicial Foreclosure

Foreclosure may be accomplished by judicial action. The action is initiated by the service of legal pleadings upon all parties having an interest in the real property. Delays in completion of the foreclosure may occasionally result from difficulties in locating necessary parties defendant. Judicial foreclosure proceedings are generally not contested by any of the parties defendant. However, when the lender's right to foreclose is contested, the legal proceedings necessary to resolve the issue can be time consuming. After the completion of judicial foreclosure, the court would issue a judgment of foreclosure and would generally appoint a referee or other court officer to conduct the sale of property.

Non-Judicial Foreclosure

In many states, foreclosure of a mortgage or deed of trust may also be accomplished by a nonjudicial sale under a specific provision in the mortgage or deed of trust which authorizes the sale of the property at public auction upon default by the mortgagor. The laws of the various states establish certain notice requirements for non-judicial foreclosure sales. In some states, notice of default must be recorded and sent to the mortgagor and to any person who has recorded a request for a copy of a notice of default and notice of sale. In addition, notice must be provided in some states to certain other persons including junior lienholders and any other individual having an interest in the real property. In some states, the mortgagor, or any other person having a junior encumbrance on the real estate, may, during a reinstatement period, cure the default by paying the entire amount in arrears, plus the costs and expenses incurred in enforcing the obligation. Generally, state law controls the amount of foreclosure expenses and costs, including limited attorneys' fees, which may be recovered by a lender. Some states also require a notice of sale to be posted in a public place and published for a specified period of time in one or more newspapers. In addition, some state laws require that a copy of the notice of sale be posted on the property and sent to all parties having an interest in the real property.

Public Sale

In case of foreclosure under either a mortgage or a deed of trust, the sale by the receiver or other designated officer or by the trustee is a public sale. However, because of a number of factors, including the difficulty a potential buyer at the sale would have in determining the exact status of title and the fact that the physical condition of the property may have deteriorated during the foreclosure proceedings, it is uncommon for a third party to purchase the property at the foreclosure sale. Rather, it is common for the lender to purchase the property from the trustee or referee with a credit bid in an amount equal to the principal amount of the mortgage or deed of trust, accrued and unpaid interest and the expenses of foreclosure. Thereafter, the lender will assume the burdens of ownership, including obtaining casualty insurance and making such repairs at its own expense as are necessary to render the property suitable for sale. The lender will commonly obtain the services of a real estate broker and pay the broker's commission in connection with the sale of the property. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the property.

Equitable Principles

Courts have imposed general equitable principles upon foreclosure proceedings. These equitable principles are generally designed to relieve the mortgagor from the legal effect of his defaults under the loan documents. Examples of judicial remedies that have been fashioned include judicial requirements that the lender undertake affirmative and sometimes expensive actions to determine the causes for the mortgagor's default and the likelihood that the mortgagor will be able to reinstate the loan. In some cases, courts have substituted their judgment for the lender's judgment and have required that lenders reinstate loans or recast payment schedules in order to accommodate mortgagors who are suffering from a temporary financial disability. In other cases, courts have limited the right of the lender to foreclose if the default under the security instrument is not monetary, such as the mortgagor failing to adequately maintain or insure the property or the mortgagor executing a second mortgage or deed of trust affecting the property. Some courts have been faced with the issue of whether or not federal or state constitutional provisions reflecting due process concerns for adequate notice require that mortgagors receive notices in addition to the statutorily prescribed minimum. For the most part, these cases have upheld the notice provisions as being reasonable or have found that the foreclosure sale does not involve sufficient state action to afford constitutional protections to the mortgagor.

REO Properties

Because one or more REMIC elections will be made with respect to the assets of the Trust, if title to any Mortgaged Property is acquired by the Trust on behalf of the Holders, the Servicer, on behalf of such Holders, will be required to sell a Mortgaged Property as soon as practicable, but not later than the end of the third year after the date title is acquired, or by such later date as will not result in the imposition of a tax on the Trust or cause the REMIC created pursuant to the Trust Agreement to fail to qualify as a REMIC under the Code.

Rights of Redemption

In some states, after sale pursuant to a deed of trust or foreclosure of the mortgage, there are statutory periods during which the mortgagor and foreclosed junior lienors may redeem the property from the foreclosure sale. One effect of the statutory right of redemption is to diminish the ability of the lender to sell the foreclosed property because the right of redemption would defeat the title of any purchaser from the lender subsequent to foreclosure or sale under a deed of trust. As a practical matter, the lender may therefore be forced to retain the property and pay the expenses of ownership until the redemption period has run.

Anti-Deficiency Legislation and Other Limitations on Lenders

Certain states have imposed statutory prohibitions which restrict or eliminate the remedies of a lender under a deed of trust or a mortgage. In some states, statutes limit the right of the lender to obtain a deficiency judgment against the mortgagor following sale under a deed of trust or foreclosure. A deficiency judgment would be a personal judgment against the former mortgagor equal in most cases to the difference between the net amount realized upon the public sale of the real property and the amount due to the lender. Other statutes may require the lender to exhaust the security afforded under a deed of trust or mortgage by foreclosure in an attempt to satisfy the full debt before bringing a personal action against the mortgagor. Some state statutes also prohibit any deficiency judgment where the loan proceeds were used to purchase an owner-occupied dwelling. Finally, other statutory provisions limit any deficiency judgment against the former mortgagor following a judicial sale to the excess of the outstanding debt over the fair market value of the property at the time of the public sale. The basic purpose of these statutes is to prevent a lender from obtaining a large deficiency judgment against the former mortgagor as a result of low or no bids at the judicial sale.

In addition to anti-deficiency and related legislation, numerous other statutory provisions, including the federal bankruptcy laws and state laws affording relief to debtors, may interfere with or affect the ability of the secured mortgage lender to collect the full amount of interest due or realize upon its security. For example, with respect to federal bankruptcy law, a court with federal bankruptcy jurisdiction may permit a mortgagor to cure a monetary default in respect of a mortgage loan on the mortgagor's residence by paying arrearages within a reasonable time period and reinstating the original mortgage loan payment schedule even though the lender accelerated the mortgage loan and foreclosure proceedings had occurred prior to the filing of the debtor's petition. Some courts with federal bankruptcy jurisdiction have approved plans, based on the particular facts of the case, that effected the curing of a mortgage loan default by paying arrearages over a number of years.

Courts with federal bankruptcy jurisdiction have also held that the terms of a mortgage loan secured by property of the mortgagor may be modified. These courts have held that such modifications may include reducing the amount of each monthly payment, changing the rate of interest, altering the repayment schedule, and reducing the lender's security interest to the value of the mortgaged property, thus leaving the lender in the position of a general unsecured creditor for the difference between the value of the residence and the outstanding balance of the mortgage loan.

The Code provides priority to certain tax liens over the lien of the security instrument. Numerous federal and some state consumer protection laws impose substantive requirements upon lenders in connection with the origination and the servicing of mortgage loans. These laws include the federal Truth-in-Lending Act, Real Estate Settlement Procedures Act, Equal Credit Opportunity Act, Fair Credit Billing Act, Fair Credit Reporting Act and related statutes. These federal laws impose specific statutory liabilities upon lenders who originate mortgage loans and who fail to comply with the provisions of the law. In some cases, this liability may affect assignees of the mortgage loans.

Relief Act

Under the terms of the Relief Act, a mortgagor who enters military service after the origination of such mortgagor's mortgage loan (including a mortgagor who is a member of the National Guard or is in reserve status at the time of the origination of the mortgage loan and is later called to active duty) may not be charged interest above an annual rate of 6% during the period of such mortgagor's active duty status, and the lender must forgive any interest above such annual rate, unless a court or administrative agency of the United States or of any State orders otherwise upon application of the lender. Any shortfall in interest collections resulting from the application of the Relief Act could result in a shortfall of cash available to the Holders of the Certificates. In addition, the Relief Act imposes limitations, which would impair the ability of the Servicer to foreclose on an affected Mortgage during the borrower's period of active duty status. Thus, in the event that such a Mortgage goes into default, there may be delays and losses occasioned by the inability to realize upon the Mortgaged Property in a timely fashion.

However, the Freddie Mac guarantee will cover any interest shortfall or losses on the Offered Certificates resulting from application of the Relief Act.

Due-on-Sale Clauses

Certain of the Mortgages contain due-on-sale clauses. These clauses generally provide that the lender may accelerate the maturity of the loan if the mortgagor sells, transfers or conveys the related Mortgaged Property. The enforceability of due-on-sale clauses has been the subject of legislation or litigation in many states and, in some cases, the enforceability of these clauses was limited or denied. However, with respect to certain loans the Garn-St Germain Depository Institutions Act of 1982 (the **"Garn-St Germain Act"**) preempts state constitutional, statutory and case law that prohibits the enforcement of due-on-sale clauses and permits lenders to enforce these clauses in accordance with their terms, subject to certain limited exceptions. Due-on-sale clauses contained in mortgages originated by federal savings and loan associations or federal savings banks are fully enforceable pursuant to regulations of the United States Federal Home Loan Bank Board, as succeeded by the OTS, which preempt state law restrictions on the enforcement of such clauses. Similarly, due-on-sale clauses in mortgage loans made by national banks and federal credit unions are now fully enforceable pursuant to preemptive regulations of the OCC and the National Credit Union Administration, respectively.

The Garn-St Germain Act also sets forth nine specific instances in which a mortgage lender covered by the act (including the Sellers) may not exercise a due-on-sale clause, notwithstanding the fact that a transfer of the property may have occurred. These include intra-family transfers, certain transfers by operation of law, leases of fewer than three years and the creation of a junior encumbrance. Regulations promulgated under the Garn-St Germain Act also prohibit the imposition of a prepayment penalty upon the acceleration of a loan pursuant to a due-on-sale clause. The inability to enforce a due-on-sale clause may result in a mortgage that bears an interest rate below the current market rate being assumed by a new home buyer rather than being paid off, which may affect the average life of the Mortgages and the number of Mortgages which may extend to maturity.

Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980, enacted in March 1980 (**"Title V"**), provides that state usury limitations shall not apply to certain types of residential first mortgage loans originated by certain lenders after March 31, 1980. A similar federal statute was in effect with respect to mortgage loans made during the first three months of 1980. The Federal Home Loan Bank Board (now the OTS) has issued regulations governing the implementation of Title V. The statute authorizes any state to reimpose interest rate limits by adopting before April 1, 1983, a law or constitutional provision which expressly rejects application of the federal law. In addition, even where Title V is not so rejected, any state is authorized to adopt a provision limiting discount points or other charges prior to origination on mortgage loans covered by Title V.

In the Mortgage Purchase Agreement, each Seller will represent and warrant that all Mortgages are originated in full compliance with applicable state laws, including usury laws. See *Description of Certificates — Representations and Warranties.*

Alternative Mortgage Instruments

Alternative mortgage instruments, including adjustable-rate mortgage loans, originated by non-federally chartered lenders have historically been subjected to a variety of restrictions. Such restrictions differed from state to state, resulting in difficulties in determining whether a particular alternative mortgage instrument originated by a state-chartered lender was in compliance with applicable law. These difficulties were alleviated substantially as a result of the enactment of Title VIII of the Garn-St Germain Act (**"Title VIII"**). Title VIII provides that, notwithstanding any state law to the contrary, state-chartered banks may originate alternative mortgage instruments in accordance with regulations promulgated by the OCC with respect to origination of alternative mortgage instruments by national banks, state-chartered credit unions may originate alternative mortgage instruments in accordance with regulations promulgated by the National Credit Union Administration with respect to origination of alternative mortgage instruments by federal credit unions, and all other non-federally chartered housing creditors, including state-chartered savings and loan associations, state-chartered savings banks and mortgage banking companies, may originate alternative mortgage instruments in accordance with the regulations promulgated by the Federal Home Loan Bank Board (now the OTS) with respect to origination of alternative mortgage instruments by federal savings and loan associations. Title VIII provides that any state may reject applicability of the provisions of Title VIII by adopting, prior to October 15, 1985, a law or constitutional provision expressly rejecting the applicability of such provisions. Certain states have taken such action.

Environmental Risks

Real property pledged as security to a lender may be subject to unforeseen environmental risks. Under the laws of certain states, contamination of a property may give rise to a lien on the property to assure the payment of costs of clean-up. In several states, such a lien has priority over the lien of an existing mortgage against such property.

In addition, under the laws of some states and under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (**"CERCLA"**), a lender may be liable, as an "owner" or "operator", for costs arising out of releases or threatened releases of hazardous substances that require remedy at a mortgaged property. CERCLA imposes liability for such costs on any and all "responsible parties", including the current owner or operator of a contaminated property, regardless of whether or not the environmental damage was caused by a prior owner. However, CERCLA excludes from the definition of "owner or operator" a secured creditor who holds indicia of ownership primarily to protect its security interest, but does not "participate in the management" of a mortgaged property. The conduct which constitutes "participation in the management", such that the lender would lose the protection of the exclusion for secured creditors, has been a matter of judicial interpretation of the statutory language, and court decisions have historically been inconsistent. In 1990, the United States Court of Appeals for the Eleventh Circuit suggested, in *United States v. Fleet Factors Corp.* , that the mere capacity of the lender to influence a borrower's decisions regarding disposal of hazardous substances was sufficient participation in the management of the borrower's business to deny the protection of the secured creditor exclusion to the lender, regardless of whether the lender actually exercised such influence. Other judicial decisions did not interpret the secured creditor exclusion as narrowly as did the *Fleet Factors* decision.

This ambiguity appears to have been resolved by the enactment of the Asset Conservation Lender Liability and Deposit Insurance Protection Act of 1996 (the **"Asset Conservation Act"**), which took effect on September 30, 1996. The Asset Conservation Act provides that in order to be deemed to have participated in the management of a mortgaged property, a lender must actually participate in the operational affairs of the property or of the borrower. The Asset Conservation Act also provides that participation in the management of the property does not include "merely having the capacity to influence or unexercised right to control" operations. Rather, a lender will lose the protection of the secured creditor exclusion only if it exercises decision making control over the borrower's environmental compliance and hazardous substance handling and disposal practices, or assumes day-to-day management of all operational functions of the mortgaged property. It should also be noted, however, that liability for costs associated with the investigation and clean-up of environmental contamination may also be governed by state law, which may not provide any specific protections to lenders, or, alternatively, may not impose liability on lenders at all.

CERCLA does not apply to petroleum products, and the secured creditor exclusion, therefore, does not apply to liability for clean-up costs associated with releases of petroleum contamination. Federal regulation of underground petroleum storage tanks (other than heating oil tanks) is governed by Subtitle I of the federal Resource Conservation and Recovery Act (**"RCRA"**). The United States Environmental Protection Agency (**"EPA"**) has promulgated a lender liability rule for underground storage tanks regulated by Subtitle I of RCRA. Under the EPA rule, a holder of a security interest in an underground storage tank, or real property containing an underground storage tank, is not considered an operator of the underground storage tank as long as petroleum is not added to, stored in or dispensed from the tank by the holder of the security interest. Moreover, amendments to RCRA, enacted in 1996, concurrently with the CERCLA amendments discussed in the previous paragraph, extend to the holders of security interests in petroleum underground storage tanks the same protections accorded to secured creditors under CERCLA. Again, it should be noted, however, that liability for clean-up of petroleum contamination may be governed by state law, which may not provide any specific protection for lenders or, alternatively, may not impose liability on lenders at all.

At the time the Mortgages were originated, no environmental assessment or a very limited environment assessment of the Mortgaged Properties will have been conducted.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

GENERAL

The following generally describes the anticipated material federal income tax consequences of purchasing, owning and disposing of the Offered Certificates. It does not address special rules which may apply to particular types of investors. The authorities on which this discussion is based are subject to change or differing interpretations, and any such change or interpretation could apply retroactively. Investors should consult their own tax advisors regarding the Offered Certificates.

We will elect to treat applicable portions of the Trust as a REMIC under the Code (each such portion, a **"REMIC Pool"**). Assuming (1) such election, (2) compliance with the applicable agreements and (3) compliance with changes in the law, each REMIC Pool will qualify as a REMIC. In that case, a REMIC Pool will not be subject to tax. In addition, the following will be treated as a regular interest in the Upper-Tier REMIC Pool: (i) each of 1A1 and 2A1, (ii) each of 1A2, 2A2 and the Group 1 Subordinate Certificates (exclusive of the right to receive any Carryover Shortfall Amount), and (iii) X (exclusive of the obligation to pay any Carryover Shortfall Amount). R will be treated as the residual interest in the Upper-Tier REMIC Pool, and RS will be treated as the residual interest in the Lower-Tier REMIC Pool.

1A2, 2A2 and the Group 1 Subordinate Certificates will also represent beneficial ownership of a financial contract (each a **"Cap Agreement"**) representing the right to receive the Carryover Shortfall Amount. X will represent beneficial ownership of a regular interest along with the obligation to make payments under the Cap Agreements. The arrangement consisting of a regular interest and the corresponding Cap Agreement(s) will be characterized as a grantor trust under subpart E, part I of subchapter J of the Code and not as an association taxable as a corporation.

Notwithstanding the intent of the parties to treat the Certificates that represent both ownership of a regular interest and an interest in a Cap Agreement as interests in a grantor trust for federal income tax purposes, the Internal Revenue Service may contend that investors in these Certificates are partners in a partnership (or partnerships) for federal income tax purposes, the assets of which are the related regular interests. If such arrangement were classified as a partnership, the tax treatment of the beneficial owners as partners in such a partnership could differ materially from that described below. For example, these beneficial owners may be subject to differences in timing and character of income and beneficial owners that are non-U.S. persons (as defined below) may be subject to withholding with respect to some or all of the payments made on these Certificates. Prospective investors in 1A2, 2A2 and X should consult their own tax advisors regarding the specific effect any such classification may have upon them.

STATUS OF THE OFFERED CERTIFICATES

The regular interests will constitute assets described in Code Section 7701(a)(19)(C) and "real estate assets" under Code Section 856(c)(4)(A), to the extent the assets of the related REMIC Pool are so treated. Interest on the regular interests will be "interest on obligations secured by mortgages on real property or on interests in real property" within the meaning of Code Section 856(c)(3)(B) in the same proportion that the income of the REMIC Pool is so treated. If at all times 95% or more of the assets or income of the related REMIC Pool qualifies for any of the foregoing treatments, the regular interests (and income on them) will qualify for the corresponding status in their entirety. In determining the tax status of the Upper-Tier REMIC Pool, however, we will apply the 95% test assuming the Lower-Tier regular interests have the same characteristics as the related Lower-Tier REMIC Pool. We anticipate that the regular interests will qualify for the foregoing treatments in their entirety. The regular interests will be "qualified mortgages" under Code Section 860G(a)(3) for another REMIC.

By contrast, the Cap Agreements will not qualify for the treatments described above. Additionally, because X includes an obligation to make payments under the Cap Agreements, X generally will not be an appropriate investment for another REMIC. Accordingly, the entities for which these treatments are relevant should consult their tax advisor regarding a purchase of 1A2, 2A2 and X.

ALLOCATIONS

Beneficial owners of the 1A2, 2A2 and X must separately account for their rights in the underlying regular interest and their rights under (or obligations with respect to) the related Cap Agreement(s) for federal income tax purposes. Such beneficial owners must establish a separate purchase price for the regular interest and the related Cap Agreement(s).

Specifically, such beneficial owners (other than beneficial owners of X) must allocate their purchase price for the Certificate between the underlying regular interest and the Cap Agreement in accordance with the relative fair market values of each.

Beneficial owners of X will be treated as having entered into a Cap Agreement with holders of each of 1A2, 2A2 and the Group 1 Subordinate Certificates. Such beneficial owners should be considered to have purchased the regular interest for an amount equal to the cost of X plus the aggregate fair market values, at the time of purchase of X, of the premiums that the X Certificateholder is treated as receiving for entering into each of the Cap Agreements (each such premium, a **"Cap Premium"**). Accordingly, the beneficial owner of X will have an initial tax basis in the underlying regular interest that is greater than the amount such beneficial owner paid for X.

The initial amounts of such Cap Premiums will be furnished to the Trustee for federal income tax reporting purposes, but such amounts may differ for purchasers after the initial issuance of 1A2, 2A2 and X. The OID regulations provide that the Trustee's allocation of the issue price is binding on all initial beneficial owners unless such a beneficial owner explicitly discloses on its tax return that its allocation is different from the Trustee's allocation. The Trustee's allocation is not binding on the Internal Revenue Service.

When a beneficial owner of 1A2 or 2A2 sells a certificate, such owner will be required to allocate the sales price for the Certificate to the underlying regular interest and the Cap Agreement in proportion to the respective fair market values of each at the time of sale. A beneficial owner that sells X will be considered to have sold its interest in the underlying regular interest for a price equal to the sales price of X *plus* an amount equal to the aggregate fair market value, at the time of sale, of its respective obligations under the Cap Agreements, which amount such beneficial owner will be deemed to have paid to be relieved from its obligations thereunder. Accordingly, the amount realized by X with respect to the underlying regular interest will be greater than the amount received for X.

Beneficial owners of 1A2, 2A2 and X are advised to consult their own tax advisors regarding these allocations.

TAXATION OF THE REGULAR INTERESTS

General

The regular interests will be taxed as newly originated debt instruments for federal income tax purposes. Interest, original issue discount and market discount accrued on a regular interest will constitute ordinary income to the beneficial owner. As a beneficial owner of a regular interest, you must account for interest income on the accrual method.

Original Issue Discount

If a regular interest is issued with "original issue discount," a beneficial owner would be required to include such original issue discount in income as it accrues, without regard to the timing of payments. In the absence of guidance which applies specifically to REMIC regular interests, Freddie Mac and the Trustee will report original issue discount, if any, to the Internal Revenue Service and the beneficial owners of the regular interests based on regulations under Code Sections 1271 through 1275 (the **"OID regulations"**).

The total amount of original issue discount on a regular interest is the excess of its "stated redemption price" over its "issue price." The issue price is the price at which a substantial portion of the regular interest is first sold to the public. The issue price generally includes any pre-issuance accrued interest unless you exclude such amount from the issue price and treat a portion of the stated interest payable on the first Payment Date as a return of that accrued interest rather than as an amount payable under the instrument.

In preparing federal income tax reports to beneficial owners and the Internal Revenue Service, Freddie Mac and the Trustee intend to report income from the regular interests based on the assumption that the stated redemption price is the sum of all payments including stated interest, determined under the Pricing Speed (*i.e.*, the assumed rate of prepayment of the related Mortgages used in pricing the regular interests). As a result, the regular interests will be issued with original issue discount. The Pricing Speed that will be used in determining the rate of accrual of original issue discount and market discount, if any, for federal income tax purposes is 25% CPR, as described in this Offering Circular under "Tabular Information — Prepayment Assumption." The discussion below assumes that the stated redemption price is the sum of all payments as determined based on the Pricing Speed, and a beneficial owner taking a contrary position should consult their tax advisor.

The beneficial owner of a regular interest generally must include in income the original issue discount accrued for each day on which the beneficial owner holds such interest, including the date of purchase, but excluding the date of disposition. The original issue discount accruing on a regular interest in any period equals:

$$\textbf{PV End} + \textbf{Dist} - \textbf{PV Beg}$$

Where:

PV End	=	present value of all remaining distributions to be made as of the end of the accrual period;
Dist	=	distributions made during the accrual period includable in stated redemption price; and
PV Beg	=	present value of all remaining distributions as of the beginning of the accrual period.

The present value of the remaining distributions is calculated based on (1) the original yield to maturity of the regular interest, (2) events (including actual prepayments) that have occurred prior to the end of the period and (3) the Pricing Speed. For these purposes, the original yield to maturity of a regular interest will be calculated based on its issue price and assuming that it will be prepaid in all periods in accordance with the Pricing Speed. The original issue discount accruing during any accrual period will then be divided by the number of days in the period to determine the daily portion of original issue discount for each day.

The daily portions of original issue discount generally will increase if prepayments on the underlying Mortgages exceed the Pricing Speed and decrease if prepayments are slower than the Pricing Speed (changes in the rate of prepayments generally will have the opposite effect in the case of X). If the relative principal payment priorities of a series of the regular interests change, any increase or decrease in the present value of the remaining payments to be made on any such class will affect the computation of original issue discount for the period in which the change in payment priority occurs.

If original issue discount accruing during any accrual period, computed as described above, is negative for any such period, you will be entitled to offset such amount only against future positive original issue discount accruing from your regular interest, and Freddie Mac and the Trustee intend to report income to the Internal Revenue Service in all cases in this manner. The treatment of such negative amounts is not entirely clear, however, particularly in the case of X. For example, you may be entitled to deduct a loss to the extent that your remaining basis would exceed the maximum amount of future payments to which you are entitled, assuming no further prepayments of the Mortgages (or, perhaps, assuming prepayments at a rate equal to the Pricing Speed). While the issue is not clear, all or a portion of such loss may be treated as a capital loss if you treat X as a capital asset. You should consult your tax advisors regarding a regular interest that has a negative amount of original issue discount during any accrual period.

If you are the initial purchaser of interests in two or more series of the regular interests, you should be aware that the OID regulations may treat such interests as a single debt instrument for purposes of the original issue discount provisions.

If a subsequent beneficial owner of a regular interest acquires such regular interest for a price greater than its "adjusted issue price," but less than its remaining stated redemption price, the daily portion for any day is reduced by an amount equal to the product of (1) such daily portion and (2) a fraction, the numerator of which is the amount by which the price exceeds the adjusted issue price and the denominator of which is the sum of the daily portions for such regular interest for all days on and after the date of purchase. The adjusted issue price of a regular interest on any given day is equal to its issue price, increased by all original issue discount previously includable with respect to that interest and reduced by the amount of all previous distributions with respect to that interest included in its stated redemption price at maturity.

Market Discount

The market discount rules may also apply to you. Market discount with respect to a debt instrument that is issued with original issue discount equals the excess of the adjusted issue price over your initial basis in the regular interest.

The Conference Committee Report accompanying the Tax Reform Act of 1986 provides that, until the Treasury Department issues regulations, market discount would accrue (a) on the basis of a constant interest rate (similar to the method described above for accruing original issue discount) or (b) alternatively, in the ratio of original issue discount accrued for the relevant period to the total remaining original issue discount at the beginning of such period.

You generally must recognize accrued market discount as ordinary income to the extent of any distributions includable in the stated redemption price. Moreover, you generally must treat a portion of any gain on a sale or exchange as ordinary income to the extent of the accrued, but unrecognized, market discount to the date of disposition. Alternatively, you may elect to include market discount in income currently as it accrues on all market discount instruments that you acquire in that taxable year or after. You may revoke such an election only with the consent of the Internal Revenue Service.

In addition, the deduction for a portion of interest expense on any indebtedness that you incur or maintain in order to purchase or carry a regular interest purchased with market discount may be required to be deferred. The deferred portion would not exceed the portion of market discount that accrues but is not taken into income currently. Any such deferred interest expense is, in general, allowed as a deduction not later than the year in which the related market discount income is recognized.

Under a *de minimis* rule, market discount with respect to a regular interest will be considered to be zero if the amount of the market discount is less than 0.25% of the class's stated redemption price multiplied by the class's weighted average maturity. The weighted average maturity of a regular interest is computed based on the number of full years (*i.e.*, rounding down partial years) that each distribution of principal is scheduled to be outstanding. You should consult your tax advisors regarding the application of the market discount rules as well as the advisability of making any election with respect to market discount.

Constant Yield Election

The OID regulations allow you to elect to include in gross income all interest that accrues on a debt instrument by using the constant yield method. For purposes of this election, interest includes original issue discount, *de minimis* market discount and market discount. You should consult your tax advisors regarding the advisability of making this election.

Floating Rate Classes

Based on the OID regulations, the rules relating to the accrual of original issue discount generally will apply by assuming that the variable rate is a fixed rate that reflects the overall yield that is reasonably expected for the Certificates. Freddie Mac and the Trustee also intend to apply the rules of the Code relating to market discount based on this assumption.

SPECIAL TAX CONSIDERATIONS APPLICABLE TO THE CAP AGREEMENTS

1A2 and 2A2

The Trustee intends to treat a Cap Agreement as a "notional principal contract" for federal income tax purposes. The portion of a beneficial owner's purchase price allocated to the Cap Agreement under "Allocations" above will be treated as a "nonperiodic payment" with respect to such notional principal contract. Under the applicable regulations, a beneficial owner will generally be required to deduct the nonperiodic payment over time. The applicable regulations provide two alternate methods for calculating these deductions. Under the first method, a beneficial owner generally would deduct the nonperiodic payment over the term of the relevant Certificate by allocating it to each period in accordance with the prices of a series of cash-settled option contracts that reflect the specified index and notional amount expiring in each period. Under the second method, a beneficial owner will be required to deduct the nonperiodic payment over the life of the notional principal contract under a level payment method as if the nonperiodic payment represented the present value of a series of equal payments made or received over the life of the related notional principal contract (adjusted to take into account decreases in notional principal amount), discounted at a rate equal to the rate used to determine the amount of the nonperiodic payment (or some other reasonable rate). Any payments attributable to Carryover Shortfall Amounts will be treated as "periodic payments" with respect to the notional principal contract. A beneficial owner must take into account periodic payments with respect to a notional principal contract under the accrual method of accounting. Any periodic payments received under the related Cap Agreement must be netted against payments deemed made to the counterparty as a result of the nonperiodic payment, rather than accounted for on a gross basis. Net income or deduction with respect to the notional principal contract for a taxable year should constitute ordinary income or ordinary deduction. Individuals may be limited in their ability to deduct any such net deduction. As a result, 1A2 and 2A2 may not be an appropriate investment for any such individual.

Beneficial owners of 1A2 and 2A2 should be aware that the effect of allocating to the regular interest a purchase price less than their purchase price for the entire Certificate is to increase the amount of original issue discount or market discount associated with their regular interest. It is expected that a beneficial owner's amortization as expense of any portion of the nonperiodic payment would offset such increase in the accrual of original issue discount or market discount, but the degree of offset in any given period would depend upon the applicable amortization methodology and whether the beneficial owner had elected to currently accrue market discount, each as discussed above.

Beneficial owners of 1A2 and 2A2 should also be aware that although Treasury regulations under Code Section 1275 generally permit the integration of a "qualifying debt instrument" with a hedge if the combined cash flows of the components are substantially equivalent to the cash flows on a variable rate debt instrument, such regulations specifically disallow integration of debt instruments subject to Section 1272(a)(6) of the Code (*e.g.*, a REMIC regular interest). Therefore, such beneficial owners will be unable to make an integration election with respect to the regular interest and the Cap Agreement.

Freddie Mac and the Trustee will report with respect to the Cap Agreements in part based on an amount of nonperiodic payments and an amortization schedule for such nonperiodic payments determined at initial issuance. Such amounts and amortization may differ for purchasers after initial issuance.

Beneficial owners of 1A2 and 2A2 are advised to consult their own tax advisors regarding the timing, character and source of income and deduction resulting from their ownership of 1A2 and 2A2, including the appropriate method of amortizing any nonperiodic payment.

X

Beneficial owners of X also must separately tax account for the regular interest and their obligations under the multiple Cap Agreements entered into with the beneficial owners of the 1A2, 2A2 and Group 1 Subordinate Certificates. Accordingly, beneficial owners of X will be required to accrue the full amount of original issue discount and market discount on the underlying regular interest during the applicable period regardless of whether such beneficial owners are required to make payments under a Cap Agreement with respect to that same period.

A beneficial owner of X would account for its obligations under the Cap Agreements under the notional principal contract rules described in the preceding section. Such beneficial owner would recognize a nonperiodic payment received under each Cap Agreement over the term of the Cap Agreement, using the methodology described in the preceding section. Similarly, the beneficial owners would deduct periodic payments when made, taken into account on an accrual basis. Net income or deduction with respect to the notional principal contract for a taxable year should constitute ordinary income or ordinary deduction. Individuals may be limited in their ability to deduct any such net deduction. As a result, X may not be an appropriate investment for any such individual.

Beneficial owners of X should be aware that the effect of allocating to the regular interest portion of their Certificate a purchase price in excess of their purchase price for the entire Certificate is to decrease the amount of original issue discount or market discount associated with their regular interest. It is expected that a beneficial owner's amortization into income of any portion of the nonperiodic payments would offset such reduction in the accrual of original issue discount or market discount, but the degree of offset in any given period would depend upon the applicable amortization methodology and whether the beneficial owner had elected to currently accrue market discount, each as discussed above.

Freddie Mac and the Trustee will report with respect to the Cap Agreements in part based on an amount of nonperiodic payments and an amortization schedule for such nonperiodic payments determined at initial issuance. Such amounts and amortization may differ for purchasers after initial issuance.

Beneficial owners of X are advised to consult their own tax advisors regarding the timing, character and source of income and deductions resulting from their ownership of X, including the appropriate method of amortizing any nonperiodic payment.

TAXATION OF THE RESIDUAL INTERESTS

Taxation of REMIC Income

A REMIC's taxable income is determined under the accrual method of accounting in the same manner as the taxable income of an individual, except that (i) the limitation on deductibility of investment interest expense and expenses for the production of income do not apply and (ii) all bad debts will be deductible as business bad debts. REMIC taxable income for a REMIC Pool generally means the REMIC Pool's gross income less deductions. A REMIC Pool's gross income includes interest, original issue discount income and market discount income, if any, reduced by amortization of any premium, on the assets in the REMIC Pool, plus any cancellation of indebtedness income upon allocation of a Realized Loss. In this regard, each REMIC Pool will elect to take all such items (except cancellation of indebtedness income, if any) into account by accruing interest based on a constant yield. Deductions include interest and original issue discount expense on the regular interests, any servicing fees on the REMIC Pool's assets and other administrative expenses as well as any recognized loss with respect to the assets. A beneficial owner of a residual interest (a "Residual Owner") will take into account, as ordinary income or loss, the Residual Owner's allocable share of taxable income or net loss of the related REMIC Pool.

The taxation of a Residual Owner is based on the income and expense of the related REMIC Pool, and not on distributions to the Residual Owner. This method of taxation can produce a significantly less favorable after-tax return for a Residual Owner than would be the case if (1) a residual interest were taxable as a debt instrument or (2) no portion of the taxable income on a residual interest in each period were treated as "excess inclusions" (as defined below). In certain periods, taxable income and the resulting tax liability on a residual interest may exceed any payments received on that Certificate. The excess typically will be greater in the case of the Upper-Tier residual interest. This may occur because (i) the yield of the Lower-Tier regular interests typically will exceed the average yield of the Upper-Tier regular interests in earlier periods or (ii) the REMIC Pool may recognize cancellation of indebtedness income from the allocation of a Realized Loss to a Certificate prior to the recognition of the bad debt expense with respect to the related asset. In addition, a substantial tax may be imposed on certain transferors of a residual interest and certain Residual Owners that are "pass-through" entities. See *Transfers of the Residual Interests*. You should consult your tax advisors before purchasing a residual interest.

Basis and Losses

A Residual Owner may recognize a net loss of the related REMIC Pool only to the extent of the adjusted basis of its residual interest. The initial adjusted basis of a Residual Owner generally is the amount paid for such residual interest. If a residual interest has a negative value, it is unclear whether such a residual interest could have a negative basis and a negative issue price. The initial adjusted basis will be increased by the amount of taxable income of the related REMIC Pool reportable by the Residual Owner and will be decreased (but not below zero), *first,* by any cash distributions from such REMIC Pool and, *second,* by the amount of loss of such REMIC Pool reportable by the Residual Owner. A Residual Owner that is a U.S. person (as defined below), however, may carry over any disallowed loss to offset any taxable income generated by the same REMIC Pool.

A Residual Owner may not amortize the cost of its residual interest. The taxable income of a REMIC Pool, however, will not include any cash received by the REMIC Pool that represents a recovery of the REMIC Pool's basis in its Assets. Such recovery of basis by the REMIC Pool will have the effect of amortization of the issue price of a residual interest over its life. The period of time over which such issue price is effectively amortized, however, may be longer than the economic life of the residual interest.

A subsequent Residual Owner must report on its federal income returns amounts of taxable income or net loss equal to that which an original Residual Owner must report. Adjustments to reduce (or increase) the income of a subsequent Residual Owner that purchased such an interest at a price greater than (or less than) the adjusted issue price of such interest apparently are not permitted or required.

The Treasury Department has issued final regulations addressing the treatment of a payment made to a transferee on the transfer of a "noneconomic residual interest" (as defined below). Under these regulations, the transferee does not immediately recognize the payment as income. Rather, the payment is recognized as income over a period that is reasonably related to the period during which the REMIC is expected to generate taxable income or net loss allocable to the owner of the noneconomic residual interest. The regulations also provide the following two safe harbor methods for tax accounting for the payment:

- A transferee may recognize the payment for federal income tax purposes in the same amounts and over the same period in which the payment is included in the transferee's income for financial reporting purposes, provided that such period is not shorter than the period over which the REMIC is expected to generate taxable income.
- A transferee may recognize the payment for federal income tax purposes ratably over the "anticipated weighted average life of the REMIC," as defined in the REMIC regulations, as determined at the time the transferee acquires a residual interest.

The regulations state that the unamortized amount of the payment must be currently included by a transferee on disposition of a residual interest. Additionally, the regulations provide that a transferee's treatment of the payment is a method of accounting that must be consistently applied to all such payments received by the transferee in connection with noneconomic residual interests. Finally, the regulations state that such payment shall be treated as income from U.S. sources.

If you receive a payment in connection with the acquisition of a residual interest, you should consult your tax advisor as to the proper treatment of such payment.

Treatment of Certain Items of REMIC Income and Expense

Original Issue Discount. In the case of a multi-tier REMIC, the OID regulations provide, and the Trustee intends to report assuming, that the regular interests issued in respect of a lower-tier REMIC will be treated as a single debt instrument for purposes of the original issue discount provisions. As previously discussed with respect to the regular interests, the timing of recognition of negative original issue discount, if any, on a regular interest, in particular X, is uncertain; as a result, the timing of recognition of the related REMIC taxable income is also uncertain. For example, the related REMIC taxable income may be recognized when the adjusted issue price of such regular interest would exceed the maximum amount of future payments with respect to such regular interest, assuming no further prepayments of the Mortgages (or, perhaps, assuming prepayments at a rate equal to the Pricing Speed).

Market Discount. In respect of Mortgages that have market discount, such market discount would be recognized in the same fashion as if it were original issue discount.

Premium. The election to amortize premium under Code Section 171 will not be available for premium on Mortgages that are obligations of individuals originated on or prior to September 27, 1985. Premium on such Mortgages may be deductible, if in accordance with a reasonable method. The allocation of such premium pro rata among principal payments or on the basis of a constant interest rate should be considered a reasonable method.

Excess Inclusions

A portion of the REMIC taxable income of each Residual Owner will be subject to federal income tax in all events. That portion, referred to as the "excess inclusion," is equal to the excess of

REMIC taxable income for the calendar quarter over the daily accruals for such period. The daily accruals are equal to the product of (1) 120% of the federal long-term rate (based on quarterly compounding) under Code Section 1274(d) determined for the month in which a residual interest is issued and (2) the adjusted issue price of such interest at the beginning of such quarter. The federal long-term rate for the month of issuance of a residual interest is published by the Internal Revenue Service on or about the 20th of the preceding month. The adjusted issue price of a residual interest at the beginning of a quarter is the issue price of the interest, plus the amount of the daily accruals of REMIC income attributable to such interest for all prior quarters, decreased (but not below zero) by any prior distributions. The Internal Revenue Service has authority to promulgate regulations providing that if the aggregate value of a residual interest is not considered to be "significant," then a Residual Owner's entire share of REMIC taxable income will be treated as an excess inclusion. This authority has not been exercised.

"Excess inclusions" may not be offset by unrelated losses or loss carryforwards of a Residual Owner. The rule that formerly permitted thrift institutions to use net operating losses and other allowable deductions to offset their excess inclusion income from REMIC residual interests has been repealed, effective for taxable years beginning after December 31, 1995, except with respect to REMIC residual interests that are held at all times after October 31, 1995.

A Residual Owner's excess inclusion is treated as unrelated business taxable income for an organization subject to the tax on unrelated business income. In addition, under Treasury regulations yet to be issued, if a real estate investment trust, regulated investment company or certain other pass-through entities are Residual Owners, a portion of distributions made by such entities would constitute excess inclusions. Moreover, for purposes of computing alternative minimum tax for taxpayers other than thrift institutions, taxable income is determined without regard to the rule for excess inclusions, and the alternative minimum taxable income of any such Residual Owner is not less than such Residual Owner's excess inclusion for the year, effective for all taxable years beginning after December 31, 1986, unless the Residual Owner elects application only to taxable years beginning after August 20, 1996.

Prohibited Transactions

Income from certain transactions, called prohibited transactions, will not be part of the calculation of income or loss includable in the federal income tax returns of Residual Owners, but rather will be taxed directly to the related REMIC Pool at a 100% rate. It is not anticipated that either REMIC Pool will engage in any prohibited transactions. Additionally, because of Freddie Mac's guarantee on the Offered Certificates, in the event such tax is imposed on a REMIC Pool, payments of principal and interest on the Offered Certificates will not be affected.

SALE OR EXCHANGE OF THE OFFERED CERTIFICATES

A beneficial owner generally will recognize gain or loss upon sale or exchange of an Offered Certificate equal to the difference between the amount received and its adjusted basis in the Offered Certificate. A beneficial owner's adjusted basis in the underlying regular or residual interest generally will equal the cost of the interest (subject to the potential limitations discussed above in the case of a residual interest with a negative value), increased by income previously included and reduced (but not below zero) by previous distributions, in the case of a regular interest, or by previous distributions or net losses allowed as a deduction, in the case of a residual interest.

With respect to 1A2, 2A2 and X, a beneficial owner will be required to compute gain or loss with respect to the both the underlying regular interest and the related Cap Agreement(s). As discussed above under "Allocations," a beneficial owner of 1A2 and 2A2 will be required to allocate the sales price for the Certificate between the underlying regular interest and its interest in the related Cap Agreement in proportion to the respective fair market values of each at the time of sale. A beneficial owner of X will be considered to have sold the underlying regular interest for a price equal to the sales price of X plus an amount equal to the aggregate fair market value of its respective obligations under the Cap Agreements.

Any amount allocated to the beneficial owner's rights or obligations under the related Cap Agreement would be considered a "termination payment" under the applicable Treasury regulations. A beneficial owner will have gain or loss from such a termination equal to (i) any termination payment deemed received (or deemed paid) minus (ii) the unamortized portion of any Cap Premium deemed paid (or deemed received) by the beneficial owner upon entering into or acquiring its interest in the related Cap Agreement. Gain or loss realized upon the termination of a Cap Agreement generally will be treated as capital gain or loss and will be long-term or short-term depending on whether Cap Agreement has been held for the long-term capital gain holding period (more than one year).

Except as described below, any gain or loss realized with respect to a regular interest or a residual interest generally will be capital gain or loss and will be long-term or short-term depending on how long the beneficial owner has held such interest. Such gain or loss will be ordinary income or loss (1) for a bank or thrift institution; and (2) in the case of a regular interest, (a) to the extent of any accrued, but unrecognized, market discount or (b) to the extent income recognized by you is less than the income that you would have recognized if the yield on such interest were 110% of the applicable federal rate under Code Section 1274(d).

Whether the termination of the related REMIC Pool will be treated as a sale or exchange of a Residual Owner's interest is not clear. If it is, the Residual Owner will recognize a gain or loss at that time in an amount equal to the Residual Owner's remaining adjusted basis in such interest, if any.

Except as provided in Treasury regulations, the wash sale rules of Code Section 1091 will apply to dispositions of a residual interest where the seller of the interest, during the period beginning six months before the sale or disposition of the interest and ending six months after such sale or disposition, acquires (or enters into any other transaction that results in the application of Code Section 1091 with respect to) any residual interest in any REMIC or any interest in a "taxable mortgage pool" (such as a non-REMIC owner trust) that is economically comparable to the residual interest.

TRANSFERS OF THE RESIDUAL INTERESTS

Disqualified Organizations

A transfer of a residual interest to a "disqualified organization" (as defined below) may result in a tax equal to the product of (1) the present value of the total anticipated future excess inclusions with respect to such interest and (2) the highest corporate marginal federal income tax rate. Such a tax generally would be imposed on the transferor of a residual interest, except that if the transfer is through an agent for a disqualified organization, the agent is liable. A transferor is not liable for this tax if the transferee furnishes to the transferor an affidavit that the transferee is not a disqualified organization and, as of the time of the transfer, the transferor does not have actual knowledge that such affidavit is false.

A "pass-through entity" (as defined below) is subject to tax (at the highest corporate marginal federal income tax rate) on excess inclusions to the extent disqualified organizations hold interests in the pass-through entity. However, this tax will not apply if the pass-through entity receives an affidavit that the record holder is not a disqualified organization and does not have actual knowledge that the affidavit is false. For purposes of the tax described in this paragraph, all interests in an electing large partnership, as defined under Code Section 775, will be treated as held by disqualified organizations.

For these purposes, (1) "disqualified organization" means the United States, any state or political subdivision thereof, any foreign government, any international organization, any agency or instrumentality of any of the foregoing, certain organizations that are exempt from taxation under the Code (including tax on excess inclusions) and certain corporations operating on a cooperative basis and (2) "pass-through entity" means any regulated investment company, real estate investment trust, common trust fund, partnership, trust or estate and certain corporations operating on a cooperative basis. Except as may be provided in Treasury regulations, any person holding an interest in a pass-through entity as a nominee for another will, with respect to such interest, be treated as a pass-through entity.

The Agreements provide that any attempted transfer of a beneficial or record interest in a residual interest will be null and void unless (1) the proposed transferee provides (a) an affidavit that the transferee is not a disqualified organization and is not purchasing such interest on behalf of a disqualified organization and (b) if requested, an opinion of counsel to the effect that the proposed transfer will not cause the residual interest to be held by a disqualified organization; or (2) Freddie Mac consents to the transfer.

Additional Transfer Restrictions

The REMIC regulations provide that a transfer of a noneconomic residual interest is disregarded for all federal income tax purposes if a significant purpose of the transfer is to impede the assessment or collection of tax. Such a purpose exists if, at the time of the transfer, the transferor knew or should have known that the transferee would be unwilling or unable to pay taxes on its share of the taxable income of the REMIC.

Pursuant to a safe harbor, a transferor will be presumed to lack such knowledge (or reason to know) if, after a reasonable investigation, (1) the transferor finds that the transferee historically paid its debts as they came due, and finds no significant evidence that the transferee would not continue to do so, (2) the transferee represents to the transferor that the transferee understands that it might incur tax liabilities in excess of any cash received with respect to the residual interest and that the transferee intends to pay the taxes associated with owning the residual interest as they come due, (3) the transferee represents that it will not cause income from the noneconomic residual interest to be attributable to a foreign permanent establishment or fixed base (within the meaning of an applicable income tax treaty) of the transferee or another U.S. taxpayer, and (4) the transfer satisfies either an "asset test" or a "formula test," as set forth in the REMIC regulations.

Under the REMIC regulations, a transfer satisfies the asset test if (1) the transferee's gross assets for financial reporting purposes exceed $100 million and its net assets for financial reporting purposes exceed $10 million at the time of the transfer and at the close of each of the transferee's two fiscal years preceding the year of transfer, (2) the transferee is an eligible corporation (any domestic subchapter C corporation other than a tax-exempt corporation, regulated investment company, real estate investment trust, REMIC or cooperative) other than a foreign permanent establishment of a domestic corporation and agrees in writing than any subsequent transfer of the interest will be to another eligible corporation in a transaction that satisfies the asset test safe harbor, and (3) the facts and circumstances, including the amount of consideration paid to the transferee, do not reasonably indicate to the transferor that the taxes associated with the residual interest will not be paid.

A transfer satisfies the formula test if the present value of the anticipated tax liabilities associated with holding the residual interest does not exceed the sum of (1) the present value of any consideration given to the transferee to acquire the interest, (2) the present value of the expected future distributions on the interest, and (3) the present value of the anticipated tax savings associated with holding the interest as the REMIC generates losses.

A residual interest in a REMIC (including a residual interest with significant value at issuance) is a noneconomic residual interest unless, at the time of the transfer, (1) the present value of the expected future distributions on the residual interest at least equals the product of the present value of the anticipated excess inclusions and the highest corporate income tax rate in effect for the year in which the transfer occurs and (2) the transferor reasonably expects that for each anticipated excess inclusion the transferee will receive distributions from the REMIC at or after the time at which taxes accrue on the anticipated excess inclusion in an amount sufficient to satisfy the taxes accrued.

The REMIC regulations provide that any transfer of a residual interest (whether or not a noneconomic residual interest) to a non-U.S. person is disregarded for all federal tax purposes if the residual interest has "tax avoidance potential." A residual interest has tax avoidance potential under the REMIC regulations unless, at the time of transfer, the transferor reasonably expects that:

- for each excess inclusion, the REMIC will distribute on the residual interest an amount that will equal at least 30% of the excess inclusion, and
- the transferee will receive each such distribution from the REMIC at or after the time at which the excess inclusion accrues and not later than the close of the calendar year following the calendar year of accrual.

The reasonable expectation requirement will be satisfied if the above test would be met assuming that the Mortgages were to prepay at each rate between 50 percent and 200 percent of the Pricing Speed. The REMIC regulations also provide that a transfer from a non-U.S. person to a U.S. person or to a non-U.S. person engaged in a United States trade or business is disregarded if the transfer has "the effect of allowing the transferor to avoid tax on accrued excess inclusions."

If a residual interest has been held at any time by a non-U.S. person, Freddie Mac (or its agent) will be entitled to withhold (and to pay to the Internal Revenue Service) any portion of any payment on such residual interest that it reasonably determines is required to be withheld. If Freddie Mac (or its agent) reasonably determines that a more accurate determination of the amount required to be withheld from a distribution can be made within a reasonable period after the scheduled date for such distribution, Freddie Mac may hold such distribution in trust for the beneficial owners of any such residual interest, until it can make the more accurate determination.

Certain restrictions will be imposed on transfers of the interests in residual interests, including the requirement that no transfer to a non-U.S. person (or, for certain residual interests, to any person) will be permitted without our written consent. These restrictions, together with those imposed under the REMIC regulations, may have the practical effect of rendering the interests in certain residual interests non-transferable.

The term "non-U.S. person" means any person that is not a "U.S. person." A U.S. person is a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or 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 federal income tax regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over 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 a U.S. persons, also will be U.S. persons.

Miscellaneous

If the equity interest in a non-U.S. person investor is held in whole or in part by a U.S. person, the investor or U.S. person should consult its own tax advisors regarding any tax consequences to such U.S. person of the investor's purchase of a residual interest.

TREATMENT OF SERVICING COMPENSATION

If you are an individual, estate or trust holding a residual interest, you will be subject to limitation with respect to certain itemized deductions described in Code Section 67, to the extent that such deductions, in the aggregate, do not exceed 2% of your adjusted gross income, and you may not be able to deduct such fees and expenses to any extent in computing your alternative minimum tax liability. Such deductions will include servicing, guarantee and administrative fees paid by the REMIC. These deductions will be allocated entirely to the Residual Owners. As a result, the Upper-Tier REMIC Pool will report additional taxable income to Residual Owners in an amount equal to their allocable share of such deductions, and individuals, estates, or trusts holding a residual interest may have taxable income in excess of the cash received.

TAXATION OF CERTAIN FOREIGN INVESTORS

Regular Interests

Interest, including original issue discount, distributable to an investor in a regular interest that is a non-U.S. person not engaged in a U.S. trade or business will be considered "portfolio interest" and, therefore, will not be subject to the 30% federal withholding tax provided that the non-U.S. person provides Internal Revenue Service Form W-8BEN (or an acceptable substitute form), signed under penalties of perjury, identifying the investor and stating, among other things, that the investor in the regular interest is a non-U.S. person. In the case of a regular interest held by a foreign partnership or foreign trust, the form described in the preceding sentence must be provided by the partners or beneficiaries, as the case may be, rather than by the foreign partnership or foreign trust.

If this form is not provided, the 30% federal withholding tax may apply unless an income tax treaty reduces or eliminates such tax. If the interest is effectively connected with the conduct of a trade or business within the United States by a non-U.S. person and the non-U.S. person provides an Internal Revenue Service Form W-8ECI (or an acceptable substitute form), the interest payments will not be subject to the 30% federal withholding tax. The non-U.S. person, however, will be subject to federal income tax at regular rates and non-U.S. persons that are corporations for federal income tax purposes may also be subject to an additional branch profits tax. If you are an investor in a regular interest and are a non-U.S. person, you should consult your tax advisors.

The Cap Agreements

As discussed above under "Special Tax Considerations Applicable to the Cap Agreements," the Trustee intends to treat payments made to a beneficial owner of 1A2, 2A2 and X as includible in income based on the tax regulations relating to notional principal contracts. Under this treatment, a non-U.S. person will not be subject to federal withholding or income tax unless the payments are effectively connected with a U.S. trade or business (and if a tax treaty applies, a permanent establishment) of the non-U.S. person.

Residual Interests

A distribution to a Residual Owner that is a non-U.S. person will not be subject to the 30% withholding tax provided that (1) the conditions described in the second preceding paragraph are met and (2) the distribution does not constitute an "excess inclusion." Excess inclusions are subject to a 30% withholding tax in all events when distributions are made (or when a residual interest is disposed of). The Code grants the Treasury Department authority to issue regulations requiring withholding earlier if necessary to prevent avoidance of tax. The preamble to the REMIC regulations indicates that the Internal Revenue Service is considering this issue. Residual Owners that are non-U.S. persons should consult their own tax advisors.

BACKUP WITHHOLDING

Distributions made on the Offered Certificates and proceeds from the sale of the Offered Certificates to or through certain brokers may be subject to a federal "backup" withholding tax on "reportable payments" (including interest accruals, original issue discount and, under certain circumstances, distributions in reduction of principal amount) unless, in general, you comply with certain procedures or are an exempt recipient. Any amounts so withheld from distributions on the Offered Certificates would be refunded by the Internal Revenue Service or allowed as a credit against your federal income tax.

REPORTING AND ADMINISTRATIVE MATTERS

Reports will be made to the Internal Revenue Service and to holders of record of the Offered Certificates that are not excepted from the reporting requirements.

The Trustee will prepare, sign and file federal income tax returns for each REMIC Pool. To the extent allowable, Freddie Mac will act as the tax matters partner for each REMIC Pool. Each Residual Owner, by the acceptance of a residual interest, agrees that Freddie Mac will act as the beneficial owner's fiduciary in the performance of any duties required of the beneficial owner in the event that the beneficial owner is the tax matters partner.

A Residual Owner is required to treat items on its returns consistently with their treatment on the related REMIC Pool's return, unless the beneficial owner owns 100% of a residual interest for the entire calendar year or the beneficial owner either files a statement identifying the inconsistency or establishes that the inconsistency resulted from incorrect information received from the REMIC Pool. The Internal Revenue Service may assess a deficiency resulting from a failure to comply with the consistency requirement without instituting an administrative proceeding at the REMIC level. Any person that holds a residual interest as a nominee for another person may be required to furnish the related REMIC Pool, in a manner to be provided in Treasury regulations, the name and address of such other person and other information.

STATE AND LOCAL TAX CONSIDERATIONS

In addition to the federal income tax consequences described in "Certain Federal Income Tax Consequences" above, potential investors should consider the state and local income tax consequences of the acquisition, ownership, and disposition of the Offered Certificates. State income tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various tax consequences of investments in the Offered Certificates.

ERISA CONSIDERATIONS

A Department of Labor regulation provides that if an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended, (**"ERISA"**) acquires a "guaranteed governmental mortgage pool certificate," then, for purposes of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code, the plan's assets include the certificate and all of its rights in the certificate, but do not, solely by reason of the plan's holding of the certificate, include any of the mortgages underlying the certificate. Under this regulation, the term "guaranteed governmental mortgage pool certificate" includes a certificate "backed by, or evidencing an interest in, specified mortgages or participation interests therein" if Freddie Mac guarantees the interest and principal payable on the certificate.

The regulation makes it clear that Freddie Mac and other persons, in providing services for the assets in the pool, would not be subject to the fiduciary responsibility provisions of Title I of ERISA, or the prohibited transaction provisions of Section 406 of ERISA or Code Section 4975, merely by reason of the plan's investment in a certificate. The Offered Certificates should qualify as "guaranteed governmental mortgage pool certificates."

The Residual Certificates may not be purchased by plans or persons investing the assets of plans.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether Certificates are legal investments for you and whether you can use Certificates as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators to determine the appropriate treatment of Certificates 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 some types of Certificates or in Certificates generally. Institutions regulated by the OCC, the Board of Governors of the Federal Reserve System, the FDIC, the OTS, the National Credit Union Administration, the Treasury Department or any other federal or state agency with similar authority should review applicable regulations, policy statements and guidelines before purchasing or pledging Certificates.

PLAN OF DISTRIBUTION

Pursuant to the Trust Agreement, Freddie Mac will deposit the Mortgages and other assets into the Trust in exchange for the Certificates. Pursuant to the terms of an underwriting agreement, Freddie Mac has agreed to sell, and the Underwriters have agreed to purchase, 1A2, 2A2, R and RS. The Underwriters propose to offer 1A2, 2A2, R and RS directly to the public from time to time in negotiated transactions at varying prices to be determined at the time of sale. The Underwriters may effect these transactions to or through other dealers. WaMu Capital Corporation is an affiliate of the Sellers and the Servicer. 1A1, 2A1 and X initially will be retained by Freddie Mac. The Group 1 Subordinate Certificates will be privately placed through one or more dealers. The issuance and sale of the Offered Certificates is subject to the concurrent issuance of the Group 1 Subordinate Certificates and vice-versa.

Freddie Mac has agreed to indemnify the Underwriters against certain liabilities.

RATINGS

It is a condition to the issuance of the Certificates that the Rating Agencies assign the ratings specified under *Summary — Ratings.*

The ratings that the Rating Agencies assign to mortgage pass-through certificates reflect the likelihood that Holders will receive all payments to which they are entitled under the transaction. The Rating Agencies analyze the riskiness of the mortgages and the structure of the transaction as described in the operative documents. The ratings do not address how prepayments or recoveries on the Mortgages may affect the yields on the Certificates. In particular, the ratings do not address the possibility that principal prepayments may cause Holders to receive a lower yield than they expect.

The ratings do not address the likelihood that Carryover Shortfall Amounts will be repaid to holders of any applicable Certificates.

LEGAL MATTERS

Certain legal matters will be passed upon for the Trust by Richards, Layton & Finger, P.A. Freddie Mac's General Counsel (or one of its Deputy General Counsels) will render an opinion on certain legal matters for Freddie Mac. McKee Nelson LLP is representing the Underwriters on legal matters concerning the Certificates.

Index of Terms

The following is a list of defined terms used in this Offering Circular and the pages where definitions appear.

GROUP 1 MORTGAGE LOAN TABLES*

First Interest Rate Adjustment Dates of the Mortgage Loans

Month/Year	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
07/03	1	$ 110,257.27	0.01%
04/04	1	$ 168,250.00	0.02%
06/04	3	$ 584,140.14	0.06%
07/04	1	$ 275,761.37	0.03%
08/04	7	$ 1,357,451.08	0.14%
09/04	17	$ 3,757,399.00	0.38%
10/04	19	$ 3,915,794.61	0.39%
11/04	22	$ 4,259,336.99	0.43%
12/04	32	$ 6,475,119.66	0.65%
01/05	18	$ 3,307,985.37	0.33%
02/05	64	$ 12,397,888.99	1.24%
03/05	82	$ 16,697,199.55	1.67%
04/05	68	$ 14,532,170.15	1.45%
05/05	196	$ 41,616,199.88	4.16%
06/05	1,330	$ 307,565,760.55	30.76%
07/05	1,361	$ 310,211,896.54	31.02%
08/05	1,113	$ 256,646,914.27	25.66%
09/05	72	$ 16,133,620.00	1.61%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Year of Initial Monthly Payments of the Mortgage Loans

Year of Initial Monthly Payment	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2003	1	$ 110,257.27	0.01%
2004	105	$ 21,333,021.61	2.13%
2005	4,301	$ 978,569,866.54	97.86%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Original Terms of Mortgage Loans

Loan Terms (in Months)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
360	4,407	$1,000,013,145.42	100.00%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

* Information shown is as of Cut-Off Date, unless otherwise indicated. See Freddie Mac's website at www.freddiemac.com/mbs/data/05s001ln1.pdf for supplemental information about the Group 1 Loans.

Documentation Program Types of the Mortgage Loans

Documentation Program Type	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Full	1,691	$ 365,197,169.81	36.52%
Low	725	$ 172,255,715.20	17.23%
Streamline	130	$ 28,448,589.55	2.84%
VVOE	1,861	$ 434,111,670.86	43.41%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

As of the Cut-Off Date, the weighted average loan-to-value ratio of the Mortgages originated under a reduced documentation program was approximately 65.26%.

Purpose of the Mortgage Loans

Purpose of Loan	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Purchase	1,449	$ 334,548,574.11	33.45%
Refi—Cash Out	2,135	$ 487,680,428.50	48.77%
Refi—No Cash Out	773	$ 165,772,908.28	16.58%
Refi—Prop Improvement	50	$ 12,011,234.53	1.20%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Occupancy Status of the Mortgage Loans

Occupancy Status	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Investor	60	$ 9,148,118.34	0.91%
Owner Occupied	3,814	$ 878,898,956.08	87.89%
Second Home	533	$ 111,966,071.00	11.20%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Type of Mortgage Property Securing of the Mortgage Loans

Property Types	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2-4 Family	191	$ 52,055,468.41	5.21%
Condo	756	$ 161,161,140.25	16.12%
Co-op	8	$ 1,257,032.62	0.13%
Single Family	3,430	$ 780,838,673.44	78.08%
Townhouse	22	$ 4,700,830.70	0.47%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Scheduled Maturity Years of the Mortgage Loans

Year of Maturity	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2033	1	$ 110,257.27	0.01%
2034	122	$ 24,624,511.12	2.46%
2035	4,284	$ 975,278,377.03	97.53%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

The weighted average remaining term of the Mortgage Loans as of the Cut-Off Date is approximately 358 months. The latest of any of the Mortgage Loans is August 2035.

Credit Score Distribution of the Mortgage Loans

Credit Score	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
600 or less	5	$ 994,466.37	0.10%
601—620	9	$ 2,222,014.64	0.22%
621—640	289	$ 60,110,339.69	6.01%
641—680	719	$ 159,105,137.96	15.91%
681—700	507	$ 117,159,131.05	11.72%
701—720	592	$ 135,178,333.91	13.52%
721—740	588	$ 138,978,758.87	13.90%
741—760	567	$ 132,326,331.99	13.23%
761—780	547	$ 126,366,782.10	12.64%
781—800	408	$ 89,919,135.05	8.99%
801 or greater	176	$ 37,652,713.79	3.77%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Based on the Cut-Off Date balance, the weighted average credit score of the Mortgage Loans at origination was approximately 722.

Current Loan-to-Value Ratio of the Mortgage Loans

Current Loan-to-Value Ratio (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
60 or less	1,217	$ 259,849,671.27	25.98%
61—70	509	$ 119,666,479.62	11.97%
71—80	2,629	$ 610,501,861.39	61.05%
81—90	29	$ 5,035,453.43	0.50%
91—100	23	$ 4,959,679.71	0.50%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

At origination, the weighted average loan-to-value ratio of the Mortgage Loans was approximately 68.43%. As of the Cut-Off Date, the weighted average loan-to-value ratio of the Mortgage Loans was approximately 68.22%.

Original Principal Balances of the Mortgage Loans

Range of Original Principal Balance	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1—50,000	20	$ 812,017.51	0.08%
50,001—100,000	239	$ 19,864,211.48	1.99%
100,001—150,000	614	$ 79,296,310.66	7.93%
150,001—200,000	851	$ 151,276,047.78	15.13%
200,001—250,000	904	$ 204,589,974.64	20.46%
250,001—300,000	866	$ 239,130,468.24	23.91%
300,001—350,000	722	$ 235,370,014.32	23.54%
350,001—400,000	174	$ 62,279,705.51	6.23%
400,001—450,000	13	$ 5,565,988.43	0.56%
450,001—500,000	4	$ 1,828,406.85	0.18%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

As of the Cut-Off Date, the original principal balances of the Mortgage Loans ranged from approximately $28,000 to $460,400 to an average of approximately $227,614.

Geographic Distribution by State of the Mortgage Loans

State	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
AZ	167	$ 32,587,261.48	3.26%
CA	1,446	$ 375,644,643.33	37.56%
CO	130	$ 27,671,516.01	2.77%
CT	61	$ 14,020,830.76	1.40%
DC	9	$ 1,871,145.83	0.19%
DE	8	$ 2,023,533.82	0.20%
FL	493	$ 97,505,605.49	9.75%
GA	45	$ 7,715,281.27	0.77%
ID	8	$ 1,662,199.93	0.17%
IL	252	$ 54,772,245.42	5.48%
IN	13	$ 1,914,646.34	0.19%
KS	2	$ 295,621.61	0.03%
KY	4	$ 755,855.07	0.08%
LA	1	$ 111,947.63	0.01%
MA	156	$ 38,165,091.66	3.82%
MD	125	$ 28,516,899.92	2.85%
ME	1	$ 88,000.00	0.01%
MI	132	$ 22,786,327.67	2.28%
MN	81	$ 16,649,161.79	1.66%
MO	21	$ 3,460,518.47	0.35%
MT	3	$ 749,920.34	0.07%
NC	15	$ 3,033,904.87	0.30%
NH	34	$ 6,791,309.78	0.68%
NJ	150	$ 35,917,091.39	3.59%
NV	129	$ 29,825,932.92	2.98%
NY	116	$ 31,569,461.85	3.16%
OH	64	$ 9,406,257.56	0.94%
OR	90	$ 18,506,420.10	1.85%
PA	67	$ 12,471,240.01	1.25%
RI	22	$ 4,436,296.97	0.44%
SC	6	$ 1,173,028.16	0.12%
SD	1	$ 88,332.70	0.01%
TX	35	$ 6,180,632.34	0.62%
UT	57	$ 10,009,017.60	1.00%
VA	147	$ 35,092,695.50	3.51%
WA	264	$ 56,586,967.12	5.66%
WI	52	$ 9,956,302.71	1.00%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

No more than approximately 0.30% of the Mortgage Loans will be secured by Mortgaged Properties in any one California zip code area, and no more than approximately 0.25% of the Mortgage Loans will be secured by Mortgaged Properties in any single zip code area outside of California.

Interest Rate Ceiling of the Mortgage Loans

Ceiling Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
9.550	1	$ 259,671.73	0.03%
9.700	1	$ 142,934.43	0.01%
9.800	15	$ 2,938,741.14	0.29%
9.850	7	$ 1,692,672.46	0.17%
9.950	3,979	$ 905,171,935.01	90.52%
10.000	2	$ 423,952.89	0.04%
10.020	1	$ 239,645.79	0.02%
10.050	249	$ 58,864,391.57	5.89%
10.090	5	$ 1,164,160.62	0.12%
10.150	38	$ 7,876,719.30	0.79%
10.160	12	$ 3,928,276.32	0.39%
10.190	11	$ 2,565,817.99	0.26%
10.220	1	$ 296,689.95	0.03%
10.250	9	$ 1,839,757.54	0.18%
10.260	1	$ 424,010.29	0.04%
10.300	2	$ 544,983.63	0.05%
10.350	61	$ 9,458,917.07	0.95%
10.370	2	$ 561,763.27	0.06%
10.400	3	$ 499,609.36	0.05%
10.450	2	$ 389,754.85	0.04%
10.550	3	$ 441,539.98	0.04%
11.200	1	$ 176,942.96	0.02%
12.450	1	$ 110,257.27	0.01%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Note Rates of the Mortgage Loans as of August 1, 2005

Note Rate(%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1.100	5	$ 1,111,800.00	0.11%
1.250	59	$ 13,291,620.00	1.33%
1.350	4	$ 1,044,000.00	0.10%
1.450	1	$ 236,800.00	0.02%
3.250	3	$ 449,400.00	0.04%
4.437	3	$ 635,216.47	0.06%
4.487	64	$ 15,263,309.40	1.53%
4.507	2	$ 518,778.71	0.05%
4.537	85	$ 20,619,008.63	2.06%
4.547	1	$ 199,614.13	0.02%
4.562	1	$ 227,562.96	0.02%
4.587	112	$ 26,631,662.52	2.66%
4.607	5	$ 1,205,152.07	0.12%
4.637	176	$ 41,054,586.31	4.11%
4.657	10	$ 2,504,241.67	0.25%
4.687	368	$ 82,941,225.70	8.29%
4.697	1	$ 437,973.73	0.04%
4.707	2	$ 664,474.30	0.07%
4.727	1	$ 336,759.60	0.03%
4.737	407	$ 96,796,164.57	9.68%
4.747	1	$ 359,175.29	0.04%
4.757	17	$ 4,394,004.95	0.44%
4.777	1	$ 111,855.43	0.01%
4.787	83	$ 19,174,119.12	1.92%
4.807	3	$ 710,659.58	0.07%
4.827	4	$ 1,081,453.21	0.11%
4.837	102	$ 23,636,946.64	2.36%
4.857	1	$ 357,800.90	0.04%
4.877	2	$ 389,281.89	0.04%
4.887	189	$ 43,704,593.66	4.37%
4.897	1	$ 213,250.04	0.02%
4.907	2	$ 360,425.68	0.04%
4.917	1	$ 139,672.56	0.01%
4.927	2	$ 314,457.23	0.03%
4.937	219	$ 50,802,004.15	5.08%
4.947	3	$ 875,989.07	0.09%
4.957	2	$ 384,550.17	0.04%
4.977	2	$ 450,904.45	0.05%
4.987	351	$ 85,226,008.03	8.52%
5.007	21	$ 5,676,701.94	0.57%
5.012	1	$ 295,321.91	0.03%
5.027	2	$ 443,582.74	0.04%
5.037	64	$ 14,310,966.87	1.43%
5.047	1	$ 111,703.20	0.01%
5.057	3	$ 995,440.67	0.10%
5.067	2	$ 869,767.18	0.09%
5.077	6	$ 1,560,746.90	0.16%
5.087	110	$ 24,339,117.66	2.43%
5.097	1	$ 195,711.49	0.02%
5.107	2	$ 304,230.78	0.03%
5.117	3	$ 680,174.93	0.07%
5.127	16	$ 3,529,568.67	0.35%
5.137	267	$ 59,733,689.83	5.97%

Note Rate(%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
5.147	3	$ 845,988.06	0.08%
5.157	4	$ 1,239,481.91	0.12%
5.167	11	$ 2,298,631.20	0.23%
5.177	35	$ 8,205,102.55	0.82%
5.187	92	$ 20,456,475.83	2.05%
5.197	2	$ 529,739.66	0.05%
5.207	3	$ 569,702.80	0.06%
5.217	18	$ 4,799,717.07	0.48%
5.227	42	$ 9,913,077.15	0.99%
5.237	208	$ 46,123,052.57	4.61%
5.247	3	$ 952,894.36	0.10%
5.257	1	$ 216,271.15	0.02%
5.267	52	$ 11,188,296.94	1.12%
5.277	9	$ 1,990,140.48	0.20%
5.287	70	$ 15,598,939.60	1.56%
5.302	1	$ 307,424.76	0.03%
5.307	1	$ 239,645.79	0.02%
5.317	1	$ 134,345.90	0.01%
5.327	2	$ 657,735.18	0.07%
5.337	269	$ 57,758,048.32	5.78%
5.347	1	$ 307,395.19	0.03%
5.357	11	$ 2,788,496.44	0.28%
5.362	1	$ 111,947.63	0.01%
5.367	3	$ 602,117.47	0.06%
5.377	28	$ 6,375,164.58	0.64%
5.387	53	$ 11,775,317.10	1.18%
5.407	5	$ 1,276,305.58	0.13%
5.417	12	$ 2,698,625.31	0.27%
5.427	2	$ 610,374.23	0.06%
5.437	64	$ 13,429,850.62	1.34%
5.457	1	$ 287,662.26	0.03%
5.467	9	$ 2,246,547.17	0.22%
5.477	8	$ 2,037,077.55	0.20%
5.487	99	$ 20,053,057.62	2.01%
5.497	2	$ 301,767.25	0.03%
5.507	2	$ 230,271.27	0.02%
5.517	56	$ 12,071,238.66	1.21%
5.527	1	$ 225,885.38	0.02%
5.537	80	$ 16,408,302.00	1.64%
5.547	2	$ 574,995.78	0.06%
5.552	2	$ 693,394.79	0.07%
5.557	1	$ 274,101.01	0.03%
5.567	1	$ 278,898.10	0.03%
5.577	3	$ 613,321.32	0.06%
5.587	237	$ 47,360,348.00	4.74%
5.607	2	$ 600,586.70	0.06%
5.617	2	$ 609,269.92	0.06%
5.627	2	$ 472,872.09	0.05%
5.637	28	$ 6,046,595.98	0.60%
5.647	1	$ 298,865.68	0.03%
5.657	5	$ 1,073,570.42	0.11%
5.677	2	$ 335,587.56	0.03%
5.687	14	$ 3,399,010.33	0.34%
5.737	13	$ 1,956,353.87	0.20%
5.777	1	$ 179,838.22	0.02%

Note Rate(%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
5.787	7	$ 885,216.94	0.09%
5.827	1	$ 306,038.23	0.03%
5.877	2	$ 246,277.84	0.02%
5.927	2	$ 558,390.93	0.06%
5.937	8	$ 1,858,976.46	0.19%
5.967	1	$ 323,649.29	0.03%
5.987	1	$ 48,874.29	0.00%
6.027	1	$ 245,257.09	0.02%
6.037	4	$ 530,194.71	0.05%
6.087	1	$ 28,173.90	0.00%
6.137	1	$ 192,840.12	0.02%
6.187	1	$ 110,257.27	0.01%
6.437	1	$ 146,046.40	0.01%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

Margins of the Mortgage Loans

Margin(%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1.700	3	$ 635,216.47	0.06%
1.750	67	$ 15,819,709.40	1.58%
1.770	2	$ 518,778.71	0.05%
1.800	86	$ 20,816,008.63	2.08%
1.810	1	$ 199,614.13	0.02%
1.825	1	$ 227,562.96	0.02%
1.850	117	$ 27,604,662.52	2.76%
1.870	5	$ 1,205,152.07	0.12%
1.900	181	$ 42,325,236.31	4.23%
1.920	10	$ 2,504,241.67	0.25%
1.950	370	$ 83,438,725.70	8.34%
1.960	1	$ 437,973.73	0.04%
1.970	2	$ 664,474.30	0.07%
1.990	1	$ 336,759.60	0.03%
2.000	410	$ 97,633,164.57	9.76%
2.010	1	$ 359,175.29	0.04%
2.020	17	$ 4,394,004.95	0.44%
2.040	1	$ 111,855.43	0.01%
2.050	85	$ 19,507,119.12	1.95%
2.070	3	$ 710,659.58	0.07%
2.090	4	$ 1,081,453.21	0.11%
2.100	103	$ 23,858,296.64	2.39%
2.120	1	$ 357,800.90	0.04%
2.140	2	$ 389,281.89	0.04%
2.150	200	$ 46,263,093.66	4.63%
2.160	1	$ 213,250.04	0.02%
2.170	2	$ 360,425.68	0.04%
2.180	1	$ 139,672.56	0.01%
2.190	2	$ 314,457.23	0.03%
2.200	221	$ 51,291,004.15	5.13%
2.210	3	$ 875,989.07	0.09%
2.220	2	$ 384,550.17	0.04%
2.240	2	$ 450,904.45	0.05%
2.250	353	$ 85,837,208.03	8.58%
2.270	21	$ 5,676,701.94	0.57%
2.275	1	$ 295,321.91	0.03%
2.290	2	$ 443,582.74	0.04%
2.300	65	$ 14,520,966.87	1.45%
2.310	1	$ 111,703.20	0.01%
2.320	3	$ 995,440.67	0.10%
2.330	2	$ 869,767.18	0.09%
2.340	6	$ 1,560,746.90	0.16%
2.350	112	$ 24,717,167.66	2.47%
2.360	1	$ 195,711.49	0.02%
2.370	2	$ 304,230.78	0.03%
2.380	3	$ 680,174.93	0.07%
2.390	16	$ 3,529,568.67	0.35%
2.400	268	$ 60,001,189.83	6.00%
2.410	3	$ 845,988.06	0.08%
2.420	4	$ 1,239,481.91	0.12%
2.430	12	$ 2,498,631.20	0.25%
2.440	35	$ 8,205,102.55	0.82%
2.450	93	$ 20,809,995.83	2.08%

Margin(%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2.460	2	$ 529,739.66	0.05%
2.470	3	$ 569,702.80	0.06%
2.480	18	$ 4,799,717.07	0.48%
2.490	42	$ 9,913,077.15	0.99%
2.500	218	$ 48,318,152.57	4.83%
2.510	3	$ 952,894.36	0.10%
2.520	1	$ 216,271.15	0.02%
2.530	52	$ 11,188,296.94	1.12%
2.540	9	$ 1,990,140.48	0.20%
2.550	70	$ 15,598,939.60	1.56%
2.565	1	$ 307,424.76	0.03%
2.570	1	$ 239,645.79	0.02%
2.580	1	$ 134,345.90	0.01%
2.590	2	$ 657,735.18	0.07%
2.600	272	$ 58,256,348.32	5.83%
2.610	1	$ 307,395.19	0.03%
2.620	11	$ 2,788,496.44	0.28%
2.625	1	$ 111,947.63	0.01%
2.630	3	$ 602,117.47	0.06%
2.640	28	$ 6,375,164.58	0.64%
2.650	53	$ 11,775,317.10	1.18%
2.670	5	$ 1,276,305.58	0.13%
2.680	13	$ 2,995,625.31	0.30%
2.690	2	$ 610,374.23	0.06%
2.700	64	$ 13,429,850.62	1.34%
2.720	1	$ 287,662.26	0.03%
2.730	9	$ 2,246,547.17	0.22%
2.740	8	$ 2,037,077.55	0.20%
2.750	108	$ 21,713,807.62	2.17%
2.760	2	$ 301,767.25	0.03%
2.770	2	$ 230,271.27	0.02%
2.780	56	$ 12,071,238.66	1.21%
2.790	1	$ 225,885.38	0.02%
2.800	81	$ 16,696,302.00	1.67%
2.810	2	$ 574,995.78	0.06%
2.815	2	$ 693,394.79	0.07%
2.820	1	$ 274,101.01	0.03%
2.830	1	$ 278,898.10	0.03%
2.840	3	$ 613,321.32	0.06%
2.850	241	$ 48,364,348.00	4.84%
2.870	2	$ 600,586.70	0.06%
2.880	2	$ 609,269.92	0.06%
2.890	2	$ 472,872.09	0.05%
2.900	28	$ 6,046,595.98	0.60%
2.910	1	$ 298,865.68	0.03%
2.920	5	$ 1,073,570.42	0.11%
2.940	2	$ 335,587.56	0.03%
2.950	15	$ 3,635,810.33	0.36%
3.000	13	$ 1,956,353.87	0.20%
3.040	1	$ 179,838.22	0.02%
3.050	7	$ 885,216.94	0.09%
3.090	1	$ 306,038.23	0.03%
3.140	2	$ 246,277.84	0.02%
3.190	2	$ 558,390.93	0.06%
3.200	8	$ 1,858,976.46	0.19%

Margin (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
3.230	1	$ 323,649.29	0.03%
3.250	1	$ 48,874.29	0.00%
3.290	1	$ 245,257.09	0.02%
3.300	4	$ 530,194.71	0.05%
3.350	1	$ 28,173.90	0.00%
3.400	1	$ 192,840.12	0.02%
3.450	1	$ 110,257.27	0.01%
3.700	1	$ 146,046.40	0.01%
Total:	**4,407**	**$1,000,013,145.42**	**100.00%**

GROUP 2 MORTGAGE LOAN TABLES*

First Interest Rate Adjustment Dates of the Mortgage Loans

Month/Year	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
09/02	1	$ 118,259.50	0.00%
08/03	2	$ 411,605.37	0.01%
10/03	1	$ 318,889.99	0.01%
02/04	1	$ 401,098.47	0.01%
03/04	1	$ 191,826.86	0.01%
04/04	4	$ 450,399.56	0.02%
05/04	8	$ 1,091,752.30	0.04%
06/04	15	$ 2,395,089.59	0.08%
07/04	22	$ 3,955,617.90	0.13%
08/04	21	$ 5,322,826.60	0.18%
09/04	38	$ 7,874,905.39	0.26%
10/04	50	$ 11,499,906.20	0.38%
11/04	61	$ 12,799,851.04	0.43%
12/04	92	$ 17,707,126.58	0.59%
01/05	86	$ 19,209,196.38	0.64%
02/05	185	$ 42,286,073.23	1.41%
03/05	218	$ 50,407,218.62	1.68%
04/05	180	$ 40,430,143.17	1.35%
05/05	416	$ 93,589,446.85	3.12%
06/05	2,642	$ 605,791,437.36	20.19%
07/05	3,517	$ 811,798,254.87	27.06%
08/05	2,969	$ 686,824,675.76	22.89%
09/05	2,495	$ 585,136,405.06	19.50%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Year of Initial Monthly Payments of the Mortgage Loans

Year of Initial Monthly Payment	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2002	1	$ 118,259.50	0.00%
2003	3	$ 730,495.36	0.02%
2004	319	$ 65,060,313.10	2.17%
2005	12,702	$2,934,102,938.69	97.80%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Original Terms of Mortgage Loans

Loan Terms (in Months)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
180	23	$ 4,104,909.43	0.14%
360	12,013	$2,758,790,501.13	91.96%
480	989	$ 237,116,596.09	7.90%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

* Information shown is as of Cut-Off Date, unless otherwise indicated. See Freddie Mac's website www.freddiemac.com/mbs/data/05s001ln2.pdf for supplemental information about the Group 2 Loans.

Documentation Program Types of the Mortgage Loans

Documentation Program Type	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Full	4,258	$ 958,455,436.74	31.95%
Low	1,803	$ 438,488,466.71	14.62%
Streamline	368	$ 78,074,350.07	2.60%
VVOE	6,596	$1,524,993,753.13	50.83%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

As of the Cut-Off Date, The weighted average loan-to-value ratio of the Mortgage Loans originated under a reduced documentation program was approximately 64.91%.

Purpose of the Mortgage Loans

Purpose of Loan	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Purchase	3,788	$ 891,375,740.64	29.71%
Refi—Cash Out	7,055	$1,636,119,138.26	54.54%
Refi—No Cash Out	2,040	$ 438,099,032.57	14.60%
Refi—Prop Improvement	142	$ 34,418,095.18	1.15%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Occupancy Status of the Mortgage Loans

Occupancy Status	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Investor	174	$ 34,847,864.89	1.16%
Owner Occupied	11,999	$2,786,791,049.62	92.89%
Second Home	852	$ 178,373,092.14	5.95%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Type of Mortgage Property Securing of the Mortgage Loans

Property Types	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2-4 Family	659	$ 186,013,997.20	6.20%
Condo	2,242	$ 481,937,284.08	16.06%
Co-op	52	$ 9,665,138.19	0.32%
Single Family	10,011	$2,309,517,676.09	76.98%
Townhouse	61	$ 12,877,911.09	0.43%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Scheduled Maturity Years of the Mortgage Loans

Year of Maturity	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2019	4	$ 340,503.10	0.01%
2020	19	$ 3,764,406.33	0.13%
2032	1	$ 118,259.50	0.00%
2033	3	$ 730,495.36	0.02%
2034	387	$ 80,489,502.58	2.68%
2035	11,622	$2,677,452,243.69	89.25%
2044	17	$ 4,029,835.74	0.13%
2045	972	$ 233,086,760.35	7.77%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

The weighted average remaining term of the Mortgage Loans as of the Cut-Off Date is approximately 367 months. The latest of any of the Mortgage Loans is August 2045.

Credit Score Distribution of the Mortgage Loans

Credit Score	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
Not Available	10	$ 1,710,107.40	0.06%
600 or less	133	$ 27,968,153.18	0.93%
601—620	254	$ 53,135,797.47	1.77%
621—640	1,168	$ 259,842,986.29	8.66%
641—680	2,214	$ 506,806,056.78	16.89%
681—700	1,369	$ 318,911,916.50	10.63%
701—720	1,739	$ 402,855,265.46	13.43%
721—740	1,570	$ 372,604,940.80	12.42%
741—760	1,551	$ 362,305,284.64	12.08%
761—780	1,443	$ 338,313,455.65	11.28%
781—800	1,114	$ 255,115,835.54	8.50%
801 or greater	460	$ 100,442,206.94	3.35%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Based on the Cut-Off Date balance, the non-zero weighted average credit score of the Mortgage Loans at origination was approximately 714.

Current Loan-to-Value Ratio of the Mortgage Loans

Current Loan-to-Value Ratio (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
60 or less	3,390	$ 721,682,734.57	24.06%
61—70	2,514	$ 603,784,327.73	20.13%
71—80	6,706	$1,586,022,650.16	52.87%
81—90	173	$ 35,218,131.70	1.17%
91—100	242	$ 53,304,162.49	1.78%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

At origination, the weighted average loan-to-value ratio of the Mortgage Loans was approximately 68.16%. As of the Cut-Off Date, the weighted average loan-to-value ratio of the Mortgage Loans was approximately 67.99%.

Original Principal Balances of the Mortgage Loans

Range of Original Principal Balance	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1—50,000	40	$ 1,641,780.21	0.05%
50,001—100,000	580	$ 48,365,136.50	1.61%
100,001—150,000	1,784	$ 231,253,345.61	7.71%
150,001—200,000	2,574	$ 457,189,846.96	15.24%
200,001—250,000	2,605	$ 589,989,632.44	19.67%
250,001—300,000	2,608	$ 720,390,378.14	24.01%
300,001—350,000	2,242	$ 731,718,363.36	24.39%
350,001—400,000	502	$ 179,785,644.59	5.99%
400,001—450,000	68	$ 28,995,864.72	0.97%
450,001—500,000	15	$ 6,833,308.59	0.23%
500,001—550,000	5	$ 2,669,420.97	0.09%
550,001—600,000	2	$ 1,179,284.56	0.04%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

As of the Cut-Off Date, the original principal balances of the Mortgage Loans ranged from approximately $10,000 to $600,000 to an average of approximately $230,940.

Geographic Distribution by State of the Mortgage Loans

State	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
AZ	366	$ 73,570,946.19	2.45%
CA	4,870	$1,264,511,504.55	42.15%
CO	314	$ 66,689,028.69	2.22%
CT	200	$ 43,645,508.33	1.45%
DC	23	$ 5,579,751.94	0.19%
DE	27	$ 6,028,903.00	0.20%
FL	1,774	$ 354,801,738.71	11.83%
GA	107	$ 19,724,859.54	0.66%
ID	20	$ 3,282,853.62	0.11%
IL	604	$ 129,787,178.00	4.33%
IN	56	$ 9,400,661.41	0.31%
KS	3	$ 450,918.66	0.02%
KY	12	$ 2,492,717.81	0.08%
MA	500	$ 118,708,978.88	3.96%
MD	323	$ 77,348,073.47	2.58%
MI	293	$ 50,251,910.27	1.68%
MN	165	$ 34,284,795.85	1.14%
MO	35	$ 5,922,750.29	0.20%
MT	3	$ 559,799.60	0.02%
NC	28	$ 5,370,923.55	0.18%
NH	82	$ 16,070,006.29	0.54%
NJ	448	$ 108,074,712.89	3.60%
NM	1	$ 149,257.29	0.00%
NV	343	$ 77,835,674.37	2.59%
NY	440	$ 117,547,048.74	3.92%
OH	186	$ 29,671,605.31	0.99%
OR	228	$ 44,205,327.25	1.47%
PA	150	$ 29,139,653.44	0.97%
RI	78	$ 16,383,603.00	0.55%
SC	12	$ 2,339,112.71	0.08%
SD	1	$ 94,859.36	0.00%
TN	3	$ 442,021.36	0.01%
TX	69	$ 12,351,904.84	0.41%
UT	118	$ 20,020,015.50	0.67%
VA	399	$ 96,225,195.74	3.21%
WA	622	$ 135,954,990.49	4.53%
WI	122	$ 21,093,215.71	0.70%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

No more than approximately 0.28% of the Mortgage Loans will be secured by Mortgaged Properties in any one California zip code area, and no more than approximately 0.19% of the Mortgage Loans will be secured by Mortgaged Properties in any single zip code area outside of California.

Interest Rate Ceiling of the Mortgage Loans

Ceiling Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
9.350	1	$ 401,098.47	0.01%
9.500	2	$ 444,144.37	0.01%
9.700	5	$ 842,433.56	0.03%
9.750	1	$ 239,000.00	0.01%
9.800	249	$ 54,927,726.36	1.83%
9.850	299	$ 73,472,423.13	2.45%
9.900	47	$ 10,717,817.74	0.36%
9.920	1	$ 91,829.00	0.00%
9.950	10,204	$2,352,427,089.21	78.41%
9.990	2	$ 425,625.00	0.01%
9.995	2	$ 400,280.91	0.01%
10.000	25	$ 6,041,178.66	0.20%
10.020	6	$ 1,766,917.52	0.06%
10.030	1	$ 244,800.00	0.01%
10.050	1,485	$ 341,597,312.14	11.39%
10.065	1	$ 279,417.61	0.01%
10.085	1	$ 400,040.42	0.01%
10.090	12	$ 3,095,531.10	0.10%
10.091	1	$ 193,998.13	0.01%
10.100	18	$ 3,983,170.11	0.13%
10.120	3	$ 864,326.25	0.03%
10.125	1	$ 395,000.00	0.01%
10.150	222	$ 51,593,316.13	1.72%
10.160	26	$ 6,546,055.31	0.22%
10.175	1	$ 224,250.00	0.01%
10.190	23	$ 4,807,518.32	0.16%
10.195	2	$ 299,906.79	0.01%
10.200	53	$ 11,979,224.13	0.40%
10.220	1	$ 223,577.43	0.01%
10.225	1	$ 154,000.00	0.01%
10.250	49	$ 10,789,405.30	0.36%
10.260	2	$ 488,810.02	0.02%
10.300	14	$ 3,307,566.04	0.11%
10.325	2	$ 610,533.32	0.02%
10.330	3	$ 901,833.47	0.03%
10.350	178	$ 35,209,752.31	1.17%
10.360	1	$ 292,500.00	0.01%
10.370	3	$ 1,207,816.37	0.04%
10.400	11	$ 2,355,279.97	0.08%
10.450	22	$ 5,775,338.38	0.19%
10.460	1	$ 200,796.92	0.01%
10.490	3	$ 942,976.82	0.03%
10.500	7	$ 1,407,620.38	0.05%
10.550	10	$ 1,974,574.89	0.07%
10.560	3	$ 1,356,534.17	0.05%
10.600	3	$ 712,130.70	0.02%
10.650	1	$ 216,334.65	0.01%
10.720	1	$ 307,332.86	0.01%
10.735	1	$ 248,908.07	0.01%
10.800	5	$ 988,971.00	0.03%
10.950	2	$ 472,864.25	0.02%
11.000	2	$ 182,774.31	0.01%
11.200	3	$ 699,502.82	0.02%
11.300	1	$ 164,582.33	0.01%
11.950	1	$ 118,259.50	0.00%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Note Rates of the Mortgage Loans as of August 1, 2005

Note Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1.100	235	$ 51,970,657.84	1.73%
1.150	285	$ 69,432,615.00	2.31%
1.200	45	$ 10,320,050.00	0.34%
1.250	1,384	$ 326,832,436.65	10.89%
1.300	21	$ 4,802,675.00	0.16%
1.350	118	$ 28,150,600.00	0.94%
1.400	17	$ 3,781,688.52	0.13%
1.450	101	$ 23,865,540.91	0.80%
1.475	1	$ 224,250.00	0.01%
1.500	49	$ 11,151,858.00	0.37%
1.525	1	$ 154,000.00	0.01%
1.550	20	$ 4,560,641.00	0.15%
1.600	7	$ 1,663,000.00	0.06%
1.650	14	$ 2,564,037.00	0.09%
1.700	7	$ 1,675,500.00	0.06%
1.750	93	$ 22,915,979.00	0.76%
1.800	3	$ 712,600.00	0.02%
1.850	2	$ 614,759.91	0.02%
1.900	1	$ 308,500.00	0.01%
2.000	5	$ 1,307,867.70	0.04%
2.100	2	$ 221,679.00	0.01%
2.250	32	$ 6,551,279.00	0.22%
2.350	3	$ 650,341.00	0.02%
2.400	1	$ 282,800.00	0.01%
2.450	1	$ 183,000.00	0.01%
2.600	4	$ 891,546.00	0.03%
2.625	1	$ 137,700.00	0.00%
2.850	1	$ 89,810.00	0.00%
3.250	40	$ 8,775,155.53	0.29%
3.350	1	$ 343,838.00	0.01%
4.437	7	$ 1,603,205.74	0.05%
4.487	143	$ 36,074,658.71	1.20%
4.497	1	$ 121,383.42	0.00%
4.507	9	$ 2,280,574.27	0.08%
4.527	1	$ 219,648.10	0.01%
4.537	155	$ 39,089,906.54	1.30%
4.557	3	$ 917,133.96	0.03%
4.567	1	$ 139,347.34	0.00%
4.587	255	$ 57,222,204.67	1.91%
4.607	12	$ 3,341,142.36	0.11%
4.612	1	$ 204,023.68	0.01%
4.637	246	$ 57,229,502.20	1.91%
4.657	40	$ 8,839,522.22	0.29%
4.677	3	$ 801,054.40	0.03%
4.687	476	$ 115,376,161.88	3.85%
4.707	23	$ 5,010,393.74	0.17%
4.727	2	$ 320,497.50	0.01%
4.737	904	$ 217,238,711.81	7.24%
4.757	75	$ 19,401,965.26	0.65%
4.777	7	$ 1,659,576.84	0.06%
4.787	208	$ 49,702,946.10	1.66%
4.807	108	$ 26,497,412.22	0.88%
4.812	1	$ 323,257.76	0.01%

Note Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
4.827	13	$ 3,222,544.25	0.11%
4.837	298	$ 68,765,234.54	2.29%
4.847	2	$ 401,304.19	0.01%
4.857	13	$ 3,048,837.39	0.10%
4.862	2	$ 311,410.82	0.01%
4.867	2	$ 239,101.32	0.01%
4.877	10	$ 1,995,720.07	0.07%
4.887	417	$ 98,055,338.96	3.27%
4.897	2	$ 278,162.29	0.01%
4.907	22	$ 5,406,315.64	0.18%
4.927	3	$ 672,700.98	0.02%
4.937	464	$ 108,896,239.75	3.63%
4.947	4	$ 929,559.68	0.03%
4.957	24	$ 5,923,848.29	0.20%
4.962	1	$ 209,015.55	0.01%
4.977	14	$ 2,973,558.39	0.10%
4.987	928	$ 215,405,791.97	7.18%
4.997	4	$ 932,440.04	0.03%
5.007	39	$ 9,725,645.60	0.32%
5.027	34	$ 8,037,948.65	0.27%
5.037	210	$ 48,779,003.19	1.63%
5.057	51	$ 12,133,330.26	0.40%
5.077	61	$ 12,951,121.77	0.43%
5.084	1	$ 304,168.35	0.01%
5.087	305	$ 68,545,785.42	2.28%
5.097	5	$ 1,018,070.07	0.03%
5.107	12	$ 2,573,994.24	0.09%
5.112	1	$ 133,712.08	0.00%
5.117	3	$ 887,562.07	0.03%
5.127	132	$ 31,457,598.83	1.05%
5.137	601	$ 137,395,803.19	4.58%
5.144	1	$ 455,477.22	0.02%
5.147	8	$ 2,062,556.37	0.07%
5.157	14	$ 3,284,613.41	0.11%
5.167	21	$ 5,208,328.51	0.17%
5.177	67	$ 14,218,487.41	0.47%
5.187	154	$ 34,537,026.90	1.15%
5.197	11	$ 2,549,979.03	0.08%
5.207	20	$ 4,985,708.15	0.17%
5.217	24	$ 5,024,457.38	0.17%
5.227	192	$ 42,671,413.62	1.42%
5.237	438	$ 94,294,832.08	3.14%
5.247	8	$ 2,165,225.00	0.07%
5.257	16	$ 3,504,923.46	0.12%
5.267	148	$ 33,913,216.93	1.13%
5.277	29	$ 6,846,093.77	0.23%
5.287	132	$ 30,543,453.35	1.02%
5.297	18	$ 4,413,617.63	0.15%
5.302	2	$ 620,572.92	0.02%
5.307	35	$ 8,361,451.17	0.28%
5.317	3	$ 695,103.66	0.02%
5.327	6	$ 1,129,778.20	0.04%
5.337	634	$ 135,992,809.54	4.53%
5.347	3	$ 827,865.29	0.03%
5.357	15	$ 3,528,962.71	0.12%

Note Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
5.362	2	$ 433,083.63	0.01%
5.367	5	$ 1,236,078.27	0.04%
5.370	2	$ 635,540.73	0.02%
5.377	105	$ 25,275,312.17	0.84%
5.387	163	$ 36,975,440.37	1.23%
5.397	1	$ 180,699.59	0.01%
5.407	72	$ 17,317,951.88	0.58%
5.417	26	$ 6,153,485.96	0.21%
5.427	8	$ 1,989,977.09	0.07%
5.437	133	$ 29,440,259.26	0.98%
5.447	9	$ 1,601,080.80	0.05%
5.457	4	$ 933,636.13	0.03%
5.467	15	$ 3,574,598.15	0.12%
5.477	68	$ 15,463,769.71	0.52%
5.487	296	$ 63,910,147.28	2.13%
5.497	1	$ 337,215.31	0.01%
5.507	12	$ 2,840,835.50	0.09%
5.517	150	$ 33,600,866.66	1.12%
5.527	4	$ 1,305,277.40	0.04%
5.537	144	$ 30,055,753.04	1.00%
5.547	4	$ 1,019,836.83	0.03%
5.552	1	$ 299,671.86	0.01%
5.557	29	$ 6,882,087.02	0.23%
5.577	20	$ 4,458,557.02	0.15%
5.587	550	$ 117,731,314.88	3.92%
5.607	8	$ 1,954,161.64	0.07%
5.612	1	$ 400,040.42	0.01%
5.617	5	$ 1,055,306.24	0.04%
5.627	23	$ 6,061,651.44	0.20%
5.632	2	$ 299,906.79	0.01%
5.637	58	$ 10,716,749.82	0.36%
5.647	6	$ 1,206,815.33	0.04%
5.657	58	$ 13,242,336.02	0.44%
5.667	3	$ 656,895.53	0.02%
5.677	28	$ 7,068,036.08	0.24%
5.687	48	$ 9,932,984.63	0.33%
5.707	1	$ 221,644.64	0.01%
5.727	1	$ 349,455.85	0.01%
5.737	23	$ 3,660,296.47	0.12%
5.767	1	$ 527,439.54	0.02%
5.777	1	$ 194,568.66	0.01%
5.787	21	$ 3,707,241.32	0.12%
5.827	3	$ 740,617.82	0.02%
5.837	4	$ 1,249,497.13	0.04%
5.847	1	$ 241,710.92	0.01%
5.877	1	$ 389,195.34	0.01%
5.887	2	$ 319,892.80	0.01%
5.897	2	$ 820,916.61	0.03%
5.927	13	$ 2,434,914.42	0.08%
5.937	8	$ 1,359,096.23	0.05%
5.947	1	$ 577,300.48	0.02%
5.967	1	$ 168,739.33	0.01%
5.997	1	$ 358,025.63	0.01%
6.007	1	$ 158,990.66	0.01%
6.012	1	$ 248,908.07	0.01%

Note Rate (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
6.037	10	$ 1,831,438.50	0.06%
6.087	3	$ 531,408.62	0.02%
6.137	4	$ 716,254.16	0.02%
6.247	1	$ 299,539.29	0.01%
6.437	1	$ 152,565.11	0.01%
6.487	1	$ 107,851.47	0.00%
6.537	1	$ 199,679.77	0.01%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Margins of the Mortgage Loans

Margin (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
1.700	10	$ 2,238,880.74	0.07%
1.750	197	$ 47,873,748.71	1.60%
1.760	1	$ 121,383.42	0.00%
1.770	12	$ 2,996,449.27	0.10%
1.775	1	$ 412,500.00	0.01%
1.790	1	$ 219,648.10	0.01%
1.800	188	$ 46,698,526.54	1.56%
1.820	8	$ 2,349,783.96	0.08%
1.830	1	$ 139,347.34	0.00%
1.850	370	$ 85,251,506.67	2.84%
1.870	14	$ 3,920,742.36	0.13%
1.875	4	$ 985,023.68	0.03%
1.880	1	$ 100,000.00	0.00%
1.890	1	$ 335,750.00	0.01%
1.900	396	$ 94,921,467.20	3.16%
1.920	62	$ 14,064,088.22	0.47%
1.930	1	$ 208,000.00	0.01%
1.940	4	$ 1,021,054.40	0.03%
1.950	548	$ 131,318,698.88	4.38%
1.970	38	$ 9,326,364.74	0.31%
1.990	6	$ 1,433,674.50	0.05%
2.000	1,138	$ 275,714,820.71	9.19%
2.020	79	$ 20,256,735.26	0.68%
2.025	2	$ 210,000.00	0.01%
2.030	1	$ 236,792.00	0.01%
2.040	12	$ 2,835,076.84	0.09%
2.050	278	$ 65,894,262.10	2.20%
2.070	133	$ 32,597,223.22	1.09%
2.075	1	$ 323,257.76	0.01%
2.090	13	$ 3,222,544.25	0.11%
2.100	441	$ 104,126,595.54	3.47%
2.110	2	$ 401,304.19	0.01%
2.120	16	$ 4,046,037.39	0.13%
2.125	2	$ 311,410.82	0.01%
2.130	3	$ 479,101.32	0.02%
2.140	15	$ 3,182,345.07	0.11%
2.150	609	$ 142,674,073.71	4.76%
2.160	2	$ 278,162.29	0.01%
2.170	49	$ 12,035,123.64	0.40%
2.190	3	$ 672,700.98	0.02%
2.200	523	$ 122,951,434.57	4.10%
2.210	4	$ 929,559.68	0.03%
2.220	33	$ 7,901,448.29	0.26%
2.225	2	$ 290,215.55	0.01%
2.240	19	$ 3,809,808.39	0.13%
2.250	1,020	$ 235,630,726.54	7.85%
2.260	5	$ 1,245,980.04	0.04%
2.270	43	$ 10,757,945.60	0.36%
2.290	47	$ 11,241,848.65	0.37%
2.300	303	$ 70,490,319.19	2.35%
2.310	2	$ 498,750.00	0.02%
2.320	53	$ 12,589,250.26	0.42%
2.340	72	$ 15,572,721.77	0.52%

Margin (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2.347	1	$ 304,168.35	0.01%
2.350	376	$ 85,149,727.09	2.84%
2.360	6	$ 1,353,070.07	0.05%
2.370	17	$ 3,864,914.24	0.13%
2.375	1	$ 133,712.08	0.00%
2.380	4	$ 1,127,562.07	0.04%
2.390	159	$ 38,552,659.95	1.29%
2.400	653	$ 148,949,727.19	4.96%
2.407	1	$ 455,477.22	0.02%
2.410	12	$ 3,097,756.37	0.10%
2.420	24	$ 5,786,253.41	0.19%
2.425	1	$ 362,736.00	0.01%
2.430	24	$ 5,803,328.51	0.19%
2.440	74	$ 15,875,262.41	0.53%
2.450	197	$ 44,742,712.90	1.49%
2.460	13	$ 3,142,979.03	0.10%
2.470	22	$ 5,433,549.15	0.18%
2.480	26	$ 5,254,357.38	0.18%
2.490	196	$ 43,641,163.62	1.45%
2.500	528	$ 115,319,759.17	3.84%
2.510	8	$ 2,165,225.00	0.07%
2.520	23	$ 4,881,323.46	0.16%
2.525	1	$ 224,250.00	0.01%
2.530	154	$ 35,080,566.93	1.17%
2.540	41	$ 9,995,923.77	0.33%
2.550	159	$ 35,831,332.35	1.19%
2.560	19	$ 4,706,117.63	0.16%
2.565	3	$ 850,572.92	0.03%
2.570	46	$ 10,803,926.17	0.36%
2.575	1	$ 154,000.00	0.01%
2.580	4	$ 853,548.66	0.03%
2.590	9	$ 1,942,978.20	0.06%
2.600	776	$ 168,316,618.82	5.61%
2.610	5	$ 1,422,865.29	0.05%
2.620	17	$ 4,001,362.71	0.13%
2.625	2	$ 433,083.63	0.01%
2.630	8	$ 2,021,998.27	0.07%
2.633	2	$ 635,540.73	0.02%
2.640	112	$ 26,760,812.17	0.89%
2.650	211	$ 47,457,729.54	1.58%
2.660	1	$ 180,699.59	0.01%
2.665	1	$ 313,000.00	0.01%
2.670	82	$ 19,679,035.88	0.66%
2.680	33	$ 7,681,585.96	0.26%
2.690	8	$ 1,989,977.09	0.07%
2.700	194	$ 42,331,661.07	1.41%
2.710	9	$ 1,601,080.80	0.05%
2.720	7	$ 1,819,136.13	0.06%
2.730	16	$ 3,674,598.15	0.12%
2.737	1	$ 184,600.00	0.01%
2.740	72	$ 16,392,769.71	0.55%
2.750	440	$ 95,370,046.61	3.18%
2.760	1	$ 337,215.31	0.01%
2.770	19	$ 4,628,735.50	0.15%
2.780	152	$ 34,037,866.66	1.13%

Margin (%)	Number of Mortgage Loans	Aggregate Principal Balance of the Mortgage Loans as of the Cut-Off Date	Percentage of the Aggregate Principal Balance of all Mortgage Loans
2.790	4	$ 1,305,277.40	0.04%
2.800	164	$ 34,864,212.11	1.16%
2.810	5	$ 1,278,586.83	0.04%
2.815	1	$ 299,671.86	0.01%
2.820	37	$ 8,461,709.02	0.28%
2.830	1	$ 240,000.00	0.01%
2.840	22	$ 4,997,557.02	0.17%
2.850	608	$ 130,964,189.88	4.37%
2.870	8	$ 1,954,161.64	0.07%
2.875	1	$ 400,040.42	0.01%
2.880	6	$ 1,303,526.24	0.04%
2.890	25	$ 6,436,341.44	0.21%
2.895	2	$ 299,906.79	0.01%
2.900	61	$ 11,119,559.82	0.37%
2.910	6	$ 1,206,815.33	0.04%
2.920	64	$ 14,531,399.50	0.48%
2.925	1	$ 395,000.00	0.01%
2.930	3	$ 656,895.53	0.02%
2.940	36	$ 9,136,861.08	0.30%
2.950	101	$ 22,136,230.63	0.74%
2.970	1	$ 221,644.64	0.01%
2.990	1	$ 349,455.85	0.01%
3.000	23	$ 3,660,296.47	0.12%
3.030	1	$ 527,439.54	0.02%
3.040	1	$ 194,568.66	0.01%
3.050	21	$ 3,707,241.32	0.12%
3.090	3	$ 740,617.82	0.02%
3.100	4	$ 1,249,497.13	0.04%
3.110	1	$ 241,710.92	0.01%
3.140	1	$ 389,195.34	0.01%
3.150	2	$ 319,892.80	0.01%
3.160	2	$ 820,916.61	0.03%
3.190	13	$ 2,434,914.42	0.08%
3.200	8	$ 1,359,096.23	0.05%
3.210	1	$ 577,300.48	0.02%
3.230	1	$ 168,739.33	0.01%
3.260	1	$ 358,025.63	0.01%
3.270	1	$ 158,990.66	0.01%
3.275	1	$ 248,908.07	0.01%
3.300	10	$ 1,831,438.50	0.06%
3.350	3	$ 531,408.62	0.02%
3.400	4	$ 716,254.16	0.02%
3.510	1	$ 299,539.29	0.01%
3.700	1	$ 152,565.11	0.01%
3.750	1	$ 107,851.47	0.00%
3.800	1	$ 199,679.77	0.01%
Total:	**13,025**	**$3,000,012,006.65**	**100.00%**

Freddie Mac