

Freddie Mac



Class A

Taxable Multifamily M Certificates

The Certificates

Freddie Mac creates each series of Taxable Multifamily M Certificates (“**Certificates**”) and issues and guarantees Class A Certificates (“**Class A Certificates**”) that represent undivided ownership interests with specified rights in pools of multifamily affordable housing bonds and/or loans secured by mortgages for multifamily affordable housing projects. The multifamily affordable housing bonds are issued by certain state and local government entities to finance multifamily affordable housing mortgages.

Freddie Mac’s Guarantee

We guarantee certain payments of interest and principal with respect to the Class A Certificates, including the Required Class A Certificate Interest Distribution Amount, the scheduled principal due with respect to the Assets for the benefit of the Class A Certificates and the principal and interest due with respect to any applicable Assets on a Release Event Date, each as described in this Offering Circular. We alone are responsible for making payment on our guarantee and for paying for Class A Certificates tendered to us for purchase. Principal and interest payments on, and payment of the tender price for, the Class A Certificates are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

Freddie Mac Will Provide More Information for Each Offering

This Offering Circular describes the general characteristics of the Class A Certificates. For each offering, we prepare an offering circular supplement (“**Supplement**”). The Supplement will describe more specifically the particular Class A Certificates included in that offering.

Tax Status and Securities Law Exemptions

These securities are not tax-exempt. Because of applicable securities law exemptions, we have not registered the Class A Certificates with any federal or state securities commission. No securities commission has reviewed this Offering Circular.

The Class A Certificates may not be suitable investments for you. You should consider carefully the risks of investing in them. The *Risk Factors* section beginning on page 8 highlights some of these risks.

If you intend to purchase Class A Certificates, you should rely on the information in this Offering Circular and in the related Supplement, 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, the related Supplement and any incorporated documents may not be correct after their dates.

We are not offering the Class A Certificates in any jurisdiction that prohibits their offer. Notwithstanding anything to the contrary herein or in the applicable Supplement, each prospective investor (and its representatives, agents and employees) may disclose to any person, without limitation of any kind, the federal income tax treatment and federal income tax structure of the transactions contemplated hereby, and all materials (including opinions and other tax analyses) that are provided relating to such treatment or structure, except to the extent that nondisclosure is reasonably necessary in order to comply with applicable securities laws.

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FREDDIE MAC

General

Freddie Mac was chartered by Congress in 1970 under the Federal Home Loan Mortgage Corporation Act (the “**Freddie Mac Act**”). Our statutory mission is to provide liquidity, stability and affordability to the U.S. housing market. We do this primarily by purchasing residential mortgages originated by lenders. In most instances, we package these mortgages into mortgage-related securities, which are guaranteed by us and sold in the global capital markets. We also invest in mortgage and mortgage-related securities. We do not originate mortgage loans or lend money directly to borrowers.

Although we are chartered by Congress, we alone are responsible for making payments on our securities. Payments on our Class A Certificates are not guaranteed by, and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac.

Our statutory mission, as defined in our charter, is to:

- Provide stability in the secondary market for residential mortgages;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary market for residential mortgages (including activities related to 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 financing; and
- 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 financing.

Conservatorship

We continue to operate under the conservatorship that commenced on September 6, 2008, conducting our business under the direction of the Federal Housing Finance Agency (“**FHFA**”) as our conservator (the “**Conservator**”). Upon its appointment, FHFA, as Conservator, immediately succeeded to all rights, titles, powers and privileges of Freddie Mac and of any stockholder, officer or director of Freddie Mac with respect to us and our assets. The Conservator has delegated certain authority to our Board of Directors to oversee, and to management to conduct, day-to-day operations. The directors serve on behalf of, and exercise authority as directed by, the Conservator. The Conservator retains the authority to withdraw or revise its delegations of authority at any time. The Conservator also retains certain significant authorities for itself, and has not delegated them to the Board. The Conservator continues to provide strategic direction for Freddie Mac and directs the efforts of the Board and management to implement its strategy. Despite the delegations of authority to management, many management decisions are subject to review and/or approval by FHFA and management frequently receives direction from FHFA on various matters involving day-to-day operations.

It is possible and perhaps likely that future legislative or regulatory action will materially affect our role, business model, structure, and results of operations. Some or all of our functions could be

transferred to other institutions, and we could cease to exist as a stockholder-owned company, or at all. Several bills were introduced in Congress in the last several years concerning the future status of Freddie Mac, the Federal National Mortgage Association (“**Fannie Mae**,” together with Freddie Mac, the “**Enterprises**”), and the mortgage finance system, including bills which provided for the wind down of the Enterprises or modification of the terms of the Purchase Agreement. None of these bills were enacted.

The conservatorship is indefinite in duration. The timing, likelihood, and circumstances under which we might emerge from conservatorship are uncertain. Under the Purchase Agreement, Treasury would be required to consent to the termination of the conservatorship, other than in connection with receivership, and there can be no assurance it would do so. Even if the conservatorship is terminated, we would remain subject to the Purchase Agreement and the terms of the senior preferred stock. It is possible that the conservatorship could end with our being placed into receivership. Because Treasury holds a warrant to acquire nearly 80% of our common stock for nominal consideration, we could effectively remain under the control of the U.S. government even if the conservatorship is ended and the voting rights of common stockholders are restored.

FHFA’s Strategic Plan for Freddie Mac and Fannie Mae Conservatorships. In May 2014, FHFA issued its 2014 Strategic Plan. FHFA issued the 2016 and 2017 Conservatorship Scorecards in December 2015 and December 2016, respectively. The 2014 Strategic Plan updated FHFA’s vision for implementing its obligations as Conservator of the Enterprises. The Conservatorship Scorecards established annual objectives and performance targets and measures for the Enterprises related to the strategic goals set forth in the 2014 Strategic Plan.

The 2014 Strategic Plan established three reformulated strategic goals for the conservatorships of Freddie Mac and Fannie Mae:

- *Maintain*, in a safe and sound manner, foreclosure prevention activities and credit availability for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets.
- *Reduce* taxpayer risk through increasing the role of private capital in the mortgage market.
- *Build* a new single-family securitization infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

As part of the first goal, the 2014 Strategic Plan describes various steps related to increasing access to mortgage credit for credit-worthy borrowers.

The second goal focuses on ways to transfer risk to private market participants and away from the Enterprises in a responsible way that does not reduce liquidity or adversely impact the availability of mortgage credit. The second goal provides for us to increase the use of single-family credit risk transfer transactions, continue using credit risk transfer transactions in the multifamily business and continue shrinking our mortgage-related investments portfolio consistent with the requirements in the Purchase Agreement, with a focus on selling less liquid assets.

The third goal includes the continued development of the Common Securitization Platform (“**CSP**”). FHFA refined the scope of this project to focus on making the new shared system operational for Freddie Mac’s and Fannie Mae’s existing single-family securitization activities. The third goal also provides for the Enterprises to work towards the development of a single (common) security.

We continue to align our resources and internal business plans to meet the goals and objectives provided to us by FHFA.

See the Incorporated Documents (as defined under *Additional Information*) for additional information concerning FHFA's strategic plan, Conservatorship Scorecards and legislative developments.

Purchase Agreement

On September 7, 2008, the U.S. Department of the Treasury ("**Treasury**") entered into a senior preferred stock purchase agreement (as amended, the "**Purchase Agreement**") with our Conservator, acting on our behalf. The amount of available funding remaining under the Purchase Agreement was \$140.5 billion as of December 31, 2016. This amount will be reduced by any future draws.

The Purchase Agreement requires Treasury, upon request of the Conservator, to provide funds to us after any quarter in which we have a negative net worth (that is, our total liabilities exceed our total assets, as reflected on our consolidated balance sheets prepared in accordance with generally accepted accounting principles). The Purchase Agreement also provides for Treasury, upon the request of the Conservator, to provide funds to us if the Conservator determines, at any time, that it will be mandated by law to appoint a receiver for us unless we receive these funds from Treasury. Holders of Certificates have certain limited rights to bring proceedings against Treasury if we fail to pay under our guarantee and if Treasury fails to perform its obligations under its funding commitment. For a description of Holders' rights to proceed against Freddie Mac and Treasury, see *The Agreement — Rights Upon Event of Default*. The Purchase Agreement contains covenants that significantly restrict our operations.

We pay dividends on the senior preferred stock. For each quarter from January 1, 2013 through and including December 31, 2017, the dividend payment on the senior preferred stock was or will be the amount, if any, by which our Net Worth Amount (as defined below) at the end of the immediately preceding fiscal quarter, less the applicable capital reserve amount, exceeds zero. The applicable capital reserve amount was \$1.2 billion for 2016, is \$600 million for 2017 and will decline to zero on January 1, 2018. For each quarter beginning January 1, 2018, the dividend payment will be the amount, if any, by which our Net Worth Amount at the end of the immediately preceding fiscal quarter exceeds zero. If the calculation of the dividend payment for a quarter does not exceed zero, then no dividend will accrue or be payable for that quarter. The term "**Net Worth Amount**" is defined as: (a) our total assets (excluding Treasury's commitment and any unfunded amounts thereof), less (b) our total liabilities (excluding any obligation in respect of capital stock), in each case as reflected on our consolidated balance sheets prepared in accordance with generally accepted accounting principles.

Under the Purchase Agreement, the unpaid principal balance of our mortgage-related investments portfolio is subject to a cap that decreases by 15% each year until the cap reaches \$250 billion. As a result, the unpaid principal balance of our mortgage-related investments portfolio could not exceed \$339.3 billion as of December 31, 2016 (and was \$298.4 billion on that date) and may not exceed approximately \$288 billion as of December 31, 2017. In addition, in 2014 we adopted a plan under which we will manage the unpaid principal balance of the mortgage-related investments portfolio so that it does not exceed 90% of the annual cap established by the Purchase Agreement, subject to certain exceptions.

We receive substantial support from Treasury and are dependent upon its continued support in order to continue operating our business. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding appointment of a receiver by FHFA under statutory mandatory receivership provisions. See the Incorporated Documents for additional information concerning the Purchase Agreement.

ADDITIONAL INFORMATION

Our common stock is registered with the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934 (“Exchange Act”). We file reports and other information with the SEC.

As described below, we incorporate certain documents by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Offering Circular (1) our most recent Annual Report on Form 10-K, filed with the SEC; (2) all other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since the end of the year covered by that Form 10-K report, excluding any information we “furnish” to the SEC on Form 8-K; and (3) all documents that we file with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Offering Circular and prior to the termination of the offering of the related Certificates, excluding any information we “furnish” to the SEC on Form 8-K.

These documents are collectively referred to as the “**Incorporated Documents**” and are considered part of this Offering Circular. You should read this Offering Circular and the related Supplement in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Offering Circular and the related Supplement.

You may read and copy any document we file with the SEC at the SEC’s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You can obtain, without charge, copies of this Offering Circular, the Incorporated Documents and the related Supplement under which Certificates are issued from:

Freddie Mac — Investor Inquiry
1551 Park Run Drive, Mailstop D50
McLean, Virginia 22102-3110
Telephone: 1-800-336-3672
(571-382-4000 within the Washington, D.C. area)
E-mail: Investor_Inquiry@freddiemac.com

We also make these documents available on our internet website at this address:

<http://www.freddiemac.com>*

This Offering Circular relates to Certificates issued on and after November [], 2017. For information about Certificates issued before that date, see the related Offering Circular (available on our internet website) that was in effect at the time of issuance of those Certificates.

* We are providing this internet address solely for the information of investors. We do not intend this internet address to be an active link and we are not using references to this address to incorporate additional information into this Offering Circular or any Supplement, except as specifically stated in this Offering Circular.

SUMMARY

This summary highlights selected information about the Class A Certificates. Before buying Class A Certificates, you should read the remainder of this Offering Circular and the Supplement for the particular offering. You should rely on the information in the Supplement if it is different from the information in this Offering Circular.

Capitalized Terms that are not in bold type and defined on their first use are defined in the Supplement or an exhibit to the Supplement. References to time in this Offering Circular relate to local time in Washington D.C.

Depositor and Guarantor Federal Home Loan Mortgage Corporation, or “**Freddie Mac**,” a shareholder-owned government-sponsored enterprise.

On September 6, 2008, the Director of FHFA placed Freddie Mac into conservatorship pursuant to authority granted by the Federal Housing Finance Regulatory Reform Act of 2008 (the “**Reform Act**”). As the Conservator, FHFA succeeded to all rights, titles, powers and privileges of Freddie Mac, and of any stockholder, officer or director of Freddie Mac, with respect to Freddie Mac and the assets of Freddie Mac. For additional information regarding the conservatorship, see *Freddie Mac — Conservatorship and Risk Factors — Governance Factors*.

As Depositor, we transfer and deposit the Bonds that we have acquired to various pass-through structures as described in the applicable supplements. As Guarantor, we guarantee the timely payment of interest and scheduled principal on the Class A Certificates on each Payment Date and guarantee timely principal payments on the Bonds for the benefit of the Class A Certificates. **Principal and interest payments on the Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac.**

Liquidity Provider We will be obligated to pay the applicable tender price for Class A Certificates on each Purchase Date, Mandatory Tender Date and Optional Disposition Date. This obligation is described in the Agreement as the Liquidity Facility.

Certificates Certificates represent undivided ownership interests with specified rights in pools of assets that we form. Certificates are issued in series (“**Series**”), each consisting of “**Class A Certificates**” and “**Class B Certificates.**” Class A Certificates will be offered pursuant this Offering Circular and the related Supplement. Class B Certificates will be issued simultaneously with Class A Certificates but will not be offered pursuant to this Offering Circular.

Assets The “**Assets**” of each Series include multifamily affordable housing bonds (“**Bonds**”), interests in Bonds, or mortgage

loans secured by multifamily affordable housing projects (“**Mortgage Loans**”). In each case, we have acquired the Assets for the related series. The Bonds are issued by state and local government entities and are secured by first liens on multifamily affordable housing properties and certain other assets pledged by these government entities. Interest on the Assets is not tax-exempt.

Payments. We make payments on the Class A Certificates on each Payment Date. A “**Payment Date**” is the 15th of each month, or if the 15th is not a Business Day, the next Business Day, beginning the month after issuance.

• **Interest** We pay interest on the Class A Certificates at the applicable “**Reset Rate**” or “**Term Extended Rate**” in effect on each day during the period that interest accrues for that Payment Date. A Reset Rate may change from time to time. Changes to the Reset Rate can occur either:

- each week.
- each month.
- on other dates as specified in the Supplement.

The Supplement will specify if a Reset Rate or Term Extended Rate is applicable, and with respect to a Reset Rate how frequently the Reset Rate will change. The method for determining the Reset Rate can be changed at our option (under certain circumstances) or the option of the Sponsor (with our consent). Should that happen, the Class A Certificates will be subject to mandatory tender, however you will have the right to retain your Class A Certificates (the “**Retention Right**”).

Interest for each Payment Date will accrue for the calendar month preceding that Payment Date or, for the first Payment Date, from the date specified in the Supplement.

The Supplement will identify the Remarketing Agent for each Series. The Remarketing Agent will determine the Reset Rate each time it is changed. The Remarketing Agent will set the Reset Rate equal to the lesser of:

- the minimum interest rate which would, in the judgment of the Remarketing Agent, result in a sale of the Class A Certificates at par under prevailing market conditions, plus accrued interest.
- the Maximum Reset Rate calculated as described in the Supplement or an exhibit to the Supplement.

The Remarketing Agent is also responsible for remarketing Class A Certificates that are tendered to us.

• **Principal** On each Payment Date, we pay scheduled principal on the Class A Certificates plus principal prepayments and your portion of Redemption Premium, if any, until the outstanding balance of the Class A Certificates is reduced to zero. The definition of “**Gain Share**” in the Supplement or an exhibit to the Supplement describes how we calculate your portion of any Redemption Premium.

The Holders of any Class that receives principal payments (and their share of any Redemption Premium) receive those payments either on a pro rata or random lot basis as described in the Supplement.

Optional Tender Holders of Class A Certificates (except Pledged Class A Certificates, Affected Certificates and Class A Certificates in the Term Extended Rate) will have the right to tender their certificates for purchase upon five Business Days’ written notice (the “**Tender Option**”) at the “**Purchase Price**” equal to the remaining principal of such Class A Certificate plus any accrued and unpaid interest through the day prior to the Purchase Date.

The Purchase Date related to an exercise of the Tender Option may occur on:

- any Business Day, when the Reset Rate can change each week.
- the first Business Day of every calendar month, when the Reset Rate can change each month.

Freddie Mac is obligated to pay the applicable Purchase Price. The Tender Option is not available during a period when the Reset Rate is set other than each week or each month.

The Tender Option may terminate without notice as described in *The Certificates — Tender Option — Tender Option Termination Events*.

Mandatory Tender We have a “**Mandatory Tender Right**” to purchase all or a portion of outstanding Class A Certificates at the Purchase Price upon the occurrence of certain events.

We must purchase Class A Certificates pursuant to the Mandatory Tender Right if:

- the frequency of changes to the Reset Rate is changed or, if the Reset Rate is set other than weekly or monthly, that period expires (however, you will have the Retention Right).
- an amendment to certain provisions of the Agreement occurs (however, you will have the Retention Right).

- a Sponsor Act of Bankruptcy occurs (if Partnership Factors apply).
- a successor Sponsor is designated by the Sponsor (with our consent) (however, you will have the Retention Right).

We may purchase Class A Certificates pursuant to the Mandatory Tender Right if:

- we determine that a Liquidity Provider Termination Event or a Credit Provider Termination Event has occurred.
- the outstanding balance of the Class A Certificates is equal to or less than 5% of the original principal balance.

Pledged Class A Certificates or Affected Certificates will not be subject to the Mandatory Tender Right.

Release We have the right to redeem Class A Certificates and pay you the outstanding balance of the Class A Certificates plus accrued interest through the end of the month prior to the Payment Date on which such redemption occurs, plus any Hypothetical Gain Share, if any of the following events (each a “**Release Event**”) occurs:

- an event of default pursuant to the related Bond Documents or Mortgage Loan Documents.
- a breach of representations made by the Sponsor with respect to a Series of Bonds or related projects pursuant to and in accordance with the Reimbursement Agreement.
- a property related to an Asset fails to achieve stabilization (as further described in *The Certificates — Assets*) when required by the terms of the Reimbursement Agreement.
- a material adverse credit condition exists with respect to an Asset or under the related Bond Documents, Bond Mortgage Documents, Mortgage Loan Documents or the Reimbursement Agreement.
- the Sponsor elects to purchase the Assets with respect to which an event of default exists in connection with a substitution of Assets.
- there is a sale of the multifamily property underlying a Series of Bonds.
- the Series is terminated.
- upon the occurrence of other events as set forth in the Supplement.

The amount of Class A Certificates redeemed upon a Release Event will be equal to the then outstanding principal amount of the affected Assets rounded to the nearest multiple of \$5,000.

Optional Disposition If applicable to the Series Pool as set forth in the Supplement, Holders of Class A Certificates who have held Class A Certificates for at least one year will have the right to tender any of those Class A Certificates for purchase (“**Optional Disposition**”) at the “**Optional Disposition Price**” equal to the remaining principal of such Class A Certificates plus any accrued and unpaid interest plus any Hypothetical Gain Share on any Optional Disposition Date.

The “**First Optional Disposition Date**” will be specified in the Supplement.

The definition of “**Hypothetical Gain Share**” in the Supplement or an exhibit to the Supplement describes how Hypothetical Gain Share will be calculated.

Holders As an investor in Class A Certificates, you are not necessarily the Holder of those Certificates. You ordinarily must hold your Class A Certificates through one or more financial intermediaries, generally either through the DTC System or the Fed System as specified in the Supplement. You may exercise your rights as an investor only through the Holder of your Class A Certificates, and we may treat the Holder as the absolute owner of your certificates. For Class A Certificates, the term “**Holder**” usually means DTC or its nominee to the extent the DTC System is in effect.

Tax Status If you own Class A Certificates, you will be treated for federal income tax purposes as a partner in a partnership that owns the Assets. You will be allocated a share of the taxable income of the partnership based upon the terms of the Class A Certificates. See *Certain Federal Income Tax Consequences*.

RISK FACTORS

Although we guarantee certain payments on the Class A Certificates and on the Bonds for the benefit of the Class A Certificates and so bear the associated credit risk and are obligated to pay the Purchase Price of Class A Certificates and so bear the associated liquidity risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. Investors should carefully consider the risks described below and elsewhere in this Offering Circular, the related Supplement and the Incorporated Documents before deciding to purchase Class A Certificates. However, neither this Offering Circular nor those other documents describe all the possible risks of an investment in the Class A Certificates that may result from your particular circumstances, nor do they project how the Class A Certificates will perform under all possible interest rate and economic scenarios.

PREPAYMENT AND YIELD FACTORS:

Principal payment rates are uncertain. Principal payment rates on Class A Certificates will depend on the rates of principal payments on the underlying Bonds. Principal payment rates on the underlying Bonds will depend upon principal payments from the related multifamily affordable housing properties. Bond principal payments include scheduled payments and prepayments. Prepayment rates fluctuate continuously and (in some market conditions) substantially. We cannot predict the rate of prepayments on the Bonds, which is influenced by a variety of economic, social and other factors, including local and regional economic conditions, the existence and enforceability of lockout periods and prepayment premiums and the availability of alternative financing. Prepayments are also affected by servicing decisions and policies, such as decisions to pursue alternatives to foreclosure. In addition, prepayments may occur upon a Bond Release Event or a Liquidity Provider Termination Event.

Prepayments can reduce your yield if you purchase your Class A Certificates at a premium. Your yield on a Class A Certificate will depend on the price you pay for your Class A Certificate, the rate of prepayments on the mortgage underlying the related Bonds and the other characteristics of those Bonds. The Bonds may be optionally redeemed at any time, subject to any applicable lockout period and to the payment of any applicable redemption premiums. The Bonds with lockout periods may be optionally redeemed at any time outside of the lockout period. The Bonds also may be redeemed due to defaults, casualties, condemnations and repurchases.

Reinvestment of principal payments may produce lower returns. Exercise of the Tender Option will result in a return of the entire outstanding principal portion of the Class A Certificates that you tendered. Additionally, the Bonds 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 return as your Class A Certificates.

Changes to the Reset Rate may produce lower yields. The Reset Rate may change periodically and a future Reset Rate may be lower than your original Reset Rate.

The Maximum Reset Rate may limit the Reset Rate payable on the Class A Certificates. If the Maximum Reset Rate is less than the prevailing interest rate for similar securities, the Remarketing Agent may be unable to remarket the Class A Certificates.

INVESTMENT FACTORS:

The Class A Certificates may not be suitable investments for you. The Class A Certificates are complex securities. You, alone or together with your financial advisor, need to understand the risks of

your investment. You need to be able to analyze the information in the related offering documents and the Incorporated Documents, as well as the economic, interest rate and other factors that may affect your investment. You also need to understand the terms of the Certificates and any investment restrictions that may apply to you. Because each investor has different investment needs and different risk tolerances, you should consult your own financial, legal, accounting and tax advisors to determine if the Certificates are suitable investments for you. If you require a definite payment stream, or a single payment on a specific date, the Class A Certificates are not suitable investments for you. If you purchase Class A Certificates, you need to have enough financial resources to bear all of the risks related to your Class A Certificates.

You may not be allowed to buy Class A Certificates. If you are subject to investment laws and regulations or to review by regulatory authorities, you may not be allowed to invest in Class A Certificates. If you purchase Class A Certificates in violation of such laws or regulations, you may be compelled to divest such Class A Certificates. See *Legal Investment Considerations*.

The Remarketing Agent may have interests that conflict with the Class A Certificates. The Remarketing Agent may purchase Class A Certificates for its own account. The Remarketing Agent may have other relationships with or could also be an affiliate of the Holder of the Class B Certificates. If so, the Remarketing Agent's interests in the Class B Certificates could differ from the interests of the beneficial owners of Class A Certificates because a low Reset Rate on the Class A Certificates will leave more interest available to be paid to the Holders of Class B Certificates.

Your Tender Option may become unavailable. If the Tender Option is terminated due to a Tender Option Termination Event or a Liquidity Failure, you will not be able to tender your Class A Certificates to Freddie Mac for the Purchase Price. Instead, if a Tender Option Termination Event or a Liquidity Failure occurs, the Series will be liquidated in whole or in part. Without the Tender Option, your ability to sell your Class A Certificates may be limited and the liquidation of the Series may cause you to receive less than the Purchase Price for your Class A Certificates. Moreover, the Class A Certificates may no longer qualify as an eligible investment for certain investors.

Credit enhancement is limited. No form of credit enhancement will be directly available to you as a Holder of Class A Certificates other than (a) the subordination of the Class B Certificates (not offered hereby) to the Class A Certificates of a Series and (b) the Freddie Mac guarantee, as described in this Offering Circular and the related Supplement. The Sponsor may be required to set aside cash reserves to be applied toward the stabilization (including reparation and rehabilitation) of the underlying properties or to contribute other assets, including funds, accounts, letters of credit or interest rate hedges. Because any such additional collateral secures only Freddie Mac, upon any termination and required liquidation of the Series Pool, the Holders of the Class A Certificates would not be entitled to any such collateral and any Bonds distributed upon any such liquidation may be of uncertain value or marketability.

GOVERNANCE FACTORS:

The Conservator may repudiate our contracts, including our guarantee. As Conservator, FHFA may disaffirm or repudiate contracts (subject to certain limitations for qualified financial contracts) that we entered into prior to its appointment as Conservator if it determines, in its sole discretion, that performance of the contract is burdensome and that disaffirmation or repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires FHFA to exercise its right to disaffirm or repudiate most contracts within a reasonable period of time after its appointment as Conservator.

The Conservator has advised us that it has no intention of repudiating any guarantee obligation relating to Freddie Mac's mortgage-related securities, including the Class A Certificates, because it views repudiation as incompatible with the goals of the conservatorship. In addition, the Reform Act provides that mortgage loans and mortgage-related assets that have been transferred to a Freddie Mac securitization trust must be held for the beneficial owners of the related Freddie Mac mortgage-related securities, including the Class A Certificates, and cannot be used to satisfy our general creditors.

If our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be paid solely from payments on the Bonds and other assets. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders.

The Conservator also has the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without any approval, assignment or consent. If the Conservator were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party.

FHFA could terminate the conservatorship by placing us into receivership, which could adversely affect our guarantee, and restrict or eliminate certain rights of Holders. Under the Reform Act, FHFA must place us into receivership if the Director of FHFA makes a determination in writing that our assets are, and for a period of 60 days have been, less than our obligations. FHFA has notified us that the measurement period for any mandatory receivership determination with respect to our assets and obligations would commence no earlier than the SEC public filing deadline for our quarterly or annual financial statements and would continue for 60 calendar days after that date. FHFA has also advised us that, if, during that 60-day period, we receive funds from Treasury in an amount at least equal to the deficiency amount under the Purchase Agreement, the Director of FHFA will not make a mandatory receivership determination.

In addition, we could be put into receivership at the discretion of the Director of FHFA at any time for a number of reasons as set forth under the Reform Act. Several bills considered by Congress in the past several years provided for Freddie Mac to be placed into receivership. In addition, FHFA could be required to place us into receivership if Treasury were unable to provide us with funding requested under the Purchase Agreement to address a deficit in our net worth. Treasury might not be able to provide the requested funding if, for example, the U.S. government were not fully operational because Congress had failed to approve funding or if the U.S. government reached its borrowing limit and, as a result, Treasury was unable to obtain funds sufficient to cover the request.

Being placed into a receivership would terminate the current conservatorship. The appointment of FHFA as our receiver would terminate all rights and claims that our stockholders and creditors may have against our assets or under our charter arising as a result of their status as stockholders or

creditors, other than the potential ability to be paid upon our liquidation. Unlike conservatorship, the purpose of which is to conserve our assets and return us to a sound and solvent condition, the purpose of receivership is to liquidate our assets and resolve claims against us.

If FHFA were to become our receiver, it could exercise certain powers that could adversely affect Holders. As receiver, FHFA could repudiate any contract entered into by us prior to its appointment as receiver if FHFA determines, in its sole discretion, that performance of the contract is burdensome and that repudiation of the contract promotes the orderly administration of our affairs. The Reform Act requires that any exercise by FHFA of its right to repudiate any contract occur within a reasonable period following its appointment as receiver. FHFA has defined such a reasonable period to be 18 months.

If FHFA, as receiver, were to repudiate our guarantee obligations, the receivership estate would be liable for actual direct compensatory damages as of the date of receivership under the Reform Act. Any such liability could be satisfied only to the extent our assets were available for that purpose.

Moreover, if our guarantee obligations were repudiated, payments of principal and/or interest to Holders would be paid solely from payments on the TELs and other assets. Any actual direct compensatory damages owed due to the repudiation of our guarantee obligations may not be sufficient to offset any shortfalls experienced by Holders. Holders would experience delays in receiving payments on their Guaranteed Certificates because the relevant systems are not designed to make partial payments.

In its capacity as receiver, FHFA would have the right to transfer or sell any asset or liability of Freddie Mac, including our guarantee obligation, without any approval, assignment or consent of any party. If FHFA, as receiver, were to transfer our guarantee obligation to another party, Holders would have to rely on that party for satisfaction of the guarantee obligation and would be exposed to the credit risk of that party. During a receivership, certain rights of Holders of Guaranteed Certificates may not be enforceable against FHFA, or enforcement of such rights may be delayed.

The Reform Act also provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA as receiver, for a period of 90 days following the appointment of FHFA as receiver.

If we are placed into receivership and do not or cannot fulfill our guarantee obligation to Holders of Guaranteed Certificates, Holders could become unsecured creditors of Freddie Mac with respect to claims made under our guarantee.

See the Incorporated Documents for additional information regarding the possible implications of a receivership.

CREDIT RISK RETENTION

Freddie Mac, as sponsor of this securitization transaction, will not retain risk pursuant to provisions of FHFA's Credit Risk Retention Rule (12 C.F.R. Part 1234) (the "**Rule**") because FHFA, as Conservator and in furtherance of the goals of the conservatorship, has determined to exercise authority under Section 1234.12(f)(3) of the Rule to sell or otherwise hedge the credit risk that Freddie Mac would be required to retain and has instructed Freddie Mac to take such action necessary to effect

this outcome. Freddie Mac also will not rely on a third party purchaser to retain risk pursuant to the Rule, as may otherwise be permitted under Section 1234.7 (Commercial mortgage-backed securities). As a result, no party will retain risk with respect to this transaction in a form or an amount pursuant to the terms of the Rule. Although Freddie Mac will not be retaining risk pursuant to the Rule as a result of FHFA instructions, it may elect to retain, to the extent permitted by FHFA, some portion of the certificates.

THE CERTIFICATES

We create and administer each Series of Certificates. We sell and guarantee certain payments of principal and interest on Class A Certificates. Class A Certificates are offered pursuant to this Offering Circular and the related Supplement. Class B Certificates are issued simultaneously with Class A Certificates, but will not be offered pursuant to this Offering Circular.

ASSETS

Each Certificate represents an undivided ownership interest with specified rights in the Assets contained in its related Series.

The Bonds are issued by state and local government entities to finance affordable multifamily housing mortgages. The Bonds and Mortgage Loans are secured by a pledge by the issuer of first liens on the related multifamily residential properties and certain other assets, including funds and accounts held by the Bond trustee, and in some instances, other collateral including letters of credit and interest rate hedges.

The general terms of the specific Assets for each Series of Certificates will be described in the applicable Supplement.

Funds from Assets may be used to construct, acquire and rehabilitate or refinance affordable multifamily housing properties. For properties that are being constructed or rehabilitated, the financing documents contain certain conditions regarding, among other things, the timing of completion of the project and leasing of the units. Once a property satisfies these conditions it is said to achieve “stabilization.” Examples of these conditions include:

- (i) the construction has been completed in accordance with the plans and specifications and any amendments thereto consented to by the Bondholder Representative and applicable building codes;
- (ii) a certificate of occupancy has been issued for each building that is located on the property;
- (iii) the property shall have obtained physical occupancy (net of concessions) of not less than a percentage specified in the related documents for 90 consecutive days;
- (iv) the debt coverage ratio of the applicable property and Mortgage is equal to or greater than a percentage specified in the related documents;
- (v) the loan-to-value ratio of the Mortgage is equal to or less than a set percentage specified in the related documents; and
- (vi) any additional conditions have been satisfied.

If a property does not achieve stabilization by a set date, the property may not be eligible for permanent financing and the related Assets may be subject to mandatory prepayment or tender. There

is no certainty that construction will be completed or that all of the conditions to conversion will be satisfied in time for a property to achieve stabilization.

Even if a property achieves stabilization within the specified time frame, the documents related to that property may provide for a reduction of the principal amount of the Assets related to that property to an amount that is less than the original principal amount of the related Asset. If the principal amount of the Asset related to a property is reduced upon stabilization, the principal amount of the related Asset will be reduced through a partial prepayment of such Asset. This prepayment would be funded by the property owner. If such prepayment is required as a condition to stabilization and is not made, conversion to permanent financing will not occur and the related Assets may be subject to mandatory prepayment or tender in whole, as described above.

In addition, Freddie Mac may have more stringent or additional conditions beyond those set forth in the documents to be met for it to treat a property related to the Assets as stabilized. If such conditions are not met, the failure of a property to stabilize may constitute a Release Event under the applicable Series Certificate Agreement permitting the Assets to be released from the Series following the payment of the Release Purchase Price. This would result in a prepayment of the Class A Certificates.

The stabilization date may be extended under the terms of the related documents. You will not receive notice of an extension of the stabilization date.

Each underlying Mortgage is a fixed or floating rate, interest only, fully amortizing or balloon mortgage with an original term of 10 to 40 years. The Mortgages usually either prohibit prepayment or provide for prepayment at a premium for some period, after which the Mortgage may be prepaid at par.

Principal payments on the Bonds are generally made on a monthly or semi-annual basis on an amortization schedule that usually does not exceed 40 years, with a maturity from 10 to 40 years following the beginning of amortization. Principal and interest payments are typically made on the mortgages underlying the Bonds by the related borrowers on a monthly basis.

The applicable Bond Trustee will pay principal and interest on each Bond, and deduct and pay fees due with respect to that Bond. If the borrower fails to pay the mortgage underlying a Bond, the servicer will notify the applicable Bond Trustee and Bondholder Representative. The Bondholder Representative will instruct the applicable Bond Trustee as to remedies. Freddie Mac will be the Bondholder Representative for the Bonds in each Series.

PAYMENTS

Payment Dates

We make payment to Holders of Class A Certificates on each applicable Payment Date. A **“Payment Date”** is the 15th of each month or, if the 15th is not a Business Day, the next Business Day.

For this purpose, a **“Business Day”** means a day other than:

- A Saturday or a Sunday.
- A day when the offices of the federal government in the District of Columbia generally are closed.
- A day when the Federal Reserve Bank of New York is closed.

- A day when Freddie Mac is closed.
- A day when DTC is closed.
- A day when banks in New York or the city(ies) in which the Administrator, Freddie Mac or Remarketing Agent is located are closed.
- A day when the New York Stock Exchange is closed.

Class Factors

For each month, we calculate and make available (including on our internet website) the Class Factor for Class A Certificates of each Series.

The “**Class Factor**” for any Class A Certificates for any month is a truncated eight-digit decimal that, when multiplied by the original principal amount of the Class A Certificates of that Series, 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.

Class Factors will be available not later than the second Business Day prior to the Payment Date for that month.

The Class Factor for each Class A Certificate for the month of its issuance is 1.00000000.

Distribution Account

As Administrator, we establish a Distribution Account for each Series. For each Payment Date, we deposit into the Distribution Account each of the following amounts related to that Payment Date:

- all Asset Payments received, including Redemption Premiums.
- all amounts paid in connection with a Release Event.
- all amounts Freddie Mac pays under its Credit Enhancement.
- all Administrator Advances by Freddie Mac.

The Distribution Account will relate solely to the Certificates of the related Series, and funds in the Distribution Account will not be commingled with any other funds.

Interest Distributions

For each Payment Date other than the first Payment Date, holders of Class A Certificates will be paid interest equal to the aggregate of the interest accrued each day in the calendar month preceding each Payment Date (the “**Accrual Period**”) at the Reset Rate or Term Extended Rate in effect for such Certificate on each such day. For the first Payment Date, the Accrual Period will run from the date specified in the Supplement to the last day of the month preceding the first Payment Date.

The Assets are expected to generate more interest than is necessary to provide for interest at a rate that will enable the Remarketing Agent to remarket all Class A Certificates at par, but no assurance can be given that this will be the case.

Principal Distributions

Principal will be paid on each Payment Date. For any Payment Date, the total amount of principal payments available for distribution will equal the sum of:

- The amount of principal payments scheduled or made on the underlying Assets during the collection period for that Payment Date (“**Available Principal**”). The collection period for each Payment Date will be the period from the second Business Day of the prior calendar month through the first Business Day of the month of that Payment Date.
- The Redemption Premium, if any, payable to Holders, determined in accordance with the Gain Share calculation described in the Supplement or an exhibit to the Supplement. Freddie Mac does not guarantee the payment of any Redemption Premium.
- Class A Certificates share of the Hypothetical Gain Share, if any, in connection with a payment arising from a Release Event. Hypothetical Gain Share is calculated as described in the Supplement or an exhibit to the Supplement. Freddie Mac does not guarantee the payment of any Hypothetical Gain Share.

On each Payment Date, other than a Payment Date related to a Release Event, we pay Available Principal to the Holders of the Class A Certificates entitled to receive principal payments on that Payment Date pro rata as follows:

To Freddie Mac as the secured lien holder of Pledged Class A Certificates, until the balance of any Pledged Class A Certificates is reduced to zero.

To the other Holders of Class A Certificates, until retired.

While the DTC system is in effect, payments of principal to Holders of Class A Certificates other than Freddie Mac as the secured lien holder of Pledged Class A Certificates are paid in multiples of \$5,000 under random lot procedures. Under such random lot procedures, on each Payment Date when principal is payable on Class A Certificates, the amount payable on that Class is rounded to a multiple of \$5,000. On the first such Payment Date, the Registrar withdraws from the Odd-Lot Subaccount any funds needed to round the principal payment upward to the next multiple of \$5,000 and pays the rounded amount on the Class A Certificates. On the next such Payment Date, the Registrar applies the principal payable on the Class A Certificates first to repay any amount withdrawn from the Odd-Lot Subaccount on the previous Payment Date. The Registrar then rounds the remainder of the principal payment upward to the next multiple of \$5,000, by making another withdrawal from the Odd-Lot Subaccount, and pays this amount on the Class A Certificates. This process continues on each following Payment Date until the Class A Certificates have been retired.

While the DTC system is in effect, DTC will determine which Holders will be paid by using its established random lot procedures. Each DTC Participant receiving principal payments, and each financial intermediary in the chain to the beneficial owners, will remit payments to their customers according to their own procedures, which may or may not be by random lot. A DTC Participant or financial intermediary could decide to allot Class A principal payments to certain customers (which could include the DTC Participant or intermediary) without allotting payments to others. You may ask your brokers or other intermediaries or the Remarketing Agent what allocation procedures they use.

While the Fed System is in effect, payments of principal to Holders of the Class A Certificates will be paid in multiples of \$0.01 in accordance with the Fed System Book Entry Rules.

The Supplement for each Series will describe the specific allocation of principal payments for that Series.

On each Payment Date, we also pay the Redemption Premium (if any) and Hypothetical Gain Share (if any) related to a Release Event to the Class A Certificates, until retired.

On any Payment Date related to a Release Event, we pay the portion of Available Principal related to the released Asset as described under *The Certificates — Release Event*.

Reports to Holders

Each month, not later than the second Business Day prior to the Payment Date for that month, we will make available on our internet website the following information:

- the related Payment Date;
- the Class Factor for that Payment Date;
- the weighted average of the Reset Rate applicable to that Payment Date; and
- if all of the Certificates are to be redeemed in full on a Payment Date, the notice described under *The Agreement — Final Distribution*.

Record Dates

We make payments on each Payment Date to Holders as of the close of business on the last day of the preceding month (the “**Record Date**”).

Final Payment Dates

The “**Final Payment Date**” for each Class is the latest date by which it will be paid in full and will retire. We calculate Final Payment Dates using conservative assumptions, and the actual retirement of Class A Certificates of any Series could occur significantly earlier than its Final Payment Date.

RESET RATES

The Remarketing Agent

The Remarketing Agent sets the Reset Rate and determines the Maximum Reset Rate for the Class A Certificates by 5:00 p.m. on the related Reset Date. The Remarketing Agent is also responsible for remarketing Class A Certificates that are tendered to us. The Supplement will identify the Remarketing Agent for that Series.

The Remarketing Agent Is Paid by the Sponsor

The Remarketing Agent is appointed by Freddie Mac and the Sponsor. As a result, the interests of the Remarketing Agent may differ from those of the beneficial owners of the Class A Certificates.

The Remarketing Agent May Purchase Class A Certificates for Its Own Account

The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and may, in its sole discretion, purchase such obligations for its own account, including the Class A Certificates. In its sole discretion, the Remarketing Agent may acquire tendered Class A Certificates in order to achieve a successful remarketing of the Class A Certificates (for example,

because there otherwise are not enough buyers to purchase the Class A Certificates) or for other reasons. *The Remarketing Agent is not obligated to purchase Class A Certificates, however, and may cease doing so at any time without notice.* The Remarketing Agent may also sell any Class A Certificates it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Class A Certificates. The purchase of Class A Certificates by the Remarketing Agent may create the appearance that there is greater third party demand for the Class A Certificates in the market than is actually the case. The practices described above also may result in fewer Class A Certificates being tendered in a remarketing.

Class A Certificates May be Offered at Different Prices on Any Date, Including a Reset Date

Pursuant to the Remarketing Agreement, the Remarketing Agent is required to determine the rate of interest that, in its judgment, is the minimum rate which would, under then existing market conditions, result in the sale of the Class A Certificates on the applicable Reset Date at a price equal to the principal amount thereof plus accrued interest, if any. The interest rate will reflect, among other factors, the level of market demand for the Class A Certificates (including whether the Remarketing Agent is willing to purchase Class A Certificates for its own account). There may or may not be Class A Certificates tendered and remarketed on a Reset Date, and it is possible that the Remarketing Agent may not be able to remarket any Class A Certificates tendered for purchase on such date at par. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Class A Certificates at the remarketing price. In the event the Remarketing Agent owns any Class A Certificates for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Class A Certificates on any date, including the Reset Date, at a discount or premium to par.

The Ability to Sell the Class A Certificates Other Than Through the Tender Process May be Limited

The Remarketing Agent may buy and sell Class A Certificates other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice. The Remarketing Agent may require beneficial owners that wish to tender their Class A Certificates to do so only through the Remarketing Agent with appropriate notice, as provided in the Series Certificate Agreement. Thus, investors which purchase the Class A Certificates, whether in a remarketing or otherwise, should not assume that they will be able to sell their Class A Certificates other than by tendering the Class A Certificates in accordance with the tender process set forth in the Series Certificate Agreement.

Under Certain Circumstances, the Remarketing Agent May be Removed, Resign or Cease Remarketing the Class A Certificates, Without a Successor Being Named

Under certain circumstances, the Remarketing Agent may be removed or resign or cease its remarketing efforts without a successor having been named, subject to the terms of the Remarketing Agreement.

Determination of the Reset Rate

The Reset Rate will change from time to time. The Reset Rate for any period will be the minimum rate of interest which would, in the judgment of the Remarketing Agent, under then prevailing market

conditions (taking into account that such rate will be reset on the next Reset Date), result in a sale of the Class A Certificates at a market price equal to the outstanding balance of the Class A Certificates, plus accrued interest. The Reset Rate cannot exceed the Maximum Reset Rate calculated as described in the Supplement or an exhibit to the Supplement.

The Remarketing Agent will calculate the Maximum Reset Rate on each Reset Date immediately prior to determining the Reset Rate.

If the Remarketing Agent fails to set a Reset Rate by 5:00 p.m. on the Reset Date, the Reset Rate for the next period will be the lesser of the previous Reset Rate or the Maximum Reset Rate.

Upon setting the Reset Rate, the Remarketing Agent notifies Freddie Mac of the Reset Rate, the Maximum Reset Rate and the date on which the Reset Rate will take effect. After the Remarketing Agent sets the Reset Rate and gives notice to Freddie Mac, the determination of the Reset Rate, absent manifest error, will be binding, subject to the Maximum Reset Rate. You may obtain the Reset Rate for each period from the Remarketing Agent as described in the Supplement or from our internet website.

Reset Rate Method

The frequency of making changes to the Reset Rate is called the “**Reset Rate Method.**” The following table shows the date by which the Reset Rate will be determined (each a “**Reset Date**”) and the period during which the Reset Rate applies for each Reset Rate Method.

Reset Rate Method	Reset Date(1)	Related Accrual Period(2)
Weekly Reset Rate Method	<ul style="list-style-type: none"> • Wednesday • if Wednesday is not a Business Day, the preceding Business Day 	Thursday through the following Wednesday
Monthly Reset Rate Method	Last Business Day of the preceding month	Calendar Month
Term Reset Rate Method	Last Business Day prior to the beginning of the term	Term specified in notice to holders (or until the Series Expiration Date, if earlier)(3)

(1) However, if the Reset Rate Method is being changed, the Reset Date will be the Business Day preceding the Reset Rate Change Date.
(2) However, if the Reset Rate Method is being changed and the Reset Rate Change Date is prior to the end of this period, the Reset Rate will apply through day preceding the next Reset Rate Change Date.
(3) Unless otherwise approved by Freddie Mac, this period will not be less than 180 days nor more than one year until the First Optional Disposition Date. After the First Optional Disposition Date, this period will not be less than 180 days nor more than five years.

The Supplement will specify the initial Reset Rate Method applicable to each Series.

If the Monthly Reset Rate Method or Term Reset Rate Method is in effect, the Remarketing Agent will make preliminary indications of the Reset Rate for the next period available by telephone six Business Days prior to the related Reset Date. The Reset Rate will not be less than the preliminary Reset Rate quoted by the Remarketing Agent.

The Reset Rate Method may be changed by:

- direction of the Holders of a majority of the outstanding principal balance of Class B Certificates (with Freddie Mac’s approval).
- Freddie Mac, if the interest rate hedge required by the Reimbursement Agreement between Freddie Mac and the Sponsor is not in effect.

If the Reset Rate Method is changed, Holders will be notified by the Remarketing Agent of the change at least eight Business Days prior to the change taking effect. A change of the Reset Rate

Method will be a Mandatory Tender Event (however, you will have the Retention Right). See *Description of Certificates — Mandatory Tender*.

If the Reset Rate Method is changed to the Weekly Reset Rate Method or the Monthly Reset Rate Method, the Reset Rate Method will continue to be Weekly or Monthly, as applicable, until changed by Holders of Class B Certificates with Freddie Mac's consent. If the Reset Rate Method is changed to the Term Reset Rate Method, the Reset Rate Method will become Weekly at the conclusion of the specified term, unless the Holders of the Class B Certificates with Freddie Mac's consent elect to continue the Term Reset Rate Method. The expiration of a period in which the Term Reset Rate Method is in effect will be a Mandatory Tender Event, subject to your Retention Right.

The Reset Rate Method may not be changed during the last two Business Days before a Mandatory Tender Date.

TERM EXTENDED RATE

If so specified in the Supplement, the Class A Certificate shall bear interest at the Term Extended Rate specified in the Supplement. The Term Extended Rate will generally be a fixed interest rate per annum to be in effect from and including the Date of Original Issuance to but not including the Series Expiration Date. Class A Certificates in the Term Extended Rate may not be converted to a Reset Rate Method. The Tender Option does not apply to Class A Certificates in the Term Extended Rate, nor does any requirement for Mandatory Tender (other than with respect to Mandatory Tenders resulting from a Credit Provider Termination Event or a Clean Up Event). Except as otherwise provided in the Supplement, Holders of Class A Certificates in the Term Extended Rate may tender their Class A Certificates on any Optional Disposition Date. Class A Certificates in the Term Extended Rate are subject to early redemption in connection with a Tender Option Termination Event.

TENDER OPTION

Rights of Holders to Tender Class A Certificates

Holders of a Class A Certificate have the Tender Option to tender their Class A Certificates to Freddie Mac on any Purchase Date in exchange for the Purchase Price upon giving proper notice. We are obligated to pay the Purchase Price for each Class A Certificate validly tendered pursuant to the Tender Option.

A “**Purchase Date**” is:

- any Business Day, when the Weekly Reset Rate Method is in effect.
- the first Business Day of every calendar month, when the Monthly Reset Rate is in effect.
The Tender Option is not available:
- when the Term Reset Rate Method or Term Extended Rate is in effect.
- for Affected Certificates after the occurrence of an applicable Tender Option Termination Event.
- for Pledged Class A Certificates.

Holders of Class A Certificates may exercise the Tender Option for Class A Certificates having an original balance of \$5,000 and integral multiples of \$5,000 in excess thereof. Holders may not exercise the Tender Option for other denominations of Class A Certificates.

Procedures to Exercise the Tender Option

In order to exercise the Tender Option, you must instruct the Holder of your Certificates to exercise the Tender Option on your behalf.

To exercise the Tender Option on your behalf, a Holder of Class A Certificates must:

- Give an Exercise Notice to the Remarketing Agent and Freddie Mac. The Exercise Notice must be given by 5:00 p.m., on or prior to the fifth Business Day preceding the Purchase Date. The Exercise Notice should be made by telephone and confirmed by telecopy, facsimile transmission, electronic mail or similar electronic means of communication. The confirmation must be received by the principal office of the Remarketing Agent as specified in the Supplement and Freddie Mac, as Registrar, at 1551 Park Run Drive, MS-D5B, McLean, Virginia 22102-3110 by 5:00 p.m. on the same day. The Exercise Notice must specify:
 - the original balance of the Class A Certificates being tendered.
 - the Authorized Denominations tendered for purchase.
 - the Purchase Date on which you demand purchase.
- Deliver the Class A Certificates to Freddie Mac by book-entry transfer into Freddie Mac's account at DTC by not later than 11:00 a.m. on the Purchase Date.
- Advise Freddie Mac in writing of the single account of the Holder in which payment for Tendered Class A Certificates is to be transferred.

Freddie Mac will pay the Purchase Price of any Tendered Class A Certificates by 3:00 p.m. to the Holders of Tendered Class A Certificates as they appear on the records of the Registrar.

Once it is exercised, the Tender Option may not be revoked. Upon giving telephonic notice of exercise of the Tender Option to Freddie Mac or the Remarketing Agent, or upon delivery of an Exercise Notice to Freddie Mac or the Remarketing Agent, Holders of Class A Certificates will have no further rights or interests in such Class A Certificates other than the right to receive payment of the Purchase Price. No interest will be paid on such Class A Certificates from and after the Purchase Date.

If a Holder of Class A Certificates gives an Exercise Notice and then fails to deliver the Tendered Class A Certificates as described above, the Tendered Class A Certificates will be deemed to have been delivered, and the Holder will have no further rights or interests in such Class A Certificates other than the right to receive payment of the Purchase Price.

Freddie Mac will determine whether the Tender Option has been exercised in compliance with the requirements described in this section. If an attempted exercise of the Tender Option does not comply with these requirements, Freddie Mac will reject such exercise and redeliver such Class A Certificates by using its best efforts to transfer such Certificates "free" on the records of DTC to the applicable Holder.

Freddie Mac will give the Remarketing Agent and DTC a Tender Advice by not later than 5:00 p.m. on the Business Day after it receives an Exercise Notice. The Tender Advice will be delivered by telecopy, facsimile transmission, electronic mail or similar electronic means of communication and will set forth:

- the Purchase Date and
- the aggregate Authorized Denominations of Class A Certificates tendered for purchase.

Tender Option Termination Events

The Tender Option for a Series will terminate without notice upon the occurrence of any of the following events (each, a **“Tender Option Termination Event”**):

- There shall have occurred (A) a failure to pay when due any installment of principal of or premium, if any, or interest with respect to any Bonds and (B) a failure by Freddie Mac to pay on the Credit Enhancement which failure or failures continues for three Business Days.
- The rating of the long-term, senior debt of Freddie Mac is reduced below “Baa3” in the case of Moody’s and “BBB–” in the case of Fitch and S&P by each such rating agency rating such debt.

If a Tender Option Termination Event occurs, the Series will be subject to complete or partial liquidation on the related Exchange Date. See *The Agreement — Termination*.

If a Tender Option Termination Event occurs, Freddie Mac will promptly give the Remarketing Agent a Tender Option Termination Notice by telecopy, facsimile transmission, electronic mail or similar electronic means of communication, promptly confirmed by mailing a copy of the Tender Option Termination Notice. The Tender Option Termination Notice will set forth each of the following items:

- A description of the Tender Option Termination Event that has occurred and a description of the Affected Assets.
- The date when such Tender Option Termination Event occurred.
- A schedule, prepared by Freddie Mac, of the Assets, if any, that will remain after the complete or partial liquidation of the Series and required distributions have been effected on the related Exchange Date.
- If applicable, a schedule, prepared by Freddie Mac, of the amounts of Class A Certificates and Class B Certificates and of the obligation, if any, of Freddie Mac to purchase tendered Certificates that will remain after the complete or partial liquidation of the Series and the required distributions have been effected on the related Exchange Date. No such obligation will exist after a complete liquidation of the Series.

Freddie Mac will give the Holders of Class A Certificates a copy of the Tender Option Termination Notice not later than one Business Day following its delivery to the Remarketing Agent. The failure to give notice of any Tender Option Termination Event to the Holders or the failure of any Holder to receive such notice will not delay or affect in any manner the termination of the right to exercise the Tender Option with respect to any Affected Certificates.

MANDATORY TENDER

Mandatory Tender Events

Freddie Mac has the right to purchase Class A Certificates (other than Affected Certificates and Pledged Class A Certificates) if a Mandatory Tender Event occurs. If a Mandatory Tender Event occurs:

- Freddie Mac will give notice (**“Mandatory Tender Notice”**) to the Holders and the Remarketing Agent.

- Freddie Mac will purchase all or a portion of the outstanding Class A Certificates and pay the Purchase Price on the “**Mandatory Tender Date**” specified in the table below. After the Mandatory Tender Date and payment of the Purchase Price you will not have a right to additional payments of principal or interest from your Class A Certificates.

Under some circumstances, you may decline a Mandatory Tender by exercising your Retention Right. If you exercise the Retention Right, your Class A Certificates will not be purchased and you will not receive the Purchase Price. See *The Certificates — Mandatory Tender — Right to Retain*.

The table below specifies the dates of the Mandatory Tender Notice and the Mandatory Tender Date for each related Mandatory Tender Event.

Mandatory Tender Event	Notice Requirements	Mandatory Tender Date
<p>An event of default under the Reimbursement Agreement (a “Liquidity Provider Termination Event”)⁽¹⁾ if a Reset Rate is in effect or a “Credit Provider Termination Event” if a Term Extended Rate is in effect.</p>	<p>Freddie Mac sends a Liquidity Provider Termination Notice or Credit Provider Termination Notice to the Remarketing Agent.</p> <p>Freddie Mac sends Holders a Mandatory Tender Notice by 5:00 p.m. on the second Business Day after the date of the Liquidity Provider Termination Notice or Credit Provider Termination Notice.</p>	<p>The Business Day specified by Freddie Mac in the Liquidity Provider Termination Notice or Credit Provider Termination Notice (must be between 5 and 10 Business Days after the date of the Mandatory Tender Notice)</p>
<ul style="list-style-type: none"> • A change in the Reset Rate Method from the Weekly Reset Rate Method or Monthly Reset Rate Method to the Monthly Reset Rate Method or the Term Reset Rate Method⁽²⁾ <i>or</i> • The beginning of a new term if the Term Reset Rate Method was previously and will continue to be in effect⁽²⁾ 	<p>Freddie Mac sends notice to:</p> <ul style="list-style-type: none"> • Remarketing Agent at least nine Business Days prior to the Term Reset Date and not later than one Business Day after it consents to the change in Reset Rate Method • Holders not later than one Business Day after it consents to the change in the Reset Rate Method 	<p>The Term Effective Date specified in the notice to Holders</p>
<p>A change in the Reset Rate Method to the Weekly or Monthly Reset Rate Method⁽²⁾</p>	<p>Freddie Mac sends notice to:</p> <ul style="list-style-type: none"> • Remarketing Agent not later than two Business Days after it consents to the change in Reset Rate Method • Holders at least eight Business Days prior to the Reset Rate Method Change Date 	<p>The Reset Rate Method Change Date</p>

(1) Events of default under the Reimbursement Agreement typically include the following events:

- Freddie Mac does not receive amounts due under the Reimbursement Agreement.
- The Sponsor fails to perform its obligations under the Reimbursement Agreement or other agreements related to this Series.
- The interest rate on the Assets converts to a fixed rate without Freddie Mac’s consent.
- The Sponsor fails to deliver a replacement interest rate hedge when required by the Reimbursement Agreement.
- The Sponsor challenges the pledge to Freddie Mac of Class B Certificates.
- The Sponsor breaches certain representations.

(2) Subject to your Retention Right.

Mandatory Tender Event	Notice Requirements	Mandatory Tender Date
<p>Amendments to the Agreement (“Section 12.01(b) Amendments”)⁽²⁾ relating to:</p> <ul style="list-style-type: none"> • distributions and payments from the Distribution Account • determination of the Reset Rate • the Tender Option or Tender • Option Termination Events • the provisions regarding amendments to those sections 	<p>A Business Day that is at least 20 calendar days prior to the effective date of the amendment</p>	<p>The effective date of the amendment</p>
<p>At Freddie Mac’s option, when the outstanding balance of the Class A Certificates is less than 5% of the balance of the Bonds as of the Closing Date for that Series (a “Clean-Up Event”)</p>	<p>Upon occurrence of a Clean-Up Event, Freddie Mac sends a Clean-Up Notice to the Remarketing Agent. Freddie Mac sends Holders Mandatory Tender Notice by 5:00 p.m. on the second Business Day after the date of the Clean-Up Notice.</p>	<p>The date specified by Freddie Mac in the Mandatory Tender Notice (must be between 5 and 10 Business Days after the date of the Mandatory Tender Notice)</p>
<p>If Partnership Factors apply, the occurrence of certain events of bankruptcy, insolvency or similar proceedings involving the Sponsor (each, a “Sponsor Act of Bankruptcy”)</p>	<p>Freddie Mac sends notice to:</p> <ul style="list-style-type: none"> • Remarketing Agent upon obtaining knowledge of the Sponsor Act of Bankruptcy • Holders by no later than one Business Day after sending notice to the Remarketing Agent 	<p>The fifth Business Day after notice is given to Holders</p>
<p>A Successor Sponsor is appointed by the Sponsor (with Freddie Mac’s consent)⁽²⁾</p>	<p>Sponsor sends notice (and Freddie Mac’s consent) to the Administrator. Freddie Mac sends notice to the Holders.</p>	<p>The date specified in the notice (at least 10 Business Days prior to the date the appointment becomes effective)</p>

(2) Subject to your Retention Right.

Holders of Affected Certificates and Pledged Class A Certificates have no right to tender Affected Certificates or Pledged Class A Certificates for purchase upon the occurrence of a Mandatory Tender Event.

Notice of Mandatory Tender

If a Mandatory Tender Event occurs, Freddie Mac will provide notice to the Remarketing Agent and the Holders as described in the table above. The Mandatory Tender Notice will include each of the following:

- The Mandatory Tender Date.
- A brief statement specifying the applicable Mandatory Tender Event.
- Directions for surrendering tendered Certificates for payment.

- A statement that the Purchase Price payable to the Holders of Class A Certificates tendered pursuant to the Mandatory Tender will be payable on the Mandatory Tender Date, and that interest payable with respect to such Class A Certificates will cease to accrue from and after such Mandatory Tender Date.
- In connection with a Mandatory Tender Event related to Liquidity Provider Termination Event or a Credit Provider Termination Event, as applicable, a Sponsor Event of Bankruptcy or a Clean-Up Event, a statement that Hypothetical Gain Share, if any, will be paid to the Holders of Class A Certificates based upon a valuation of the Assets and a statement that Freddie Mac's responsibilities under the Series Certificate Agreement will terminate.
- If applicable, a statement that Holders of Class A Certificates will have the right to elect to retain such Certificates by delivering a Retention Notice to Freddie Mac as described in *The Certificates — Mandatory Tender — Right to Retain*.
- A statement that even if the Holder of Class A Certificates fails to surrender its Class A Certificates on the Mandatory Tender Date, the Tender Option with respect to such Certificates will terminate on the Mandatory Tender Date, and any Class A Certificates not surrendered on the Mandatory Tender Date will, for all purposes of the Series Certificate Agreement, be deemed to have been surrendered unless the Holder has delivered a conforming Retention Notice.
- A statement that, notwithstanding such Mandatory Tender Notice, Holders of affected Class A Certificates will continue to have the right to exercise the Tender Option in accordance with the terms and provisions of the Series Certificate Agreement; *provided, that*, if the Series is terminated as a result of such Mandatory Tender Event, the Tender Option will terminate at the last applicable time and date on which an Exercise Notice may be given by or on behalf of such Holder in accordance with the terms and provisions of the Series Certificate Agreement.

Freddie Mac will give the Remarketing Agent and DTC a Tender Advice by telecopy, facsimile transmission, electronic mail or similar electronic means of communication by not later than 10:00 a.m. on the second Business Day prior to any Mandatory Tender Date. The Tender Advice will include each of the following:

- The applicable Mandatory Tender Date.
- The aggregate outstanding balance of Class A Certificates subject to Mandatory Tender.
- The Authorized Denominations of Class A Certificates with respect to which conforming Retention Notices have been received by Freddie Mac, if applicable.

Right to Retain

You will have the Retention Right to decline a Mandatory Tender in connection with the following Mandatory Tender Events:

- a Term Effective Date (that is not a Reset Rate Method Change Date).
- a change (but not a continuation) in the Reset Rate Method from a Weekly Reset Rate Method or Monthly Reset Rate Method to a Monthly Reset Rate Method or a Term Reset Rate Method.

- a change (but not a continuation) in the Reset Rate Method from a Term Reset Rate Method or a Monthly Reset Rate Method to a Weekly Reset Rate Method or Monthly Reset Rate Method.
- a Section 12.01(b) Amendment.
- a Successor Sponsor is appointed by the Sponsor.

To exercise a Retention Right, a Holder must deliver a Notice (a “**Retention Notice**”) to the Administrator by 12:00 noon on the third Business Day before the related Mandatory Tender Date. The Retention Notice must state the following information:

- The applicable Mandatory Tender Date.
- The outstanding balance of Class A Certificates subject to Mandatory Tender.
- The outstanding balance of Class A Certificates the Holder elects to retain.

Upon the receipt by the Administrator of a Retention Notice, the related Class A Certificates will no longer be subject to the applicable Mandatory Tender. If you exercise the Retention Right your Class A Certificates will not be purchased and you will not receive the Purchase Price.

The Administrator will provide a copy of each Retention Notice to the Remarketing Agent by Electronic Notice, promptly confirmed in writing by mail, not later than the Business Day following the Business Day on which it receives such notice.

Effects of Mandatory Tender

Remarketing

The Remarketing Agent will remarket Class A Certificates tendered pursuant to the following Mandatory Tender Events:

- a Term Effective Date (that is not a Reset Rate Method Change Date).
- a change (but not a continuation) in the Reset Rate Method from a Weekly Reset Rate Method or Monthly Reset Rate Method to a Monthly Reset Rate Method or a Term Reset Rate Method.
- a change (but not a continuation) in the Reset Rate Method from a Term Reset Rate Method or a Monthly Reset Rate Method to a Weekly Reset Rate Method or Monthly Reset Rate Method.
- a Section 12.01(b) Amendment.
- a Successor Sponsor is appointed.

Termination

A Series will terminate upon the occurrence of the following Mandatory Tender Events:

- Liquidity Provider Termination Event or Credit Provider Termination Event, as applicable.
- Clean-Up Event.
- Sponsor Act of Bankruptcy (if Partnership Factors apply). See *The Agreement — Termination*.

RELEASE EVENT

General

Freddie Mac has the right to redeem all or a portion of the Class A Certificates if any of the following (each, a “**Release Event**”) occurs:

- There is an “event of default” pursuant to the related Bond Documents or Mortgage Loan Documents.
- A property related to an Asset fails to achieve stabilization when required by the terms of the Reimbursement Agreement, if applicable.
- There is a sale of the multifamily property underlying a Series of Bonds.
- A material adverse credit condition exists with respect to the related Bonds, Bond Documents, Bond Mortgage Documents or Mortgage Loan Documents or the Reimbursement Agreement.
- There is a substitution of Assets with respect to which an event of default exists under the related Bond Documents or Mortgage Loan Documents.
- There is a breach of representations made by the Sponsor with respect to a Series of Bonds or related project pursuant to and in accordance with the Reimbursement Agreement.
- The Series terminates.
- Any other event specified in the Supplement.

Freddie Mac will redeem Class A Certificates in an amount equal to the outstanding balance, rounded up to the next multiple of \$5,000, of the affected Bonds or Mortgage Loan, as applicable, on the next Payment Date which occurs at least five Business Days after the date of the Release Event. In addition, Freddie Mac will pay interest on such Class A Certificates through the end of the month preceding such Payment Date, together with Hypothetical Gain Share calculated as described in the Supplement or an exhibit to the Supplement.

The redemption related to a Release Event will reduce the outstanding balance of Class A Certificates.

Sponsor Funded

The Sponsor has the option to fund the Release Purchase Price and have the affected Assets released to it. If the Sponsor makes a principal payment in connection with a Release Event, the Supplement will describe the portion of such principal payment that will be applied to redeem Class A Certificates.

Freddie Mac Funded

Unless otherwise described in the Supplement, if Freddie Mac makes a principal payment in connection with a Release Event, the amount of such principal payment to be paid to the Holders of Class A Certificates will be calculated as follows:

Amount to be paid = X + Y

where X = (60%)(A + B) minus B

and Y = A minus (X + C minus D + E) (*But Y will never be less than \$0*)

and where:

A = the principal amount paid by Freddie Mac related to the applicable Bonds or Mortgage Loans subject to a Release Event during the collection period related to that Payment Date

B = the outstanding principal amount of tax-exempt bonds that financed the same Project as the applicable Bonds

C = the Current Class B Certificate Balance

D = the Minimum Sponsor Interest (\$5,000 where Partnership Factors have not been elected)

E = prior distributions of principal other than to Holders of Class A Certificates (including Pledged Class A Certificates) or Holders of Class B Certificates to pay fees of Freddie Mac, the Remarketing Agent or Servicer (to the extent not otherwise paid)

This amount will be paid pro rata to Freddie Mac as the Holder of Pledged Class A Certificates and to the other Holders of Class A Certificates.

OPTIONAL DISPOSITION

If applicable to the Class A Certificates as set forth in the Supplement, Holders who have held Class A Certificates for at least one year have the Optional Disposition Right to tender any of those Class A Certificates for purchase.

The Optional Disposition Right may be exercised beginning on the date specified in the Supplement and on every Payment Date thereafter (“**Optional Disposition Date**”) by any Holder of Class A Certificates (except Affected Certificates and Pledged Class A Certificates). However, Optional Disposition is not available unless the Hypothetical Gain Share is greater than zero.

To exercise the Optional Disposition Right a Holder must submit a written notice to the Registrar at least five Business Days before the related Optional Disposition Date. The notice must state each of the following:

- the identity of the Holder.
- that the Holder is the registered owner of a specified amount of Class A Certificates.
- that the Holder is exercising its right to tender such Class A Certificates in exchange for the Optional Disposition Price.

Freddie Mac will notify the Remarketing Agent within one Business Day after it receives an optional disposition notice. Unless otherwise directed by Freddie Mac, the Remarketing Agent will attempt to remarket Class A Certificates subject to the Optional Disposition Right for settlement on the related Optional Disposition Date.

On the Optional Disposition Date:

- Holders who have exercised the Optional Disposition Right will surrender the Tendered Class A Certificates to Freddie Mac. However, if the Hypothetical Gain Share on an Optional Disposition Date is not greater than zero, that Optional Disposition Date will be cancelled and any Class A Certificates delivered to Freddie Mac for Optional Disposition will be returned to the Holders thereof.
- Freddie Mac will pay the Optional Disposition Price equal to the outstanding balance of such Class A Certificates *plus* any accrued and unpaid interest through the day before the Optional Disposition Date *plus*, from the sources described below, any Hypothetical Gain Share received for any Class A Certificates tendered pursuant to the Optional Disposition Right.

Any Holder of Class A Certificates may request a valuation of the Assets from the Remarketing Agent on any Business Day not earlier than ten Business Days before an Optional Disposition Date. The Remarketing Agent will then determine such valuation for such Business Day in the manner specified in the definition of “Hypothetical Gain Share” in the Supplement or an exhibit to the Supplement. Such valuation will be provided solely for informational purposes and will not be binding.

For each Optional Disposition Date, Freddie Mac will calculate the Hypothetical Gain Share for that Optional Disposition Date and pay the Hypothetical Gain Share, if any, from (i) first, amounts provided to Freddie Mac by the Holders of Class B Certificates, at their election after inquiry by Freddie Mac and (ii) second, sales of Assets selected by Freddie Mac, but only to the extent necessary to pay such Hypothetical Gain Share (subject to applicable Authorized Denomination provisions). Freddie Mac will not pay Hypothetical Gain Share in an aggregate principal amount exceeding the outstanding balance of the Class A Certificates for which the Optional Disposition Right has been exercised; provided, that to the extent any such Class A Certificates are remarketed, the outstanding balance of such Class A Certificates will be adjusted, if necessary, downward by the aggregate principal amount of Assets sold, such that the outstanding balance of Class A Certificates and Class B Certificates does not exceed the outstanding balance of related Assets.

GUARANTEES

We guarantee to each Holder of Class A Certificates until the Series terminates:

- The timely payment of interest at the applicable Reset Rate as described under *The Certificates — Payments — Interest*.
- The timely payment of scheduled principal as described under *The Certificates — Payments — Principal*, including payment in full by the applicable Final Payment Date.
- The timely payment of amounts due (other than Redemption Premium) upon the occurrence of any Release Event as described under *The Certificates — Release Event*.
- The payment of any Bankruptcy Coverage Payments as defined in the Supplement or an exhibit to the Supplement.

We do not guarantee the payment of any Redemption Premium or Hypothetical Gain Share.

Principal and interest payments on the Class A Certificates are not guaranteed by, and are not debts or obligations of, the United States or any federal agency or instrumentality other than Freddie Mac. In the event the Conservator were to repudiate our guarantee obligation, the ability of

Holders of Class A Certificates to enforce the guarantee obligation would be limited to actual direct compensatory damages. The rights of Holders to bring proceedings against Treasury are limited if we fail to pay under our guarantee. The Conservator has advised us that it has no intention of repudiating our guarantee obligation because it views repudiation as incompatible with the goals of the conservatorship.

The rights provided to Holders of Class A Certificates may not be enforced against FHFA, or enforcement of such rights may be delayed, if we are placed into receivership. The Reform Act provides that no person may exercise any right or power to terminate, accelerate or declare an event of default under certain contracts to which Freddie Mac is a party, or obtain possession of or exercise control over any property of Freddie Mac, or affect any contractual rights of Freddie Mac, without the approval of FHFA, as receiver, for a period of 90 days following the appointment of FHFA as receiver.

FORM, HOLDERS AND PAYMENT PROCEDURES

The Supplement specifies whether the DTC System or the Fed System is in effect with respect to the Class A Certificates.

DTC System

Form of Certificates

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. Class A Certificates are registered in the name of DTC or its nominee. Therefore, DTC or its nominee is the holder of Class A Certificates held on the DTC System.

CUSIP Number

Each class of Certificates for each Series will carry a unique nine-character designation, known as a “**CUSIP Number**,” used to identify that class.

Denominations

Class A Certificates are issued, held, transferred and tendered in minimum original principal balances of \$5,000 and additional increments of \$5,000.

Holders of Class A Certificates

A Holder of a Class A Certificate is not necessarily its beneficial owner. Beneficial owners ordinarily will hold Class A Certificates through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. Your ownership of Class A Certificates will be recorded on the records of the brokerage firm, bank or other financial intermediary where you maintain an account for that purpose. In turn, the financial intermediary’s interest in the Class A Certificate will be recorded on the records of DTC (or of a DTC Participant that acts as agent for the financial intermediary, if the intermediary is not itself a DTC Participant).

A Holder that is not also the beneficial owner of a Class A Certificate, and each other financial intermediary in the chain between the Holder and the beneficial owner, will be responsible for establishing and maintaining accounts for their customers. Freddie Mac will not have a direct obligation to a beneficial owner of a Class A Certificate that is not also the Holder. DTC will act only upon the instructions of the applicable DTC Participant in recording transfers of Class A Certificates.

Freddie Mac, the Registrar and DTC may treat the Holder as the absolute owner of a Class A Certificate for the purpose of receiving payments and for all other purposes, regardless of any notice to the contrary. Your rights as a beneficial owner of a Class A Certificates may be exercised only through the Holder.

Payment Procedures

We make payments on Class A Certificates held on the DTC System in immediately available funds to DTC. DTC is responsible for crediting the payment to the accounts of the appropriate DTC Participants in accordance with its normal procedures. Each Holder and each other financial intermediary will be responsible for remitting payments to the beneficial owners of Class A Certificates that it represents.

If a principal or interest payment error occurs, we may correct it by adjusting payments to be made on later Payment Dates or in any other manner we consider appropriate.

The Fed System

Book Entry Only

Class A Certificates maintained on the Fed System will be evidenced only by an entry on the books and records of a Federal Reserve Bank. The Holder of a Class A Certificate will not receive a certificate. Class A Certificates maintained on the Fed System will at all times remain on deposit with a Federal Reserve Bank in accordance with the provisions of the Fed System Book-Entry Rules. The issuance and recordation of, and transfers of interests (including security interests) in, such Class A Certificates maintained on the Fed System will be governed by the Fed System Book-Entry Rules and such procedures as are agreed upon from time to time by the Administrator and the Federal Reserve Banks. A Federal Reserve Bank may act only upon the instructions of the Holder of the Class A Certificates in recording transfers of securities maintained on the Fed System.

CUSIP Number

Each class of Certificates for each Series will carry a CUSIP Number used to identify that class.

Payments Procedures

Payments on the Class A Certificates maintained on the Fed System will be made by crediting the Class A Holders' accounts at the Federal Reserve Bank on the applicable Payment Date. Payments of principal to Holders of the Class A Certificates will be paid in multiples of \$0.01 in accordance with the Fed System Book Entry Rules.

Transfers

Transfers of Class A Certificates maintained on the Fed System will be subject to any applicable Federal Reserve Bank minimum wire transfer requirements. The Federal Reserve Banks maintains a book-entry recordkeeping system for all transactions in such Class A Certificates.

Holder of Class A Certificates

Holder means with respect to a Class A Certificate maintained on the Fed System, any entity that appears on the records of a Federal Reserve Bank as a holder of such Class A Certificate. The Administrator may treat the Holder as the sole and absolute owner of the Class A Certificates,

including the payment of distributions to Holders of Class A Certificates, giving or receiving notices of redemption, tender and other matters with respect to the Class A Certificates and the selection of Class A Certificates for redemption or tender.

Termination of Fed System

Freddie Mac may elect (with the consent of the Sponsor) to terminate the Fed System with respect to the Class A Certificates, and in such event may either appoint DTC as the securities depository (or appoint another securities depository) or terminate the book-entry system for the Class A Certificates. When the Administrator receives notice from Freddie Mac that the Fed System has been terminated, the Administrator will, at least 10 days before such appointment or termination is effective, give notice of such event to the Registered Holders and will inform them either (i) of the name and address of the securities depository pursuant to which the Class A Certificates will be maintained or (ii) the time and place where certificated Class A Certificates may now be obtained by Holders of the Class A Certificate if the book-entry system has been terminated.

SUBSTITUTION OF ASSETS

The Sponsor may substitute Assets for existing Bonds or Mortgage Loans with respect to which an event of default exists under the related Bond Documents or Mortgage Loan Documents, as applicable, on any Payment Date after the Closing Date (a “**Substitution Date**”). To make such a substitution the Sponsor must:

- obtain consent of the Holders of Class B Certificates;
- obtain the consent of Freddie Mac; and
- deliver a confirmation of the existing rating on the Class A Certificates from each applicable Rating Agency to the Administrator.

Any Assets delivered in substitution for existing Assets must have terms consistent with the series of Bonds or the Mortgage Loan, as applicable, being released, including principal amount (which must be equal to or less than the principal amount of Assets being released), tax status, interest rate, interest payment date and interest modes. If the principal amount is less, the Sponsor must, prior to substitution, provide funds to the Administrator in an amount sufficient to effect a Release Event with respect to the principal portion of the Assets being released that is in excess of the principal amount of Assets being substituted. In addition, upon any substitution, the Sponsor must pay Hypothetical Gain Share, if any, as calculated by Freddie Mac, with respect to the total principal amount of Assets being released.

At least ten days prior to each Substitution Date the Sponsor must submit a “**Substitution Notice**” to the Administrator and the Remarketing Agent, together with copies of the consents and ratings confirmation (if applicable). The Substitution Notice shall set forth:

- the series of Bonds or the Mortgage Loan, as applicable, to be released upon substitution;
- the information set forth on Schedule 1 of the Series Certificate Agreement for the Assets to be substituted;
- the Substitution Date;

- the amount being paid by the Sponsor to effect a related Release Event and Hypothetical Gain Share, if applicable; and
- instructions to the Administrator to effect the substitution on the Substitution Date.

The Administrator will forward a copy of the Substitution Notice to the Holders and each applicable Rating Agency within five Business Days of its receipt of the Substitution Notice and the amount of funds necessary to fund any related Release Event and Hypothetical Gain Share, if applicable, and will effect the substitution on the Substitution Date.

PREPAYMENT, YIELD AND SUITABILITY CONSIDERATIONS

PREPAYMENTS

The rates of principal payments on the Class A Certificates will depend on the rates of principal payments on the underlying Bonds and Mortgage Loans and the occurrence of Release Events. Principal payments may be in the form of scheduled amortization or partial or full prepayments. Prepayments include:

- Prepayments by the borrower and resulting optional redemptions of the related Bonds.
- Bond redemptions resulting from default, casualty or condemnation.
- Payments we make under our guarantee of principal in connection with a Release Event.
- Other redemptions of the Bonds, including redemptions arising from failure of the property related to the Bonds to achieve occupancy targets.

Unless otherwise specified in the applicable Supplement, the Mortgages may be voluntarily prepaid in whole or in part at any time, subject to any applicable prepayment premiums or lockout periods. If the mortgages underlying the Bonds are voluntarily prepaid, the related Bonds will be redeemed in the amount of the prepayment.

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

- The age, principal amount, geographic distribution and payment terms of the Mortgages.
- The remaining depreciable lives of the underlying properties.
- The physical condition of the underlying properties (including the presence of any hazardous substances or other environmental problems).
- Any applicable tax laws (including depreciation benefits) in effect from time to time.
- Characteristics of the borrowers (such as credit status and management ability) and their equity positions in the underlying properties.
- Changes in local industry and population migration and relocation as they affect the supply and demand for rental units and rent levels.
- Prevailing rent levels (as may be limited by any applicable rent control or stabilization laws) affecting cash flows from the underlying properties.
- Levels of current mortgage interest rates and borrower refinancing activities.

- Activity of lenders in soliciting refinancing, including refinancing without significant transaction costs by the borrower.
- Attractiveness of other investment alternatives.
- The existence of prepayment premiums or lockout provisions.
- Certain state laws limiting the enforceability of lockout periods and the collection of prepayment premiums.

The characteristics of particular Mortgages may also influence their prepayment rates. Also, different types of Mortgages may be affected differently by the same factor, and some factors may affect prepayment behavior on only some types of Mortgages.

The rate of defaults of the Mortgages will also affect the prepayment behavior of the related Series. Defaults may increase during periods of declining property values or as a result of other factors that decrease borrowers' equity. In addition, mortgage servicing decisions, including seeking alternatives to foreclosure, may impact the prepayment behavior of particular Assets.

The factors affecting the prepayment behavior of the Mortgages differ in certain respects from those affecting the prepayment behavior of single family mortgages. A borrower typically views multifamily properties solely as an investment and, therefore, economic rather than personal considerations primarily will affect the prepayment behavior of the Mortgages. Also, individual Mortgage amounts often are large and one Mortgage is likely to comprise a larger portion of the assets of a Series than would be the case with a pool of single family mortgages. Therefore, principal prepayments may significantly affect the yield on the Class A Certificates if you purchased your certificates at a premium or discount. Similarly, the prepayment behavior of a Series containing only one or a small number of Mortgages is likely to be more volatile than the prepayment behavior of a Series backed by a large number of Mortgages, because a prepayment on a single Mortgage may result in the payment to Holders of a substantial portion of the principal amount of a Series. We cannot make any representation regarding the likely prepayment experience of the Mortgages underlying any Class A Certificate or the particular effect that any factor may have on Mortgage prepayment behavior. For example, although we may expect Mortgages with higher prepayment premiums to prepay less frequently than Mortgages with lower or no prepayment premiums, prepayment premium provisions may or may not effectively deter prepayments. Similarly, lockout provisions may or may not prevent prepayments.

YIELDS

General

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

- The price you paid for the Class A Certificates.
- The interest rate on your Class A Certificates.
- The rate of principal prepayments on the underlying Mortgages.
- The payment delay of your Class A Certificates.

Payment Delay

The effective yield on any Class A Certificates will be less than the yield that its Reset Rate and purchase price would otherwise produce, because the interest payable on the Class A Certificates will accrue during its Accrual Period, which will end approximately 15 days before each Payment Date.

SUITABILITY

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

- Class A Certificates are not appropriate investments if you require a single lump sum payment on a date other than a Purchase Date.
- Class A Certificates are complex securities. Before investing in Class A Certificates, you should be able, either alone or with a financial advisor, to evaluate the information contained and incorporated in this Offering Circular and in the related Supplement. You should evaluate the information in the context of your personal financial situation, the potential loss of the Tender Option upon a Tender Option Termination Event, 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 Class A Certificates that may result from your particular circumstances, nor does it project how Class A Certificates will perform under all possible interest rate and economic scenarios. You should purchase Class A Certificates only if you understand and can bear the potential loss of the Tender Option upon a Tender Option Termination Event and the prepayment, yield, liquidity and market risks associated with your investment under a variety of interest rate and economic scenarios. If you purchase Class A Certificates, you need to have enough financial resources to bear all the risks related to your Class A Certificates.

THE AGREEMENT

GENERAL

We create Certificates under the Freddie Mac Multifamily M Certificates Standard Terms dated as of the closing date of the related Series (the “**Standard Terms**”). We prepare a “**Series Certificate Agreement**” for each Series of Certificates. For any particular offering, the Standard Terms and the applicable Series Certificate Agreement together constitute the “**Agreement.**”

Freddie Mac will administer each Series in accordance with the terms of the Agreement. If Freddie Mac is no longer the Administrator of a Series, the obligations of Freddie Mac as administrator and notices to Freddie Mac described in this Offering Circular will be obligations of and notices to the successor administrator, respectively.

Adjustment of Class B Certificate Balances

Decrease in Class B Certificates

Holders of Class B Certificates will have the right to convert a specified balance of Class B Certificates that they hold to an equivalent balance of Class A Certificates if:

- Freddie Mac consents.

and

- Either:
 - The proposed conversion date is a Reset Date for the applicable Reset Rate Method.

or

- Written consent of 100% of the Holders of Class A Certificates has been obtained.

If the Sponsor is the directing Holder alone, the outstanding balance of Class B Certificates to be converted may be equal to or less than the outstanding balance that it holds, subject to maintaining a minimum outstanding balance of Class B Certificates of \$5,000. If all Holders of Class B Certificates make such direction, the outstanding balance of Class B Certificates to be converted for each such Holder will be proportional to the outstanding balance of each Holder's Class B Certificates prior to conversion, subject to the Sponsor's maintaining a minimum outstanding balance of Class B Certificates of \$5,000.

To convert Class B Certificates under this provision, Holders of Class B Certificates will deliver the following items to Freddie Mac at least 15 Business Days prior to the date on which such conversion is to occur:

- a written request to increase the outstanding balance of such Class A Certificates.
- the written consent of Freddie Mac.
- an equivalent outstanding balance of Class B Certificates on the date of the conversion.

Freddie Mac will promptly notify DTC of the resulting reduction in the aggregate outstanding balance of Class B Certificates and the corresponding increase in the aggregate outstanding balance of Class A Certificates and the Liquidity Commitment.

Advances and Advance Charges

Bonds may pay either on a monthly or semi-annual basis. As Administrator, Freddie Mac may make Administrator Advances to provide a regular flow of payments to Holders on each monthly Payment Date if Bonds make semi-annual payments as described below.

Freddie Mac to Make Administrator Advances

Freddie Mac may, but need not, make Advances to Holders of Class A Certificates on a Payment Date in an amount up to the Required Class A Certificate Interest Distribution Amount for the prior Accrual Period. The decision by Freddie Mac to make an Administrator Advance of any amount will be made in the sole discretion of Freddie Mac and no decision to make an Administrator Advance will impose any obligation to make an Administrator Advance of any further amount. On each occasion when Freddie Mac determines to make an Administrator Advance, Freddie Mac will notify the

Remarketing Agent of such determination prior to 12:00 noon, on the Business Day prior to such Payment Date.

Repayment of Administrator Advances

Freddie Mac will be entitled to reimburse itself for Administrator Advances from amounts deposited in the Distribution Account or from proceeds of the sale of Assets.

Administrator Advance Charge

Freddie Mac will be entitled to receive a fee equal to the Accrued Advance Charges, computed on the amount of outstanding Administrator Advances on each day multiplied by the prime rate of interest in effect on such date, divided by 365. Prime rate will equal the prime or base lending rate of major banks as published in *The Wall Street Journal*.

Payment of Administrator Advance Charge

Administrator Advance Charges will be paid from Available Funds derived from interest payments on Assets or funds in the Holdback subaccount before payments to Class A Holders on each Payment Date, to the extent available, and as elsewhere provided in the Series Certificate Agreement upon the withdrawal, sale or redemption of Assets.

Each Holder of Certificates, by its purchase thereof, authorizes Freddie Mac to deduct from payments on the Assets any unreimbursed Administrator Advances and any unpaid Administrator Advance Charges, and accrued fees and reimbursements due to Freddie Mac, the Remarketing Agent and the Servicer.

If Freddie Mac determines not to make Administrator Advances for any reason, interest distributions on the Class A Certificates will be made on each Payment Date in the manner described in *The Certificates — Payments — Interest*. After the payment of Administrator Fees and Administrator Advance Charges, all amounts in the Distribution Account related to interest or holdback requirements will be paid immediately to Holders of Class A Certificates on each Payment Date. Interest on the Class A Certificates will continue to accrue at the Reset Rate in effect for each Accrual Period without an increase in the accrual rate for any delay in payment.

Payment of Expenses

Freddie Mac will be paid certain fees related to each Series. The Sponsor will pay Freddie Mac an issuance fee on the Closing Date of each Series. The Sponsor will pay the following expenses:

- (i) to Freddie Mac the Administrator Fee (to the extent not paid from funds received by the Series Pool),
- (ii) to the Remarketing Agent the Remarketing Agent Fee (to the extent not paid from funds received by the Series Pool),
- (iii) to the Initial Purchaser or Placement Agent any amounts owed to the Initial Purchaser pursuant to the Remarketing Agreement in connection with issuing and selling the Class A Certificates and in connection with preparing all related offering documents;
- (iv) except as otherwise expressly provided in the Series Certificate Agreement, to Freddie Mac all reasonable out-of-pocket expenses, disbursements and advances made by it in

accordance with any provision of the Series Certificate Agreement (including the reasonable compensation, expenses and disbursements of its respective agents and counsel), except any such expense, disbursement or advance as may be attributable to its gross negligence, bad faith, fraud or willful misconduct;

- (v) any penalties, and interest on penalties, imposed on the Series relating to a Section 761 Election as set forth in Section 11.08 of the Agreement; and
- (vi) any amounts required to be paid by it pursuant to the Agreement, the Remarketing Agreement, the Reimbursement Agreement, the Certificates and the Certificate Purchase Agreement.

Resignation or Removal of the Remarketing Agent

The Remarketing Agent may resign upon giving of 30 days' written notice to the Holders of Class B Certificates and Freddie Mac. If the Remarketing Agent duly notifies the Class B Certificate Holders and Freddie Mac, it will be discharged from its duties under the Series Certificate Agreement. Upon receiving such notice of resignation, Freddie Mac will promptly appoint a successor Remarketing Agent.

The Remarketing Agent may be removed without cause on ten days' written notice at the written request of Freddie Mac. Upon any such removal of the Remarketing Agent, Freddie Mac will promptly appoint a successor Remarketing Agent.

Any removal or resignation of the Remarketing Agent and any appointment of a successor Remarketing Agent will not become effective until the successor Remarketing Agent accepts its appointment in form acceptable to Freddie Mac.

VARIOUS MATTERS REGARDING FREDDIE MAC

Freddie Mac and its directors, officers, employees and agents will not be liable to Holders for any action taken or omitted in good faith or for errors in judgment.

In addition, Freddie Mac need not appear in any legal action that we believe may result in any expense or liability for which repayment of such expenses or indemnity for such liability is not adequately assured. However, Freddie Mac may undertake any legal action that we believe is necessary or desirable in the interests of the Holders.

Freddie Mac may acquire all or part of the Certificates of any Series of Class A Certificates. The Certificates we hold will be treated the same as Certificates of the same Class held by other Holders.

The Agreement will be binding upon any successor to Freddie Mac.

EVENTS OF DEFAULT

“Events of Default” under the Agreement are:

- Any failure by the Administrator to pay the applicable Certificate Payment Amount, and such failure continues for three Business Days.
- Any failure by Freddie Mac to pay amounts required pursuant to the Credit Enhancement or Liquidity Facility, and such failure continues for three Business Days.

- Any failure by Freddie Mac (or the Administrator, if different than Freddie Mac) to perform any other obligation under the Agreement, if the failure lasts for 60 days after Freddie Mac receives notice from the Holders of at least 60% of the outstanding principal amount of affected Class A Certificates or Class B Certificates, as applicable.

RIGHTS UPON EVENT OF DEFAULT

If an Event of Default under the Agreement is not remedied, the Holders of a majority of the outstanding balance of any affected Class of Certificates may remove Freddie Mac as Administrator and nominate a successor to Freddie Mac as Administrator, except as to its guarantee obligations and its obligation to pay the Purchase Price. That nominee will replace Freddie Mac unless Freddie Mac objects within ten days after the nomination. In that event, either Freddie Mac or anyone who has been a bona fide Holder of an affected Class for at least six months may ask a court to appoint a successor. The court may then appoint a successor to Freddie Mac except as to its guarantee obligations and the obligation to pay the Purchase Price.

Holders of a majority of the outstanding principal amount of any affected Class of Certificates may waive any Event of Default under the Agreement. When any Event of Default under the Agreement is waived, the Event of Default will cease to exist and be deemed cured and not to have occurred for every purpose of the Agreement, but a waiver of an Event of Default will not extend to any subsequent or other Event of Default.

VOTING UNDER ANY UNDERLYING AGREEMENT

Holders of Bonds have various rights under the agreements governing the Bonds. We will hold the Bonds that back Class A Certificates. In our role as provider of the Credit Enhancement and the Liquidity Facility we are appointed as the “**Bondholder Representative.**” If any action, consent or direction relating to a change in the terms of the Bonds or the related Bond Documents is required from the owners of Bonds as provided in the related Bond Documents, the Administrator will solicit our proxy for such vote, consent or direction and the Administrator will vote, consent or otherwise take direction solely in accordance with the written direction of us as the Bondholder Representative. Upon the occurrence and during the continuance of any failure by Freddie Mac to pay under its Credit Enhancement or Liquidity Facility, however, the Administrator will solicit from each Holder of Certificates its proxy for any such vote, consent or direction and will vote, consent or otherwise take direction solely in accordance with such proxies, weighted by the Current Certificate Balance of each Holder providing the same.

Holders of Bonds also have the right to consent to amendments to their governing agreements. The Agreement provides that, as the Bondholder Representative, we may consent to such an amendment.

AMENDMENT

12.01(b) Amendment

Section 12.01(b) Amendments are amendments that relate to:

- changes affecting distributions and payments from the Distribution Account;
- changes to the method of determining the Reset Rate or the Reset Rate Method;

- changes related to the Tender Option or Tender Option Termination Events; or
- the provisions regarding amendments to those sections and Section 12.01(b) of the Standard Terms.

A Section 12.01(b) Amendment constitutes a Mandatory Tender Event which is subject to the Retention Right.

Freddie Mac may effect a Section 12.01(b) Amendment upon receiving consent of the Holders of Class A Certificates, which consent is to be evidenced by executing a Retention Notice. Holders of Class A Certificates that do not execute a Retention Notice will have their Certificates subject to Mandatory Tender.

Other Amendments

Freddie Mac also may amend the Agreement in any other way upon receipt of the following:

- Consent of the Sponsor and Holders of 51% of the outstanding Current Certificate Balance of Class B Certificates.
- An opinion of Tax Counsel satisfactory to Freddie Mac and the Sponsor to the effect that the amendment does not adversely affect any of the prior opinions relating to federal income taxation pertaining to the Certificates.
- Each applicable Rating Agency confirms its rating on the Class A Certificates.

Amendment Procedures

Freddie Mac will provide notice of any proposed amendment of the Agreement to Holders at least twenty days prior to the effective date of the amendment. In the case of an amendment that is not a Section 12.01(b) Amendment, if the Reset Rate is a Monthly Reset Rate and the next Purchase Date or Mandatory Tender Date will occur either (i) after the proposed effective date of such amendment or (ii) before the date which is ten Business Days after the Registered Holders receive notice of such amendment, then Holders of Class A Certificates will be permitted to treat the Business Day preceding the proposed effective date of such amendment as a Purchase Date for purposes of exercising their Optional Tender. In the case of a Section 12.01(b) Amendment, Holders of Class A Certificates who elect to exercise their Retention Right will be deemed to have consented to the related amendment.

GOVERNING LAW

The Agreement is to be interpreted in accordance with federal law. If there is no applicable federal precedent and if the application of New York law would not frustrate the purposes of the Freddie Mac Act, the Agreement or any transaction under the Agreement, then New York law will be deemed to reflect federal law.

TERMINATION

The obligations of Freddie Mac, the Remarketing Agent and the Sponsor created under the Series Certificate Agreement (other than the obligations noted below) will terminate upon the earliest of the following events (each of which is a “**Series Termination Event**”):

- the date on which the outstanding balance of Class A Certificates is reduced to zero (the “**Series Expiration Date**”);

- the Exchange Date on which all Certificates are exchanged for Assets or sales proceeds in connection with a Tender Option Termination Event or a Liquidity Failure;
- the Mandatory Tender Date relating to a Mandatory Tender Event arising in connection with a Liquidity Provider Termination Event, a Clean-Up Event, or, if applicable, following a Sponsor Act of Bankruptcy; or
- the date on which the Optional Disposition Right has been exercised with respect to the last Class A Certificate (unless such Class A Certificate has been remarketed).

A Series Termination Event does not terminate the following obligations of Freddie Mac, the Remarketing Agent and the Sponsor:

- The obligation of the Sponsor to make certain payments of expenses.
- If Partnership Factors Apply, the Sponsor's liabilities for certain obligations under the Series Certificate Agreement to the extent not otherwise satisfied.
- Bankruptcy Coverage Payments and payments due upon the termination of such Series.

Termination Procedures

General

If a Series is terminated upon the occurrence of any of the following:

- a Tender Option Termination Event;
- a Liquidity Failure or a Credit Failure;
- a Terminating Mandatory Tender Date; or
- the Optional Disposition Right has been exercised with respect to the last Class A Certificate the Series will be terminated by distributing the amounts, if any, on deposit in the Asset Payment Subaccount — Interest and/or the Asset Payment Subaccount — Principal to the related Holders, based on their respective outstanding balances and in accordance with their Capital Account Balances.
- the amount in the Asset Payment Subaccount — Holdback to the Holders of Class B Certificates.

So long as the Sponsor maintains the Minimum Sponsor Interest and a Series Termination Event has not occurred, the Series will continue in full force and effect.

Series Expiration Date

If a Series is to be terminated, Freddie Mac will notify the Holders of the pending termination of the Series and of the responsibilities of Freddie Mac, the Remarketing Agent and the Sponsor under the Series Certificate Agreement on a date prior to the Series Expiration Date and the final distribution of a Series of Class A Certificates. This notice will specify:

- the expected final Payment Date.
- the expected principal amount of such final payment.

- the Record Date for such payment (and that the regular Record Date will not apply to the final distribution).
- instructions for presentation and surrender of such Holder's Class A Certificates for cancellation.

Liquidity Failure, Credit Failure or a Tender Option Termination Event

If a Series is terminated upon a Liquidity Failure, a Credit Failure or a Tender Option Termination Event, Freddie Mac will terminate the Series as follows:

- Freddie Mac will provide written notice to the Holders of the pending termination of the responsibilities of Freddie Mac, the Remarketing Agent and the Sponsor under the Series Certificate Agreement.
- On the Business Day immediately preceding such Exchange Date, Freddie Mac will solicit at least three commitments to purchase the Assets from Persons (other than the Remarketing Agent, Freddie Mac or a Holder of Class B Certificates of that Series (and affiliates of each such party)) which customarily provide such bids, including but not limited to investment dealers and brokers that customarily deal in municipal bonds and mortgage loans.
- If the Bonds or Mortgage Loans, as applicable, can be sold for a price (the “**Required Exchange Price**”) that is at least equal to the sum of (a) accrued and unpaid expenses of the Series (including any Administrator Fee, Freddie Mac Fee, Administrator Advance, Daily Administrator Advance Charges, Servicing Fee and Remarketing Agent Fee), (b) the outstanding balance of the Class A Certificates plus the accrued but unpaid interest thereon and (c) the outstanding balance of the Class B Certificates the Series will be liquidated as follows:
 - On the Exchange Date Freddie Mac will sell the Bonds or Mortgage Loans, as applicable, to the party that has offered the highest price for the Bonds or Mortgage Loans, as applicable, by the close of business on the Business Day preceding the Exchange Date; provided, however, that Remarketing Agent, Freddie Mac or a Holder of Class B Certificates of that Series (and affiliates of each such party) may purchase the Bonds or Mortgage Loans, as applicable, at a price equal to the highest bid, with priority given, first, to Holders of Class B Certificates, and second, to Freddie Mac.
 - Freddie Mac will distribute the liquidation proceeds from the sale of Bonds or Mortgage Loans, as applicable, in the following order of priority:
 1. To pay any accrued and unpaid expenses of the Series (including, but not limited to any Administrator Fee, Credit Facility Fee, Advance, Advance Charges, Liquidity Facility Fee and Remarketing Agent Fee).
 2. To the Holders of Class A Certificates an amount equal to the outstanding balance of their Class A Certificates plus the accrued but unpaid interest thereon.
 3. To the Holders of Class B Certificates an amount equal to the outstanding balance of their Class B Certificates.

4. To the Holders of Class A Certificates the amount of each such Holder's liquidating distribution with respect to the remaining portion of their Capital Account Balance as determined by Freddie Mac in accordance with Section 11.02 of the Standard Terms (generally equal to Gain Share as calculated pursuant to the Series Certificate Agreement).
 5. To the Holders of Class B Certificates the amount of each such Holder's liquidating distribution with respect to the remaining portion of their Capital Account Balance (after taking into account the payment of the outstanding balance made pursuant to step 3) including Gain Share and Market Discount Share.
- If the Bonds or Mortgage Loans, as applicable, cannot be sold for a price that is at least equal to the Required Exchange Price, the Series will be liquidated as follows on the Exchange Date:
 - Freddie Mac will sell a principal amount of each Bond or Mortgage Loan, as applicable, equal to the portion of the outstanding balance of that Bond or Mortgage Loan, as applicable, necessary to generate proceeds sufficient to pay any accrued and unpaid expenses of the Series (including, but not limited to any Administrator Fee, Credit Facility Fee, Advances, Advance Charges, Liquidity Facility Fee and Remarketing Agent Fee), determined by multiplying the sum of such expenses by the ratio of the Outstanding Asset Balance to the Aggregate Outstanding Asset Balance.
 - Thereafter Freddie Mac will distribute each Bond or Mortgage Loan, as applicable, on a *pari passu* basis, to the Holders of Certificates in accordance with the Holders pro rata ownership interest in the outstanding Certificates.

Upon the completion of these distributions, all Class B Certificates and Class A Certificates will be canceled.

Terminating Mandatory Tender Date

If a Series is terminated on a Terminating Mandatory Tender Date that is related to a Liquidity Provider Termination Event, a Clean-up Event or, if applicable, a Sponsor Act of Bankruptcy, Freddie Mac will liquidate the Series as follows:

- On the second Business Day preceding the Terminating Mandatory Tender Date, the Remarketing Agent will solicit three bids to purchase the Assets from Persons (other than the Remarketing Agent, Freddie Mac or a Holder of Class B Certificates of that Series (or the affiliates of each of these parties)) which customarily provide such bids.
- On the Terminating Mandatory Tender Date, Freddie Mac will sell the Bonds or Mortgage Loans, as applicable, to the extent necessary to pay (i) any accrued and unpaid expenses of the Series (including, but not limited to, Administrator Fee, Credit Facility Fee, Advances, Liquidity Facility Fee, Advance Charges and Remarketing Agent Fee) and (ii) Hypothetical Gain Share, if any, as calculated by Freddie Mac. Funds to pay the Hypothetical Gain Share will come from (i) first, amounts provided by the Holders of Class B Certificates to Freddie Mac on such Terminating Mandatory Tender Date at their election after inquiry by Freddie Mac and (ii) second, from sales proceeds as described in the preceding paragraph.

- The remaining Assets will be distributed to the Pledge Custodian to be held pursuant to the Reimbursement Agreement.

When the distributions required pursuant to the preceding paragraphs have been completed, all Class A Certificates and Class B Certificates will be canceled.

Optional Disposition Date

If a Series is terminated upon exercise of the Optional Disposition Right with regard to the last outstanding Class A Certificates, the termination will be effected as described above under *The Certificates — Optional Disposition*.

Failure to Surrender Certificates for Final Distribution

If a Holder of Class A Certificates fails to tender its Certificates on or prior to the Payment Date on which the Series terminates, any funds not distributed to any Holder of Certificates on such Payment Date will be set aside and credited to the account of the applicable non-tendering Holder. If any such Certificates are not surrendered for cancellation within six months after the time specified in the notice of Series Expiration, Freddie Mac or any Paying Agent will mail a second notice to the remaining non-tendering Holders to surrender their Certificates for cancellation in order to receive the final distribution with respect to their Certificates. If any such Certificates are not surrendered for cancellation within one year after the second notice, Freddie Mac or any Paying Agent will, directly or through an agent, make a reasonable effort to contact the Holders of any Certificates remaining outstanding. Any amounts held as described above will not be invested. The costs and expenses of maintaining the funds and of contacting non-tendering Holders will be paid out of the assets remaining in such funds prior to any distribution to such Holders. If any such Certificates are not surrendered within two years after the second notice, Freddie Mac or any Paying Agent will thereafter hold such amounts for the benefit of such Holders, subject to any applicable escheat statutes. No interest will accrue or be payable to any Holder on any amount held as a result of the Holder's failure to surrender its Certificates for final payment in accordance with this paragraph.

ERISA CONSIDERATIONS

In addition, any purchaser, transferee or holder of Certificates or any interest therein that is a benefit plan investor as defined in 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (a "**Benefit Plan Investor**") or a fiduciary purchasing the Certificates on behalf of a Benefit Plan Investor (a "**Plan Fiduciary**"), should consider the impact of the new regulations promulgated at 29 C.F.R. Section 2510.3-21 (the "**Fiduciary Rule**"). In connection with the Fiduciary Rule, an independent fiduciary of each Benefit Plan Investor will be deemed to have represented, warranted and agreed by its acquisition of the Certificates that:

(1) neither Freddie Mac nor any of its affiliates (the "**Transaction Parties**"), has provided or will provide impartial advice with respect to the acquisition of the Certificates by the Benefit Plan Investor and none of them is undertaking to give any advice in a fiduciary capacity in connection with the investor's acquisition of Certificates or any interest therein;

(2) the investor is not paying any fee or other compensation to any of the Transaction Parties for investment advice (as opposed to other services) in connection with its acquisition of Certificates;

(3) the Plan Fiduciary either:

(a) is a bank as defined in Section 202 of the Investment Advisers Act of 1940 (the “**Advisers Act**”), or similar institution that is regulated and supervised and subject to periodic examination by a State or Federal agency; or

(b) is an insurance carrier which is qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of assets of a Plan investor; or

(c) is an investment adviser registered under the Advisers Act, or, if not registered as an investment adviser under the Advisers Act by reason of paragraph (1) of Section 203A of the Advisers Act, is registered as an investment adviser under the laws of the state in which it maintains its principal office and place of business; or

(d) is a broker-dealer registered under the Securities Exchange Act of 1934, as amended; or

(e) has, and at all times that the Benefit Plan Investor is invested in the Certificates will have, total assets of at least U.S. \$50,000,000 under its management or control (provided that this clause (e) shall not be satisfied if the Plan Fiduciary is either (i) the owner or a relative of the owner of an investing individual retirement account or (ii) a participant or beneficiary of the Benefit Plan Investor investing in or holding the Certificates in such capacity);

(4) the Plan Fiduciary is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies, including the acquisition by the Benefit Plan Investor of the Certificates;

(5) the Plan Fiduciary is a “fiduciary” within the meaning of Section 3(21) of ERISA and Section 4975 of the Code and an “independent fiduciary” within the meaning of the Fiduciary Rule with respect to the Benefit Plan Investor, and is responsible for exercising independent judgment in evaluating the Benefit Plan Investor’s acquisition of the Certificates;

(6) none of the Transaction Parties has exercised any authority to cause the Benefit Plan Investor to invest in the Certificates or to negotiate the terms of the Benefit Plan Investor’s investment in the Certificates; and

(7) the Plan Fiduciary acknowledges and agrees that it has been informed by the Transaction Parties:

(a) that none of the Transaction Parties is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the Benefit Plan Investor’s acquisition of the Certificates; and

(b) of the existence and nature of the Transaction Parties’ financial interests in the Benefit Plan Investor’s acquisition of the Certificates.

These representations are intended to comply with the 29 C.F.R. Sections 2510.3-21(a) and (c)(1). If these sections of the Fiduciary Rule are revoked, repealed or no longer effective, these representations shall be deemed to be no longer in effect.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

GENERAL

Any discussion of the Federal tax issues set forth in this Offering Circular was written to support the promotion and marketing of the transactions described herein. Such discussion was not intended or written to be used, and it cannot be used, by any person for the purpose of avoiding any tax penalties that may be imposed on such person. Each investor should seek advice based on its particular circumstances from an independent tax advisor.

The following discussion is a general summary of certain federal income tax consequences of the purchase, ownership and disposition of Class A Certificates issued as part of a Series. This summary is based on the Code, as well as final, temporary and proposed Regulations, administrative pronouncements of the Internal Revenue Service (the “**Service**”) and judicial decisions, all as in effect on the date hereof, and all of which are subject to change or possible differing interpretation. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, affecting the accuracy of the statements and conclusions set forth herein. No rulings will be sought or obtained from the Service regarding the classification of any Series as a partnership for federal income tax purposes (the “**Partnership**”) or any other federal income tax consequences described herein, and there can be no assurance that the Service will agree with the conclusions expressed herein. This summary is directed solely to Holders that are “U.S. persons,” within the meaning of the Code, that purchase Class A Certificates at their initial issuance for cash and that will hold the Class A Certificates as capital assets (generally, property held for investment). This summary does not purport to address all federal income tax matters that may be relevant to the particular circumstances of Holders, or to Holders that may be subject to special federal income tax rules (including financial institutions, regulated investment companies, broker/dealers and partnerships and other pass-through entities, persons holding Class A Certificates as a hedge or as a position in a “straddle,” “constructive sale” or other integrated transaction for federal income tax purposes and persons subject to the alternative minimum tax). For purposes of this summary, references to “**Holders**” are to the beneficial owners of the Class A Certificates.

Prospective investors in Class A Certificates should consult their own tax advisors concerning the tax consequences to them of the purchase, ownership and disposition of Class A Certificates under federal tax law, as well as under the tax law of any relevant state, local or foreign jurisdiction.

TAXATION OF HOLDERS

Classification as a Partnership

With respect to each issuance of Class A Certificates of a Series, Special Tax Counsel will deliver its opinion, as of the Closing Date, to the effect that, for federal income tax purposes, (i) the Series will be classified as a Partnership (rather than an association taxable as a corporation), (ii) such Partnership, even if publicly traded, will not be taxable as a corporation under section 7704 of the Code and (iii) each Holder of Class A Certificates will be treated as a partner in such Partnership. Such opinion will be based on certain representations and assumptions, including the assumption that there will be full compliance with all terms of the related Series Certificate Agreement and other transaction documents, and that all representations or certifications set forth in such documents or provided to Special Tax Counsel are accurate and complete, and will be subject to customary limitations and conditions. In rendering its opinion, Special Tax Counsel will rely upon its conclusions that

(i) applicable Regulations do not require the classification of each Series as an association (taxable as a corporation), (ii) the passive nature of the income from the Bonds and Mortgages will qualify the Series for an exemption from the Code section 7704 rule that publicly traded partnerships are taxable as corporations, and (iii) the Class A Certificates will not be treated as indebtedness of the related Series, Freddie Mac or the Holders of the Class B Certificates.

The opinion of Special Tax Counsel represents only its best legal judgment and, unlike a ruling obtained from the Service, has neither binding effect on the Service nor official status of any kind. There is no authority that addresses facts that are substantially similar to those involved in the issuance of Class A Certificates of a Series, so there can be no assurance that the Service or a court will agree with the opinion of Special Tax Counsel. If, contrary to the opinion of Special Tax Counsel, a Series were classified as an association taxable as a corporation, rather than as a partnership, distributions to Holders generally would be treated as taxable dividends, and the amount of funds available for distribution in respect of the Class A Certificates, and the after-tax yield to Holders of Class A Certificates, would be substantially reduced.

Each Holder of Class A Certificates will acknowledge and agree (by its purchase of Class A Certificates) that the related Series will be treated for federal income tax purposes as a Partnership in which such Holder is a partner. No Holder of Class A Certificates or other person is authorized to elect under section 301.7701-3(c) of the Regulations, or under any applicable state or local tax law, to have the related Series classified as an association (taxable as a corporation) for federal, state or local tax purposes. The remainder of this summary assumes that each Series will be treated as a Partnership that is not taxable as a corporation, and that the Class A Certificates will constitute equity interests in such Partnership for federal income tax purposes.

Tax Treatment of Holders

General. As a partner in a Partnership, each Holder of Class A Certificates will be allocated a distributive share of the taxable income, gains, losses, deductions and other tax items of the Series (even if no cash or other property is distributed to the Holder of Class A Certificates), and will be required to take such items into account in determining its own federal income tax liability. The amount of taxable income, gains, losses, deductions and other tax items of the Series allocated to a Holder of Class A Certificates generally will be based upon the terms of the Class A Certificates and the Series. In determining its taxable income, gains, losses, deductions and other tax items, the Series will report on the basis of the calendar year, and will use the accrual method of accounting.

The Bonds and Mortgages held by the Series will generate ordinary income and/or capital gain or loss to the Series. The Series also will incur various expenses, which may be considered “miscellaneous itemized deductions” for a Holder of Class A Certificates that is an individual, estate or trust. Expenses constituting miscellaneous itemized deductions are deductible only to the extent that such amounts exceed 2% of the “adjusted gross income” of the individual, estate or trust.

Holders of Class A Certificates should consult their own tax advisors concerning the potential federal income tax consequences of the Series’ potential investments, income, gains, losses and expenses.

Distributions of Cash. Distributions of cash by a Partnership to a partner generally are not taxable to the partner to the extent that the amount of cash does not exceed the partner’s tax basis in its Partnership interest. (See “Holder’s Tax Basis in Class A Certificates,” below.) Thus, a Holder of

Class A Certificates will not be separately taxable on the receipt of a cash distribution from the Series as long as the distribution does not exceed the Holder's tax basis in the Class A Certificates (as adjusted to reflect allocations of taxable income, gain, loss, deduction and other tax items of the Series). A Holder of Class A Certificates generally will recognize capital gain in the amount of any distribution that exceeds the tax basis of the Holder in the Class A Certificates.

Holder's Tax Basis in Class A Certificates

A Holder's initial tax basis in Class A Certificates generally will equal the cash paid for such Class A Certificates, increased by such Holder's share of any liabilities of the Series. A Holder's tax basis in Class A Certificates will be increased by (a) the amount of cash and the adjusted tax basis of any property that is subsequently contributed by the Holder, (b) the Holder's distributive share of the Series' taxable income and gain and (c) any increase in the Holder's share of the liabilities of the Series. A Holder's tax basis in Class A Certificates will be decreased (but not below zero) by (a) the amount of any cash or the adjusted tax basis of any assets of the Series that are distributed to the Holder, (b) the Holder's distributive share of the losses and deductions of the Series, (c) the Holder's share of any expenditures of the Series that are neither deductible nor properly chargeable to a capital account, and (d) any decrease in the Holder's share of the liabilities of the Series. The Series is not expected to have any significant liabilities allocable to Holders of Class A Certificates.

Sale of Class A Certificates

If a Holder sells Class A Certificates, gain or loss generally will be recognized by the Holder in an amount equal to the difference between the amount realized on the sale and the Holder's adjusted tax basis in such Class A Certificates. The amount realized will include the actual proceeds of the sale, and the amount of the reduction in the Holder's share of the liabilities of the Series. Any gain or loss generally will be taxable as capital gain or loss, except that the gain will be characterized as ordinary income to the extent attributable to the Holder's allocable share of certain ordinary income assets of the Series. Capital gain of certain non-corporate Holders (including individuals) is eligible to be taxed at reduced rates where the Class A Certificates have been held for more than one year. The ability of a Holder to deduct capital loss recognized on the sale of Class A Certificates is subject to limitations under the Code.

Passive Activity Income and Loss

Certain taxpayers (including individuals) are subject to "passive activity loss" rules under Section 469 of the Code. Under these rules, losses from a passive activity may not be used to offset income derived from any source other than passive activities. Losses that cannot be currently used under the passive activity loss rules may be carried forward indefinitely until there is passive activity income or a disposition of the interest in the passive activity. Under current temporary Treasury regulations, income or loss from the Assets held by the Series generally will not constitute income or loss from a passive activity to the extent that such assets generate "portfolio income" under those regulations. Final Treasury regulations may modify the temporary Treasury regulations.

Tax Reporting by the Series

A federal partnership information return will be filed on an annual basis on behalf of the Series, but the Series itself will not be subject to federal income tax as an entity. Each Holder of Class A Certificates will be required to report on such Holder's own federal income tax return (i) the amounts

of taxable income, gain, loss, deduction and other tax items of the Series that are allocated to such Holder, even if no cash or other property is distributed to the Holder, and (ii) any gain that the Holder may be required to recognize in respect of certain distributions in excess of the Holder's tax basis in the Class A Certificates. As a consequence, a Holder's taxable income in respect of an investment in Class A Certificates (and possibly the federal income tax payable with respect to such income) may exceed the cash or other property actually distributed to such Holder.

The Code generally requires items of Partnership income and deduction to be allocated among the transferors and transferees of an interest in the Partnership, as well as among partners whose interests vary during the year, so as to take into account their varying interests in the Partnership during the year. The pertinent legislative history indicates that allocations made on a reasonable basis, such as pursuant to a monthly convention, will be permitted. Freddie Mac, in its discretion, will adopt procedures on behalf of the Series for purposes of allocating income and deductions in accordance with the varying interests of Holders. It is not certain, however, that the Service will accept the allocation method used.

The Series will furnish annually to each Holder of Class A Certificates a Schedule K-1 (IRS Form 1065) setting forth such Holder's distributive share for the relevant taxable year of the Holder's distributive share of the taxable income, gain, loss, deduction and other tax items of the Series for use in the preparation of the Holder's own federal income tax return. The preparation and filing of each Holder's federal income tax return, however, will be the responsibility of such Holder and not of the Series. Each Holder will be required to report the tax items of the Series in a manner that is consistent with the treatment reported on the federal partnership information return filed for the Series or, if a Holder takes an inconsistent position, to file a statement with its federal income tax return identifying the inconsistency.

The Code provides for optional adjustments to the basis of partnership property upon distributions of partnership property to a partner (Section 734) and transfers of partnership interests (Section 743), provided that a partnership election has been made pursuant to Section 754 (the "section 754 election"). The Series generally would be required to make adjustments to the tax basis of its assets in the case of (i) a distribution of an asset to a Holder where the tax basis of the asset would have been reduced by more than \$250,000 if the Series had made a section 754 election and (ii) a transfer of a Holder's interest in the Series where the adjusted tax basis of the Series' assets exceeds their fair market value by more than \$250,000. Although the Series would not be required to make adjustments to the tax basis of its assets in the case of transfer of a Holder's interest in the Series if it qualifies as an "electing investment partnership," the Series is not expected to so qualify.

Discount and Premium

The purchase price paid by a Series for Bonds or Mortgages, as applicable, may be greater or less than the stated redemption price at maturity of the Assets (or, in the case of Assets issued with original issue discount, the "revised issue price" thereof), in which case the Assets will be considered to have amortizable bond premium or market discount, respectively. The market discount will be considered to be zero if it is less than a statutorily defined de minimis amount, and the Supplement will identify any Assets acquired at a market discount in excess of the applicable de minimis amount. Generally, any gain on the sale, redemption or other disposition of Assets acquired at a market discount will be taxable as ordinary income, instead of capital gain, to the extent of the accrued market discount thereon. Amortizable bond premium on Assets can be amortized over the remaining term of the Assets

(or to an earlier call date if it produces greater annual amortization) using a constant yield method; the amortization will reduce the owner's tax basis for the Asset.

Under the related Series Certificate Agreement, any amortizable bond premium and any market discount on the Assets at the time of acquisition by the related Series will be allocated, and will economically accrue, entirely to the Class B Certificates, and no market discount or amortizable bond premium will be allocated, or will economically accrue, to the Class A Certificates. Special Tax Counsel will deliver its opinion, as of the applicable Date of Original Issue, generally to the effect that such allocations will be respected for federal income tax purposes. Accordingly, in general, an initial Holder of Class A Certificates will recognize capital gain or loss, if any, upon the sale, redemption or other disposition of the Class A Certificates (or the Assets of the related Series), and neither will be required to recognize a portion of any resulting gain as ordinary income in respect of accrued market discount, nor will be permitted to claim deductions for amortizable bond premium during the period of ownership of the Class A Certificates. Prospective investors should be aware, however, that there are no authorities addressing facts that are substantially similar to those involved in the issuance of Class A Certificates of a Series, so there can be no absolute assurance that the Service or a court will agree with the opinion of Special Tax Counsel and the conclusions expressed herein. If the Service were to successfully challenge the allocation in the related Series Certificate Agreement of market discount entirely to the Class B Certificates, a Holder of Class A Certificates might recognize ordinary income upon the sale, redemption or other disposition of Assets or, possibly, upon the sale, redemption or other disposition of Class A Certificates.

Partnership Administration

The Bipartisan Budget Act of 2015 (the “**2015 Budget Act**”) repeals and replaces the audit rules affecting partnerships, their partners and the persons that are authorized to represent entities treated as partnerships in certain administrative and judicial proceedings. The audit rules with respect to the 2015 Budget Act are scheduled to become effective for taxable years beginning with 2018 and will apply to both new and existing partnerships.

Under the 2015 Budget Act, a partnership appoints one person to act as its sole representative in connection with audits conducted by the Service and related procedures. The representative's actions, including the representative's agreeing to adjustments to items of income, gain, deduction, loss or credit, may bind partners to a greater degree than would actions of the tax matters partner under prior rules. Further, an adjustment to the partnership's items of income, gain, deduction, loss or credit may have to be taken into account in different and potentially less advantageous ways than under prior rules. In some cases, a partnership could itself be liable for taxes on income adjustments, although it is anticipated that such partnership's representative will seek to follow procedures in the 2015 Budget Act rules to avoid partnership-level liability to the extent it otherwise may be imposed. The 2015 Budget Act rules are complex and may be clarified or revised before going into effect. Holders of Class A Certificates should consult their own tax advisors regarding the possible effect of the 2015 Budget Act rules on them.

CERTAIN STATE AND LOCAL TAXATION MATTERS

Prospective Holders of Class A Certificates should consider, in addition to the federal income tax consequences described above, the potential state and local tax considerations that may be relevant to an investment in the Series.

State and local laws often differ from federal income tax laws with respect to the treatment of specific items of taxable income, gain, loss, deduction and other tax items. A Holder's distributive share of the taxable income, gain, loss deduction and other tax items of the Series generally will be required to be taken into account in determining its reportable income for state and local tax purposes in the jurisdiction in which the Holder is a resident. However, there can be no assurance that the treatment of any particular tax item for state or local tax purposes will not differ from the reported federal income tax treatment.

THE FOREGOING DISCUSSION OF FEDERAL, STATE AND LOCAL INCOME TAX CONSIDERATIONS IS INTENDED AS GENERAL INFORMATION ONLY, AND SHOULD NOT BE REGARDED AS TAX ADVICE OR AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. ACCORDINGLY, EACH PERSON CONTEMPLATING AN INVESTMENT IN THE SERIES SHOULD CONSULT SUCH PERSON'S TAX COUNSEL OR OTHER ADVISORS WITH SPECIFIC REFERENCE TO SUCH PERSON'S OWN TAX SITUATION.

LEGAL INVESTMENT CONSIDERATIONS

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

DISTRIBUTION ARRANGEMENTS

For each series of Class A Certificates, Freddie Mac will generally enter into a purchase or placement agreement and remarketing agreement with one or more underwriters and/or remarketing agents, who will offer the Class A Certificates of that Series as described in the related Supplement. Underwriters, remarketing agents and their affiliates may engage in other transactions with and perform services for Freddie Mac in the ordinary course of business. Freddie Mac, the underwriters, remarketing agents, or other parties may receive compensation, trading gain or other benefits in connection with such transactions.

Freddie Mac may retain or repurchase Class A Certificates for its own portfolio, and may tender or re-offer such Class A Certificates from time to time. These transactions may affect the Reset Rate of Class A Certificates. The Remarketing Agent for a Series of Class A Certificates may buy, sell and make a market in Class A Certificates, but is not obligated to do so in all cases. The secondary market for Class A Certificates may be limited.

