

**Offering Circular Supplement (To  
Offering Circular  
Dated June 3, 2019)**

**Freddie Mac  
Multiclass Certificates**

The Offering Circular is amended as follows, effective immediately:

1. Under **“Risk Factors — Investment Factors,”** the following risk factors are amended and restated in their entirety as follows:

**Changes to, or elimination of, LIBOR could adversely affect your investment in Classes with Class Coupons based on LIBOR.** On July 27, 2017, the U.K. based Financial Conduct Authority (the **“FCA”**) announced its intention to cease sustaining LIBOR after 2021. The FCA indicated that it does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that ICE and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we cannot assure you that LIBOR will survive in its current form, or at all. In the event ICE ceases to set or publish a rate for LIBOR, we will select an alternative index. We have adopted the ARRC Endorsed Terms for determining an alternative reference rate for our LIBOR-based securities. The ARRC Endorsed Terms generally rely on actions to be taken by regulators or the ARRC; however, there can be no assurance whether or when those actions will be taken. Further, there can be no assurance that these actions or related events will be sufficient to trigger a change from LIBOR to an alternative index in all circumstances where LIBOR is no longer representative of market interest rates, or that Benchmark Transition Events for the Classes with Class Coupons based upon LIBOR will align with similar events in the market generally or in other parts of the financial markets, such as the derivatives market.

The ARRC Endorsed Terms provide for various alternative benchmarks based on availability: the first alternative is term SOFR, the second alternative is compounded SOFR, and the last two alternatives are not currently specified. The Secured Overnight Financing Rate, or **“SOFR,”** is a secured, risk-free rate that is calculated based on different criteria than LIBOR, which is an unsecured rate reflecting counterparty risk. Accordingly, SOFR and LIBOR may diverge, particularly in times of macroeconomic stress. Since the initial publication of SOFR in April 2018, daily changes in SOFR have at times been more volatile than daily changes in comparable benchmark or market rates, and, over the lives of the Certificates with interest rates that adjust based on LIBOR, SOFR may diverge from historical or indicative data. Term SOFR, which is the first alternative benchmark, is expected to be a prospective term rate based on SOFR. Term SOFR is currently in development and no assurance can be provided that its development will be completed. If term SOFR is not available as of the benchmark replacement date, the next alternative benchmark is compounded SOFR. Compounded SOFR is a retrospective rate generally calculated using actual rates during the related interest accrual period, and at times may also diverge from LIBOR. If a benchmark replacement other than term SOFR is chosen because term SOFR is not initially available, term SOFR will become the benchmark replacement if it later becomes available, which could lead to further volatility in the interest rates on the Certificates with interest rates that adjust based on LIBOR. Moreover, a benchmark replacement adjustment will be applied to compensate for the foregoing effects of any benchmark replacement. However, no assurance can be provided that any benchmark replacement adjustment will be sufficient to produce the economic equivalent of the then-current benchmark, either at the benchmark replacement date or over the lives of the Certificates with interest rates that adjust based on LIBOR. Additionally, we cannot anticipate how long it will take us or CSS to develop the systems and

processes necessary to adopt a specific benchmark replacement, which may delay and contribute to uncertainty and volatility surrounding any benchmark transition for Classes with Class Coupons based on LIBOR.

Freddie Mac will have discretion with respect to certain elements of the benchmark replacement process, including determining whether a benchmark transition event and its related benchmark replacement date have occurred, determining which benchmark replacement is available, determining the earliest practicable index determination date for using the benchmark replacement, selecting a benchmark replacement in the event term SOFR or compounded SOFR is unavailable, determining benchmark replacement adjustments (if not otherwise determined by applicable governing bodies or authorities) and making benchmark replacement conforming changes (including potential changes affecting the business day convention and index determination date). If Freddie Mac, in its sole discretion, determines that an alternative index is not administratively feasible, including as a result of technical, administrative or operational issues, then such alternative index will be deemed to be unable to be determined as of such date. Freddie Mac may determine an alternative to not be administratively feasible even if such rate has been adopted by other market participants in similar products and any such determination may adversely affect the return on your Classes with Class Coupons based on LIBOR, the trading market for such Classes and the value of such Classes. Furthermore, if Freddie Mac does not select an alternative index on any date as a result of its determination that a higher alternative is not administratively feasible to determine as of such date and such higher alternative subsequently becomes administratively feasible (as determined by Freddie Mac in its sole discretion) then Freddie Mac may elect to replace the previously selected alternative with such higher alternative. Any such election will be at the sole discretion of Freddie Mac and such election may adversely affect the return on your Classes with Coupons based on LIBOR, the trading market for such Classes and the value of such Classes. None of the foregoing determinations, or the application thereof to payment calculations on the Classes with Class Coupons based on LIBOR, will be subject to the approval of Certificateholders.

**Changes to, or elimination of, SOFR could adversely affect your investments in the Classes with Class Coupons based on SOFR.** SOFR is a relatively new interest rate index and may not become widely established in the market or could eventually be eliminated. Further, the way that SOFR and market accepted adjustments to SOFR are determined may change over time.

**Changes to, or the elimination of, an index could adversely affect your investment in Classes with Class Coupons based on such index.** Changes to, or the elimination of, an index could adversely affect your investment in Classes with Class Coupons based on such index. If such index ceases to be published, then we reserve the right to choose an alternative index. If such index in its current form does not survive or if an alternative index is chosen, the market value and/or liquidity of Classes with Class Coupons based on such index could be adversely affected. We have adopted the ARRC Endorsed Terms for determining an alternative reference rate for our LIBOR-based securities, including Certificates with interest rates that adjust based on LIBOR. We can provide no assurance that any alternative reference rate determined in accordance with the ARRC Endorsed Terms will yield the same or similar economic results over the lives of the affected Classes of Certificates relative to the results that would have occurred under LIBOR or any other reference rate. See *Appendix V — Interest Rate Indices — Effect of Benchmark Transition Event*.

2. Under **“Payments — Interest Rate Indices,”** the last bullet under such heading is deleted in its entirety.

3. **Appendix V** of the Offering Circular is amended and restated in its entirety as follows:

## INTEREST RATE INDICES

As Administrator, we determine the Indices for Floating Rate and Inverse Floating Rate Classes as follows. Our methods for determining Indices are subject to modification as necessary to reflect technological and market changes.

### LIBOR

We calculate the Class Coupons of LIBOR Classes for each Accrual Period (after the first) on the second business day before the Accrual Period begins (an “**Adjustment Date**”). For this purpose, a “business day” is a day on which banks are open for dealing in foreign currency and exchange in London, New York City and Washington, D.C.

We determine LIBOR using the rate, expressed as a percentage per annum, for U.S. dollar deposits of the applicable maturity set by ICE Benchmark Administration Limited (“**ICE**”) as of 11:00 a.m. (London time) on the related Adjustment Date (the “**ICE Method**”). Rates determined by ICE are currently displayed on Bloomberg L.P.’s page “BBAM.” That page, or any other page that may replace BBAM on that service or any other service authorized by ICE to display the rates it determines for deposits in U.S. dollars, is a “**Designated Page.**” Rates determined by ICE are currently rounded to five decimal places. We cannot provide any assurance that there will be no changes to the manner in which the rate is calculated or to data collection methodologies. In addition, we cannot assure you that LIBOR for any distribution date accurately represents the offered rate applicable to loans in U.S. dollars for a stated period between leading European banks or that LIBOR will continue to be widely used as a benchmark interest rate.

If LIBOR determined under the ICE Method does not appear on the Designated Page as of 11:00 a.m. (London time) on an Adjustment Date, or if the Designated Page is not then available, LIBOR for that date will be the most recently published LIBOR determined under the ICE Method. In the event that any other entity assumes the administration of LIBOR from ICE, LIBOR will be determined, in our sole discretion, either (i) on the basis of the succeeding administrator’s LIBOR determination method, or (ii) by our designation of an alternative determination method or index that has performed, or that we expect to perform, in a manner substantially similar to the ICE Method. We will select an alternative index only if tax counsel advises us that the alternative index will not cause any affected REMIC Pools to lose their classification as REMICs. We can provide no assurance that any alternative LIBOR determination method or index will yield the same or similar economic results over the lives of the affected Classes.

On July 27, 2017, the FCA announced its intention to cease sustaining LIBOR after 2021. The FCA indicated that it does not intend to sustain LIBOR through using its influence or legal powers beyond that date. It is possible that ICE and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so, but we cannot assure you that LIBOR will survive in its current form, or at all. In early 2018, ICE stated its intention to continue to administer and quote LIBOR after 2021, possibly employing an alternative methodology. Among the efforts to identify a set of alternative U.S. dollar reference rates are proposals by the Alternative Reference Rates Committee (“**ARRC**”) convened by the Federal Reserve Board, including recommended terms applicable to new issuances of LIBOR-based floating rate notes (the “**ARRC Endorsed Terms**”). We have adopted the ARRC Endorsed Terms for determining an alternative reference rate for our LIBOR-based securities, including Certificates with interest rates that adjust based on LIBOR. The ARRC Endorsed Terms are set forth below. For a related discussion, see *Risk Factors — Investment Factors — Changes to, or elimination of, LIBOR could adversely affect your investment in Classes with Class Coupons based on LIBOR*. We cannot predict the effect of the FCA’s decision not to sustain LIBOR, or, if changes are ultimately made to LIBOR, the effect of those changes. In addition, we cannot predict what alternative

index would be chosen should this occur. If LIBOR in its current form does not survive or if an alternative index is chosen, the market value and/or liquidity of Classes with Class Coupons based on LIBOR could be adversely affected.

### **Effect of Benchmark Transition Event**

*Benchmark Replacement.* If Freddie Mac determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Certificates in respect of such determination on such date and all determinations on all subsequent dates.

*Benchmark Replacement Conforming Changes.* In connection with the implementation of a Benchmark Replacement, Freddie Mac will have the right to make Benchmark Replacement Conforming Changes from time to time.

*Decisions and Determinations.* Any determination, decision or election that may be made by Freddie Mac pursuant to this section titled “*Effect of Benchmark Transition Event*,” including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in Freddie Mac’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Certificates, will become effective without consent from any other party. For purposes of whether a Benchmark Replacement or Benchmark Replacement Adjustment can be determined by Freddie Mac, if a Benchmark Replacement or Benchmark Replacement Adjustment alternative is, in the sole judgement of Freddie Mac, not administratively feasible, whether due to technical, administrative or operational issues, then such alternative will be deemed not to be determinable.

*Certain Defined Terms.* As used in this Section titled “*Effect of Benchmark Transition Event*”:

“**Benchmark**” means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement.

“**Benchmark Replacement**” means the Interpolated Benchmark; provided that if Freddie Mac cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then “**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by Freddie Mac as of the Benchmark Replacement Date:

- (1) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (4) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

- (5) the sum of: (a) the alternate rate of interest that has been selected by Freddie Mac as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate securities at such time and (b) the Benchmark Replacement Adjustment;

provided, however, that if the Benchmark Replacement determined for any Benchmark Replacement Date is the rate specified in clause (2) above, and if, on the first day of any calendar month following such Benchmark Replacement Date, a redetermination of the Benchmark Replacement would result in the selection of a Benchmark Replacement specified in clause (1) above, then (x) the Benchmark Replacement specified in clause (1) above will be the Benchmark commencing with the earliest practicable index determination date thereafter and (y) the Benchmark Replacement Adjustment will be redetermined on such date utilizing the Unadjusted Benchmark Replacement corresponding to the Benchmark Replacement specified in clause (1) above. If redetermination of the Benchmark Replacement on any date described in the preceding sentence would not result in the selection of a Benchmark Replacement under clause (1), then the Benchmark will remain the Benchmark Replacement specified in clause (2) above for the following index determination date.

Notwithstanding the foregoing provisions of this definition, if a Benchmark Replacement is chosen because an alternative higher in the above list was not administratively feasible and such alternative later becomes administratively feasible, Freddie Mac may replace the previously selected Benchmark Replacement with such higher alternative.

**“Benchmark Replacement Adjustment”** means the first alternative set forth in the order below that can be determined by Freddie Mac as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Freddie Mac giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate or inverse floating rate securities at such time.

Notwithstanding the foregoing provisions of this definition, if a Benchmark Replacement Adjustment is chosen because an alternative higher in the above list was not administratively feasible and such alternative later becomes administratively feasible, Freddie Mac may replace the previously selected Benchmark Replacement Adjustment with such higher alternative.

**“Benchmark Replacement Conforming Changes”** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the interest accrual period, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the interest accrual period and other administrative matters) that Freddie Mac decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if Freddie Mac

decides that adoption of any portion of such market practice is not administratively feasible or if Freddie Mac determines that no market practice for use of the Benchmark Replacement exists, in such other manner as Freddie Mac determines is reasonably necessary).

**“Benchmark Replacement Date”** means the earliest to occur of the following events with respect to the then current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark;
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or
- (3) in the case of clause (4) of the definition of “Benchmark Transition Event,” the date of the public statement or directive;

provided, however, that on or after the 60<sup>th</sup> day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), Freddie Mac may give written notice to securityholders in which Freddie Mac designates an earlier date (but not earlier than the 30<sup>th</sup> day following such notice) and represents that such earlier date will facilitate an orderly transition of the transaction to the Benchmark Replacement, in which case such earlier date will be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**“Benchmark Transition Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative; or

- (4) a public statement or directive by any (a) regulator of Freddie Mac or (b) governmental entity with authority to direct the actions of Freddie Mac, requiring the use of an alternate, substitute or successor index to the then-current Benchmark in legacy mortgage loans or securities owned and/or guaranteed by Freddie Mac regardless of the continued existence of the then-current Benchmark.

**“Compounded SOFR”** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each interest accrual period) being established by Freddie Mac in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, Freddie Mac determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by Freddie Mac giving due consideration to any industry-accepted market practice for U.S. dollar denominated floating rate securities at such time.

**“Corresponding Tenor”** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then current Benchmark.

**“Federal Reserve Bank of New York’s Website”** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source.

**“Interpolated Benchmark”** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**“ISDA Definitions”** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**“ISDA Fallback Adjustment”** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**“ISDA Fallback Rate”** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**“Reference Time”** with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, and (2) if the Benchmark is not LIBOR, the time determined by Freddie Mac in accordance with the Benchmark Replacement Conforming Changes.

**“Relevant Governmental Body”** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**“SOFR”** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.

**“Term SOFR”** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**“Unadjusted Benchmark Replacement”** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

## **COFI**

We calculate the Class Coupons of COFI Classes for each Accrual Period (after the first) on the related Adjustment Date (for non-Delay Classes) or on the second business day of the Accrual Period (for Delay Classes), by reference to COFI as published most recently by the Federal Home Loan Bank of San Francisco (the **“FHLB of San Francisco”**). The FHLB of San Francisco currently publishes COFI on or about its last working day of each month. The FHLB of San Francisco announced that it would cease publishing COFI on January 29, 2021. On April 9, 2019, FHFA issued a directive to the Enterprises directing them to engage in joint discussions regarding their respective strategies for selecting and implementing a replacement Index.

COFI is designed to represent the monthly weighted average cost of funds for savings institutions in the Eleventh District (which consists of Arizona, California and Nevada) for the month prior to the month of publication. The FHLB of San Francisco computes COFI for each month by dividing the cost of funds (interest paid during the month by Eleventh District savings institutions on savings, advances and other borrowings) by the average of the total amount of these funds outstanding at the end of that month and the prior month. It then annualizes and adjusts the result to reflect the actual number of days in the particular month. If necessary, the FHLB of San Francisco adjusts the component figures to neutralize the effect of events such as member institutions leaving the Eleventh District or acquiring institutions outside the Eleventh District. COFI has been reported each month since August 1981.

COFI is intended to reflect the interest costs paid on all types of funds held by Eleventh District member savings associations and savings banks. COFI is weighted to reflect the relative amount of each type of funds held at the end of the relevant month. The three major components of funds of Eleventh District member institutions are: (1) savings deposits, (2) Federal Home Loan Bank advances and (3) all other borrowings, such as reverse repurchase agreements and mortgage-backed bonds. Unlike most other interest rate measures, COFI does not necessarily reflect current market rates, since the component funds represent a variety of terms to maturity whose costs may react in different ways to changing conditions. The FHLB of San Francisco periodically prepares percentage breakdowns of the types of funds held by Eleventh District member institutions. You can get these breakdowns from the FHLB of San Francisco.

A number of factors affect the performance of COFI that may cause it to move in a manner different from indices tied to specific interest rates, such as LIBOR or any Treasury Index. Because of the various terms to maturity of the liabilities upon which COFI is based, COFI may not necessarily reflect the average prevailing market interest rates on new liabilities of similar maturities. Also, COFI may not necessarily move in the same direction as market interest rates at all times because, as longer term

deposits or borrowings mature and are renewed at prevailing market interest rates, COFI is influenced by the difference between the prior and the new rates on those deposits or borrowings. Because COFI is based on a regional and not a national cost of funds, it may not behave as would a nationally based index. In addition, the movement of COFI, as compared to other indices tied to specific interest rates, may be affected by changes instituted by the FHLB of San Francisco in the method used to calculate COFI.

You can obtain the current level of COFI by calling the FHLB of San Francisco at 415-616-2600 or from its internet website at [www.fhlbsf.com](http://www.fhlbsf.com).

If the FHLB of San Francisco fails to publish COFI for a period of 65 calendar days, we will calculate the Class Coupons of the COFI Classes for subsequent Accrual Periods by using, in place of COFI, any replacement index published or designated by the FHLB of San Francisco. If the FHLB of San Francisco does not publish or designate a replacement index, we will select an alternative index that has performed, or that we expect to perform, in a manner substantially similar to COFI. At the time we first select an alternative index, we will determine the average number of basis points, if any, by which the alternative index differed from COFI for the period we, in our sole discretion, reasonably determine reflects fairly the long-term difference between COFI and the alternative index, and will adjust the alternative index by that average. We will select a particular index as the alternative index only if tax counsel advises us that the alternative index will not cause any affected REMIC Pools to lose their classification as REMICs.

If the FHLB of San Francisco later resumes publication of COFI, we will calculate the Class Coupons of the COFI Classes for each following Accrual Period by reference to COFI.

### **Treasury Index**

We calculate the Class Coupons of Treasury Index Classes for each Accrual Period (after the first) on the fourth business day before the Accrual Period begins (a “**Treasury Index Adjustment Date**”). On each Treasury Index Adjustment Date, we will determine the applicable Treasury Index, which will be either:

- The auction average (investment) yield, expressed as a per annum rate, on three-month or six-month U.S. Treasury bills as made available by the Treasury in the most recent edition of its Public Debt News that is available to us.
- The weekly average yield, expressed as a per annum rate, on U.S. Treasury securities adjusted to a constant maturity of one, three, five, seven, ten or thirty years or to some other constant maturity (as specified in the applicable Supplement) that the Federal Reserve Board publishes in the most recent edition of Federal Reserve Statistical Release No. H.15 (519) that is available to us.

The Treasury releases its Public Debt News on the day of the applicable auction. You can get it by contacting the Treasury’s Bureau of Public Debt or from its internet website at [www.treasury.gov](http://www.treasury.gov). Statistical Release No. H.15 (519) is released on Monday or Tuesday of each week. You can get it from the Publications Department at the Board of Governors of the Federal Reserve System, 21st and C Streets, N.W., M.S. 138, Washington, D.C. 20551 or from its internet website at [www.treasurydirect.gov](http://www.treasurydirect.gov).

We consider a new value for the Treasury Index to have been made available on the day following the date it is released. In the event the applicable Treasury Index is no longer published in the Public Debt News or Federal Reserve Statistical Release No. H.15 (519), or either publication is no longer published, we will designate a new source for obtaining the applicable Treasury Index.

The applicable auction average (investment) yield for a given week is the yield resulting from the auction of three-month or six-month U.S. Treasury bills held that week.

The weekly average yield reflects the average yields of the five calendar days ending on Friday of the previous week. Yields on Treasury securities at “constant maturity” are estimated from the Treasury’s daily yield curve. This curve, which relates the yield on a security to its time to maturity, is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations reported by five leading U.S. Government securities dealers to the Federal Reserve Bank of New York. This method permits estimation of the yield for a given maturity even if no security with that exact maturity is outstanding.

If the applicable Treasury Index becomes unavailable, we will designate an alternative index based upon comparable information and methodology. At the time we first select an alternative index, we will determine the average number of basis points, if any, by which the alternative index differed from the applicable Treasury Index for the period we, in our sole discretion, reasonably determine reflects fairly the long-term difference between the applicable Treasury Index and the alternative index, and will adjust the alternative index by that average. We will select a particular index as the alternative index only if tax counsel advises us that the alternative index will not cause any affected REMIC Pools to lose their classification as REMICs.

If the applicable Treasury Index becomes available again, we will calculate the Class Coupons for the related Treasury Index Classes for each following Accrual Period by reference to the applicable Treasury Index.

Notwithstanding the above, we adjust the Class Coupons of Treasury Index Classes backed by adjustable rate GNMA Certificates by reference to the same value for the applicable Treasury Index as is used to adjust the interest rates of the GNMA Certificates.

### **Prime Rate**

On each Adjustment Date, we calculate the Class Coupons of Prime Rate Classes for the next Accrual Period by reference to the rate published as the U.S. “Prime Rate” in the “Money Rates” section or other comparable section of *The Wall Street Journal* on that Adjustment Date. The rate published in *The Wall Street Journal* currently represents the base rate on corporate loans posted by at least 70% of the 10 largest commercial banks in the United States. If *The Wall Street Journal* instead publishes a prime rate range, the average of that range, as determined by us, will be the Prime Rate.

If *The Wall Street Journal* no longer publishes a “Prime Rate” entry, we will designate a new method for determining the Prime Rate based on comparable data. We will select an alternative method only if tax counsel advises us that the method will not cause any affected REMIC Pools to lose their classification as REMICs.

If the Prime Rate becomes available in *The Wall Street Journal* again, we will calculate the Class Coupons for the Prime Rate Classes for each following Accrual Period by reference to the Prime Rate published in *The Wall Street Journal*.

Unless otherwise defined in this Offering Circular Supplement, capitalized terms used in this Offering Circular Supplement have the meanings given to them in the Offering Circular.