

EXCHANGE ADMINISTRATION AGREEMENT
STACR[®] Debt Notes, Series 2014-HQ1

EXCHANGE ADMINISTRATION AGREEMENT, dated as of August 11, 2014 (as amended, modified and supplemented from time to time, the “Agreement”), between FEDERAL HOME LOAN MORTGAGE CORPORATION (“Freddie Mac”), as issuer, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, as exchange administrator (the “Exchange Administrator”), in connection with the Freddie Mac Structured Agency Credit Risk (STACR) Debt Notes, Series 2014-HQ1. All Exhibits attached hereto are made a part hereof as if their full text were set forth and incorporated herein as part of this Agreement.

WHEREAS, Freddie Mac intends to issue the Original Notes (as defined below) in the form of registered book-entry securities, or in definitive form, from time to time, as provided in the Debt Agreement (as defined below);

WHEREAS, the Original Notes will be modifiable and exchangeable with the MAC Notes (as defined below); and

WHEREAS, Freddie Mac desires to engage the Exchange Administrator, and the Exchange Administrator desires, to perform certain services relating to the exchange of the Notes (as defined below).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained, and subject to the conditions herein set forth, Freddie Mac and the Exchange Administrator agree as follows:

Section 1. Definitions.

All capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Global Agency Agreement (as defined below).

“Agreement” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto.

“Business Day” means a day other than (i) a Saturday or Sunday or (ii) a day on which the offices of Freddie Mac, the corporate trust offices of the Global Agent or the Exchange Administrator (currently located at 1 Federal Street, 3rd Floor, Boston, Massachusetts 02110), DTC, or the banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.

“Class Principal Balance” has the meaning specified in the Debt Agreement.

“Closing Date” means August 11, 2014.

“Code” means the Internal Revenue Service Code of 1986, as amended.

“Combination” means any of the available modifications and combinations of Original Notes to be exchanged for MAC Notes, and vice versa, set forth in Exhibit A hereto.

“Debt Agreement” means the debt agreement dated as of August 11, 2014 by and among Freddie Mac and the Holders of Notes, a copy of which is attached as Exhibit D hereto.

“DTC” means The Depository Trust Company of New York, a limited-purpose trust company.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Administrator” has the meaning specified in the preamble, and any duly qualified and appointed successor or successors of U.S. Bank thereto.

“Fitch” means Fitch Ratings, Inc. and its successors.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation.

“Freddie Mac Act” means Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459.

“Global Agency Agreement” means the global agency agreement dated as of August 11, 2014 between Freddie Mac and the Global Agent, a copy of which is attached as Exhibit C hereto.

“Global Agent” means the entity selected by Freddie Mac to act as its agent, registrar, authenticating agent, calculation agent, paying agent and transfer agent for the Original Notes, which as of the Closing Date is U.S. Bank.

“Holder” or “Noteholder” means in the case of (i) DTC Notes, DTC or its nominee; (ii) Common Depository Notes, the depository, or its nominee, in whose name the Notes are registered on behalf of a related clearing system; and (iii) Notes in definitive registered form, the person or entity in whose name such Notes are registered in the Register.

“Initial Exchange Date” means the 15th day following the Closing Date (or if such 15th day is not a Business Day, the next Business Day).

“Issuer” means Freddie Mac as issuer of the Original Notes and any successor to the obligations of Freddie Mac under the Original Notes.

“MAC Notes” means the Classes of Modifiable And Combinable STACR Notes shown on Exhibit A.

“MAC Pool” means the discrete pool consisting of such interests in the related Original Notes as may be held of record by the Exchange Administrator, from time to time, as a result of exchanges pursuant to Section 3 of this Agreement.

“Maturity Date” means the Payment Date in August 2024.

“Moody’s” means Moody’s Investors Service, Inc. and its successors.

“Notes” means the Original Notes and MAC Notes of the Freddie Mac STACR Debt Notes, Series 2014-HQ1, which may be transferred only on the book-entry system operated by DTC or its successor, or under certain limited circumstances, in registered, certificated form, as provided in the Global Agency Agreement.

“Notional Principal Amount” has the meaning specified in the Debt Agreement.

“NRSRO” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

“Offering Circular” means the Freddie Mac STACR Debt Notes, Series 2014-HQ1 Offering Circular dated August 7, 2014.

“Original Notes” means the Class M-1, Class M-2 and Class M-3 Notes.

“Payment Date” means the 25th day of each calendar month (or, if not a Business Day, the following Business Day), commencing in September 2014.

“Rating Agencies” means Fitch and Moody’s.

“Rating Agencies Information Website” means the internet website with respect to the Notes, initially located at www.structuredfn.com, access to which is limited to the Rating Agencies and NRSROs who have been provided access.

“Record Date” means, with respect to each Payment Date, (i) the Business Day immediately preceding that Payment Date, with respect to Notes issued in global form, and (ii) the last Business Day of the preceding month, with respect to definitive Notes.

“Register” means a register of the Holders of Notes maintained by the Global Agent.

“Terms” as used herein with respect to a particular issue of Notes means, unless the context otherwise requires, the terms applicable to all Notes, as described in the Offering Circular or the Debt Agreement.

“U.S. Bank” means U.S. Bank National Association, a national banking association organized under the laws of the United States of America.

Section 2. Appointment.

Issuer hereby appoints U.S. Bank, acting through its corporate trust office at One Federal Street, 3rd Floor, Boston, Massachusetts 02110 (and, as may be required by applicable law, any other corporate trust office thereof in the relevant jurisdiction), as Exchange Administrator in respect of the Notes, upon the terms and subject to the conditions set forth herein, and U.S. Bank hereby accepts such appointment. The Exchange Administrator shall have the powers and authority granted to and conferred upon it in this Agreement and such further powers and authority to act on behalf of Issuer as may be mutually agreed upon in writing by Issuer and the Exchange Administrator. The

Exchange Administrator shall hold and administer, or supervise the administration of, the MAC Pool in substantially the same manner as the Exchange Administrator holds and administers assets of the same or similar type held for its own account or for the account of others.

Subject to the provisions of Section 7(b) hereof, Issuer may terminate the appointment of any agent acting on behalf of the Exchange Administrator at any time and from time to time upon giving not less than 30 days' written notice to such agent and to the Exchange Administrator.

In respect of the Notes, Issuer shall cause notice of any resignation, termination of the appointment of the Exchange Administrator or any agent thereof and of any change in the office through which any such agent will act to be given as provided in the terms of such Notes and in accordance with Section 7(b) hereof.

Section 3. Exchange of Notes.

(a) Upon the presentation and surrender by any Noteholder of its Original Note(s) or MAC Note(s), as applicable, in the appropriate combination as set forth on Exhibit A, such Noteholder shall hereunder transfer, assign, set over and otherwise convey to the Exchange Administrator, all of such Noteholder's right, title and interest in and to such Original Note(s) or MAC Note(s), as applicable.

(b) The Original Notes and the MAC Notes, as applicable, shall be exchangeable on the books of DTC for the Original Notes or MAC Notes, as applicable, at any time on or after the Initial Exchange Date, in accordance with the terms and conditions set forth in, and otherwise in accordance with the procedures specified in, Section 4 hereof.

(c) The Original Notes and MAC Notes exchanged pursuant to this Agreement shall have the characteristics set forth in the Debt Agreement, and shall be subject to the terms and provisions set forth therein.

(d) The Original Notes may be exchanged, in whole or in part, for the MAC Notes, and vice versa, in accordance with the Combinations, and subject to the constraints, set forth on Exhibit A.

(e) There shall be no limitation on the number of exchanges authorized pursuant to this Agreement, and, except as provided below, no fee or other charge shall be payable to the Exchange Administrator or DTC in connection therewith.

Section 4. Procedures for Exchange.

(a) In order to effect an exchange of Notes, the Noteholder shall notify the Exchange Administrator in writing, substantially in the form of Exhibit B hereto, by e-mail at sfs.exchange@usbank.com, and in accordance with the requirements set forth herein, no later than two Business Days before the proposed exchange date. The exchange date with respect to any exchange can be any Business Day other than the first or last Business Day of the month, the Payment Date, the Record Date related to the next Payment Date or the Business Day following such Record Date. The notice must be on the Noteholder's letterhead, carry a medallion stamp guarantee and set forth the following information: (i) the CUSIP number of each Note or Notes (as applicable) to be exchanged and of each Note or Notes (as applicable) to be received; (ii) the outstanding Class

Principal Balance (or Notional Principal Amount) and the original Class Principal Balance (or Notional Principal Amount) of the Notes to be exchanged; (iii) the Noteholder's DTC participant numbers to be debited and credited; and (iv) the proposed exchange date. After receiving the notice, the Exchange Administrator will e-mail the Noteholder with wire payment instructions relating to the exchange fee. The Noteholder will utilize the "Deposit and Withdrawal System" at DTC to exchange the Notes. A notice becomes irrevocable on the second Business Day before the proposed exchange date.

(b) Notwithstanding any other provision herein set forth, a fee shall be payable by the exchanging Noteholder to the Exchange Administrator in connection with each exchange equal to \$5,000. Such fee must be received by the Exchange Administrator prior to the exchange date or such exchange shall not be effected. In addition, any Holder wishing to effect an exchange must pay any other expenses related to such exchange, including any fees charged by DTC.

(c) The Exchange Administrator shall notify the Global Agent with respect to any exchanges of Original Notes for MAC Notes (and vice versa) at the time of such exchange.

(d) The Global Agent will make the first distribution on an Original Note or a MAC Note received in an exchange transaction on the Payment Date in the month following the exchange to the Noteholder of record as of the close of business on the last day of the month of the exchange.

Section 5. Tax Withholding and Reporting.

(a) Tax Classification. The MAC Pool will be classified as a grantor trust under subpart E, part I of subchapter J of the Code, and the MAC Notes will represent beneficial ownership of interests in the Original Notes for U.S. federal income tax purposes.

(b) Tax Withholding. In the event that any jurisdiction imposes any withholding on any payment made with respect to a MAC Note, and an officer of the Exchange Administrator responsible for the administration of this Agreement has actual or written notice that such withholding is required, the Exchange Administrator (or its agent) will give written notice promptly to the Global Agent of such requirement, and the Exchange Administrator (or its agent or Freddie Mac) will not be required to pay additional interest or other amounts, or redeem or repay the MAC Notes prior to the Maturity Date.

(c) Tax Reporting. The Exchange Administrator (or its agent) shall instruct the Global Agent to furnish or make available to each Holder of MAC Notes information to facilitate tax reporting by a Holder with respect to the MAC Notes, including tax reporting relating to original issue discount ("OID"), provided that for purposes of information reporting relating to OID, the Exchange Administrator shall calculate the yield to maturity with respect to a MAC Note based on the relevant prepayment assumption used to price the Original Notes, and for MAC Notes that pay stated interest at a variable rate, the Exchange Administrator shall assume that the variable rate is a fixed rate equal to the value of the variable rate as of the Initial Exchange Date.

Section 6. Representations.

(a) Issuer's Representations and Warranties. The Issuer represents and warrants that it has duly authorized and properly executed this Agreement, and is currently in compliance with this Agreement.

(b) Exchange Administrator's Representations and Warranties.

(i) The Exchange Administrator represents and warrants that it has duly authorized and properly executed this Agreement, and is currently in compliance with this Agreement.

(ii) The Exchange Administrator represents and warrants that the consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not conflict with, result in any breach of any of the terms and provisions of, or constitute (with or without notice or lapse of time) a default under, its articles of association or bylaws or any agreement or other instrument to which it is a party or by which it is bound; and to its knowledge, there are no proceedings or investigations pending or threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over it or its properties: (A) asserting the invalidity of this Agreement, (B) seeking to prevent the consummation of any of the transactions contemplated by this Agreement or (C) seeking any determination or ruling that might materially and adversely affect the performance by it of its obligations under, or the validity or enforceability of, this Agreement.

Section 7. Conditions of Exchange Administrator's Obligations and Changes in Exchange Administrator.

(a) Conditions of Exchange Administrator's Obligations. The Exchange Administrator accepts its obligations herein set forth herein, upon the terms and conditions hereof, including the following, to all of which Issuer agrees. References to the Exchange Administrator in (i)-(iv) below shall include any agent appointed by the Exchange Administrator hereunder.

(i) Indemnification. Issuer shall indemnify and hold harmless the Exchange Administrator, its directors, officers, employees and agents from and against any and all actions, claims, damages, liabilities, judgments, losses, costs, charges and expenses (including legal fees and expenses) relating to or arising out of actions or omissions from actions in any capacity as Exchange Administrator under this Agreement, the Debt Agreement and the Notes, except actions, claims, damages, liabilities, judgments, losses, costs, charges and expenses caused by the gross negligence, willful misconduct or bad faith of the Exchange Administrator, its directors, officers, employees or agents. The Exchange Administrator shall incur no liability and shall be indemnified and held harmless by Issuer for any error of judgment made in good faith by the officers and employees of the Exchange Administrator. The Exchange Administrator shall incur no liability and shall be indemnified and held harmless by Issuer for, or in respect of, any actions taken, omitted to be taken or suffered to be taken in good faith by the Exchange Administrator in reliance upon (A) a written opinion of counsel or (B) any instruction from an Authorized Officer of Issuer. The Exchange Administrator shall not be under any obligation to appear in, prosecute or defend any legal action that is not incidental to its responsibilities under this Agreement and that in its opinion may involve it in any expense or liability. The obligations of Issuer under this

Section 7(a)(i) shall survive the termination of this Agreement, including any termination of this Agreement pursuant to any applicable bankruptcy or insolvency law.

(ii) Documents. The Exchange Administrator shall be protected and shall incur no liability for or in respect of any action taken, omitted to be taken or anything suffered by it in reliance upon any Note, notice, direction, consent, certificate, affidavit, statement or other paper or document (including facsimile or electronic mail transmission) reasonably believed by it to be genuine and to have been signed or submitted by the proper parties.

The Exchange Administrator may conclusively rely and shall be fully protected in its reliance upon instructions which shall include any instructions given or confirmed in writing by facsimile or through a time-sharing terminal given by a Noteholder or the Issuer pursuant to this Agreement which the Exchange Administrator believes in good faith to have been given by an Authorized Officer.

(iii) No Liability for Invalidity. The representations of Issuer contained herein, in the Debt Agreement and in the Offering Circular shall be taken as the statements of Issuer, and the Exchange Administrator assumes no responsibility for the correctness of the same. The Exchange Administrator makes no representation as to the validity or sufficiency of this Agreement or the Notes except for the Exchange Administrator's due authorization to execute this Agreement.

(iv) No Implied Obligations. The Exchange Administrator shall be obligated to perform such duties and only such duties as are set forth herein, and no implied duties or obligations shall be read into this Agreement or any of the Notes against the Exchange Administrator. The Exchange Administrator shall not be under any obligation to take any action hereunder which may tend to involve it in any expense or liability the payment or indemnification of which within a reasonable time is not, in its reasonable opinion, assured to it. The Exchange Administrator shall not be liable for any action taken, suffered or omitted to be taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

(v) Consultation with Counsel. The Exchange Administrator may consult with counsel satisfactory to it in its reasonable judgment and any action taken, omitted to be taken or suffered by Exchange Administrator in performance of its duties hereunder in accordance with the written opinion of such counsel shall be presumed to be taken in good faith.

(vi) Communication from Issuer. Unless otherwise provided herein, any order, certificate, notice, request, direction or other communication from the Issuer made or given by it under any provisions of this Agreement shall be deemed sufficient if signed by an Authorized Officer of the Issuer.

(vii) Damages. Anything in this Agreement to the contrary notwithstanding, in no event shall the Exchange Administrator be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits).

(viii) Reliance on Reports. Except as expressly provided herein, nothing herein shall be construed to impose an obligation on the part of the Exchange Administrator to

recalculate, evaluate or verify any report, certificate or information received by it from the Issuer or to otherwise monitor the activities of the Issuer.

(b) Changes in Exchange Administrator.

(i) Appointment and Termination of Appointment. Issuer may at any time appoint additional or alternative agents to provide the service(s) to be provided by the Exchange Administrator hereunder. Issuer may terminate the appointment of the Exchange Administrator or any part of such agency by giving to the Exchange Administrator at least 30 calendar days' written notice to that effect.

(ii) Resignation. The Exchange Administrator may resign at any time by giving written notice thereof to the Issuer and the Noteholders; provided, however, that in the event of U.S. Bank's resignation or removal as Global Agent pursuant to the Global Agency Agreement such notice shall not be required and such resignation or removal will occur at the same time as the resignation or removal of U.S. Bank as Global Agent.

(iii) Conditions to Resignation and Termination. Subject to paragraph 7(b)(vi) below, no resignation or termination of the appointment of the Exchange Administrator shall take effect until a new exchange administrator has been appointed, and no resignation or termination of the appointment of an agent shall take effect if there would not then be agents as required by the Terms of any Notes. Issuer shall use its best efforts to appoint a new exchange administrator not later than 30 calendar days after Issuer's receipt of the notice of resignation delivered by the Exchange Administrator in accordance with paragraph 7(b)(ii) above. Issuer agrees with the Exchange Administrator that if Issuer fails to appoint a successor within such period, the Exchange Administrator may select a bank to act as the new Exchange Administrator hereunder, and Issuer shall accept the appointment of that bank as the successor to Exchange Administrator.

(iv) Agents. The Exchange Administrator may, with the express written consent of Issuer (which consent shall not be unreasonably withheld or delayed), appoint by an instrument or instruments in writing one or more agents to act hereunder and, upon written notice with such consent, vary or terminate any such appointment. Issuer (by written notice to the Exchange Administrator and any agent whose appointment is to be terminated) may also terminate any such appointment at any time. In its acceptance of such appointment, each such agent shall agree to act as an agent pursuant this Agreement and the Terms of the Notes. With respect to any agent the Exchange Administrator appoints, the Exchange Administrator shall remain obligated and liable to the Issuer and the Noteholders for the performance of its obligations under this Agreement.

(v) Change of Office. If the Exchange Administrator changes the address of its specified office, it shall give Issuer at least 60 calendar days' written notice of the change, giving the new address and the date on which the change is to take effect.

(vi) Automatic Termination. The appointment of the Exchange Administrator shall immediately terminate if it becomes incapable of acting, is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors, consents to the appointment of a receiver, administrator or other similar official of all or a substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, if a resolution is passed or an order made for the winding up or dissolution of the Exchange Administrator, a receiver, administrator or other similar official is appointed with respect to all or a substantial part of the Exchange Administrator's property, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, if a public officer takes charge or control of the Exchange Administrator or its property or affairs for the purpose of rehabilitation, conservation or liquidation, or U.S. Bank resigns or is removed as Global Agent pursuant to the Global Agency Agreement.

(vii) Delivery of Records. If the Exchange Administrator resigns or its appointment is terminated, it shall, on the date on which the resignation or termination takes effect, deliver to such new agent the records kept by it and all Notes and other records necessary for the administration of, and performance of its duties with respect to this Agreement; *provided, however,* that the Exchange Administrator may retain a copy of such records in order to comply with any applicable law, rule or regulation or its own document retention policies.

(viii) Successor Exchange Administrator. Any successor bank or other entity into which the Exchange Administrator is merged or converted or with which it is consolidated or which results from any merger, conversion or consolidation to which it is a party, or any entity which succeeds to all or substantially all of the corporate trust business of Exchange Administrator, shall, to the extent permitted by applicable law, be deemed the Exchange Administrator under this Agreement. Such Exchange Administrator shall promptly notify Issuer of any such event.

(ix) Written Notices. The Exchange Administrator shall give holders of Notes at least 30 calendar days' written notice of any proposed appointment, termination, resignation or change under paragraphs (i) through (vii) of this Section 7(b) which it is aware and, as soon as practicable, written notice of any succession under paragraph (viii) above of which it is aware. Issuer shall give Holders of Notes written notice of any termination under paragraph (vi) of which it is aware within 30 calendar days of such termination.

Section 8. Miscellaneous.

(a) Amendments. This Agreement may be amended or supplemented by Issuer and the Exchange Administrator, without the consent of the holder of any Note, for the purpose of (i) curing any ambiguity or of correcting or supplementing any provision contained herein which may be defective or inconsistent with any other provision contained herein or in any other manner that Issuer may deem necessary or desirable or (ii) to permit the Issuer or the Exchange Administrator to take any necessary or helpful action to maintain the qualification of the MAC Pool as a grantor trust under the Code or to avoid the imposition of any state or U.S. federal tax on the MAC Pool, so long as such amendment or supplement will not, in the reasonable opinion of Issuer, materially adversely affect the interests of the Holders of the Notes. The Exchange Administrator, may, but

shall have no obligation to, agree to any amendment or supplement which adversely affect the rights, privileges, immunities or obligations of the Exchange Administrator. The Issuer will notify the Rating Agencies of any modification, amendment or supplement of this Agreement (which notification shall be effected pursuant to Section 8(d)).

(b) Execution of Additional Agreements. In executing, or accepting the agencies created by, any additional agreement permitted by this Agreement, or the modifications of the agencies created by this Agreement, the Exchange Administrator shall be entitled conclusively to rely upon a written opinion of counsel stating that the execution of such additional agreement is authorized or permitted by this Agreement, that all conditions precedent to such additional agreement have been satisfied and that such additional agreement constitutes the legal, valid and binding obligation of Issuer enforceable in accordance with its terms and subject to customary exceptions.

(c) Governing Law, Jurisdiction. This Agreement shall be construed in accordance with and governed by the laws of the United States. Insofar as there may be no applicable precedent and insofar as to do so would not frustrate the purposes of the Freddie Mac Act or any provision of this Agreement or the transactions governed thereby, the local laws of the State of New York shall be deemed reflective of the laws of the United States. The parties agree that any judicial proceedings in relation to any matter arising under this Agreement may be instituted against any party to this Agreement in the United States federal courts located in the Borough of Manhattan in such manner as may be permitted by applicable law. EACH PARTY HEREBY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

(d) Notices. Any notices pursuant to, or communications with respect to, this Agreement shall be deemed to have been given when delivered in person, or by first class registered or certified mail, postage prepaid, or by facsimile or e-mail transmission,; provided, however, in the case of any communication by facsimile or e-mail, written confirmation is dispatched within 24 hours by overnight courier,

in the case of the Exchange Administrator, to:

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, Massachusetts 02110
Attention: Global Structured Finance /STACR 2014-HQ1
Telephone No.: 617-603-6576
Facsimile: 617-603-6638
E-mail: julie.kirby@usbank.com

and, in the case of Issuer, to:

Federal Home Loan Mortgage Corporation
1551 Park Run Drive
McLean, VA 22102
Attention: Kevin Palmer, V.P.—Strategic Credit Costing & Structuring
Telephone: 571-382-4313

E-mail: kevin_palmer@freddiemac.com

with copies to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, Virginia 22102
Attention: Vice President—Deputy General Counsel—Mortgage
Securitization

or such other address, telephone, facsimile or e-mail as shall be specified in writing by the party in question to the other party hereto.

To the extent that Freddie Mac is required to provide any information or notification to the Rating Agencies pursuant to this Agreement, Freddie Mac will cause such information or notification to be posted to the Rating Agencies Information Website. The Exchange Administrator shall not provide any information directly to, or communicate with, either orally or in writing, any Rating Agency or any NRSRO regarding the Notes relevant to such Rating Agency's or NRSRO's surveillance of the Notes, including, but not limited to, providing responses to inquiries from a Rating Agency or NRSRO regarding the Notes. Upon the Exchange Administrator receiving any communication from any Rating Agency or NRSRO regarding the Notes, it shall promptly forward such communication to Freddie Mac.

(e) Counterparts. This Agreement may be executed in separate counterparts, and by each party separately on a separate counterpart, each such counterpart, when so executed and delivered, to be an original. Such counterparts shall together constitute but one and the same instrument.

(f) Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(g) Benefit of Agreement. This Agreement is solely for the benefit of the parties hereto, their successors and assigns and the holders of Notes and no other person shall acquire or have any right hereunder by virtue hereof.

(h) Severability. In case any provision in this Agreement or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(i) Entire Agreement. This Agreement, together with the exhibits attached hereto, constitutes the entire agreement between the Exchange Administrator and the Issuer with respect to the subject matter hereof and supersedes in all respects all prior proposals, negotiations, communications, discussions and agreements between the parties concerning the subject matter of this Agreement.

(j) Waiver. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by each party hereto. No failure or delay on the part of any party in exercising any power or right under this Agreement shall operate as a waiver, nor does any single or partial exercise of any power or right preclude any other or further


exercise, or the exercise of any other power or right. Any such waiver shall be effective only in the specific instance and for the purpose for which it is given.

(k) Assignment. Subject to Section 7(b)(viii), neither this Agreement nor any right or obligation hereunder may be assigned or transferred by one party to any third party without the express written consent of the other party to this Agreement. Any purported assignment or transfer not in compliance with this provision shall be void and of no force or effect.

(l) Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity the Exchange Administrator will ask for documentation to verify its formation and existence as a legal entity. The Exchange Administrator may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the parties hereto have executed this Exchange Administration Agreement as of the date first above written.

FEDERAL HOME LOAN MORTGAGE CORPORATION, as Issuer

By 
Name: MIKE S REYNOLDS
Title: DIRECTOR

U.S. BANK NATIONAL ASSOCIATION, as
Exchange Administrator

By _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Exchange Administration Agreement as of the date first above written.

FEDERAL HOME LOAN MORTGAGE CORPORATION, as Issuer

By _____

Name:

Title:

U.S. BANK NATIONAL ASSOCIATION, as
Exchange Administrator

By  _____

Name: Julie A. Kirby

Title: Vice President

EXHIBIT A

STACR SERIES 2014-HQ1 MAC NOTES **AVAILABLE MODIFICATIONS AND COMBINATIONS**

Combination	Original Class	Original Class Principal Balance	Exchange Proportions ⁽¹⁾	MAC Class	Maximum Original Class Principal Balance	Exchange Proportions ⁽¹⁾	Interest Formula
1	M-1	\$192,000,000	100%	M-1F	\$192,000,000	100%	One-Month LIBOR + 1.15%
				M-1I	\$192,000,000 ⁽²⁾	(3)	0.50%
2	M-2	\$124,000,000	100%	M-2F	\$124,000,000	100%	One-Month LIBOR + 1.75%
				M-2I	\$124,000,000 ⁽²⁾	(3)	0.75%
3	M-3	\$144,000,000	100%	M-3F	\$144,000,000	100%	One-Month LIBOR + 3.10%
				M-3I	\$144,000,000 ⁽²⁾	(3)	1.00%
4	M-1	\$192,000,000	41.7391304348%	MA	\$460,000,000	100%	Weighted average coupon ⁽⁴⁾
	M-2	\$124,000,000	26.9565217391%				
	M-3	\$144,000,000	31.3043478261%				
5	M-1	\$192,000,000	60.7594936709%	M-12	\$316,000,000	100%	Weighted average coupon ⁽⁵⁾
	M-2	\$124,000,000	39.2405063291%				

- (1) Exchange proportions are constant proportions of the *original* Class Principal Balances (or *original* Notional Principal Amounts, if applicable) of the Original Classes or MAC Classes, as applicable. In accordance with the exchange proportions, you may exchange Original Notes for MAC Notes, and vice-versa.
- (2) Notional Principal Amount.
- (3) The original Notional Principal Amount of the Class M-1I, Class M-2I and Class M-3I Notes being exchanged equals the original Class Principal Balance of the Class M-1F, Class M-2F and Class M-3F Notes, respectively, being exchanged.
- (4) The Class MA Notes will bear interest at the weighted average coupon rate of the Class M-1, Class M-2 and Class M-3 Notes.
- (5) The Class M-12 Notes will bear interest at the weighted average coupon rate of the Class M-1 and Class M-2 Notes.

Exchanges

We permit any exchange of Classes within a Combination, subject to the following constraints:

- The Classes must be exchanged in the applicable “exchange proportions,” if any, shown above. As described below, these are based on the *original* Class Principal Balances (or *original* Notional Principal Amounts, if applicable) of the Original Classes or MAC Classes, as applicable.
- The aggregate Class Principal Balance (rounded to whole dollars) of the Notes received in the exchange, immediately after the exchange, must equal that of the Notes surrendered for exchange immediately before the exchange (for this purpose, the Notional Principal Amount of any Interest Only MAC Note always equals \$0).
- The aggregate “Annual Interest Amount” (rounded to whole dollars) of the Notes received in the exchange must equal that of the Notes surrendered for exchange. The “Annual Interest Amount” for any Note equals its outstanding Class Principal Balance or Notional Principal Amount times its Class Coupon. The Annual Interest Amount for the Classes received and the Classes surrendered must be equal at all levels of LIBOR.

Where “exchange proportions” are shown for Classes that are exchangeable for other Classes, we base those proportions on the *original*, rather than on the *outstanding*, Class Principal Balance or Notional Principal Amount of the Classes.

EXHIBIT B
FORM OF EXCHANGE LETTER

Noteholder Letterhead

_____, 20_

U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, MA 02110
Attention: STACR Series 2014-HQ1
Re: Freddie STACR, Series 2014-HQ1

Ladies and Gentlemen:

Pursuant to the terms of that certain Exchange Administration Agreement, dated as of August 11, 2014 (the “Exchange Administration Agreement”), between Federal Home Loan Mortgage Corporation (“Freddie Mac”), as Issuer, and U.S. Bank National Association, as Exchange Administrator (the “Exchange Administrator”), we hereby present and surrender the [Original Note(s)] [MAC Note (s)] specified on Schedule I attached hereto [(the “Original Notes”)] [(the “MAC Notes”)] and transfer, assign, set over and otherwise convey, all of our rights, title and interest in and to the [Original Notes] [MAC Notes] including all payments of interest thereon received after _____, 20_, in exchange for the [MAC Notes][Original Notes] specified on Schedule I attached hereto.

We agree that upon such exchange the portions of the [Original Notes] [MAC Notes] designated for exchange shall be deemed exchanged and replaced by the [MAC Notes] [Original Notes] issued in exchange therefor, and we further agree that our rights to receive payments in respect of such [Original Notes][MAC Notes] will be replaced with rights to receive payments in respect of [MAC Notes][Original Notes].

We confirm that we have paid a fee of \$5,000 to the Exchange Administrator in connection with such exchange.

We hereby represent that we are the holder of 100% of the [Original Notes] [MAC Notes] to be exchanged hereunder.

Sincerely,

By: _____

Name:

Title:

Signature must be guaranteed by an eligible guarantor institution which is a participant in the Securities Transfer Agent's Medallion Program (STAMP) or similar signature guarantee program

Notice: The signature(s) on this assignment must correspond with the name(s) as it appears on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever

(Authorized Officer)

Acknowledged by:

U.S. BANK NATIONAL ASSOCIATION, as Exchange Administrator

By: _____

Name:

Title:

EXHIBIT C

GLOBAL AGENCY AGREEMENT

INTENTIONALLY OMITTED SEE EXECUTION COPY POSTED TO THE WEBSITE

EXHIBIT D

DEBT AGREEMENT

FEDERAL HOME LOAN MORTGAGE CORPORATION

**Structured Agency Credit Risk (STACR[®]) Debt Notes,
Series 2014-HQ1**

STACR[®] DEBT AGREEMENT

STACR[®] DEBT AGREEMENT (the “**Agreement**”), dated as of August 11, 2014, between the Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) and the Holders of the Notes (each as hereinafter defined).

Whereas:

(a) Freddie Mac is a corporate instrumentality of the United States created pursuant to an Act of Congress on July 24, 1970 (Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459, hereinafter referred to as the “**Freddie Mac Act**”), with full power and authority to enter into this Agreement and to undertake the obligations undertaken by it herein;

(b) Pursuant to Section 306(a) of the Freddie Mac Act, Freddie Mac is authorized, upon such terms and conditions as it may prescribe, to borrow, to pay interest or other return, and to issue notes, bonds or other obligations or securities;

(c) To permit Freddie Mac to engage in activities consistent with its statutory purposes, Freddie Mac has authorized the issuance of unsecured general obligations of Freddie Mac; and

(d) Pursuant to this Agreement, Freddie Mac is issuing the Structured Agency Credit Risk (“**STACR[®]**”) Debt Notes, Series 2014-HQ1 (the “**Original Notes**”).

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed that the following terms and conditions of this Agreement shall govern the Notes and the rights and obligations of Freddie Mac and Holders with respect to the Notes.

ARTICLE I

Definitions

Whenever used in this Agreement, the following words and phrases shall have the following meanings, unless the context otherwise requires.

Accrual Period: With respect to each Payment Date, the period beginning on and including the prior Payment Date (or, in the case of the first Payment Date, the Closing Date) and ending on and including the day preceding such Payment Date.

Agreement: This STACR[®] Debt Agreement dated as of August 11, 2014, as it may be amended or supplemented from time to time.

Applicable Severity: With respect to each Payment Date, is a percentage equal to:

(a) the sum of (i) the product of 10% and the 10% Severity Tier Percentage, (ii) the product of 20% and the 20% Severity Tier Percentage, (iii) the product of 25% and the 25% Severity Tier Percentage, and (iv) the product of 40% and the 40% Severity Tier Percentage; divided by

(b) the sum of the 10% Severity Tier Percentage, the 20% Severity Tier Percentage, the 25% Severity Tier Percentage, and the 40% Severity Tier Percentage.

For purposes of this definition:

The *10% Severity Tier Percentage* with respect to any Payment Date is a percentage equal to the excess, if any, of:

(a) the lesser of (i) 1%, and (ii) the greater of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date (or in the case of the first Payment Date, zero); over

(b) the greater of (i) 0%, and (ii) the lesser of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date.

The *20% Severity Tier Percentage* with respect to any Payment Date is a percentage equal to the excess, if any, of:

(a) the lesser of (i) 3%, and (ii) the greater of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date (or in the case of the first Payment Date, zero); over

(b) the greater of (i) 1%, and (ii) the lesser of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date.

The *25% Severity Tier Percentage* with respect to any Payment Date is a percentage equal to the excess, if any, of:

(a) the lesser of (i) 5%, and (ii) the greater of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date (or in the case of the first Payment Date, zero); over

(b) the greater of (i) 3%, and (ii) the lesser of the Cumulative Net Credit Event

Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date.

The *40% Severity Tier Percentage* with respect to any Payment Date is a percentage equal to the excess, if any, of:

(a) the greater of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date (or in the case of the first Payment Date, zero); over

(b) the greater of (i) 5%, and (ii) the lesser of the Cumulative Net Credit Event Percentage for such Payment Date and the Cumulative Net Credit Event Percentage for the preceding Payment Date.

Beneficial Owner: The entity or individual that beneficially owns a Note.

Business Day: A day other than (i) a Saturday or Sunday or (ii) a day on which the offices of Freddie Mac, the corporate trust offices of the Global Agent or the Exchange Administrator (currently located at 1 Federal Street, 3rd Floor, Boston, Massachusetts 02110), DTC, or the banking institutions in the City of New York are authorized or obligated by law or executive order to be closed.

Calculated Recovery Principal: with respect to any Payment Date is the sum of:

(a) the Credit Event Amount for such Payment Date, *minus* the Calculated Tranche Write-down Amount for such Payment Date; and

(b) the Calculated Tranche Write-up Amount for such Payment Date.

Calculated Tranche Write-down Amount: With respect to any Payment Date, the product of:

(a) the Net Credit Event Amount for such Payment Date; and

(b) the Applicable Severity for such Payment Date.

Calculated Tranche Write-up Amount: With respect to any Payment Date, an amount equal to the sum of:

(a) the product of:

(i) the Net Reversed Credit Event Amount for such Payment Date; and

(b) the Applicable Severity for such Payment Date; and

(b) the Origination Rep and Warranty Settlement Amount for such Payment Date.

Class: A class of Original Notes or MAC Notes issued under this Agreement or a class of Reference Tranche established under this Agreement, as the case may be.

Class Coupon: The Class Coupon on each Class of Notes for any Accrual Period will be as set forth in *Appendix I* for Original Notes and *Appendix II* for MAC Notes.

Class Coupon Formula: The formula specified for each Class of variable rate Notes, as set forth in *Appendix I* for Original Notes and *Appendix II* for MAC Notes.

Class Notional Amount: With respect to each Class of Reference Tranche as of any Payment Date, a notional amount equal to the initial Class Notional Amount of such Class of Reference Tranche (as specified in the definition of Reference Tranche), *minus* the aggregate amount of Senior Reduction Amounts and/or Subordinate Reduction Amounts allocated to such Class of Reference Tranche on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Calculated Tranche Write-down Amounts allocated to reduce the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates, and *plus* the aggregate amount of Calculated Tranche Write-up Amounts allocated to increase the Class Notional Amount of such Class of Reference Tranche on such Payment Date and on all prior Payment Dates. For the avoidance of doubt, no Calculated Tranche Write-up Amount or Calculated Tranche Write-down Amount will be applied twice on the same Payment Date.

Class Principal Balance: With respect to each Class of Original Notes, as of any Payment Date, the maximum dollar amount of principal to which the Holders of such Class of Notes are then entitled, with such amount being equal to the initial Class Principal Balance of such Class of Notes as set forth in *Appendix I*, *minus* the aggregate amount of principal paid by Freddie Mac on such Class of Notes on such Payment Date and all prior Payment Dates, *minus* the aggregate amount of Calculated Tranche Write-down Amounts allocated to reduce the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates, and *plus* the aggregate amount of Calculated Tranche Write-up Amounts allocated to increase the Class Principal Balance of such Class of Notes on such Payment Date and on all prior Payment Dates (in each case without regard to any exchange of Original Notes for MAC Notes). The Class Principal Balance of each Class of Original Notes shall at all times equal the Class Notional Amount of the Reference Tranche that corresponds to such Class of Notes. For the avoidance of doubt, no Calculated Tranche Write-up Amount or Calculated Tranche Write-down Amount will be applied twice on the same Payment Date.

The Class Principal Balance as of any Payment Date of each outstanding Class of MAC Notes that is entitled to principal will be equal to the outstanding Class Principal Balance or aggregate outstanding Class Principal Balance as of such Payment Date of the portion or portions of the related Class or Classes of Original Notes that were exchanged for such MAC Note.

Clearstream: Clearstream Banking, *société anonyme*, which holds securities for its

participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants.

Closing Date: August 11, 2014.

Code: The Internal Revenue Code of 1986, as amended.

Combination: The available modifications and combinations of Original Notes to be exchanged for MAC Notes, and vice versa, shown in *Appendix II*.

Commission: The United States Securities and Exchange Commission.

Common Depository: The common depository for Euroclear, Clearstream and/or any other applicable clearing system, which will hold Common Depository Notes on behalf of Euroclear, Clearstream and/or any such other applicable clearing system.

Common Depository Notes: Notes that are deposited with a Common Depository and that will clear and settle through the systems operated by Euroclear, Clearstream and/or any such other applicable clearing system other than DTC.

Corresponding Class of Reference Tranches: With respect to (i) the Class M-1 Notes, the Class M-1 Reference Tranche, (ii) the Class M-2 Notes, the Class M-2 Reference Tranche and (iii) the Class M-3 Notes, the Class M-3 Reference Tranche.

Credit Event: With respect to any Payment Date and any Reference Obligation means the first to occur of any of the following events with respect to such Reference Obligation being reported by the applicable servicer to Freddie Mac during the related Reporting Period: (i) 180 or more days delinquent (regardless if such Reference Obligation is performing during a trial modification period), (ii) a short sale is settled, (iii) the related Mortgage Note is sold to a third party during the foreclosure process, (iv) a deed in lieu of foreclosure is executed, or (v) a REO acquisition occurs. Notwithstanding anything herein to the contrary, Freddie Mac will not, for a period of 18 months, declare a Credit Event based on a delinquency of 180 days or more with respect to any Reference Obligation that is affected by a natural disaster. Such 18-month period will commence the month the applicable servicer begins reporting to Freddie Mac that such Reference Obligation was affected by a natural disaster. Upon the expiration of such 18-month period, any Reference Obligation that is 180 days or more delinquent will immediately become a Credit Event Reference Obligation. Determination of delinquency will be made using the MBA Delinquency Method. For the avoidance of doubt, with respect to any Credit Event Reference Obligation, there can only be one occurrence of a Credit Event; provided that one additional separate Credit Event can occur with respect to each instance of such Credit Event Reference Obligation becoming a Reversed Credit Event Reference Obligation.

Credit Event Amount: With respect to any Payment Date, the aggregate amount of the Credit Event UPBs of all Credit Event Reference Obligations for the related Reporting Period.

Credit Event UPB: With respect to any Credit Event Reference Obligation, the unpaid principal balance thereof as of the end of the Reporting Period related to the Payment Date that it became a Credit Event Reference Obligation.

Credit Event Reference Obligation: With respect to any Payment Date, any Reference Obligation with respect to which a Credit Event has occurred.

Cumulative Net Credit Event Percentage: With respect to each Payment Date, a percentage equal to (i) the aggregate Credit Event Amount for such Payment Date and all prior Payment Dates less the aggregate Reversed Credit Event Amount for such Payment Date and all prior Payment Dates; divided by (ii) the aggregate unpaid principal balance of the Reference Obligations in the Reference Pool as of the Cut-off Date.

Cumulative Net Credit Event Test: With respect to any Payment Date is a test that will be satisfied if the Cumulative Net Credit Event Percentage does not exceed the applicable percentage indicated below:

<u>Payment Date occurring in the period</u>	<u>Percentage</u>
September 2014 to August 2015	0.40%
September 2015 to August 2016	0.80%
September 2016 to August 2017	1.20%
September 2017 to August 2018	1.60%
September 2018 to August 2019	2.00%
September 2019 to August 2020	2.40%
September 2020 to August 2021	2.80%
September 2021 to August 2022	3.20%
September 2022 to August 2023	3.60%
September 2023 and thereafter	4.00%

CUSIP Number: A unique nine-character designation assigned to each Class of Notes by the CUSIP Service Bureau and used to identify each Class of Notes on the records of the DTC.

Cut-off Date: Close of business June 15, 2014.

Cut-off Date Balance: \$9,974,679,368; the aggregate unpaid principal balance of the Reference Obligations as of the Cut-off Date.

Depository: DTC or any successor.

DTC: The Depository Trust Company, a limited-purpose trust company, which holds securities for DTC Participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants.

DTC Participants: Participants in the DTC System.

DTC Notes: Notes cleared, settled and maintained on the DTC System, registered in the name of a nominee of DTC. The Notes will be DTC Notes at issuance.

DTC System: The book-entry system of DTC.

Early Redemption Date: The Payment Date on which the Original Notes are redeemed by Freddie Mac pursuant to its Early Redemption Option.

Early Redemption Option: Freddie Mac's right to redeem the Original Notes prior to the Maturity Date on any Payment Date on or after the Payment Date on which the aggregate unpaid principal balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance of the Reference Obligations, by paying an amount equal to the outstanding Class Principal Balance of each Class of Original Notes (without regard to any exchanges of Original Notes for MAC Notes), plus accrued and unpaid interest. If on the Early Redemption Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Original Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

Eligibility Criteria: With respect to each Reference Obligation, the following:

- (a) is a fully amortizing, fixed rate, one- to four-unit, first lien Mortgage Loan, which has an original term of 30 years;
- (b) was originated on or after July 1, 2013;
- (c) was securitized into a Freddie Mac Participation Certificate ("PC") by March 31, 2014 and remained in such PC as of July 2, 2014;
- (d) has not been prepaid in full as of July 2, 2014;
- (e) has not been repurchased by the applicable seller or servicer as of July 2, 2014;
- (f) has no Underwriting Defects as of July 1, 2014;

(g) as of May 31, 2014, has never been reported to be 30 days or more delinquent since purchase by Freddie Mac;

(h) was originated with documentation as described under “*General Mortgage Loan Purchase and Servicing — Underwriting Standards—Documentation*” in the Offering Circular;

(i) is not covered by pool insurance;

(j) has an original loan-to-value ratio that is (i) greater than 80% and (ii) less than or equal to 95%;

(k) subject to any applicable TOBs, is not subject to recourse or other credit enhancement;

(l) was not originated under Freddie Mac’s Relief Refinance program (including the Home Affordable Refinance Program which is FHFA’s name for Relief Refinance Mortgage Loans with an LTV greater than 80%);

(m) was not originated under Home Possible[®] or other affordable mortgage programs of Freddie Mac;

(n) was not associated with a mortgage revenue bond purchased by Freddie Mac;

(o) had an original principal balance greater than or equal to \$5,000; and

(p) was not originated under a government program (e.g., FHA, VA or Guaranteed Rural Housing loans).

Euroclear: Euroclear System, a depository that holds securities for its participants and clears and settles transactions between its participants through simultaneous electronic book-entry delivery against payment.

Event of Default: As defined in Section 5.01(a).

Exchange Act: The Securities Exchange Act of 1934, as amended.

Exchange Administrator: The entity selected by Freddie Mac to act as its exchange administrator for the MAC Notes, which as of the Closing Date is U.S. Bank National Association.

Exchange Administration Agreement: The exchange administration agreement dated as of the Closing Date between Freddie Mac and the Exchange Administrator relating to the administration of the exchange of Original Notes for MAC Notes and vice versa.

FHFA: The Federal Housing Finance Agency.

Fitch: Fitch Ratings, Inc. and its successors.

Freddie Mac: Federal Home Loan Mortgage Corporation, a stockholder-owned company chartered by Congress pursuant to the Freddie Mac Act.

Freddie Mac Act: Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§1451-1459.

Global Agency Agreement: The global agency agreement between Freddie Mac and the Global Agent, dated as of the Closing Date.

Global Agent: The entity selected by Freddie Mac to act as its global, calculating, transfer, authenticating and paying agent for the Original Notes, which as of the Closing Date is U.S. Bank National Association, and who will act as calculating, authenticating and paying agent with respect to the MAC Notes pursuant to the direction of the Exchange Administrator.

Holder: In the case of (i) DTC Notes, DTC or its nominee; (ii) Common Depositary Notes, the depository, or its nominee, in whose name the Notes are registered on behalf of a related clearing system; and (iii) Notes in definitive registered form, the person or entity in whose name such Notes are registered in the Register.

ICE Method: The method used to calculate One-Month LIBOR, as described in Section 3.05.

Initial MAC Notes Issuance Date: The 15th day following the Closing Date (or if such 15th day is not a Business Day, the next Business Day).

Interest Only MAC Notes: The Class M-1I, Class M-2I and Class M-3I Notes shown on Appendix II.

LIBOR Adjustment Date: With respect to any Payment Date, the second business day before the related Accrual Period begins. 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.

LTV: The loan-to-value ratio which is a ratio of (a) the total principal balance of a Mortgage Loan to (b) the value of the Mortgaged Property at origination.

MAC Notes: The Classes of Modifiable And Combinable STACR[®] Notes shown on Appendix II.

Maturity Date: The Payment Date in August 2024.

MBA Delinquency Method: Under the MBA Delinquency Method, a loan due on the first of the month is considered 30 days delinquent when all or part of one or more payments remains unpaid as of close of business on the last Business Day of such month.

Minimum Credit Enhancement Test: With respect to any Payment Date is a test that will be satisfied if the Subordinate Percentage is greater than or equal to 7%.

Moody's: Moody's Investors Service, Inc. and its successors.

Mortgage Loan: Reference Obligations evidenced by promissory notes or other similar evidences of indebtedness secured by first mortgages, deeds of trust or similar security instruments on residential properties.

Mortgage Note: A promissory note or other similar evidences of indebtedness.

Mortgaged Property: Residential properties consisting of one- to four-family dwelling units, townhouses, individual condominium units, individual units in planned unit developments, individual cooperative units or manufactured homes.

Net Credit Event Amount: With respect to each Payment Date, the excess, if any, of the Credit Event Amount over the Reversed Credit Event Amount for such Payment Date.

Net Reversed Credit Event Amount: With respect to each Payment Date, the excess, if any, of the Reversed Credit Event Amount over the Credit Event Amount for such Payment Date.

Notes: The Original Notes and the MAC Notes.

Notional Principal Amount: For calculating interest payments, on each Class of outstanding Interest Only MAC Notes as of any Payment Date, an amount equal to the outstanding Class Principal Balance as of such Payment Date of the portion of the related Class of Original Notes that was exchanged for such Interest Only MAC Note.

NRSRO: A nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

Offering Circular: The Freddie Mac STACR[®] Debt Notes, Series 2014-HQ1 Offering Circular dated August 7, 2014 (including any related Supplement thereto).

One-Month LIBOR: As defined in Section 3.05.

Original Notes: The Class M-1, Class M-2 and Class M-3 Notes.

Origination Rep and Warranty Settlement: Any settlement (which settlement only relates to claims arising from breaches of origination representations and warranties) that Freddie Mac enters into with a seller or servicer in lieu of requiring such seller or servicer to repurchase a specified pool of Mortgage Loans which include, among others, one or more Reference Obligations, as a result of breaches of origination representations or warranties whereby Freddie Mac has received the agreed-upon settlement proceeds from such seller or servicer. For the avoidance of doubt, any settlement that Freddie Mac may enter into with a servicer in connection with a breach by such servicer of its servicing obligations to us with respect to Reference Obligations will not be included in any Origination Rep and Warranty Settlement.

Origination Rep and Warranty Settlement Amount: (I) with respect to the Payment Date in the month after the calendar month in which an Origination Rep and Warranty Settlement occurs, the lesser of (a) the product of (i) the aggregate of the Credit Event Amounts of the Origination Rep and Warranty Settlement Reference Obligations for such Payment Date and all prior Payment Dates, less the aggregate of the Reversed Credit Event Amounts of the Origination Rep and Warranty Settlement Reference Obligations for such Payment Date and all prior Payment Dates; and (ii) the Applicable Severity of such Payment Date; and (b) the Origination Rep and Warranty Settlement Loan Allocation Amount (Cap); and, (II) with respect to each Payment Date thereafter, the lesser of (a) the product of (i) the aggregate of the Net Credit Event Amounts of the Origination Rep and Warranty Settlement Reference Obligations for such Payment Date; and (ii) the Applicable Severity of such Payment Date; and (b) the maximum of (i) 0; and (ii) the Origination Rep and Warranty Settlement Loan Allocation Amount (Cap), less the Origination Rep and Warranty Settlement Amount for all prior Payment Dates.

Origination Rep and Warranty Settlement Loan Allocation Amount (Cap): With respect to any Origination Rep and Warranty Settlement, an amount equal to the product of (a) the settlement proceeds received by Freddie Mac in connection with such Origination Rep and Warranty Settlement and (b) the percentage expressed as a fraction, (i) the numerator of which is the settlement proceeds that Freddie Mac has received for Origination Rep and Warranty Settlement Reference Obligations through the Origination Rep and Warranty Settlement date, plus, the current unpaid principal balance of outstanding repurchase requests (issued by Freddie Mac to the applicable seller or servicer) for Origination Rep and Warranty Settlement Reference Obligations as of the Origination Rep and Warranty Settlement date; and (ii) the denominator of which is the settlement proceeds that Freddie Mac has received for all the Mortgage Loans (including, among others, Origination Rep and Warranty Settlement Reference Obligations) covered by such Origination Rep and Warranty Settlement through the Origination Rep and Warranty Settlement date, plus, the current unpaid principal balance of outstanding repurchase

requests (issued by Freddie Mac to the applicable seller or servicer) for all the Mortgage Loans (including, among others, Origination Rep and Warranty Settlement Reference Obligations) covered by such Origination Rep and Warranty Settlement as of the Origination Rep and Warranty Settlement date.

Origination Rep and Warranty Settlement Reference Obligations: Reference Obligations (including Credit Event Reference Obligations) that are covered by an Origination Rep and Warranty Settlement.

Payment Date: The 25th day of each calendar month (or, if not a Business Day, the following Business Day), commencing in September 2014.

Rating Agencies: Fitch and Moody’s.

Rating Agencies Information Website: The internet website with respect to the Notes, initially located at *www.structuredfn.com*, access to which is limited to the Rating Agencies and NRSROs who have been provided access.

Record Date: With respect to each Payment Date, (i) the Business Day immediately preceding that Payment Date, with respect to Notes issued in global form, and (ii) the last Business Day of the preceding month, with respect to definitive Notes.

Reference Obligations: The residential mortgage loans identified on http://www.freddiemac.com/creditsecurities/creditsecurities_issuance.txt.

Reference Pool: All of the Reference Obligations, collectively.

Reference Pool Removal: A Reference Obligation removed from the Reference Pool because (i) the Reference Obligation becomes a Credit Event Reference Obligation; (ii) the Reference Obligation is paid in full; (iii) of the identification and final determination, through Freddie Mac’s quality control process, of an Underwriting Defect relating to the Reference Obligation; (iv) of the discovery of a violation of the Eligibility Criteria for such Reference Obligation or (v) the Reference Obligation is seized pursuant to any special eminent domain proceeding brought by any federal, state or local government instrumentality with the intent to provide relief to financially-distressed borrowers with negative equity in the underlying mortgage loan.

Reference Tranches: Eight classes of “hypothetical” tranches deemed to be backed by the Reference Pool, referred to as Class A-H, Class M-1, Class M-1H, Class M-2, Class M-2H, Class M-3, Class M-3H and Class B-H Reference Tranches, with the following initial Class Notional Amounts:

<u>Classes of</u>	<u>Initial Class</u>
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<u>Reference Tranches</u>	<u>Notional Amount</u>
Class A-H	\$9,326,325,209
Class M-1 and Class M-1H ⁽¹⁾	\$239,392,305
Class M-2 and Class M-2H ⁽²⁾	\$154,607,530
Class M-3 and Class M-3H ⁽³⁾	\$179,544,229
Class B-H	\$74,810,095

- (1) Pursuant to the hypothetical structure, the Class M-1 and Class M-1H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-1 and Class M-1H Reference Tranches combined. The initial Class Notional Amount of the Class M-1 Reference Tranche is \$192,000,000 (which corresponds to the initial Class Principal Balance of the Class M-1 Notes) and the initial Class Notional Amount for the Class M-1H Reference Tranche is \$ 47,392,305.
- (2) Pursuant to the hypothetical structure, the Class M-2 and Class M-2H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-2 and Class M-2H Reference Tranches combined. The initial Class Notional Amount of the Class M-2 Reference Tranche is \$124,000,000 (which corresponds to the initial Class Principal Balance of the Class M-2 Notes) and the initial Class Notional Amount for the Class M-2H Reference Tranche is \$30,607,530.
- (3) Pursuant to the hypothetical structure, the Class M-3 and Class M-3H Reference Tranches are *pro rata* with each other. The initial Class Notional Amount shown is the aggregate amount for the Class M-3 and Class M-3H Reference Tranches combined. The initial Class Notional Amount of the Class M-3 Reference Tranche is \$144,000,000 (which corresponds to the initial Class Principal Balance of the Class M-3 Notes) and the initial Class Notional Amount for the Class M-3H Reference Tranche is \$35,544,229.

Register: A register of the Holders of Notes maintained by the Global Agent.

Registrar: U.S. Bank National Association or its successor in interest.

Reporting Period: With respect to each Payment Date (except the first Payment Date in September 2014) and for purposes of making calculations with respect to the hypothetical structure and Reference Tranches as set forth in this Agreement:

- (a) in the case of all principal collections, other than full prepayments, on the

Reference Obligations, and in the case of determining Credit Events resulting from the related Mortgage Note being sold to a third party during the foreclosure process, a deed in lieu of foreclosure being executed or a REO acquisition, the period from and including the 16th day of the second calendar month preceding the month in which such Payment Date occurs to and including the 15th day of the calendar month immediately preceding the month in which such Payment Date occurs;

(b) in the case of full principal prepayments on the Reference Obligations, and in the case of determining an Unconfirmed Underwriting Defect or an Underwriting Defect or determining a Credit Event resulting from a short sale being settled, the period from but excluding the 2nd Business Day of the calendar month immediately preceding the month in which such Payment Date occurs to and including the 2nd Business Day of the calendar month in which such Payment Date occurs; and

(c) in the case of determining delinquency status with respect to each Reference Obligation, the last day of the second calendar month preceding such Payment Date.

For the Payment Date in September 2014 and for purposes of making calculations with respect to the hypothetical structure and the Reference Tranches, the Reporting Periods will be:

(a) from June 16, 2014 through August 15, 2014 in the case of all principal collections, other than full prepayments, on the Reference Obligations, and in the case of determining Credit Events resulting from the related Mortgage Note being sold to a third party during the foreclosure process, a deed in lieu of foreclosure being executed or a REO acquisition;

(b) from July 3, 2014 through September 3, 2014 in the case of full principal prepayments on the Reference Obligations, and in the case of determining an Unconfirmed Underwriting Defect or an Underwriting Defect or determining a Credit Event resulting from a short sale being settled; and

(c) in the case of determining delinquency status with respect to each Reference Obligation, July 31, 2014.

Reversed Credit Event Amount: With respect to any Payment Date, the aggregate amount of the Credit Event UPBs of all Reversed Credit Event Reference Obligations for the related Reporting Period.

Reversed Credit Event Reference Obligation: With respect to any Payment Date means a Reference Obligation formerly in the Reference Pool that became a Credit Event Reference Obligation in a prior Reporting Period that is found in the related Reporting Period, through Freddie Mac's quality control process, to have an Underwriting Defect or a data correction that invalidates the previously determined Credit Event.

Risk Retention Letter: As described in the Offering Circular, that certain letter agreement entered into by Freddie Mac, dated as of the Closing Date.

Scheduled Principal: With respect to any Payment Date is the sum of all monthly scheduled payments of principal due (whether with respect to the related Reporting Period or any prior Reporting Period) on the Reference Obligations and reported to Freddie Mac and collected by the related servicer during the related Reporting Period.

Senior Percentage: With respect to any Payment Date is the percentage equivalent of a fraction, the numerator of which is the Class Notional Amount of the Class A-H Reference Tranche immediately prior to such Payment Date and the denominator of which is the aggregate unpaid principal balance of the Reference Obligations at the end of the previous Reporting Period.

Senior Reduction Amount: With respect to any Payment Date is either:

(a) with respect to each Payment Date, if either the Minimum Credit Enhancement Test or the Cumulative Net Credit Event Test is not satisfied, the sum of:

- (i) the Senior Percentage of the Scheduled Principal for such Payment Date,
- (ii) 100% of the Unscheduled Principal for such Payment Date, and
- (iii) 100% of the Calculated Recovery Principal for such Payment Date; or

(b) with respect to each Payment Date, if both the Minimum Credit Enhancement Test and the Cumulative Net Credit Event Test are satisfied, the sum of:

- (i) the Senior Percentage of the Scheduled Principal for such Payment Date,
- (ii) the Senior Percentage of the Unscheduled Principal for such Payment Date, and
- (iii) 100% of Calculated Recovery Principal for such Payment Date.

Subordinate Reduction Amount: With respect to any Payment Date, the sum of the Scheduled Principal, Unscheduled Principal and Calculated Recovery Principal for such Payment Date, less the Senior Reduction Amount.

Subordinate Percentage: With respect to any Payment Date, is the percentage equal to

100% *minus* the Senior Percentage for such Payment Date.

Termination Date: The earliest of (i) the Maturity Date, (ii) the Payment Date on which an Early Redemption Option is exercised pursuant to Section 3.08, and (iii) the Payment Date on which the initial Class Principal Balance (without giving effect to any allocations of Calculated Tranche Write-down Amounts or Calculated Tranche Write-up Amounts on such Payment Date and all prior Payment Dates) and accrued and unpaid interest due on the Original Notes have been paid in full.

U.S. Bank National Association: The Global Agent and the Exchange Administrator for the Notes as of the Closing Date.

Unconfirmed Underwriting Defect: With respect to any Reference Obligation, the existence of the following, as determined by Freddie Mac in its sole discretion: (i) there is a material violation of the underwriting guidelines and other requirements in the Freddie Mac Single-Family Seller/Servicer Guide (as modified by the terms of the related seller's contract, including any related terms of business ("TOBs")) with respect to such Reference Obligation, (ii) Freddie Mac determines that as of the origination date such Reference Obligation is secured by collateral that was inadequate or (iii) Freddie Mac determines that as of the origination date repayment in full on such Reference Obligation from the related mortgagor could not be expected. For the avoidance of doubt, Reference Obligations with minor technical violations or missing documentation, which in each case we determine to be acceptable Reference Obligations, will not result in an Unconfirmed Underwriting Defect.

Underwriting Defect: With respect to any Payment Date and any Reference Obligation for which Freddie Mac has determined the existence of an Unconfirmed Underwriting Defect, the occurrence of any of the following: (i) such Reference Obligation is repurchased by the related seller or servicer during the related Reporting Period, (ii) in lieu of repurchase, an alternative remedy (such as indemnification) is mutually agreed upon by both Freddie Mac and the seller or servicer during the related Reporting Period, (iii) Freddie Mac in its sole discretion elects to waive the enforcement of a remedy against the seller or servicer in respect of such Unconfirmed Underwriting Defect during the related Reporting Period or (iv) the party responsible for the representations and warranties and/or servicing obligations or liabilities with respect to the Reference Obligation becomes subject to a bankruptcy, an insolvency proceeding or a receivership.

Unscheduled Principal: With respect to each Payment Date, the sum of:

(a) all partial principal prepayments on the Reference Obligations collected during the related Reporting Period; *plus*

(b) the aggregate unpaid principal balance of all Reference Obligations that become Reference Pool Removals during the related Reporting Period other than Credit

Event Reference Obligations or any Reversed Credit Event Reference Obligations, *plus*

(c) negative adjustments in the unpaid principal balance of all Reference Obligations as the result of loan modification or data corrections, *minus*

(d) positive adjustments in the unpaid principal balance of all Reference Obligations as the result of loan modification, reinstatements into the Reference Pool or Reference Obligations that were previously removed from the Reference Pool in error, or data corrections.

In the event the amount in clause (d) above exceeds the sum of the amounts in clauses (a), (b), and (c) above, the Unscheduled Principal for the applicable Payment Date will be zero, and the Class Notional Amount for the Class A-H Reference Tranche will be increased by the amount that the amount in clause (d) above exceeds the sum of the amounts in clauses (a), (b), and (c) above. In the event that Freddie Mac were to ever employ a policy that permitted or required principal forgiveness as a loss mitigation alternative, any principal that may be forgiven with respect to a Reference Obligation will be treated as a negative adjustment in unpaid principal balance of such Reference Obligation pursuant to clause (c) above.

ARTICLE II

Authorization; Certain Terms

Section 2.01. Authorization. The Notes shall be issued by Freddie Mac in accordance with the authority vested in Freddie Mac by Section 306(a) of the Freddie Mac Act. The indebtedness represented by the Original Notes shall be unsecured general obligations of Freddie Mac.

Section 2.02. Notes Held or Acquired by Freddie Mac. Freddie Mac shall have the right to purchase and hold for its own account any Note and to otherwise acquire (either for cash or in exchange for newly-issued Notes) all or a portion of the Notes. Notes of any particular Class held or acquired by Freddie Mac shall have an equal and proportionate benefit to Notes of the same Class held by other Holders, without preference, priority or distinction, except that in determining whether the Holders of the required percentage of the outstanding principal amount (or notional principal amount) of the Notes have given any required demand, authorization, notice, consent or waiver under this Agreement, any Notes owned by Freddie Mac or any person directly or indirectly controlling or controlled by or under direct or indirect common control with Freddie Mac shall be disregarded and deemed not to be outstanding for the purpose of such determination.

ARTICLE III

Payments to Holders; Maturity; Early Redemption

Section 3.01. General.

(a) *General.* Payments in respect of Notes shall be made in immediately available funds to DTC, Euroclear, Clearstream or any other applicable clearing system, or their respective nominees, as the case may be, as the Holders thereof. Such payments shall be made in U.S. dollars. All payments to or upon the order of the Holder of a Note shall be valid and effective to discharge the liability of Freddie Mac in respect of an Original Note or a MAC Note representing an interest in Original Notes. Ownership positions within each system shall be determined in accordance with the normal conventions observed by such system. None of Freddie Mac, the Global Agent, the Exchange Administrator or the Registrar shall not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

All payments on Notes are subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, payments in respect of the related Notes shall be made at the office of any paying agent in the United States.

(b) *Business Day Convention.* In any case in which a Payment Date is not a Business Day, payment on the Notes shall not be made on such date but shall be made on the next Business Day with the same force and effect as if made on such Payment Date. No interest on such payment shall accrue for the period from and after such Payment Date to the actual date of such payment.

(c) *Withholding Requirements.* In the event that any jurisdiction imposes any withholding or other tax on any payment made by Freddie Mac (or its agent, the Exchange Administrator, or any other person potentially required to withhold) with respect to a Note, Freddie Mac (or its agent, the Exchange Administrator, or such other person) will deduct the amount required to be withheld from such payment, and Freddie Mac (or its agent, the Exchange Administrator, or such other person) will not be required to pay additional interest or other amounts, or redeem or repay the Notes prior to the Maturity Date, as a result.

(d) *Tax Reporting.* Freddie Mac (or its agent) shall furnish or make available, at such times as required by applicable law, to each Holder or Beneficial Owner of Original Notes such information as Freddie Mac (or its agent) is required or deems necessary or desirable to enable Holders and Beneficial Owners to prepare their U.S. federal income tax returns, if applicable.

The Global Agent (or its agent), upon receiving direction from the Exchange Administrator, shall furnish or make available to each Holder or Beneficial Owner of MAC Notes information to facilitate tax reporting by a Holder or Beneficial Owner with respect to the MAC Notes, including tax reporting relating to original issue discount (“OID”), provided that for purposes of information reporting relating to OID, the Exchange Administrator shall calculate the yield to maturity with respect to a MAC Note based on the relevant prepayment assumption used to price the Original Notes, and for MAC Notes that pay stated interest at a variable rate, the Exchange Administrator shall assume that the variable rate is a fixed rate equal to the value of the variable rate as of the Initial MAC Notes Issuance Date.

(e) *Determination Final.* The determination by Freddie Mac or the Global Agent of the interest rate on the Notes and the determination of any payment on any Note (or any interim calculation in the determination of any such interest rate, index or payment) shall, absent manifest error, be final and binding on all parties. If a principal or interest payment error occurs, Freddie Mac or the Global Agent may correct it by adjusting payments to be made on later Payment Dates or in any other manner Freddie Mac or the Global Agent considers appropriate. If the source of One-Month LIBOR changes in format, but Freddie Mac or the Global Agent determines that the source continues to disclose the information necessary to determine the related Class Coupon substantially as required, Freddie Mac will amend the procedure for obtaining information from that source to reflect the changed format. All One-Month LIBOR values used to determine interest payments are subject to correction within 30 days from the applicable payment. The source of a corrected value must be the same source from which the original value was obtained. A correction might result in an adjustment on a later date to the amount paid to the Holder.

Section 3.02. Interest Payments.

The amount of interest that will accrue on a given Class of Notes during each Accrual Period is equal to:

- the Class Coupon for such Class of Notes for such Accrual Period (calculated using the Class Coupon Formula for such Class of Notes, if applicable), multiplied by
- the Class Principal Balance (or Notional Principal Amount) of such Class of Notes immediately prior to such Payment Date, multiplied by
- a fraction, the numerator of which is the actual number of days in such Accrual Period and the denominator of which is 360.

Interest shall be payable in arrears. There will be no calculation of interest made with respect to any of the Reference Tranches.

Section 3.03. Hypothetical Structure and Reference Tranches.

(a) *General.* Solely for purposes of making the calculations for each Payment Date of any principal write-downs (or write-ups) on the Notes as a result of Credit Events (or reversals thereof) on the Reference Obligations, and principal payments required to be made on the Notes by Freddie Mac, a hypothetical structure of eight (8) classes of Reference Tranches (the Class A-H, Class M-1, Class M-1H, Class M-2, Class M-2H, Class M-3, Class M-3H and Class B-H Reference Tranches) deemed to be backed by the Reference Pool is hereby established. Each Class of Reference Tranche will have the initial Class Notional Amount set forth in the definition of “Reference Tranches” in Article I (Definitions) in this Agreement, and the aggregate of the initial Class Notional Amounts of all the Reference Tranches will equal the Cut-off Date Balance.

(b) *Allocation of Calculated Tranche Write-down Amounts to the Reference Tranches.* On each Payment Date on or prior to the Termination Date, the amount, if any, of the Calculated Tranche Write-down Amount for that Payment Date, will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

(i) *first*, to the Class B-H Reference Tranche,

(ii) *second*, to the Class M-3 and Class M-3H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(ii) *third*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and,

(v) *fifth*, to the Class A-H Reference Tranche.

(c) *Allocation of Calculated Tranche Write-up Amounts to the Reference Tranches.* On each Payment Date on or prior to the Termination Date, the Calculated Tranche Write-up Amount, if any, for such Payment Date will be allocated to increase the Class Notional Amount of each Class of Reference Tranche in the following order of priority until the cumulative Calculated Tranche Write-up Amounts allocated to each such Class of Reference Tranche is equal to the cumulative Calculated Tranche Write-down Amounts previously allocated to such Class of Reference Tranche on or prior to such Payment Date:

(i) *first*, to the Class A-H Reference Tranche,

(ii) *second*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iii) *third*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class M-3 and Class M-3H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and

(v) *fifth*, to the Class B-H Reference Tranche.

(d) *Allocation of Senior Reduction Amount to the Reference Tranches.* On each Payment Date prior to the Maturity Date and the Early Redemption Date, after allocation of the Calculated Tranche Write-down Amount or Calculated Tranche Write-up Amount, if any, for such Payment Date as described above, the Senior Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

(i) *first*, to the Class A-H Reference Tranche,

(ii) *second*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iii) *third*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class M-3 and Class M-3H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date, and

(v) *fifth*, to the Class B-H Reference Tranche.

(e) *Allocation of Subordinate Reduction Amount to the Reference Tranches.* On each Payment Date prior to the Maturity Date and the Early Redemption Date, after allocation of the Senior Reduction Amount and the Calculated Tranche Write-down Amount or Calculated Tranche Write-up Amount, if any, for such Payment Date as described above, the Subordinate Reduction Amount will be allocated to reduce the Class Notional Amount of each Class of Reference Tranche in the following order of priority, in each case until its Class Notional Amount is reduced to zero:

(i) *first*, to the Class M-1 and Class M-1H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(ii) *second*, to the Class M-2 and Class M-2H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iii) *third*, to the Class M-3 and Class M-3H Reference Tranches, *pro rata*, based on their Class Notional Amounts immediately prior to such Payment Date,

(iv) *fourth*, to the Class B-H Reference Tranche, and

(v) *fifth*, to the Class A-H Reference Tranche.

Section 3.04. Principal Payments and Other Allocations on the Notes.

(a) *Reductions in Class Principal Balances of the Notes.* On each Payment Date on or prior to the Termination Date, the Class Principal Balance of each Class of Original Notes will be reduced (in each case without regard to any exchanges of Original Notes for MAC Notes), without any corresponding payment of principal, by the amount of the reduction, if any, in the Class Notional Amount of the Corresponding Class of Reference Tranche due to the allocation of Calculated Tranche Write-down Amounts to such Class of Reference Tranche on such Payment Date pursuant to Section 3.03(b) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes is outstanding, all Calculated Tranche Write-down Amounts that are allocable to Original Notes that were exchanged for such MAC Notes will be allocated to reduce the Class Principal Balances or Notional Principal Amounts, as applicable, of such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(b) *Increases in Class Principal Balances of the Notes.* On each Payment Date on or prior to the Termination Date, the Class Principal Balance of each Class of Original Notes will be increased (in each case without regard to any exchanges of Original Notes for MAC Notes) by the amount of the increase, if any, in the Class Notional Amount of the Corresponding Class of

Reference Tranche due to the allocation of Calculated Tranche Write-up Amounts to such Class of Reference Tranche on such Payment Date pursuant to Section 3.03(c) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes is outstanding, all Calculated Tranche Write-up Amounts that are allocable to Original Notes that were exchanged for such MAC Notes will be allocated to increase the Class Principal Balances or Notional Principal Amounts, as applicable, of such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(c) *Principal Payments on the Notes.* On each Payment Date prior to the Maturity Date and the Early Redemption Date, Freddie Mac (or its agent, the Global Agent) will pay principal on each Class of Original Notes (in each case without regard to any exchanges of Original Notes for MAC Notes) in reduction of its Class Principal Balance in an amount equal to the portion of the Senior Reduction Amount and/or Subordinate Reduction Amount, as applicable, allocated to reduce the Class Notional Amount of the Corresponding Class of Reference Tranche on such Payment Date pursuant to Sections 3.03 (d) and (e) above.

If on the Maturity Date or any Payment Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Original Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination. The Interest Only MAC Notes are not entitled to receive payments of principal.

Section 3.05. Determination of One-Month LIBOR. Pursuant to the terms of the Global Agency Agreement, the Global Agent shall calculate the Class Coupons for the applicable Classes of Notes (including MAC Notes on which the Exchange Administrator has directed the Global Agent to make payments) for each Accrual Period (after the first Accrual Period) on the applicable LIBOR Adjustment Date.

“**One-Month LIBOR**” will be determined by using the “Interest Settlement Rate” for U.S. dollar deposits with a maturity of one month set by ICE Benchmark Administration Limited (“**ICE**”) as of 11:00 a.m. (London time) on the LIBOR Adjustment Date (the “**ICE Method**”).

ICE’s Interest Settlement Rates are currently displayed on Bloomberg L.P.’s page “BBAM.” That page, or any other page that may replace page BBAM on that service or any other service that ICE nominates as the information vendor to display the ICE’s Interest Settlement Rates for deposits in U.S. dollars, is a “**Designated Page.**” ICE’s Interest Settlement Rates currently are rounded to five decimal places.

If ICE’s Interest Settlement Rate does not appear on the Designated Page as of 11:00 a.m. (London time) on a LIBOR Adjustment Date, or if the Designated Page is not then available, One-Month LIBOR for that date will be the most recently published Interest Settlement Rate. If ICE no longer sets an Interest Settlement Rate, Freddie Mac will designate an alternative index

that has performed, or that Freddie Mac (or its agent) expects to perform, in a manner substantially similar to ICE's Interest Settlement Rate.

Section 3.06. Payment Procedures; Record Date.

(a) *Procedures.* Payments of principal and interest due to Holders of Classes maintained on the DTC System shall be paid by Freddie Mac (or the Global Agent, whether taking direction from Freddie Mac or from the Exchange Administrator) to DTC in immediately available funds. DTC shall be responsible for crediting the amount of such payments to the accounts of the applicable DTC Participants in accordance with its normal procedures. Payments with respect to Common Depository Notes shall be credited to Euroclear participants, Clearstream participants or participants of any other applicable clearing system in accordance with the relevant system's rules and procedures.

Payments to a Holder of a definitive Note shall be made by electronic transfer of funds not later than the applicable Payment Date to a bank account designated by such Holder; *provided, however,* that the final payment on any definitive Note shall be made only upon presentation and surrender of the Holder's Note at the office of the Global Agent or other paying agent, as described in Section 4.04.

In the event of a principal or interest payment error, Freddie Mac, in its sole discretion, may effect corrections by the adjustment of payments to be made on future Payment Dates or in such other manner as it deems appropriate.

(b) *Record Date.* Any payment made on a Class on any Payment Date shall be made to the Holders of record of such Class as of the related Record Date.

Section 3.07. Maturity.

(a) *General.* On the Maturity Date, Freddie Mac shall pay 100% of the outstanding Class Principal Balance as of such date to the Holders of each Class of Original Notes (without regard to any exchanges of Original Notes for MAC Notes), after taking into account any allocations of any Calculated Tranche Write-down Amounts and Calculated Tranche Write-up Amounts applicable to such Classes for such Payment Date.

(b) *Payments to MAC Notes.* If on the Maturity Date a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Original Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination. The Interest Only MAC Notes are not entitled to receive payments of principal.

Section 3.08. Early Redemption Option.

(a) *General.* On any Payment Date on or after the Payment Date on which the aggregate

unpaid principal balance of the Reference Obligations is less than or equal to 10% of the Cut-off Date Balance of the Reference Obligations, Freddie Mac may, at its option, redeem the Original Notes. On such Payment Date, Freddie Mac shall pay 100% of the outstanding Class Principal Balance of each Class of Original Notes (without regard to any exchanges of Original Notes for MAC Notes), plus accrued and unpaid interest.

(b) *Payments to MAC Notes.* In the case of an early redemption as described in (a) above, if a Class of MAC Notes that is entitled to principal is outstanding, all principal amounts that are payable by Freddie Mac on Original Notes that were exchanged for such MAC Notes will be allocated to and payable on such MAC Notes in accordance with the exchange proportions applicable to the related Combination.

(c) *Notice.* Notice of optional redemption shall be given to Holders of the related Notes not less than 5 Business Days nor more than 60 calendar days prior to the Payment Date of the redemption in the manner provided in Section 6.08.

Section 3.09. MAC Notes.

(a) *General.* Pursuant to the procedures and fees set forth in the Exchange Administration Agreement, the Original Notes may be exchanged, in whole or in part, for MAC Notes at any time on or after the Initial MAC Notes Issuance Date. *Appendix II* describes the characteristics of the MAC Classes and the available Combinations of Original Notes and MAC Notes. Exchanges of Original Notes for MAC Notes, and vice versa, may occur repeatedly pursuant to the procedures set forth in the Exchange Administration Agreement.

(b) *Voting and Direction Rights of MAC Notes.* In the event that Original Notes have been exchanged for MAC Notes, the Holders of such MAC Notes will be entitled to exercise all the voting and direction rights that are allocated to such exchanged Original Notes and the outstanding balances of such MAC Notes will be used to determine if the requisite percentage of Holders under this Agreement has voted or given direction; provided that with respect to (x) any outstanding MAC Notes exchanged for Original Notes in Combination 1 set forth on *Appendix II*, the Class M-1I Notes so exchanged will be entitled to exercise 1% of the total voting or direction rights that were allocated to such exchanged Original Notes and the Class M-1F Notes so exchanged will be entitled to exercise 99% of the total voting or direction rights that were allocated to such exchanged Original Notes, (y) any outstanding MAC Notes exchanged for Original Notes in Combination 2 set forth on *Appendix II*, the Class M-2I Notes so exchanged will be entitled to exercise 1% of the total voting or direction rights that were allocated to such exchanged Original Notes and the Class M-2F Notes so exchanged will be entitled to exercise 99% of the total voting or direction rights that were allocated to such exchanged Original Notes, and (z) any outstanding MAC Notes exchanged for Original Notes in Combination 3 set forth on *Appendix II*, the Class M-3I Notes so exchanged will be entitled to exercise 1% of the total voting or direction rights that were allocated to such exchanged Original Notes and the Class M-3F Notes so exchanged will be entitled to exercise 99% of the total voting or direction rights that were allocated to such exchanged Original Notes.

ARTICLE IV

Form; Clearance and Settlement Procedures; Minimum Denominations; Definitive Notes

Section 4.01. Form of Notes.

(a) *General.*

Original Notes shall be deposited with (i) the Global Agent as a custodian for, and registered in the name of a nominee of, DTC, or (ii) the Global Agent as a Common Depository, and registered in the name of such Common Depository or a nominee of such Common Depository. In the case of an exchange of an Original Note and a MAC Note, the Exchange Administrator shall direct the Global Agent to facilitate such exchange with DTC.

(b) *Title.*

The person in whose name a Note is registered in the Register shall be the Holder of such Note. Beneficial interests in a Note shall be represented, and transfers thereof shall be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners of such Note, as a direct or indirect participant in the applicable clearing system for such Note.

Freddie Mac, the Global Agent, the Exchange Administrator and the Registrar may treat the Holders as the absolute owners of Notes for the purpose of making payments and for all other purposes, whether or not such Notes shall be overdue and notwithstanding any notice to the contrary. Owners of beneficial interests in a Note shall not be considered by Freddie Mac, the Global Agent, the Exchange Administrator or the Registrar as the owner or Holder of such Note and, except as provided in Section 4.04(a), shall not be entitled to have Notes registered in their names and shall not receive or be entitled to receive definitive Notes. Any Beneficial Owner shall rely on the procedures of the applicable clearing system and, if such Beneficial Owner is not a participant therein, on the procedures of the participant through which such Beneficial Owner holds its interest, to exercise any rights of a Holder of such Notes.

(c) *Global Agent and Exchange Administrator.*

The Global Agent acts solely as a fiscal agent of Freddie Mac with respect to the Original Notes (and of the Exchange Administrator with respect to the MAC Notes) and does not assume any obligation or relationship of agency or trust for or with any Holder of an Original Note, except that any moneys held by the Global Agent for payment on an Original Note shall be held in trust for the Holder. The Global Agent does not assume any

obligation or relationship of agency or trust for, or with, any Holder of an Original Note.

(d) *Registrar.*

In acting under the Global Agency Agreement, the Registrar does not assume any obligation or relationship of agency or trust for, or with, any Holder of a Note.

Section 4.02. Clearance and Settlement Procedures.

(a) *General.*

Notes distributed solely within the United States shall clear and settle through the DTC System, and Notes distributed solely outside of the United States shall clear and settle through the systems operated by Euroclear, Clearstream and/or any other designated clearing system or, in certain cases, DTC.

(b) *Primary Distribution.*

(i) *General.* On initial issue, the Notes shall be credited through one or more of the systems specified below.

(ii) *DTC.* DTC Participants acting on behalf of investors holding DTC Notes shall follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement System. DTC Notes shall be credited to DTC Participants' securities accounts following confirmation of receipt of payment to Freddie Mac on the Closing Date.

(iii) *Euroclear and Clearstream.* Investors holding Common Depository Notes through Euroclear, Clearstream or such other clearing system shall follow the settlement procedures applicable to conventional Eurobonds in registered form. Such Common Depository Notes shall be credited to Euroclear, Clearstream or such other clearing system participants' securities accounts either on the Closing Date or on the settlement day following the Closing Date against payment in same-day funds (for value on the Closing Date).

(c) *Secondary Market Transfers.* Transfers of beneficial interests in Notes within the various systems that may be clearing and settling interests therein shall be made in accordance with the usual rules and operating procedures of the relevant system.

(d) *Limitation on Liability.* None of Freddie Mac, the Global Agent or the Exchange Administrator shall bear responsibility for the performance by any system or the performance of the system's respective direct or indirect participants or accountholders of the respective obligations of such participants or account holders under the rules and procedures

governing such system's operations.

Section 4.03. Minimum Denominations.

The Original Notes shall be issued and maintained in minimum denominations of \$250,000 and additional increments of \$1.

Section 4.04. Exchange for Definitive Notes.

(a) *Issuance of Definitive Notes.*

Beneficial interests in Notes issued in global form shall be subject to exchange for definitive Notes only if such exchange is permitted by applicable law and (i) in the case of a DTC Note, DTC notifies Freddie Mac (or its agent) that it is no longer willing or able to discharge properly its responsibilities as depository with respect to such DTC Note, or ceases to be a "clearing agency" registered under the Exchange Act (if so required), or is at any time no longer eligible to act as such, and in each case Freddie Mac (or its agent) is unable to locate a successor within 90 calendar days of receiving such notice on the part of DTC; (ii) in the case of any Common Depository Note, if all of the systems through which it is cleared or settled are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or are permanently closed for business or have announced an intention permanently to cease business and in any such situations Freddie Mac is unable to locate a single successor within 90 calendar days of such closure; or (iii) an Event of Default has occurred and continues unremedied and a majority of the Holders of DTC Notes advise Freddie Mac and DTC through the DTC Participants in writing that the continuation of a book-entry system through DTC is no longer in the best interests of such Holders. In such circumstances, Freddie Mac shall cause sufficient definitive Notes to be executed and delivered as soon as practicable (and in any event within 45 calendar days of Freddie Mac receiving notice of the occurrence of such circumstances) to the Global Agent or its agent for completion, authentication and delivery to the relevant registered holders of such definitive Notes. A person having an interest in a DTC Note or Common Depository Note issued in global form shall provide Freddie Mac or the Global Agent with a written order containing instructions and such other information as Freddie Mac or the Global Agent may require to complete, execute and deliver such definitive Notes in authorized denominations.

In the event that definitive Notes are issued in exchange for Notes issued in global form, such definitive Notes shall have terms identical to the Notes for which they were exchanged except as described below.

(b) *Title.*

The person in whose name a definitive Note is registered in the Register shall be the

“Holder” of such definitive Note.

(c) *Payments.*

Payments of principal and interest on a definitive Note shall be made by wire transfer of immediately available funds with a bank designated by such Holder that is acceptable to Freddie Mac; provided, that such bank has appropriate facilities therefor and accepts such transfer and such transfer is permitted by any applicable law or regulation and will not subject Freddie Mac to any liability, requirement or unacceptable charge. In order for a Holder to receive such payments, the relevant paying agent (including the Global Agent) must receive at their offices from such Holder (i) in the case of payments on a Payment Date, a written request therefor not later than the close of business on the related Record Date or (ii) in the case of the final principal payment (on the Maturity Date or any earlier date of redemption or repayment) the related definitive Note not later than two Business Days prior to such Payment Date. Such written request must be delivered to the relevant paying agent (including the Global Agent) by mail, by hand delivery or by any other method acceptable to the relevant paying agent. Any such request shall remain in effect until the relevant paying agent receives written notice to the contrary.

All payments on definitive Notes shall be subject to any applicable law or regulation. If a payment outside the United States is illegal or effectively precluded by exchange controls or similar restrictions, payments in respect of the related definitive Notes may be made at the office of any paying agent in the United States.

(d) *Transfer and Exchange.*

Definitive Notes shall be presented for registration of transfer or exchange (with the form of transfer included thereon properly endorsed, or accompanied by a written instrument of transfer, with such evidence of due authorization and guaranty of signature as may be required by Freddie Mac, duly executed) at the office of the Registrar or any other transfer agent upon payment of any taxes and other governmental charges and other amounts, but without payment of any service charge to the Registrar or such transfer agent for such transfer or exchange. A transfer or exchange shall not be effective unless, and until, recorded in the Register.

A transfer or exchange of a definitive Note shall be effected upon satisfying the Global Agent with regard to the documents and identity of the person making the request and subject to such reasonable regulations as Freddie Mac may from time to time agree with the Global Agent. Such documents may include forms prescribed by U.S. tax authorities to establish the applicability of, or the exemption from, withholding or other taxes regarding the transferee Holder. Definitive Notes may be transferred or exchanged in whole or in part only in the authorized denominations of the DTC Notes or Other Notes issued in global form for which they were exchanged. In the case of a transfer of a definitive Note in part, a new Note in

respect of the balance not transferred shall be issued to the transferor. In addition, replacement of mutilated, destroyed, stolen or lost definitive Notes also is subject to the conditions discussed above with respect to transfers and exchanges generally. Each new definitive Note to be issued upon transfer of such a definitive Note, as well as the definitive Note issued in respect of the balance not transferred, shall be mailed to such address as may be specified in the form or instrument of transfer at the risk of the Holder entitled thereto in accordance with the customary procedures of the Global Agent.

Any Note in definitive form that becomes mutilated, destroyed, stolen or lost shall be replaced by Freddie Mac at the expense of the Holder upon delivery to Global Agent of evidence of the destruction, theft or loss thereof, and an indemnity satisfactory to Freddie Mac and the Global Agent. Upon the issuance of any substituted definitive Note, Freddie Mac or the Global Agent may require the payment by the Holder of a sum sufficient to cover any taxes and expenses connected therewith.

ARTICLE V

Events of Default and Remedies

Section 5.01. Events of Default.

An “**Event of Default**” with respect to the Notes shall consist of any one of the following cases:

(i) any failure by Freddie Mac (or its agent) to pay to Holders of such Notes any required interest or principal payment that continues unremedied for 30 days;

(ii) any failure by Freddie Mac to perform in any material way any other covenant or agreement in this Agreement, which failure continues unremedied for 60 days after the receipt of notice of such failure by Freddie Mac from the Holders of at least 25% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes); in the event that Original Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Original Notes as described herein.

(iii) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of Freddie Mac in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appoint a receiver, liquidator, assignee, custodian, or sequestrator (or other similar official) of Freddie Mac or for all or substantially all of its property, or order the winding up or liquidation of its affairs, and

such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(iv) Freddie Mac shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, or sequestrator (or other similar official) of Freddie Mac or any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over Freddie Mac, whether or not Freddie Mac consents to such appointment, will not constitute an Event of Default.

Section 5.02. Rights Upon Event of Default.

(a) As long as an Event of Default under this Agreement remains unremedied, Holders of not less than 50% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes) to which such Event of Default relates may, by written notice to Freddie Mac, declare such Notes due and payable and accelerate the maturity of such Notes. In the event that Original Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Original Notes as described herein. Upon such acceleration, the Class Principal Balance of such Notes and the interest accrued thereon shall be due and payable.

(b) Prior to or after the institution of any action or proceeding relating to the Notes, the Holders of not less than 50% of the outstanding Class Principal Balance of the Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes) to which such Event of Default relates may waive an Event of Default, whether or not it has resulted in a declaration of an acceleration of the maturity of the Notes, and may rescind and annul any previously declared acceleration. In the event that Original Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Original Notes as described herein.

(d) Whenever in this Agreement it is provided that the Holders of a specified percentage in outstanding Class Principal Balance of the Notes may take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the fact that at the time of taking any such action the Holders of such specified percentage have joined

therein may be evidenced by a writing, or any number of writings of similar tenor, executed by Holders in person, or by an agent or proxy appointed in writing.

(e) No Holder of a Note has any right in any manner whatsoever by virtue of or by availing itself of any provision of this Agreement to affect, disturb or prejudice the rights of any other such Holder, or to obtain or seek to obtain preference or priority over any other such Holder or to enforce any right under this Agreement, except in the manner provided in this Agreement and for the ratable and common benefit of all such Holders.

ARTICLE VI

Miscellaneous Provisions

Section 6.01. Limitations on Liability of Freddie Mac and Others.

Neither Freddie Mac nor any of its directors, officers, employees or agents shall be under any liability to the Holders or Beneficial Owners for any action taken, or not taken, by them in good faith under this Agreement or for errors in judgment. This provision will not protect Freddie Mac or any other related person against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of obligations and duties under this Agreement. Freddie Mac and such related persons shall have no liability of whatever nature for special, indirect or consequential damages, lost profits or business, or any other liability or claim (other than for direct damages), even if reasonably foreseeable, or Freddie Mac has been advised of the possibility of such loss, damage, liability or claim. Freddie Mac and such related persons may rely in good faith on any document or other communication of any kind properly submitted by any person (in writing or electronically) with respect to any matter arising under this Agreement.

In performing its responsibilities under this Agreement, Freddie Mac may employ agents or independent contractors. Except upon an Event of Default, Freddie Mac shall not be subject to the control of Holders in any manner in the discharge of its responsibilities pursuant to this Agreement.

Freddie Mac shall be under no obligation to appear in, prosecute or defend any legal action that is not incidental to its responsibilities under this Agreement and which in its opinion may involve it in any expense or liability. However, Freddie Mac may in its discretion undertake any such legal action which it may deem necessary or desirable in the interests of the Holders. In such event, the legal expenses and costs of such action shall be expenses and costs of Freddie Mac.

Section 6.02. Binding Effect of this Agreement.

By receiving and accepting a Note, each Holder, financial intermediary and

Beneficial Owner of such Note unconditionally agrees, without any signature or further manifestation of assent, to be bound by the terms and conditions of this Agreement, as supplemented, modified or amended pursuant to its terms.

This Agreement shall be binding upon and inure to the benefit of any successor to Freddie Mac.

Section 6.03 Tax Treatment of the Notes.

By purchasing the Original Notes, Holders and Beneficial Owners agree to treat such Notes as indebtedness of Freddie Mac for U.S. federal income tax purposes, unless such Holders or Beneficial Owners are required to treat the Original Notes in some other manner pursuant to a final determination by the U.S. Internal Revenue Service or by a court of competent jurisdiction (each a “Final Tax Determination”). Holders and Beneficial Owners further agree to prepare their U.S. federal income tax returns on the basis that the Original Notes will be treated as indebtedness of Freddie Mac and to report items of income, deduction, gain or loss with respect to the Original Notes in a manner consistent with the information reported to them pursuant to Section 3.01(d), unless otherwise required pursuant to a Final Tax Determination.

Section 6.04. Limitation of Rights of Holders.

The death or incapacity of any Person having an interest, beneficial or otherwise, in a Note shall not operate to terminate this Agreement, nor entitle the legal representatives or heirs of such Person or any Holder for such Person to claim an accounting, take any action or bring any proceeding in any court for a termination of any Notes, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

Section 6.05. Conditions to Payment, Transfer or Exchange.

Freddie Mac, its agent or any other person potentially required to withhold with respect to payments on a Note shall have the right to require a Holder of a Note, as a condition to payment of principal of or interest on such Note, or as a condition to transfer or exchange of such Note, to present at such place as Freddie Mac, its agent or such other person shall designate a certificate in such form as Freddie Mac, its agent or such other person may from time to time prescribe, to enable Freddie Mac, its agent or such other person to determine its duties and liabilities with respect to (i) any taxes, assessments or governmental charges which Freddie Mac, the Global Agent, the Exchange Administrator or such other person, as the case may be, may be required to deduct or withhold from payments in respect of such Note under any present or future law of the United States or jurisdiction therein or any regulation or interpretation of any taxing authority thereof; and (ii) any reporting or other requirements under such laws, regulations or interpretations. Freddie Mac, its agent or such other person shall be entitled to determine its duties and liabilities with respect to such deduction, withholding, reporting or other requirements on the basis of information contained in such

certificate or, if no certificate shall be presented, on the basis of any presumption created by any such law, regulation or interpretation, and shall be entitled to act in accordance with such determination.

Section 6.06. Amendment.

(a) Freddie Mac may modify, amend or supplement this Agreement and the terms of the Notes, without the consent of the Holders or Beneficial Owners, (i) to cure any ambiguity, or to correct or supplement any defective provision or to make any other provision with respect to matters or questions arising under this Agreement or the terms of any Note that are not inconsistent with any other provision of this Agreement or the Note; (ii) to add to the covenants of Freddie Mac for the benefit of the Holders or surrender any right or power conferred upon Freddie Mac; (iii) to evidence the succession of another entity to Freddie Mac and its assumption of the covenants of Freddie Mac; (iv) to conform the terms of an issue of Notes or cure any ambiguity or discrepancy resulting from any changes in the Book-Entry Rules or any regulation or document that are applicable to book-entry securities of Freddie Mac or (v) in any other manner that Freddie Mac may determine and that will not adversely affect in any material respect the interests of Holders or Beneficial Owners at the time of such modification, amendment or supplement. Notwithstanding these rights, Freddie Mac will not be permitted to make any amendment to the Debt Agreement or the terms of the Notes unless Freddie Mac has received an opinion of a nationally-recognized U.S. federal income tax counsel to the effect that, and subject to customary assumptions, qualifications and exclusions, Holders will not recognize income, gain or loss, or adverse consequences under the provisions of Code Sections 1471 through 1474 as a result of such amendment.

(b) In addition, with the written consent of the Holders of at least 50% of the aggregate then outstanding Class Principal Balance of each Class of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes) affected thereby, excluding any such Notes owned by Freddie Mac, Freddie Mac may, from time to time and at any time, modify, amend or supplement the terms of the Notes for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of such Notes or modifying in any manner the rights of the Holders; provided, however, that no such modification, amendment or supplement may, without the written consent or affirmative vote of each Holder of an affected Note; (A) change the Maturity Date or any monthly Payment Date of such Note; (B) materially modify the redemption or repayment provisions, if any, relating to the redemption or repayment price of, or any redemption or repayment date or period for, such Note; (C) reduce the Class Principal Balance of (other than as provided for in this Agreement), delay the principal payment of (other than as provided for in this Agreement), or materially modify the rate of interest or the

calculation of the rate of interest on, such Note; or (D) reduce the percentage of Holders whose consent or affirmative vote is necessary to modify, amend or supplement the terms of the Notes. In the event that Original Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Original Notes as described herein. A quorum at any meeting of Holders called to adopt a resolution shall be Holders entitled to vote a majority of the then aggregate outstanding Class Principal Balance of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes) called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the then aggregate outstanding Class Principal Balance of Original Notes (in each case the outstanding Class Principal Balance of the Original Notes will be determined without regard to any exchanges of Original Notes for MAC Notes), in both cases excluding any Notes owned by Freddie Mac. In the event that Original Notes have been exchanged for MAC Notes, Holders of such MAC Notes will be entitled to exercise all the voting or direction rights that are allocated to such exchanged Original Notes as described herein. It shall not be necessary for the Holders to approve the particular form of any proposed amendment, but it shall be sufficient if such consent or resolution approves the substance of such change.

(c) Freddie Mac may establish a record date for the determination of Holders entitled to grant any consent in respect of Notes and to notify with respect to any such consent.

(d) Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or supplement shall be irrevocable once given and shall be conclusive and binding on all subsequent Holders of such Note or any Note issued, directly or indirectly, in exchange or substitution therefor, irrespective of whether or not notation in regard thereto is made thereon. Any modification, amendment or supplement of this Agreement or of the terms of Notes shall be conclusive and binding on all Holders of Notes affected thereby, whether or not they have given such consent (unless by the terms of this Agreement a written consent or an affirmative vote of such Holders is required), and whether or not notation of such modification, amendment or supplement is made upon the Notes.

(e) Freddie Mac will notify the Rating Agencies of any modification, amendment or supplement of this Agreement (which notification shall be effected pursuant to Section 6.08).

Section 6.07. Persons Deemed Owners.

Freddie Mac, the Registrar, DTC and the Common Depositories (or any agent of any of them), may deem and treat the Holder as the absolute owner of a Note for the purpose of receiving payment of principal or interest and for all other purposes, and none of Freddie Mac, the Registrar, DTC and the Common Depositories, nor any agent of any of them, shall be

affected by any notice to the contrary. All such payments so made to any such Holder or upon such Holder's order shall be valid, and, to the extent of the sum or sums paid, effectual to satisfy and discharge the duty for monies payable by Freddie Mac upon and Original Note. A Holder is not necessarily the beneficial owner of a Note. The rights of a beneficial owner of a Note with respect to Freddie Mac and the Registrar may be exercised only through the Holder. The rights of a beneficial owner of a Note with respect to DTC and the Common Depositories may be exercised only through the applicable DTC Participant. Neither Freddie Mac nor the Registrar shall have any direct obligation to a beneficial owner that is not also the Holder of a Note. DTC and the Common Depository will have no direct obligation to a beneficial owner that is not also a DTC Participant, with respect to such Note.

Section 6.08. Notice.

(a) Any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon any Holder may be given or served in writing by deposit thereof, postage prepaid, in the mail, addressed to such Holder as (i) such Holder's name and address may appear in the Register, (ii) in the case of a Holder of a DTC Note, by transmission to such Holder through the DTC communication system or (iii) in the case of a Common Depository Note, by transmission to such Holder through the Common Depository system. Such notice, demand or other communication to or upon any Holder shall be deemed to have been sufficiently given or made, for all purposes, upon mailing or transmission.

(b) Except as set forth in Section 4.04 of this Agreement, any notice, demand or other communication which by any provision of this Agreement is required or permitted to be given to or served upon Freddie Mac shall be given in writing addressed (until another address is published by Freddie Mac) as follows: Federal Home Loan Mortgage Corporation, 8200 Jones Branch Drive, McLean, Virginia 22102 Attention: General Counsel and Secretary. Such notice, demand or other communication to or upon Freddie Mac shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by Freddie Mac.

(c) To the extent that Freddie Mac is required to provide any information or notification to the Rating Agencies pursuant to this Agreement, Freddie Mac will cause such information or notification to be posted to the Rating Agencies Information Website. None of the Global Agent, Exchange Administrator or Registrar shall provide any information directly to, or communicate with, either orally or in writing, any Rating Agency or any NRSRO regarding the Notes relevant to such Rating Agency's or NRSRO's surveillance of the Notes, including, but not limited to, providing responses to inquiries from a Rating Agency or NRSRO regarding the Notes. Upon the Global Agent, Exchange Administrator or Registrar receiving any communication from any Rating Agency or NRSRO regarding the Notes, it shall promptly forward such communication to Freddie Mac.

Section 6.09. Governing Law.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE HOLDERS AND FREDDIE MAC WITH RESPECT TO THE NOTES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE UNITED STATES. INsofar AS THERE MAY BE NO APPLICABLE PRECEDENT, AND INsofar AS TO DO SO WOULD NOT FRUSTRATE THE PURPOSES OF THE FREDDIE MAC ACT OR ANY PROVISION OF THIS AGREEMENT OR THE TRANSACTIONS GOVERNED THEREBY, THE LAWS OF THE STATE OF NEW YORK SHALL BE DEEMED REFLECTIVE OF THE LAWS OF THE UNITED STATES.

Section 6.10. Headings.

The Article, Section and Subsection headings are for convenience only and shall not affect the construction of this Agreement.

Section 6.11. Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors, including any successor by operation of law, and permitted assigns.

RECEIPT AND ACCEPTANCE OF AN ORIGINAL NOTE (OR A MAC NOTE ISSUED IN EXCHANGE THEREFOR) ISSUED HEREUNDER BY OR ON BEHALF OF A HOLDER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH NOTE OF ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT AND THE AGREEMENT OF FREDDIE MAC, SUCH HOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN FREDDIE MAC AND SUCH HOLDER AND SUCH OTHERS.

**FEDERAL HOME LOAN MORTGAGE
CORPORATION**

APPENDIX I
STACR[®] DEBT NOTES, SERIES 2014-HQ1

ORIGINAL NOTE TERMS

\$460,000,000

Class of Notes	Initial Class Principal Balance	CUSIP Number	Maturity Date
M-1	\$192,000,000	3137G0BU2	August 2024
M-2	\$124,000,000	3137G0BV0	August 2024
M-3	\$144,000,000	3137G0BW8	August 2024

The Original Notes bear interest as shown in the following table. The initial Class Coupons apply only to the first Accrual Period. We determine One-Month LIBOR using the ICE Method as described in Section 3.05.

Class of Notes	Initial Class Coupon	Class Coupon Formula
M-1	1.807%	One-Month LIBOR + 1.65%
M-2	2.657%	One-Month LIBOR + 2.50%
M-3	4.257%	One-Month LIBOR + 4.10%

APPENDIX II
STACR[®] DEBT NOTES, SERIES 2014-HQ1

AVAILABLE MODIFICATIONS AND COMBINATIONS

And

MAC NOTE TERMS

Combination	Original Class	Original Class Principal Balance	Exchange Proportions ⁽¹⁾	MAC Class	Maximum Original Class Principal Balance	Exchange Proportions ⁽¹⁾	Interest Formula
1	M-1	\$192,000,000	100%	M-1F	\$192,000,000	100%	One-Month LIBOR + 1.15%
				M-1I	\$192,000,000 ⁽²⁾	(3)	0.50%
2	M-2	\$124,000,000	100%	M-2F	\$124,000,000	100%	One-Month LIBOR + 1.75%
				M-2I	\$124,000,000 ⁽²⁾	(3)	0.75%
3	M-3	\$144,000,000	100%	M-3F	\$144,000,000	100%	One-Month LIBOR + 3.10%
				M-3I	\$144,000,000 ⁽²⁾	(3)	1.00%
4	M-1	\$192,000,000	41.7391304348%	MA	\$460,000,000	100%	Weighted average coupon ⁽⁴⁾
	M-2	\$124,000,000	26.9565217391%				
	M-3	\$144,000,000	31.3043478261%				
5	M-1	\$192,000,000	60.7594936709%	M-12	\$316,000,000	100%	Weighted average coupon ⁽⁵⁾
	M-2	\$124,000,000	39.2405063291%				

- (1) Exchange proportions are constant proportions of the *original* Class Principal Balances (or *original* Notional Principal Amounts, if applicable) of the Original Classes or MAC Classes, as applicable. In accordance with the exchange proportions, you may exchange Original Notes for MAC Notes, and vice-versa.
- (2) Notional Principal Amount.
- (3) The original Notional Principal Amount of the Class M-1I, Class M-2I and Class M-3I Notes being exchanged equals the original Class Principal Balance of the Class M-1F, Class M-2F and Class M-3F Notes, respectively, being exchanged.
- (4) The Class MA Notes will bear interest at the weighted average coupon rate of the Class M-1, Class M-2 and Class M-3 Notes.
- (5) The Class M-12 Notes will bear interest at the weighted average coupon rate of the Class M-1 and Class M-2 Notes.