

## Offering Circular dated February 11, 2021



### Global Debt Facility

Offered Securities:	Debt Securities, including Medium-Term Notes and Discount Notes, among others.
Reference Securities <sup>SM</sup> :	We will designate some Debt Securities as "Reference Securities <sup>SM</sup> ," which are scheduled U.S. dollar denominated issues in large principal amounts.
Amount:	Unlimited.
Maturities:	One day or longer, but not more than one year in the case of Reference Bills <sup>®</sup> securities and other Discount Notes.
Offering Terms:	We will offer the Debt Securities primarily through Dealers within the United States and internationally on the terms described in this Offering Circular and, except as to Reference Bills <sup>®</sup> and other Discount Notes, related Pricing Supplements.
Currencies:	U.S. dollars or other currencies specified in the applicable Pricing Supplement.
Priority:	The Debt Securities will be unsecured general obligations of Freddie Mac.
Tax Status:	The Debt Securities are not tax-exempt. Non-U.S. Owners generally will be subject to United States federal income and withholding tax unless they establish an exemption.
Form of Securities:	<i>U.S. dollar denominated Debt Securities:</i> Book-entry (U.S. Federal Reserve Banks) or registered (global or definitive). <i>Non-U.S. dollar denominated Debt Securities:</i> Registered (global or definitive).

We will provide you with a Pricing Supplement describing the specific terms, pricing information and other information for each issue of Debt Securities, except Reference Bills<sup>®</sup> and other Discount Notes. The Pricing Supplement for a specific issue of Debt Securities will supplement and may amend this Offering Circular with respect to that issue of Debt Securities. The applicable Pricing Supplement will describe whether principal is payable on the related issue of Debt Securities at maturity or periodically, whether the Debt Securities are redeemable or repayable prior to maturity, and whether interest is payable at a fixed or variable rate or if no interest is payable. We may issue unlisted Debt Securities under this Facility or apply to list Debt Securities on certain exchanges.

**Some Debt Securities are complex financial instruments and may not be suitable investments for you. You should consider carefully the risk factors described beginning on page 16 of this Offering Circular and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2020. You should not purchase Debt Securities unless you understand and are able to bear these and any other applicable risks. You should purchase Debt Securities only if you understand the information contained in this Offering Circular, any Pricing Supplement for the Debt Securities you are considering purchasing and the documents that we incorporate by reference in this Offering Circular.**

**Because of applicable U.S. securities law exemptions, we have not registered the Debt Securities with any U.S. federal or state securities commission. No U.S. securities commission has reviewed this Offering Circular.**

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

**This Offering Circular may only be used for the purposes for which it has been published.**

**The Index of Defined Terms (Appendix C) shows where definitions of defined terms appear in this Offering Circular.**

<sup>SM</sup> "Reference Securities" is a service mark of Freddie Mac. <sup>®</sup> "Reference Bills" is a registered trademark of Freddie Mac.

The Debt Securities generally will not have an established trading market when issued. While certain Dealers have advised Freddie Mac that they may make a secondary market for the Debt Securities that they offer, they are not required to do so and could discontinue their secondary market activities at any time without notice. There is no assurance that a secondary market for any of the Debt Securities will develop or, if such a market develops, that it will be maintained or provide liquidity. Consequently, you may not be able to sell your Debt Securities readily or at prices that will enable you to realize your anticipated yield. You therefore must be willing and able to hold the Debt Securities until final maturity or until the relevant date(s) for early redemption or repayment, as applicable.

If you intend to purchase Debt Securities, you should rely only on the information in this Offering Circular and in any related Pricing Supplement for those Debt Securities, including the information in any documents we incorporate by reference. We are not offering the Debt Securities in any jurisdiction that prohibits their offer. This Offering Circular, any related Pricing Supplements and any incorporated documents speak only as of their dates, regardless of the date you receive these documents or purchase Debt Securities. These documents may not be correct after their dates.

Some jurisdictions may restrict by law the distribution of this Offering Circular or any Pricing Supplement and the offer, sale and delivery of Debt Securities. Persons who receive this Offering Circular or any Pricing Supplement should know and observe these restrictions.

For a description of some of the restrictions on offers, sales and deliveries of Debt Securities and on the distribution of the Offering Circular, any Pricing Supplement or any other supplement or amendment, see “Distribution Arrangements – Selling Restrictions,” “General Information” and Appendix B.

After making all reasonable inquiries as of the date of this Offering Circular, we confirm that this Offering Circular contains all the information about the Debt Securities which, when read together with the applicable Pricing Supplement and the Incorporated Documents, is material, in the context of the initial issue of each offering of the Debt Securities. We also confirm that the information in this Offering Circular, together with the information in such Incorporated Documents, as of their respective dates, is true and accurate in all material respects and is not misleading and that there are no facts the omission of which makes this Offering Circular and such Incorporated Documents as a whole or any such information misleading in any material respect.

**Notice to Prospective Investors in the United Kingdom** — The communication of this Offering Circular, any Pricing Supplement and any other document or materials relating to the issue of the Debt Securities offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom’s Financial Services and Markets Act 2000, as amended (the “**FSMA**”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom who have professional experience in matters relating to investments and who fall within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), or who fall within Article 49(2)(a) to (d) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, the Debt Securities offered hereby are only available to, and any investment or investment activity to which this Offering Circular and any related Pricing Supplement relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this Offering Circular or any related Pricing Supplement or any of their contents.

**MIFID II product governance / target market** — The Pricing Supplement in respect of any Debt Securities may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Debt Securities and which channels for distribution of the Debt

Securities are appropriate. Any person subsequently offering, selling or recommending the Debt Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Debt Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination may be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Debt Securities is a manufacturer in respect of such Debt Securities, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR product governance / target market** – The Pricing Supplement in respect of any Debt Securities may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Debt Securities and which channels for distribution of the Debt Securities are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Debt Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Debt Securities is a manufacturer in respect of such Debt Securities, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Debt Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Debt Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Debt Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Debt Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIPs Regulation**”) for offering or selling the Debt Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Debt Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

Neither this Offering Circular nor any related Pricing Supplement is a prospectus for the purposes of the Prospectus Regulation.

This Offering Circular and any related Pricing Supplement have been prepared on the basis that any offer of Debt Securities in any Member State of the EEA (each, a “**Relevant State**”) or the UK will only be made to (i) in respect of any offer of Debt Securities in any Relevant State, a legal entity which is a qualified investor under the Prospectus Regulation (“**EEA Qualified Investors**”) and (ii) in respect of any offer of Debt Securities in the UK, a legal entity which is a qualified investor under Regulation (EU) No 2017/1129 as it forms part of domestic law by virtue of the EUWA (“**UK Qualified Investors**”) and together with EEA Qualified Investors, “**Qualified Investors**”). Accordingly any person making or intending to make an offer in that Relevant State or the UK of Debt Securities which are the subject of the offering contemplated in this Offering Circular and any related Pricing Supplement may only do so with respect to EEA Qualified Investors or UK Qualified Investors (as applicable). Neither the Issuer nor any of the Dealers have authorized, nor do they authorize, the making of any offer of Debt Securities other than to Qualified Investors.

**Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore Notification** – Unless otherwise stated in the Pricing Supplement in respect of any Debt Securities, all Debt Securities issued or to be issued under this Facility shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore).

**Neither this Offering Circular nor any Pricing Supplement describes all of the risks and investment considerations applicable to Debt Securities, especially those whose principal or interest we determine by reference to one or more foreign currencies or to one or more interest rate, exchange rate, currency, swap rate or other indices or formulas. We and the Dealers disclaim any responsibility to advise prospective investors of these risks and investment considerations as they exist at the date of this Offering Circular or any Pricing Supplement or as these risks may change from time to time. Prospective investors should consult their own financial, tax and legal advisors as to the risks and investment considerations arising from an investment in such Debt Securities. The Debt Securities are not an appropriate investment for investors who are unsophisticated regarding debt securities or transactions involving the applicable interest rate, currency, swap or other indices or formulas. See “Risk Factors.”**

This Offering Circular replaces and supersedes the Global Debt Facility Offering Circular dated February 13, 2020 for issues of Debt Securities priced on and after the date of this Offering Circular. This Offering Circular relates to Debt Securities issued under this Facility and not to any other securities of Freddie Mac.

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\* We use defined terms throughout this Offering Circular. Appendix C provides the page locations of the definitions of these terms.

## FREDDIE MAC

### General

Freddie Mac is a government-sponsored enterprise chartered by Congress in 1970. Freddie Mac's public mission is to provide liquidity, stability, and affordability to the U.S. housing market. We do this primarily by purchasing residential mortgage loans originated by lenders. In most instances, we package these loans into guaranteed mortgage-related securities, which are sold in the global capital markets, and transfer interest-rate and liquidity risks to third-party investors. In addition, we transfer mortgage credit risk exposure to third-party investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgage loans and mortgage-related securities. We do not originate loans or lend money directly to mortgage borrowers.

Our Securities and other obligations are not guaranteed by the U.S. government and do not constitute a debt or obligation of the U.S. government or any agency or instrumentality thereof, other than Freddie Mac.

The Federal Home Loan Mortgage Corporation Act, as amended, 12 U.S.C. § 1451 et seq. (our "**Charter**" or the "**Freddie Mac Act**") forms the framework for our business activities. Our Charter mission is to:

- Provide stability in the secondary market for residential loans;
- Respond appropriately to the private capital market;
- Provide ongoing assistance to the secondary market for residential loans (including activities relating to loans for low- and moderate-income families, involving a reasonable economic return that may be less than the return earned on other activities) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing; and
- Promote access to mortgage loan credit throughout the United States (including central cities, rural areas, and other underserved areas) by increasing the liquidity of mortgage investments and improving the distribution of investment capital available for residential mortgage financing.

### Conservatorship and Related Matters

Since September 2008, we have been operating in conservatorship, with the Federal Housing Finance Agency ("**FHFA**") as our conservator (the "**Conservator**"). FHFA has broad powers when acting as our Conservator. Upon its appointment, the Conservator immediately succeeded to all rights, titles, powers, and privileges of Freddie Mac and of any stockholder, officer, or director of Freddie Mac with respect to Freddie Mac and its assets. The Conservator also succeeded to the title to all books, records, and assets of Freddie Mac held by any other legal custodian or third party. The Conservator may take any actions it determines are necessary to put us in a safe and solvent condition and appropriate to carry on our business and preserve and conserve our assets and property. We conduct our business subject to the direction of FHFA as our Conservator. The Conservator has provided authority to the Board of Directors to oversee management's conduct of our business operations so we can operate in the ordinary course. The directors serve on behalf of, exercise authority as provided by, and owe their fiduciary duties of care and loyalty to the Conservator. The Conservator retains the authority to withdraw or revise the authority it has provided at any time. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. Our future is uncertain, and the conservatorship has no specified termination date. We do not know what changes may occur to our business model during or following conservatorship, including whether we will continue to exist. Our Conservator has not made us aware of any plans to make any significant changes that would affect our ability to continue as a going concern. Our future structure and role will be determined by the executive branch of the U.S. government (the "**Administration**"), Congress, and FHFA, and the goals of the current Congress and Administration with respect to Freddie Mac and the secondary mortgage market are unclear. It is possible, and perhaps likely, that there will be significant changes to our business beyond the near term.

On January 14, 2021, we, acting through FHFA as our Conservator, and Treasury entered into a letter agreement to further amend the Purchase Agreement and the terms of the senior preferred stock. The January 2021 Letter Agreement establishes additional requirements for us to exit from conservatorship, including with respect to capital and the resolution of material litigation related to our conservatorship and the Purchase Agreement; allows for us to raise up to \$70 billion to build capital after Treasury's exercise in full of its warrant to acquire 79.9% of our common stock and resolution of

material litigation relating to our conservatorship and the Purchase Agreement; and imposes further limits on our business, including limits on our retained mortgage portfolio, cash window activities, and single-family and multifamily loan acquisitions. Pursuant to the January 2021 Letter Agreement, Treasury and Freddie Mac also commit to work to restructure Treasury's investment and dividend amount in a manner that facilitates our orderly exit from conservatorship, ensures Treasury is appropriately compensated, and permits us to raise third-party capital and make distributions as appropriate. We are still evaluating the effect that the January 2021 Letter Agreement will have on our financial statements.

Our Senior Preferred Stock Purchase Agreement, as amended (the "**Purchase Agreement**") with the U.S. Department of the Treasury ("**Treasury**") and the terms of the senior preferred stock we issued to Treasury also affect our business activities. Our ability to access funds from Treasury under the Purchase Agreement is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. Under the Purchase Agreement, Treasury committed to provide funding to us under certain terms and conditions. The amount of available funding remaining under the Purchase Agreement is \$140.2 billion as of December 31, 2020. This amount will be reduced by any future draws. While we believe that the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct our normal business activities, the costs and availability of our debt funding could vary for a number of reasons, including the uncertainty about our future and any future downgrades in our credit ratings or the credit ratings of the U.S. government.

### **ADDITIONAL INFORMATION**

Our common stock is registered with the U.S. Securities and Exchange Commission (the "**SEC**") under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). Accordingly, we file annual, quarterly, and current reports and other information with the SEC. In view of the Conservator's succession to all of the voting power of our stockholders, we have not prepared or provided proxy statements for the solicitation of proxies from stockholders since we entered into conservatorship, and we do not expect to do so while we remain in conservatorship.

As described below, we incorporate certain documents by reference in this Offering Circular, which means that we are disclosing information to you by referring you to those documents rather than by providing you with separate copies. We incorporate by reference in this Offering Circular (1) our annual report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 11, 2021 (the "**Annual Report**"); (2) all other reports we have filed with the SEC pursuant to Section 13(a) of the Exchange Act since December 31, 2020, excluding any information "furnished" to the SEC on Form 8-K; and (3) all documents that we file with the SEC pursuant to Sections 13(a), 13(c) or 14 of the Exchange Act after the date of this Offering Circular and prior to the termination of the offering of the related Debt Securities, excluding any information that we "furnish" to the SEC on Form 8-K. These documents are collectively referred to as the "**Incorporated Documents**" and are considered part of this Offering Circular. You should read this Offering Circular, and any applicable supplements or amendments, in conjunction with the Incorporated Documents. Information that we incorporate by reference will automatically update information in this Offering Circular. Therefore, you should rely only on the most current information provided or incorporated by reference in this Offering Circular and any applicable supplement or amendment.

We make available, free of charge through our website at [www.freddiemac.com](http://www.freddiemac.com), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all other SEC reports and amendments to those reports as soon as reasonably practicable after we electronically file the material with the SEC. The SEC also maintains a website at <http://www.sec.gov>\* that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

You may also obtain, without charge, copies of any of the Incorporated Documents and any other documents that we make available by contacting us at:

**Freddie Mac Debt Operations**  
**1551 Park Run Drive, Mailstop D5N**  
**McLean, Virginia U.S.A. 22102-3110**  
**Telephone: 1-571-382-4090**  
**[www.freddiemac.com](http://www.freddiemac.com)\***

\* We are providing this and other internet addresses solely for the information of investors. We do not intend these internet addresses to be active links and we are not using references to these addresses to incorporate additional information into this Offering Circular, except as specifically stated in this Offering Circular.

## SUMMARY

*This Summary contains selected information about the Debt Securities. It does not contain all of the information you should consider before purchasing the Debt Securities. You should refer to the remainder of this Offering Circular and to any related Pricing Supplement for further information. If a Pricing Supplement contains different information from this Offering Circular, you should rely on the Pricing Supplement.*

**Issuer** . . . . . Freddie Mac, a government-sponsored enterprise chartered by Congress, is the “**Issuer**” of Debt Securities.

**Debt Securities** . . . . . “**Debt Securities**” are unsecured notes, bonds and other debt securities issued from time to time. We will issue Debt Securities in U.S. dollars or other currencies with maturities of one day or longer. Debt Securities with maturities of more than one day may be called “**Notes**” and those with maturities of more than ten years may be called “**Bonds**.” These Debt Securities may be callable and/or puttable or neither. These Debt Securities may also be convertible. We use the phrase “**Term Debt Securities**” to refer to Debt Securities other than Reference Bills and other Discount Notes.

**Discount Notes** . . . . . A “**Discount Note**” will:

- have a maturity of one year or less from its Issue Date;
- not bear interest; and
- be paid only at maturity.

**Medium-Term Notes** . . . . . “**Medium-Term Notes**” are Term Debt Securities that will:

- pay principal in one or more of the following methods: (1) only at maturity; (2) periodically until maturity; or (3) upon redemption or repayment before maturity;
- bear interest at a fixed or variable interest rate or bear no interest; and
- have a maturity of one day or more from their Issue Dates.

**Reference Securities** . . . . . We will designate some Debt Securities as “**Reference Securities**,” which are scheduled issues in large principal amounts. Reference Bills (“**Reference Bills**”) are issued under our Discount Notes program. Reference Notes<sup>®</sup> securities (“**Reference Notes**”) are U.S. dollar denominated, non-callable, non-puttable Term Debt Securities with maturities of more than one year. Reference Bonds<sup>®</sup> securities (“**Reference Bonds**”) are U.S. dollar denominated, non-callable, non-puttable Term Debt Securities with maturities of more than ten years. Issuances may consist of new issues of Reference Securities or the “reopening” of an existing issue.



**Amount** . . . . . We may issue an unlimited amount of Debt Securities under this debt facility (the “**Facility**”), subject to the limits under the Purchase Agreement and FHFA regulation on the aggregate amount of indebtedness that we may incur. See “NOTE 2: CONSERVATORSHIP AND RELATED MATTERS” in the “Notes to the Consolidated Financial Statements” section of our Annual Report.

**Legal Status** . . . . . Unless otherwise specified in the applicable Pricing Supplement, the Debt Securities will be unsecured general obligations having the same priority as all of our other unsecured and unsubordinated debt and ranking senior to any subordinated debt. **The United States does not guarantee the Debt Securities or any interest or return of discount on the Debt Securities. The Debt Securities are not debts or obligations of the United States or any agency or instrumentality of the United States other than Freddie Mac.**

**Pricing Supplements** . . . . . We will offer Term Debt Securities by means of “**Pricing Supplements**” that will describe the specific terms, pricing information and other information for each issue of Term Debt Securities. If a Pricing Supplement contains different information from this Offering Circular, you should rely on the Pricing Supplement as to the related issue of Term Debt Securities.

**Specified Currencies** . . . . . We may denominate and make payments of principal and interest in any currency as specified in the applicable Pricing Supplement, subject to compliance with all relevant laws and regulations.

Government or monetary authorities or clearing systems may require that Debt Securities denominated in certain currencies or currency units have certain denominations or have minimum or maximum maturities.

**Denominations** . . . . . Unless otherwise indicated in the related Pricing Supplement or otherwise required by law, we will issue and maintain U.S. dollar denominated Debt Securities in minimum principal amounts of U.S. \$1,000 and additional increments of U.S. \$1,000. The denominations for all non-U.S. dollar denominated Debt Securities will be set forth in the applicable Pricing Supplement.

Any Debt Securities in respect of which either (a) the issue proceeds are received by us in the United Kingdom; or (b) the activity of issuing the Debt Securities is carried on from an establishment maintained in the United Kingdom and which, in each case, have a maturity of less than one year from the date of issue must (x)(i) have a minimum redemption value of £100,000 (or an amount of equivalent value denominated wholly or partly in another currency) and no part of any such Debt Security may be transferred unless the redemption value of that part is not less than

£100,000 (or such equivalent amount), and (ii) be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (y) be issued in other circumstances which do not constitute a contravention of section 19 (the general prohibition) of the FSMA.

**Term Debt Securities Redemption and Repayment** . . . . .

We may have the option to redeem some Term Debt Securities, in whole or in part, before their Maturity Dates. We announce our intent to redeem certain Term Debt Securities on the Freddie Mac website at <http://www.freddiemac.com/debt>. Also, holders of some Term Debt Securities may have the option to require repayment of Term Debt Securities, in whole or in part, before their Maturity Dates. The Pricing Supplement for an issue of Term Debt Securities will say whether those Term Debt Securities are redeemable at our option or repayable at your option and will describe the redemption or repayment right.

**Term Debt Securities Payment**

**Terms** . . . . . The related Pricing Supplement will specify the payment terms of Term Debt Securities.

**Principal** . . . . . Term Debt Securities may provide for payment of principal in several ways, including the following:

**Fixed Principal Repayment**

**Amount** . . . . . Either (1) an amount equal to 100% of the principal amount of a Term Debt Security, payable on the applicable Maturity Date or date of redemption or repayment; or (2) a specified amount above or below its principal amount, payable on that date.

**Variable Principal Repayment**

**Amount** . . . . . A principal amount determined by reference to one or more indices, such as interest rate, exchange rate or swap rate indices or other formulas, payable on the applicable Maturity Date or date of redemption or repayment.

**Amortizing Principal Repayment**

**Amount** . . . . . Amounts of periodic payments of principal that may be prescribed in advance or may be determined by reference to one or more indices, such as interest rate, exchange rate or swap rate indices or other formulas.

**Mortgage Linked Amortizing  
Principal Repayment**

- Amount** ..... Amounts of periodic payments of principal that are determined by the rate of payments on referenced mortgage or mortgage-related assets.
- Interest** ..... Term Debt Securities may bear interest at fixed or variable rates (or a combination of fixed and variable rates), or may bear interest that is indexed by reference to an interest rate, exchange rate, currency or swap rate or in some other manner, or may not bear interest. Term Debt Securities may be described in terms of various interest rate types, including these types:
- Fixed Rate** ..... Term Debt Securities that bear interest at a single fixed rate.
- Variable Rate** ..... Term Debt Securities that bear interest at a variable rate determined by reference to one or more specified indices or otherwise. The interest rate formula for a Variable Rate may include a constant or variable percentage or number to be added to or subtracted from the relevant index or formula.
- Fixed/Variable Rate** ..... Term Debt Securities that bear interest at a single fixed rate during one or more specified periods and at a variable rate during other periods.
- Range Accrual** ..... Variable Rate Debt Securities that may not bear interest during periods when the applicable index is outside a specified range.
- Extendible Variable Rate** ..... Variable Rate Debt Securities, the maturity of which may be extended at a Beneficial Owner's option effective as of certain specified dates, subject to a final maturity date, and that bear interest at variable rates subject to different Spreads for different specified periods.
- Step** ..... Term Debt Securities that bear interest at different fixed rates during different periods.
- Zero Coupon** ..... Term Debt Securities that do not bear interest and may be issued at a discount to their principal amount.
- Stripping** ..... The applicable Pricing Supplement will indicate whether Term Debt Securities may be stripped into interest and principal components.
- Convertible Debt Securities** ..... If so specified in the applicable Pricing Supplement, an issue of Debt Securities may be convertible to a new security, which may or may not be a debt security of Freddie Mac, the terms of which will be described in such Pricing Supplement.
- Form of Debt Securities** ..... We will issue Debt Securities in either book-entry form or registered form. We will not issue Debt Securities in bearer form.

**Fed Book-Entry Debt Securities** . . . . .

**“Fed Book-Entry Debt Securities”** are Debt Securities denominated and payable in U.S. dollars that are issued in book-entry form on the book-entry system (**“Fed Book-Entry System”**) of the U.S. Federal Reserve Banks (individually, a **“Federal Reserve Bank”** and, collectively, the **“Federal Reserve Banks”**). Debt Securities on the Fed Book-Entry System may be held of record only by entities eligible to maintain book-entry accounts with a Federal Reserve Bank (**“Fed Participants”**). Holders may not exchange Fed Book-Entry Debt Securities for definitive Debt Securities.

**Registered Debt Securities** . . . . .

**“Registered Debt Securities”** are Debt Securities that are not Fed Book-Entry Debt Securities. We generally will issue Registered Debt Securities in global registered form. Registration will be in the name of the nominee or common depository for a clearing system through which investors will maintain ownership interests in Registered Debt Securities in global registered form. Interests in such Debt Securities may be exchanged for definitive Debt Securities only in the limited circumstances described in this Offering Circular. In addition, we may issue Registered Debt Securities in definitive registered form if specified in the applicable Pricing Supplement. See “Description of the Debt Securities – Registered Debt Securities – Exchange for Definitive Debt Securities.”

**Fiscal Agent** . . . . .

The Federal Reserve Bank of New York (**“FRBNY”**) will act as fiscal agent for Fed Book-Entry Debt Securities (**“Fiscal Agent”**) under a Uniform Fiscal Agency Agreement dated July 20, 2006 (as amended, supplemented or replaced from time to time, the **“Fiscal Agency Agreement”**).

**Global Agent** . . . . .

Citibank, N.A.’s London office (**“Citibank – London”**) is the global agent for Registered Debt Securities (the **“Global Agent”**) under a Global Agency Agreement dated May 19, 1995 (as amended, supplemented or replaced from time to time, the **“Global Agency Agreement”**).

**Registrar** . . . . .

Citigroup Global Markets Europe AG is the Registrar for Registered Debt Securities.

**Clearance and Settlement** . . . . .

Depending on the terms of an issue of Debt Securities and where they are offered, the Debt Securities may clear and settle through one or more of the following:

- the Federal Reserve Banks;
- The Depository Trust Company (**“DTC”**);
- Euroclear;
- Clearstream, Luxembourg; or
- any other designated clearing systems.

Most Debt Securities denominated and payable in U.S. dollars, including all Reference Securities, will clear and settle through the Fed Book-Entry System, if distributed within the United States, and through Euroclear and/or Clearstream, Luxembourg, if distributed outside the United States. Most Debt Securities denominated and payable in a Specified Currency other than U.S. dollars will clear and settle through DTC, if distributed within the United States, and through Euroclear and/or Clearstream, Luxembourg, if distributed outside the United States.

**Holders** . . . . . The term “**Holders**” means:

- in the case of an issue of Fed Book-Entry Debt Securities, the Fed Participants appearing on the book-entry records of a Federal Reserve Bank as Holders;
- in the case of an issue of Registered Debt Securities in global registered form, the depository or its nominee in whose name the issue is registered on behalf of a related clearing system; or
- in the case of an issue of Registered Debt Securities in definitive form, the persons in whose name such Debt Securities are registered.

A Holder of a Debt Security is not necessarily the Beneficial Owner of that Debt Security. Investors owning beneficial interests in Debt Securities will typically do so through the Fed Book-Entry System in the case of Fed Book-Entry Securities, or the book-entry facilities of the clearing system that maintains ownership in the case of Registered Debt Securities in global registered form. Therefore, Beneficial Owners ordinarily will hold Debt Securities through one or more financial intermediaries, such as banks, brokerage firms and other participants in securities clearing organizations. A Holder that is not the Beneficial Owner of a Debt Security, and each other financial intermediary in the chain between the Holder and the Beneficial Owner, will be responsible for establishing and maintaining accounts for their respective customers and for remitting payments to those accounts.

See “Description of the Debt Securities — Fed Book-Entry Debt Securities” and “— Registered Debt Securities.”

**Securities Agreements** . . . . . We will issue Term Debt Securities under the Global Debt Facility Agreement, dated the same date as this Offering Circular, among Freddie Mac and the Holders of the Term Debt Securities (“**Global Debt Facility Agreement**”).

We will issue Discount Notes, including Reference Bills, under the Discount Note Agreement, dated the same date as this Offering Circular, among Freddie Mac and the Holders of Discount Notes (“**Discount Note Agreement**”).

We refer to the Global Debt Facility Agreement and the Discount Note Agreement, collectively, as the “**Agreements**” and, individually, as an “**Agreement.**”

**Method of Payment** . . . . . We will make payments on Fed Book-Entry Debt Securities through the FRBNY as our fiscal agent. The FRBNY will credit payments on such Debt Securities to the accounts of Fed Participants. Each Holder, and each other financial intermediary in the chain to the Beneficial Owner, will be responsible for remitting payments to their customers.

We will make payments on Registered Debt Securities to the applicable clearing system (or its nominee) in the Specified Currency in immediately available funds or, in the case of definitive Registered Debt Securities, to the registered Holders by check unless otherwise arranged.

**Governing Law** . . . . . The Debt Securities will be governed by the federal laws of the United States. The laws of the State of New York will be deemed to reflect the federal laws of the United States, unless there is applicable precedent under federal law or the application of New York law would frustrate the purposes of the Freddie Mac Act or the applicable Agreement.

**Tax Status** . . . . . The Debt Securities and income or return of discount derived from the Debt Securities generally are subject to taxation by the United States and generally are not exempt from taxation by other U.S. or non-U.S. taxing jurisdictions. Unless they establish an exemption by filing a Form W-8BEN or Form W-8BEN-E or otherwise, Non-U.S. Owners generally will be subject to United States federal income and withholding tax. See “Certain United States Federal Tax Consequences – Non-U.S. Owners – Interest.”

We will not pay additional interest or other amounts or redeem the Debt Securities prior to maturity if any jurisdiction imposes any withholding or other tax on payments on the Debt Securities.

**Listing** . . . . . The applicable Pricing Supplement will specify the exchange, if any, on which we will apply to list a particular issue of Debt Securities. We may also not list an issue of Debt Securities on any exchange at all.

**Method of Distribution** . . . . . We generally will sell Term Debt Securities to one or more Dealers acting as principals for resale to investors either at a fixed price or at varying prices determined by the relevant Dealer or Dealers. These sales may be by auction or other methods. The applicable Pricing Supplement will specify the names of the Dealer or Dealers for a particular issuance of Term Debt Securities. Alternatively, we may allow Dealers to solicit purchases of Term Debt Securities on an agency basis or we may sell Term Debt Securities directly to investors.

In general, we will sell Reference Bills and other Discount Notes through Dealers, acting as our agents, or we will sell them directly to investors.

**Offering Price** ..... Term Debt Securities may be offered at fixed prices equal to par, or at a discount to or premium over par, or at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Dealer or Dealers, as specified in the applicable Pricing Supplement.

**Selling Restrictions** ..... Some jurisdictions restrict the offers and sales of Debt Securities and the distribution of offering materials. See “Distribution Arrangements – Selling Restrictions” and Appendix B.

## **RISK FACTORS**

*This section describes some of the general risks and considerations that you should consider before investing in the Debt Securities. There may be other risks and considerations that are not discussed below or that are discussed in any applicable Pricing Supplement that you should consider. These risks and considerations may vary in importance depending on your particular circumstances and on various economic, interest rate and exchange rate scenarios. Therefore, you should consult your own financial and legal advisors to determine the suitability for you of a particular issue of Debt Securities. In addition, you should review "Risk Factors" in our Annual Report, which describes various risks relevant to investors in our securities.*

### **The Debt Securities May Not Be Suitable For You**

The Debt Securities are not suitable investments for all investors. Before investing in a particular issue of Debt Securities, you should:

- possess, either alone or with an investment advisor, the expertise and analytical tools necessary to evaluate, in the context of your financial situation, the particular features of the Debt Securities, the risks and benefits of investing in the Debt Securities and the effect of the Debt Securities on your overall investment portfolio;
- have sufficient financial resources and liquidity to bear the risks associated with the Debt Securities;
- understand the information contained and incorporated in this Offering Circular and any related Pricing Supplement;
- understand the terms of the Debt Securities; and
- understand any applicable legal investment restrictions.

Sophisticated institutional investors generally do not purchase complex Debt Securities as stand-alone investments. Rather, they may invest in certain types of complex Debt Securities to reduce the risk of their overall portfolio or to enhance their yield by adding an appropriate level of risk to their overall portfolio. You should not purchase any Debt Securities unless you understand and are able to bear the associated yield, market, liquidity and other possible risks, including risks associated with any redemption provisions, periodic interest rate adjustments and exchange rates and controls. You should decide whether to invest in an issue of Debt Securities based on your own financial needs and the anticipated performance of the Debt Securities under a variety of economic, interest rate and exchange rate scenarios.

### **Structured Term Debt Securities May Be Complex and Involve Greater Risks**

Historically, the majority of the Term Debt Securities we issue have been fixed rate debt obligations, including those that are redeemable at our option prior to their maturity. Although these Term Debt Securities present certain risks to investors, they do not present all of the risks associated with more complex Term Debt Securities.

More complex Term Debt Securities (such as Variable Rate, Extendible Variable Rate, Indexed, Range Accrual, Amortizing and Mortgage Linked Amortizing Debt Securities) may involve greater risk. They may have principal or interest payments determined, either directly or inversely, by reference to one or more indices (including interest rate, exchange rate, currency, or swap indices or formulas). An investment in such Term Debt Securities entails risks not associated with an investment in a conventional fixed rate debt security. These risks include the possibility that:

- the applicable index or indices may change significantly or cease to exist;
- changes in the applicable index or indices may not correlate with changes in interest rates or currencies generally, nor with changes in other indices;



- changes in the applicable index or indices will be magnified or diminished if the Term Debt Securities' principal or interest formula contains a leverage factor or a deleverage factor;
- the applicable index or indices may be subject to maximum (“**Cap**”) or minimum (“**Floor**”) interest rate or exchange rate limitations;
- the timing of changes in an applicable index or indices, or in the applicable Spread or Multiplier, may affect your actual yield, even if the average level is consistent with your expectations (in general, the earlier the change in the applicable index or indices, the greater the effect on yield);
- two or more indices or formulas that you may expect to move in tandem or in some other relationship to each other may unexpectedly converge, diverge or otherwise not move as expected;
- currency devaluations may occur or monetary authorities may impose or modify currency exchange controls;
- the resulting interest rate may be less than the interest rate payable on a conventional fixed rate debt security we issued at the same time and, in some cases, may be as low as zero;
- you may receive repayments of principal at times other than you expect;
- you may not receive interest payments or may receive substantially reduced interest payments for extended periods of time;
- you may lose all or a substantial portion of the principal of your Term Debt Security (whether payable at maturity, upon redemption or repayment or otherwise); and
- the value of Term Debt Securities with complex formulas or other terms may be volatile.

These risks may depend on a number of interrelated factors that we cannot control, including financial, economic, regulatory and political developments. In the past, certain interest rates, currencies, currency units, exchange rates, swap and other indices have been highly volatile. This volatility may continue in the future. Past fluctuations or relative stability in any particular interest rate, currency, currency unit, exchange rate, swap rate or index do not necessarily indicate the fluctuations that may occur, or the level of stability that may exist, in the future.

You should have knowledge of, and access to, appropriate analytical tools to evaluate quantitatively the effect of the particular features of the Term Debt Securities you are considering purchasing and the resulting effects upon their yields and values.

### **Exchange Rate Risks and Exchange Controls May Affect the Amount of Interest and Principal Paid on Your Term Debt Securities**

Each issue of Term Debt Securities will be denominated in one or more Specified Currencies in which we will pay principal and any interest. We may determine the amount of principal or interest payments on an issue of Term Debt Securities by reference to one or more Specified Currencies (including exchange rates and swap indices between currencies or currency units) that may be different from the denominated Specified Currency. You may conduct your financial activities in a currency other than the Term Debt Securities' denominated Specified Currencies or other than the Specified Currencies that determine the amount of the Term Debt Securities' principal or interest payments. In those cases, an investment in the Term Debt Securities involves more risks than if the Term Debt Securities were denominated in or indexed solely in relation to your currency. These risks include the possibility that:

- the rate of exchange between the applicable Specified Currency and your currency may change significantly (including changes as a result of devaluation of the Specified Currency or revaluation of your currency);

- changes in exchange rates may decrease the effective yield on the Term Debt Securities and, in certain circumstances, cause you to lose all or a substantial portion of the principal of the Term Debt Securities;
- if the value of your currency appreciates relative to the value of the applicable Specified Currency, the yield on the Term Debt Securities, the value of payments on the Term Debt Securities and the market value of the Term Debt Securities all would decrease in terms of your currency, while depreciation in the value of your currency relative to the value of the applicable Specified Currency would have the opposite effect; and
- authorities with jurisdiction over the applicable Specified Currency or your currency may impose or modify currency exchange controls that could affect exchange rates.

In the past, certain exchange rates and indices have been highly volatile. This volatility may continue in the future. Past fluctuations or relative stability in any particular exchange rate or index, however, do not necessarily indicate the fluctuations that may occur, or the level of stability that may exist, in the future.

Government and monetary authorities have imposed, and may impose in the future, exchange controls that could affect exchange rates as well as the availability of the applicable Specified Currency when payments of principal or interest are due on an issue of Term Debt Securities. Even in the absence of actual exchange controls, it is possible that when payments on a particular issue of Term Debt Securities are due:

- the government issuing the applicable Specified Currency (or any successor to that Specified Currency) may no longer use the Specified Currency (or any successor currency);
- the international banking community may no longer use the applicable Specified Currency (or any successor currency) to settle transactions; and
- the applicable Specified Currency (or any successor currency) may no longer be available for some other reason.

In these cases, we generally will be entitled to satisfy our obligations on the Term Debt Securities in U.S. dollars. See “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability.”

## **Various Factors Could Adversely Affect the Trading Value and Yield of Your Debt Securities**

### ***Secondary Markets and Market Values***

The Debt Securities generally will not have an established trading market when issued. While certain Dealers have advised us that they may make a secondary market in the Debt Securities that they offer, they are not required to do so and could discontinue their secondary market activities at any time without notice. Consequently:

- a secondary market for any of the Debt Securities may not develop, particularly for those Debt Securities that are especially sensitive to interest rate or market risks or are structured to meet the investment requirements of limited categories of investors; or
- if a secondary market develops, it may not be maintained or provide liquidity at all times.

As a result, you may not be able to sell your Debt Securities easily or at prices comparable to similar instruments with a developed secondary market. If you are seeking to purchase or sell very small or very large amounts of Debt Securities, you may not be able to do so at prices comparable to those available to other investors.

- The market values of Debt Securities likely will fluctuate over time, perhaps significantly. These fluctuations could cause significant losses to your investment in Debt Securities, especially if you dispose of your Debt Securities prior to their respective maturities. The market prices of instruments issued at either a substantial discount (such as Zero Coupon Debt Securities) or a substantial premium (such as Debt Securities with significantly above-market interest rates) from their principal amount tend to fluctuate more in relation to general changes in interest rates than do the prices of securities with comparable maturities that are not issued at such a discount or premium.

A number of factors may affect any secondary market for, and the market value of, an issue of Debt Securities, including:

- the creditworthiness of Freddie Mac and market perceptions thereof that may result from actual or potential financial, regulatory or legislative developments;
- the value, complexity, availability and volatility of any applicable index or indices or referenced asset and whether any applicable Spread is subject to change;
- the method of calculating principal or interest payments on the Debt Securities;
- the remaining term to maturity of the Debt Securities;
- any redemption or repayment features of the Debt Securities and whether the term to maturity is subject to extension;
- the outstanding amount of the Debt Securities, as well as reduction in our issuance activity as the required reduction in our mortgage-related investments portfolio has reduced our funding needs;
- the amount of other securities linked to any applicable index or indices or referenced asset;
- the amount of Debt Securities being sold in any secondary market from time to time;
- the stability of U.S. and non-U.S. currencies;
- any legal restrictions or tax treatment that limits demand for the Debt Securities;
- the availability of, and demand for, comparable securities, including comparable Treasury securities;
- fluctuations in the spread of the Debt Securities to comparable Treasury securities; and
- the level, direction and volatility of market interest rates generally.

You should not purchase any Debt Securities unless you understand and can bear the risks that you may not be able to resell them easily, that their value will fluctuate over time and that these fluctuations may be significant and cause significant losses to you. Illiquidity may have a severely adverse effect on the market values of the Debt Securities. These risks of limited liquidity and price volatility are greatest for Debt Securities that are:

- especially sensitive to interest rate, currency or market risks;
- designed for specific investment objectives or strategies;
- structured to meet the investment requirements of limited categories of investors; or
- not held until maturity.

### ***Redeemable Term Debt Securities***

We will have the option to redeem Term Debt Securities prior to their maturity, if we so provide in the related Pricing Supplement. The redemption price typically is 100% of the principal amount plus accrued interest, in the case of Term Debt Securities that bear interest, or the accreted value to the

redemption date, in the case of Zero Coupon Debt Securities issued at a discount. These optional redemption provisions are likely to restrict the market values that the affected Term Debt Securities would otherwise have. For example, the market price of Term Debt Securities generally will not rise substantially above the redemption price during (and possibly before) any period when we may redeem such Term Debt Securities because of the increased likelihood of redemption. If we redeem a portion of an issue of Term Debt Securities, the market for the Term Debt Securities left outstanding may become less liquid, which may have an adverse effect on the market price of, or your ability to sell, such Term Debt Securities. We announce our intent to redeem certain Term Debt Securities on the Freddie Mac website at [http://www.freddiemac.com/debt/html/redemption\\_release.html](http://www.freddiemac.com/debt/html/redemption_release.html).

We redeem Term Debt Securities when we determine that it is in our own interest to do so. In general, we are most likely to redeem Term Debt Securities when prevailing interest rates and our borrowing costs are relatively low and are least likely to redeem Term Debt Securities when prevailing interest rates and our borrowing costs are relatively high. Our decision to redeem or not to redeem an issue of Term Debt Securities may also be affected by any related hedge or derivative position that we hold or by other factors. If we redeem Term Debt Securities when prevailing interest rates are relatively low, you may not be able to reinvest the redemption proceeds in comparable securities with similar yields.

Some Term Debt Securities may be redeemable at a variable amount determined by reference to one or more interest rate, exchange rate or other indices. The redemption proceeds of those Term Debt Securities will vary depending on the level of the applicable index, and you may receive less than 100% of your original principal amount upon redemption.

#### ***Fixed Rate Debt Securities***

Fixed Rate Debt Securities, if held to maturity, will provide return of their principal and the certainty of interest payments at a fixed rate. However, the market values of Fixed Rate Debt Securities are likely to fluctuate with changes in prevailing interest rates.

The market values of Fixed Rate Debt Securities generally will rise in a falling interest rate environment and will fall in a rising interest rate environment. This fluctuation creates risk of loss of investment capital if you dispose of these Debt Securities prior to maturity. This effect on market values is generally greater for Debt Securities having relatively long remaining terms to maturity than for Debt Securities having relatively short remaining terms to maturity.

#### ***Zero Coupon Debt Securities***

An investment in Zero Coupon Debt Securities presents certain risks that are different from an investment in Fixed Rate Debt Securities that pay interest periodically. If you hold the Zero Coupon Debt Securities to maturity, they will provide return of your principal, including, if issued at a discount, return of the discount, but their market value is likely to fluctuate substantially with changes in prevailing interest rates. The market value of the Zero Coupon Debt Securities generally will fall in a rising interest rate environment, creating a risk of loss of your investment capital if your circumstances do not permit you to hold the Zero Coupon Debt Securities to maturity. The market value of the Zero Coupon Debt Securities generally will rise in a falling interest rate environment. The possibility of substantial price volatility, combined with the fact that payments on the Zero Coupon Debt Securities will be made only at maturity, also could affect the secondary market for, and the liquidity of, the Zero Coupon Debt Securities, which may have an adverse effect on the market value of, or your ability to sell, such Zero Coupon Debt Securities. Zero Coupon Debt Securities that are redeemable involve certain additional risks. See “Risk Factors – Various Factors Could Adversely Affect the Trading Value and Yield of Your Debt Securities – Redeemable Term Debt Securities.”

The market values of Zero Coupon Debt Securities and other Debt Securities issued at substantial discounts tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer their remaining term, the greater the price volatility as compared to conventional interest-bearing securities with comparable

maturities. For example, this effect on market value is generally greater for Term Debt Securities than for Discount Notes because of the generally short terms to maturity of Discount Notes.

### ***Step Debt Securities***

Step Debt Securities provide for one or more prescribed increases (or decreases) in their interest rates at specified dates. However, we may have the option to redeem Step Debt Securities at the beginning of or during one or more step periods. Therefore, you should consider the likelihood that we will redeem Step Debt Securities if their subsequent interest rates exceed the interest rates then available to us for comparable borrowings.

Although the interest rate on a Step Debt Security may increase on the specified dates, the increased interest rate may be below the interest rate that you would receive on newly issued but otherwise comparable instruments with the same remaining term to maturity.

### ***Variable Rate Debt Securities***

If the interest rate on a Variable Rate Debt Security bears a direct relationship to a specified index or indices, lower than anticipated levels of the index or indices could result in actual yields that are lower than anticipated. Conversely, if the interest rate on a Variable Rate Debt Security bears an inverse relationship to a specified index or indices, higher than anticipated levels of the index or indices could result in actual yields that are lower than anticipated.

Inverse Variable Rate Debt Securities have an interest rate equal to a fixed rate minus a rate based upon an applicable index. The market values of inverse Variable Rate Debt Securities typically are more volatile than market values of our conventional Variable Rate Debt Securities based on the same applicable index (and with otherwise comparable terms). This is because an increase in the applicable index not only decreases the interest rate of the inverse Variable Rate Debt Security, but also often reflects an increase in prevailing interest rates, which further adversely affects the market value of these Debt Securities.

The indices applicable to Variable Rate Debt Securities are not likely to remain constant at any level. The timing of a change in the level of an applicable index may affect the actual yield you receive, even if the average level is consistent with your expectation. In general, the earlier a change in the level of an applicable index, the greater the effect on your yield, especially for Variable Rate Debt Securities that provide for repayment of principal at one or more times prior to maturity. As a result, the effect on the yield you receive of an index that is lower (or higher) than the rate anticipated during earlier periods is not likely to be offset by a later equivalent increase (or reduction). Moreover, changes in the index applicable to a particular Variable Rate Debt Security may not correlate with changes in interest rates generally or with changes in other indices. Your yield could be either adversely or positively affected if changes in the index applicable to your Variable Rate Debt Security do not reflect changes in interest rates generally.

The interest rate formula for a Variable Rate Debt Security may include a multiplier that is applied to an index in determining the applicable interest rate. In general, a multiplier of greater than one will cause changes in the interest rate of the Variable Rate Debt Security to be more pronounced than changes in the value of the applicable index, while a multiplier of less than one will have the opposite effect. Variable Rate Debt Securities with multipliers of greater than one are “**leveraged**,” and those with multipliers of less than one are “**deleveraged**.”

In general, the volatility associated with the level of an applicable index is higher for leveraged Variable Rate Debt Securities and lower for deleveraged Variable Rate Debt Securities. For example, the interest rate of a leveraged Variable Rate Debt Security bearing an inverse relationship to a specified index generally will decline sharply as the value of the applicable index increases. By contrast, the interest rate of a deleveraged Variable Rate Debt Security bearing an inverse relationship to a specified index generally will decline more slowly as the value of the applicable index increases.

Some Variable Rate Debt Securities, including Extendible Variable Rate Debt Securities, may provide for different Spreads being applied to the applicable index in order to determine the interest rates for different periods. Even though the Spread being applied to the relevant index may increase on the specified dates, the adjusted interest rate may be below the interest rate that you would receive on newly issued but otherwise comparable instruments with the same remaining term to maturity. Moreover, the adjusted interest rate for any such period may be lower than the interest rate for the preceding period due to the volatility of the related index.

Investors in Variable Rate Debt Securities should also consider the effects on their interest rates and yields of any applicable Caps or Floors and of any delays in periodic interest rate adjustments. Some Variable Rate Debt Securities are Range Accrual Debt Securities, which provide for no interest to accrue during periods when the applicable index is outside a specified range. The market values of Variable Rate Debt Securities with Caps or Floors or with such a range feature generally are more volatile than those of Variable Rate Debt Securities linked to the same applicable index or indices without Caps or Floors or a range feature, especially when the applicable index or indices approach or pass the Cap or Floor or an endpoint of the applicable range.

#### ***Fixed/Variable Rate Debt Securities***

Some Fixed/Variable Rate Debt Securities may bear interest at a rate that converts, or that we may elect to convert, from a fixed rate to a variable rate, or from a variable rate to a fixed rate. The convertibility of the interest rate will affect the secondary market and the market values of such Debt Securities. If the interest rate is convertible at our election, we may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If we convert from a fixed rate to a variable rate, the spread above or below the applicable index or indices may be less favorable than the prevailing spreads on our comparable conventional Variable Rate Debt Securities tied to the same index or indices. In addition, the new variable rate at any time may be lower than the rates on our other Variable Rate Debt Securities. If we convert from a variable rate to a fixed rate, the fixed rate may be lower than then prevailing rates on our other comparable Fixed Rate Debt Securities.

#### ***Debt Securities with Variable or Amortizing Principal Repayment***

Term Debt Securities with Variable or Amortizing Principal Repayment Amounts provide for payments of principal or their redemption price to be determined based on one or more indices. Before purchasing such a Term Debt Security you should understand the indices used in calculating payments. These indices may fluctuate independently of other indices. Fluctuations in indices may cause you to receive principal at a different time or in a lesser amount than you anticipate.

#### ***Debt Securities with Mortgage Linked Amortizing Principal Repayment***

Term Debt Securities with Mortgage Linked Amortizing Principal Repayment Amounts provide for payments of principal or their redemption price to be determined based on the rate of payments on referenced mortgage or mortgage-related assets. Before purchasing such a Term Debt Security you should understand the factors that affect the payment rates on the applicable referenced assets. Borrowers under such referenced assets may have the option to prepay their mortgage obligations in amounts greater than the scheduled payments or to prepay the entire balance of such referenced assets, resulting in a curtailment of the term of the Term Debt Securities. The rate of payments on any given referenced asset may fluctuate significantly from month to month; as a result the Term Debt Securities may receive no principal repayment in any or all periods during their term (except at maturity) or may receive repayments that vary significantly in different periods. Payment rates on referenced assets are generally affected by a variety of factors such as the interest rate environment, property values, and the age, geographic distribution and other characteristics of the borrowers under the referenced assets. Such fluctuations in the payment rates of referenced assets may cause your Term Debt Securities to receive principal at different times and in lesser or greater amounts, or to be fully repaid earlier, than you anticipate.

### ***Debt Securities Eligible for Stripping***

Some issues of Fixed Rate Debt Securities and Step Debt Securities will be eligible to be separated (“**stripped**”) into Interest Components and Principal Components. The related Pricing Supplement will indicate which issues of Debt Securities are eligible to be stripped. The secondary market, if any, for the Interest Components and Principal Components of stripped Debt Securities may be more limited and have less liquidity than the secondary market for Debt Securities of the same issue that have not been stripped. The liquidity of an issue of Debt Securities also may be reduced if a significant portion of the Debt Securities are stripped. See “Description of the Debt Securities — Term Debt Securities — Stripped Debt Securities” for more information on stripping.

### ***Convertible Debt Securities***

Some issues of Debt Securities will be convertible to a new security, which may or may not be a debt security of Freddie Mac, the terms of which will be described in the related Pricing Supplement. The risks of owning the new security may vary significantly from the risks of owning the convertible Debt Security originally purchased. The related Pricing Supplement will set forth the material risks of investing in the convertible Debt Security and the new security.

### ***Debt Securities Linked to the Secured Overnight Financing Rate***

The FRBNY publishes the Secured Overnight Financing Rate on the FRBNY’s Website, calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance Repo transaction data and data on bilateral Treasury repo transactions cleared through the FICC’s delivery-versus-payment service. The FRBNY notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The FRBNY states on its publication page for the Secured Overnight Financing Rate that use of the Secured Overnight Financing Rate is subject to important limitations and disclaimers, including that the FRBNY may alter the methods of calculation, publication schedule, rate revision practices or availability of the Secured Overnight Financing Rate at any time without notice.

The Secured Overnight Financing Rate is published by the FRBNY based on data received from other sources outside of the control or direction of Freddie Mac and Freddie Mac has no control over its determination, calculation or publication. There can be no guarantee that the Secured Overnight Financing Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Debt Securities. If the manner in which the Secured Overnight Financing Rate is calculated is changed or if the Secured Overnight Financing Rate is discontinued, that change or discontinuance may result in a reduction of the amount of interest payable on the Debt Securities and the trading prices of the Debt Securities. If the Secured Overnight Financing Rate is not published on any Reset Date that is a U.S. Government Securities Business Day and an alternative rate pursuant to the definition of SOFR has not become effective, the Debt Securities will bear interest at a rate based on the Secured Overnight Financing Rate published on the first preceding U.S. Government Securities Business Day for which such rate was published. This previously published rate would be an overnight rate that would remain in effect until the next Reset Date on which the Secured Overnight Financing Rate is published. As such, this rate may not reflect then-current market conditions, or the rate that would apply to investments where interest is set for a longer term. These circumstances, as well as general uncertainty regarding the particular interest rate (or the methodology for calculating the interest rate) that will be determined to apply to the Debt Securities, which may be an interest rate that is materially different from the Secured Overnight Financing Rate, may adversely affect the price of the Debt Securities following the discontinuation of the Secured Overnight Financing Rate.

The FRBNY began to publish the Secured Overnight Financing Rate in April 2018. The FRBNY has also begun publishing historical indicative Secured Overnight Financing Rates going back to 2014. Investors should not rely on any historical changes or trends in the Secured Overnight Financing Rate as an indicator of future changes in the Secured Overnight Financing Rate. As an overnight lending rate, the Secured Overnight Financing Rate may be subject to increased volatility

relative to other interest rate benchmarks. Market terms for debt securities linked to the Secured Overnight Financing Rate, such as the spread over the rate reflected in interest rate provisions, may evolve over time, and trading prices of the Debt Securities may be lower than those of later-issued Secured Overnight Financing Rate-linked debt securities as a result.

In certain circumstances, as described in Appendix A under “Effect of Benchmark Transition Event – SOFR”, the Secured Overnight Financing Rate would be replaced as the Benchmark for the Debt Securities following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date. Benchmark Transition Events include the making of public statements or publication of information by the administrator of the Benchmark or its regulatory supervisor that the Benchmark will no longer be provided or is no longer representative of underlying market or economic realities. There can be no assurance that these events will be sufficient to trigger a change in the Benchmark in all circumstances where the then-current Benchmark is no longer representative of market interest rates, or that Benchmark Transition Events for the Debt Securities will align with similar events in the market generally or in other parts of the financial markets, such as the derivatives market.

If Freddie Mac as the Calculation Agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of the Secured Overnight Financing Rate base rate, then the rate of interest on the Debt Securities will no longer be determined by reference to the Secured Overnight Financing Rate base rate, but instead will be determined by reference to a Benchmark Replacement. In the first instance, the rate of interest on the Debt Securities will be determined based on the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment. If a particular Benchmark Replacement or Benchmark Replacement Adjustment cannot, in the sole discretion of the Calculation Agent, be determined (including because such Benchmark Replacement or Benchmark Replacement Adjustment is deemed not to be administratively feasible), then the next-available Benchmark Replacement or Benchmark Replacement Adjustment will apply. These replacement rates and adjustments may be selected, recommended or formulated by (i) the Relevant Governmental Body (such as the Alternative Reference Rates Committee convened by the Federal Reserve Board), (ii) International Swaps and Derivatives Association, Inc. or (iii) in certain circumstances, the Calculation Agent, giving consideration to industry accepted replacement rates of interest at the time. In addition, the terms of the Debt Securities expressly authorize the Calculation Agent to make Benchmark Replacement Conforming Changes with respect to, among other things, the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters. The determination of a Benchmark Replacement, the calculation of the rate of interest on the Debt Securities by reference to a Benchmark Replacement (including the application of a Benchmark Replacement Adjustment), any implementation of Benchmark Replacement Conforming Changes and any other determinations, decisions or elections that may be made under the terms of the Debt Securities in connection with a Benchmark Transition Event could adversely affect the value of the Debt Securities, the return on the Debt Securities and the price at which the Debt Securities can be sold. Moreover, the adoption or replacement of a Benchmark Replacement could be treated as a taxable event for U.S. federal income tax purposes.

The Calculation Agent will have significant discretion in the Benchmark replacement process, including determining if a Benchmark Transition Event and its related Benchmark Replacement Date has occurred, determining whether a Benchmark Replacement can be determined and selecting a Benchmark Replacement, determining the Benchmark Replacement Adjustment and making Benchmark Replacement Conforming Changes. Holders of Debt Securities will not have any right to approve or disapprove of these changes and will be deemed to have agreed to waive and release any and all claims relating to any such determinations. If the Calculation Agent, in its sole discretion, determines that an alternative is not administratively feasible, including as a result of technical, administrative or operational issues, then such alternative will be deemed to be unable to be determined as of such date. The Calculation Agent may determine an alternative to not be



administratively feasible even if such rate has been adopted by other market participants in similar products and any such determination may adversely affect the return of the Debt Securities, the trading market for the Debt Securities and the value of the Debt Securities.

These circumstances, as well as general uncertainty regarding the particular interest rate (or the methodology for calculating the interest rate) that will be determined to apply to the Debt Securities, which may be an interest rate that is materially different from the Secured Overnight Financing Rate, may adversely affect the price of the Debt Securities following the discontinuation of the Secured Overnight Financing Rate.

### **Legal Investment Considerations May Restrict Certain Investors**

You should consult your own legal advisors in determining whether the Debt Securities are legal investments for you and whether you can pledge the Debt Securities as collateral for various types of borrowings. In addition, if you are a financial institution, you should consult your legal advisors or regulators to determine how to treat Debt Securities under any applicable risk-based capital or similar rules.

Certain legal investment laws and regulations or regulatory authorities may restrict an institution's investment in certain types of Debt Securities or in Debt Securities generally. An institution under the jurisdiction of regulatory agencies should review any applicable regulations, policy statements and guidelines before purchasing or pledging Debt Securities.

### **Credit Ratings May Not Reflect All Risks**

Rating agencies may assign credit ratings to the Debt Securities. Any credit ratings assigned to Debt Securities may not reflect the potential impact of all risks related to structure, yield, market, liquidity and other factors affecting their value. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency.

## **DESCRIPTION OF THE DEBT SECURITIES**

### **General**

The Debt Securities will be issued pursuant to:

- Section 306(a) of the Freddie Mac Act;
- in the case of Reference Notes and other Term Debt Securities, the Global Debt Facility Agreement and the related Pricing Supplement; and
- in the case of Reference Bills and other Discount Notes, the Discount Note Agreement.

Copies of the Global Debt Facility Agreement and the Discount Note Agreement and any applicable Pricing Supplement are available as described under "Additional Information" above. By receiving and accepting a Debt Security, or an interest in a Debt Security, you agree to be bound by the terms and conditions of the applicable Agreement. See "The Agreements – Binding Effect of the Agreements."

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

We may issue an unlimited amount of Debt Securities from time to time, subject to the limits that we are subject to under the Purchase Agreement and FHFA regulation on the aggregate amount of indebtedness that we may incur. The Debt Securities may be issued as Reference Securities, which

are U.S. dollar denominated, scheduled issues in large principal amounts. Our Reference Securities are:

- Reference Bills — U.S. dollar denominated, non-callable, non-puttable, non-interest-bearing Debt Securities with maturities of one year or less
- Reference Notes — U.S. dollar denominated, non-callable, non-puttable Debt Securities with maturities of more than one year
- Reference Bonds — U.S. dollar denominated, non-callable, non-puttable Debt Securities with maturities of more than ten years

Issuances may consist of new issues of Reference Securities or reopenings of an existing issue.

We may issue other Debt Securities, denominated in U.S. dollars or other currencies, with maturities of one day or longer. These Debt Securities will have various terms, as described in this Offering Circular and any applicable Pricing Supplement, and may be:

- Discount Notes — U.S. dollar denominated, non-callable, non-puttable, non-interest-bearing Debt Securities with maturities of one year or less
- Notes — callable or non-callable, puttable or non-puttable Term Debt Securities with maturities of more than one day
- Bonds — callable or non-callable, puttable or non-puttable Term Debt Securities with maturities of more than ten years

We will issue the Debt Securities in book-entry, global registered or definitive registered form. The FRBNY will act as fiscal agent for Fed Book-Entry Debt Securities under the Fiscal Agency Agreement between Freddie Mac and the FRBNY. Citibank — London will act as Global Agent for Registered Debt Securities under the Global Agency Agreement between Freddie Mac and Citibank, N.A., acting through Citibank — London. Citigroup Global Markets Europe AG will act as the Registrar for Registered Debt Securities.

#### ***Specified Currencies and Specified Payment Currencies***

We will denominate and make payment for each Debt Security in one or more currencies or currency units (each, a “**Specified Currency**”) as specified in the applicable Pricing Supplement. Fed Book-Entry Debt Securities will be denominated and payable in U.S. dollars only.

Except under the limited circumstances referred to in “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability,” we will make payments of any interest on Debt Securities in the Specified Currency designated for interest payments (the “**Specified Interest Currency**”) and will make payments of principal of Debt Securities in the Specified Currency designated for principal payments (the “**Specified Principal Currency**”). The Specified Interest Currency and Specified Principal Currency together constitute the “**Specified Payment Currency**.” See “Description of the Debt Securities — Fed Book-Entry Debt Securities — Payments” and “Description of the Debt Securities — Registered Debt Securities — Payments.” However, any amounts we pay to a Holder in the United States on DTC Registered Debt Securities in a Specified Payment Currency other than U.S. dollars will be converted into U.S. dollars as described under “Currency Conversions — Payment on DTC Registered Debt Securities,” unless the Holder elects to receive payments in the Specified Payment Currency.

Government or monetary authorities, applicable laws or stock exchange regulations may prescribe denominations or minimum or maximum maturities for some Debt Securities. We describe some of these requirements in this Offering Circular. We will describe any additional requirements for an issue of Debt Securities in the applicable Pricing Supplement.

### ***Unavailability***

Except as set forth below, if a Specified Currency other than U.S. dollars is not available to us for making required payments due to the imposition of exchange controls, its replacement or disuse or other circumstances beyond our control, then we will be entitled to satisfy our obligations to Holders of the Debt Securities by making payments in U.S. dollars on the basis of the noon U.S. dollar buying rate in New York City for cable transfers for the Specified Currency published by the FRBNY on the date of such payment. However, if the U.S. dollar buying rate for the Specified Currency is not available on that date, we will be entitled to determine the currency exchange rate using an alternative determination method in a manner that is consistent with industry-accepted practices.

Any payment made in U.S. dollars as described above where the required payment is in an unavailable or replaced Specified Currency will not constitute an Event of Default under the applicable Agreement.

### ***Denominations***

Unless otherwise specified in the applicable Pricing Supplement or otherwise required by law, we will issue and maintain U.S. dollar denominated Debt Securities in minimum denominations of U.S. \$1,000 and additional increments of U.S. \$1,000. In the case of Zero Coupon Debt Securities, denominations will be expressed in terms of the principal amount payable on the Maturity Date. The denominations for all non-U.S. dollar denominated Debt Securities will be set forth in the applicable Pricing Supplement.

Any Debt Securities in respect of which either (a) the issue proceeds are received by us in the United Kingdom; or (b) the activity of issuing the debt securities is carried on from an establishment maintained in the United Kingdom and which, in each case, have a maturity of less than one year from the date of issue must (x)(i) have a minimum redemption value of £100,000 (or an amount of equivalent value denominated wholly or partly in another currency) and no part of any such Debt Security may be transferred unless the redemption value of that part is not less than £100,000 (or such equivalent amount), and (ii) be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or persons who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (y) be issued in other circumstances which do not constitute a contravention of section 19 (the general prohibition) of the FSMA.

### ***Status of Debt Securities***

The Debt Securities will be unsecured general obligations of Freddie Mac. The Agreements do not limit other indebtedness or securities that we may incur or issue and do not contain any financial or similar restrictions on us or any restrictions on our ability to secure indebtedness. We may issue an unlimited amount of Debt Securities under the Agreements, subject to the limits that we are subject to under the Purchase Agreement and FHFA regulation on the aggregate amount of indebtedness that we may incur.

## **Term Debt Securities**

### ***Maturity, Redemption and Optional Repayment***

#### ***General***

Each Term Debt Security will mature on a date (the “**Maturity Date**”) one day or longer from the date on which we issue the Debt Security (the “**Issue Date**”), as specified in the applicable Pricing Supplement, unless redeemed earlier at our option or repaid or extended at your option. We may issue Term Debt Securities with any minimum or maximum maturities allowed or required from time to time by the relevant regulatory or stock exchange authority or clearing system or any laws or regulations applicable to the Specified Currency.

As provided in the applicable Pricing Supplement, the principal amount payable on the Maturity Date or upon redemption or repayment of a Term Debt Security will be either:

- a fixed amount (the “**Fixed Principal Repayment Amount**”) equal to 100% of the principal amount (*i.e.*, par), or a specified amount above or below that principal amount; or
- an amount (the “**Variable Principal Repayment Amount**”) determined by reference to one or more interest rate, exchange rate or swap rate indices or otherwise.

In addition, we may issue “**Amortizing Debt Securities**” or “**Mortgage Linked Amortizing Debt Securities**” where we make periodic payments of principal during their terms as described in the related Pricing Supplement. Amortizing Debt Securities and Mortgage Linked Amortizing Debt Securities may bear interest at fixed or variable rates.

The Pricing Supplement will specify whether an issue of Term Debt Securities may be redeemable at our option or repayable at your option, in whole or in part, prior to its Maturity Date. If we so provide in the Pricing Supplement, an issue of Term Debt Securities may be redeemable or repayable before maturity:

- in whole or from time to time in part as applicable;
- on one or more specified dates;
- at any time on or after a specified date; or
- during one or more specified periods of time.

The redemption or repayment price will be determined as described in the applicable Pricing Supplement.

Certain redeemable Term Debt Securities offered for sale in the United Kingdom may be subject to certain restrictions under the FSMA. See “Description of Debt Securities – General – Denominations.”

Unless a different notice period is specified in the applicable Pricing Supplement, we will provide notice of optional redemption no less than five Business Days before the redemption date in the manner described under “The Agreements – Notice.” The date that we provide such notice constitutes the first Business Day for purposes of this minimum notice period. We also announce our intent to redeem certain Debt Securities on the Freddie Mac website at [http://www.freddiemac.com/debt/html/redemption\\_release.html](http://www.freddiemac.com/debt/html/redemption_release.html). Notice provisions relating to Holders’ exercise of any option to require repayment will be provided in the related Pricing Supplement.

If we redeem a portion of an issue of Fed Book-Entry Debt Securities, we will redeem a pro rata portion of them. If we redeem a portion of an issue of Registered Debt Securities, the Global Agent will reduce one or more of the Registered Debt Securities in the amount of the redemption, ensuring that the principal amount of each Registered Debt Security remains in an authorized denomination. The effect of any partial redemption of an issue of Registered Debt Securities on the entities or individuals that beneficially own Debt Securities (each, a “**Beneficial Owner**”) will depend on the procedures of the applicable clearing system and, if applicable, on the procedures of the participants through which the Beneficial Owners hold their interests.

### ***Extendible Variable Rate Debt Securities***

Extendible Variable Rate Debt Securities, also referred to as “**X-Notes**”, are a type of Variable Rate Debt Security under which the Beneficial Owner of the X-Note may elect to extend the initial maturity date specified in the applicable Pricing Supplement (the “**Initial Maturity Date**”), or any later date to which the maturity of such X-Note has previously been extended in accordance with the terms of the applicable Pricing Supplement, effective as of the applicable election date specified in the Pricing Supplement. However, the maturity of an X-Note may not be extended beyond the final

maturity date specified in the applicable Pricing Supplement (the **“Final Maturity Date”**). The Pricing Supplement will specify the Initial Maturity Date, the Final Maturity Date and such election dates (the **“Election Dates”**). Unless otherwise stated in the applicable Pricing Supplement, X-Notes will be DTC Registered Debt Securities.

Beneficial Owners may elect to extend the maturity of an X-Note only in the principal amount, or any integral multiple in excess of that amount, that is specified in the applicable Pricing Supplement. In order to elect an extension of maturity, a Beneficial Owner of an X-Note must deliver a notice of election during the Notice Period for the related Election Date. Unless otherwise provided in the applicable Pricing Supplement, the **“Notice Period”** for each Election Date will begin on the fifth Business Day prior to the Election Date and end as of the Notice Deadline. **“Notice Deadline”** for each Notice Period means 1:00 p.m. (New York City time), or such other deadline as DTC may establish in the future, on the related Election Date, or if such Election Date is not a Business Day, on the immediately following Business Day. If the X-Notes are redeemable, an election for extension of maturity may not be made for any X-Note (or portion thereof) we have called for redemption. An election to extend the maturity of any X-Note will cause the Maturity Date of such X-Note to be extended to a date specified in the applicable Pricing Supplement.

If, with respect to any Election Date, a Beneficial Owner does not make a timely and proper election to extend the maturity of all or any portion of the principal amount of its X-Note, the principal amount of such X-Note for which no such election has been made will be due and payable on the Initial Maturity Date, or any later date to which the maturity of such X-Note has previously been extended. The principal amount of the X-Note for which such election is not exercised will be represented by a substitute X-Note issued by us as of the Election Date. If such Election Date is not a Business Day, the substitute X-Note will be delivered on the immediately following Business Day. The substitute X-Note so issued will have the same terms as the original X-Notes, except that it will not be extendible; consequently, it will have a different CUSIP number and a non-extendible Maturity Date, which will be the Initial Maturity Date or any later date to which the maturity of the original X-Notes has previously been extended. The failure to elect to extend the maturity of all or any portion of the X-Notes will be irrevocable and will be binding upon any subsequent holder of that X-Note.

To ensure that DTC will receive timely notice of an election to extend the maturity of all or a portion of any X-Note, the Beneficial Owner of the X-Note must instruct (or cause its financial intermediary, if applicable, to instruct) the DTC direct participating institution (a **“DTC Participant”**) through which it holds an interest in the X-Note to notify DTC by the Notice Deadline for the relevant Notice Period of its election to extend the maturity of such X-Note in accordance with the then applicable operating procedures of DTC. DTC must receive any notice of election from the DTC Participants no later than the Notice Deadline. Different DTC Participants may have different cut-off times for accepting instructions from their customers. Beneficial Owners should consult the DTC Participant through which they hold an interest in the X-Notes to ascertain the cut-off time in order to ensure that timely notice will be delivered to DTC. DTC may conclusively deem non-receipt of a notice of election by the Notice Deadline as a Beneficial Owner’s irrevocable election not to extend the maturity of such Beneficial Owner’s X-Notes.

If DTC receives a notice of election by the Notice Deadline, DTC will notify the issuing and paying agent, as specified in the applicable Pricing Supplement, to extend the maturity of the related X-Notes. Beneficial Owners may revoke any election during any relevant Notice Period by instructing the DTC Participant through which they hold an interest in the X-Notes to deliver a notice to DTC that the notice of election is revoked. In order to be effective, any notice of revocation of extension must be received by DTC by the Notice Deadline. If DTC does not receive any notice of election with respect to an X-Note (or portion thereof), or any previously delivered notice of election with respect to an X-Note (or portion thereof) is revoked by the Notice Deadline, DTC will request the issuing and paying agent to convert such X-Notes to non-extendible substitute X-Notes as described above.

### ***Interest Payments***

Term Debt Securities may bear interest at one or more fixed rates or variable rates or may not bear interest. The applicable Pricing Supplement will specify whether a Term Debt Security is a Fixed Rate Debt Security, a Step Debt Security, a Variable Rate Debt Security, an Extendible Variable Rate Debt Security, a Fixed/Variable Rate Debt Security, a Zero Coupon Debt Security or a Range Accrual Debt Security. Each of these types of Term Debt Securities is defined below:

- **“Fixed Rate Debt Securities”** are Term Debt Securities that bear interest at a single fixed rate.
- **“Step Debt Securities”** are Term Debt Securities that bear interest at different fixed rates during different specified periods.
- **“Variable Rate Debt Securities”** are Term Debt Securities that bear interest at a variable rate determined by reference to one or more interest rate, exchange rate, currency or swap rate indices, or otherwise.
- **“Extendible Variable Rate Debt Securities”** are Variable Rate Debt Securities, the maturity of which may be extended at a Beneficial Owner’s option effective as of specified Election Dates, subject to a final maturity date, and that bear interest at variable rates subject to different Spreads for different specified periods.
- **“Fixed/Variable Rate Debt Securities”** are Term Debt Securities that bear interest at a single fixed rate during one or more periods and at a variable rate during other periods.
- **“Zero Coupon Debt Securities”** are Term Debt Securities that do not bear interest and may be issued at a discount to their principal amount payable at maturity.
- **“Range Accrual Debt Securities”** are Variable Rate Debt Securities that provide that no interest will accrue during periods when the applicable index is outside a specified range.

If provided in the applicable Pricing Supplement, the Holder may separate Term Debt Securities into an Interest Component that includes the right to receive all interest payments, or specified portions of interest payments, and a Principal Component that includes the right to receive principal payments only or principal payments and specified portions of interest payments. See “Description of the Debt Securities — Term Debt Securities — Stripped Debt Securities” below.

The applicable Pricing Supplement will specify the frequency with which interest, if any, is payable on the related Term Debt Securities. Interest on Term Debt Securities will be payable in arrears on each date specified in the applicable Pricing Supplement (each, an **“Interest Payment Date”**). Zero Coupon Debt Securities will not bear interest.

Each issue of interest-bearing Term Debt Securities will bear interest (1) from and including the immediately preceding Interest Payment Date or, if no interest has been paid or made available for payment on the issue of Term Debt Securities, from and including the Issue Date or any other date specified in the applicable Pricing Supplement; and (2) to, but excluding, the next succeeding Interest Payment Date or the applicable Principal Payment Date (each such period, an **“Interest Payment Period”**). The Maturity Date or, if applicable, earlier date of redemption or repayment is the **“Principal Payment Date”** for the principal of Term Debt Securities redeemable or repayable on that date. No interest will accrue on the principal of any Term Debt Security on or after the Principal Payment Date.

The Calculation Agent’s determination of the interest rate on, or any index in relation to, a Variable Rate Debt Security, and the determination of any payment on any Term Debt Security (or any interim calculation or methodology in the determination of any such interest rate, index or payment) will be final and binding on all parties, absent manifest error. See “Description of the Debt Securities — Corrections” below.

Interest on any Term Debt Security accrues on the then outstanding principal amount. Payments on Debt Securities will be rounded to the nearest cent (with one half cent being rounded upwards).

In the event that any jurisdiction imposes any withholding or other tax on any payment made by us (or our agent or any other person potentially required to withhold) with respect to a Debt Security, we (or our agent or such other person) will deduct the amount required to be withheld from such payment and we will not pay additional interest or other amounts, or redeem or repay the Debt Securities prior to maturity, as a result of the imposition of such tax.

#### *Fixed Rate Debt Securities*

The applicable Pricing Supplement will specify the single fixed interest rate per annum on a Fixed Rate Debt Security. Unless we otherwise specify in the applicable Pricing Supplement, we compute interest on a Fixed Rate Debt Security on the basis of a 360-day year consisting of twelve 30-day months.

#### *Step Debt Securities*

Each Step Debt Security will bear interest from its Issue Date to a specified date at an initial fixed interest rate and then at one or more different fixed interest rates. A Step Debt Security can have one or more step periods. Step Debt Securities may contain provisions giving us the option to redeem them before, at the beginning of, or during a step period. The applicable Pricing Supplement will specify the fixed interest rate payable for each step period from issuance to maturity. Unless we otherwise specify in the applicable Pricing Supplement, we compute interest on a Step Debt Security on the basis of a 360-day year consisting of twelve 30-day months.

#### *Variable Rate Debt Securities*

Variable Rate Debt Securities will bear interest at a variable rate determined on the basis of either a direct or an inverse relationship to one or more specified interest rate, exchange rate, currency or swap rate indices, or otherwise. Variable Rate Debt Securities also may bear interest in any other manner described in the applicable Pricing Supplement.

Variable Rate Debt Securities may bear interest determined by reference to one or more indices (1) plus or minus a Spread, if any; or (2) multiplied by one or more Multipliers, if any. We will specify the applicable index and any Spread or Multiplier in the Pricing Supplement for an issue of Variable Rate Debt Securities. A **“Spread”** means a constant or variable percentage or number to be added to or subtracted from the relevant index or formula. A **“Multiplier”** means a constant or variable percentage or number (which may be greater or less than one) to be multiplied by the relevant index or formula.

Variable Rate Debt Securities also may have either or both of the following:

- a Cap on the rate at which interest may accrue during any Interest Reset Period; and
- a Floor on the rate at which interest may accrue during any Interest Reset Period.

We will specify in the applicable Pricing Supplement the accrual method (*i.e.*, the day count convention) for calculating interest or any other relevant accrual factor on the related Variable Rate Debt Securities. Unless the applicable Pricing Supplement provides otherwise, the accrual method may incorporate one or more of the following defined terms:

- **“Actual/360”** means a calculation on the basis of the actual number of days elapsed in a year of 360 days.
- **“Actual/365 (fixed)”** means a calculation on the basis of the actual number of days elapsed in a year of 365 days, regardless of whether accrual or payment occurs during a calendar leap year.
- **“Actual/Actual”** means, unless otherwise indicated in the applicable Pricing Supplement, a calculation on the basis of (1) the actual number of days elapsed in the Interest Payment Period divided by 365; or (2) if any portion of the Interest Payment Period falls in a

calendar leap year, (A) the actual number of days in that portion divided by 366 plus (B) the actual number of days in the remaining portion, if any, divided by 365. If so indicated in the applicable Pricing Supplement, “Actual/Actual” means a calculation in accordance with the definition of “Actual/Actual” adopted by the International Securities Market Association (“ISMA”) (“**Actual/Actual (ISMA)**”), which means that we will calculate payments of interest on the following basis:

- (1) where the number of days in the relevant Interest Payment Period is equal to or shorter than the Determination Period during which such Interest Payment Period ends, the number of days in such Interest Payment Period divided by the product of (A) the number of days in such Determination Period, and (B) the number of Interest Payment Dates that would occur in one calendar year; or
- (2) where the Interest Payment Period is longer than the Determination Period during which the Interest Payment Period ends, the sum of:
  - (A) the number of days in such Interest Payment Period falling in the Determination Period in which the Interest Payment Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year; and
  - (B) the number of days in such Interest Payment Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Interest Payment Dates that would occur in one calendar year;

where “**Determination Period**” means the period from and including one Calculation Date to, but excluding, the next Calculation Date and “**Calculation Date**” means, in each year, each of those days in the calendar year that are specified in the applicable Pricing Supplement as being the scheduled Interest Payment Dates regardless, for this purpose, of whether any such date is in fact an Interest Payment Date and, for the avoidance of doubt, a “Calculation Date” may occur prior to the Issue Date or after the last Principal Payment Date.

We will also specify in the Pricing Supplement (i) how frequently the rate of interest will reset; and (ii) the dates on which a new rate of interest becomes effective (each, a “**Reset Date**”).

If the interest rate will reset within an Interest Payment Period, then:

- the interest rate in effect on the sixth Business Day preceding an Interest Payment Date will be the interest rate for the remainder of that Interest Payment Period; and
- the first day of each Interest Payment Period also will be a Reset Date.

Variable Rate Debt Securities may bear interest prior to the initial Reset Date at an initial interest rate specified in the related Pricing Supplement. If so, then the first day of the initial Interest Payment Period will not be a Reset Date.

Each period beginning on the applicable Reset Date and ending on the calendar day preceding the next Reset Date is an “**Interest Reset Period.**” The rate of interest applicable to each Interest Reset Period will be determined as described in Appendix A or as otherwise described in the applicable Pricing Supplement.

If the rate of interest on a Variable Rate Debt Security will reset within an Interest Payment Period, we will calculate accrued interest by multiplying the principal amount of the Variable Rate Debt Security by an accrued interest factor. Unless we otherwise specify in the applicable Pricing Supplement, we will calculate this accrued interest factor by adding the interest factor for each Interest Reset Period in such Interest Payment Period and rounding the sum to nine decimal places. The interest factor for each such Interest Reset Period will be computed by (1) multiplying the number of days in the Interest Reset Period by the interest rate (expressed as a decimal) applicable to that



Interest Reset Period; and (2) dividing the product by the number of days in the year referred to in the accrual method specified in the applicable Pricing Supplement.

If the source of an index changes in format, but the Calculation Agent determines that the index source continues to disclose the information necessary to determine the related interest rate substantially as required, the Calculation Agent will amend the procedure for obtaining information from that source to reflect the changed format.

The Calculation Agent's determination of an index value or interest rate will be final and binding on all parties, absent manifest error. The "**Calculation Agent**" will be Freddie Mac unless we specify otherwise in the applicable Pricing Supplement. See "Description of the Debt Securities – Corrections" below.

Information concerning the current interest rate on an issue of Variable Rate Debt Securities will be available from us by contacting our Debt Securities Operations Office as shown under "Additional Information" and, if we are not the Calculation Agent, from the Calculation Agent. In addition, if required by any exchange where an issue of Variable Rate Debt Securities is listed, the Calculation Agent will provide the exchange with (1) the interest rate for the applicable Interest Reset Period; (2) the amount of interest on the minimum denomination for the issue that would accrue through the last day of the Interest Reset Period; and (3) the last day of such Interest Reset Period, as required and in no event later than two Business Days after their determination. These interest amounts may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Reset Period.

Appendix A describes various commonly used indices. We will describe any other index that we use in the applicable Pricing Supplement.

#### *Extendible Variable Rate Debt Securities*

Extendible Variable Rate Debt Securities are Variable Rate Debt Securities, the maturity of which may be extended at a Beneficial Owner's option, effective as of specified Election Dates, subject to a Final Maturity Date, and that will bear interest at rates determined by applying different Spreads to the applicable index for specified periods as described in the related Pricing Supplement. The applicable Pricing Supplement will specify the applicable Spread being applied to the underlying index for each specified period from issuance to the Final Maturity Date.

#### *Fixed/Variable Rate Debt Securities*

Fixed/Variable Rate Debt Securities will bear interest at a fixed rate for one or more periods and at a variable rate for one or more other periods. Fixed/Variable Rate Debt Securities also may bear interest at a rate that we may elect to convert from a fixed rate to a variable rate or from a variable rate to a fixed rate, as further described in the applicable Pricing Supplement. See "Description of the Debt Securities – Term Debt Securities – Interest Payments."

If we convert the interest rate on a Fixed/Variable Rate Debt Security from a fixed rate to a variable rate, or from a variable rate to a fixed rate, accrued interest for each Interest Payment Period generally will be calculated using an accrued interest factor in the manner described in the applicable Pricing Supplement.

#### *Zero Coupon Debt Securities*

Zero Coupon Debt Securities will not bear interest and may be issued at a discount (i.e., a price that is less than the principal amount payable on the Maturity Date). As a result, Zero Coupon Debt Securities issued at a discount are issued with original issue discount for U.S. federal income tax purposes. See "Certain United States Federal Tax Consequences – U.S. Owners – Debt Obligations with Original Issue Discount." Some Zero Coupon Debt Securities may be redeemable. If an issue is subject to redemption, the Pricing Supplement will show, in percentage terms, the amount of principal that will be paid upon redemption for each potential redemption date.

### *Amortizing Debt Securities*

Amortizing Debt Securities are those on which we make periodic payments of principal during their terms as described in the related Pricing Supplement. Amortizing Debt Securities may bear interest at fixed or variable rates.

### *Mortgage Linked Amortizing Debt Securities*

Mortgage Linked Amortizing Debt Securities are Amortizing Debt Securities on which we make periodic payments of principal during their terms based on the rate of payments on referenced mortgage or mortgage-related assets, as described in the related Pricing Supplement. Mortgage Linked Amortizing Debt Securities may bear interest at fixed or variable rates.

### *Debt Securities with Variable Principal Repayment Amounts*

Debt Securities with Variable Principal Repayment Amounts, or **“Indexed Debt Securities,”** are those on which the amount of principal payable is determined with reference to an index specified in the related Pricing Supplement. Indexed Debt Securities may bear interest at fixed or variable rates.

### *Range Accrual Debt Securities*

Range Accrual Debt Securities are Variable Rate Debt Securities on which no interest may accrue during periods when the applicable index is outside a specified range as described in the related Pricing Supplement.

### **Stripped Debt Securities**

We may designate certain issues of Fed Book-Entry Debt Securities that are Term Debt Securities (the **“Eligible Securities”**) as eligible to be stripped into their separate Interest Components and Principal Components (each, a **“Component”**) on the book-entry records of the Federal Reserve Banks. The Components of an Eligible Security are:

- (1) each future interest payment, or portion of an interest payment (each, an **“Interest Component”**), due on or prior to the Maturity Date or, if the Eligible Security is subject to redemption or repayment prior to the Maturity Date, the first date on which the Eligible Security is subject to redemption or repayment (in either case, the **“Cut-off Date”**); and
- (2) the principal payment plus any interest payments that either are due after the Cut-off Date, or are specified as ineligible for stripping in the applicable Pricing Supplement (the **“Principal Component”**).

The initial or final interest payment on a Fed Book-Entry Debt Security will not be an Interest Component if the applicable Interest Payment Period is shorter or longer than other Interest Payment Periods, based on a 360-day year consisting of twelve 30-day months. In such case, the initial or final interest payment will remain with the Principal Component. Each Component of an issue of Eligible Securities will receive a different CUSIP number and ISIN number.

We may designate an issue of Term Debt Securities as Eligible Securities either at the time of original issuance or at any later time prior to the Cut-off Date. We are under no obligation, however, to designate any issue of Term Debt Securities as Eligible Securities.

For an Eligible Security to be stripped into Components, its principal amount must produce an interest payment of \$1,000 or a multiple of \$1,000 on each Interest Payment Date, based on the stated interest rate of the Eligible Security. The minimum principal amount required to strip an Eligible Security at its original issuance will be specified in the related Pricing Supplement.

You may request that an Eligible Security be stripped into its Components at any time beginning on the date it becomes eligible for stripping until the Cut-off Date. You must make your request to the FRBNY and comply with any requirements and procedures, including payment of any fees, of the Fed Book-Entry System.

If any modification, amendment or supplement of the terms of an issue of Eligible Securities requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent. See “The Agreements – Amendment.”

Currently, the FRBNY will restore (“**reconstitute**”) the Principal Components and unmatured Interest Components of a stripped Eligible Security at the request of a Holder holding a Principal Component and all applicable unmatured Interest Components. The Holder must pay a reconstitution fee (currently, the fee applicable to on-line book-entry securities transfers over the Fed Book-Entry System). Generally, the Principal Component of an issue of Eligible Securities may be combined with either Interest Components of the same issue or Interest Components from other issues of Eligible Securities that have the same CUSIP number. (Interest Components of two or more issues due on the same date sometimes have the same CUSIP number). Holders wishing to reconstitute Components into an Eligible Security must also comply with all applicable FRBNY requirements and procedures relating to the stripping and reconstitution of securities.

The preceding discussion is based on our understanding of the way the FRBNY currently strips and reconstitutes securities on the Fed Book-Entry System. The FRBNY may cease stripping or reconstituting Eligible Securities or may change the way this is done or the applicable requirements, procedures or charges at any time without notice.

### ***Reopened Issues***

In our discretion and at any time, we may, without the consent of Holders of an existing issue of Term Debt Securities, “**reopen**” such issue by offering additional Term Debt Securities with terms identical (other than Issue Date, interest commencement date and issue price) to those of existing Term Debt Securities for which settlement has previously occurred or been scheduled. The additional and existing Term Debt Securities will be consolidated and will form a single series of Term Debt Securities as specified in the applicable Pricing Supplement.

### ***Convertible Debt Securities***

If so specified in the applicable Pricing Supplement, an issue of Debt Securities may be convertible to a new security, which may or may not be a debt security of Freddie Mac, the terms of which will be described in such Pricing Supplement.

### **Discount Notes**

Discount Notes will:

- be unsecured general obligations of Freddie Mac;
- be offered on a continuous basis;
- have maturities of one year or less from their Issue Date;
- not bear interest;
- be paid only on their Maturity Dates at their principal amounts; and
- be issued, maintained and transferred in minimum principal amounts and additional increments of \$1,000 (in each case expressed in terms of the principal amount payable on the Maturity Date).

We will offer each Discount Note at a fixed price. The initial offering price of a Discount Note will be calculated using the following formula:

$$[1 - (\text{Discount Rate}/100) \times (\text{Number of Days From Issue Date to Maturity Date} / 360)] \times 100$$

Discount Rate is the rate, expressed as a decimal, offered to the investors at the time of issuance and may be a positive or negative number.

We generally will not offer a Discount Note having a Maturity Date that is not a Business Day. If the Maturity Date of a Discount Note should fall on a day that is not a Business Day, we will pay interest on or the principal of the Discount Note on the next Business Day with the same force and effect as if made on the stated Maturity Date. No interest on such payment on a Discount Note will accrue for the period from the stated Maturity Date to the actual date of the payment.

We may designate some Discount Notes as Reference Bills, which are regularly scheduled issues auctioned in large principal amounts to or through Dealers.

### **Corrections**

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

All index values used to determine principal or 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 you or a subsequent investor.

For example, if the index value initially used for determining the rate of interest on an issue of Term Debt Securities is superseded by a corrected value from the original source, the Calculation Agent will use that corrected value to determine the rate of interest payable on such Term Debt Securities on the applicable Interest Payment Date. To illustrate, assume that Prime Rate is the applicable interest rate index for determining the rate of interest payable on a Debt Security. If the Calculation Agent obtains Prime Rate for a Reset Date from H.15, only a corrected rate for that Reset Date obtained from H.15 may supersede that rate. The Calculation Agent will use the corrected rate to determine the rate of interest payable on the Debt Security as of the applicable Interest Payment Date.

We will notify any exchange on which Debt Securities are listed if the Calculation Agent corrects an applicable rate for the Term Debt Securities.

### **Business Day Convention**

Unless otherwise specified in the applicable Pricing Supplement, if the specified payment date is not a Business Day, we will pay interest on or the principal of the Debt Securities on the next Business Day with the same force and effect as if made on the applicable Interest Payment Date or Principal Payment Date. Unless otherwise specified in the applicable Pricing Supplement, no interest on such payment on Term Debt Securities will accrue for the period from the specified payment date to the actual date of the payment.

As used in this Offering Circular, **"Business Day"** means, unless otherwise specified in the applicable Pricing Supplement:

(1) for Fed Book-Entry Debt Securities, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which the FRBNY is closed, (d) as to any Holder of a Fed Book-Entry Debt Security, a day on which the Federal Reserve Bank that maintains the Holder's account is closed or (e) a day on which our offices are closed; and

(2) for Registered Debt Securities, any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions are closed in (1) if the Specified Payment Currency is U.S. dollars, the City of New York or (2) if the Specified Payment Currency is other than U.S. dollars or euros, the Principal Financial Center of the country of such Specified Payment Currency, (d) if the Specified Payment Currency is euros, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is not open for settlements, or a day on which payments in euros cannot be settled in the international interbank market as determined by the Global Agent, (e) for any required payment, a day on which banking institutions are closed in the place of payment or (f) a day on which our offices are closed.

## Clearance and Settlement

### *General*

Debt Securities may be held through organizations participating in one or more international and domestic clearing systems, principally the systems operated by the Federal Reserve Banks and DTC in the United States, and the Euroclear System (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”), outside of the United States.

### *Fed Book-Entry System*

The Federal Reserve Banks operate the Fed Book-Entry System that provides book-entry holding and settlement for U.S. dollar denominated securities issued by the U.S. Government, certain of its agencies, instrumentalities and government-sponsored enterprises and international organizations of which the United States is a member. The system enables an entity eligible to maintain book-entry accounts with a Federal Reserve Bank (a “**Holding Institution**”) to hold, make payments and transfer securities and funds through the Federal Reserve Banks’ Fedwire System.

### *DTC*

DTC has advised us as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that the DTC Participants deposit with DTC. DTC also facilitates the post-trade settlement among DTC Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between DTC Participants’ accounts. This eliminates the need for physical movement of securities certificates. DTC Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to other financial intermediaries, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly. The DTC rules applicable to DTC Participants are on file with the SEC.

### *Euroclear*

Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions for its participants through simultaneous electronic book-entry delivery against payment. Euroclear is operated by Euroclear Bank, SA/NV and all Euroclear securities clearance and cash accounts are with Euroclear Bank, SA/NV They are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law. Euroclear Bank, SA/NV acts only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

### *Clearstream, Luxembourg*

Clearstream, Luxembourg 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. A participant’s overall contractual relations with Clearstream, Luxembourg are governed by the General Terms and Conditions, operating rules and procedures and applicable Luxembourg law. Clearstream, Luxembourg acts only on behalf of its participants and has no record of or relationship with persons holding through its participants.

### *Other*

Any other clearing system which we make available for a particular issue of Debt Securities will be described in the applicable Pricing Supplement.

Electronic notes and payment transfer, processing, depository and custodial arrangements among these systems and others, either directly or indirectly through custodians and depositories, may enable certain Debt Securities to be issued, held and transferred among the systems as described below. Special procedures among these systems allow clearance and settlement of certain Debt Securities traded across borders in the secondary market. Cross-market transfers of Debt Securities denominated in certain Specified Currencies may be cleared and settled using these procedures. However, there can be no assurance that cross-market transfers of any Debt Securities will be possible.

Each relevant system has its own separate operating procedures and arrangements with participants or accountholders that govern the relationship between them and such system and to which we are not and will not be a party. The clearing systems may impose fees for the maintenance and operation of the accounts in which beneficial interests in Debt Securities are maintained.

We expect that:

(1) most Debt Securities denominated and payable in U.S. dollars and distributed within the United States will clear and settle through the Fed Book-Entry System;

(2) most Debt Securities denominated and payable in U.S. dollars and distributed simultaneously within and outside of the United States, including all Reference Securities, will clear and settle, within the United States, through the Fed Book-Entry System and, outside of the United States, through the systems operated by Euroclear, Clearstream, Luxembourg or any other designated clearing system;

(3) Debt Securities denominated or payable in a Specified Currency other than U.S. dollars (and Debt Securities denominated and payable in U.S. dollars that are not cleared and settled in accordance with clause (1) and (2) above) and distributed solely within the United States will clear and settle through the system operated by DTC;

(4) Debt Securities denominated or payable in a Specified Currency other than U.S. dollars (and Debt Securities denominated and payable in U.S. dollars that are not cleared and settled in accordance with clauses (1) and (2) above) and distributed simultaneously within and outside of the United States will clear and settle through the systems operated by DTC, Euroclear, Clearstream, Luxembourg or any other designated clearing system; and

(5) Debt Securities distributed solely outside of the United States will clear and settle through the systems operated by Euroclear, Clearstream, Luxembourg or any other designated clearing systems and, in some cases, DTC.

### ***Clearance and Settlement Procedures – Primary Distribution***

On initial issue, Debt Securities will be credited through one or more of the systems described above or any other system specified in the applicable Pricing Supplement. Payment from the applicable Dealer for Fed Book-Entry Debt Securities will be on a delivery versus payment basis and for Registered Debt Securities will be on a delivery versus payment or free delivery basis, as agreed to by us. Clearance and settlement procedures may vary according to the Specified Currency in which such Debt Securities are denominated or payable. The customary clearance and settlement procedures of certain systems are described below. The clearance and settlement procedures of any other clearing system will be described in the applicable Pricing Supplement.

#### *Federal Reserve Banks*

Fed Book-Entry Debt Securities will be issued and settled through the Fed Book-Entry System in same-day funds and will be held by designated Holding Institutions. After initial issue, these

designated Holding Institutions will continue to hold all Fed Book-Entry Debt Securities in the Fed Book-Entry System unless arrangements are made for their transfer to another Holding Institution.

#### *DTC*

DTC Participants acting on behalf of investors holding DTC Registered Debt Securities through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement System. Interests in DTC Registered Debt Securities will be credited to DTC Participants' securities accounts following confirmation of receipt of payment to Freddie Mac on the relevant Issue Date.

#### *Euroclear and Clearstream, Luxembourg*

Investors holding interests in Other Registered Debt Securities through Euroclear or Clearstream, Luxembourg will follow the settlement procedures applicable to conventional Eurobonds in registered form. We understand that interests in such Other Registered Debt Securities will be credited to Euroclear or Clearstream, Luxembourg participants' securities accounts either on the relevant Issue Date or on the settlement day following the relevant Issue Date against payment in same-day funds (for value on the relevant Issue Date).

### **Clearance and Settlement Procedures – Secondary Market Transfers**

#### *Fed Book-Entry Debt Securities*

Transfers of Fed Book-Entry Debt Securities can take place only in book-entry form on the Fed Book-Entry System. Such transfers will occur between Holding Institutions in accordance with the rules of the Fed Book-Entry System.

#### *Registered Debt Securities*

Transfers of beneficial interests in Registered Debt Securities within the various systems that may be clearing and settling interests in those Debt Securities will be made in accordance with the usual rules and operating procedures of the relevant system applicable to the Specified Currency in which the Registered Debt Securities are denominated or payable and the nature of the transfer.

#### *General*

For issues of Debt Securities that are cleared and settled through more than one system, time zone differences may result in the securities account of an investor in one system being credited during the settlement processing day immediately following the settlement date of the other system. If the Debt Securities are to be settled on a delivery versus payment basis, this may also result in the cash account being credited for value on the settlement date but only being available as of the day following the settlement date.

Although the Fed Book-Entry System, DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system may have procedures to facilitate transfers of beneficial interests in Debt Securities among their respective Holding Institutions, participants and accountholders, they are under no obligation to perform or continue to perform such procedures, and these procedures may be modified or discontinued at any time. None of Freddie Mac, the Fiscal Agent, the Global Agent nor any other agent will have any responsibility for the performance by any system (other than the Fiscal Agent for the Fed Book-Entry System) or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

### **Fed Book-Entry Debt Securities**

We will issue and maintain Fed Book-Entry Debt Securities only on the Fed Book-Entry System. Fed Book-Entry Debt Securities will not be exchangeable for definitive Debt Securities. Under the

Fiscal Agency Agreement between Freddie Mac and the FRBNY, the FRBNY will issue Fed Book-Entry Debt Securities in book-entry form, maintain book-entry accounts for the Fed Book-Entry Debt Securities and make payments, on our behalf, of principal and interest on the Fed Book-Entry Debt Securities on the applicable payment dates by crediting Holders' accounts at the Federal Reserve Banks in accordance with the payment systems risk policy of the Federal Reserve. FHFA regulations, 12 C.F.R. Part 1249 (the "**Book-Entry Rules**"), are applicable to Fed Book-Entry Debt Securities, as are such other procedures as may be agreed upon from time to time by Freddie Mac and the FRBNY. The Book-Entry Rules relate primarily to the issuance and recordation of and transfers of interests (including security interests) in Fed Book-Entry Debt Securities. The Book-Entry Rules may be amended, supplemented or otherwise altered without the consent of any Holder of Fed Book-Entry Debt Securities.

The accounts of Holders of Fed Book-Entry Debt Securities on the Fed Book-Entry System are governed by applicable operating circulars and letters of the Federal Reserve Banks.

### ***Title***

Fed Book-Entry Debt Securities may be held of record only by the Holding Institutions. The entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities to whose accounts Fed Book-Entry Debt Securities have been deposited are referred to in this Offering Circular as Holders of such Fed Book-Entry Debt Securities.

A Holder is not necessarily the Beneficial Owner of a Fed Book-Entry Debt Security. Beneficial Owners of Fed Book-Entry Debt Securities ordinarily hold Fed Book-Entry Debt Securities through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. For example, an investor may hold a Fed Book-Entry Debt Security through a brokerage firm which, in turn, holds the Fed Book-Entry Debt Security through a Holding Institution. In that case, the investor would be the Beneficial Owner of the Debt Security and the entity that appears as the holder on the records of a Federal Reserve Bank would be the Holder.

A Holder that is not the Beneficial Owner of a Fed Book-Entry Debt Security, and each other financial intermediary in the chain between the Holder and the Beneficial Owner, will be responsible for establishing and maintaining accounts for their respective customers. Beneficial Owners of a Fed Book-Entry Debt Security may exercise their rights against Freddie Mac and the Federal Reserve Banks only through the Holder of the Fed Book-Entry Debt Security. Freddie Mac and the Federal Reserve Banks will have no obligation to a Beneficial Owner of a Fed Book-Entry Debt Security (unless the Beneficial Owner is also the Holder). The Federal Reserve Banks will act only upon the instructions of the Holder in recording transfers of a Fed Book-Entry Debt Security and will effect transfers of interests in Fed Book-Entry Debt Securities only to Holding Institutions. We and the Federal Reserve Banks may treat the Holders as the absolute owners of Fed Book-Entry Debt Securities for the purpose of making payments on Fed Book-Entry Debt Securities and for all other purposes, whether or not the Fed Book-Entry Debt Securities are overdue and notwithstanding any notice to the contrary.

### ***Payments***

We will make payments of any principal and interest on Fed Book-Entry Debt Securities on the applicable payment dates to Holders as of the end of the Business Day preceding such payment dates. See also "Description of the Debt Securities — Business Day Convention." Payments on Fed Book-Entry Debt Securities will be made by credit of the payment amount to the Holders' accounts at the relevant Federal Reserve Bank in accordance with the payment systems risk policy of the Federal Reserve. All payments to or upon the order of a Holder will be valid and effective to discharge the liability of Freddie Mac and the Fiscal Agent. The Holders and each other financial intermediary holding the Fed Book-Entry Debt Securities directly or indirectly on behalf of the Beneficial Owners are responsible for remitting payments for the accounts of their customers. All payments on Fed Book-Entry Debt Securities are subject to any applicable law or regulation.



### ***Fiscal Agent***

The FRBNY will be the Fiscal Agent for Fed Book-Entry Debt Securities. Freddie Mac and the FRBNY may amend, modify or supplement in any respect, or may terminate, substitute or replace, the Fiscal Agency Agreement without the consent of any Holder of Fed Book-Entry Debt Securities.

In acting under the Fiscal Agency Agreement, the FRBNY will act solely as fiscal agent of Freddie Mac and does not assume any obligation or relationship of agency or trust for or with any Holder of a Fed Book-Entry Debt Security.

### **Registered Debt Securities**

We will issue Registered Debt Securities that are either DTC Registered Debt Securities or Other Registered Debt Securities. **“DTC Registered Debt Securities”** are those registered in the name of a nominee of DTC, which will clear and settle through the system operated by DTC. **“Other Registered Debt Securities”** are those registered in the name of the common depositary (or a nominee of the common depositary) for one of the following:

- Euroclear Bank, S.A./N.V. as operator of Euroclear;
- Clearstream, Luxembourg; or
- another clearing system other than DTC, as specified in the applicable Pricing Supplement.

Citibank – London or another designated institution will act as the custodian for DTC Registered Debt Securities and as the **“Common Depositary”** for Other Registered Debt Securities which clear and settle through Euroclear and Clearstream, Luxembourg. Registered Debt Securities will be exchangeable for definitive Debt Securities only under the limited circumstances described under “Description of the Debt Securities – Registered Debt Securities – Exchange for Definitive Debt Securities.” The Global Agency Agreement may be amended, supplemented or otherwise altered without the consent of any Holder of Registered Debt Securities if such amendment would not, in the reasonable opinions of Freddie Mac and the Global Agent, adversely affect your interests.

### ***Ownership and Title***

The “Holder” of a Registered Debt Security will be the person in whose name the Registered Debt Security is registered in the register (the **“Register”**) maintained by Citigroup Global Markets Europe AG as registrar (the **“Registrar”**). We will register DTC Registered Debt Securities in the name of Cede & Co. and Other Registered Debt Securities in the name of Citivic Nominees Limited, or other nominee of DTC or the Common Depositary, as the case may be. Accordingly, Cede & Co., Citivic Nominees Limited and any other such nominee will be the Holders of the related Registered Debt Securities. Beneficial interests in a Registered Debt Security will be represented, and transfers of a Registered Debt Security will be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners of such Registered Debt Security, as a direct or indirect participant in the applicable clearing system for such Registered Debt Security. Investors may elect to hold interests in a Registered Debt Security directly through the applicable book-entry system for such Registered Debt Security if they are participants in such system, or indirectly through organizations that are participants in such system.

Purchases of interests in DTC Registered Debt Securities must be made by or through DTC Participants, which will receive a credit for such interests on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the records of the DTC Participant and any financial intermediary in the chain to the Beneficial Owner. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of DTC

Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Registered Debt Securities.

We, the Registrar and the Global Agent may treat the Holders as the absolute owners of Registered Debt Securities for the purpose of making payments and for all other purposes, whether or not the Registered Debt Securities are overdue and notwithstanding any notice to the contrary. Owners of beneficial interests in a Registered Debt Security are not the owners or Holders of that Registered Debt Security and, except under limited circumstances described under “Description of the Debt Securities — Registered Debt Securities — Exchange for Definitive Debt Securities,” will not be entitled to have Debt Securities registered in their names and will not receive or be entitled to receive definitive Debt Securities. Accordingly, any Beneficial Owner must rely on the procedures of the applicable clearing system and, if the Beneficial Owner is not a participant in the applicable clearing system, on the procedures of the participant through which such Beneficial Owner holds its interest, to exercise any rights of a Holder of such Registered Debt Securities.

We understand that, under existing industry practices, if Freddie Mac requests any action of Holders or if the Beneficial Owners desire to give or take any action that a Holder is entitled to give or take, DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system, or their respective nominees, as the case may be, as the Holder of the related Registered Debt Security, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Registered Debt Securities through participants) to give or take such action, and such participants would authorize the Beneficial Owners holding through such participants (or such persons holding beneficial interests in the Registered Debt Securities through participants) to give or take such action and would otherwise act upon the instructions given to such participants (or such persons) by such Beneficial Owners, in each case in accordance with the relevant rules and procedures of the applicable system.

DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system can act only on behalf of their respective participants, who in turn act on behalf of indirect participants. Therefore, the ability of a Beneficial Owner to pledge its interest in the Registered Debt Securities to persons or entities that do not participate in the applicable system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for the related Debt Security. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Registered Debt Security.

### ***Payments***

We will make payments on the Registered Debt Securities in immediately available funds to DTC, Euroclear, Clearstream, Luxembourg or any other applicable clearing system (or their nominees) as the Holders of those Debt Securities. We will make payments in the Specified Payment Currency (except as described under “Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies,” or as otherwise described below). For certain currency conversion facilities for DTC Registered Debt Securities, see “Currency Conversions — Payment on DTC Registered Debt Securities.” All payments to or upon the order of the Holder of a Registered Debt Security will be valid and effective to discharge our liability in respect of such Registered Debt Security. Normal conventions observed by the system will determine ownership positions within each system. We, the Global Agent and the Registrar will 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 Registered Debt Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

DTC has advised us that, when DTC receives any payment of principal or interest on a DTC Registered Debt Security, it will credit its participants’ accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of that DTC Registered Debt Security. Payments by such participants to owners of beneficial interests in a DTC Registered

Debt Security held through those participants are the responsibility of those participants, as is the case with securities held for the accounts of customers registered in “street name.” Euroclear and Clearstream, Luxembourg also have advised that payments on Other Registered Debt Securities held through them will be credited to Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system’s rules and procedures.

We will pay interest on a Registered Debt Security on the applicable Interest Payment Date. We will make interest payments to the Holder of a Registered Debt Security as of the close of business on the Record Date. “**Record Date**” means with respect to any Interest Payment Date, (i) the close of business on the Business Day immediately preceding such Interest Payment Date, in the case of a Registered Debt Security issued in global form or (ii) the close of business on the fifteenth calendar day preceding such Interest Payment Date, in the case of a definitive Debt Security. (Owners of beneficial interests in a Registered Debt Security should be aware that the applicable clearing system may apply a different record date for the payment of interest on the Interest Payment Date.) We will make the first payment of interest on any Registered Debt Security originally issued between a Record Date and the related Interest Payment Date on the Interest Payment Date following the next Record Date to the Holder on such next Record Date. We will owe the principal of each Registered Debt Security, together with accrued and unpaid interest on it, on the Principal Payment Date for such Registered Debt Security (subject to the right of its Holder on the related Record Date to receive interest due on an Interest Payment Date that is on or prior to such Principal Payment Date) and will pay the Holder when the Holder presents and surrenders the Registered Debt Security. See “Description of the Debt Securities — Business Day Convention.”

All payments on Registered Debt Securities 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, we may make payments on the related Registered Debt Securities at the office of any paying agent in the United States.

### ***Global Agent***

We have appointed Citibank — London as the Global Agent for the Registered Debt Securities. Citibank — London has its corporate trust office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and may have other business relationships with us through Citibank, N.A.’s principal office in New York.

In acting under the Global Agency Agreement, the Global Agent acts solely as our fiscal agent and does not assume any obligation or relationship of agency or trust for or with any Holder of a Registered Debt Security, except that any moneys held by the Global Agent for payment on a Registered Debt Security shall be held in trust for the Holder as provided in the Global Agency Agreement.

We have appointed the Global Agent as transfer agent and paying agent and have appointed Citigroup Global Markets Europe AG as Registrar for the Registered Debt Securities. We at any time may vary or terminate the appointment of the Global Agent as transfer agent or paying agent or terminate Citigroup Global Markets Europe AG as Registrar. We also may appoint additional or other transfer agents or paying agents or approve any change in the office through which the Registrar or any transfer agent or paying agent acts.

### ***Exchange for Definitive Debt Securities***

If we issue definitive Debt Securities in exchange for Registered Debt Securities issued in global form under the limited circumstances described below, such definitive Debt Securities will have terms identical to the Registered Debt Securities for which they were exchanged, except as described below.

### *Issuance of Definitive Debt Securities*

Unless we specify otherwise in the applicable Pricing Supplement, a Holder can exchange beneficial interests in Registered Debt Securities issued in global form for definitive Debt Securities only under the following circumstances:

(a) the exchange is permitted by applicable law; and

(b)(1) for a DTC Registered Debt Security, DTC notifies us that it is no longer willing or able to act as depositary or ceases to be a “clearing agency” registered under the Exchange Act, and we cannot find a successor within 90 calendar days of receiving notice from DTC; or

(2) for any Other Registered Debt Security, if all of the clearing systems for such Registered Debt Security 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 we are unable to find a single successor within 90 calendar days of such closure; or

(3) for any Registered Debt Security, an Event of Default under the Global Debt Facility Agreement has occurred and continues unremedied.

In any of the above circumstances, we will execute and deliver definitive Debt Securities to the Global Agent for delivery to the Holders as soon as practicable (and in any event within 45 calendar days of Freddie Mac’s receiving notice of the occurrence of such circumstances). DTC, Euroclear, Clearstream, Luxembourg or another applicable clearing system, or their respective nominees, as the case may be, as Holders of the related Registered Debt Securities, must provide Freddie Mac or the Global Agent with a written order containing instructions and such other information as we or the Global Agent may require to complete, execute and deliver such definitive Debt Securities in authorized denominations.

### *Title*

The person in whose name a definitive Debt Security is registered in the Register will be the Holder of the definitive Debt Security. We and the Global Agent may treat the Holders as the absolute owners of definitive Debt Securities for the purpose of making payments and for all other purposes, whether or not the definitive Debt Securities are overdue and notwithstanding any notice to the contrary.

### *Payments*

We will pay interest on a definitive Debt Security on the applicable Interest Payment Date. We will pay by check mailed to the Holder as of the close of business on the Record Date preceding the Interest Payment Date at the Holder’s address appearing in the Register. We will pay the principal of each definitive Debt Security, together with accrued and unpaid interest, on the Principal Payment Date (subject to the right of the Holder on the related Record Date to receive interest due on an Interest Payment Date that is on or prior to such Principal Payment Date) against presentation and surrender of the definitive Debt Security at the offices of the Global Agent or other paying agent. Payments on the Principal Payment Date will be made by check provided at the appropriate office of the Global Agent or other paying agent or mailed by the Global Agent to the Holder of such definitive Debt Security. We will use a United States bank for the issuance of checks in U.S. dollars and a bank office located outside the United States for the issuance of checks in other Specified Payment Currencies.

The Holder of an aggregate principal amount of at least U.S. \$10,000,000 (or its equivalent in the Specified Currency) of an issue of Debt Securities of which definitive Debt Securities form a part may

elect to receive payments by wire transfer of immediately available funds to an account with a bank the Holder designates; provided, that:

- the bank is acceptable to us;
- the bank has appropriate facilities and accepts the transfer; and
- the transfer is permitted by any applicable law or regulation and will not subject us to any liability, requirement or unacceptable charge.

To receive such payments, the Holder must provide the following to the Global Agent or other paying agent at its office:

(1) for interest payments, a written request by the close of business on the related Record Date; or

(2) for payments on the Principal Payment Date, a written request by the close of business 15 days prior to the Principal Payment Date and the definitive Debt Security two Business Days prior to the Principal Payment Date.

The written request must be delivered to the Global Agent or other paying agent by mail, by hand delivery or by tested or authenticated telex. Any such request will remain in effect until the Global Agent or other paying agent receives written notice to the contrary.

All payments on definitive Debt Securities are 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 on the related definitive Debt Securities may be made at the office of any paying agent in the United States.

#### *Partial Redemption*

If we redeem a portion of an issue of definitive Debt Securities, the Global Agent will select the Debt Securities for redemption by lot or in another manner that the Global Agent deems fair and appropriate to ensure that the principal amount of each outstanding definitive Debt Security after a redemption is in an authorized denomination.

#### *Transfer and Exchange*

Holders may present definitive Debt Securities for registration of transfer or exchange at the office of the Registrar or any other transfer agent, with transfer documentation completed and payment of any taxes and other governmental charges.

A transfer or exchange of a definitive Debt Security will be effected upon satisfying the Registrar with regard to the documents and identity of the person making the request and subject to such reasonable regulations as we may from time to time agree with the Registrar. Holders may transfer or exchange definitive Debt Securities in whole or in part only in the authorized denominations of the DTC Registered Debt Securities or Other Registered Debt Securities issued in global form for which they were exchanged. See “Description of the Debt Securities – General – Denominations.” In the case of a transfer of a definitive Debt Security in part, the Registrar will issue a new definitive Debt Security for the balance not transferred. In addition, replacement of mutilated, destroyed, stolen or lost definitive Debt Securities also is subject to the conditions discussed above for transfers and exchanges generally. Each new definitive Debt Security to be issued upon transfer of such a definitive Debt Security, as well as the definitive Debt Security issued for the balance not transferred, will be mailed to the address specified in the form or instrument of transfer at the risk of the Holder entitled to it using the customary procedures of the Registrar.

## CURRENCY CONVERSIONS

### Payment for Debt Securities

Purchasers of Debt Securities must pay for them in the applicable Specified Currency. Each Dealer to whom or through whom Registered Debt Securities are sold may, under certain terms and conditions, arrange to convert the investor's currency into the Specified Currency to enable purchasers to pay for those Registered Debt Securities if purchasers so request not later than the day determined by such Dealer. We will not be involved in any manner in, and will have no responsibility for, any such conversion. Each Dealer will make the conversion subject to the terms, conditions, limitations and charges that the Dealer establishes. The purchaser of the Registered Debt Securities will bear all costs of conversion.

### Payment on DTC Registered Debt Securities

Except as described under "Description of the Debt Securities — General — Specified Currencies and Specified Payment Currencies — Unavailability," we will pay principal and any interest on all Debt Securities in the Specified Payment Currency. At the present time, there are limited facilities in the United States for the conversion of non-U.S. currencies or currency units into U.S. dollars, and commercial banks generally do not offer non-U.S. dollar checking or savings account facilities in the United States. Accordingly, in the case of DTC Registered Debt Securities whose Specified Payment Currency is other than U.S. dollars, the currency exchange bank specified in the applicable Pricing Supplement (the "**Currency Exchange Bank**") will convert any amounts paid by us in such Specified Payment Currency into U.S. dollars, unless the Holders elect to receive payments in the Specified Payment Currency as described below in this section. We will not be involved in any manner in, and will have no responsibility for, the conversion of the Specified Payment Currency for DTC Registered Debt Securities into U.S. dollars.

For any DTC Registered Debt Security whose payments are to be converted from the Specified Payment Currency into U.S. dollars, the Currency Exchange Bank will determine the U.S. dollar amount the Holder will receive in the morning of the day that would be considered the date for "spot" settlement of the Specified Payment Currency on the applicable payment date in accordance with market convention (generally, two New York business days prior to the payment date) at the market rate determined by the Currency Exchange Bank to accomplish the conversion on that payment date of the aggregate amount of the Specified Payment Currency payable on DTC Registered Debt Securities scheduled to receive payments converted into U.S. dollars. The Holders of these DTC Registered Debt Securities (and, accordingly, the related Beneficial Owners) will bear all currency exchange costs by deductions from these payments. Holders of DTC Registered Debt Securities are subject to the risk of market disruption and the risk that all or any portion of the Specified Payment Currency will not be convertible into U.S. dollars. In these cases, Holders of such DTC Registered Debt Securities will receive payments in the Specified Payment Currency.

The Holder of a DTC Registered Debt Security to be paid in a Specified Payment Currency other than U.S. dollars will have the option to receive payments of principal and interest on that DTC Registered Debt Security in the Specified Payment Currency by notifying DTC no later than the date 12 days prior to a Principal Payment Date or Interest Payment Date, as applicable.

We understand that Euroclear and Clearstream, Luxembourg, unless specifically requested not to do so by a participant prior to the 15th day preceding the applicable Interest Payment Date or Principal Payment Date, will elect to receive all payments of principal and interest on DTC Registered Debt Securities held through them in the applicable Specified Payment Currency if it is other than U.S. dollars.

## THE AGREEMENTS

The following summary describes certain provisions of the Global Debt Facility Agreement and the Discount Note Agreement not otherwise described in this Offering Circular.

### **Binding Effect of the Agreements**

You and any financial intermediary or Holder acting on your behalf agree that the receipt and acceptance of a Debt Security indicates acceptance of the terms and conditions of the applicable Agreement, as it may be supplemented or amended by its terms.

The Agreements will be binding upon and inure to the benefit of any successor to Freddie Mac.

### **Various Matters Regarding Freddie Mac**

The Agreements provide that Freddie Mac and its directors, officers, employees and agents will not be liable for any action taken or omitted in good faith under the Agreements or for errors in judgment. However, they will not be protected against any liability imposed by reason of willful misfeasance, bad faith or gross negligence or by reason of reckless disregard of obligations and duties.

We may employ agents or independent contractors to perform our responsibilities under the Agreements.

Except upon an Event of Default (as defined below), we will not be subject to the control of Holders in any manner in the discharge of our responsibilities under the Agreements. Except with regard to our payment obligations, we will have no liability to you other than for any direct damage resulting from our failure to exercise that degree of ordinary care which we exercise in the conduct and management of our own affairs. We will have no liability of any nature for consequential damages.

In addition, the Agreements provide that we need not appear in any legal action that is not incidental to our responsibilities under the Agreements and that we believe may result in any expense or liability. However, we may undertake any legal action that we believe is necessary or desirable in the interests of the Holders in our discretion. We will bear the legal costs of any such action.

### **Events of Default – Discount Note Agreement**

The Discount Note Agreement does not define events of default or specify the remedies available to you in the event of our default.

### **Events of Default – Global Debt Facility Agreement**

An “**Event of Default**” under the Global Debt Facility Agreement will consist of:

- any failure by us to pay principal or interest that continues unremedied for 30 days;
- any failure by us to perform in any material way any other obligation under the Global Debt Facility Agreement if the failure continues unremedied for 60 days after we receive notification by the Holders of at least 25% of the outstanding principal amount or notional principal amount of an issue of Term Debt Securities; or
- specified events of bankruptcy, insolvency or similar proceedings involving us.

The appointment of a conservator (or other similar official) by a regulator having jurisdiction over us, whether or not we consent to such appointment, will not constitute an Event of Default. Any payment made in U.S. dollars as described under “Description of the Debt Securities – General – Specified Currencies and Specified Payment Currencies – Unavailability” will not constitute an Event of Default.

## **Rights Upon Event of Default – Global Debt Facility Agreement**

If an Event of Default under the Global Debt Facility Agreement continues unremedied, Holders of not less than 50% of the outstanding principal amount or notional principal amount of an issue of Term Debt Securities to which such Event of Default relates may, by written notice to us, declare such Term Debt Securities due and payable.

No Holder has any right under the Global Debt Facility Agreement to institute any action or proceeding at law or in equity or in bankruptcy or otherwise, or for the appointment of a receiver or trustee, or for any other remedy, unless:

- the Holder previously has given us written notice of an Event of Default and of the continuance thereof;
- the Holders of not less than 50% of the outstanding principal amount or notional principal amount of the same issue of Term Debt Securities have given us written notice of the Event of Default; and
- the Event of Default continues uncured for 60 days following such notice.

You do not have any right under the Global Debt Facility Agreement to disturb or prejudice the rights of any other investor, to obtain or seek to obtain preference or priority over any other investor or to enforce any right under the Global Debt Facility Agreement, except as provided in the Global Debt Facility Agreement and for the ratable and common benefit of all Holders of the applicable Debt Securities.

The Holders of not less than 50% of the outstanding principal amount or notional principal amount of an issue of Term Debt Securities may waive, rescind or annul an Event of Default at any time.

Where the Global Debt Facility Agreement allows the Holders of a specified percentage of the outstanding balance of an issue of Term Debt Securities to take any action (including the making of any demand or request, or the giving of any authorization, notice, consent or waiver), the Holders of that specified percentage may evidence their joining together 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.

## **Amendment**

We may amend either Agreement and the terms of an issue of Debt Securities without your consent:

- to cure any ambiguity or to correct any provision in that Agreement if the amendment does not materially and adversely affect any Holder;
- to add to our covenants for your benefit or surrender any right or power conferred upon us;
- to evidence the succession of another entity to us and its assumption of our covenants;
- to conform the terms of an issue of Debt Securities to, or cure any ambiguity or discrepancy resulting from any changes in, the Book-Entry Rules;
- to increase the amount of an issue of Debt Securities; or
- in any other manner we may determine that will not adversely affect your interests in any material way.

With (1) the written consent of the Holders of at least 50% of the aggregate outstanding principal amount or notional principal amount of an issue of Debt Securities, or (2) the vote of the Holders of at least 50% of the aggregate outstanding principal amount or notional principal amount of an issue of Debt Securities represented at a meeting of Holders where a quorum was present, we may amend the



terms of those Debt Securities, but that amendment may not, without the written consent or affirmative vote of each affected Holder of a Debt Security:

- change the Maturity Date or Interest Payment Date of the Debt Security;
- 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, the Debt Security;
- reduce the principal amount of, delay the principal payment of, or materially modify the rate of interest or the calculation of the rate of interest on, the Debt Security;
- in the case of Registered Debt Securities only, change the Specified Payment Currency of the Registered Debt Security; or
- reduce the percentage of Holders whose consent or affirmative vote is necessary to amend the terms of the relevant issue of Debt Securities.

A quorum at any meeting of Holders called to adopt a resolution will be Holders entitled to vote a majority of the aggregate principal amount or notional principal amount of an issue of such Debt Securities at the time outstanding, and called to such meeting and, at any reconvened meeting adjourned for lack of a quorum, 25% of the aggregate principal amount or notional principal amount of such issue of Debt Securities at the time outstanding, in both cases excluding any such Debt Securities owned by us. Holders do not have to approve the particular form of any proposed amendment, as long as they approve the substance of such change. Special rules for determining the “principal amount” of certain Debt Securities are described below.

The “**principal amount**,” for purposes of this section, for a Debt Security that is a Zero Coupon Debt Security issued at a discount or for a Debt Security issued at an “issue price” of 80% or less of its principal amount will be equal to:

- (1) the issue price of the Debt Security; plus
- (2) the original issue discount that has accrued from the Issue Date of the Debt Security to the OID Determination Date (as defined below); minus
- (3) any amount considered as part of the “stated redemption price at maturity” of such Debt Security that has been paid from the Issue Date of the Debt Security to the OID Determination Date.

The “**OID Determination Date**” is the last day of the last accrual period ending prior to the date of the meeting of Holders (or, for consents not at a meeting, prior to a date that we establish). The accrual period will be the same as the accrual period used by us to determine our deduction for accrued original issue discount under the Internal Revenue Code of 1986, as amended to the date of this Offering Circular (the “**Code**”). For a description of original issue discount and definitions of “issue price” and “stated redemption price at maturity,” see “Certain United States Federal Tax Consequences — U.S. Owners — Debt Obligations with Original Issue Discount.”

If the Specified Principal Currency of a Debt Security is other than U.S. dollars, the principal amount will be the U.S. dollar equivalent, determined on the Issue Date, of the principal amount of that Debt Security. The principal amount of a Debt Security with principal determined by reference to an index, exchange rate or formula will be described in the applicable Pricing Supplement.

If any modification, amendment or supplement of the terms of an issue of Eligible Securities requires the consent of Holders, only the Holders of Principal Components will be entitled to give or withhold that consent. Holders of Interest Components will have no right to give or withhold such consent.

As provided in the Global Debt Facility Agreement, we may establish a record date for the determination of Holders entitled to vote at any meeting of Holders of Debt Securities, to grant any consent regarding Debt Securities and to notice of any such meeting or consent.

Any instrument given by a Holder on your behalf relating to a consent will be irrevocable once given and will be conclusive and binding on all subsequent Holders of that Debt Security or any substitute or replacement Debt Security, and whether or not notation of any amendment is made upon the Debt Securities. Any amendment of an Agreement or of the terms of Debt Securities will be conclusive and binding on all Holders of those Debt Securities, whether or not they have given such consent or were present at any meeting (unless by the terms of an Agreement a written consent or an affirmative vote of such Holders is required), and whether or not notation of any such amendment is made upon the Debt Securities.

### **Replacement**

We will replace Registered Debt Securities in definitive form that are mutilated, destroyed, stolen or lost at the Holder's expense when the Holder provides evidence of the destruction, theft or loss of the Registered Debt Securities to the Global Agent as well as an indemnity, satisfactory to us and the Global Agent.

### **Debt Securities Acquired by Freddie Mac**

We may, from time to time, repurchase or otherwise acquire (either for cash or in exchange for newly-issued Debt Securities) some or all of any issue of Debt Securities at any price or prices, in the open market or otherwise. We may hold, sell or cancel any Debt Securities that we repurchase. Any Debt Securities we own will have an equal and proportionate benefit under the provisions of the applicable Agreement, without preference, priority or distinction as among those Debt Securities. However, in determining whether the required percentage of Holders of an issue of Debt Securities have given any required demand, authorization, notice, consent or waiver, Debt Securities we own, directly or indirectly, will be deemed not to be outstanding.

### **Notice**

Any notice, demand or other communication which is required or permitted to be given to a Holder may be given or served in writing by deposit thereof, postage prepaid, in the mail, addressed to such Holder as such Holder's name and address may appear in the records of Freddie Mac, a Federal Reserve Bank or the Registrar, as the case may be, or, in the case of a Holder of a Fed Book-Entry Debt Security, by transmission to such Holder through the communication system linking the Federal Reserve Banks, or, in the case of a Holder of a Debt Security maintained on DTC, by transmission to such Holder through the DTC communication system. In the event that the Federal Reserve Banks' communication system and/or the DTC communication system is unavailable, Freddie Mac may give notice to a Holder by making use of an alternate comparable communication system, platform or service. 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.

Any notice which is required or permitted to be delivered to us must be given in writing addressed as follows: Freddie Mac, 8200 Jones Branch Drive, McLean, Virginia 22102, Attention: General Counsel and Secretary. The communication will be deemed to have been sufficiently given or made only upon actual receipt of the writing by us.

### **Governing Law**

The Agreements and the rights and obligations of the Holders and Freddie Mac with respect to the Debt Securities are to be interpreted under the federal laws of the United States. If there is no applicable U.S. federal law precedent, and if the application of New York law would not frustrate the purposes of the Freddie Mac Act or any provision of the applicable Agreement or the transactions governed by that Agreement, then the local laws of the State of New York will be deemed to reflect the federal laws of the United States.

A judgment that may be granted in an action commenced in a United States court based on Debt Securities payable in a Specified Payment Currency other than U.S. dollars may be denominated in

U.S. dollars. It is not clear whether, in granting such judgment, the court would use the rate of exchange of the Specified Payment Currency into U.S. dollars in effect on the date of breach, on the date judgment is rendered or on another date.

## CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES

The Debt Securities and payments on the Debt Securities generally are not exempt from taxation by the United States or other U.S. or non-U.S. taxing jurisdictions.

The following summary addresses certain U.S. federal tax consequences of an investment in certain Debt Securities (referred to as “**Debt Obligations**” in this section) and is based upon U.S. tax laws, the Treasury regulations and decisions now in effect, all of which are subject to change, potentially with retroactive effect, or to differing interpretations.

This summary discusses only Debt Obligations held by Owners (as defined below) as capital assets within the meaning of Section 1221 of the Code. It does not discuss all of the tax consequences that may be relevant to an Owner in light of its particular circumstances or to Owners subject to special rules, such as certain financial institutions, insurance companies, certain former citizens or residents of the United States, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, dealers, Owners holding Debt Obligations as part of a hedging transaction, straddle, conversion transaction or synthetic security transaction, U.S. Owners (as defined below) whose functional currency (as defined in Section 985 of the Code) is not the U.S. dollar, partnerships or other pass-through entities, tax-exempt persons, or regulated investment companies. Further, the tax consequences arising from the ownership of any Debt Obligations with special characteristics (e.g., Debt Obligations involving multiple currencies, Debt Securities having a Variable Principal Repayment Amount, Extendible Variable Rate Debt Securities, Fixed/Variable Rate Debt Securities, Range Accrual Debt Securities or Convertible Debt Securities) may be set forth in the applicable Pricing Supplement. In all cases, you are advised to consult your own tax advisors regarding the U.S. federal tax consequences to you of purchasing, owning and disposing of Debt Obligations (or of stripped payment rights derived from such Debt Obligations), including the advisability of making any of the elections described below, as well as any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. In addition, this summary of certain U.S. federal tax consequences is for general information only and is not tax advice for any particular Owner.

For purposes of this summary, “**U.S. Person**” means:

- an individual who, for U.S. federal income tax purposes, is a citizen or resident of the United States;
- a corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Certain trusts in existence on or before August 20, 1996 that were treated as U.S. persons under the law in effect on such date but fail to qualify as U.S. persons under current law may elect to continue to be treated as U.S. persons to the extent prescribed in the applicable regulations.

“**U.S. Owner**” means a U.S. Person that beneficially owns a Debt Obligation. “**Non-U.S. Owner**” means a Beneficial Owner of a Debt Obligation that is an individual, a corporation, an estate or a trust that is not a U.S. Person. “**Owner**” means either a U.S. Owner or a Non-U.S. Owner.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Debt Obligations, the treatment of a partner will generally depend upon the status of the

particular partner and the activities of the partnership. If you are a partner in such a partnership, you should consult your own tax advisors.

As a condition to our payment on a Debt Obligation or to the transfer or exchange of a Debt Obligation, we (or our agent or any other person potentially required to withhold with respect to payments on such Debt Obligation) may require the Holder of the Debt Obligation to present a certificate in a prescribed form to enable us (or such person) to determine our (or such person's) duties and liabilities with respect to any taxes or other amounts required to be deducted or withheld under U.S. law or any reporting or other requirements.

## **U.S. Owners**

### ***In General***

Income derived from a Debt Obligation by a U.S. Owner is subject to U.S. federal income taxation. In addition, a Debt Obligation owned by an individual who, at the time of death, is a U.S. citizen or domiciliary is subject to U.S. federal estate tax.

The U.S. Internal Revenue Service (the "**IRS**") has ruled that Freddie Mac is an instrumentality of the United States for purposes of Section 7701(a)(19) of the Code; therefore, domestic building and loan associations and savings banks are permitted to invest in Debt Obligations to meet the percentage of total assets required to be invested in, among other things, stock or obligations of a corporation which is an instrumentality of the United States. Furthermore, Debt Obligations held by a real estate investment trust will constitute "Government securities" within the meaning of Section 856(c)(4)(A) of the Code, and Debt Obligations held by a regulated investment company will constitute "Government securities" within the meaning of Section 851(b)(3) of the Code.

The Freddie Mac Act does not contain any specific exemption from any taxes on the principal or interest on obligations issued by Freddie Mac imposed by any state or possession of the United States or by any local taxing authority. Purchasers residing in states of the United States that impose intangible property or income taxes should consult their own tax advisors as to the status of the Debt Obligations and interest paid on them under applicable tax laws.

### ***Payments of Interest***

Interest paid on a Debt Obligation generally will be taxable to a U.S. Owner as ordinary interest income at the time it accrues or is received in accordance with the U.S. Owner's method of accounting for U.S. federal income tax purposes. Special rules governing the treatment of interest paid on Debt Obligations having original issue discount are described below.

If an interest payment is payable in or determined by reference to a Specified Currency other than U.S. dollars (a "**Non-U.S. Currency**"), the amount of interest income recognized by a cash method U.S. Owner will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted to U.S. dollars. Accrual method U.S. Owners may determine the amount of the income recognized on such interest payments in accordance with one of two methods, in either case regardless of whether the payments are in fact converted into U.S. dollars. Under the first method, the amount of interest income recognized will be based on the average exchange rate in effect during the interest accrual period (or, for an accrual period that spans two taxable years, the average rate for the portion of the period within each taxable year). Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Debt Obligation) payable in or determined by reference to a Non-U.S. Currency, an accrual method U.S. Owner will recognize ordinary exchange gain or loss measured by the difference between the U.S. dollar value of such payment at the exchange rate in effect on the date of receipt and the amount of interest accrued during the payment period at the average exchange rate.

Under the second method, an accrual method U.S. Owner may elect to translate interest income into U.S. dollars at the exchange rate in effect on the last day of the accrual period (or, in the case of

an accrual period that spans two taxable years, at the exchange rate in effect on the last day of the partial period within each taxable year). Additionally, if a payment of interest is received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. Owner instead may translate such accrued interest into U.S. dollars at the exchange rate in effect on the day the payment is received. Any election to use the second method will apply to all debt instruments held by the U.S. Owner at the beginning of the first taxable year to which the election applies or thereafter acquired by such U.S. Owner, and will be irrevocable without the consent of the IRS.

If interest on a Debt Obligation is payable in a Non-U.S. Currency, but a U.S. Owner thereof receives payment in U.S. dollars as a result of a currency conversion, then the U.S. dollar amount so received might not be the same as the U.S. dollar amount required to be recognized as interest income under the rules described above. See “Currency Conversions.”

### ***Debt Obligations with Original Issue Discount***

Debt Obligations, including Zero Coupon Debt Securities, may be issued with original issue discount. The Code and Treasury regulations concerning the tax treatment of debt instruments issued with original issue discount (the “**OID Regulations**”) provide that the excess of the “stated redemption price at maturity” of a Debt Obligation over its “issue price” will be “**original issue discount**” unless such excess is *de minimis* (defined below). The “**stated redemption price at maturity**” of a Debt Obligation is generally equal to the sum of all payments on the Debt Obligation other than interest based on a single fixed rate (or a variable rate, unless the applicable Pricing Supplement provides otherwise) and payable unconditionally at least annually. The “**issue price**” of a Debt Obligation is generally the first price at which a substantial amount of the issue of which the Debt Obligation is a part is sold to persons other than those acting as placement agents, underwriters, brokers or wholesalers. The issue price of a Debt Obligation generally includes any pre-issuance accrued interest unless a U.S. Owner excludes such amount from the issue price and treats a portion of the stated interest payable on the first interest payment date as a return of that accrued interest rather than as an amount payable under the Debt Obligation. Original issue discount is considered to be *de minimis* if it is less than one-quarter of one percent of a Debt Obligation’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or the weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity). A Debt Obligation having more than a *de minimis* amount of original issue discount is referred to as an “**OID Debt Obligation.**” A U.S. Owner of a Debt Obligation with *de minimis* original issue discount will include any *de minimis* original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the Debt Obligation.

Special rules apply to Debt Obligations that are callable by us, including Debt Obligations that are Step Debt Securities and that have an initial fixed interest rate that will change to a different fixed rate on or after the first day on which such Debt Obligations may be redeemed (“**Step Debt Obligations**”), and including Debt Obligations that are Extendible Variable Rate Debt Securities. See, respectively, “Certain United States Federal Tax Consequences – U.S. Owners – Callable or Extendible Debt Obligations” and “Certain United States Federal Tax Consequences – U.S. Owners – Extendible Variable Rate Debt Securities.” Other special rules may apply to Debt Obligations that are Variable Rate Debt Securities, Debt Obligations that provide for a fixed rate and a variable rate in different periods, Debt Obligations with a zero or reduced interest rate for certain periods, and certain other types of Debt Obligations. If any such special rules apply to a particular issue of Debt Obligations, the applicable Pricing Supplement will describe any special tax considerations that apply.

Subject to certain special rules for Debt Obligations having a maturity of one year or less (discussed below), U.S. Owners are required to include as ordinary income original issue discount on OID Debt Obligations as it accrues, which may be before the receipt of the cash attributable to such income, based on a compounding of interest at a constant rate (using the yield to maturity of the Debt Obligation when originally issued). Under these rules, the portion of the original issue discount includible in income generally is lowest in the first accrual period and increases in each successive

accrual period. The OID Regulations permit U.S. Owners to use accrual periods of any length up to one year (including daily accrual periods) to compute accruals of original issue discount, provided each scheduled payment of principal or interest occurs either on the first or the last day of an accrual period.

If all the payments on an OID Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, the accruals of original issue discount are computed in that Non-U.S. Currency. The accruals are then translated into U.S. dollars under the rules described above for accrual method U.S. Owners in “Certain United States Federal Tax Consequences — U.S. Owners — Payments of Interest.” These rules are applicable to original issue discount regardless of the U.S. Owner’s regular method of accounting.

### ***Callable or Extendible Debt Obligations***

The OID Regulations provide special rules for determining the yield and maturity of a debt instrument that provides the issuer or a holder with an unconditional option that, if exercised, would result in payments being made on the debt instrument under an alternative payment schedule or schedules (the “**Deemed Exercise Rule**”). Specifically, an issuer is deemed to exercise or not exercise such an option in a manner that minimizes the yield on the debt instrument, and a holder is deemed to exercise or not exercise such an option in a manner that maximizes the yield on the debt instrument. Under these rules, we will be presumed to exercise a call right if such exercise would minimize the yield to maturity of the Debt Obligation and a holder will be presumed to exercise an option to extend if such exercise would maximize the yield to maturity of the Debt Obligation. If an option with respect to an OID Debt Obligation is presumed to be exercised but is not in fact exercised, the Debt Obligation will be treated as retired and then reissued at the adjusted issue price on the option date solely for purposes of determining future accruals of interest and original issue discount. The “**adjusted issue price**” is defined as the sum of the issue price of the Debt Obligation and the aggregate amount of previously accrued but unpaid original issue discount (determined without regard to the acquisition premium rules), less any prior payments of amounts included in its stated redemption price at maturity.

For example, a fixed rate Debt Obligation that is issued at a discount and is callable at par will not be deemed to be called because exercise of the call right will not minimize the yield of such Debt Obligation. A Step Debt Obligation that is issued at par, has interest that increases on specified dates, and is callable at par on the dates specified for increases in interest rates will be deemed to be called on the first step date because the yield to maturity on the Debt Obligation would be lower than if the interest rate were stepped up. If the Step Debt Obligation is not called on that date, or is called only in part, the Step Debt Obligation (to the extent of its remaining outstanding principal amount) will be deemed to be called and retired and then reissued at par. As a result of these special rules, a Step Debt Obligation issued at par and with interest that increases on specified dates will not have any original issue discount and stated interest will be taken into account by a U.S. Owner under its regular method of accounting.

If a principal purpose in structuring a debt instrument is to achieve a result that is unreasonable in light of the purposes of the rules relating to original issue discount, then the OID Regulations provide that the IRS can apply or depart from the OID Regulations, including the rules relating to the exercise of unconditional options described above, as necessary or appropriate to achieve a reasonable result. We intend to report income on any Debt Obligations with the features described above assuming this anti-abuse rule does not apply.

### ***Debt Obligations with a Term of One Year or Less***

A Debt Obligation that matures one year or less from the date of its issuance is referred to as a “**Short-Term Debt Obligation.**” For purposes of determining whether a Debt Obligation is a Short-Term Debt Obligation, the maturity date of the Debt Obligation is the last possible date it could be outstanding under its terms. For example, a Step Debt Obligation that has a maturity of more than

one year but, under the rules described in the previous section, is presumed to be called on a date that is one year or less from the issue date, will not constitute a Short-Term Debt Obligation.

Accrual method U.S. Owners and certain other U.S. Owners described in Section 1281(b) of the Code (for example, certain U.S. Owners that hold stripped Short-Term Debt Obligations), regardless of their method of accounting, are required to include original issue discount and stated interest (if any) with respect to a Short-Term Debt Obligation in income as it accrues. Original issue discount and stated interest must be accrued on a straight-line basis unless the U.S. Owner makes an irrevocable election to accrue such amounts on the basis of the Short-Term Debt Obligation's yield to maturity and daily compounding. U.S. Owners described in this paragraph may irrevocably elect to accrue **"acquisition discount"** (*i.e.*, the excess of the stated redemption price at maturity over the U.S. Owner's basis in the Short-Term Debt Obligation) rather than original issue discount. Such U.S. Owners should consult their own tax advisors before making this election.

Cash method U.S. Owners of a Short-Term Debt Obligation generally include original issue discount and stated interest (if any) in income as payments are received. A cash method U.S. Owner of a Short-Term Debt Obligation described in Section 1281(b) of the Code, however, is subject to the rules described in the preceding paragraph. In addition, a cash method U.S. Owner of a Short-Term Debt Obligation (that is not otherwise required to account for interest or original issue discount on such Short-Term Debt Obligation as it accrues) may nevertheless elect to include in income interest and original issue discount as they accrue (under the rules discussed above) on all obligations having a maturity of one year or less held by the U.S. Owner in the taxable year of the election and in all subsequent years. This election is irrevocable without the consent of the IRS. In the case of a U.S. Owner that is not required and that does not elect to include interest and original issue discount in income currently, (i) any gain realized upon the sale, exchange or retirement of a Short-Term Debt Obligation will be ordinary income to the extent of accrued interest and original issue discount; and (ii) such U.S. Owner will be required to defer deductions for interest expense on any indebtedness incurred or continued to purchase or carry the Short-Term Debt Obligation, in an amount not exceeding the deferred interest income, until the deferred interest income is recognized.

#### **Acquisition Premium and Market Discount**

In the event that a U.S. Owner purchases an OID Debt Obligation at an **"acquisition premium"** (*i.e.*, at a price in excess of its adjusted issue price but less than its remaining stated redemption price at maturity), an adjustment must be made to the amount includible in income in each taxable year as original issue discount. Unless a U.S. Owner makes the accrual method election described below, the original issue discount includible for any taxable year is reduced by the product of the amount of original issue discount otherwise accruing during that taxable year under the rules described above and a constant fraction, the numerator of which is the excess of the purchase price of the Debt Obligation over the adjusted issue price of the Debt Obligation as of the acquisition date and the denominator of which is the remaining original issue discount on the Debt Obligation as of the acquisition date.

A U.S. Owner that purchases a Debt Obligation (other than a Short-Term Debt Obligation) at a **"market discount"** (*i.e.*, at a price less than its stated redemption price at maturity or, in the case of an OID Debt Obligation, its adjusted issue price) will be required (unless such difference is a *de minimis* amount) to treat any principal payments on, or any gain realized in a taxable disposition or retirement of, such Debt Obligation as ordinary income to the extent of the market discount that accrued while such U.S. Owner held such Debt Obligation, unless the U.S. Owner elects to include such market discount in income on a current basis. Market discount is considered to be *de minimis* if it is less than one-quarter of one percent of the Debt Obligation's stated redemption price at maturity multiplied by the number of complete years to maturity (or the weighted average maturity if any amount included in the stated redemption price at maturity is payable before maturity) after the U.S. Owner acquired such Debt Obligation. If a Debt Obligation with more than a *de minimis* amount of market discount is disposed of in a transaction that is nontaxable in whole or in part (other than certain transactions described in Section 1276(d) of the Code), accrued market discount will be

includible as ordinary income to the U.S. Owner as if such U.S. Owner had sold the Debt Obligation at its then fair market value. Generally, market discount accrues ratably over the number of days from the date of acquisition to the maturity date of the Debt Obligation. A U.S. Owner may, however, elect with respect to any Debt Obligation to use a constant interest method. This election is irrevocable without the consent of the IRS. A U.S. Owner of a Debt Obligation that acquired it at a market discount and that does not elect under Section 1278(b) of the Code to include market discount in income on a current basis also may be required to defer the deduction for a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Debt Obligation until the deferred income is realized.

If all payments on a Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, the amount of market discount includible in income will generally be determined by translating the market discount determined in the Non-U.S. Currency into U.S. dollars at the spot rate on the date the Debt Obligation is retired or otherwise disposed of. If the U.S. Owner has elected to accrue market discount currently, then the amount which accrues is determined in the Non-U.S. Currency and then translated into U.S. dollars on the basis of the average rate in effect during such accrual period. A U.S. Owner will recognize ordinary exchange gain or loss with respect to market discount which is accrued currently using the approach described in “Certain United States Federal Tax Consequences — U.S. Owners — Payments of Interest.”

### ***Debt Obligations Purchased at a Premium***

Except as noted below, a U.S. Owner that purchases a Debt Obligation for an amount in excess of its remaining stated redemption price at maturity will be treated as having premium with respect to such Debt Obligation in the amount of such excess. A U.S. Owner that purchases an OID Debt Obligation at a premium is not required to include in income any original issue discount with respect to such Debt Obligation. If such a U.S. Owner makes an election under Section 171(c)(2) of the Code to treat such premium as “**amortizable bond premium**,” the amount of interest on a Debt Obligation that must be included in such U.S. Owner’s income for each accrual period (where such Debt Obligation is not optionally redeemable prior to its maturity date) will be reduced (but not below zero) by the portion of the premium allocable to such period based on the Debt Obligation’s yield to maturity. Under Treasury Regulation Section 1.171-2(a)(4), if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess may be deductible, but only to the extent that the U.S. Owner’s total interest inclusions with respect to the Debt Obligation exceed the total amount of bond premium deductions with respect to the Debt Obligation in all prior accrual periods. Any excess bond premium is carried forward to future accrual periods (subject to the same limitation in such future accrual periods). Any amortizable bond premium remaining at the time the Debt Obligation is sold, retired or otherwise disposed of will be deductible as a bond premium deduction and will not be treated as a capital loss.

If a U.S. Owner makes the election under Section 171(c)(2) of the Code, the election also shall apply to all bonds the interest on which is not excludable from gross income (“**Fully Taxable Bonds**”) held by the U.S. Owner at the beginning of, or acquired during, the first taxable year to which the election applies and to all Fully Taxable Bonds thereafter acquired by it. This election is irrevocable without the consent of the IRS. If such an election is not made, such a U.S. Owner must include the full amount of each interest payment in income in accordance with its regular method of accounting and will take the premium into account in computing its gain or loss upon the sale or other disposition or retirement of the Debt Obligation. Thus, the premium may reduce capital gain or increase capital loss realized on the disposition or retirement of the Debt Obligation. See “Certain United States Federal Tax Consequences — U.S. Owners — Disposition or Retirement of Debt Obligations.”

If all payments on a Debt Obligation are payable in or determined by reference to a single Non-U.S. Currency, amortizable premium will, if the U.S. Owner so elects, reduce the amount of foreign currency interest income on such Debt Obligation. Such electing U.S. Owner is required to recognize ordinary exchange gain or loss attributable to movements in exchange rates between the



time premium is paid to acquire the Debt Obligation and the time it offsets interest income by treating the amount of premium amortized as a return of principal.

### ***Accrual Method Election***

Under the OID Regulations, a U.S. Owner of a Debt Obligation is permitted to elect to include in gross income its entire return on a Debt Obligation (*i.e.*, the excess of all remaining payments to be received on the Debt Obligation over the amount paid for the Debt Obligation by such U.S. Owner) based on the compounding of interest at a constant rate (an “**accrual method election**”). If the U.S. Owner has not made an election under Section 171(c)(2) of the Code to amortize bond premium, an accrual method election for a Debt Obligation with amortizable bond premium will result in a deemed election under Section 171(c)(2) of the Code for all of the U.S. Owner’s debt instruments with amortizable bond premium held at the beginning of the taxable year and acquired thereafter. Similarly, an accrual method election for a Debt Obligation with market discount by a U.S. Owner that has not made an election under Section 1278(b) of the Code to include market discount in income on a current basis will result in a deemed election under Section 1278(b) of the Code. Such a deemed election will apply to all debt instruments with market discount acquired by the U.S. Owner during the current taxable year and all subsequent years. Neither the bond premium election under Section 171(c)(2) of the Code nor the market discount election under Section 1278(b) of the Code may be revoked without the permission of the IRS.

### ***Disposition or Retirement of Debt Obligations***

Upon the sale, exchange or other disposition of a Debt Obligation, or upon the retirement of a Debt Obligation (including by redemption), a U.S. Owner will recognize gain or loss in an amount equal to the difference, if any, between the amount realized upon the disposition or retirement (not including any amount attributable to accrued but unpaid interest, which will be taxable separately as ordinary interest income to the extent not previously included in gross income) and the U.S. Owner’s adjusted tax basis in the Debt Obligation. The amount realized on a disposition or retirement of a Debt Obligation in exchange for an amount payable in a Non-U.S. Currency (whether or not the U.S. Owner elects to receive payment in the Non-U.S. Currency) is the U.S. dollar value of such amount on the date of disposition or retirement or, in the case of Debt Obligations traded on an established securities market (within the meaning of Treasury Regulation Section 1.988-2(a)(2)(iv)) sold by a cash basis U.S. Owner (or an electing accrual basis U.S. Owner), on the settlement date for the sale. A U.S. Owner’s adjusted tax basis in a Debt Obligation for determining gain or loss on the disposition or retirement of a Debt Obligation generally is the U.S. Dollar cost of such Debt Obligation to such U.S. Owner, increased by the amount of any original issue discount and any market discount previously included in such U.S. Owner’s gross income with respect to such Debt Obligation, and decreased by (i) the amount of any payments on the Debt Obligation that are part of its stated redemption price at maturity; and (ii) any amortizable bond premium deduction taken by a U.S. Holder at or prior to the time the Debt Obligation is sold, retired or otherwise disposed of. The U.S. dollar cost of Debt Obligations purchased with Non-U.S. Currency generally will be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Debt Obligations traded on an established securities market (within the meaning of Treasury Regulation Section 1.988-2(a)(2)(iv)) purchased by a cash basis U.S. Owner (or an electing accrual basis U.S. Owner), on the settlement date for the purchase. If a U.S. Owner purchases a Debt Obligation that is payable in a Non-U.S. Currency by converting U.S. dollars to the Non-U.S. Currency, the U.S. dollar value of the purchase price on the date of the purchase or settlement, as the case may be, may not be the same amount as the U.S. dollar amount converted to the Non-U.S. Currency for that purpose. See “Certain United States Federal Tax Consequences — U.S. Owners — Exchange of Amounts in Non-U.S. Currency.”

Gain or loss recognized upon the disposition or retirement of a Debt Obligation will be capital gain or loss, except to the extent the gain represents accrued original issue discount or market discount on the Debt Obligation not previously included in gross income, or to the extent the gain or loss is attributable to changes in exchange rates, to which extent such gain or loss would be treated as ordinary income or ordinary loss, as the case may be. Any capital gain or loss upon the disposition

or retirement of a Debt Obligation will be long-term capital gain or loss if at the time of disposition or retirement the U.S. Owner held the Debt Obligation for more than one year. Certain non-corporate U.S. Owners (including individuals) are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code. With respect to Step Debt Obligations described above, if a call that is presumed exercised is not in fact exercised, the deemed reissuance of the Debt Obligations for purposes of computing subsequent accruals of interest and original issue discount will not result in a deemed disposition or retirement of the Step Debt Obligations.

### ***Exchange of Amounts in Non-U.S. Currency***

Non-U.S. Currency received as interest on a Debt Obligation or on disposition or retirement of a Debt Obligation will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such disposition or retirement. Non-U.S. Currency that is purchased generally will have a tax basis equal to the U.S. dollar value of its cost. Any gain or loss recognized on a sale or other disposition of a Non-U.S. Currency (including its use to purchase Debt Obligations or upon exchange for U.S. dollars) will be ordinary income or loss.

### ***Extendible Variable Rate Debt Securities***

#### *Deemed Final Maturity Date and Payments of Interest*

Under the Deemed Exercise Rule a holder of a debt obligation is deemed to exercise or not exercise an unconditional option or, where applicable, a combination of such options, in a manner that maximizes the yield on the debt obligation, and an issuer is deemed to exercise or not exercise an unconditional option, or combination of such options, in a manner that minimizes the yield on the debt obligation. See “Certain United States Federal Tax Consequences — U.S. Owners — Callable or Extendible Debt Obligations.” Although it is not entirely clear how the Deemed Exercise Rule applies to the Extendible Variable Rate Debt Securities (the X-Notes), we believe that it should be applied by treating each holder as exercising its option to extend the term of the X-Notes on each Election Date (each, a “**Holder Option**”) and by treating us as exercising our option to redeem the X-Notes (the “**Issuer Option**”) on the first redemption date, if any. The first redemption date therefore should be treated as the final maturity date of the X-Notes for U.S. federal income tax purposes (the “**Deemed Final Maturity Date**”). If there is no redemption date, the Final Maturity Date should be treated as the Deemed Final Maturity Date.

X-Notes should qualify as “variable rate debt instruments” for U.S. federal income tax purposes, because the interest rate formula on the X-Notes, as periodically increased, should be treated as one or more “qualified floating rates.” Additionally, because the Spread to the relevant index on the Final Maturity Date of these Debt Obligations does not exceed the initial applicable Spread by more than 25 basis points, interest on the X-Notes should be treated as payable at a single qualified floating rate. All of the interest payable on an X-Note thus should constitute qualified stated interest, and the stated redemption price of an X-Note at its maturity should then be equal to its principal amount. Accordingly, the X-Notes should not be treated as issued with OID, and interest on an X-Note generally should be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued in accordance with the U.S. Holder’s usual method of accounting for U.S. federal income tax purposes.

#### *Extension of Maturity Date by U.S. Holders*

Pursuant to the Treasury regulations governing modifications to the terms of debt instruments (the “**Modification Regulations**”), the exercise of an option by a holder of a debt instrument to defer any scheduled payment of principal is a taxable event if, based on all the facts and circumstances, such deferral is considered material under the Modification Regulations. The Modification Regulations do not specifically address the unique features of the X-Notes (including their economic equivalence to a debt instrument that matures on the Final Maturity Date and contains holder put options and may contain an issuer call option). We believe, however, that the Deemed Exercise Rule, although contained in the OID Regulations, should determine the maturity date of an instrument for purposes of

the Modification Regulations. Accordingly, because the Deemed Final Maturity Date should be treated as the maturity date of the X-Notes for purposes of the Modification Regulations, and thus the exercise of a Holder Option should not be treated as extending the X-Notes' maturity date, the exercise of a Holder Option therefore should not be a taxable event for U.S. federal income tax purposes. We intend to take this position, and by virtue of purchasing the X-Notes, U.S. Holders will be obligated to take this position, absent an administrative or judicial determination to the contrary.

U.S. Holders should be aware that no assurance can be given that the IRS will accept, or that the courts will uphold, the characterization and the tax treatment of the X-Notes described above. If the IRS were successful in asserting that an election to extend the maturity of all or any portion of the principal amount of the X-Notes is a taxable event for U.S. federal income tax purposes, then U.S. Holders generally would be required to recognize any gain inherent in the X-Notes upon the exercise of such election. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences of an investment in, and extending (or not extending) the maturity of, the X-Notes.

#### *U.S. Holders That Do Not Elect to Extend the Maturity Date*

U.S. Holders that do not elect to extend the maturity date of X-Notes by exercising a Holder Option will be issued substitute, non-extendible Debt Obligations ("**Substitute Obligations**").

As discussed above, we intend to take the position that the term to maturity of the original X-Notes should be determined by deeming holders to extend the maturity of such Debt Obligations pursuant to each Holder Option and by deeming us to exercise the Issuer Option to call the original X-Notes on the first redemption date, if any. With respect to original X-Notes for which no election to extend the maturity date is made, each such original Debt Obligation will be deemed to be retired on the last day of the applicable Notice Period for extension and deemed reissued on that same date as a new, non-extendible Debt Obligation for purposes of the OID Regulations. The Substitute Obligations (with a new CUSIP number) will be issued to replace these deemed reissued, non-extendible Debt Obligations. The new, non-extendible Debt Obligations deemed reissued, and consequently the Substitute Obligations issued to replace them, (i) will have the same adjusted issue price and adjusted basis as the original X-Notes deemed retired for purposes of the OID Regulations, and (ii) will be deemed to mature (or, in the case of the Substitute Obligations, will mature) on the non-extendible maturity date of the original X-Notes, but otherwise will be identical to the original X-Notes.

Accordingly, the replacement of the original X-Notes with the Substitute Obligations should have no consequences under the OID Regulations, and neither the deemed retirement and reissuance of the original X-Notes nor the replacement of the deemed reissued, non-extendible Debt Obligations with the Substitute Obligations should constitute a taxable event for U.S. federal income tax purposes.

The failure by a U.S. Holder to exercise a Holder Option to defer payments on an X-Note should be characterized as the exercise of an option by a U.S. Holder to accelerate the payment of principal on an X-Note for purposes of the Modification Regulations. Because such a failure should not be deemed to give rise to a material deferral of payments under the X-Note, it should not be treated as a taxable event for U.S. federal income tax purposes.

#### *Failure to Exercise an Issuer Option*

If we do not exercise an Issuer Option to call the X-Notes on a redemption date, the Debt Obligation should be treated for purposes of the OID Regulations as retired on that date and reissued as a new X-Note having an issue price equal to the adjusted issue price of the X-Note deemed retired and maturing on the Final Maturity Date. Because the X-Note deemed retired would not have been issued with OID, however, the new X-Note would not be issued with OID. Our failure to exercise an Issuer Option to call the X-Notes should not be treated as a taxable event for U.S. federal income tax purposes.

## ***Stripped Debt Obligations***

### ***Tax Treatment of Purchasers of Principal or Interest Components***

Pursuant to Section 1286 of the Code, the separation of ownership of the right to receive some or all of the interest payments on a debt obligation from ownership of the right to receive some or all of the principal payments results in the creation of “stripped bonds” with respect to principal payments and “stripped coupons” with respect to interest payments. Consequently, a purchaser of a Principal Component or an Interest Component will be considered to own stripped bonds or stripped coupons, respectively.

Section 1286 of the Code treats a stripped bond or a stripped coupon, for purposes of applying the original issue discount rules, as a debt instrument issued with original issue discount on the date that such stripped bond or stripped coupon is purchased. Accordingly, the tax consequences to a purchaser of a Component are determined as if the Component were an OID Debt Obligation issued on the date of purchase or, in the case of a Component maturing one year or less from the date of purchase, a Short-Term Debt Obligation issued on that date. See “Certain United States Federal Tax Consequences — U.S. Owners — Debt Obligations with Original Issue Discount” and “Certain United States Federal Tax Consequences — U.S. Owners — Debt Obligations with a Term of One Year or Less” and “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest.” The amount of original issue discount is equal to the excess (if any) of the Component’s stated redemption price at maturity (in the case of an Interest Component, the amount payable on the due date of such Component), over the purchase price.

If a U.S. Owner purchases in one transaction a pro rata share of the Principal Component and applicable unmatured Interest Components relating to the same Debt Obligation, while the matter is not free from doubt, such U.S. Owner should be treated as purchasing an undivided interest in the Debt Obligation rather than the separate Components. If such Components are purchased in separate transactions, then the U.S. Owner should be treated as purchasing the separate Components for U.S. federal income tax purposes. Such a U.S. Owner must account for taxable income with respect to such Components as described in the preceding paragraph.

### ***Tax Treatment of Person That Strips the Debt Obligation and Disposes of Some of the Components***

A U.S. Owner of a Debt Obligation that strips the Debt Obligation into its related Components and disposes of some of such Components will also be subject to the rules of Section 1286 of the Code. On the date of disposition, the U.S. Owner must (i) include in income all interest and market discount accrued on the Debt Obligation and not previously included in income; (ii) increase its basis in the Debt Obligation by the same amount; (iii) allocate its basis in the Debt Obligation among the Principal Component and Interest Components retained and disposed of according to their respective fair market values; and (iv) recognize gain or loss with respect to the Principal Component and Interest Components disposed of. Such U.S. Owner will be treated as having purchased the retained Components for an amount equal to the basis allocable to such Components.

### ***Tax Treatment of Stripping and Reconstitution Transactions***

An exchange by a U.S. Owner of a Debt Obligation for the related Components will not constitute a taxable exchange to the U.S. Owner. Similarly, a reconstitution of Components into a single instrument will not constitute a taxable exchange. In either case, the U.S. Owner will be treated as continuing to own for U.S. federal income tax purposes the property that it owned prior to the exchange.

### ***Deemed Debt Exchange Between Certain Holders and Freddie Mac***

If a U.S. Owner purchasing certain Debt Obligations (the “**New Debt Obligations**”) from Freddie Mac had previously held certain other Debt Obligations (the “**Old Debt Obligations**”), and such Old Debt Obligations had been repurchased by Freddie Mac in a manner that was conditioned (implicitly

or explicitly) upon such U.S. Owner's purchase of the New Debt Obligations, all or a portion of the repurchase and associated purchase may be treated as a "deemed exchange" for U.S. federal income tax purposes.

#### *Significant Modification Test*

The U.S. federal income tax treatment of a U.S. Owner participating in a deemed exchange will generally depend on whether the exchange results in a "significant modification" of the terms of the Old Debt Obligations and, if so, whether the deemed exchange will qualify as a recapitalization. The deemed exchange of an Old Debt Obligation for a New Debt Obligation generally will constitute a significant modification of the terms of the Old Debt Obligation if, based on all of the facts and circumstances, the legal rights and obligations under the New Debt Obligation differ from those under the Old Debt Obligation to a degree that is economically significant. The applicable Pricing Supplement for the New Debt Obligations will specify whether a deemed exchange will result in a significant modification, and, if so, whether the deemed exchange will qualify as a recapitalization for U.S. federal income tax purposes.

#### *Deemed Exchange Not Treated as a Significant Modification*

U.S. Owners who participate in a deemed exchange that is not treated as resulting in a significant modification of the terms of the Old Debt Obligations will not recognize any gain or loss on the repurchase of the portion of the Old Debt Obligations deemed exchanged. In such case, the U.S. Owner's basis in the New Debt Obligations received in the deemed exchange will equal such U.S. Owner's adjusted tax basis in the Old Debt Obligations surrendered in the deemed exchange. Because of this carryover basis, the U.S. Owner may have market discount or premium on the New Debt Obligations received in the deemed exchange. The U.S. Owner's holding period in the New Debt Obligations received in the deemed exchange will also include its holding period in the related Old Debt Obligations.

#### *Deemed Exchange Treated as a Significant Modification*

U.S. Owners who participate in a deemed exchange that is treated as resulting in a significant modification of the terms of the Old Debt Obligations will be required to recognize gain or loss on a deemed exchange unless the exchange qualifies as a recapitalization for U.S. federal income tax purposes.

The deemed exchange of an Old Debt Obligation for a New Debt Obligation will qualify as a recapitalization only if both the Old Debt Obligation and the New Debt Obligation constitute "securities" for this purpose. The U.S. tax rules for determining whether a debt instrument constitutes a "security" for purposes of the recapitalization provisions are not entirely clear. The term "securities" is not defined in the Code or applicable Treasury regulations and has not been clearly defined by court decisions. The determination of whether a debt instrument constitutes a "security" for U.S. federal income tax purposes is based on all the facts and circumstances, including, but not limited to, the term of the debt instrument, the degree of participation and continuing interest in the business, the extent of proprietary interest compared with the similarity of the instrument to a cash payment, and the overall purpose of the advances to which the instrument relates. The term of the debt instrument is usually considered the most significant factor.

#### *Deemed Exchange Qualifying as a Recapitalization*

U.S. Owners who participate in a deemed exchange of an Old Debt Obligation for a New Debt Obligation that is treated as a significant modification and that qualifies as a recapitalization will not recognize any loss as a result of the exchange and the amount of any gain recognized will generally equal the lesser of (i) the gain realized on the deemed exchange; or (ii) the sum of the amount of cash and the fair market value of the excess of the principal amount of the New Debt Obligations received over the principal amount of the Old Debt Obligations tendered (other than any cash or the portion of

the New Debt Obligations that is attributable to accrued but unpaid interest, which generally would be taxable as interest income to the extent not previously included in income by the U.S. Owner). Any gain recognized generally will be capital gain, except to the extent the gain represents accrued original issue discount or market discount on the Old Debt Obligations not previously included in gross income, or to the extent the gain is attributable to changes in exchange rates, to which extent such gain would be treated as ordinary income. Any capital gain will be long-term capital gain if the U.S. Owner's holding period in the Old Debt Obligations is more than one year. Certain non-corporate U.S. Owners (including individuals) are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains.

A U.S. Owner's adjusted tax basis in the New Debt Obligations generally will be equal to such U.S. Owner's adjusted tax basis in the Old Debt Obligations deemed exchanged therefor immediately prior to the deemed exchange, decreased by the amount of cash, if any, such U.S. Owner receives in the deemed exchange in respect of the Old Debt Obligations, and increased by the amount of gain, if any, that such U.S. Owner recognizes. A U.S. Owner's adjusted tax basis in the Old Debt Obligations generally will be computed in the manner described above under "Certain United States Federal Tax Consequences — U.S. Owners — Disposition or Retirement of Debt Obligations." The holding period of a U.S. Owner with respect to the New Debt Obligations will include the holding period for such U.S. Owner's Old Debt Obligations.

U.S. Owners who receive New Debt Obligations and cash in the deemed exchange should consult their own tax advisors regarding possible alternative characterizations of the deemed exchange, including, but not limited to, the characterization of the exchange as in part a recapitalization and in part a redemption.

#### *Deemed Exchange Not Qualifying as a Recapitalization*

U.S. Owners who participate in a deemed exchange of an Old Debt Obligation for a New Debt Obligation that is treated as a significant modification and that does not qualify as a recapitalization generally will recognize taxable gain or loss on the deemed exchange of the Old Debt Obligations for the New Debt Obligations. The gain or loss realized in the deemed exchange will be equal to the difference between the amount realized in the deemed exchange and a U.S. Owner's adjusted tax basis in the Old Debt Obligations. The amount realized will be the sum of cash received, if any, and the "issue price" of the New Debt Obligations (other than the portion of the New Debt Obligations that is attributable to accrued but unpaid interest, which generally would be taxable as interest income to the extent not previously included in income by the U.S. Owner). A U.S. Owner's adjusted tax basis in the Old Debt Obligations generally will be computed in the manner described above under "Certain United States Federal Tax Consequences — U.S. Owners — Disposition or Retirement of Debt Obligations."

Any gain or loss recognized generally will be capital gain or loss, except to the extent the gain represents accrued original issue discount or market discount on the Old Debt Obligations not previously included in gross income, or to the extent the gain or loss is attributable to changes in exchange rates, to which extent such gain or loss would be treated as ordinary income or ordinary loss, as the case may be. Any capital gain or loss will be long-term capital gain or loss if the U.S. Owner's holding period in the Old Debt Obligations is more than one year. Certain non-corporate U.S. Owners (including individuals) are eligible for preferential rates of U.S. federal income taxation in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

A U.S. Owner's adjusted tax basis in the New Debt Obligations generally will be equal to their issue price, and the U.S. Owner's holding period with respect to the New Debt Obligations will start on the date after the date of the deemed exchange.

## **Non-U.S. Owners**

### ***Interest***

Interest (including original issue discount) on a Debt Obligation held by a Non-U.S. Owner will be subject to a 30-percent U.S. federal income and withholding tax, unless an exemption applies. An exemption generally exists in the following circumstances:

#### *Exemption for Certain Short-Term Obligations*

Interest on a Debt Obligation held by a Non-U.S. Owner that is not effectively connected with a trade or business of the Non-U.S. Owner within the United States (or if an income tax treaty applies, such interest is not attributable to a U.S. permanent establishment) will be exempt from U.S. federal income and withholding taxes if the Debt Obligation is payable in full within 183 days after the date of original issue.

#### *Exemption for Portfolio Interest*

Interest on a Debt Obligation held by a Non-U.S. Owner that is not effectively connected with a trade or business of the Non-U.S. Owner within the United States (or if an income tax treaty applies, such interest is not attributable to a U.S. permanent establishment) generally will be exempt from U.S. federal income and withholding taxes if the person otherwise required to withhold receives, in the manner provided by U.S. tax authorities, a certification that the Non-U.S. Owner is not a U.S. Person. A Non-U.S. Owner may provide this certification by providing a properly completed Form W-8BEN, Form W-8BEN-E or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change, generally within 30 days, and provide new documentation.

The portfolio interest exemption will not apply if: (i) the interest is determined by reference to any receipts, sales or other cash flow of Freddie Mac or a related person, the income or profits of Freddie Mac or a related person, a change in value of any property of Freddie Mac or a related person, or any other item specified in Section 871(h)(4)(A) of the Code; (ii) the Non-U.S. Owner is a bank that receives payments on the Debt Obligations that are described in Section 881(c)(3)(A) of the Code; (iii) the Non-U.S. Owner is a “10-percent shareholder” of Freddie Mac within the meaning of Section 871(h)(3)(B) of the Code; or (iv) the Non-U.S. Owner is a “controlled foreign corporation” related to Freddie Mac within the meaning of Section 881(c)(3)(C) of the Code.

#### *Exemption or Reduced Rate for Non-U.S. Owners Entitled to the Benefits of a Treaty*

Interest on a Debt Obligation held by a Non-U.S. Owner may be exempt from U.S. federal income and withholding taxes (or subject to such tax at a reduced rate) under an income tax treaty between the United States and a foreign jurisdiction. In general, the exemption (or reduced rate) applies only if the Non-U.S. Owner provides a properly completed Form W-8BEN, Form W-8BEN-E or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change, generally within 30 days, and provide new documentation.

#### *Exemption for Non-U.S. Owners with Effectively Connected Income*

Interest on a Debt Obligation held by a Non-U.S. Owner will be exempt from the 30-percent U.S. federal withholding tax if it is effectively connected with the conduct of a trade or business within the United States (and if an income tax treaty applies, such interest is attributable to a U.S. permanent establishment) and the Non-U.S. Owner establishes this exemption by providing a properly completed Form W-8ECI or other documentation as may be prescribed by U.S. tax authorities. The appropriate documentation must be effective as to the interest and be provided prior to the payment

of such interest. If a change in circumstances makes any information on such documentation incorrect, then the Non-U.S. Owner must report the change, generally within 30 days, and provide new documentation. Interest on a Debt Obligation that is, or is deemed to be, effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Owner (and if an income tax treaty applies, such interest is attributable to a U.S. permanent establishment), although exempt from the 30-percent U.S. federal withholding tax, generally will be subject to U.S. federal income tax at graduated rates and, in the case of a foreign corporation, may also be subject to U.S. federal branch profits tax.

#### *FATCA Withholding*

The Foreign Account Tax Compliance Act (“**FATCA**”) provisions of the Hiring Incentives to Restore Employment Act impose a 30 percent withholding tax on foreign financial institutions and certain nonfinancial foreign entities that have not entered into an agreement with the U.S. Treasury Department to provide information regarding U.S. individuals who have accounts with, or equity interests in, such institutions or entities. If the required information is not provided, Beneficial Owners holding obligations through such institutions or entities may be subject to withholding under FATCA. Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA generally apply to certain “withholdable payments made to non-U.S. entities (e.g. Interest on a Debt Obligation).” Beneficial Owners should consult their tax advisors regarding the potential application and impact of the FATCA withholding rules based on their particular circumstances, including the applicability of any intergovernmental agreement modifying these rules.

In the event that withholding tax under FATCA is imposed on any payment on a Debt Obligation, Freddie Mac has no obligation to pay additional interest or other amounts as a consequence thereof or to redeem any Debt Obligation before its stated maturity.

#### ***Disposition or Retirement of Debt Obligations***

Except as provided in the discussion of backup withholding below, a Non-U.S. Owner of a Debt Obligation will not be subject to U.S. federal income and withholding taxes on any gain realized on the sale, exchange, retirement or other disposition of a Debt Obligation (other than amounts attributable to accrued interest) unless (i) such gain is, or is deemed to be, effectively connected with a trade or business in the United States of the Non-U.S. Owner (and if an income tax treaty applies, such gain is attributable to a U.S. permanent establishment); or (ii) such Non-U.S. Owner is an individual who is present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition and certain conditions are met.

Except as provided in the discussion of backup withholding below, gain on the sale of a Debt Obligation that is, or is deemed to be, effectively connected with the conduct of a trade or business in the United States by a Non-U.S. Owner (and if an income tax treaty applies, such gain is attributable to a U.S. permanent establishment), although exempt from U.S. withholding tax, generally will be subject to U.S. federal income tax at graduated rates, and in the case of a Non-U.S. Owner that is a foreign corporation, may also be subject to U.S. federal branch profits tax.

#### ***U.S. Federal Estate and Gift Taxes***

Debt Obligations owned by an individual who is not a citizen or domiciliary of the United States will not be subject to U.S. federal estate tax if interest paid on the Debt Obligations to such individual at the time of his or her death would have been exempt from U.S. federal income and withholding taxes as described above under either “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest — Exemption for Portfolio Interest” (without regard to the requirement that a non-U.S. beneficial ownership statement be received) or “Certain United States Federal Tax Consequences — Non-U.S. Owners — Interest — Exemption for Certain Short-Term Obligations.” A Non-U.S. Owner of a Debt Obligation generally will not be subject to U.S. federal gift tax on a transfer of the Debt Obligation.



## **Adoption or Replacement of a Benchmark Replacement**

In the event a Benchmark Replacement is adopted or replaced in response to a Benchmark Transition Event, the tax consequences with respect to a Debt Security with an interest rate based on the Benchmark or Benchmark Replacement are unclear. In the absence of final Treasury regulations, it is possible that if a Benchmark Replacement is adopted or replaced, such adoption or replacement could be treated as a “significant modification” (under Section 1001 of the Code) of Debt Securities based on the Benchmark or Benchmark Replacement, which may result in a deemed taxable exchange of such Debt Securities and the realization of gain or loss to the related Holders. The Service has issued guidance pursuant to which the adoption or replacement of a Benchmark Replacement may not be treated as a “significant modification” if certain conditions are met. No assurance can be given that the adoption or replacement of a Benchmark Replacement will comply with the guidance and that such adoption or replacement of a Benchmark Replacement will not result in a “significant modification.” Holders are advised to consult their own tax advisors regarding the adoption or replacement of a Benchmark Replacement.

## **Reportable Transaction Disclosure Statement**

Pursuant to the Treasury regulations, any taxpayer who has participated in a reportable transaction and who is required to file a U.S. federal income tax return generally must attach a disclosure statement disclosing such taxpayer’s participation in the reportable transaction to the taxpayer’s tax return for each taxable year in which the taxpayer participated in the reportable transaction. **“Reportable transactions”** include transactions that produce a foreign exchange loss of at least \$50,000 for taxpayers that are individuals or trusts, or higher amounts for certain other non-individual taxpayers. Owners of a Debt Obligation may be required to report on Form 8886 any disposition or retirement of a Debt Obligation if the Owners recognize a foreign exchange loss that exceeds the applicable threshold amount. Owners are strongly encouraged to consult with their own tax advisors concerning the implications of the reportable transaction disclosure requirements in light of their particular circumstances.

## **Information Reporting and Backup Withholding**

Payments of interest (including original issue discount) on a Debt Obligation to a U.S. Owner (other than a corporation or other exempt recipient) are required to be reported to the IRS and the U.S. Owner. Payments of interest (including original issue discount) on a Debt Obligation to a Non-U.S. Owner (other than interest described above under “Certain United States Federal Tax Consequences – Non-U.S. Owners – Interest – Exemption for Certain Short-Term Obligations”) generally will be reported to U.S. tax authorities and the Non-U.S. Owner. Form W-8BEN, Form W-8BEN-E, Form W-8ECI, or other documentation or information about the Non-U.S. Owner may be provided to U.S. tax authorities.

Backup withholding of U.S. federal income tax at the applicable rate may apply to a payment made in respect of a Debt Obligation, as well as a payment of proceeds from the sale of a Debt Obligation, to an Owner (other than a corporation or other exempt recipient), unless the Owner provides certain information. Any amount withheld under these rules will be creditable against the Owner’s U.S. federal income tax liability, and if withholding results in an overpayment of taxes, the Owner may apply for a refund from the IRS.

If an Owner (other than a corporation or other exempt recipient) sells a Debt Obligation before the stated maturity to (or through) certain brokers, the broker must report the sale to the IRS and the Owner unless, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. Person (and certain other conditions are met). The broker may be required to withhold U.S. federal income tax at the applicable rate on the entire sale price unless the Owner provides certain information and, in the case of a Non-U.S. Owner, the Non-U.S. Owner certifies that it is not a U.S. Person (and certain other conditions are met).

THE U.S. FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON AN OWNER'S PARTICULAR SITUATION. OWNERS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE DEBT OBLIGATIONS, INCLUDING THE TAX CONSEQUENCES UNDER THE TAX LAWS OF THE UNITED STATES, STATES, LOCALITIES, COUNTRIES OTHER THAN THE UNITED STATES AND ANY OTHER TAXING JURISDICTIONS AND THE POSSIBLE EFFECTS OF CHANGES IN SUCH TAX LAWS.

### APPLICATION OF PROCEEDS

We will use the net proceeds from sales of the Debt Securities for general corporate purposes, including, but not limited to, the purchase and financing of mortgages and mortgage-related securities and the repayment of existing indebtedness.

### LEGAL INVESTMENT CONSIDERATIONS

You should consult your own legal advisors to determine whether the Debt Securities constitute legal investments for you and whether the Debt Securities can be used as collateral for borrowings. In addition, financial institutions should consult their legal advisors or regulators to determine the appropriate treatment of the Debt Securities under risk-based capital and similar rules.

If you are subject to legal investment laws and regulations or to review by regulatory authorities, you may be subject to restrictions on investing in certain types of Debt Securities generally. Institutions regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, Treasury or any other federal or state agency with similar authority should review applicable regulations, policy statements and guidelines before purchasing or pledging Debt Securities.

### DISTRIBUTION ARRANGEMENTS

#### Term Debt Securities

##### *Distribution*

We will offer Term Debt Securities to or through Dealers under the terms and conditions set forth in a Master Dealer Agreement (as amended, supplemented or replaced from time to time, the "**Dealer Agreement**") between us and certain Dealers. "**Dealers**" are firms that engage in the business of dealing or trading in debt securities as agents, brokers or principals. Under the terms of the Dealer Agreement, we may add other securities dealers or banks in connection with the distribution of the Debt Securities or any particular issue of Debt Securities. These securities dealers or banks, together with the initial Dealers with whom Freddie Mac executed the Dealer Agreement, are referred to in this Offering Circular collectively as the "Dealers." The Dealer Agreement also provides that Dealers may be removed from the Facility from time to time.

##### *Sales to Dealers as Principal*

We will sell Debt Securities primarily to Dealers as principals, either individually or as part of a syndicate. These sales may be by auction or other methods. Dealers will resell Debt Securities to investors at a fixed offering price or at varying offering prices related to market prices prevailing at the time of resale as determined by such Dealers. Offering prices may be established through negotiations with Dealers, auctions (which may include standard auctions, Dutch auctions or other formats) or otherwise. The Dealer Agreement entitles the Dealers or us to terminate such sale in certain circumstances before payment for the Debt Securities is made to us. Except under certain circumstances, any Dealer may sell the Debt Securities it has purchased as principal to other dealers

at a concession, in the form of a discount that other dealers receive. The concession may be all or a portion of the underwriting compensation. There will be no underwriting compensation where such sales are by auction. Dealers will advise us whether an offering is on a fixed price or variable price basis and of any concessions or reallowances that they will provide to other dealers. We will include this information that the Dealers provide in the applicable Pricing Supplement. After the initial offering of any issue of Debt Securities, the offering price (in the case of a fixed price offering), the concession and the reallowance may be changed.

### ***Non-Underwritten Sales***

We may authorize some Dealers to solicit customer offers to purchase Debt Securities on a non-underwritten basis as our agents on terms we determine. The Dealer Agreement requires each Dealer severally and not jointly to solicit purchases of the Debt Securities for which it is authorized to solicit offers as agent. Dealers have agreed to use their best efforts when soliciting non-underwritten sales. Dealers also may approach us on behalf of investors and other purchasers with offers to purchase Debt Securities on a non-underwritten basis. We will sell Debt Securities on a non-underwritten basis at 100% of the principal amount, unless we specify otherwise in the applicable Pricing Supplement. These sales may be by auction or other methods. We will pay the Dealers through whom a Debt Security is sold a commission in an amount specified in the applicable Pricing Supplement, except that no commission will be paid on sales of Term Debt Securities where such sales are by auction. The commission will be expressed as a percentage of the principal amount of the Debt Securities (or the initial offering price for Zero Coupon Debt Securities sold at a discount and certain other Debt Securities sold at a discount). We will have the sole right to accept offers to purchase Debt Securities and may reject all or a portion of any offer. Each Dealer will have the right, using reasonable discretion, to reject all or a portion of any offer to purchase Debt Securities solicited on a non-underwritten basis. Each Dealer is acting solely as our agent in soliciting offers to purchase Debt Securities as agent and not as principal, and does not assume any obligation towards or relationship of agency or trust with any purchaser of Debt Securities.

### ***Sales Directly to Investors***

We also may sell Debt Securities directly to investors on our own behalf. We will not pay a commission to any Dealer on these direct sales. These sales may be by auction or other methods.

### **Discount Notes**

We offer Discount Notes for sale through one or a combination of methods, including auction, allocation to selected Dealers for reoffering or placement with investors, and direct placement with Dealers or investors.

Discount Notes generally are offered on a continuous basis for sale to Dealers. The sales may be held on a daily basis and there may be more than one sale on a given day. Current quotations for Discount Notes of varying maturities can be obtained by contacting any Dealer for Discount Notes.

Freddie Mac may compensate Dealers in connection with sales of Discount Notes by allowing a concession to the Dealers. Part of any concession allowed by Freddie Mac may be in the form of a commission payable by Freddie Mac to Dealers that place customer bids during an auction that are subsequently awarded to the Dealer's customer.

### **Dealer Information**

In connection with an issue of Debt Securities, Freddie Mac may enter into a swap or other hedging agreement with a Dealer, one of its affiliates or a third party. Any such agreement may provide for the payment of fees or other compensation or provide other economic benefits (including trading gains or temporary funding) to, and will impose obligations on, the parties, but will not affect the rights of Holders of, or the obligations of Freddie Mac as to, such Debt Securities. The existence of such an agreement may influence our decision to exercise our right of optional redemption, if any,

as to such Debt Securities. Counterparties to these hedging agreements also may engage in market transactions involving Debt Securities.

In addition, we may have various other business relationships with Dealers and their affiliates. For example, they may from time to time underwrite, invest in or make markets in Debt Securities or other securities we issue or guarantee, provide financial advice to us, provide money management, consulting or investment banking services to us, purchase financial products from us, sell financial products to us, engage in swap, hedging, forward, dollar roll, repurchase, reverse repurchase and other financial transactions with us, restructure mortgage-related securities we have issued, or enter into licensing or other commercial agreements with us. We, the Dealers, their affiliates or other parties may receive compensation, trading gain or other benefits in connection with these transactions. We are not required to engage in any of these transactions. If we commence these transactions, we may discontinue them at any time. Counterparties to these transactions also may engage in market transactions involving Debt Securities.

Unless we specify otherwise in the applicable Pricing Supplement, you must pay the purchase price of Debt Securities in immediately available funds. Your payment will be effective upon receipt.

We and the Dealers have agreed to indemnify each other against and contribute toward certain liabilities.

Purchasers of the Debt Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase. Neither we nor any Dealer represent that the Debt Securities may be sold lawfully in the secondary market at any time in compliance with any applicable registration or other requirements in any jurisdiction, or under any available exemption, nor do we or any Dealer assume any responsibility for facilitating these sales.

You can obtain lists of Dealers for Debt Securities by contacting our Debt Operations. See “Additional Information” in this Offering Circular. Lists of dealers for Debt Securities are also available on our website at [http://www.freddiemac.com/debt/products/dealer\\_groups.html](http://www.freddiemac.com/debt/products/dealer_groups.html).

We may request the Dealers to provide us with information relating to the Debt Securities that they sell, including the identities of investors that have made purchases of Debt Securities.

## **Trading Markets**

We may issue unlisted Debt Securities or apply to list some Debt Securities on certain exchanges. The Pricing Supplement will identify any exchange to which an initial listing application will be made. We may delist Debt Securities previously listed on an exchange.

When issued, the Debt Securities generally will have no established trading market. We have been advised that certain Dealers for the Debt Securities intend to make a secondary market in the Debt Securities offered by or through them, but such Dealers are not obligated to do so and may discontinue any such secondary market making at any time without notice. There is no assurance that a secondary market for any of the Debt Securities will develop or of the liquidity of such a market if it develops.

## **Selling Restrictions**

### ***General***

The Debt Securities may be offered and sold from time to time in one or more issues outside of the United States, within the United States or simultaneously outside of and within the United States, only where it is legal to make such offers and sales.

The Dealers have represented and agreed that they have complied and will comply with all applicable laws and regulations in each jurisdiction in which or from which they may purchase, offer, sell or deliver any Debt Securities or distribute this Offering Circular, any Pricing Supplement or any other offering material. The Dealers also have agreed to comply with certain selling restrictions relating to certain countries.

Appendix B sets forth selling restrictions for various jurisdictions. We may modify these selling restrictions following a change in any relevant law, regulation, government policy or directive, or otherwise. We also may add selling and other restrictions to reflect requirements relating to Specified Currencies or Specified Payment Currencies. Any such modified or added selling or other restrictions will be reflected in the applicable Pricing Supplement.

### **LEGALITY OF THE DEBT SECURITIES**

Our General Counsel or one of our Deputy General Counsels will pass upon the legality of the Debt Securities for us. Sidley Austin LLP, New York, New York, will pass upon certain legal matters relating to the Debt Securities for the Dealers.

### **GENERAL INFORMATION**

As of the date of this Offering Circular, except as disclosed in our Annual Report, there is no litigation, actual or pending, that relates to Freddie Mac and to which we are a party or of which we have been notified that we will be made a party that is material in the context of the issuance of the Debt Securities.

Freddie Mac's financial statements are presented in our Annual Report on a consolidated basis. The audited consolidated financial statements and other financial information in our current Annual Report fairly present in all material respects the financial condition of Freddie Mac at December 31, 2020, and the results of operation of Freddie Mac for the period then ended. We are not aware of other matters arising since the publication of our Annual Report that have adversely affected Freddie Mac or the figures that appear in the table under "Capitalization" in a manner that is material in the context of the Facility or the offering and issuance of Debt Securities.

## CAPITALIZATION

The following table sets forth our capitalization at December 31, 2020. This financial information is summarized from data presented in our Annual Report on Form 10-K for the year ended December 31, 2020. We engage in transactions and issue or repurchase debt obligations on an ongoing basis, all of which cause our total capitalization to change. As discussed in our Annual Report on Form 10-K for the year ended December 31, 2020, a variety of factors could materially affect the level and volatility of our total stockholders' equity in future periods, which in turn will affect our total capitalization. In addition, although the Purchase Agreement substantially limits our ability to engage in transactions in Freddie Mac equity securities, our total stockholders' equity will be affected by any changes in the aggregate liquidation preference of our senior preferred stock issued under the Purchase Agreement. Therefore, on any date after December 31, 2020, our total capitalization will differ (perhaps substantially) from the figures contained in this capitalization table.

	<u>December 31, 2020</u> (dollars in millions)
Debt of Freddie Mac:	
Short-term debt .....	\$ 4,955
Long-term debt:	
Senior debt .....	279,415
Subordinated debt .....	—
Total long-term debt .....	<u>279,415</u>
Total other debt .....	284,370
Debt securities of consolidated trusts held by third parties .....	<u>2,308,176</u>
Total debt, net .....	2,592,546
Total stockholders' equity .....	<u>16,413</u>
Total capitalization .....	<u><u>\$2,608,959</u></u>

See "NOTE 9: DEBT" and "NOTE 13: STOCKHOLDERS' EQUITY AND EARNINGS PER SHARE" to the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2020 for further information.

## DESCRIPTIONS OF INDICES

The Pricing Supplement will specify the applicable interest rate index for an issue of Variable Rate Debt Securities. The provisions set forth below under the heading of the specific interest rate index will apply to the related Variable Rate Debt Securities.

*Prime Rate*

The “**Prime Rate**” means, with respect to any Reset Date (in the following order of priority):

(1) the rate for the Prime Rate Determination Date as published by the Federal Reserve in “Statistical Release H.15, Selected Interest Rates,” or any successor publication of the Federal Reserve available on its website at <http://www.federalreserve.gov/releases/h15/> or any successor site (“**H.15**”) or other recognized electronic source used for the purpose of displaying that rate opposite the caption “Bank prime loan”;

(2) if the rate is not published in H.15 by 5:00 p.m. on the Reset Date, then the Prime Rate will be the arithmetic mean, determined by the Calculation Agent, of the rates (after eliminating certain rates, as described below in this clause (2)) that appear, at 11:00 a.m. on the Prime Rate Determination Date, on Reuters USPRIME1 Page as the U.S. dollar prime rate or base lending rate of each bank appearing on that page; provided, that at least three rates appear. In determining the arithmetic mean:

- if 20 or more rates appear, the highest five rates (or in the event of equality, five of the highest) and the lowest five rates (or in the event of equality, five of the lowest) will be eliminated,
- if fewer than 20 but 10 or more rates appear, the highest two rates (or in the event of equality, two of the highest) and the lowest two rates (or in the event of equality, two of the lowest) will be eliminated, or
- if fewer than 10 but five or more rates appear, the highest rate (or in the event of equality, one of the highest) and the lowest rate (or in the event of equality, one of the lowest) will be eliminated;

(3) if fewer than three rates so appear on Reuters USPRIME1 Page pursuant to clause (2) above, then the Calculation Agent will request five major banks in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent) to provide a quotation of such banks’ U.S. dollar prime rates or base lending rates on the basis of the actual number of days in the year divided by 360 as of the close of business on the Prime Rate Determination Date. If at least three quotations are provided, then the Prime Rate will be the arithmetic mean, determined by the Calculation Agent, of the quotations obtained (and, if five quotations are provided, eliminating the highest quotation (or in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest));

(4) if fewer than three quotations are so provided pursuant to clause (3) above, the Calculation Agent will request five banks or trust companies organized and doing business under the laws of the United States or any state, each having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by federal or state authority, selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent), to provide a quotation of such banks’ or trust companies’ U.S. dollar prime rates or base lending rates on the basis of the actual number of days in the year divided by 360 as of the close of business on the Prime Rate Determination Date. In making such selection of five banks or trust companies, the Calculation Agent will include each bank, if any, that provided a quotation as requested in clause (3) above and exclude each bank that failed to provide a

quotation as requested in clause (3). If at least three quotations are provided, then the Prime Rate will be the arithmetic mean, determined by the Calculation Agent, of the quotations obtained; and

(5) if fewer than three quotations are so provided pursuant to clause (4) above, then the Prime Rate will be the Prime Rate determined for the immediately preceding Reset Date. If the applicable Reset Date is the first Reset Date, then the Prime Rate will be the rate determined pursuant to clause (1) for the most recent New York Banking Day preceding the Reset Date for which such rate was published in H.15.

The following definitions apply to the preceding description of Prime Rate:

- **“Prime Rate Determination Date”** means the New York Banking Day preceding the applicable Reset Date.
- **“Reuters USPRIME1 Page”** means the display designated as page “USPRIME1” (or any successor page) provided by Reuters Group PLC or any successor service (**“Reuters”**).

All times in the Prime Rate description refer to New York City time.

#### *Treasury Rate*

The **“Treasury Rate”** means, with respect to any Reset Date (in the following order of priority):

(1) the rate for the Treasury Rate Determination Date of short-term securities issued by the Treasury (the **“Treasury Bills”**) having the Index Maturity, as published in H.15 or other recognized electronic source used for the purpose of displaying that rate under the caption “U.S. government securities/Treasury bills (secondary market)”;

(2) if the rate described in clause (1) above is not so published by 5:00 p.m. on the Reset Date, then the rate from the auction held on the Treasury Rate Determination Date (the **“Treasury Auction”**) of Treasury Bills, having the Index Maturity, as that rate appears under the caption “INVEST RATE” on the display on Reuters USAUCTION10 Page or Reuters USAUCTION11 Page;

(3) if the rate described in clause (2) above is not published by 5:00 p.m. on the Reset Date, then the auction average rate obtained from the Treasury Auction of the applicable Treasury Bills as announced by Treasury in the form of a press release under the heading “Investment Rate”;

(4) if the rate described in clause (3) above is not so announced by 5:00 p.m. on the Reset Date, then the auction average rate obtained from the Treasury Auction of the applicable Treasury Bills as otherwise announced by Treasury by 5:00 p.m. on the Reset Date as determined by the Calculation Agent;

(5) if the rate described in clause (4) above is not so announced by Treasury by 5:00 p.m. on the Reset Date, the Calculation Agent will request five leading primary United States government securities dealers in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if we are not then acting as Calculation Agent) to provide a quotation of such dealers’ secondary market bid yields, as of 3:00 p.m. on the Treasury Rate Determination Date, for Treasury Bills with a remaining maturity closest to the Index Maturity (or, in the event that the remaining maturities are equally close, the longer remaining maturity). If at least three quotations are provided, then the Treasury Rate will be the arithmetic mean, determined by the Calculation Agent, of the quotations obtained; and

(6) if fewer than three quotations are so provided pursuant to clause (5) above, then the Treasury Rate for the immediately preceding Reset Date. If the applicable Reset Date is the first Reset Date, then the Treasury Rate will be the auction average rate for Treasury Bills having the Index Maturity from the most recent auction of Treasury Bills prior to the Treasury Rate Determination Date for which such rate was announced by Treasury in the form of a press release under the heading “Investment Rate.”

The rate (including the auction average rate) for Treasury Bills and the secondary market bid yield for Treasury Bills will be obtained and expressed as a bond equivalent yield on the basis of a year of



365 or 366 days, as applicable (or, if not so expressed, will be converted by the Calculation Agent to such a bond equivalent yield).

The following definitions apply to the preceding description of Treasury Rate:

**“Treasury Rate Determination Date”** will be the day of the week in which the Reset Date falls on which Treasury Bills would normally be auctioned or, if no auction is held for a particular week, the first Business Day of that week. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; provided, however, that if an auction is held on the Friday of the week preceding the Reset Date, the Treasury Rate Determination Date will be that preceding Friday; and provided, further, that if the Treasury Rate Determination Date would otherwise fall on the Reset Date, that Reset Date will be postponed to the next succeeding Business Day.

**“Reuters USAUCTION10 Page”** means the display designated as “USAUCTION10” (or any successor page) provided by Reuters.

**“Reuters USAUCTION11 Page”** means the display designated as “USAUCTION11” (or any successor page) provided by Reuters.

All times in the Treasury Rate description refer to New York City time.

#### *CMT Rate*

The **“CMT Rate”** means, with respect to any Reset Date (in the following order of priority):

(1) for any CMT Determination Date, the daily rate for the Index Maturity that appears on page “FRBCMT” on Reuters (or any other page that replaces the FRBCMT page on that service or any successor service) under the heading “...Treasury Constant Maturities. Federal Reserve Board Release H.15...Mondays Approximately 3:45 p.m.”;

(2) if the applicable rate described in clause (1) is not displayed on Reuters page FRBCMT at 3:45 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the Treasury constant maturity rate for the Index Maturity applicable for the CMT Determination Date as published in H.15;

(3) if the CMT Rate is not determined pursuant to clause (1) and the applicable rate described in clause (2) does not appear in H.15 at 3:45 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the Treasury constant maturity rate, or other Treasury rate, applicable to an Index Maturity with reference to the CMT Determination Date, that:

- is published by the Board of Governors of the Federal Reserve System or the U.S. Department of the Treasury; and
- we have determined to be comparable to the applicable rate formerly displayed on the FRBCMT page on Reuters and published in H.15;

(4) if the CMT Rate is not determined pursuant to clause (1) or (2) and the rate described in clause (3) above does not appear at 3:45 p.m., New York City time, on the CMT Determination Date, then the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury securities with an original maturity of approximately the Index Maturity and a remaining term to maturity of no more than one year shorter than the Index Maturity, and in a Representative Amount, as of approximately 3:45 p.m., New York City time, on the CMT Determination Date, as quoted by three primary U.S. government securities dealers in New York City that we select. In selecting these offered rates, we will request quotations from five primary dealers and will disregard the highest quotation or, if there is equality, one of the highest and the lowest quotation or, if there is equality, one of the lowest. If two Treasury securities with an original maturity longer than the Index Maturity have remaining terms to maturity that are equally close to the Index Maturity, we will obtain quotations for the Treasury security with the shorter remaining term to maturity;

(5) if the CMT Rate is not determined pursuant to clause (1), (2) or (3) and fewer than five but more than two primary dealers are quoting offered rates as described in clause (4), then the CMT Rate for the CMT Determination Date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded;

(6) if the CMT Rate is not determined pursuant to clause (1), (2), (3) or (4) and two or fewer primary dealers are quoting offered rates as described in clause (5), then the CMT Rate will be the yield to maturity of the arithmetic mean of the secondary market offered rates for Treasury securities having an original maturity longer than the Index Maturity and a remaining term to maturity closest to the Index Maturity, and in a Representative Amount, as of approximately 3:45 p.m., New York City time, on the CMT Determination Date, as quoted by three primary U.S. government securities dealers in New York City that we select. In selecting these offered rates, we will request quotations from five primary dealers and will disregard the highest quotation, or, if there is equality, one of the highest and the lowest quotation or, if there is equality, one of the lowest;

(7) if the CMT Rate is not determined pursuant to clauses (1) through (6) above and fewer than five but more than two primary dealers are quoting offered rates as described in clause (6), then the CMT Rate for the CMT Determination Date will be based on the arithmetic mean of the offered rates so obtained, and neither the highest nor the lowest of those quotations will be disregarded;

(8) if we obtain fewer than three quotations of the kind described in clause (6), the CMT Rate in effect for the new Interest Reset Period will be the CMT Rate in effect for the prior Interest Reset Period or, if the applicable Reset Date is the first Reset Date, the rate of interest payable for the new Interest Reset Period will be the initial interest rate; and

(9) if the CMT Rate in its present form ceases to exist and the provisions described in this Offering Circular for determining a fallback rate are found to be unreliable or result in a fallback rate that is not comparable to the CMT Rate, Freddie Mac, as the Calculation Agent, is authorized to designate an alternative determination method or index to the CMT Rate. If, prior to the time the CMT Rate may cease to exist, a new industry standard index is adopted, the Calculation Agent may elect, in its sole discretion, to use such standard index in lieu of the CMT Rate. If the Calculation Agent has designated an alternative determination method or index to the CMT Rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the business day convention, the definition of business day and the interest determination date to be used and any other relevant methodology, including any adjustment factor needed to make such alternative determination method or index comparable to the CMT Rate base rate, in a manner that is consistent with industry-accepted practices. The Calculation Agent's designation of an alternative determination method or index as described herein will be final and binding on all parties.

The following definitions apply to the preceding description of CMT Rate:

- **“CMT Determination Date”** means the second New York Banking Day preceding the applicable Reset Date.
- **“Representative Amount”** means a principal amount of not less than U.S. \$1,000,000 that, in the Calculation Agent's sole judgment, is representative for a single transaction in the relevant market at the relevant time.

All times in the CMT Rate description refer to New York City time.

In the absence of clear error, our determination of the CMT Rate will be final and binding.

#### *Federal Funds Rate (Daily)*

The **“Federal Funds Rate (Daily)”** means, with respect to any Reset Date:

(1) the rate for the Business Day preceding the Federal Funds Rate (Daily) Determination Date for U.S. dollar federal funds, as published in the latest H.15 or other recognized electronic source used for the purpose of displaying that rate opposite the caption “Federal funds (effective)”;

(2) If the rate specified in clause (1) is not published by 5:00 p.m. on the Federal Funds Rate (Daily) Determination Date, the Calculation Agent will request five leading brokers (which may include the related Dealers or their affiliates) of federal funds transactions in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) each to provide a quotation of the broker's effective rate for transactions in overnight federal funds arranged by the broker settling on the Business Day preceding the Federal Funds Rate (Daily) Determination Date. If at least two quotations are provided, then the Federal Funds Rate (Daily) will be the arithmetic mean determined by the Calculation Agent of the quotations obtained (and, if five quotations are provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest));

(3) if fewer than two quotations are so provided pursuant to clause (2) above, then the Calculation Agent will request five leading brokers (which may include the related Dealers or their affiliates) of federal funds transactions in the City of New York selected by the Calculation Agent (after consultation with Freddie Mac, if Freddie Mac is not then acting as Calculation Agent) each to provide a quotation of the broker's rates for the last transaction in overnight federal funds arranged by the broker as of 11:00 a.m. on the Business Day preceding the Federal Funds Rate (Daily) Determination Date. If at least two quotations are provided, then the Federal Funds Rate (Daily) will be the arithmetic mean determined by the Calculation Agent of the quotations obtained (and, if five quotations are provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)); and

(4) if fewer than two quotations are so provided pursuant to clause (3) above, then the Federal Funds Rate (Daily) as of such Federal Funds Rate (Daily) Determination Date will be the Federal Funds Rate (Daily) determined for the immediately preceding Reset Date. If the applicable Reset Date is the first Reset Date, the rate of interest payable for the new Interest Reset Period will be the initial interest rate.

The following definition applies to the preceding description of Federal Funds Rate (Daily):

**"Federal Funds Rate (Daily) Determination Date"** means the applicable Reset Date; provided, however, that if the Reset Date is not a Business Day, then the Federal Funds Rate (Daily) Determination Date means the Business Day immediately following the applicable Reset Date.

All times in the Federal Funds Rate (Daily) descriptions refer to New York City time.

#### *SOFR*

**"SOFR"** means the Secured Overnight Financing Rate published by the FRBNY on the FRBNY's Website. With respect to any U.S. Government Securities Business Day, means:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the FRBNY's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **"SOFR Determination Time"**);

(2) if the rate specified in (1) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the FRBNY's Website;

**"Compounded SOFR"** means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where, for purposes of applying the above formula:

“**d<sub>0</sub>**,” for any Observation Period, is the number of U.S. Government Securities Business Days in the relevant Observation Period;

“**i**” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

“**SOFR<sub>i</sub>**,” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, is equal to SOFR in respect of that day “i”;

“**n<sub>i</sub>**,” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”); and

“**d**” is the number of calendar days in the relevant Observation Period.

The following definitions solely apply to the preceding description of SOFR and Compounded SOFR:

“**FRBNY’s Website**” means the website of the FRBNY, currently at <http://www.newyorkfed.org>, or any successor source.

“**Observation Period**” means, in respect of each Interest Period, the period from, and including, the date two U.S. Government Securities Business Days preceding the first date in such Interest Period to, but excluding, the date two U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period.

“**U.S. Government Securities Business Day**” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

*Effect of Benchmark Transition Event — SOFR*

Benchmark Replacement. Notwithstanding the foregoing, if Freddie Mac determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the notes in respect of all determinations on such date and for all determinations on all subsequent dates.

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

Decisions and Determinations. Any determination, decision or election that may be made by Freddie Mac pursuant to this Section titled “Effect of Benchmark Transition Event — SOFR,” including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in Freddie Mac’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Debt Securities, shall become effective without consent from any other party.

Certain Defined Terms. As used in this Section titled “Effect of Benchmark Transition Event – SOFR,” and solely for purposes of this section:

**“Benchmark”** means, initially, SOFR, as such term is defined in Section titled “SOFR”; provided that if Freddie Mac determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

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

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;  
or

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

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

(1) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by Freddie Mac giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

**“Benchmark Replacement Conforming Changes”** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that Freddie Mac decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if Freddie Mac decides that adoption of any portion of such market practice is not administratively feasible or if Freddie Mac determines that no market practice for use of the Benchmark Replacement exists, in such other manner as Freddie Mac determines is reasonably necessary).

**“Benchmark Replacement Date”** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

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

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

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

**“Benchmark Transition Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

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

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

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

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

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

**“Reference Time”** with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by Freddie Mac after giving effect to the Benchmark Replacement Conforming Changes.

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

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

For the preceding descriptions of Treasury Rate, CMS Rate, and CMT Rate:

- **“Index Maturity”** means the period specified in the related Pricing Supplement as to which the Treasury Rate, CMS Rate, or CMT Rate, as the case may be, will be calculated.
- All rates will be obtained from sources expressed as a percentage rate per annum.

For the preceding descriptions of Prime Rate and CMT Rate:

- **“New York Banking Day”** means any day other than (a) a Saturday, (b) a Sunday, (c) a day on which banking institutions in the City of New York are required or permitted by law or executive order to close or (d) a day on which the FRBNY is closed.

## SELLING RESTRICTIONS

### General

Debt Securities may be offered or sold only where it is legal to do so. The Dealers have represented and agreed that they have complied and will comply with all applicable laws and regulations in each jurisdiction outside of the United States in which they may conduct an offering of Debt Securities.

This Offering Circular does not constitute an offer to sell or buy or a solicitation of an offer to buy or sell any Debt Securities in any jurisdiction or in any other circumstance in which such an offer or solicitation is unlawful or not authorized.

### Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Facility will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Debt Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Securities.

### Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Facility will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Debt Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Debt Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Debt Securities.



## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the “**Corporations Act**”)) in relation to the Facility or any Debt Securities has been or will be lodged with or registered by the Australian Securities and Investments Commission (“**ASIC**”) or any other regulatory authority in Australia.

Each Dealer has represented and agreed, and each further Dealer appointed under the Facility will be required to represent and agree, that it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Debt Securities in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, prospectus or any other offering material or advertisement relating to the Facility or any Debt Securities in Australia, unless:
  - (i) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
  - (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
  - (iii) such action complies with all applicable laws, regulations and directives; and
  - (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Debt Securities under the Facility, each person to whom Debt Securities are issued (an “**Investor**”):

- (a) will be deemed by the Issuer and each of the Dealers to have acknowledged that if any Investor on-sells Debt Securities within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
  - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer Debt Securities in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Dealers to have undertaken not to sell those Debt Securities in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Debt Securities.

This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering of any Debt Securities in Australia.

## Belgium

This Offering Circular and any Pricing Supplement have not been submitted for approval to the Belgian Financial Services and Markets Authority. Accordingly, Debt Securities that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Regulation) may not be distributed in Belgium by way of a public offering (as defined for the purposes of the Prospectus Regulation or the law of 11 July 2018 on the offer of investment instruments to the public and the admission of investment instruments to trading on regulated markets, each as amended or replaced from time to time).

The Debt Securities are not intended to be sold to Belgian Consumers. Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Facility will be required to represent, warrant and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Debt Securities to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, the Offering Circular, any Pricing Supplement or any other offering material relating to the Debt Securities to Belgian Consumers.

For these purposes, a “Belgian Consumer “ has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/ Code du 28 février 2013 de droit économique*), being any natural person resident or located in Belgium and acting for purposes which are outside his/her trade, business or profession.

## **Bolivia**

The Debt Securities may not be offered or sold directly or indirectly in Bolivia, except in circumstances which will not result in a public offering in Bolivia within the meaning of art. 6 of the Bolivian Securities Law (Ley de Valores No. 1834, dated 18 March, 1998) and its applicable regulations. This Offering Circular is personal to each recipient thereof and does not constitute an offer to any other person. This Offering Circular may only be used by the persons to whom it has been handed out in connection with the offering described herein and may not be distributed (directly or indirectly) or made available to other persons in Bolivia without the express consent of Freddie Mac. It may not be used in connection with any other offer and shall in particular not be copied, distributed and/or otherwise made available to other persons in Bolivia. This document does not constitute an issue prospectus pursuant to art. 8 of the Bolivian Securities Law and its applicable regulations.

This Offering Circular does not constitute a prospectus for purposes of a public offering within the meaning of the Bolivian Securities Law and its applicable regulations. Accordingly, the Debt Securities may not be publicly offered in Bolivia and neither this Offering Circular nor any other offering materials relating to the Debt Instruments may be made available through a public offering in Bolivia.

## **Brazil**

The Debt Securities have not been and will not be issued nor publicly placed, distributed, offered or negotiated in the Brazilian capital markets. The offering of the Debt Securities has not been nor will be registered with the Brazilian Securities Commission (the Comissão de Valores Mobiliários or “**CVM**”). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Debt Securities in Brazil is not legal without prior registration under Law No. 6,385/76, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended, unless an exemption from registration applies. Documents relating to the offering of the Debt Securities, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Debt Securities is not a registered public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Debt Securities to the public in Brazil. Therefore, each of the Dealers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Debt Securities in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation that would require previous registration with the CVM. Persons wishing to offer or acquire the Debt Securities within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

## **Canada**

Each Dealer has represented, warranted and agreed that:

(a) the sale and delivery of any Debt Securities to any purchaser who is a resident of Canada or otherwise subject to the laws of Canada or, except in the case of an investment manager purchasing for a fully managed account, who is purchasing for a principal who is a resident of

Canada or otherwise subject to the laws of Canada (each such purchaser or principal, a **“Canadian Purchaser”**) by such Dealer shall be made so as to be exempt from the prospectus filing requirements and exempt from, or in compliance with, the dealer registration requirements of all applicable securities laws, regulations, rules, instruments, rulings and orders, including those applicable in each of the provinces and territories of Canada (as defined in this section, the **“Securities Laws”**);

(b) (i) the Dealer is an investment dealer as defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**“NI 31-103”**); or (ii) any sale and delivery of any Debt Securities to a Canadian Purchaser will be made through (A) an affiliate of the relevant Dealer that is a registered investment dealer, exempt market dealer or restricted dealer; or (B) in compliance with the international dealer exemption from the dealer registration requirements, and otherwise in compliance with the representations, warranties, and agreements set out herein;

(c) each Canadian Purchaser is entitled under the Securities Laws to acquire the Debt Securities without a prospectus qualified under the Securities Laws, and such purchaser is a “permitted client” as defined in section 1.1 of NI 31-103 and an “accredited investor” as defined in National Instrument 45-106 *Prospectus Exemptions* (**“NI 45-106”**) or the *Securities Act* (Ontario);

(d) it will ensure that each Canadian Purchaser purchasing from it (i) has represented to it that such Canadian Purchaser is resident in Canada; (ii) has represented to it which categories set forth in the relevant definition of “accredited investor” in NI 45-106 or the *Securities Act* (Ontario) and “permitted client” in section 1.1 of NI 31-103 correctly describes such Canadian Purchaser; and (iii) in the event such Canadian Purchaser is an individual, consents to disclosure of all required information about the purchase to the relevant Canadian securities regulators or regulatory authorities;

(e) it has not provided and will not provide to any Canadian Purchaser any document or other material with respect to the private placement of the Debt Securities in Canada that would constitute an offering memorandum within the meaning of the Securities Laws (other than this Offering Circular);

(f) it has not made and it will not make any written or oral representations to any Canadian Purchaser:

(i) that any person will resell or repurchase the Debt Securities purchased by such Canadian Purchaser;

(ii) that the Debt Securities will be freely tradeable by the Canadian Purchaser without any restrictions or hold periods;

(iii) that any person will refund the purchase price of the Debt Securities; or

(iv) as to the future price or value of the Debt Securities; and

(g) it will inform each Canadian Purchaser that:

(i) we are not a “reporting issuer” and are not, and may never be, a reporting issuer in any province or territory of Canada and there currently is no public market in Canada for any of the Debt Securities, and one may never develop;

(ii) the Debt Securities will be subject to resale restrictions under applicable Securities Law; and

(iii) in the event that such Canadian Purchaser is an individual, such Canadian Purchaser’s name and other specified information will be disclosed to the relevant Canadian securities regulators or regulatory authorities and may become available to the public in accordance with applicable laws.

### **Statutory Rights of Action**

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment or supplement thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

### **Underwriter Conflicts**

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105"), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with an offering of the Debt Securities.

### **Chile**

Each Dealer has represented, warranted and agreed that the Offering Circular of the Debt Securities has not been submitted for approval by the Commission for the Financial Market (*Comisión para el Mercado Financiero*, which is the Chilean equivalent of United States Securities and Exchange Commission), and that:

- (a) the Debt Securities may not be offered or sold to the general public or to specific sectors or groups of the general public; and
- (b) it has not distributed or published, and will not distribute or publish, advertisement or other offering material relating to the Debt Securities in Chile;

Unless,

both the issuer and the securities to be offered are registered in the corresponding registries of the Commission for the Financial Market, in which case they will have to comply with the requirements set forth in the General Ruling Nr. 352/2013 of the formerly known Insurance and Securities Superintendence, currently the referred Commission for the Financial Market.

### **Denmark**

This Offering Circular does not constitute a prospectus under Danish securities law and consequently is not required to be nor has been filed with or approved by the Danish Financial Supervisory Authority as this Offering Circular either (i) has not been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market within the meaning of the Danish Capital Markets Act or any Executive Orders issued pursuant thereto or the Prospectus Regulation, or (ii) has been prepared in the context of a public offering of securities in Denmark or the admission of securities to trading on a regulated market in reliance on one or more of the exemptions from the requirement to prepare and publish a prospectus in the Danish Capital Markets Act or any Executive Orders issued pursuant thereto or the Prospectus Regulation.

### **France**

Each Dealer has represented and agreed that it has only offered or sold, and will only offer or sell, directly or indirectly, Debt Securities to qualified investors (*investisseurs qualifiés*), as defined in Article L.411-2-1° French *Code monétaire et financier*, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors this Offering Circular, any Pricing Supplement or any other offering material relating to the Debt Securities.

## Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Debt Securities except for Debt Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O;

(b) it has not issued or had in its possession for the purposes of issue and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Debt Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Debt Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO; and

(c) this Offering Circular has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed by any regulatory authority in Hong Kong.

**Warning: you are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.**

## Iceland

This Offering Circular has been issued to the recipient exclusively in connection with the private offering described in the Offering Circular, and the Offering Circular may not be used by the recipient for any other purpose nor forwarded to any other person or entity in Iceland. This Offering Circular has not been approved by the Financial Supervisory Authority of the Central Bank of Iceland and does not constitute a prospectus under the Act on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market No 14/2020 (the “Prospectus Act”), implementing Regulation (EU) 2017/1129 of 14 June 2017 (the “Prospectus Regulation”). The investment in the Debt Securities described in this Offering Circular is not a public offering of securities under the Prospectus Act and is not registered for public distribution in Iceland with the Financial Supervisory Authority of the Central Bank of Iceland pursuant to the Icelandic Act no. 128/2011 on undertakings for collective investment in transferable securities, investment funds and professional funds and supplementary regulations. Accordingly, this Offering Circular may not be made available nor may the Debt Securities otherwise be marketed and offered for sale in Iceland unless in circumstances that benefit from an exemption to, or constitute a transaction not subject to, the requirement to publish a prospectus pursuant to the Prospectus Act. Prospective Icelandic investors should consult with their own tax advisors as to the tax consequences of an investment based on the Offering Circular.

## India

This Offering Circular does not constitute (and should not be construed to constitute) an offer to sell or a solicitation of an offer to buy Debt Securities from any person other than the person to whom this Offering Circular is specifically addressed. This Offering Circular is not and should not be construed as a prospectus and neither this Offering Circular nor any amendment or supplement thereto, has been or will be registered as a ‘prospectus’ under the provisions of the (Indian) Companies Act, 2013. None of this Offering Circular or any information contained herein nor any amendment or supplement thereto have been reviewed, approved, or recommended by the Registrar

of Companies or Securities and Exchange Board of India or any other Indian regulatory authority. The Debt Securities are not being offered to the public for sale or subscription but are being privately placed with a limited number of sophisticated investors. Any reliance placed upon this Offering Circular by a prospective investor shall be at the sole risk of such prospective investor. This Offering Circular has been prepared by, and on behalf of, the Issuer. The Issuer, as well as Dealers engaged by the Issuer, do not act as advisers to, or agents of, prospective investors. This Offering Circular is intended solely for the purpose of providing information regarding the Debt Securities, and does not constitute (and should not be construed to constitute) advice to or for the benefit of prospective investors. Prospective investors must: (i) exercise independent business judgment in determining whether to subscribe to the Debt Securities; and (ii) seek independent legal, financial and tax advice as to whether they are entitled to subscribe to the Debt Securities and must comply with all relevant Indian laws in this respect.

## Indonesia

The offering of the Debt Securities has not been and will not be registered with the Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or OJK) under the Indonesian Capital Market Laws and regulations and is not intended to become either (a) a public offering of securities (including a public offering of debt securities to professional investors) under the Indonesian Capital Market Laws and regulations or (b) an offering of debt securities without conducting a public offering as regulated under the Indonesian Capital Market Laws and regulations. Accordingly:

- (i) this Offering Circular, any Pricing Supplement or any other offering material relating to the Debt Securities may not be distributed or passed on within the territory of the Republic of Indonesia or to persons who are citizens of the Republic of Indonesia (wherever they are domiciled or located) or entities of or residents in the Republic of Indonesia in any manner which constitutes (a) a public offering of securities (including a public offering of debt securities to professional investors) under the Indonesian Capital Market Laws and regulations or (b) an offering of debt securities without conducting a public offering as regulated under the Indonesian Capital Market Laws and regulations; and/or
- (ii) the Debt Securities may not be offered or sold, directly or indirectly, within the territory of the Republic of Indonesia or to Indonesian citizens (wherever they are domiciled or located), entities or residents in the Republic of Indonesia in any manner which constitutes (a) a public offering of securities (including a public offering of debt securities to professional investors) under the Indonesian Capital Market Laws and regulations or (b) an offering of debt securities without conducting a public offering as regulated under the Indonesian Capital Market Laws and regulations.

## Ireland

Each Dealer has represented and agreed that:

- (a) it will not underwrite the issue of, or place the Debt Securities, otherwise than in conformity with the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) of Ireland (the “**MiFID II Regulations**”) including, without limitation, Regulation 5 (Requirement for authorisation (and certain provisions concerning MTFs and OTFs)) thereof, or any rules or codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Debt Securities, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended) of Ireland (the “**Irish Companies Act**”), the Central Bank Acts 1942 – 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Debt Securities otherwise than in conformity with the provisions of the Prospectus Regulation (EU

1129/2017), the European Union (Prospectus) Regulations 2019 (as amended) of Ireland and any rules and guidance issued by the Central Bank of Ireland (the “**Central Bank**”) under Section 1363 of the Irish Companies Act; and

- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Debt Securities, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) of Ireland and any rules and guidance issued by the Central Bank under Section 1370 of the Irish Companies Act.

### **Republic of Italy**

The offering of the Debt Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Debt Securities in the Republic of Italy in an offer to the public and that sales of the Debt Securities in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Debt Securities or distribute copies of this Offering Circular and any other document relating to the Debt Securities in the Republic of Italy except:

- (1) to “qualified investors”, as defined in Regulation (EU) 2017/1129 of 14 June 2017 (the “Prospectus Regulation”, as amended); or

- (2) that it may offer, sell or deliver Debt Securities or distribute copies of any prospectus relating to such Debt Securities in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Regulation Legislative Decree No. 58 of 24 February 1998, as amended (the “**Decree No. 58**”) and CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**Regulation No. 11971**”), and ending on the date which is 12 months after the date of approval of such prospectus; or

- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Debt Securities or distribution of copies of this Offering Circular or any other document relating to the Debt Securities in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;

- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and

- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

### ***Provisions relating to the secondary market in the Republic of Italy***

Investors should also note that, in any subsequent distribution of the Debt Securities in the Republic of Italy, the Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-*bis* of Decree No. 58 provides that

where the Debt Securities are placed solely with “qualified investors” and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Debt Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorized person at whose premises the Debt Securities were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

## **Japan**

The Debt Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and, accordingly, each Dealer undertakes that it will not offer or sell any Debt Securities, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **Korea**

The Issuer is not making any representation with respect to eligibility of any recipients of this private placement memorandum to acquire the Debt Securities referred to herein under the laws of Korea. The Debt Securities offered under this private placement memorandum have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (“FSCMA”) and are therefore subject to certain transfer restrictions. The Debt Securities may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law of Korea) except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law and the decrees and regulations thereunder.

## **Grand Duchy of Luxembourg**

Each Dealer has represented and agreed, and each further Dealer appointed will be required to represent and agree, that it has not offered or sold, and will not offer or sell, directly or indirectly, Debt Securities to the public within the territory of the Grand-Duchy of Luxembourg (“**Luxembourg**”) unless:

- (a) a prospectus has been duly approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) pursuant to part II of the Luxembourg law of 16 July 2019, on prospectuses for securities (the “**Luxembourg Prospectus Law**”), as amended from time to time, which implements the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”), (if Luxembourg is the home Member State as defined under the Prospectus Regulation; or
- (b) if Luxembourg is not the home Member State as defined under the Prospectus Regulation, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Debt Securities has been duly approved in accordance with the Prospectus Regulation and with a copy of that prospectus; or
- (c) the offer of Debt Securities benefits from an exemption from or constitutes a transaction not subject to the requirement to publish a prospectus under the Luxembourg Prospectus Law.

## **Malaysia**

The approval, registration, authorization or recognition of the Securities Commission of Malaysia and/or the Central Bank of Malaysia under the Capital Markets and Services Act 2007 and/or the



Financial Services Act 2013 respectively, as the case may be and as may be amended from time to time, has/have not and will not be obtained for the issue (including issue of an invitation), offer or making available of the subscription, sale or purchase of the Debt Securities in Malaysia. This Offering Circular and any Pricing Supplement have not been and will not be registered as a prospectus, information memorandum or other offering material or document with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007. Accordingly, the Debt Securities may not be made available, issued, offered for subscription, sale or purchase and no invitation to subscribe for or purchase the Debt Securities may be made, directly or indirectly, to persons in Malaysia and this Offering Circular, any Pricing Supplement and any other documents relating to the Debt Securities may not be issued, circulated or distributed directly or indirectly to any person in Malaysia. Each Dealer has represented and agreed that it has not and will not circulate or distribute the Offering Circular and any Pricing Supplement and has not made, and will not make, any offers, invitations, promotions, marketing or solicitations for subscription, purchase or sales of or for, as the case may be, any Debt Securities directly or indirectly to any person in Malaysia (including in the secondary market), except where permitted under the laws of Malaysia including as above mentioned and that it has complied with and will comply with the regulatory requirements of the Capital Markets and Services Act 2007, the approval requirements under the Financial Services Act 2013 and all other applicable laws in Malaysia, as the case may be, with respect to anything done by it in relation to the Debt Securities in Malaysia.

### **Mexico**

This Offering Circular and the Debt Securities described herein have not been and will not be authorized by, or registered with the Mexican National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or “**CNBV**”). The Debt Securities described herein may not be offered or sold publicly, or otherwise be the subject of brokerage activities in Mexico. The Debt Securities may only be offered in Mexico pursuant to the exceptions of registration provided in article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores* or “**LMV**”). The Debt Securities may not be publicly offered or sold in Mexico and this Offering Circular and any Pricing Supplement are not intended to be used in connection with a public offering of securities (*oferta pública*) under the LMV and may not be publicly distributed in Mexico. This Offering Circular and any Pricing Supplement are solely Freddie Mac’s responsibility and have not been reviewed or authorized by the CNBV. The acquisition of the Debt Securities by an investor who is a resident of Mexico will be made at the investor’s own risk.

### **New Zealand**

No product disclosure statement under the Financial Markets Conduct Act 2013 of New Zealand (the “NZ FMCA”) has been prepared, lodged or registered in New Zealand. Each Dealer has represented and agreed that it has not made any regulated offer of Debt Securities in New Zealand in breach of the NZ FMCA. Each Dealer agrees it will not offer or sell any Debt Securities in New Zealand or distribute or publish any offering material or advertisement in relation to any offer of Debt Securities in New Zealand other than to wholesale investors within the meaning of clauses 3(2)(a), (c) or (d) of Schedule 1 to the NZ FMCA, which includes a person who is: (i) an “investment business”; (ii) “large”; or (iii) a “government agency”, in each case as defined in Schedule 1 to the NZ FMCA, provided (for the avoidance of doubt) that Debt Securities may not be offered or transferred to any “eligible investor” (as defined in clause 41 of Schedule 1 to the NZ FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the NZ FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, each Dealer is deemed to represent and agree that it will not distribute this Offering Circular, any Pricing Supplement or any other advertisement (as defined in the NZ FMCA) in relation to any offer of Debt Securities in New Zealand other than to such persons as referred to above.

## Norway

Each Dealer has represented and agreed that it has not made and will not make an offer of Debt Securities to the public in Norway prior to the publication of a prospectus in relation to the Debt Securities which has been approved by the competent authority in Norway or, where appropriate, approved in another Relevant Member State and notified to the competent authority in Norway, all in accordance with the Prospectus Regulation (EU) 2017/1129, except that it may make an offer of Debt Securities to the public in Norway at any time:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or
- (c) in any other circumstances which do not require the publication by Freddie Mac of a prospectus pursuant to Article 1 (4) of the Prospectus Regulation, cf. the Norwegian Securities Trading Act section 7-1 (1).

For the purposes of this provision, the expression an “offer to the public” means the communication to persons in any form and by any means of sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe the securities offered, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, and includes any delegated acts.

## People’s Republic of China

The Dealers and investors have acknowledged that this Offering Circular, or the Debt Securities or any material or information contained or incorporated by reference herein relating to the Debt Securities, has not been, and will not be submitted to become, approved/verified by or registered with any relevant government authorities under the relevant laws of the People’s Republic of China (the “**PRC**”) (for the purpose of this Offering Circular or the Debt Securities, excluding Hong Kong and Macau Special Administrative Regions and Taiwan province). Accordingly the Debt Securities may not be offered or sold directly or indirectly in the PRC and the Offering Circular may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Debt Securities in the PRC directly or indirectly. The material or information contained or incorporated by reference herein relating to the Debt Securities does not constitute an offer to sell or any kind of solicitation of an offer to buy any securities by any person in the PRC. The Debt Securities may only be invested in by PRC investors that are authorized to engage in the purchase of Debt Securities of the type being offered or sold.

Each Dealer has represented, warranted and agreed to and with Freddie Mac that it has not made, and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Debt Securities in the PRC, except where permitted by the China Securities Regulatory Commission and other competent authorities or where the activity otherwise is permitted under the laws of the PRC. PRC investors should note that they are responsible for informing themselves about observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verifications and/or registrations from all relevant governmental authorities (including but not limited to the China Securities Regulatory Commission and/or the State Administration of Foreign Exchange), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or overseas investment regulations.

## Peru

This Offering Circular and the Debt Securities have not been, and will not be, registered with or approved by the Peruvian Capital Markets Superintendency (*Superintendencia del Mercado de Valores* or the “**SMV**”) or the Lima Stock Exchange (*Bolsa de Valores de Lima* or the “**BVL**”) and are not and will not be subject to the Peruvian Securities Law (*Ley del Mercado de Valores*) approved by

Decreto Supremo N° 093-2002-EF as amended (the “**Peruvian Securities Law**”) or its regulations. Peruvian securities law and regulations on public offerings in Peru will not be applicable to the offering of the Debt Securities and therefore, the disclosure obligations set forth therein will not be applicable to Freddie Mac or the sellers of the Debt Securities before or after their acquisition by prospective investors. This Offering Circular and other offering materials relating to the offer of the Debt Securities are being supplied to those Peruvian investors who have expressly requested them. Such materials may not be distributed to any person or entity other than the intended recipients. Accordingly, the Debt Securities are being offered and sold in Peru exclusively to “**institutional investors**” (as such term is defined in Article 8 of the Peruvian Securities Law and in Appendix I of the Institutional Investors Market Regulations (*Reglamento del Mercado de Inversionistas Institucionales*) approved by SMV Resolution N° 021-2013-SMV/01, as amended) pursuant to a private offering or otherwise in compliance with the applicable securities laws and regulations in Peru.

The Peruvian Securities Law establishes, among other things, that an offer directed exclusively to institutional investors (as defined by Peruvian law) qualifies as a private offering. The Debt Securities exclusively offered in Peru to institutional investors may not be sold or transferred to any person other than an institutional investor unless the Debt Securities have been previously registered in the *Registro Público del Mercado de Valores* of the SMV. In making an investment decision, institutional investors (as defined by Peruvian Law ) must rely on their own examination of the terms of the offering of the Debt Securities to determine their ability to invest in the Debt Securities.

No offer or invitation to subscribe for or sell the Debt Securities or beneficial interests therein can be made in Peru, except in compliance with the Peruvian Securities Law and its regulations.

## **Philippines**

Under the Securities Regulation Code (Republic Act No. 8799 or the SRC) and its implementing rules, the Debt Securities may not be sold or offered for sale or distribution within the Philippines, unless those securities have been registered with and a securities registration statement duly filed with and approved by the Philippine Securities and Exchange Commission (SEC), or unless those securities are classified as “exempt securities” or are sold pursuant to transactions classified as “exempt transactions” under the SRC (as described below).

The above conditions do not apply to securities sold outside of the Philippines, as the Securities Regulation Code has no extraterritorial effect. However, in the event and to the extent that the Debt Securities are offered in the Philippines, the Debt Securities shall be offered through transactions that qualify as “exempt transactions” (e.g., offerings to not more than nineteen (19) non-qualified buyers or to any number of “qualified buyers” as defined in the SRC, such as banks, insurance companies, or other persons classified as “sophisticated investors” by the SEC). A confirmation of exemption from the SEC that the offer and sale of the Debt Securities in the Philippines qualify as an exempt transaction under the SRC is not required to be (and will not be) obtained.

THE DEBT SECURITIES HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SEC UNDER THE SRC. ANY FUTURE OFFER OR SALE THEREOF WITHIN THE PHILIPPINES IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SRC, UNLESS SUCH OFFER OR SALE QUALIFIES AS AN “EXEMPT TRANSACTION”.

## **Romania**

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly Debt Securities to the public in Romania prior to the publication of a prospectus in relation to the Debt Securities which has been approved by the Romanian Financial Supervisory Authority, or, where appropriate, approved in another European Union Member State and notified to the Romanian Financial Supervisory Authority, all in accordance with the Prospectus Directive, except that it may make an offer of Debt Securities in Romania which falls under the exceptions provided under Article 1(4) of the Prospectus Regulation.

## Russia

Under Russian law, the Debt Securities are securities of a foreign issuer. Russian securities laws permit the public placement or public circulation (each as defined under Russian law) of the Debt Securities in the Russian Federation only upon satisfaction of certain conditions (which, in certain circumstances, may include registration of the securities prospectus with respect to the Debt Securities with the Russian securities market regulator). The Debt Securities have not been and will not be registered in Russia and are not intended for “placement” or “circulation” in Russia (each as defined in Russian securities laws) unless and to the extent otherwise permitted under Russian law. The Debt Securities have not been and will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian Law. Neither this Offering Circular nor the information contained herein is an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity, and it does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this Offering Circular is not intended for any persons in the Russian Federation who are not “qualified investors” within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated April 22, 1996, as amended (the “**Russian QIs**”). It is understood and agreed that unless the Debt Securities have been admitted to public placement and public circulation in the Russian Federation, the Offering Circular may only be distributed to persons in the Russian Federation who are Russian QIs in a manner that does not constitute an advertisement or public offering of the Debt Securities in Russia (each as defined under Russian law).

## Singapore

This Offering Circular and any Pricing Supplement have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore, and the Debt Securities will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). Accordingly, this Offering Circular, any Pricing Supplement or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Securities may not be circulated or distributed, nor may the Debt Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Debt Securities are subscribed or purchased in reliance on an exemption under Section 274 or 275 of the SFA, the Debt Securities shall not be sold within the period of six (6) months from the date of the initial acquisition of the Debt Securities, except to any of the following persons:

- (i) an institutional investor (as defined in Section 4A of the SFA);
- (ii) a relevant person (as defined in Section 275(2) of the SFA); or
- (iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Where the Debt Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Debt Securities pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person (as defined in Section 275(2) of the SFA), or (in the case of such corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of such trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) pursuant to Section 276(7) of the SFA; or
- (5) pursuant to Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

## **Spain**

The Debt Securities may not be offered or sold in Spain other than by institutions authorized under the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015 of 23 October (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the "**Spanish Securities Market Law**"), Royal Decree 217/2008 of 15 February on the legal regime applicable to investment services companies (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*) and related legislation to provide investment services in Spain and in accordance with the provisions of the Spanish Securities Market Law and further developing legislation.

Neither the Debt Securities nor this Offering Circular have been registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Debt Securities may not be offered, sold or distributed, nor may any subsequent resale of Debt Securities be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

## **Switzerland**

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Debt Securities described herein. The Debt Securities may not be publicly offered, sold, advertised or marketed, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**"), except to (i) any investor that qualifies as a professional client within the meaning of the FinSA or (ii) in any other circumstances falling within article 36 of the FinSA, provided, in each case, that no such offer of Debt Securities shall require the publication of a

prospectus for offers of Debt Securities and/or the publication of a key information document (“KID”) (or an equivalent document) pursuant to the FinSA. The Debt Securities have not and will not be listed or admitted to trading on any trading venue in Switzerland.

Neither this Offering Circular nor any related Pricing Supplement constitutes a prospectus or a KID (or an equivalent document) as such terms are understood pursuant to the FinSA, and neither this Offering Circular nor any related Pricing Supplement may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus or a KID (or an equivalent document) in Switzerland pursuant to the FinSA.

Neither this Offering Circular nor any related Pricing Supplement have been or will be filed with or approved by any Swiss regulatory authority.

### **Taiwan**

The Debt Securities have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the Debt Securities in Taiwan, the Republic of China.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the facility will be required to represent and agree, that:

(a) in relation to any Debt Securities having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell the Debt Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Debt Securities would otherwise constitute a contravention of Section 19 of the FSMA by the issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Debt Securities in circumstances in which section 21(1) of the FSMA does not apply to the issuer; and

(c) it has complied, and will comply, with all applicable provisions of the FSMA with respect to anything done by it in relation to the Debt Securities in, from or otherwise involving the United Kingdom.

### **Uruguay**

The Debt Securities are not and will not be registered with the Central Bank of Uruguay. The Debt Securities are not and will not be offered publicly in or from Uruguay and are not and will not be traded on any Uruguayan stock exchange. This offer has not been and will not be announced to the public and offering materials will not be made available to the general public except in circumstances which do not constitute a public offering of securities in Uruguay, in compliance with the requirements of the Uruguayan Securities Market Law (Law N° 18.627 and Decree 322/011). The Debt Securities will be offered in or from Uruguay only on a private placement basis. Public advertising of this offering is and will be avoided.

INDEX OF DEFINED TERMS

Each term listed below is defined or explained in the Offering Circular on the page indicated opposite such term. This reference guide is intended merely as a convenience and may not be complete. Certain other terms not listed below may be defined in the Offering Circular.

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