

**CHARTER OF THE AUDIT COMMITTEE  
OF THE  
BOARD OF DIRECTORS  
OF THE  
FEDERAL HOME LOAN MORTGAGE CORPORATION**

**[Amended and Restated by the Board of Directors on June 1, 2006]**

**Organization, Membership Requirements and Committee Processes**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Federal Home Loan Mortgage Corporation (“Freddie Mac”) shall consist of at least three members, including at least one “audit committee financial expert”, as defined in the regulations of the Securities and Exchange Commission. The membership of the Committee shall be independent and shall comply with all applicable laws, regulations and listing standards.

One member of the Committee shall be designated by the Board as the Committee’s Chairman.

Committee meetings generally shall include regular sessions with management and executive sessions with the internal auditors, the independent public accountants and the Chief Compliance Officer. At least annually, the Committee shall meet in executive session with the Chief Financial Officer. The Committee’s Chairman shall report regularly to the Board on the Committee’s activities and minutes of the Committee’s meetings shall be submitted to the Board.

The members of the Committee shall have access to any employees of Freddie Mac, and shall have the authority to engage outside consultants or advisors including, but not limited to, attorneys, accountants, auditors and management consultants, as the Committee may deem appropriate to fulfill its responsibilities. Freddie Mac shall provide appropriate funding for the retention of any such consultants or advisors and for other necessary and appropriate administrative expenses of the Committee, all as determined by the Committee.

**Purposes, Powers, Duties and Responsibilities of the Committee**

Pursuant to the authority granted to it by the Board, the Committee is hereby charged with the following authority and responsibilities:

1. To oversee the performance of the Internal Audit Department, including:
  - (a) to approve the Charter for the Internal Audit Department and any subsequent changes thereto;
  - (b) to hire and, at least annually, to evaluate the performance and determine the compensation of, and decide whether to retain, the Senior Vice President – General Auditor;

- (c) to approve the annual plan, organization and staffing for the Internal Audit Department for the upcoming year, including any amendments to such plan;
  - (d) to review, with the Senior Vice President – General Auditor, the results of audits completed since the previous report and the status of the internal audit plan; and
  - (e) to assess the effectiveness of the Internal Audit Department in light of its Charter, its annual plan, and applicable professional standards.
2. To appoint and to oversee the performance of, and relationship with, the independent public accountants, who shall report directly to, and be ultimately accountable to, the Committee, including:
- (a) to appoint, evaluate and, as the Committee may deem it appropriate, terminate and replace the independent public accountants, in accordance with applicable legal requirements, including those relating to conflicts of interest and rotation of audit partners;
  - (b) to pre-approve any audit services, and any non-audit services permitted under applicable law, to be performed by the independent public accountants (or to designate one or more members of the Committee to pre-approve such services and to report such pre-approval to the Committee);
  - (c) to determine the compensation of the independent public accountants, funding for which shall be provided by Freddie Mac, and to approve any other fees that may be paid for services performed by any affiliate of the independent public accountants;
  - (d) to approve the independent public accountants' proposed audit scope and approach;
  - (e) to review with the independent public accountants and, as the Committee deems appropriate, with management, the annual audit, the management letter and management's responses to the letter, any other material communications between the independent public accountants and management, including any such communications required by applicable professional standards, and any other matters the Committee may deem appropriate;
  - (f) to resolve any disagreements between management and the independent public accountants concerning financial reporting;
  - (g) to review with the independent public accountants any audit problems or difficulties and management's response;
  - (h) to obtain and review, at least annually, a formal written statement by the independent public accountants delineating all relationships between the independent public

- accountants and Freddie Mac, to discuss with the independent public accountants any disclosed relationships or services that may affect the objectivity and independence of the independent public accountants and to take appropriate action in response to the independent public accountants' statement to satisfy itself as to the continuing independence of the independent public accountants; and
- (i) to obtain and review, at least annually, a report by the independent public accountants describing the firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry, investigation or inspection by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
3. To approve and review compliance with a policy concerning the hiring by Freddie Mac of current or former employees of the independent public accountants.
  4. To approve and review compliance with a policy concerning the retention by Freddie Mac of accounting firms other than the independent public accountants.
  5. To oversee the integrity of Freddie Mac's financial statements and disclosure, including:
    - (a) to review, with the independent public accountants and the Executive Vice President – Finance and Chief Financial Officer, the impact of any significant accounting, financial reporting or federal income tax financial reporting matters, changes or disputes affecting Freddie Mac's financial statements (including critical accounting policies, which include management judgments and estimates, and alternative accounting treatments);
    - (b) to review, with the independent public accountants and the Executive Vice President – Finance and Chief Financial Officer, drafts of Freddie Mac's quarterly condensed financial statements and annual financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, and, if appropriate, to recommend to the Board that the audited annual financial statements be included in the Annual Report to Shareholders;
    - (c) to review other significant Freddie Mac financial disclosure matters as identified by the Executive Vice President – Finance and Chief Financial Officer or the independent public accountants;
    - (d) to review, with the Executive Vice President – Finance and Chief Financial Officer, drafts of Freddie Mac's earnings press releases and the types of information to be disclosed, and the types of presentations to be made, in any earnings guidance provided to analysts and rating agencies; and

- (e) to review, with the Executive Vice President – Finance and Chief Financial Officer, the adequacy of Freddie Mac’s disclosure controls and procedures, including internal controls over financial reporting; any significant findings or recommendations by the independent public accountants or the Senior Vice President – General Auditor with respect to those controls; and management’s responses to any such findings or recommendations.
6. To prepare the Committee’s report for inclusion in Freddie Mac’s annual proxy statement, in accordance with applicable regulatory requirements.
  7. To review the annual reports of examination of the Office of Federal Housing Enterprise Oversight regarding the safety and soundness of Freddie Mac, and the findings and conclusions of any investigations of Freddie Mac or its operations produced by any governmental entity.
  8. To assist Board oversight of Freddie Mac’s compliance with legal and regulatory requirements, including by:
    - (a) reviewing with the Senior Vice President – Chief Compliance Officer Freddie Mac’s compliance with legal and regulatory requirements and to meet at least annually with the Senior Vice President – Chief Compliance Officer in executive session;
    - (b) adopting and maintaining procedures for the submission, receipt, retention and treatment of complaints concerning accounting, internal accounting controls or auditing matters (including confidential, anonymous complaints by employees), or such other complaints as may come before the Committee, and overseeing the resolution of such complaints;
    - (c) taking action, as the Committee deems appropriate, to investigate and respond to any report of evidence of a material violation of federal or state securities law, material breach of fiduciary duty or other similar violation of federal or state law;
    - (d) obtaining from the Senior Vice President – Chief Compliance Officer, the internal auditors, outside counsel, or any other internal or external party who investigates any complaint or report as specified in (b) or (c) above, a report concerning the issues, status and resolution of the complaint or report; and
    - (e) reviewing, at least annually, Freddie Mac’s compliance with capital and reporting requirements of the Office of Federal Housing Enterprise Oversight.
  9. To review with Freddie Mac’s Executive Vice President – General Counsel, at least annually, the status of litigation in which Freddie Mac is involved, with such review to be more frequent in the case of litigation which is expected to have a significant impact on Freddie Mac’s financial statements.

10. To oversee management's development and implementation of systems and programs for the detection and prevention of fraud.
11. With respect to risk assessment and risk management, at least annually:
  - (a) to review with the Executive Vice President – Finance and Chief Financial Officer, the Senior Vice President – Chief Enterprise Risk Officer, and other members of management, as appropriate, management's guidelines and policies governing the processes for assessing and managing Freddie Mac's risks; and
  - (b) to meet in joint session with the Finance & Capital Deployment Committee to review Freddie Mac's major financial risk exposures (including but not limited to market, credit and operational risks) and the steps management has taken to monitor and control such exposures.
12. With respect to the Corporation's Codes of Conduct:
  - (a) to approve material amendments to the Code of Conduct for Freddie Mac Employees (the "Employee Code") and to report to the Board at least annually on such amendments;
  - (b) to recommend to the Board, as may be appropriate, changes to the Code of Conduct for Members of Freddie Mac's Board of Directors (the "Director Code"); and
  - (c) to review any significant violations of the Employee Code and the Director Code that have been communicated to the Committee by the Chief Compliance Officer.
13. To review, at least annually, under the oversight of the Governance, Nominating and Risk Oversight Committee, this Committee's performance, including review of its structure and operations (including authority to delegate to subcommittees), its process for reporting to the Board, and the process for determining the membership of the Committee, including qualifications for Committee membership.
14. To review and reassess the adequacy of the Committee's Charter on an annual basis and recommend any changes to the Board for approval.
15. To perform such other duties as may from time to time be assigned by the Board or requested by the Board's Chairman or the Lead Director.