

**CHARTER OF THE FINANCE AND CAPITAL DEPLOYMENT COMMITTEE
OF THE
BOARD OF DIRECTORS
OF THE
FEDERAL HOME LOAN MORTGAGE CORPORATION**

[Amended and Restated by the Board of Directors on June 2, 2005]

Organization, Membership Requirements and Committee Processes

The Finance and Capital Deployment 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.

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

The Committee generally shall hold at least six regularly scheduled meetings each year. 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, investment bankers and financial advisors, 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.

Definitions

For the purposes of this Charter,

- (1) the term “Investment Operations” refers to the funding, investment and hedging activities associated with Freddie Mac’s mortgage and non-mortgage investment portfolios;
- (2) the term “Funding” refers to the issuance, sale and repurchase of notes, debentures, bonds and other debt obligations and securities of Freddie Mac;
- (3) the term “Mortgage-Related Securities” means any securities, whether single-class or multiclass and whether or not representing evidence of indebtedness, that are secured by, or the payments on which are either derived from, or determined wholly or in substantial part by reference to payments on, specified Mortgages or other Mortgage-Related Securities, which other Mortgage-Related Securities include, without limitation, single-family and multifamily Mortgage Participation Certificates (Guaranteed), Giant and other Pass-Through Certificates (Guaranteed), Multiclass Mortgage Participation Certificates (Guaranteed), Funding Note Pass Through Certificates (Guaranteed), Collateralized Mortgage Obligations and Mortgage Cash Flow Obligations similar to those heretofore

created, issued, guaranteed, sold, exchanged, retained, purchased, repurchased and/or resold by Freddie Mac; and

- (4) the term “Mortgages” means any residential mortgages (including interests therein) that Freddie Mac is, or becomes, authorized to purchase pursuant to the Federal Home Loan Mortgage Corporation Act.

Purposes, Powers, Duties and Responsibilities of the Committee

The Committee is hereby charged by the Board with the following authority and responsibilities:

1. With respect to Freddie Mac’s Investment Operations:

- (a) to review Freddie Mac’s investment and liquidity strategies and activities, and the results of those strategies and activities;
- (b) to review the profitability of, and capital allocations to, the Investment Operations;
- (c) to review the techniques employed by Freddie Mac to (i) manage the Investment Operations; (ii) fund the acquisition of assets for the Investment Operations; and (iii) adjust the composition and characteristics of these assets and related liabilities from time to time in order to mitigate Freddie Mac’s risk exposures (including, without limitation, review of techniques for maintaining appropriate levels of liquidity, the use of derivatives and other hedging instruments and techniques, development and application of appropriate risk measures and implementation of related management information and control systems);
- (d) to review Freddie Mac’s strategy and business plan associated with the growth of the Investment Operations;
- (e) to review the development and implementation of new or redesigned business processes (including management information and control systems) and related technological initiatives associated with Freddie Mac’s Investment Operations;
- (f) to review Freddie Mac’s strategies, policies, processes and results with respect to credit, market (including interest rate and liquidity) and operational risk management; and
- (g) to review reports with respect to the appropriateness, reliability, comprehensiveness and completeness of the risk management systems and processes employed by management to identify, measure, manage and control credit, market and operational risk associated with the Investment Operations.

2. With respect to Freddie Mac's Funding activities:
 - (a) to review Freddie Mac's Funding strategies, policies, programs, products and enhancements thereto, and related marketing activities;
 - (b) to review Funding performance against appropriate benchmarks;
 - (c) to review Freddie Mac's competitive position in, and the liquidity of, the markets for its debt;
 - (d) to review the profitability of Funding activities;
 - (e) to review the development and implementation of major new or redesigned business processes (including management information and control systems) and related technological initiatives associated with Freddie Mac's Funding activities;
 - (f) to review Freddie Mac's strategies, policies, processes and results with respect to credit, market (including interest rate and liquidity) and operational risk management; and
 - (g) to review reports with respect to the appropriateness, reliability, comprehensiveness and completeness of the risk management systems and processes employed by management to identify, measure, manage and control credit, market and operational risk associated with Freddie Mac's Funding activities.
3. With respect to Freddie Mac's Asset/Liability Management Policy as approved by the Board in Resolution FHLMC 99-25 as such policy may be amended from time to time:
 - (a) to approve any changes to the Asset/Liability Management Policy;
 - (b) to review periodically the Asset/Liability Management Plan established by management, including review of the performance targets that management may establish from time to time under the Asset/Liability Management Plan;
 - (c) to review periodically summaries of the material terms of the investment, funding, hedging, risk management and other policies governing asset/liability management activities ("Management Policies") that management may adopt from time to time; and
 - (d) to review management reports regarding Freddie Mac's asset/liability management performance, risk exposures (including credit risk, market risk and operational risk) and, as necessary, any material changes or exceptions to the Asset/Liability Management Plan or the Management Policies.

4. To review a report from management identifying changes to policies, exceptions to policies and procedures, implementation of new programs and strategies, and execution of non-standard transactions involving debt funding, investment, hedging, derivatives, credit risk management, mortgage funding and other activities of the Investment and Funding operations that are considered Visible, High Impact, or Unique (VIU) and, in the case of transactions, are either material to Freddie Mac or otherwise raise substantial questions about financial aspects of the company's business operations or about the integrity of its normal approval processes. Implementation of such policies, procedures, programs, strategies and transactions-need not be reported in advance, but shall be reported to the Committee at its next regularly scheduled meeting.
5. With respect to Freddie Mac's capital:
 - (a) to review and make recommendations to the Board regarding changes in Freddie Mac's capital structure (including, without limitation, issuances of common stock, preferred stock, any other securities the proceeds of which qualify under applicable law for treatment as regulatory capital of Freddie Mac, and any securities or other instruments or transactions convertible into or exchangeable for such securities; repurchases or redemptions of such stock or other instruments; stock splits; and related matters);
 - (b) to review and make recommendations to the Board regarding Freddie Mac's annual dividend policy and the declaration and payment of dividends;
 - (c) to review the techniques employed by Freddie Mac to manage and allocate its capital (including, without limitation, internal stress tests and other related management information and control systems);
 - (d) to review aggregate portfolio risks, including credit, market and operational risks, and assess the adequacy of capital relative to these risks;
 - (e) to review reports on the establishment of major regulatory capital requirements applicable to Freddie Mac;
 - (f) to review the implementation of regulatory capital requirements, the results of compliance with such requirements and the implications of such requirements and capital allocations for Freddie Mac's business activities; and
 - (g) to review the development and implementation of major new or redesigned business processes (including management information and control systems) and related technological initiatives associated with Freddie Mac's capital activities.
6. To review investor relations activities relating to equity, debt and Mortgage-Related Securities and their strategic implications, as well as reviewing Freddie Mac's relationships with rating agencies.

7. To review, at least annually, under the oversight of the Governance and Nominating 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.
8. To review and reassess the adequacy of the Committee's Charter on an annual basis and recommend any changes to the Board for approval.
9. To perform such other duties as may be assigned from time to time to the Committee by the Board or requested by the Board's Chairman or the Lead Director.