

Memo

To: / Location: Independence Office /  
From: / Location: Pilar Rivera-Cruz /  
Date: September 21, 2008  
Subject: Freddie Mac Conservatorship

On September 6, 2008, the Federal Housing Finance Agency ("FHFA") was appointed as conservator of Freddie Mac. On September 7, 2008, in connection with the appointment of FHFA as conservator, the U.S Department of Treasury ("Treasury") entered into an investing relationship with Freddie Mac in order to provide liquidity to the Company.

This memo summarizes information regarding the respective parties involved in the conservatorship: Treasury (the "Investor"), FHFA (the "Conservator"), and Freddie Mac, a government-sponsored entity ("GSE"). Appendices A and B included additional details as to the role of the conservator and specifics of the transaction and several accounting considerations being evaluated.

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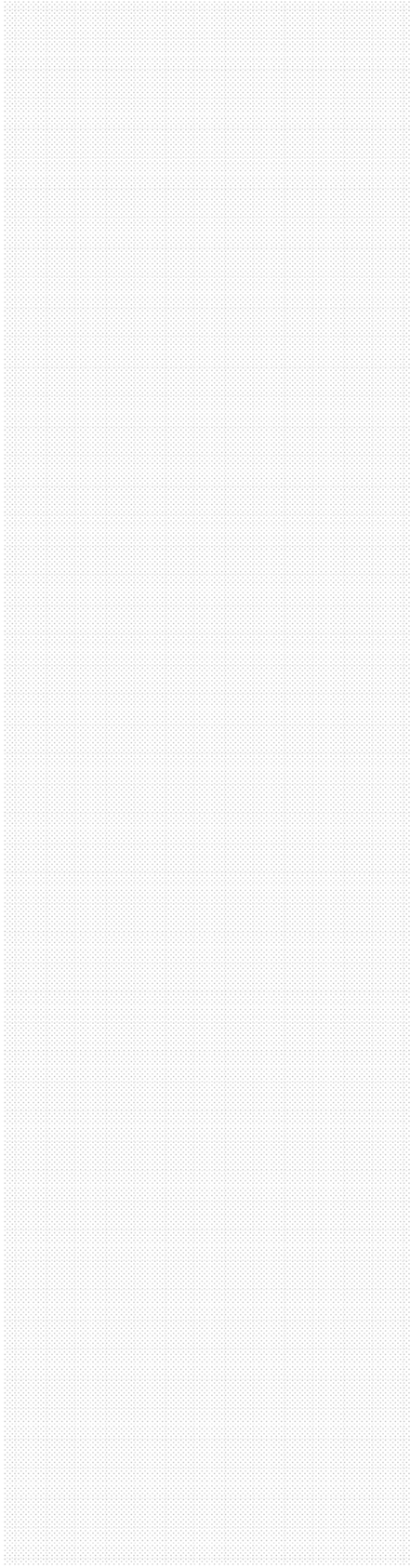


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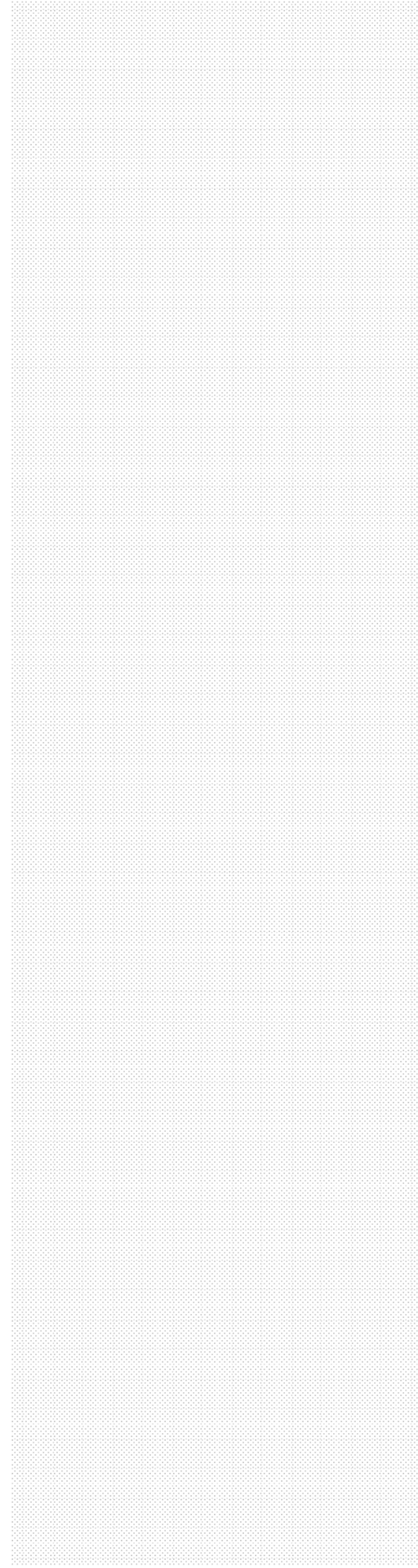
- Treasury's authority to purchase GSE debt obligations and securities will expire on December 31, 2009, under the agreement.

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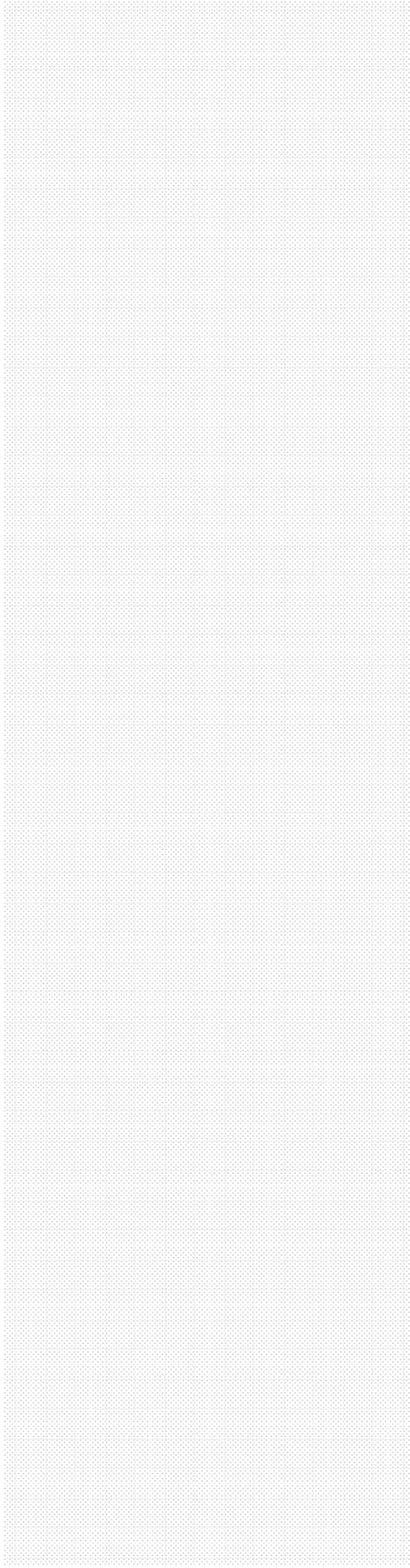
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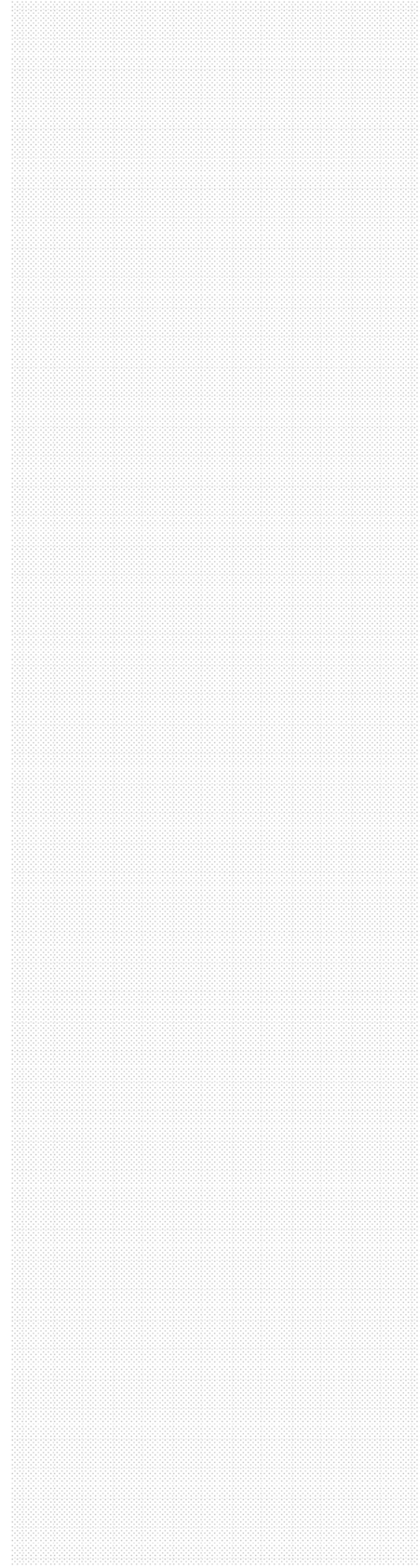


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