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Corporate Headquarters
1551 Park Run Drive
McLean, VA 22102

Tel: (571) 382-3000
www.FreddieMac.com

Freddie Mac Modifies Original Loan Term Calculation May 23, 2006

Beginning with its June 1, 2006 factor disclosure, Freddie Mac is modifying its Original Loan Term (OLT) calculation, for fixed-rate PCs (excluding PCs backed by balloon/reset mortgages) issued prior to December 1, 2005. Additionally, the modification to the OLT calculation may result in a change to the Weighted Average Original Loan Term (WAOLT) disclosure.

As a result of its ongoing review of mortgage-backed security disclosure practices and improved data quality, Freddie Mac is modifying the OLT calculation for the pools issued prior to December 1, 2005 from an original loan term based on the note rate, P&I amount, and loan amount of the mortgage to a calculation counting the number of scheduled monthly payments between the first payment date and the maturity date of the mortgage. This methodology is consistent with the OLT calculation for all fixed-rate PCs, excluding PCs backed by balloon/reset mortgages, issued since December 1, 2005. Details of the OLT calculation are available on Freddie Mac's Web site at http://www.FreddieMac.com/mbs/docs/pc_algorithm.pdf.

Additionally, the OLT will be recalculated each month to reflect instances where mortgage data has been corrected.

Based on analysis using historical data, Freddie Mac does not currently expect that this change will affect a significant percentage of existing PCs. For PCs affected by the change, a one-time adjustment of the OLT and/or WAOLT may occur.

Please contact Investor Inquiry at (800) 336-3672 or Investor_Inquiry@FreddieMac.com if you have any questions.