

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.



For the quarterly period ended September 30, 2023

or



TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from

to

Commission File Number: 001-34139



Federal Home Loan Mortgage Corporation

(Exact name of registrant as specified in its charter)

<b>Federally chartered corporation</b>	<b>52-0904874</b>	<b>8200 Jones Branch Drive McLean, Virginia</b>	<b>22102-3110</b>	<b>(703) 903-2000</b>
<small>(State or other jurisdiction of incorporation or organization)</small>	<small>(I.R.S. Employer Identification No.)</small>	<small>(Address of principal executive offices)</small>	<small>(Zip Code)</small>	<small>(Registrant's telephone number, including area code)</small>

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 10, 2023, there were 650,059,553 shares of the registrant's common stock outstanding.

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# Management's Discussion and Analysis of Financial Condition and Results of Operations

*This Quarterly Report on Form 10-Q includes forward-looking statements that are based on current expectations and that are subject to significant risks and uncertainties. These forward-looking statements are made as of the date of this Form 10-Q. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date of this Form 10-Q. Actual results might differ significantly from those described in or implied by such statements due to various factors and uncertainties, including those described in the MD&A - Forward-Looking Statements section of this Form 10-Q and the Introduction and Risk Factors sections of our Annual Report on Form 10-K for the year ended December 31, 2022, or 2022 Annual Report.*

*Throughout this Form 10-Q, we use certain acronyms and terms that are defined in the Glossary of our 2022 Annual Report.*

*You should read the following MD&A in conjunction with our 2022 Annual Report and our condensed consolidated financial statements and accompanying notes for the three and nine months ended September 30, 2023 included in Financial Statements.*

## INTRODUCTION

Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We do this primarily by purchasing single-family and multifamily 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 mortgage loans or lend money directly to mortgage borrowers.

We support the U.S. housing market and the overall economy by enabling America's families to access mortgage loan funding with better terms and by providing consistent liquidity to the single-family and multifamily mortgage markets. We have helped many distressed borrowers keep their homes or avoid foreclosure and have helped many distressed renters avoid eviction.

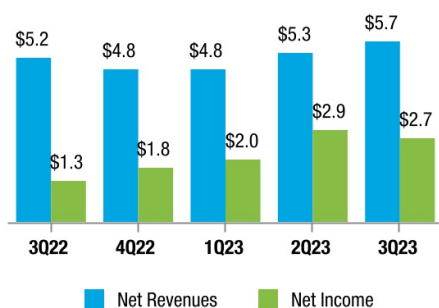
Since September 2008, we have been operating in conservatorship, with FHFA as our Conservator. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. Our future is uncertain, and the conservatorship has no specified 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. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury, under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. Our Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For additional information on the conservatorship and related matters and the Purchase Agreement, see our 2022 Annual Report.

## Business Results

### Consolidated Financial Results

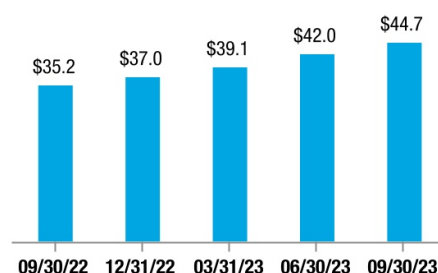
#### Net Revenues and Net Income

(In billions)



#### Net Worth

(In billions)



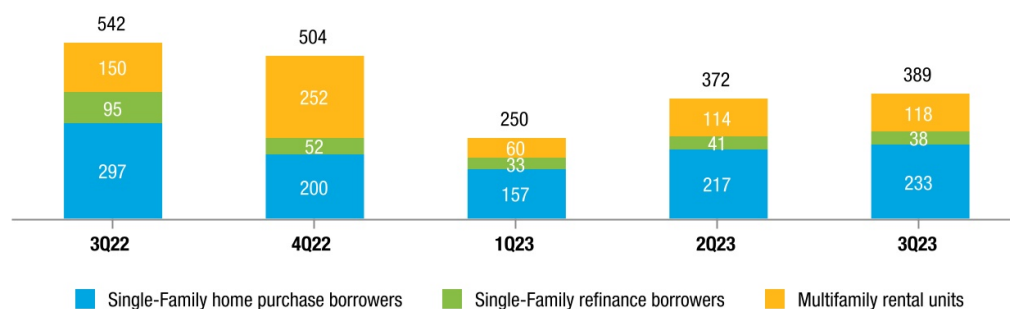
#### Key Drivers:

- Net income was \$2.7 billion, an increase of 104% year-over-year, with the increase primarily driven by a credit reserve release in Single-Family in the current period compared to a credit reserve build in Single-Family in the prior period.
- Net revenues were \$5.7 billion, an increase of 10% year-over-year, driven by higher net interest income and non-interest income.
- Net worth was \$44.7 billion as of September 30, 2023, up from \$35.2 billion as of September 30, 2022. The quarterly increases in net worth have been, or will be, added to the aggregate liquidation preference of the senior preferred stock. The liquidation preference of the senior preferred stock was \$114.6 billion on September 30, 2023, and will increase to \$117.3 billion on December 31, 2023 based on the increase in net worth in 3Q 2023.

### Market Liquidity

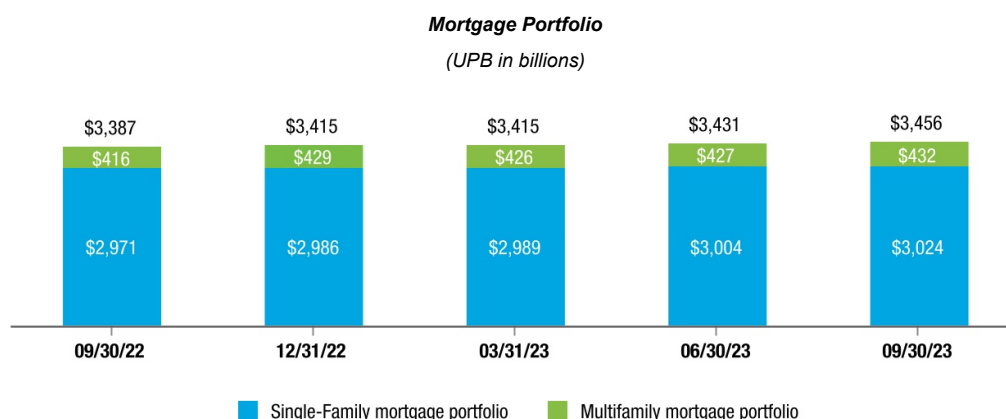
#### Market Liquidity

(In thousands)



We support the U.S. housing market by executing our mission to provide liquidity and help maintain credit availability for new and refinanced single-family mortgages as well as for rental housing. We provided \$98 billion in liquidity to the mortgage market in 3Q 2023, which enabled the financing of 389,000 home purchases, refinancings, and rental units.

## Mortgage Portfolio Balances



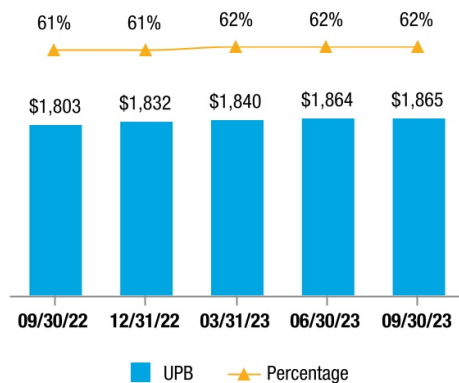
### Key Drivers:

- Our mortgage portfolio increased 2% year-over-year to \$3.5 trillion at September 30, 2023.
  - Our Single-Family mortgage portfolio was \$3.0 trillion at September 30, 2023, up 2% year-over-year, as portfolio growth has moderated in recent periods due to the slowdown in new business activity as both home purchase and refinance activity slowed as a result of higher mortgage interest rates.
  - Our Multifamily mortgage portfolio was \$432 billion at September 30, 2023, up 4% year-over-year, as portfolio growth has moderated in recent periods due to a slowdown in new business activity as a result of higher mortgage interest rates.

## Credit Risk Transfer

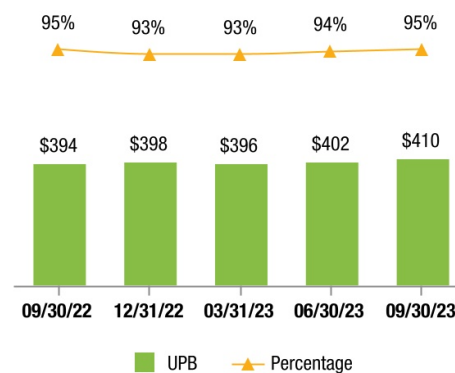
### Single-Family Mortgage Portfolio with Credit Enhancement

(UPB in billions)



### Multifamily Mortgage Portfolio with Credit Enhancement

(UPB in billions)



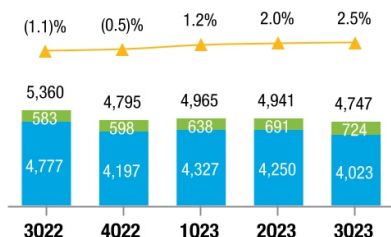
In addition to transferring interest-rate and liquidity risk to third-party investors through our securitization activities, we engage in various credit enhancement arrangements to reduce our credit risk exposure. We transfer a portion of the credit risk, primarily on recently acquired loans, through our CRT programs. We also reduce our credit risk exposure through other credit enhancement arrangements, mainly primary mortgage insurance. See MD&A - Risk Management – *Credit Risk* for additional information on our credit enhancements and CRT programs.

## HOUSING AND MORTGAGE MARKET CONDITIONS

The following charts present certain housing and mortgage market indicators that can significantly affect our business and financial results. Certain market and macroeconomic prior period data have been updated to reflect revised historical data. For additional information on the effect of these indicators on our business and financial results, see MD&A – Consolidated Results of Operations and MD&A – Our Business Segments.

### Single-Family

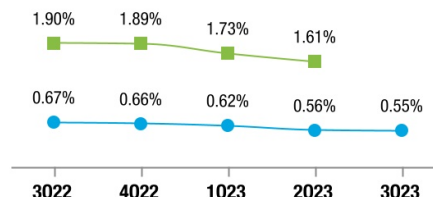
**U.S. Single-Family Home Sales and House Prices**



- Sales of existing homes (units in thousands)
- Sales of new homes (units in thousands)
- ▲ Single-family house price growth rate

Sources: National Association of Realtors, U.S. Census Bureau, and Freddie Mac House Price Index.

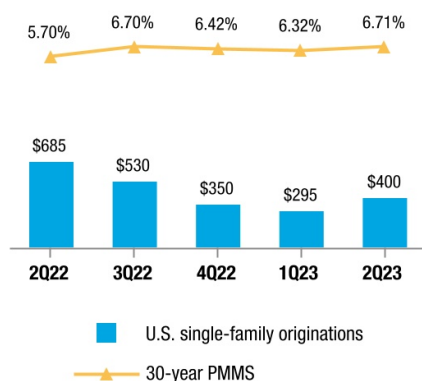
**Single-Family Serious Delinquency Rates**



- Total mortgage market
- Freddie Mac

Source: Freddie Mac and National Delinquency Survey from the Mortgage Bankers Association. 3Q 2023 total mortgage market rate is not yet available.

**U.S. Single-Family Mortgage Originations**



- U.S. single-family originations
- ▲ 30-year PMMS

(UPB in billions)

Source: Freddie Mac and Inside Mortgage Finance. 3Q 2023 U.S. single-family mortgage originations data is not yet available.

**Single-Family Mortgage Debt Outstanding**

(UPB in billions)

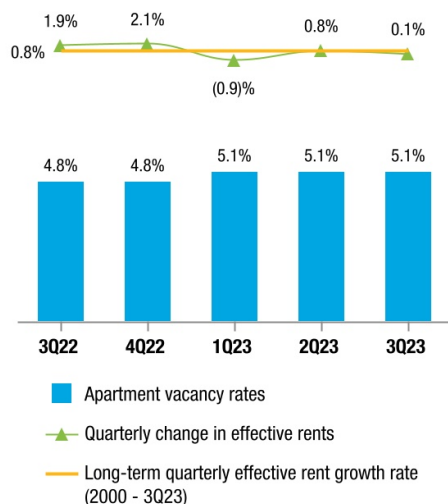


- Freddie Mac Single-Family mortgage portfolio
- U.S. single-family mortgage debt outstanding

Source: Freddie Mac and Federal Reserve Financial Accounts of the United States of America. 3Q 2023 U.S. single-family mortgage debt outstanding data is not yet available.

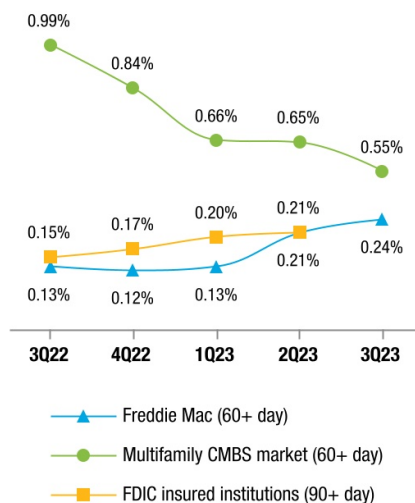
## Multifamily

**Apartment Vacancy Rates and Change in Effective Rents**



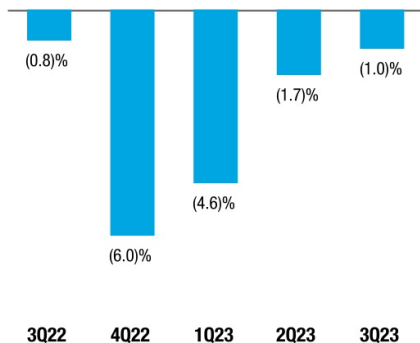
Source: Reis.

**Multifamily Delinquency Rates**



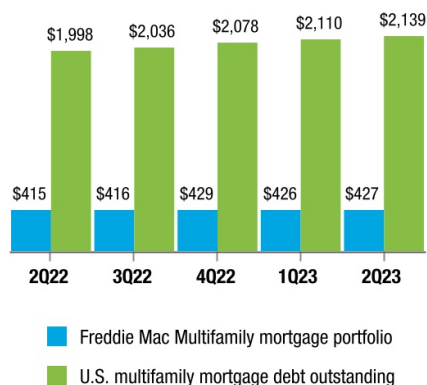
Source: Freddie Mac, FDIC Quarterly Banking Profile, Intex Solutions, Inc., and Wells Fargo Securities (Multifamily CMBS market, excluding REOs). The 3Q 2023 delinquency rate for FDIC insured institutions is not yet available.

**Multifamily Property Price Growth Rate**



Source: Real Capital Analytics Commercial Property Price Index (RCA CPPI).

**Multifamily Mortgage Debt Outstanding**  
(UPB in billions)



Source: Freddie Mac and Federal Reserve Financial Accounts of the United States of America. 3Q 2023 U.S. multifamily mortgage debt outstanding data is not yet available.



## CONSOLIDATED RESULTS OF OPERATIONS

The discussion of our consolidated results of operations should be read in conjunction with our condensed consolidated financial statements and accompanying notes. Our financial results and business volumes could be negatively affected by adverse changes in the housing market or economic conditions, including volatility and stress within the banking sector and the measures governments and financial services companies take in response. Stress in U.S. regional banks could drive elevated counterparty credit risk and indirect risk due to financing or banking relationships that our counterparties have with the affected banking organizations. We could also experience declines in the liquidity in the markets for our securities as a result of any such adverse changes or regulatory responses to adverse changes. See Risk Factors in our 2022 Annual Report for additional information.

The table below compares our summarized consolidated results of operations.

**Table 1 - Summary of Consolidated Statements of Income and Comprehensive Income**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Net interest income	\$4,749	\$4,554	\$195	4 %	\$13,773	\$13,417	\$356	3 %
Non-interest income	941	627	314	50	2,083	3,014	(931)	(31)
<b>Net revenues</b>	<b>5,690</b>	<b>5,181</b>	<b>509</b>	<b>10</b>	<b>15,856</b>	<b>16,431</b>	<b>(575)</b>	<b>(3)</b>
(Provision) benefit for credit losses	263	(1,796)	2,059	115	405	(1,266)	1,671	132
Non-interest expense	(2,576)	(1,825)	(751)	(41)	(6,712)	(5,777)	(935)	(16)
<b>Income before income tax expense</b>	<b>3,377</b>	<b>1,560</b>	<b>1,817</b>	<b>116</b>	<b>9,549</b>	<b>9,388</b>	<b>161</b>	<b>2</b>
Income tax expense	(692)	(247)	(445)	(180)	(1,925)	(1,824)	(101)	(6)
<b>Net income</b>	<b>2,685</b>	<b>1,313</b>	<b>1,372</b>	<b>104</b>	<b>7,624</b>	<b>7,564</b>	<b>60</b>	<b>1</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	19	(181)	200	110	19	(367)	386	105
<b>Comprehensive income</b>	<b>\$2,704</b>	<b>\$1,132</b>	<b>\$1,572</b>	<b>139 %</b>	<b>\$7,643</b>	<b>\$7,197</b>	<b>\$446</b>	<b>6 %</b>

## Net Revenues

### Net Interest Income

The table below presents the components of net interest income.

**Table 2 - Components of Net Interest Income**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Guarantee net interest income:								
Contractual net interest income	\$3,695	\$3,577	\$118	3 %	\$11,019	\$10,379	\$640	6 %
Deferred fee income	316	550	(234)	(43)	755	2,536	(1,781)	(70)
<b>Total guarantee net interest income</b>	<b>4,011</b>	<b>4,127</b>	<b>(116)</b>	<b>(3)</b>	<b>11,774</b>	<b>12,915</b>	<b>(1,141)</b>	<b>(9)</b>
Investments net interest income	1,675	914	761	83	4,718	2,186	2,532	116
Impact on net interest income from hedge accounting	(937)	(487)	(450)	(92)	(2,719)	(1,684)	(1,035)	(61)
<b>Net interest income</b>	<b>\$4,749</b>	<b>\$4,554</b>	<b>\$195</b>	<b>4 %</b>	<b>\$13,773</b>	<b>\$13,417</b>	<b>\$356</b>	<b>3 %</b>

#### Key Drivers:

##### ■ Guarantee net interest income

- **3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Decreased primarily due to a decline in deferred fee income due to slower prepayments driven by higher mortgage interest rates, partially offset by continued mortgage portfolio growth.

##### ■ Investments net interest income

- **3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Increased primarily due to higher returns on securities purchased under agreements to resell as a result of higher short-term interest rates.

### ■ Impact on net interest income from hedge accounting

- **3Q 2023 vs. 3Q 2022** - Expense increased primarily due to higher interest expense on derivatives in hedge relationships as a result of higher interest rates.
- **YTD 2023 vs. YTD 2022** - Expense increased primarily due to higher interest expense on derivatives in hedge relationships as a result of higher interest rates, partially offset by a favorable change in the earnings mismatch on qualifying fair value hedge relationships in 1Q 2023.

## Net Interest Yield Analysis

The table below presents a yield analysis of interest-earning assets and interest-bearing liabilities.

**Table 3 - Analysis of Net Interest Yield**

(Dollars in millions)	3Q 2023			3Q 2022		
	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate
Interest-earning assets:						
Cash and cash equivalents	\$13,523	\$145	4.19 %	\$13,418	\$52	1.54 %
Securities purchased under agreements to resell	122,140	1,660	5.43	100,393	554	2.21
Investment securities	41,169	427	4.15	46,561	416	3.57
Mortgage loans <sup>(1)</sup>	3,069,177	24,525	3.20	2,992,378	20,843	2.79
Other assets	2,839	42	5.79	3,882	29	2.93
<b>Total interest-earning assets</b>	<b>3,248,848</b>	<b>26,799</b>	<b>3.30</b>	<b>3,156,632</b>	<b>21,894</b>	<b>2.77</b>
Interest-bearing liabilities:						
Debt of consolidated trusts	3,005,595	(19,383)	(2.58)	2,939,663	(16,166)	(2.20)
Debt of Freddie Mac	193,925	(2,667)	(5.49)	177,205	(1,174)	(2.64)
<b>Total interest-bearing liabilities</b>	<b>3,199,520</b>	<b>(22,050)</b>	<b>(2.76)</b>	<b>3,116,868</b>	<b>(17,340)</b>	<b>(2.22)</b>
Impact of net non-interest-bearing funding	49,328	—	0.04	39,764	—	0.03
<b>Total funding of interest-earning assets</b>	<b>3,248,848</b>	<b>(22,050)</b>	<b>(2.72)</b>	<b>3,156,632</b>	<b>(17,340)</b>	<b>(2.19)</b>
<b>Net interest income/yield</b>		<b>\$4,749</b>	<b>0.58 %</b>		<b>\$4,554</b>	<b>0.58 %</b>

(1) Loan fees included in net interest income were \$0.2 billion and \$0.3 billion during 3Q 2023 and 3Q 2022, respectively.

(Dollars in millions)	YTD 2023			YTD 2022		
	Average Balance	Interest Income (Expense)	Average Rate	Average Balance	Interest Income (Expense)	Average Rate
Interest-earning assets:						
Cash and cash equivalents	\$13,618	\$401	3.88 %	\$14,626	\$71	0.64 %
Securities purchased under agreements to resell	118,891	4,502	5.05	95,406	763	1.07
Investment securities	39,637	1,106	3.72	49,196	1,264	3.43
Mortgage loans <sup>(1)</sup>	3,052,953	71,427	3.12	2,949,123	57,477	2.60
Other assets	2,506	105	5.53	4,555	67	1.93
<b>Total interest-earning assets</b>	<b>3,227,605</b>	<b>77,541</b>	<b>3.20</b>	<b>3,112,906</b>	<b>59,642</b>	<b>2.55</b>
Interest-bearing liabilities:						
Debt of consolidated trusts	2,988,356	(56,252)	(2.51)	2,893,353	(44,010)	(2.03)
Debt of Freddie Mac	194,319	(7,516)	(5.15)	177,934	(2,215)	(1.66)
<b>Total interest-bearing liabilities</b>	<b>3,182,675</b>	<b>(63,768)</b>	<b>(2.67)</b>	<b>3,071,287</b>	<b>(46,225)</b>	<b>(2.01)</b>
Impact of net non-interest-bearing funding	44,930	—	0.04	41,619	—	0.03
<b>Total funding of interest-earning assets</b>	<b>3,227,605</b>	<b>(63,768)</b>	<b>(2.63)</b>	<b>3,112,906</b>	<b>(46,225)</b>	<b>(1.98)</b>
<b>Net interest income/yield</b>		<b>\$13,773</b>	<b>0.57 %</b>		<b>\$13,417</b>	<b>0.57 %</b>

(1) Loan fees included in net interest income were \$0.8 billion and \$1.2 billion during YTD 2023 and YTD 2022, respectively.

## Non-Interest Income

The table below presents the components of non-interest income.

**Table 4 - Components of Non-Interest Income**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Guarantee income:								
Contractual guarantee fees	\$325	\$323	\$2	1 %	\$972	\$963	\$9	1 %
Guarantee obligation amortization	283	292	(9)	(3)	848	897	(49)	(5)
Guarantee asset fair value changes	(307)	(490)	183	37	(744)	(1,460)	716	49
<b>Total guarantee income</b>	<b>301</b>	<b>125</b>	<b>176</b>	<b>141</b>	<b>1,076</b>	<b>400</b>	<b>676</b>	<b>169</b>
Investment gains, net:								
Single-Family	314	(13)	327	2,515	131	1,471	(1,340)	(91)
Multifamily	241	428	(187)	(44)	610	778	(168)	(22)
<b>Total investment gains, net</b>	<b>555</b>	<b>415</b>	<b>140</b>	<b>34</b>	<b>741</b>	<b>2,249</b>	<b>(1,508)</b>	<b>(67)</b>
<b>Other income</b>	<b>85</b>	<b>87</b>	<b>(2)</b>	<b>(2)</b>	<b>266</b>	<b>365</b>	<b>(99)</b>	<b>(27)</b>
<b>Non-interest income</b>	<b>\$941</b>	<b>\$627</b>	<b>\$314</b>	<b>50 %</b>	<b>\$2,083</b>	<b>\$3,014</b>	<b>(\$931)</b>	<b>(31)%</b>

**Key Drivers:**

■ **Guarantee income**

- **3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Increased primarily due to lower fair value losses on guarantee assets as a result of smaller interest rate increases.

■ **Investment gains, net**

- **3Q 2023 vs. 3Q 2022** - Net investment gains in Single-Family increased primarily due to interest rate-related impacts. These gains were offset by a decline in net investment gains in Multifamily primarily due to lower fair value gains from interest-rate risk management activities and realized losses on sales of available-for-sale securities, partially offset by favorable fair value changes from spreads.
- **YTD 2023 vs. YTD 2022** - Net investment gains declined from elevated levels in YTD 2022, which were driven by spread-related gains on commitments to hedge the Single-Family securitization pipeline during that period.

## (Provision) Benefit for Credit Losses

The table below presents the components of provision for credit losses.

**Table 5 - (Provision) Benefit for Credit Losses**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Single-Family	\$304	(\$1,784)	\$2,088	117 %	\$624	(\$1,251)	\$1,875	150 %
Multifamily	(41)	(12)	(29)	(242)	(219)	(15)	(204)	(1,360)
<b>(Provision) benefit for credit losses</b>	<b>\$263</b>	<b>(\$1,796)</b>	<b>\$2,059</b>	<b>115 %</b>	<b>\$405</b>	<b>(\$1,266)</b>	<b>\$1,671</b>	<b>132 %</b>

**Key Drivers:**

- **3Q 2023 vs. 3Q 2022** - The benefit for credit losses for 3Q 2023 was primarily driven by a credit reserve release in Single-Family due to increases in observed and forecasted house price appreciation, partially offset by a credit reserve build in Multifamily due to deterioration in overall loan performance. The provision for credit losses for 3Q 2022 was primarily driven by a credit reserve build in Single-Family due to deterioration in housing market conditions, including lower observed and forecasted house price appreciation.
- **YTD 2023 vs. YTD 2022** - The benefit for credit losses for YTD 2023 was primarily driven by a credit reserve release in Single-Family due to increases in observed and forecasted house price appreciation, partially offset by a credit reserve build in Multifamily due to increased uncertainty in forecasted economic conditions and multifamily market conditions as well as deterioration in overall loan performance. The provision for credit losses for YTD 2022 was primarily driven by a credit reserve build in Single-Family due to deterioration in housing market conditions, including lower observed and forecasted house price appreciation.

## Non-Interest Expense

The table below presents the components of non-interest expense.

**Table 6 - Components of Non-Interest Expense**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Salaries and employee benefits	(\$418)	(\$387)	(\$31)	(8)%	(\$1,197)	(\$1,119)	(\$78)	(7)%
Credit enhancement expense	(634)	(542)	(92)	(17)	(1,754)	(1,559)	(195)	(13)
Benefit for (decrease in) credit enhancement recoveries	(103)	210	(313)	(149)	(162)	192	(354)	(184)
Legislative assessments expense:								
Legislated guarantee fees expense	(716)	(696)	(20)	(3)	(2,134)	(2,046)	(88)	(4)
Affordable housing funds allocation	(41)	(57)	16	28	(109)	(214)	105	49
<b>Total legislative assessments expense</b>	<b>(757)</b>	<b>(753)</b>	<b>(4)</b>	<b>(1)</b>	<b>(2,243)</b>	<b>(2,260)</b>	<b>17</b>	<b>1</b>
Other expense	(664)	(353)	(311)	(88)	(1,356)	(1,031)	(325)	(32)
<b>Non-interest expense</b>	<b>(\$2,576)</b>	<b>(\$1,825)</b>	<b>(\$751)</b>	<b>(41)%</b>	<b>(\$6,712)</b>	<b>(\$5,777)</b>	<b>(\$935)</b>	<b>(16)%</b>

### Key Drivers:

#### ■ Credit enhancement expense

- **3Q 2023 vs. 3Q 2022** - Increased primarily due to losses on STACR Trust note repurchases.
- **YTD 2023 vs. YTD 2022** - Increased primarily due to a higher volume of outstanding cumulative CRT transactions and higher losses on STACR Trust note repurchases.

#### ■ Benefit for (decrease in) credit enhancement recoveries

- **3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Decreased primarily due to a decrease in expected credit losses on covered loans.

#### ■ Legislative assessments expense

- **3Q 2023 vs. 3Q 2022** - Increased primarily due to higher legislated guarantee fees expense due to growth in our Single-Family mortgage portfolio, partially offset by lower affordable housing funds allocation as a result of lower Single-Family new business activity.
- **YTD 2023 vs. YTD 2022** - Decreased primarily due to lower affordable housing funds allocation as a result of lower Single-Family new business activity, partially offset by higher legislated guarantee fees expense due to growth in our Single-Family mortgage portfolio.

#### ■ Other expense

- **3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Increased primarily due to recording an accrual of \$0.3 billion for an adverse judgment at trial. See Note 14 for additional information regarding our legal proceedings.

## CONSOLIDATED BALANCE SHEETS ANALYSIS

The table below compares our summarized condensed consolidated balance sheets.

**Table 7 - Summarized Condensed Consolidated Balance Sheets**

			Change	
(Dollars in millions)	September 30, 2023	December 31, 2022	\$	%
Assets:				
Cash and cash equivalents	\$5,354	\$6,360	(\$1,006)	(16)%
Securities purchased under agreements to resell	115,161	87,295	27,866	32
Investment securities, at fair value	39,443	38,701	742	2
Mortgage loans held-for-sale	13,905	12,197	1,708	14
Mortgage loans held-for-investment	3,060,822	3,022,318	38,504	1
Accrued interest receivable, net	9,526	8,529	997	12
Deferred tax assets, net	4,875	5,777	(902)	(16)
Other assets	22,555	27,156	(4,601)	(17)
<b>Total assets</b>	<b>\$3,271,641</b>	<b>\$3,208,333</b>	<b>\$63,308</b>	<b>2 %</b>
Liabilities and Equity:				
Liabilities:				
Accrued interest payable	\$8,451	\$7,309	\$1,142	16 %
Debt	3,202,097	3,145,832	56,265	2
Other liabilities	16,432	18,174	(1,742)	(10)
<b>Total liabilities</b>	<b>3,226,980</b>	<b>3,171,315</b>	<b>55,665</b>	<b>2</b>
<b>Total equity</b>	<b>44,661</b>	<b>37,018</b>	<b>7,643</b>	<b>21</b>
<b>Total liabilities and equity</b>	<b>\$3,271,641</b>	<b>\$3,208,333</b>	<b>\$63,308</b>	<b>2 %</b>

### Key Drivers:

As of September 30, 2023 compared to December 31, 2022:

- **Securities purchased under agreements to resell** increased due to an increase in cash provided by operating activities and to provide additional liquidity due to uncertain economic conditions.
- **Mortgage loans held-for-investment** increased primarily due to growth in our Single-Family mortgage portfolio.
- **Other assets** decreased primarily due to a decline in receivables related to U.S. Treasury securities sold but not yet settled.
- **Debt** increased due to new debt issuances to provide additional liquidity due to uncertain economic conditions, as well as an increase in debt of consolidated trusts driven by growth in our Single-Family mortgage portfolio.
- **Other liabilities** decreased primarily due to a decline in payables related to U.S. Treasury securities purchased but not yet settled.

## OUR PORTFOLIOS

### Mortgage Portfolio

The table below presents the UPB of our mortgage portfolio by segment.

**Table 8 - Mortgage Portfolio**

(In millions)	September 30, 2023			December 31, 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Mortgage loans held-for-investment:						
By consolidated trusts	\$2,947,023	\$44,158	\$2,991,181	\$2,907,999	\$30,574	\$2,938,573
By Freddie Mac	34,024	9,165	43,189	33,506	17,805	51,311
<b>Total mortgage loans held-for-investment</b>	<b>2,981,047</b>	<b>53,323</b>	<b>3,034,370</b>	<b>2,941,505</b>	<b>48,379</b>	<b>2,989,884</b>
Mortgage loans held-for-sale	3,743	11,311	15,054	3,564	9,544	13,108
<b>Total mortgage loans</b>	<b>2,984,790</b>	<b>64,634</b>	<b>3,049,424</b>	<b>2,945,069</b>	<b>57,923</b>	<b>3,002,992</b>
Mortgage-related guarantees:						
Mortgage loans held by nonconsolidated trusts	30,382	356,552	386,934	31,500	360,869	392,369
Other mortgage-related guarantees	8,869	10,768	19,637	9,476	10,510	19,986
<b>Total mortgage-related guarantees</b>	<b>39,251</b>	<b>367,320</b>	<b>406,571</b>	<b>40,976</b>	<b>371,379</b>	<b>412,355</b>
<b>Total mortgage portfolio</b>	<b>\$3,024,041</b>	<b>\$431,954</b>	<b>\$3,455,995</b>	<b>\$2,986,045</b>	<b>\$429,302</b>	<b>\$3,415,347</b>
Guaranteed mortgage-related securities:						
Issued by consolidated trusts	\$2,956,213	\$44,169	\$3,000,382	\$2,916,038	\$30,813	\$2,946,851
Issued by nonconsolidated trusts	24,768	316,874	341,642	25,772	319,117	344,889
<b>Total guaranteed mortgage-related securities</b>	<b>\$2,980,981</b>	<b>\$361,043</b>	<b>\$3,342,024</b>	<b>\$2,941,810</b>	<b>\$349,930</b>	<b>\$3,291,740</b>

### Investments Portfolio

Our investments portfolio consists of our mortgage-related investments portfolio and our other investments portfolio.

#### Mortgage-Related Investments Portfolio

The Purchase Agreement limits the size of our mortgage-related investments portfolio to a maximum amount of \$225 billion. The calculation of mortgage assets subject to the Purchase Agreement cap includes the UPB of mortgage assets and 10% of the notional value of interest-only securities. We are also subject to additional limitations on the size and composition of our mortgage-related investments portfolio pursuant to FHFA guidance. For additional information on the restrictions on our mortgage-related investments portfolio, see the MD&A - Conservatorship and Related Matters section in our 2022 Annual Report.

The table below presents the details of our mortgage-related investments portfolio.

**Table 9 - Mortgage-Related Investments Portfolio**

(In millions)	September 30, 2023			December 31, 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Unsecuritized mortgage loans:						
Securitization pipeline and other loans	\$9,346	\$20,476	\$29,822	\$10,093	\$27,349	\$37,442
Seasoned loans	28,420	—	28,420	26,977	—	26,977
<b>Total unsecuritized mortgage loans</b>	<b>37,766</b>	<b>20,476</b>	<b>58,242</b>	<b>37,070</b>	<b>27,349</b>	<b>64,419</b>
Mortgage-related securities:						
Investment securities	3,370	5,284	8,654	3,440	6,396	9,836
Debt of consolidated trusts	17,509	677	18,186	17,939	536	18,475
<b>Total mortgage-related securities</b>	<b>20,879</b>	<b>5,961</b>	<b>26,840</b>	<b>21,379</b>	<b>6,932</b>	<b>28,311</b>
<b>Mortgage-related investments portfolio</b>	<b>\$58,645</b>	<b>\$26,437</b>	<b>\$85,082</b>	<b>\$58,449</b>	<b>\$34,281</b>	<b>\$92,730</b>
10% of notional amount of interest-only securities			\$22,523			\$21,758
Mortgage-related investments portfolio for purposes of Purchase Agreement cap			107,605			114,488

## Other Investments Portfolio

The table below presents the details of our other investments portfolio.

**Table 10 - Other Investments Portfolio**

(In millions)	September 30, 2023				December 31, 2022			
	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio <sup>(1)</sup>	Liquidity and Contingency Operating Portfolio	Custodial Account	Other	Total Other Investments Portfolio <sup>(1)</sup>
Cash and cash equivalents	\$4,699	\$566	\$89	\$5,354	\$5,652	\$611	\$97	\$6,360
Securities purchased under agreements to resell	107,351	10,786	796	118,933	88,499	9,703	1,084	99,286
Non-mortgage-related securities	19,399	—	6,069	25,468	20,188	—	3,645	23,833
Other assets	—	—	6,612	6,612	—	—	4,565	4,565
<b>Other investments portfolio</b>	<b>\$131,449</b>	<b>\$11,352</b>	<b>\$13,566</b>	<b>\$156,367</b>	<b>\$114,339</b>	<b>\$10,314</b>	<b>\$9,391</b>	<b>\$134,044</b>

(1) Represents carrying value.

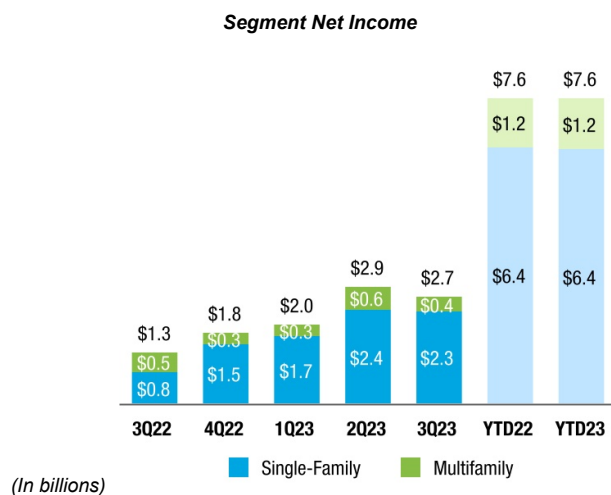
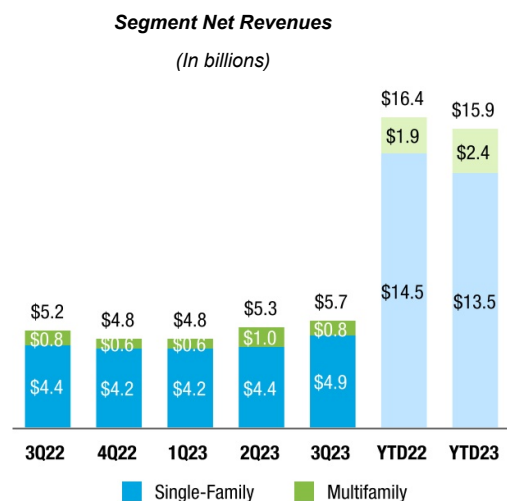
## OUR BUSINESS SEGMENTS

As shown in the table below, we have two reportable segments, which are based on the way we manage our business.

Segment	Description
<b>Single-Family</b>	Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment.
<b>Multifamily</b>	Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk.

## Segment Net Revenues and Net Income

The charts below show our net revenues and net income by segment.





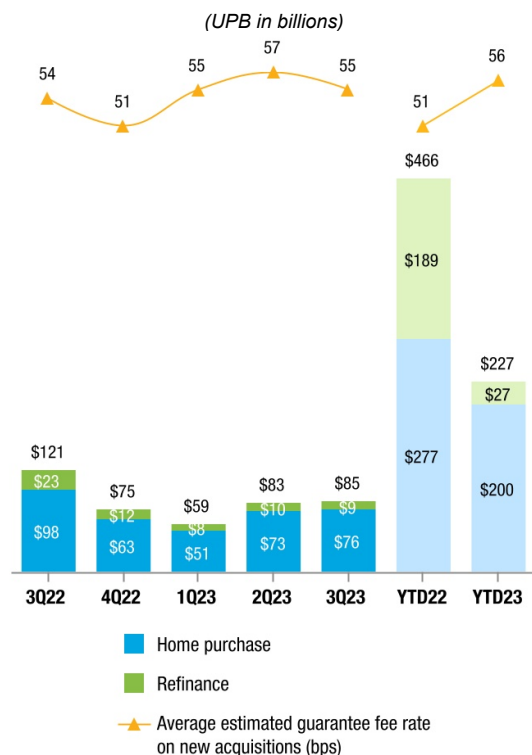
# Single-Family

## Business Results

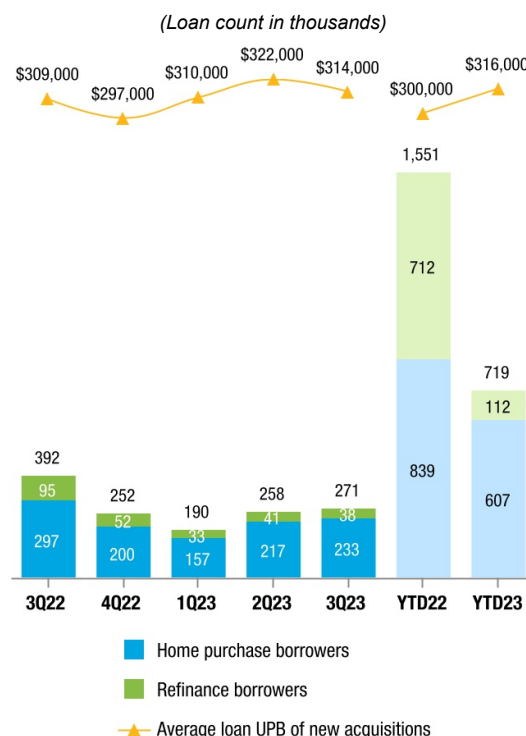
The charts, tables, and related discussion below present the business results of our Single-Family segment.

### New Business Activity

**UPB of Single-Family Loan Purchases and Guarantees by Loan Purpose and Average Estimated Guarantee Fee Rate<sup>(1)</sup> on New Acquisitions**



**Number of Families Helped to Own a Home and Average Loan UPB of New Acquisitions**



(1) Estimated guarantee fee rate calculation excludes the legislated guarantee fees and includes deferred fees recognized over the estimated life of the related loans.

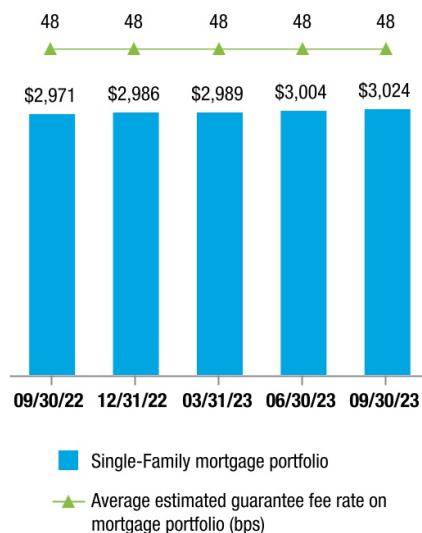
#### ■ 3Q 2023 vs. 3Q 2022 and YTD 2023 vs YTD 2022

- Our loan purchase and guarantee activity slowed due to higher mortgage interest rates.
- The average loan size of new acquisitions increased due to a higher conforming loan limit and house price appreciation in recent quarters.
- The average estimated guarantee fee rate on new acquisitions increased primarily due to higher contractual guarantee fees and faster expected credit fee recognition driven by higher estimated prepayments on new acquisitions. This increase was partially offset by a shift in the business mix of new acquisitions.

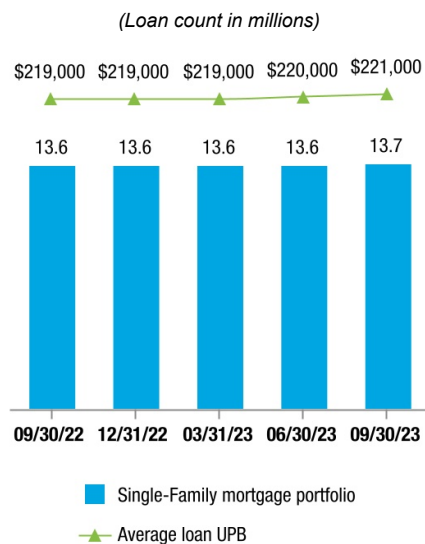
For additional information on credit fee changes, see the MD&A – Regulation and Supervision section in our Form 10-Q for the quarter ended June 30, 2023 and our 2022 Annual Report.

## Single-Family Mortgage Portfolio

**Single-Family Mortgage Portfolio and Average Estimated Guarantee Fee Rate<sup>(1)</sup> on Mortgage Portfolio**



**Single-Family Mortgage Loans**



(UPB in billions)

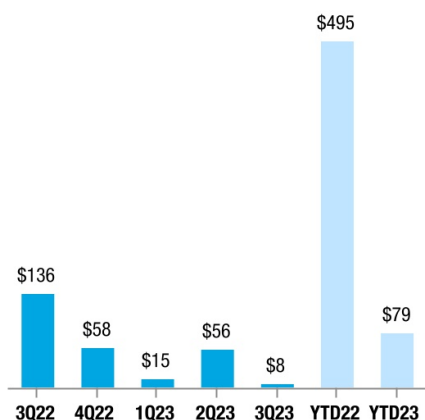
(1) Estimated guarantee fee rate is calculated as of acquisition and includes deferred fees recognized over the estimated life of the related loans. Estimated guarantee fee rate calculation excludes the legislated guarantee fees and certain loans, the majority of which are held by VIEs that we do not consolidate. The UPB of these excluded loans was \$41 billion as of September 30, 2023.

- Our Single-Family mortgage portfolio was \$3.0 trillion at September 30, 2023, up 2% year-over-year, as portfolio growth has moderated in recent periods due to the slowdown in new business activity as both home purchase and refinance activity slowed as a result of higher mortgage interest rates.

## CRT Activities

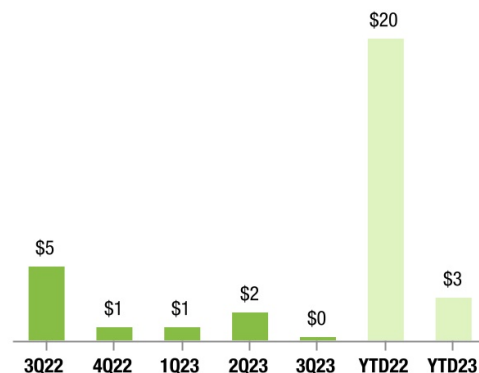
We transfer credit risk on a portion of our Single-Family mortgage portfolio to the private market, reducing the risk of future losses to us when borrowers default. The charts below show the issuance amounts associated with CRT transactions for loans in our Single-Family mortgage portfolio.

**UPB Covered by New CRT Issuance**



(In billions)

**New CRT Issuance Maximum Coverage**



(In billions)

### ■ 3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022

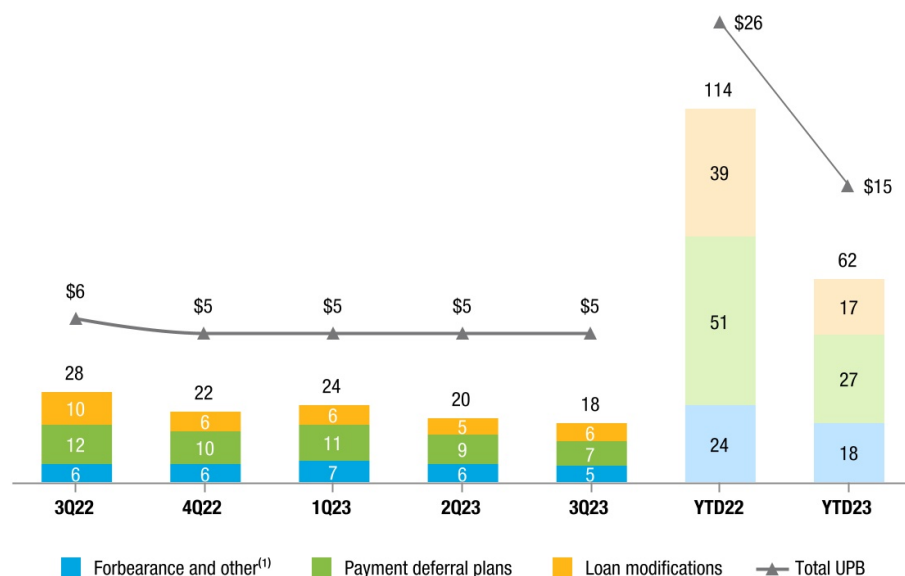
- The UPB of mortgage loans covered by CRT transactions and related maximum coverage issued during 3Q 2023 and YTD 2023 decreased compared to 3Q 2022 and YTD 2022 due to a decrease in loan acquisition activity in recent quarters and changes in business strategy and market conditions.
- The percentage of our Single-Family acquisitions that were loans in the targeted population for our CRT transactions (primarily 30-year fixed rate loans with LTV ratios between 60% and 97%) increased to 81% during both 3Q 2023 and YTD 2023, from 79% and 72% during 3Q 2022 and YTD 2022, respectively, primarily driven by an increase in the percentage of recently acquired loans with original LTV ratios above 60% and an increase in the percentage of 30-year loan acquisitions. We expect to include a subset of this targeted population in our future CRT transactions.

See MD&A - Risk Management - *Single-Family Mortgage Credit Risk - Transferring Credit Risk to Third-Party Investors* for additional information on our CRT activities and other credit enhancements.

## Loss Mitigation Activities

The following chart provides details about the single-family loan workout activities that were completed during the periods presented.

**Completed Loan Workout Activity**  
(UPB in billions, number of loan workouts in thousands)



(1) The forbearance data is limited to loans in forbearance that are past due based on the loans' original contractual terms and excludes both loans for which we do not control servicing and loans included in certain legacy transactions, as the forbearance data for such loans is either not reported to us by the servicers or is otherwise not readily available to us. Other includes repayment plans and foreclosure alternatives.

- Completed loan workout activity includes forbearance plans where borrowers fully reinstated the loan to current status during or at the end of the forbearance period, payment deferral plans, loan modifications, successfully completed repayment plans, short sales, and deeds in lieu of foreclosure. Completed loan workout activity excludes active loss mitigation activity that was ongoing and had not been completed as of the end of the period, such as forbearance plans that had been initiated but not completed and trial period modifications. There were approximately 20,000 loans in active forbearance plans and approximately 12,000 loans in other active loss mitigation activity as of September 30, 2023.
- 3Q 2023 vs. 3Q 2022 and YTD 2023 vs. YTD 2022** - Our loan workout activity decreased as the seriously delinquent loan population continued to decline.

## Financial Results

The table below presents the results of operations for our Single-Family segment. See Note 11 for additional information about segment financial results.

**Table 11 - Single-Family Segment Financial Results**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Net interest income	\$4,534	\$4,363	\$171	4 %	\$13,125	\$12,704	\$421	3 %
Non-interest income	393	58	335	578	365	1,802	(1,437)	(80)
<b>Net revenues</b>	<b>4,927</b>	<b>4,421</b>	<b>506</b>	<b>11</b>	<b>13,490</b>	<b>14,506</b>	<b>(1,016)</b>	<b>(7)</b>
(Provision) benefit for credit losses	304	(1,784)	2,088	117	624	(1,251)	1,875	150
Non-interest expense	(2,310)	(1,653)	(657)	(40)	(6,121)	(5,285)	(836)	(16)
<b>Income before income tax expense</b>	<b>2,921</b>	<b>984</b>	<b>1,937</b>	<b>197</b>	<b>7,993</b>	<b>7,970</b>	<b>23</b>	<b>—</b>
Income tax expense	(598)	(141)	(457)	(324)	(1,612)	(1,548)	(64)	(4)
<b>Net income</b>	<b>2,323</b>	<b>843</b>	<b>1,480</b>	<b>176</b>	<b>6,381</b>	<b>6,422</b>	<b>(41)</b>	<b>(1)</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	(6)	(39)	33	85	(5)	(46)	41	89
<b>Comprehensive income</b>	<b>\$2,317</b>	<b>\$804</b>	<b>\$1,513</b>	<b>188 %</b>	<b>\$6,376</b>	<b>\$6,376</b>	<b>\$—</b>	<b>— %</b>

### Key Business Drivers:

#### ■ 3Q 2023 vs. 3Q 2022

- Net income of \$2.3 billion, up 176% year-over-year.
  - Net revenues were \$4.9 billion, up 11% year-over-year. Net interest income was \$4.5 billion, up 4% year-over-year, primarily driven by higher investments net interest income as a result of higher short-term interest rates, partially offset by lower deferred fee income due to slower mortgage prepayment activity.
  - Benefit for credit losses was \$0.3 billion for 3Q 2023, primarily driven by a credit reserve release due to increases in observed and forecasted house price appreciation. The provision for credit losses of \$1.8 billion for 3Q 2022 was primarily driven by deterioration in housing market conditions, including lower observed and forecasted house price appreciation.
  - Non-interest expense was \$2.3 billion for 3Q 2023, up 40% year-over-year, primarily driven by an allocation of \$250 million for the accrual for an adverse judgment at trial and a decrease in credit enhancement recoveries due to a decline in expected credit losses on covered loans.

#### ■ YTD 2023 vs. YTD 2022

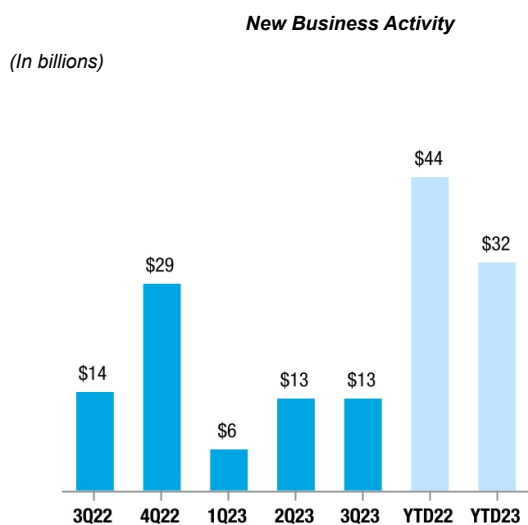
- Net income of \$6.4 billion, down 1% year-over-year.
  - Net revenues were \$13.5 billion, down 7% year-over-year.
    - Net interest income was \$13.1 billion for YTD 2023, up 3% year-over-year, primarily driven by higher investments net interest income as a result of higher interest rates, partially offset by lower deferred fee income due to slower mortgage prepayment activity.
    - Non-interest income of \$1.8 billion for YTD 2022 was primarily driven by spread-related gains on commitments to hedge the securitization pipeline during that period.
  - Benefit for credit losses was \$0.6 billion for YTD 2023, primarily driven by a credit reserve release due to increases in observed and forecasted house price appreciation. The provision for credit losses was \$1.3 billion for YTD 2022, primarily driven by deterioration in housing market conditions, including lower observed and forecasted house price appreciation.
  - Non-interest expense was \$6.1 billion for YTD 2023, up 16% year-over-year, primarily driven by an allocation of \$250 million for the accrual for an adverse judgment at trial and a decrease in credit enhancement recoveries due to a decline in expected credit losses on covered loans.

# Multifamily

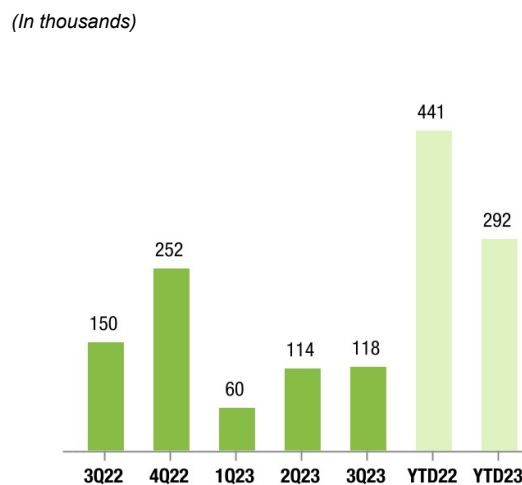
## Business Results

The charts, tables, and related discussion below present the business results of our Multifamily segment.

### New Business Activity



### Total Number of Rental Units Financed<sup>(1)</sup>



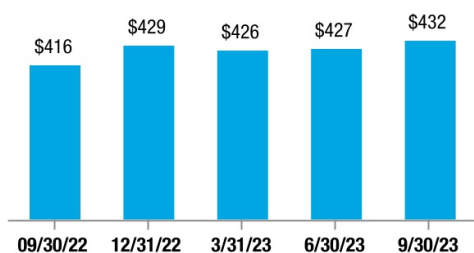
(1) Includes rental units financed by supplemental loans.

- As of September 30, 2023, our Multifamily new business activity was \$32.4 billion, down 27% year-over-year, as higher mortgage interest rates have reduced demand for multifamily financing. Approximately 64% of this activity, based on UPB, was mission-driven, affordable housing.
- Our index lock agreements and outstanding commitments to purchase or guarantee multifamily assets were \$17.1 billion and \$21.4 billion as of September 30, 2023 and September 30, 2022, respectively.

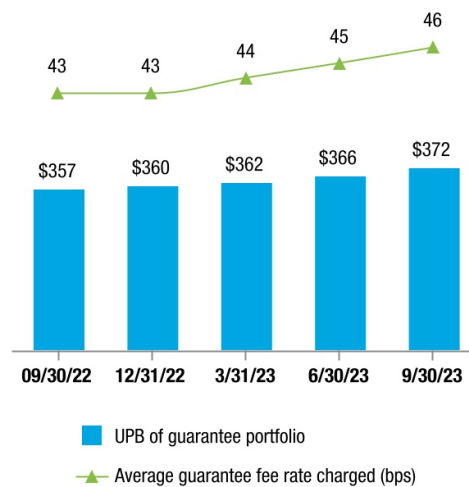
## Multifamily Mortgage Portfolio and Guarantee Portfolio

### Mortgage Portfolio

(In billions)



### Guarantee Portfolio



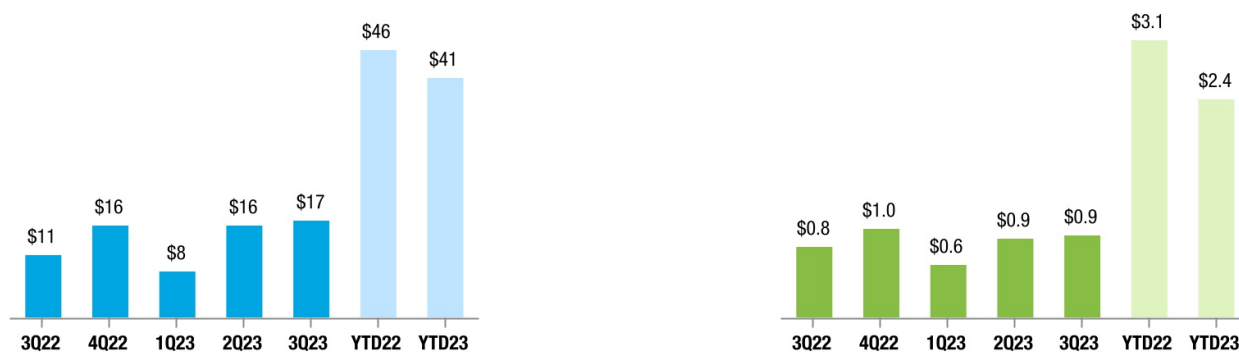
(In billions)

- Our Multifamily mortgage portfolio was \$432.0 billion at September 30, 2023, up 4% year-over-year, as portfolio growth has moderated in recent periods due to the slowdown in new business activity. Our guarantee portfolio was \$371.8 billion at September 30, 2023, up 4% year-over-year, as our new securitization activities outpaced payoffs.
- In addition to our Multifamily mortgage portfolio, we have investments in LIHTC fund partnerships with carrying values totaling \$3.3 billion and \$2.8 billion as of September 30, 2023 and December 31, 2022, respectively.

## CRT Activities

### UPB Covered by New CRT Issuance New CRT Issuance Maximum Coverage

(In billions) (In billions)



#### 3Q 2023 vs. 3Q 2022

- The UPB of mortgage loans covered by new CRT transactions and the maximum coverage increased primarily due to the issuance of MCIP and SCR Trust note transactions. There were no MCIP or SCR Trust note transactions in 3Q 2022.

#### YTD 2023 vs. YTD 2022

- The UPB of mortgage loans covered by new CRT transactions and the maximum coverage decreased primarily due to lower new business activity.

See MD&A - Risk Management - *Multifamily Mortgage Credit Risk - Transferring Credit Risk to Third-Party Investors* for more information on risk transfer transactions and credit enhancements on our Multifamily mortgage portfolio.



## Financial Results

The table below presents the results of operations for our Multifamily segment. See Note 11 for additional information about segment financial results.

**Table 12 - Multifamily Segment Financial Results**

(Dollars in millions)	3Q 2023	3Q 2022	Change		YTD 2023	YTD 2022	Change	
			\$	%			\$	%
Net interest income	\$215	\$191	\$24	13 %	\$648	\$713	(\$65)	(9)%
Non-interest income	548	569	(21)	(4)	1,718	1,212	506	42
<b>Net revenues</b>	<b>763</b>	<b>760</b>	<b>3</b>	<b>—</b>	<b>2,366</b>	<b>1,925</b>	<b>441</b>	<b>23</b>
(Provision) benefit for credit losses	(41)	(12)	(29)	(242)	(219)	(15)	(204)	(1,360)
Non-interest expense	(266)	(172)	(94)	(55)	(591)	(492)	(99)	(20)
<b>Income before income tax expense</b>	<b>456</b>	<b>576</b>	<b>(120)</b>	<b>(21)</b>	<b>1,556</b>	<b>1,418</b>	<b>138</b>	<b>10</b>
Income tax expense	(94)	(106)	12	11	(313)	(276)	(37)	(13)
<b>Net income</b>	<b>362</b>	<b>470</b>	<b>(108)</b>	<b>(23)</b>	<b>1,243</b>	<b>1,142</b>	<b>101</b>	<b>9</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	25	(142)	167	118	24	(321)	345	107
<b>Comprehensive income</b>	<b>\$387</b>	<b>\$328</b>	<b>\$59</b>	<b>18 %</b>	<b>\$1,267</b>	<b>\$821</b>	<b>\$446</b>	<b>54 %</b>

### Key Business Drivers:

#### ■ 3Q 2023 vs. 3Q 2022

- Net income of \$0.4 billion, down 23% year-over-year.
  - Net revenues remained \$0.8 billion, essentially unchanged year-over-year.
  - Provision for credit losses was \$41 million for 3Q 2023, driven by a credit reserve build due to deterioration in overall loan performance.
  - Non-interest expense was \$0.3 billion, up 55% year-over-year, primarily driven by an allocation of \$63 million for the accrual for an adverse judgment at trial.

#### ■ YTD 2023 vs. YTD 2022

- Net income of \$1.2 billion, up 9% year-over-year.
  - Net revenues were \$2.4 billion, up 23% year-over-year.
    - Net interest income was \$0.6 billion, down 9% year-over-year, primarily due to lower prepayment income driven by higher mortgage interest rates, partially offset by higher net interest income from mortgage loans.
    - Non-interest income was \$1.7 billion, up 42% year-over-year, primarily driven by lower fair value losses on our guarantee assets, net of the related interest-rate risk management activities. During 2Q 2022, we updated our funds transfer pricing methodologies to allocate gains and losses on derivative instruments to Multifamily to offset interest rate-related changes in fair value on our guarantee assets.
  - Provision for credit losses was \$0.2 billion for YTD 2023, driven by a credit reserve build due to increased uncertainty in forecasted economic conditions and multifamily market conditions as well as deterioration in overall loan performance.
  - Non-interest expense was \$0.6 billion, up 20% year-over-year, primarily driven by an allocation of \$63 million for the accrual for an adverse judgment at trial.

## RISK MANAGEMENT

To achieve our mission, we take risks as an integral part of our business activities. We are exposed to the following key types of risk: credit risk, market risk, liquidity risk, operational risk, compliance risk, legal risk, strategic risk, and reputation risk.

### Credit Risk

#### Allowance for Credit Losses

The tables below present a summary of the changes in our allowance for credit losses and key allowance for credit losses ratios.

**Table 13 - Allowance for Credit Losses Activity**

(Dollars in millions)	3Q 2023			3Q 2022			YTD 2023			YTD 2022		
	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total
<b>Allowance for credit losses:</b>												
Beginning balance	\$7,457	\$325	\$7,782	\$5,342	\$81	\$5,423	\$7,746	\$147	\$7,893	\$5,440	\$78	\$5,518
Provision (benefit) for credit losses	(304)	41	(263)	1,784	12	1,796	(624)	219	(405)	1,251	15	1,266
Charge-offs	(221)	—	(221)	(108)	—	(108)	(422)	—	(422)	(388)	—	(388)
Recoveries collected	54	—	54	29	—	29	115	—	115	124	—	124
Net charge-offs	(167)	—	(167)	(79)	—	(79)	(307)	—	(307)	(264)	—	(264)
Other <sup>(1)</sup>	80	—	80	168	—	168	251	—	251	788	—	788
<b>Ending balance</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>
<b>Average loans outstanding during the period<sup>(2)</sup></b>												
	\$3,008,592	\$51,500	\$3,060,092	\$2,957,019	\$33,614	\$2,990,633	\$2,995,238	\$49,186	\$3,044,424	\$2,914,163	\$30,500	\$2,944,663
Net charge-offs to average loans outstanding	0.01 %	— %	0.01 %	— %	— %	— %	0.01 %	— %	0.01 %	0.01 %	— %	0.01 %
<b>Components of ending balance of allowance for credit losses:</b>												
Mortgage loans held-for-investment	\$6,668	\$280	\$6,948	\$6,802	\$49	\$6,851						
Other <sup>(3)</sup>	398	86	484	413	44	457						
<b>Total ending balance</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>						

(1) Primarily includes capitalization of past due interest related to non-accrual loans that received payment deferral plans and loan modifications.

(2) Based on amortized cost basis of held-for-investment loans for which we have not elected the fair value option.

(3) Includes allowance for credit losses related to advances of pre-foreclosure costs, accrued interest receivable on mortgage loans, and off-balance sheet credit exposures.

Table 14 - Allowance for Credit Losses Ratios

(Dollars in millions)	September 30, 2023			December 31, 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
<b>Allowance for credit losses ratios:</b>						
Allowance for credit losses <sup>(1)</sup> to total loans outstanding	0.22 %	0.54 %	0.23 %	0.25 %	0.16 %	0.24 %
Non-accrual loans to total loans outstanding	0.42	0.12	0.41	0.34	0.09	0.33
Allowance for credit losses to non-accrual loans	52.82	437.50	54.76	72.45	183.33	72.91
<b>Balances:</b>						
Allowance for credit losses on mortgage loans held-for-investment	\$6,668	\$280	\$6,948	\$7,314	\$77	\$7,391
Total loans outstanding <sup>(2)</sup>	3,014,629	51,832	3,066,461	2,981,401	47,094	3,028,495
Non-accrual loans <sup>(2)</sup>	12,625	64	12,689	10,095	42	10,137

(1) Represents allowance for credit losses on held-for-investment loans for which we have not elected the fair value option.

(2) Based on amortized cost basis of held-for-investment loans for which we have not elected the fair value option.

The ratio of allowance for credit losses to non-accrual loans decreased as of September 30, 2023 compared to December 31, 2022, primarily driven by a credit reserve release in Single-Family due to increases in observed and forecasted house price appreciation.

## Single-Family Mortgage Credit Risk

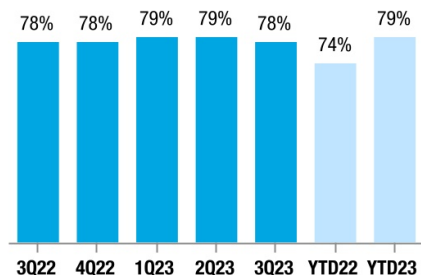
### Maintaining Prudent Underwriting Standards and Quality Control Practices and Managing Seller/Service Performance

#### Loan Purchase Credit Characteristics

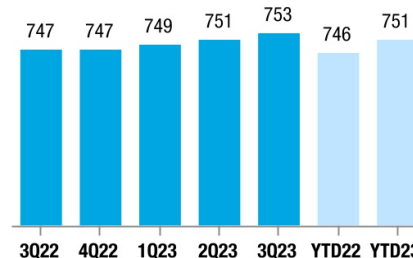
We monitor and evaluate market conditions that could affect the credit quality of our single-family loan purchases. Additionally, when managing our new acquisitions, we consider our risk limits and guidance from FHFA and capital requirements under the ERCF. This may affect the volume and characteristics of our loan acquisitions.

The charts below show the credit profile of the single-family loans we purchased or guaranteed. The average original LTV ratio increased year-over-year during YTD 2023 due to the increase in the percentage of loan acquisitions related to home purchases as home purchase loans typically have higher LTV ratios than refinance loans. The percentage of loans with a DTI ratio greater than 45% also increased year-over-year during 3Q 2023 and YTD 2023 due to changes in market conditions, such as increasing house prices and higher mortgage interest rates in recent quarters, and continued modifications to our underwriting standards.

**Weighted Average Original LTV Ratio**



**Weighted Average Original Credit Score<sup>(1)</sup>**



(1) Weighted average original credit score is generally based on three credit bureaus (Equifax, Experian, and TransUnion).

The table below contains additional information about the single-family loans we purchased or guaranteed.

**Table 15 - Single-Family New Business Activity**

(Dollars in millions)	3Q 2023		3Q 2022		YTD 2023		YTD 2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
20- and 30-year or more, amortizing fixed-rate	\$81,696	95 %	\$112,585	93 %	\$215,895	95 %	\$419,472	90 %
15-year or less, amortizing fixed-rate	3,269	4	6,702	5	8,521	4	41,270	9
Adjustable-rate	466	1	1,928	2	2,830	1	5,226	1
<b>Total</b>	<b>\$85,431</b>	<b>100 %</b>	<b>\$121,215</b>	<b>100 %</b>	<b>\$227,246</b>	<b>100 %</b>	<b>\$465,968</b>	<b>100 %</b>
<b>Percentage of purchases</b>								
DTI ratio > 45%		29 %		19 %		26 %		16 %
Original LTV ratio > 90%		26		24		27		18
Transaction type:								
Cash window		30		24		29		26
Guarantor swap		70		76		71		74
Property type:								
Detached single-family houses and townhouses		91		92		91		92
Condominium or co-op		9		8		9		8
Occupancy type:								
Primary residence		93		91		93		90
Second home		2		2		2		3
Investment property		5		7		5		7
Loan purpose:								
Purchase		89		80		88		59
Cash-out refinance		8		16		8		27
Other refinance		3		4		4		14

## Transferring Credit Risk to Third-Party Investors

To reduce our credit risk exposure, we engage in various credit enhancement arrangements, which include CRT transactions and other credit enhancements.

### Single-Family Mortgage Portfolio CRT Issuance

The table below provides the UPB of the mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions.

**Table 16 - Single-Family Mortgage Portfolio CRT Issuance**

(In millions)	3Q 2023		3Q 2022	
	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>
STACR	\$—	\$—	\$90,747	\$2,849
ACIS	7,123	255	44,770	1,767
Other	546	103	625	132
<b>Total CRT issuance</b>	<b>\$7,669</b>	<b>\$358</b>	<b>\$136,142</b>	<b>\$4,748</b>

Referenced footnotes are included after the year-to-date table.

(In millions)	YTD 2023		YTD 2022	
	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>
STACR	\$63,331	\$2,202	\$325,721	\$12,720
ACIS	14,716	548	166,461	6,482
Other	666	223	2,322	526
<b>Total CRT issuance</b>	<b>\$78,713</b>	<b>\$2,973</b>	<b>\$494,504</b>	<b>\$19,728</b>

(1) Represents the UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For STACR transactions, represents the balance held by third parties at issuance. For ACIS transactions, represents the aggregate limit of insurance purchased from third parties at issuance.

#### Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding

The table below provides information on the UPB and maximum coverage associated with credit-enhanced loans in our Single-Family mortgage portfolio.

**Table 17 - Single-Family Mortgage Portfolio Credit Enhancement Coverage Outstanding**

(Dollars in millions)	September 30, 2023		
	UPB <sup>(1)</sup>	% of Portfolio	Maximum Coverage <sup>(2)</sup>
Primary mortgage insurance <sup>(3)</sup>	\$633,492	21 %	\$163,960
STACR	1,180,667	39	32,126
ACIS	840,958	28	18,179
Other	40,202	1	11,079
Less: UPB with multiple credit enhancements and other reconciling items <sup>(4)</sup>	(830,093)	(27)	—
<b>Single-Family mortgage portfolio - credit-enhanced</b>	<b>1,865,226</b>	<b>62</b>	<b>225,344</b>
Single-Family mortgage portfolio - non-credit-enhanced	1,158,815	38	N/A
<b>Total</b>	<b>\$3,024,041</b>	<b>100 %</b>	<b>\$225,344</b>

(Dollars in millions)	December 31, 2022		
	UPB <sup>(1)</sup>	% of Portfolio	Maximum Coverage <sup>(2)</sup>
Primary mortgage insurance <sup>(3)</sup>	\$609,123	21 %	\$155,022
STACR	1,188,017	40	35,111
ACIS	938,409	31	19,774
Other	41,572	1	11,105
Less: UPB with multiple credit enhancements and other reconciling items <sup>(4)</sup>	(945,062)	(32)	—
<b>Single-Family mortgage portfolio - credit-enhanced</b>	<b>1,832,059</b>	<b>61</b>	<b>221,012</b>
Single-Family mortgage portfolio - non-credit-enhanced	1,153,986	39	N/A
<b>Total</b>	<b>\$2,986,045</b>	<b>100 %</b>	<b>\$221,012</b>

(1) Represents the current UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For STACR transactions, represents the outstanding balance held by third parties. For ACIS transactions, represents the remaining aggregate limit of insurance purchased from third parties.

(3) Amounts exclude certain loans for which we do not control servicing, as the coverage information for these loans is not readily available to us.

(4) Other reconciling items primarily include timing differences in reporting cycles between the UPB of certain CRT transactions and the UPB of the underlying loans.

**Credit Enhancement Coverage Characteristics**

The table below provides the serious delinquency rates for the credit-enhanced and non-credit-enhanced loans in our Single-Family mortgage portfolio. The credit-enhanced categories are not mutually exclusive as a single loan may be covered by both primary mortgage insurance and other credit enhancements.

**Table 18 - Serious Delinquency Rates for Credit-Enhanced and Non-Credit-Enhanced Loans in Our Single-Family Mortgage Portfolio**

(% of portfolio based on UPB) <sup>(1)</sup>	September 30, 2023		December 31, 2022	
	% of Portfolio <sup>(2)</sup>	SDQ Rate	% of Portfolio <sup>(2)</sup>	SDQ Rate
Credit-enhanced:				
Primary mortgage insurance	21 %	0.90 %	21 %	1.05 %
CRT and other	55	0.58	56	0.68
Non-credit-enhanced	38	0.45	39	0.57
<b>Total</b>	<b>N/A</b>	<b>0.55</b>	<b>N/A</b>	<b>0.66</b>

(1) Excludes loans underlying certain securitization products for which loan-level data is not available.

(2) Percentages do not total to 100% as a single loan may be included in multiple line items.

**Credit Enhancement Recoveries**

Our expected recovery receivable from freestanding credit enhancements, net of allowance, was \$0.2 billion and \$0.4 billion as of September 30, 2023 and December 31, 2022, respectively.

**Monitoring Loan Performance and Characteristics**

We review loan performance, including delinquency statistics and related loan characteristics, in conjunction with housing market and economic conditions, to assess credit risk when estimating our allowance for credit losses. We also use this information to determine if our pricing and eligibility standards reflect the risk associated with the loans we purchase and guarantee.

**Loan Characteristics**

The table below contains details of the characteristics of the loans in our Single-Family mortgage portfolio.

**Table 19 - Credit Quality Characteristics of Our Single-Family Mortgage Portfolio**

(Dollars in millions)	September 30, 2023				
	UPB	Original Credit Score <sup>(1)</sup>	Current Credit Score <sup>(1)(2)</sup>	Original LTV Ratio	Current LTV Ratio
Single-Family mortgage portfolio year of origination:					
2023	\$196,853	751	746	79 %	77 %
2022	439,880	745	747	76	70
2021	1,000,152	752	756	71	56
2020	732,387	761	768	71	47
2019	122,134	746	753	76	47
2018 and prior	532,635	736	751	75	33
<b>Total</b>	<b>\$3,024,041</b>	<b>750</b>	<b>756</b>	<b>73</b>	<b>53</b>

Referenced footnotes are included after the prior period table.

(Dollars in millions)	December 31, 2022				
	UPB	Original Credit Score <sup>(1)</sup>	Current Credit Score <sup>(1)(2)</sup>	Original LTV Ratio	Current LTV Ratio
Single-Family mortgage portfolio year of origination:					
2022	\$438,339	745	742	76 %	74 %
2021	1,054,844	752	758	71	59
2020	776,425	761	766	71	51
2019	131,637	746	752	76	50
2018	52,921	736	736	76	47
2017 and prior	531,879	737	752	75	34
<b>Total</b>	<b>\$2,986,045</b>	<b>750</b>	<b>756</b>	<b>73</b>	<b>54</b>

(1) Original credit score is generally based on three credit bureaus (Equifax, Experian, and TransUnion). Current credit score is based on Experian only.

(2) Credit scores for certain recently acquired loans may not have been updated by the credit bureau since the loan acquisition, and therefore the original credit scores also represent the current credit scores.

The following table presents the combination of credit score and CLTV ratio attributes of loans in our Single-Family mortgage portfolio.

**Table 20 - Single-Family Mortgage Portfolio Attribute Combinations<sup>(1)</sup>**

Original credit score	September 30, 2023											
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans	
	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate
740 and above	43 %	0.17 %	16 %	0.23 %	4 %	0.28 %	2 %	0.25 %	— %	NM	65 %	0.18 %
700 to 739	12	0.54	6	0.74	2	0.80	1	0.60	—	NM	21	0.60
680 to 699	4	0.91	2	1.40	—	NM	—	NM	—	NM	6	1.03
660 to 679	3	1.30	1	1.95	—	NM	—	NM	—	NM	4	1.44
620 to 659	2	2.03	1	3.06	—	NM	—	NM	—	NM	3	2.21
Less than 620	1	4.53	—	NM	—	NM	—	NM	—	NM	1	4.92
<b>Total</b>	<b>65 %</b>	<b>0.51</b>	<b>26 %</b>	<b>0.65</b>	<b>6 %</b>	<b>0.66</b>	<b>3 %</b>	<b>0.50</b>	<b>— %</b>	<b>NM</b>	<b>100 %</b>	<b>0.55</b>

Original credit score	December 31, 2022											
	CLTV ≤ 60		CLTV > 60 to 80		CLTV > 80 to 90		CLTV > 90 to 100		CLTV > 100		All Loans	
	% of Portfolio	SDQ Rate	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate <sup>(2)</sup>	% of Portfolio	SDQ Rate
740 and above	40 %	0.22 %	18 %	0.25 %	4 %	0.23 %	2 %	0.16 %	— %	NM	64 %	0.23 %
700 to 739	12	0.70	6	0.75	2	0.72	1	0.38	—	NM	21	0.71
680 to 699	5	1.16	2	1.28	—	NM	—	NM	—	NM	7	1.18
660 to 679	3	1.65	1	1.77	—	NM	—	NM	—	NM	4	1.68
620 to 659	2	2.46	1	2.78	—	NM	—	NM	—	NM	3	2.54
Less than 620	1	5.97	—	NM	—	NM	—	NM	—	NM	1	6.52
<b>Total</b>	<b>63 %</b>	<b>0.66</b>	<b>28 %</b>	<b>0.67</b>	<b>6 %</b>	<b>0.60</b>	<b>3 %</b>	<b>0.37</b>	<b>— %</b>	<b>NM</b>	<b>100 %</b>	<b>0.66</b>

(1) Excludes loans underlying certain securitization products for which original credit score is not available.

(2) NM - not meaningful due to the percentage of the portfolio rounding to zero.

### Geographic Concentrations

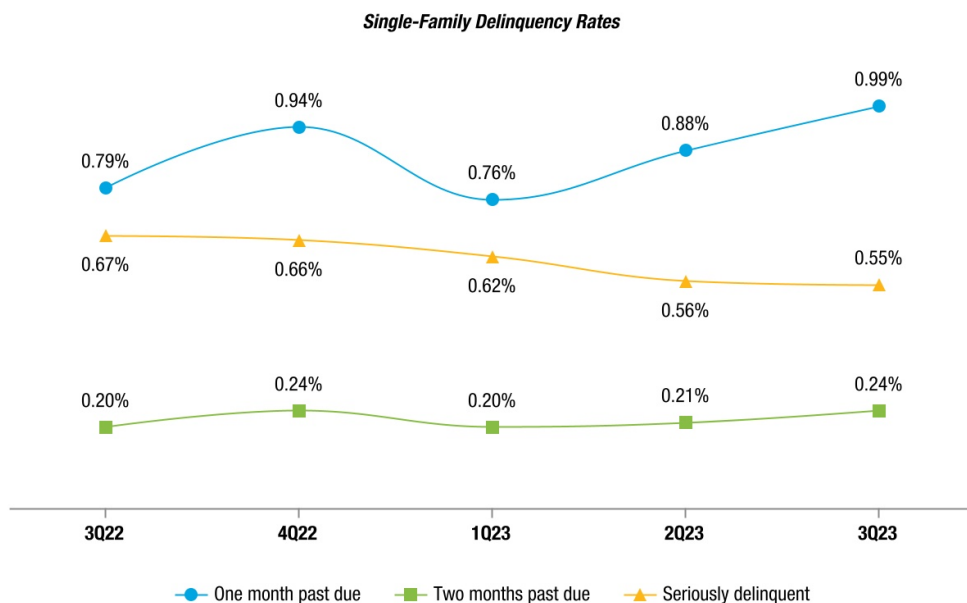
We purchase mortgage loans from across the U.S. However, local economic conditions can affect the borrower's ability to repay and the value of the underlying collateral, leading to concentrations of credit risk in certain geographic areas. In addition, certain states and municipalities have passed or may pass laws that limit our ability to foreclose or evict and make it more difficult and costly to manage our risk.

See Note 12 for more information about the geographic distribution of our Single-Family mortgage portfolio.

**Delinquency Rates**

We report Single-Family delinquency rates based on the number of loans in our Single-Family mortgage portfolio that are past due as reported to us by our servicers as a percentage of the total number of loans in our Single-Family mortgage portfolio.

The chart below shows the delinquency rates of mortgage loans in our Single-Family mortgage portfolio.



Our Single-Family serious delinquency rate has declined to 0.55% as of September 30, 2023, compared to 0.67% as of September 30, 2022. See Note 3 for additional information on the payment status of our single-family mortgage loans.

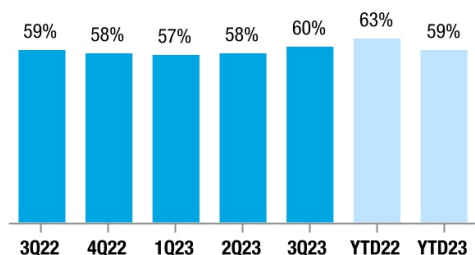


## Multifamily Mortgage Credit Risk

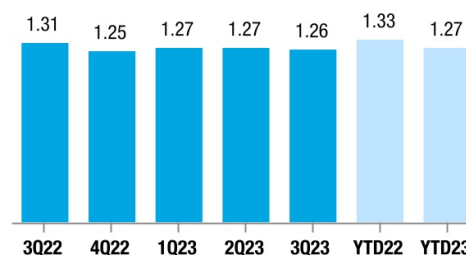
### Maintaining Policies and Procedures for New Business Activity, Including Prudent Underwriting Standards

Our underwriting standards focus on the LTV ratio and DSCR, which estimates a borrower's ability to repay the loan using the secured property's cash flows, after expenses. The charts below provide the weighted average original LTV and DSCR for our new business activity for the periods presented.

**Weighted Average Original LTV Ratio**



**Weighted Average Original DSCR**



### Transferring Credit Risk to Third-Party Investors

To reduce our credit risk exposure, we engage in a variety of CRT activities; however, securitizations remain our principal credit risk transfer mechanism. Through securitizations (i.e., subordination), we have transferred a substantial amount of the expected and stressed credit risk on the Multifamily mortgage portfolio, thereby reducing our overall credit risk exposure and required capital.

#### Multifamily Mortgage Portfolio CRT Issuance

The table below provides the UPB of the mortgage loans covered by CRT transactions issued during the periods presented as well as the maximum coverage provided by those transactions.

**Table 21 - Multifamily Mortgage Portfolio CRT Issuance**

(In millions)	3Q 2023		3Q 2022		YTD 2023		YTD 2022	
	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>	UPB <sup>(1)</sup>	Maximum Coverage <sup>(2)</sup>
Subordination	\$8,722	\$586	\$11,298	\$791	\$23,498	\$1,621	\$40,184	\$2,705
SCR	8,224	200	—	—	17,026	407	5,982	141
MCIP	8,224	152	—	—	15,860	340	5,982	200
Lender risk-sharing	—	—	50	10	560	80	264	36
Less: UPB with more than one type of CRT	(8,224)	—	—	—	(15,860)	—	(5,982)	—
<b>Total CRT issuance</b>	<b>\$16,946</b>	<b>\$938</b>	<b>\$11,348</b>	<b>\$801</b>	<b>\$41,084</b>	<b>\$2,448</b>	<b>\$46,430</b>	<b>\$3,082</b>

(1) Represents the UPB of the assets included in the associated reference pool or securitization trust, as applicable.

(2) For subordination, represents the UPB of the securities that are held by third parties at issuance and are subordinate to the securities we guarantee. For SCR transactions, represents the UPB of securities held by third parties at issuance. For MCIP transactions, represents the aggregate limit of insurance purchased from third parties at issuance. For lender risk-sharing, represents the amount of loss recovery that is available subject to the terms of counterparty agreements at issuance.

We have increased the volume of MCIP and SCR Trust note transactions to facilitate the transfer of mortgage credit risk associated with our growing Multifamily mortgage loans held-for-investment portfolio.

### Multifamily Mortgage Portfolio Credit Enhancement Coverage Outstanding

While we obtain various forms of credit protection in connection with the acquisition, guarantee, and/or securitization of a loan or group of loans, our principal credit enhancement type is subordination, which is created through our senior subordinate securitization transactions. As of September 30, 2023 and December 31, 2022, our maximum coverage provided by subordination in nonconsolidated VIEs was \$39.6 billion and \$41.7 billion, respectively.

The table below presents the UPB and delinquency rates for both credit-enhanced and non-credit-enhanced loans underlying our Multifamily mortgage portfolio.

**Table 22 - Credit-Enhanced and Non-Credit-Enhanced Loans Underlying Our Multifamily Mortgage Portfolio**

(Dollars in millions)	September 30, 2023		December 31, 2022	
	UPB	Delinquency Rate	UPB	Delinquency Rate
Credit-enhanced:				
Subordination	\$354,664	0.24 %	\$358,813	0.12 %
Other	55,413	0.22	38,870	0.12
<b>Total credit-enhanced</b>	<b>410,077</b>	<b>0.24</b>	<b>397,683</b>	<b>0.12</b>
Non-credit-enhanced	21,877	0.27	31,619	0.08
<b>Total</b>	<b>\$431,954</b>	<b>0.24</b>	<b>\$429,302</b>	<b>0.12</b>

The Multifamily delinquency rate increased to 0.24% at September 30, 2023, primarily driven by an increase in delinquent loans in our senior housing and small balance loan portfolios. 94% of the delinquent loans in the Multifamily mortgage portfolio have credit enhancement coverage while 95% of all loans in the Multifamily mortgage portfolio have credit enhancement coverage.

The table below contains details on the loans underlying our Multifamily mortgage portfolio that are not credit-enhanced.

**Table 23 - Credit Quality of Our Multifamily Mortgage Portfolio Without Credit Enhancement**

(Dollars in millions)	September 30, 2023		December 31, 2022	
	UPB	Delinquency Rate	UPB	Delinquency Rate
Mortgage loans held-for-sale	\$10,210	— %	\$9,138	0.29 %
Mortgage loans held-for-investment:				
Held by Freddie Mac	6,698	0.68	15,468	—
Held by consolidated trusts	2,688	0.48	4,665	—
Other mortgage-related guarantees	2,281	—	2,348	—
<b>Total</b>	<b>\$21,877</b>	<b>0.27</b>	<b>\$31,619</b>	<b>0.08</b>

## Market Risk

### Overview

Our business segments have embedded exposure to market risk, which is the economic risk associated with adverse changes in interest rates, volatility, and spreads. Market risk can adversely affect future cash flows, or economic value, as well as earnings and net worth. The primary sources of interest-rate risk are our investments in mortgage-related assets, the debt we issue to fund these assets, and our Single-Family guarantees.

### Interest-Rate Risk

Our primary interest-rate risk measures are duration gap and Portfolio Value Sensitivity (PVS). Duration gap measures the difference in price sensitivity to interest rate changes between our financial assets and liabilities and is expressed in months relative to the value of assets. PVS is an estimate of the change in the present value of the cash flows of our financial assets and liabilities from an instantaneous shock to interest rates, assuming spreads are held constant and no rebalancing actions are undertaken. PVS is measured in two ways, one measuring the estimated sensitivity of our portfolio value to a 50 basis point parallel movement in interest rates (PVS-L) and the other to a non-parallel movement resulting from a 25 basis point change in the slope of the yield curve (PVS-YC). While we believe that duration gap and PVS are useful risk management tools, they should be understood as estimates rather than as precise measurements.

The following tables provide our duration gap, estimated point-in-time and minimum and maximum PVS-L and PVS-YC results, and an average of the daily values and standard deviation. The table below also provides PVS-L estimates assuming an immediate 100 basis point shift in the yield curve. The interest-rate sensitivity of a mortgage portfolio varies across a wide range of interest rates.

**Table 24 - PVS-YC and PVS-L Results Assuming Shifts of the Yield Curve**

(In millions)	September 30, 2023			December 31, 2022		
	PVS-YC 25 bps	PVS-L 50 bps	PVS-L 100 bps	PVS-YC 25 bps	PVS-L 50 bps	PVS-L 100 bps
<b>Assuming shifts of the yield curve, (gains) losses on:<sup>(1)</sup></b>						
<b>Assets:</b>						
Investments	(\$327)	\$2,926	\$5,728	\$362	(\$3,131)	(\$6,340)
Guarantees <sup>(2)</sup>	40	(327)	(616)	(93)	512	1,090
<b>Total assets</b>	<b>(287)</b>	<b>2,599</b>	<b>5,112</b>	<b>269</b>	<b>(2,619)</b>	<b>(5,250)</b>
Liabilities	(86)	(1,714)	(3,476)	68	1,958	3,912
Derivatives	374	(901)	(1,705)	(336)	648	1,278
<b>Total</b>	<b>\$1</b>	<b>(\$16)</b>	<b>(\$69)</b>	<b>\$1</b>	<b>(\$13)</b>	<b>(\$60)</b>
<b>PVS</b>	<b>\$1</b>	<b>\$—</b>	<b>\$—</b>	<b>\$1</b>	<b>\$—</b>	<b>\$—</b>

(1) The categorization of the PVS impact between assets, liabilities, and derivatives on this table is based upon the economic characteristics of those assets and liabilities, not their accounting classification. For example, purchase and sale commitments of mortgage-related securities and debt of consolidated trusts held by the mortgage-related investments portfolio are both categorized as assets on this table.

(2) Represents the interest-rate risk from our guarantees, which include buy-ups, float, and upfront fees (including buy-downs).

**Table 25 - Duration Gap and PVS Results**

(Duration gap in months, dollars in millions)	3Q 2023			3Q 2022		
	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps
Average	—	\$3	\$—	—	\$4	\$3
Minimum	(0.1)	—	—	(0.3)	—	—
Maximum	0.1	9	—	0.3	11	28
Standard deviation	0.1	2	—	0.1	3	5

(Duration gap in months, dollars in millions)	YTD 2023			YTD 2022		
	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps	Duration Gap	PVS-YC 25 bps	PVS-L 50 bps
Average	—	\$3	\$3	—	\$6	\$6
Minimum	(0.2)	—	—	(0.4)	—	—
Maximum	0.3	9	31	0.4	18	77
Standard deviation	0.1	2	7	0.1	4	13

Derivatives enable us to reduce our economic interest-rate risk exposure as we continue to align our derivative portfolio with the changing duration of our economically hedged assets and liabilities. The table below shows that the PVS-L risk levels, assuming a 50 basis point shift in the yield curve for the periods presented, would have been higher if we had not used derivatives.

**Table 26 - PVS-L Results Before Derivatives and After Derivatives**

(In millions)	PVS-L (50 bps)		Effect of Derivatives
	Before Derivatives	After Derivatives	
September 30, 2023	885	—	(885)
December 31, 2022 <sup>(1)</sup>	645	—	(645)

(1) Before derivatives, our adverse PVS-L rate movement was -50 whereas after derivatives our adverse PVS-L rate movement was +50 bps.

## Earnings Sensitivity to Market Risk

The accounting treatment for our financial assets and liabilities (i.e., some are measured at amortized cost, while others are measured at fair value) creates variability in our GAAP earnings when interest rates and spreads change. We manage this variability of GAAP earnings, which may not reflect the economics of our business, using fair value hedge accounting. See MD&A - Consolidated Results of Operations and MD&A - Our Business Segments for additional information on the effect of changes in interest rates and market spreads on our financial results.

### Interest Rate-Related Earnings Sensitivity

While we manage our interest-rate risk exposure on an economic basis to a low level as measured by our models, changes in interest rates may still result in significant earnings variability from period to period.

By electing fair value hedge accounting for certain single-family mortgage loans and certain debt instruments, we are able to reduce the potential variability in our earnings attributable to changes in interest rates. See Note 8 for additional information on hedge accounting.

#### Earnings Sensitivity to Changes in Interest Rates

We evaluate a range of interest rate scenarios to determine the sensitivity of our earnings due to changes in interest rates and to determine our fair value hedge accounting strategies. The interest rate scenarios evaluated include parallel shifts in the yield curve in which interest rates increase or decrease by 100 basis points, non-parallel shifts in the yield curve in which long-term interest rates increase or decrease by 100 basis points, and non-parallel shifts in the yield curve in which short-term and medium-term interest rates increase or decrease by 100 basis points. This evaluation identifies the net effect on comprehensive income from changes in fair value attributable to changes in interest rates for financial instruments measured at fair value recognized on our condensed consolidated balance sheets at period end, including the effects of fair value hedge accounting, for each of the identified scenarios. This evaluation does not include the net effect on comprehensive income from interest-rate sensitive items that are not measured at fair value (e.g., amortization of mortgage loan premiums and discounts, changes in fair value of held-for-sale mortgage loans for which we have not elected the fair value option), from changes in our future contractual net interest income due to repricing of our interest-bearing assets and liabilities, or from future new business activities. The before-tax results of this evaluation are shown in the table below.

**Table 27 - Earnings Sensitivity to Changes in Interest Rates**

(In millions)	September 30, 2023	September 30, 2022
<b>Interest Rate Scenarios<sup>(1)</sup></b>		
Parallel yield curve shifts:		
+100 basis points	(\$66)	\$62
-100 basis points	66	(62)
Non-parallel yield curve shifts - long-term interest rates:		
+100 basis points	121	202
-100 basis points	(121)	(202)
Non-parallel yield curve shifts - short-term and medium-term interest rates:		
+100 basis points	(187)	(140)
-100 basis points	187	140

(1) The earnings sensitivity presented is calculated using the change in interest rates and net effective duration exposure.

The actual effect of changes in interest rates on our comprehensive income in any given period may vary based on a number of factors, including, but not limited to, the composition of our assets and liabilities, the actual changes in interest rates that are realized at different terms along the yield curve, and the effectiveness of our hedge accounting strategies. Even if implemented properly, our hedge accounting programs may not be effective in reducing earnings volatility, and our hedges may fail in any given future period, which could expose us to significant earnings variability in that period.

## LIQUIDITY AND CAPITAL RESOURCES

Our business activities require that we maintain adequate liquidity to meet our financial obligations as they come due and to meet the needs of customers in a timely and cost-efficient manner. We also must maintain adequate capital resources to avoid being placed into receivership by FHFA.

### Liquidity

#### Primary Sources of Liquidity

The following table lists the sources of our liquidity, the balances as of the dates shown, and a brief description of their importance to Freddie Mac.

**Table 28 - Liquidity Sources**

(In millions)	September 30, 2023 <sup>(1)</sup>	December 31, 2022 <sup>(1)</sup>	Description
Other Investments Portfolio - Liquidity and Contingency Operating Portfolio	\$131,449	\$114,339	The liquidity and contingency operating portfolio, included within our other investments portfolio, is primarily used for short-term liquidity management.
Mortgage Loans and Mortgage-Related Securities	24,666	25,853	The liquid portion of our mortgage-related investments portfolio can be pledged or sold for liquidity purposes. The amount of cash we may be able to successfully raise may be substantially less than the balance.

(1) Represents carrying value for the liquidity and contingency operating portfolio, included within our other investments portfolio, and UPB for the liquid portion of the mortgage-related investments portfolio.

#### Other Investments Portfolio

Our other investments portfolio is important to our cash flow, collateral management, asset and liability management, and ability to provide liquidity and stability to the mortgage market.

Our liquidity and contingency operating portfolio primarily includes securities purchased under agreements to resell and non-mortgage-related securities. Our non-mortgage-related securities consist of U.S. Treasury securities and other investments that we could sell to provide us with an additional source of liquidity to fund our business operations. We also maintain non-interest-bearing deposits at the Federal Reserve Bank of New York and interest-bearing deposits at commercial banks. Our interest-bearing deposits at commercial banks totaled \$4.5 billion and \$5.0 billion as of September 30, 2023 and December 31, 2022, respectively. See MD&A - Our Portfolios - *Investments Portfolio - Other Investments Portfolio* for more information about our other investments portfolio.

#### Mortgage Loans and Mortgage-Related Securities

We invest principally in mortgage loans and mortgage-related securities, certain categories of which are largely unencumbered and liquid. Our primary source of liquidity among these mortgage assets is our holdings of agency securities. See MD&A - Our Portfolios - *Investments Portfolio - Mortgage-Related Investments Portfolio* for more information about our mortgage loans and mortgage-related securities.

## Primary Sources of Funding

The following table lists the sources of our funding, the balances as of the dates shown, and a brief description of their importance to Freddie Mac.

**Table 29 - Funding Sources**

(In millions)	September 30, 2023 <sup>(1)</sup>	December 31, 2022 <sup>(1)</sup>	Description
Debt of Freddie Mac	\$174,922	\$166,762	Debt of Freddie Mac is used to fund our business activities.
Debt of Consolidated Trusts	3,027,175	2,979,070	Debt of consolidated trusts is used primarily to fund our Single-Family guarantee activities. This type of debt is principally repaid by the cash flows of the associated mortgage loans. As a result, our repayment obligation is limited to amounts paid pursuant to our guarantee of principal and interest and to purchase modified or seriously delinquent loans from the trusts.

(1) Represents the carrying value of debt balances after consideration of offsetting arrangements.

## Debt of Freddie Mac

We issue debt of Freddie Mac to fund our operations. Competition for funding can vary with economic, financial market, and regulatory environments. The amount, type, and term of debt issued is based on a variety of factors and is designed to meet our ongoing cash needs and to comply with our Liquidity Management Framework.

The table below summarizes the par value and the average rate of debt of Freddie Mac we issued or paid off, including regularly scheduled principal payments, payments resulting from calls, and payments for repurchases. We call, exchange, or repurchase our outstanding debt from time to time for a variety of reasons, including managing our funding composition and supporting the liquidity of our debt securities.

**Table 30 - Debt of Freddie Mac Activity**

(Dollars in millions)	3Q 2023		3Q 2022	
	Par Value	Average Rate <sup>(1)</sup>	Par Value	Average Rate <sup>(1)</sup>
<b>Short-term:</b>				
Beginning balance	\$11,386	5.08 %	\$3,115	1.14 %
Issuances	6,591	5.27	33,182	2.19
Repayments	—	—	—	—
Maturities	(13,037)	5.00	(24,387)	1.87
<b>Ending balance</b>	<b>4,940</b>	<b>5.32</b>	<b>11,910</b>	<b>2.46</b>
Securities sold under agreements to repurchase	4,795	5.20	7,512	2.06
Offsetting arrangements	(3,772)	—	(7,512)	—
<b>Securities sold under agreements to repurchase, net</b>	<b>1,023</b>	<b>5.35</b>	<b>—</b>	<b>—</b>
<b>Total short-term debt</b>	<b>5,963</b>	<b>5.33</b>	<b>11,910</b>	<b>2.46</b>
<b>Long-term:</b>				
Beginning balance	180,574	3.21	165,433	1.52
Issuances	10,826	5.79	12,876	4.12
Repayments	(2,217)	5.58	(1,392)	5.68
Maturities	(10,281)	5.05	(13,603)	0.63
<b>Total long-term debt</b>	<b>178,902</b>	<b>3.23</b>	<b>163,314</b>	<b>1.83</b>
<b>Total debt of Freddie Mac, net</b>	<b>\$184,865</b>	<b>3.30 %</b>	<b>\$175,224</b>	<b>1.87 %</b>

Referenced footnote is included after the year-to-date table.

(Dollars in millions)	YTD 2023		YTD 2022	
	Par Value	Average Rate <sup>(1)</sup>	Par Value	Average Rate <sup>(1)</sup>
<b>Short-term:</b>				
Beginning balance	\$7,716	3.49 %	\$—	— %
Issuances	85,360	4.42	40,900	1.87
Repayments	—	—	—	—
Maturities	(88,136)	4.26	(28,990)	1.59
<b>Ending balance</b>	<b>4,940</b>	<b>5.32</b>	<b>11,910</b>	<b>2.46</b>
Securities sold under agreements to repurchase	4,795	5.20	7,512	2.06
Offsetting arrangements	(3,772)	—	(7,512)	—
<b>Securities sold under agreements to repurchase, net</b>	<b>1,023</b>	<b>5.35</b>	<b>—</b>	<b>—</b>
<b>Total short-term debt</b>	<b>5,963</b>	<b>5.33</b>	<b>11,910</b>	<b>2.46</b>
<b>Long-term:</b>				
Beginning balance	170,363	2.22	181,613	1.11
Issuances	45,359	5.49	29,948	3.58
Repayments	(8,728)	5.47	(3,297)	4.15
Maturities	(28,092)	2.39	(44,950)	0.37
<b>Total long-term debt</b>	<b>178,902</b>	<b>3.23</b>	<b>163,314</b>	<b>1.83</b>
<b>Total debt of Freddie Mac, net</b>	<b>\$184,865</b>	<b>3.30 %</b>	<b>\$175,224</b>	<b>1.87 %</b>

(1) Average rate is weighted based on par value.

As of September 30, 2023, our aggregate indebtedness pursuant to the Purchase Agreement was \$184.9 billion, which was below the current \$270.0 billion debt cap limit. Our aggregate indebtedness calculation primarily includes the par value of short- and long-term debt.

#### Maturity and Redemption Dates

The following table presents the par value of debt of Freddie Mac by contractual maturity date and earliest redemption date. The earliest redemption date refers to the earliest call date for callable debt and the contractual maturity date for all other debt of Freddie Mac.

**Table 31 - Maturity and Redemption Dates**

(In millions)	As of September 30, 2023		As of December 31, 2022	
	Contractual Maturity Date	Earliest Redemption Date	Contractual Maturity Date	Earliest Redemption Date
Debt of Freddie Mac <sup>(1)</sup> :				
1 year or less	\$56,276	\$158,499	\$60,534	\$156,515
1 year through 2 years	53,602	13,777	32,261	3,820
2 years through 3 years	28,753	1,916	51,658	13,071
3 years through 4 years	11,708	305	5,739	212
4 years through 5 years	10,665	160	7,603	170
Thereafter	25,123	11,470	27,623	11,630
STACR and SCR debt <sup>(2)</sup>	2,510	2,510	4,652	4,652
<b>Total debt of Freddie Mac</b>	<b>\$188,637</b>	<b>\$188,637</b>	<b>\$190,070</b>	<b>\$190,070</b>

(1) Includes payables related to securities sold under agreements to repurchase that we offset against receivables related to securities purchased under agreements to resell on our condensed consolidated balance sheets, when such amounts meet the conditions for offsetting in the accounting guidance.

(2) STACR debt notes and SCR debt notes are subject to prepayment risk as their payments are based upon the performance of a reference pool of mortgage assets that may be prepaid by the related mortgage borrower at any time generally without penalty and are, therefore, included as a separate category in the table.

## Debt of Consolidated Trusts

The largest component of debt on our condensed consolidated balance sheets is debt of consolidated trusts, which relates to securitization transactions that we consolidate for accounting purposes. We primarily issue this type of debt by securitizing mortgage loans to fund our Single-Family guarantee activities.

The table below shows activity for the debt of consolidated trusts.

**Table 32 - Debt of Consolidated Trusts Activity**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
Beginning balance	\$2,960,996	\$2,877,722	\$2,929,567	\$2,732,056
Issuances	119,668	172,989	321,235	672,155
Repayments and extinguishments	(97,157)	(129,666)	(267,295)	(483,166)
<b>Ending balance</b>	<b>2,983,507</b>	<b>2,921,045</b>	<b>2,983,507</b>	<b>2,921,045</b>
Unamortized premiums and discounts	43,668	52,928	43,668	52,928
<b>Debt of consolidated trusts</b>	<b>\$3,027,175</b>	<b>\$2,973,973</b>	<b>\$3,027,175</b>	<b>\$2,973,973</b>

## Credit Ratings

Our credit ratings and outlooks are primarily based on the support we receive from Treasury and therefore are affected by changes in the credit ratings and outlooks of the U.S. government. On August 2, 2023, Fitch lowered our Long-Term Issuer Default Rating (IDR) and senior unsecured debt rating to AA+ from AAA and revised the credit rating Outlook to Stable from Negative Watch. This action followed Fitch's downgrade of U.S. government debt ratings on August 1, 2023. For additional information on our credit ratings, see MD&A - Liquidity and Capital Resources in our 2022 Annual Report.

## Off-Balance Sheet Arrangements

We enter into certain business arrangements that are not recorded on our condensed consolidated balance sheets or that may be recorded in amounts that differ from the full contractual or notional amount of the transaction that affect our short- and long-term liquidity needs. Our off-balance sheet arrangements primarily consist of guarantees and commitments. See Note 2 and Note 4 for additional information on these transactions. See MD&A - Risk Management - *Credit Risk* for additional information on our credit risk exposure on off-balance sheet arrangements.

## Cash Flows

Cash and cash equivalents (including restricted cash and cash equivalents) decreased slightly from \$5.7 billion as of September 30, 2022 to \$5.4 billion as of September 30, 2023.



## Capital Resources

The table below presents activity related to our net worth.

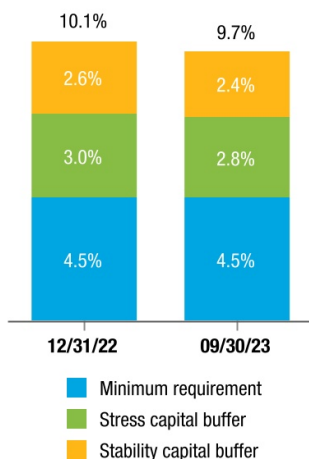
**Table 33 - Net Worth Activity**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
Beginning balance	\$41,957	\$34,098	\$37,018	\$28,033
Comprehensive income	2,704	1,132	7,643	7,197
Capital draw from Treasury	—	—	—	—
Senior preferred stock dividends declared	—	—	—	—
<b>Total equity / net worth</b>	<b>\$44,661</b>	<b>\$35,230</b>	<b>\$44,661</b>	<b>\$35,230</b>
Remaining Treasury funding commitment	\$140,162	\$140,162	\$140,162	\$140,162
Aggregate draws under Purchase Agreement	71,648	71,648	71,648	71,648
Aggregate cash dividends paid to Treasury	119,680	119,680	119,680	119,680
Liquidation preference of the senior preferred stock	114,605	106,746	114,605	106,746

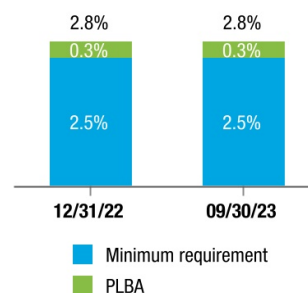
## ERCF

The charts below present the ERCF capital adequacy requirements under the risk-based capital requirement (CET1 capital ratio relative to RWA) and leverage capital requirement (Tier 1 capital ratio relative to ATA). Our required CET1 capital ratio declined to 9.7% as of September 30, 2023 from 10.1% as of December 31, 2022, as risk-weighted assets increased primarily due to Single-Family mortgage portfolio growth, while the stress and stability capital buffers remained relatively flat. The stress and stability capital buffers do not change in proportion to the change in RWA as they are calculated from ATA, which increased this quarter at a smaller rate than RWA.

**Risk-Based Capital Requirement: CET1 Capital Ratio**



**Leverage Capital Requirement: Tier 1 Capital Ratio**



**Capital Metrics**

The table below presents the components of our regulatory capital.

**Table 34 - Regulatory Capital Components**

(In billions)	September 30, 2023	December 31, 2022
<b>Total equity</b>	\$45	\$37
Less:		
Senior preferred stock	73	73
Preferred stock	14	14
<b>Common equity</b>	(42)	(50)
Less: deferred tax assets arising from temporary differences that exceed 10% of CET1 capital and other regulatory adjustments	5	5
<b>Common equity Tier 1 capital</b>	(47)	(55)
Add: Preferred stock	14	14
<b>Tier 1 capital</b>	(33)	(41)
Tier 2 capital adjustments	—	—
<b>Adjusted total capital</b>	(33)	(41)

The table below presents the components of our statutory capital.

**Table 35 - Statutory Capital Components**

(In billions)	September 30, 2023	December 31, 2022
<b>Total equity</b>	\$45	\$37
Less:		
Senior preferred stock	73	73
AOCI, net of taxes	—	(1)
<b>Core capital</b>	(28)	(35)
General allowance for foreclosure losses <sup>(1)</sup>	7	8
<b>Total capital</b>	(21)	(27)

(1) Represents our allowance for credit losses.

**Table 36 - Capital Metrics Under ERF**

(In billions)	September 30, 2023	December 31, 2022
Adjusted total assets	\$3,758	\$3,710
Risk-weighted assets (standardized approach):		
Credit risk	851	778
Market risk	52	51
Operational risk	70	70
<b>Total risk-weighted assets</b>	<b>\$973</b>	<b>\$899</b>
(In billions)	September 30, 2023	December 31, 2022
Stress capital buffer	\$28	\$27
Stability capital buffer	23	23
Countercyclical capital buffer amount	—	—
<b>PCCBA</b>	<b>\$51</b>	<b>\$50</b>
PLBA	\$11	\$11

	September 30, 2023				
(Dollars in billions)	Minimum Capital Requirement	Applicable Buffer <sup>(1)</sup>	Capital Requirement (Including Buffer)	Available Capital (Deficit)	Capital Shortfall
<b>Risk-based capital amounts:</b>					
Total capital	\$78	N/A	\$78	(\$21)	(\$99)
CET1 capital	44	\$51	95	(47)	(142)
Tier 1 capital	58	51	109	(33)	(142)
Adjusted total capital	78	51	129	(33)	(162)
<b>Risk-based capital ratios<sup>(2)</sup>:</b>					
Total capital	8.0 %	N/A	8.0 %	(2.1)%	(10.1)%
CET1 capital	4.5	5.2 %	9.7	(4.8)	(14.5)
Tier 1 capital	6.0	5.2	11.2	(3.4)	(14.6)
Adjusted total capital	8.0	5.2	13.2	(3.4)	(16.6)
<b>Leverage capital amounts:</b>					
Core capital	\$94	N/A	\$94	(\$28)	(\$122)
Tier 1 capital	94	\$11	105	(33)	(138)
<b>Leverage capital ratios<sup>(3)</sup>:</b>					
Core capital	2.5 %	N/A	2.5 %	(0.7)%	(3.2)%
Tier 1 capital	2.5	0.3 %	2.8	(0.9)	(3.7)

Referenced footnotes are included after the prior period table.

(Dollars in billions)	December 31, 2022				
	Minimum Capital Requirement	Applicable Buffer <sup>(1)</sup>	Capital Requirement (Including Buffer)	Available Capital (Deficit)	Capital Shortfall
<b>Risk-based capital amounts:</b>					
Total capital	\$72	N/A	\$72	(\$27)	(\$99)
CET1 capital	40	\$50	90	(55)	(145)
Tier 1 capital	54	50	104	(41)	(145)
Adjusted total capital	72	50	122	(41)	(163)
<b>Risk-based capital ratios<sup>(2)</sup>:</b>					
Total capital	8.0 %	N/A	8.0 %	(3.1)%	(11.1)%
CET1 capital	4.5	5.6 %	10.1	(6.2)	(16.3)
Tier 1 capital	6.0	5.6	11.6	(4.6)	(16.2)
Adjusted total capital	8.0	5.6	13.6	(4.6)	(18.2)
<b>Leverage capital amounts:</b>					
Core capital	\$93	N/A	\$93	(\$35)	(\$128)
Tier 1 capital	93	\$11	104	(41)	(145)
<b>Leverage capital ratios<sup>(3)</sup>:</b>					
Core capital	2.5 %	N/A	2.5 %	(1.0)%	(3.5)%
Tier 1 capital	2.5	0.3 %	2.8	(1.1)	(3.9)

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) As a percentage of RWA.

(3) As a percentage of ATA.

At September 30, 2023, our maximum payout ratio under the ERCF was 0.0%.

See Note 15 for additional information on our capital amounts and ratios under the ERCF.

## CRITICAL ACCOUNTING ESTIMATES

Our critical accounting estimates and policies relate to the Single-Family allowance for credit losses. For additional information about our critical accounting estimates and other significant accounting policies, see Note 1 and Critical Accounting Estimates in our 2022 Annual Report.

### Single-Family Allowance for Credit Losses

The Single-Family allowance for credit losses represents our estimate of expected credit losses over the contractual term of the mortgage loans. The Single-Family allowance for credit losses pertains to all single-family loans classified as held-for-investment on our condensed consolidated balance sheets.

Determining the appropriateness of the Single-Family allowance for credit losses is a complex process that is subject to numerous estimates and assumptions requiring significant management judgment about matters that involve a high degree of subjectivity. This process involves the use of models that require us to make judgments about matters that are difficult to predict.

Changes in forecasted house price growth rates can have a significant effect on our allowance for credit losses estimates. The table below shows our nationwide forecasted house price growth rates that were used in determining our allowance for credit losses. See Note 5 for additional information regarding our current period provision for credit losses.

**Table 37 - Forecasted House Price Growth Rates**

	12-Month Forward	13- to 24-Month Forward
September 30, 2023	2.9 %	1.7 %
June 30, 2023	0.8	0.9
March 31, 2023	(2.9)	(1.3)
December 31, 2022	(3.0)	(1.8)

## REGULATION AND SUPERVISION

In addition to oversight by FHFA as our Conservator, we are subject to regulation and oversight by FHFA under our Charter and the GSE Act and to certain regulation by other government agencies. FHFA has the power to require us from time to time to change our processes, take action and/or stop taking action that could impact our business. Furthermore, regulatory activities by other government agencies can affect us indirectly, even if we are not directly subject to such agencies' regulation or oversight. For example, regulations that modify requirements applicable to the purchase or servicing of mortgages can affect us.

## FORWARD-LOOKING STATEMENTS

We regularly communicate information concerning our business activities to investors, the news media, securities analysts, and others as part of our normal operations. Some of these communications, including this Form 10-Q, contain "forward-looking statements." Examples of forward-looking statements include, but are not limited to, statements pertaining to the conservatorship, our current expectations and objectives for the Single-Family and Multifamily segments of our business, our efforts to assist the housing market, our liquidity and capital management, economic and market conditions and trends including, but not limited to, changes in observed and forecasted house price appreciation, our market share, the effect of legislative and regulatory developments and new accounting guidance, the credit quality of loans we own or guarantee, the costs and benefits of our CRT transactions, banking crises or failures, the effects of natural disasters, other catastrophic events, and significant climate change effects and actions taken in response thereto on our business, and our results of operations and financial condition. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond our control. Forward-looking statements are often accompanied by, and identified with, terms such as "could," "may," "will," "believe," "expect," "anticipate," "forecast," and similar phrases. These statements are not historical facts, but rather represent our expectations based on current information, plans, judgments, assumptions, estimates, and projections. Actual results may differ significantly from those described in or implied by such forward-looking statements due to various factors and uncertainties, including those described in the Risk Factors section in our 2022 Annual Report, and including, without limitation, the following:

- The actions the federal government (including FHFA, Treasury, and Congress) and state governments may take, require us to take, or restrict us from taking, including actions to promote equitable access to affordable and sustainable housing, such as programs to implement the expectations in FHFA's Conservatorship Scorecards, recent requirements and guidance related to equitable housing, and other objectives for us;
- Changes in the fiscal and monetary policies of the Federal Reserve, including changes in target interest rates and in the amount of agency MBS and agency CMBS held by the Federal Reserve;
- The effect of the restrictions on our business due to the conservatorship and the Purchase Agreement;
- The impact of any downgrade in our credit ratings or those of the U.S. government;
- Changes in our Charter, applicable legislative or regulatory requirements (including any legislation affecting the future status of our company), or the Purchase Agreement;
- Changes to our capital requirements and potential effects of such changes on our business strategies;
- Changes in tax laws;
- Changes in privacy and cybersecurity laws and regulations;
- Changes in accounting policies, practices, standards, or guidance;
- Changes in economic and market conditions, including volatility in the financial services industry, changes in employment rates, inflation, interest rates, spreads, and house prices;
- Changes in the U.S. residential mortgage market, including changes in the supply and type of loan products (e.g., refinance vs. purchase and fixed-rate vs. ARM);
- The success of our efforts to mitigate our losses on our Single-Family mortgage portfolio;
- The success of our strategy to transfer mortgage credit risk through STACR, ACIS, K Certificate, SCR, MCIP, and other CRT transactions;
- Our ability to maintain adequate liquidity to fund our operations;
- Our ability to maintain the security and resiliency of our operational systems and infrastructure, including against cyberattacks or other security incidents, whether due to insider error or malfeasance or system errors or vulnerabilities in our or our third parties' systems;
- Our ability to effectively execute our business strategies, implement significant changes, and improve efficiency;
- The adequacy of our risk management framework, including the adequacy of our regulatory capital framework prescribed by FHFA and internal models for measuring risk;
- Our ability to manage mortgage credit risk, including the effect of changes in underwriting and servicing practices;
- Our ability to limit or manage our economic exposure and GAAP earnings exposure to interest-rate volatility and spread volatility, including the availability of derivative financial instruments needed for interest-rate risk management purposes and our ability to apply hedge accounting;
- Our operational ability to issue new securities, make timely and correct payments on securities, and provide initial and ongoing disclosures;
- Our reliance on CSS and the CSP for the operation of the majority of our Single-Family securitization activities, limits on our influence over CSS Board decisions, and any additional changes FHFA may require in our relationship with, or support of, CSS;
- Changes in the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make

business decisions, and manage risks;

- Changes in investor demand for our debt or mortgage-related securities;
- Our ability to maintain market acceptance of the UMBS, including our ability to maintain alignment of the prepayment speeds of our and Fannie Mae's respective UMBS;
- Changes in the practices of loan originators, servicers, investors, and other participants in the secondary mortgage market;
- Competition from other market participants, which could affect the pricing we offer for our products, the credit characteristics of the loans we purchase, and our ability to meet our affordable housing goals and other mandated activities;
- The adverse consequences on our business and operations that may occur from the discontinuance of LIBOR and the transition to SOFR as the replacement;
- The availability of critical third parties, or their vendors and other business partners, to deliver products or services, or to manage risks, including cybersecurity risk, effectively;
- The occurrence of a major natural disaster, other catastrophic event, or significant climate change effects in areas in which our offices, significant portions of our total mortgage portfolio, or the offices of critical third parties are located, and for which we may be uninsured or significantly underinsured; and
- Other factors and assumptions described in this Form 10-Q and our 2022 Annual Report, including in the MD&A section.

Forward-looking statements are made only as of the date of this Form 10-Q, and we undertake no obligation to update any forward-looking statements we make to reflect events or circumstances occurring after the date of this Form 10-Q.



# Financial Statements

# FREDDIE MAC

## Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

(In millions, except share-related amounts)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
<b>Net interest income</b>				
Interest income	\$26,799	\$21,894	\$77,541	\$59,642
Interest expense	(22,050)	(17,340)	(63,768)	(46,225)
<b>Net interest income</b>	<b>4,749</b>	<b>4,554</b>	<b>13,773</b>	<b>13,417</b>
<b>Non-interest income</b>				
Guarantee income	301	125	1,076	400
Investment gains, net	555	415	741	2,249
Other income	85	87	266	365
<b>Non-interest income</b>	<b>941</b>	<b>627</b>	<b>2,083</b>	<b>3,014</b>
<b>Net revenues</b>	<b>5,690</b>	<b>5,181</b>	<b>15,856</b>	<b>16,431</b>
(Provision) benefit for credit losses	263	(1,796)	405	(1,266)
<b>Non-interest expense</b>				
Salaries and employee benefits	(418)	(387)	(1,197)	(1,119)
Credit enhancement expense	(634)	(542)	(1,754)	(1,559)
Benefit for (decrease in) credit enhancement recoveries	(103)	210	(162)	192
Legislative assessments expense	(757)	(753)	(2,243)	(2,260)
Other expense	(664)	(353)	(1,356)	(1,031)
<b>Non-interest expense</b>	<b>(2,576)</b>	<b>(1,825)</b>	<b>(6,712)</b>	<b>(5,777)</b>
<b>Income before income tax expense</b>	<b>3,377</b>	<b>1,560</b>	<b>9,549</b>	<b>9,388</b>
Income tax expense	(692)	(247)	(1,925)	(1,824)
<b>Net income</b>	<b>2,685</b>	<b>1,313</b>	<b>7,624</b>	<b>7,564</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	19	(181)	19	(367)
<b>Comprehensive income</b>	<b>\$2,704</b>	<b>\$1,132</b>	<b>\$7,643</b>	<b>\$7,197</b>
Net income	\$2,685	\$1,313	\$7,624	\$7,564
Amounts attributable to senior preferred stock	(2,704)	(1,132)	(7,643)	(7,197)
<b>Net income attributable to common stockholders</b>	<b>(\$19)</b>	<b>\$181</b>	<b>(\$19)</b>	<b>\$367</b>
<b>Net income per common share</b>	<b>(\$0.01)</b>	<b>\$0.06</b>	<b>(\$0.01)</b>	<b>\$0.11</b>
Weighted average common shares (in millions)	3,234	3,234	3,234	3,234

The accompanying notes are an integral part of these condensed consolidated financial statements.

**FREDDIE MAC****Condensed Consolidated Balance Sheets (Unaudited)**

(In millions, except share-related amounts)	September 30, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents (includes \$655 and \$707 of restricted cash and cash equivalents)	\$5,354	\$6,360
Securities purchased under agreements to resell	115,161	87,295
Investment securities, at fair value	39,443	38,701
Mortgage loans held-for-sale (includes \$8,071 and \$3,218 at fair value)	13,905	12,197
Mortgage loans held-for-investment (net of allowance for credit losses of \$6,948 and \$7,391 and includes \$1,309 and \$1,214 at fair value)	3,060,822	3,022,318
Accrued interest receivable, net	9,526	8,529
Deferred tax assets, net	4,875	5,777
Other assets (includes \$5,798 and \$5,890 at fair value)	22,555	27,156
<b>Total assets</b>	<b>\$3,271,641</b>	<b>\$3,208,333</b>
<b>Liabilities and equity</b>		
<i>Liabilities</i>		
Accrued interest payable	\$8,451	\$7,309
Debt (includes \$2,597 and \$3,047 at fair value)	3,202,097	3,145,832
Other liabilities (includes \$1,128 and \$759 at fair value)	16,432	18,174
<b>Total liabilities</b>	<b>3,226,980</b>	<b>3,171,315</b>
Commitments and contingencies (Notes 4, 8, 14)		
<i>Equity</i>		
Senior preferred stock (liquidation preference of \$114,605 and \$107,878)	72,648	72,648
Preferred stock, at redemption value	14,109	14,109
Common stock, \$0.00 par value, 4,000,000,000 shares authorized, 725,863,886 shares issued and 650,059,553 shares outstanding	—	—
Retained earnings	(38,042)	(45,666)
<i>AOCl, net of taxes, related to:</i>		
Available-for-sale securities	(71)	(84)
Other	(98)	(104)
AOCl, net of taxes	(169)	(188)
Treasury stock, at cost, 75,804,333 shares	(3,885)	(3,885)
<b>Total equity</b>	<b>44,661</b>	<b>37,018</b>
<b>Total liabilities and equity</b>	<b>\$3,271,641</b>	<b>\$3,208,333</b>

The table below presents the carrying value and classification of the assets and liabilities of consolidated VIEs on our condensed consolidated balance sheets.

(In millions)	September 30, 2023	December 31, 2022
<b>Assets:</b>		
Cash and cash equivalents (includes \$566 and \$610 of restricted cash and cash equivalents)	\$567	\$611
Securities purchased under agreements to resell	10,786	9,703
Investment securities, at fair value	82	126
Mortgage loans held-for-investment, net	3,019,212	2,971,601
Accrued interest receivable, net	8,594	7,944
Other assets	5,536	5,019
<b>Total assets of consolidated VIEs</b>	<b>\$3,044,777</b>	<b>\$2,995,004</b>
<b>Liabilities:</b>		
Accrued interest payable	\$7,280	\$6,619
Debt	3,027,175	2,979,070
<b>Total liabilities of consolidated VIEs</b>	<b>\$3,034,455</b>	<b>\$2,985,689</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

## FREDDIE MAC

## Condensed Consolidated Statements of Equity (Unaudited)

(In millions)	Shares Outstanding			Senior Preferred Stock	Preferred Stock, at Redemption Value	Common Stock, at Par Value	Retained Earnings	AOCI, Net of Tax	Treasury Stock, at Cost	Total Equity
	Senior Preferred Stock	Preferred Stock	Common Stock							
<b>Balance at June 30, 2023</b>	1	464	650	\$72,648	\$14,109	\$—	(\$40,727)	(\$188)	(\$3,885)	\$41,957
<i>Comprehensive income:</i>										
Net income	—	—	—	—	—	—	2,685	—	—	2,685
<i>Other comprehensive income (loss):</i>										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of \$20 million)	—	—	—	—	—	—	—	(76)	—	(76)
Reclassification adjustment for (gains) losses on available-for-sale securities included in net income (net of taxes of \$25 million)	—	—	—	—	—	—	—	93	—	93
Other (net of taxes of \$0 million)	—	—	—	—	—	—	—	2	—	2
<b>Comprehensive income</b>	—	—	—	—	—	—	2,685	19	—	2,704
<b>Ending balance at September 30, 2023</b>	<b>1</b>	<b>464</b>	<b>650</b>	<b>\$72,648</b>	<b>\$14,109</b>	<b>\$—</b>	<b>(\$38,042)</b>	<b>(\$169)</b>	<b>(\$3,885)</b>	<b>\$44,661</b>
<b>Balance at June 30, 2022</b>	1	464	650	\$72,648	\$14,109	\$—	(\$48,742)	(\$32)	(\$3,885)	\$34,098
<i>Comprehensive income:</i>										
Net income	—	—	—	—	—	—	1,313	—	—	1,313
<i>Other comprehensive income (loss):</i>										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of \$42 million)	—	—	—	—	—	—	—	(159)	—	(159)
Reclassification adjustment for (gains) losses on available-for-sale securities included in net income (net of taxes of \$7 million)	—	—	—	—	—	—	—	(25)	—	(25)
Other (net of taxes of \$1 million)	—	—	—	—	—	—	—	3	—	3
<b>Comprehensive income</b>	—	—	—	—	—	—	1,313	(181)	—	1,132
<b>Ending balance at September 30, 2022</b>	<b>1</b>	<b>464</b>	<b>650</b>	<b>\$72,648</b>	<b>\$14,109</b>	<b>\$—</b>	<b>(\$47,429)</b>	<b>(\$213)</b>	<b>(\$3,885)</b>	<b>\$35,230</b>
(In millions)	Shares Outstanding			Senior Preferred Stock	Preferred Stock, at Redemption Value	Common Stock, at Par Value	Retained Earnings	AOCI, Net of Tax	Treasury Stock, at Cost	Total Equity
	Senior Preferred Stock	Preferred Stock	Common Stock							
<b>Balance at December 31, 2022</b>	1	464	650	\$72,648	\$14,109	\$—	(\$45,666)	(\$188)	(\$3,885)	\$37,018
<i>Comprehensive income:</i>										
Net income	—	—	—	—	—	—	7,624	—	—	7,624
<i>Other comprehensive income (loss):</i>										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of \$21 million)	—	—	—	—	—	—	—	(80)	—	(80)
Reclassification adjustment for (gains) losses on available-for-sale securities included in net income (net of taxes of \$24 million)	—	—	—	—	—	—	—	93	—	93
Other (net of taxes of \$1 million)	—	—	—	—	—	—	—	6	—	6
<b>Comprehensive income</b>	—	—	—	—	—	—	7,624	19	—	7,643
<b>Ending balance at September 30, 2023</b>	<b>1</b>	<b>464</b>	<b>650</b>	<b>\$72,648</b>	<b>\$14,109</b>	<b>\$—</b>	<b>(\$38,042)</b>	<b>(\$169)</b>	<b>(\$3,885)</b>	<b>\$44,661</b>
<b>Balance at December 31, 2021</b>	1	464	650	\$72,648	\$14,109	\$—	(\$54,993)	\$154	(\$3,885)	\$28,033
<i>Comprehensive income:</i>										
Net income	—	—	—	—	—	—	7,564	—	—	7,564
<i>Other comprehensive income (loss):</i>										
Changes in net unrealized gains (losses) on available-for-sale securities (net of taxes of \$94 million)	—	—	—	—	—	—	—	(353)	—	(353)
Reclassification adjustment for (gains) losses on available-for-sale securities included in net income (net of taxes of \$6 million)	—	—	—	—	—	—	—	(21)	—	(21)
Other (net of taxes of \$2 million)	—	—	—	—	—	—	—	7	—	7
<b>Comprehensive income</b>	—	—	—	—	—	—	7,564	(367)	—	7,197
<b>Ending balance at September 30, 2022</b>	<b>1</b>	<b>464</b>	<b>650</b>	<b>\$72,648</b>	<b>\$14,109</b>	<b>\$—</b>	<b>(\$47,429)</b>	<b>(\$213)</b>	<b>(\$3,885)</b>	<b>\$35,230</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

# FREDDIE MAC

## Condensed Consolidated Statements of Cash Flows (Unaudited)

(In millions)	YTD 2023	YTD 2022
<b>Net cash provided by (used in) operating activities</b>	<b>\$5,732</b>	<b>\$12,193</b>
<b>Cash flows from investing activities</b>		
Investment securities:		
Purchases	(80,201)	(107,222)
Proceeds from sales	68,829	99,179
Proceeds from maturities and repayments	11,889	11,226
Mortgage loans acquired held-for-investment:		
Purchases	(77,032)	(130,568)
Proceeds from sales	6,369	2,843
Proceeds from repayments	187,581	289,624
Secured lending arrangements:		
Advances	(74,579)	(144,215)
Proceeds from repayments	13	369
Net (increase) decrease in securities purchased under agreements to resell	(19,647)	(26,619)
Cash flows related to derivatives	4,799	4,276
Other, net	(362)	(364)
<b>Net cash provided by (used in) investing activities</b>	<b>27,659</b>	<b>(1,471)</b>
<b>Cash flows from financing activities</b>		
Debt of consolidated trusts:		
Proceeds from issuance	158,006	310,836
Repayments and redemptions	(190,833)	(319,703)
Debt of Freddie Mac:		
Proceeds from issuance	130,442	70,831
Repayments	(124,673)	(77,319)
Net increase (decrease) in securities sold under agreements to repurchase	(7,196)	179
Other, net	(143)	(5)
<b>Net cash provided by (used in) financing activities</b>	<b>(34,397)</b>	<b>(15,181)</b>
Net increase (decrease) in cash and cash equivalents (includes restricted cash and cash equivalents)	(1,006)	(4,459)
Cash and cash equivalents (includes restricted cash and cash equivalents) at the beginning of year	6,360	10,150
<b>Cash and cash equivalents (includes restricted cash and cash equivalents) at end of period</b>	<b>\$5,354</b>	<b>\$5,691</b>
<b>Supplemental cash flow information</b>		
Cash paid for:		
Debt interest	\$64,399	\$55,491
Income taxes	700	2,500
Non-cash investing and financing activities (Notes 3 and 6)		

The accompanying notes are an integral part of these condensed consolidated financial statements.

# Notes to Condensed Consolidated Financial Statements

## NOTE 1

### Summary of Significant Accounting Policies

Freddie Mac is a GSE chartered by Congress in 1970, with a mission to provide liquidity, stability, and affordability to the U.S. housing market. We are regulated by FHFA, the SEC, HUD, and Treasury, and are currently operating under the conservatorship of FHFA. The conservatorship and related matters significantly affect our management, business activities, financial condition, and results of operations. In connection with our entry into conservatorship, we entered into the Purchase Agreement with Treasury, under which we issued Treasury both senior preferred stock and a warrant to purchase common stock. Our Purchase Agreement with Treasury is critical to keeping us solvent and avoiding the appointment of a receiver by FHFA under statutory mandatory receivership provisions. We believe the support provided by Treasury pursuant to the Purchase Agreement currently enables us to have adequate liquidity to conduct normal business activities. For more information on the conservatorship, the roles of FHFA and Treasury, and the Purchase Agreement, see our 2022 Annual Report. Throughout our unaudited condensed consolidated financial statements and related notes, we use certain acronyms and terms which are defined in the Glossary of our 2022 Annual Report.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes in our 2022 Annual Report.

### Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and include our accounts as well as the accounts of other entities in which we have a controlling financial interest. All intercompany balances and transactions have been eliminated.

We are operating under the basis that we will realize assets and satisfy liabilities in the normal course of business as a going concern and in accordance with the authority provided by FHFA to our Board of Directors to oversee management's conduct of our business operations. In the opinion of management, our unaudited condensed consolidated financial statements contain all adjustments, which include only normal recurring adjustments, necessary for a fair statement of our results.

### Use of Estimates

The preparation of our condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Management has made significant estimates to report the allowance for credit losses on single-family mortgage loans. Actual results could be different from these estimates.

## Recently Issued Accounting Guidance

### Recently Adopted Accounting Guidance

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
<b>ASU 2022-01</b> , Derivatives and Hedging (Topic 815): Fair Value Hedging - Portfolio Layer Method	The amendments in this Update provide clarifications of the guidance in ASC Topic 815 on fair value hedge accounting of interest rate risk for portfolios of financial assets. The Update amends the guidance in ASU 2017-12 that, among other things, establishes the "last-of-layer" method for making the fair value hedge accounting for these portfolios more accessible by allowing the entities to apply the portfolio layer method to portfolios of all financial assets, including both prepayable and nonprepayable financial assets. The Update provides additional guidance on the accounting for and disclosure of hedge basis adjustments that are applicable to the portfolio layer method.	January 1, 2023	The adoption of these amendments did not have a material effect on our consolidated financial statements.  We adopted the guidance in this Update related to disclosures on a prospective basis.
<b>ASU 2022-02</b> , Financial Instruments —Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures	The amendments in this Update require disclosure of current period gross write-offs by year of origination for financing receivables within the scope of ASC Subtopic 326-20.	January 1, 2023 for the amendments related to disclosure of gross write-offs by year of origination.	The adoption of these amendments did not have a material effect on our consolidated financial statements. See <b>Note 3</b> for additional disclosure of gross write-offs by year of origination.

### Recently Issued Accounting Guidance, Not Yet Adopted Within Our Consolidated Financial Statements

Standard	Description	Date of Adoption	Effect on Consolidated Financial Statements
<b>ASU 2023-02</b> , Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method	The amendments in this Update expand the use of the proportional amortization method of accounting to equity investments in other tax credit structures that meet certain conditions. This Update also amends those conditions primarily to assess projected benefits on a discounted basis and expands the disclosure requirements of those investments.	January 1, 2024	We do not expect the adoption of these amendments to have a material effect on our consolidated financial statements.

## NOTE 2

### Securitizations and Variable Interest Entities

#### Nonconsolidated VIEs

The following table presents the carrying amounts and classification of the assets and liabilities recorded on our condensed consolidated balance sheets that relate to our variable interests in VIEs for which we are not the primary beneficiary and with which we were involved in the design and creation and have a significant continuing involvement, our maximum exposure to loss as a result of our involvement with such VIEs, and the total assets of the VIEs. Our involvement with such VIEs primarily consists of guarantees that we have issued to the VIE, some of which are accounted for as derivative instruments, and investments in debt securities issued by the VIE. See Note 4 for additional information on our guarantees to nonconsolidated VIEs.

Total assets shown in the table below represents the remaining UPB of the mortgage loans or other noncash financial assets held by the VIE and excludes cash and nonfinancial assets held by the VIE. Maximum exposure to loss shown in the table below is primarily based on the remaining UPB of the guaranteed securities issued by the VIE and represents the contractual amounts that could be lost if the assets of the VIE (including the assets in the related reference pool for CRT products) became worthless at the balance sheet date, without consideration of proceeds from related collateral liquidation and possible recoveries under credit enhancements. We do not believe the maximum exposure to loss from our involvement with nonconsolidated VIEs is representative of the actual loss we are likely to incur based on our historical loss experience and after consideration of proceeds from related collateral liquidation and available credit enhancements.

**Table 2.1 - Nonconsolidated VIEs**

(In millions)	September 30, 2023				
	Carrying Amounts of the Assets and Liabilities On the Condensed Consolidated Balance Sheets			Total Assets	Maximum Exposure to Loss
	Investment securities	Accrued Interest Receivable and Other Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>		
Single-Family:					
Securitization products	\$1,058	\$165	\$427	\$30,499	\$24,768
Resecuritization products <sup>(2)</sup>	5,506	70	771	112,052	112,052
CRT products <sup>(3)</sup>	—	121	197	29,700	27
<b>Total Single-Family</b>	<b>6,564</b>	<b>356</b>	<b>1,395</b>	<b>172,251</b>	<b>136,847</b>
Multifamily:					
Securitization products <sup>(4)</sup>	6,532	4,871	4,688	356,552	316,875
CRT products <sup>(3)</sup>	—	8	7	1,362	6
<b>Total Multifamily</b>	<b>6,532</b>	<b>4,879</b>	<b>4,695</b>	<b>357,914</b>	<b>316,881</b>
<b>Other</b>	<b>—</b>	<b>8</b>	<b>5</b>	<b>144</b>	<b>483</b>
<b>Total</b>	<b>\$13,096</b>	<b>\$5,243</b>	<b>\$6,095</b>	<b>\$530,309</b>	<b>\$454,211</b>

Referenced footnotes are included after the prior period table.



(In millions)	December 31, 2022				
	Carrying Amounts of the Assets and Liabilities On the Condensed Consolidated Balance Sheets			Total Assets	Maximum Exposure to Loss
	Investment securities	Accrued Interest Receivable and Other Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>		
Single-Family:					
Securitization products	\$965	\$175	\$436	\$31,614	\$25,772
Resecuritization products <sup>(2)</sup>	5,092	61	659	119,267	119,267
CRT products <sup>(3)</sup>	—	197	52	30,549	105
<b>Total Single-Family</b>	<b>6,057</b>	<b>433</b>	<b>1,147</b>	<b>181,430</b>	<b>145,144</b>
Multifamily:					
Securitization products <sup>(4)</sup>	7,808	4,931	4,920	360,869	319,117
CRT products <sup>(3)</sup>	—	2	2	972	—
<b>Total Multifamily</b>	<b>7,808</b>	<b>4,933</b>	<b>4,922</b>	<b>361,841</b>	<b>319,117</b>
<b>Other</b>	<b>—</b>	<b>8</b>	<b>5</b>	<b>185</b>	<b>435</b>
<b>Total</b>	<b>\$13,865</b>	<b>\$5,374</b>	<b>\$6,074</b>	<b>\$543,456</b>	<b>\$464,696</b>

(1) Other assets primarily include our guarantee assets. Liabilities primarily include our guarantee obligations.

(2) Total assets and maximum exposure to loss are based on the UPB of Fannie Mae securities underlying commingled Freddie Mac resecuritization trusts. We exclude noncommingled resecuritization trusts from these amounts as we have already guaranteed the underlying collateral and therefore noncommingled resecuritizations do not involve any incremental assets or create any incremental exposure to credit risk. Total assets exclude \$0.1 billion as of both September 30, 2023 and December 31, 2022, of Fannie Mae securities that we have guaranteed that are included in resecuritization trusts that we have consolidated as we own all of the outstanding securities issued by the VIE.

(3) Maximum exposure to loss is based on our expected recovery receivables. We also have exposure to loss from our obligations to make certain payments to the VIE to support payment of the interest due on the notes issued by the VIE, which we account for as derivative instruments. The notional value of these derivative instruments is equal to the total assets of the VIE.

(4) Includes total assets of \$0.4 billion as of both September 30, 2023 and December 31, 2022, related to VIEs in which our interest would no longer absorb significant variability as the guaranteed securities have completely paid off.

## NOTE 3

### Mortgage Loans

The table below provides details of the loans on our condensed consolidated balance sheets.

**Table 3.1 - Mortgage Loans**

(In millions)	September 30, 2023			December 31, 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
Held-for-sale UPB	\$3,743	\$11,311	\$15,054	\$3,564	\$9,544	\$13,108
Cost basis and fair value adjustments, net	(791)	(358)	(1,149)	(696)	(215)	(911)
<b>Total held-for-sale loans, net</b>	<b>2,952</b>	<b>10,953</b>	<b>13,905</b>	<b>2,868</b>	<b>9,329</b>	<b>12,197</b>
Held-for-investment UPB	2,981,047	53,323	3,034,370	2,941,505	48,379	2,989,884
Cost basis and fair value adjustments, net <sup>(1)</sup>	33,582	(182)	33,400	39,896	(71)	39,825
Allowance for credit losses	(6,668)	(280)	(6,948)	(7,314)	(77)	(7,391)
<b>Total held-for-investment loans, net<sup>(2)</sup></b>	<b>3,007,961</b>	<b>52,861</b>	<b>3,060,822</b>	<b>2,974,087</b>	<b>48,231</b>	<b>3,022,318</b>
<b>Total mortgage loans, net</b>	<b>\$3,010,913</b>	<b>\$63,814</b>	<b>\$3,074,727</b>	<b>\$2,976,955</b>	<b>\$57,560</b>	<b>\$3,034,515</b>

(1) Includes (\$1.0) billion of basis adjustments maintained on a closed portfolio basis related to existing portfolio layer method hedge relationships as of September 30, 2023.

(2) Includes \$1.3 billion and \$1.2 billion of multifamily held-for-investment loans for which we have elected the fair value option as of September 30, 2023 and December 31, 2022, respectively.

For the purposes of certain single-family mortgage loan disclosures below, we present loans by class of financing receivable type. Financing receivable classes used for disclosure consist of: "20- and 30-year or more, amortizing fixed-rate," "15-year or less, amortizing fixed-rate," and "adjustable-rate and other." The "other" class consists of Alt-A, interest-only, and option ARM loans.

The table below provides details of the UPB of loans we purchased and sold during the periods presented.

**Table 3.2 - Loans Purchased and Sold**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
<b>Single-Family:</b>				
Purchases:				
Held-for-investment loans	\$85,431	\$121,215	\$227,246	\$465,815
Sales of held-for-sale loans <sup>(1)</sup>	471	537	471	1,981
<b>Multifamily:</b>				
Purchases:				
Held-for-investment loans	3,076	5,617	11,086	11,139
Held-for-sale loans	9,984	8,835	20,077	32,474
Sales of held-for-sale loans <sup>(2)</sup>	8,722	11,475	23,498	40,666

(1) Our sales of single-family loans reflect the sale of single-family seasoned loans.

(2) Our sales of multifamily loans occur primarily through the issuance of Multifamily K Certificates.

## Reclassifications

The table below presents the allowance for credit losses or valuation allowance that was reversed or established due to loan reclassifications between held-for-investment and held-for-sale during the periods presented.

**Table 3.3 - Loan Reclassifications<sup>(1)</sup>**

(In millions)	3Q 2023			3Q 2022		
	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed
Single-Family reclassifications from:						
Held-for-investment to held-for-sale	\$1,199	\$23	\$—	\$361	\$10	\$—
Held-for-sale to held-for-investment <sup>(2)</sup>	75	4	10	30	(3)	2
Multifamily reclassifications from:						
Held-for-investment to held-for-sale	785	2	(8)	188	—	—
Held-for-sale to held-for-investment <sup>(2)</sup>	40	(1)	2	—	—	—

(In millions)	YTD 2023			YTD 2022		
	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed	UPB	Allowance for Credit Losses Reversed or (Established)	Valuation Allowance (Established) or Reversed
Single-Family reclassifications from:						
Held-for-investment to held-for-sale	\$1,199	\$23	\$—	\$934	\$20	\$—
Held-for-sale to held-for-investment <sup>(2)</sup>	123	8	14	167	(10)	5
Multifamily reclassifications from:						
Held-for-investment to held-for-sale	6,251	4	(41)	889	1	—
Held-for-sale to held-for-investment <sup>(2)</sup>	762	(1)	18	285	—	—

(1) Amounts exclude reclassifications related to loans for which we have elected the fair value option.

(2) Allowance for credit losses established upon loan reclassifications from held-for-sale to held-for-investment to reflect the net amount we expect to collect on the loan. Loans with prior charge-offs may have a negative allowance for credit losses established upon reclassification.

## Interest Income

The table below presents the amortized cost basis of non-accrual loans as of the beginning and the end of the periods presented, including the interest income recognized for the period that is related to the loans on non-accrual status as of the period end.

**Table 3.4 - Amortized Cost Basis of Held-for-Investment Loans on Non-Accrual<sup>(1)</sup>**

(In millions)	Non-Accrual Amortized Cost Basis		Interest Income Recognized <sup>(2)</sup>	
	September 30, 2023	June 30, 2023	3Q 2023	YTD 2023
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$11,825	\$11,989	\$27	\$151
15-year or less, amortizing fixed-rate	526	540	1	4
Adjustable-rate and other	274	323	1	4
<b>Total Single-Family</b>	<b>12,625</b>	<b>12,852</b>	<b>29</b>	<b>159</b>
<b>Total Multifamily</b>	<b>64</b>	<b>56</b>	<b>1</b>	<b>2</b>
<b>Total Single-Family and Multifamily</b>	<b>\$12,689</b>	<b>\$12,908</b>	<b>\$30</b>	<b>\$161</b>

Referenced footnotes are included after the prior period table.

(In millions)	Non-Accrual Amortized Cost Basis		Interest Income Recognized <sup>(2)</sup>	
	September 30, 2022	June 30, 2022	3Q 2022	YTD 2022
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$9,462	\$11,021	\$37	\$121
15-year or less, amortizing fixed-rate	457	562	1	4
Adjustable-rate and other	396	435	1	4
<b>Total Single-Family</b>	<b>10,315</b>	<b>12,018</b>	<b>39</b>	<b>129</b>
<b>Total Multifamily</b>	<b>42</b>	<b>42</b>	<b>—</b>	<b>—</b>
<b>Total Single-Family and Multifamily</b>	<b>\$10,357</b>	<b>\$12,060</b>	<b>\$39</b>	<b>\$129</b>

(1) Excludes amounts related to loans for which we have elected the fair value option.

(2) Represents the amount of payments received during the period, including those received while the loans were on accrual status, for the held-for-investment loans on non-accrual status as of period end.

The table below provides the amount of accrued interest receivable, net presented on our condensed consolidated balance sheets and the amount of accrued interest receivable related to loans on non-accrual status at the end of the periods that was charged off.

**Table 3.5 - Accrued Interest Receivable, Net and Related Charge-Offs**

(In millions)	Accrued Interest Receivable, Net		Accrued Interest Receivable Related Charge-Offs			
	September 30, 2023	December 31, 2022	3Q 2023	3Q 2022	YTD 2023	YTD 2022
Single-Family loans	\$8,567	\$7,967	(\$44)	(\$47)	(\$180)	(\$192)
Multifamily loans	254	220	(1)	—	(1)	—

## Credit Quality

### Single-Family

The current LTV ratio is one key factor we consider when estimating our allowance for credit losses for single-family loans. As current LTV ratios increase, the borrower's equity in the home decreases, which may negatively affect the borrower's ability to refinance (outside of our relief refinance programs) or to sell the property for an amount at or above the balance of the outstanding loan.

The table below presents the amortized cost basis of single-family held-for-investment loans by current LTV ratio. Our current LTV ratios are estimates based on available data through the end of each period presented. For reporting purposes:

- Alt-A loans continue to be presented in the "adjustable-rate and other" category following modification, even though the borrower may have provided full documentation of assets and income to complete the modification and
- Option ARM loans continue to be presented in the "adjustable-rate and other" category following modification, even though the modified loan no longer provides for optional payment provisions.

**Table 3.6 - Amortized Cost Basis of Single-Family Held-for-Investment Loans by Current LTV Ratio and Vintage**

	September 30, 2023						
	Year of Origination						Total
(In millions)	2023	2022	2021	2020	2019	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	\$26,948	\$84,186	\$476,243	\$529,887	\$92,581	\$419,998	\$1,629,843
> 60 to 80	76,304	181,021	354,918	116,417	16,219	9,406	754,285
> 80 to 90	35,832	92,907	40,203	1,758	281	319	171,300
> 90 to 100	47,787	38,193	2,228	93	21	92	88,414
> 100	27	907	12	5	3	101	1,055
<b>Total 20- and 30-year or more, amortizing fixed-rate</b>	<b>186,898</b>	<b>397,214</b>	<b>873,604</b>	<b>648,160</b>	<b>109,105</b>	<b>429,916</b>	<b>2,644,897</b>
Current year-to-date gross charge-offs <sup>(1)</sup>	—	8	25	32	31	142	238
15-year or less, amortizing fixed-rate							
≤ 60	3,145	19,271	122,380	101,234	12,974	60,417	319,421
> 60 to 80	3,235	9,809	7,464	515	29	9	21,061
> 80 to 90	506	810	38	2	—	1	1,357
> 90 to 100	264	60	1	—	—	—	325
> 100	1	2	—	—	—	1	4
<b>Total 15-year or less, amortizing fixed-rate</b>	<b>7,151</b>	<b>29,952</b>	<b>129,883</b>	<b>101,751</b>	<b>13,003</b>	<b>60,428</b>	<b>342,168</b>
Current year-to-date gross charge-offs <sup>(1)</sup>	—	—	1	1	—	3	5
Adjustable-rate and other							
≤ 60	268	1,520	3,162	1,485	598	13,535	20,568
> 60 to 80	931	2,660	1,341	109	31	283	5,355
> 80 to 90	554	1,105	70	3	—	21	1,753
> 90 to 100	373	434	3	—	—	11	821
> 100	—	17	—	—	—	4	21
<b>Total adjustable-rate and other</b>	<b>2,126</b>	<b>5,736</b>	<b>4,576</b>	<b>1,597</b>	<b>629</b>	<b>13,854</b>	<b>28,518</b>
Current year-to-date gross charge-offs <sup>(1)</sup>	—	—	—	—	—	—	—
Total for all loan product types by current LTV ratio:							
≤ 60	30,361	104,977	601,785	632,606	106,153	493,950	1,969,832
> 60 to 80	80,470	193,490	363,723	117,041	16,279	9,698	780,701
> 80 to 90	36,892	94,822	40,311	1,763	281	341	174,410
> 90 to 100	48,424	38,687	2,232	93	21	103	89,560
> 100	28	926	12	5	3	106	1,080
<b>Total Single-Family loans</b>	<b>\$196,175</b>	<b>\$432,902</b>	<b>\$1,008,063</b>	<b>\$751,508</b>	<b>\$122,737</b>	<b>\$504,198</b>	<b>\$3,015,583</b>
<b>Total current year-to-date gross charge-offs<sup>(1)</sup></b>	<b>\$—</b>	<b>\$8</b>	<b>\$26</b>	<b>\$33</b>	<b>\$31</b>	<b>\$145</b>	<b>\$243</b>

Referenced footnotes are included after the prior period table.

	December 31, 2022						
	Year of Origination						Total
(In millions)	2022	2021	2020	2019	2018	Prior	
Current LTV ratio:							
20- and 30-year or more, amortizing fixed-rate							
≤ 60	\$66,153	\$394,498	\$489,315	\$87,188	\$38,955	\$407,819	\$1,483,928
> 60 to 80	158,421	424,141	190,167	28,991	7,870	10,426	820,016
> 80 to 90	79,901	90,006	4,405	569	164	419	175,464
> 90 to 100	86,109	8,911	397	56	24	143	95,640
> 100	2,568	49	6	6	5	156	2,790
Total 20- and 30-year or more, amortizing fixed-rate	393,152	917,605	684,290	116,810	47,018	418,963	2,577,838
15-year or less, amortizing fixed-rate							
≤ 60	16,752	119,379	109,685	14,606	5,578	68,240	334,240
> 60 to 80	13,042	22,007	2,503	132	16	16	37,716
> 80 to 90	1,601	368	7	—	—	1	1,977
> 90 to 100	570	5	—	—	—	1	576
> 100	3	—	—	—	—	1	4
Total 15-year or less, amortizing fixed-rate	31,968	141,759	112,195	14,738	5,594	68,259	374,513
Adjustable-rate and other							
≤ 60	1,255	2,779	1,524	634	428	15,139	21,759
> 60 to 80	2,322	1,956	214	76	28	445	5,041
> 80 to 90	1,127	186	5	1	1	34	1,354
> 90 to 100	836	11	—	—	—	14	861
> 100	26	—	—	—	—	9	35
Total adjustable-rate and other	5,566	4,932	1,743	711	457	15,641	29,050
Total for all loan product types by current LTV ratio:							
≤ 60	84,160	516,656	600,524	102,428	44,961	491,198	1,839,927
> 60 to 80	173,785	448,104	192,884	29,199	7,914	10,887	862,773
> 80 to 90	82,629	90,560	4,417	570	165	454	178,795
> 90 to 100	87,515	8,927	397	56	24	158	97,077
> 100	2,597	49	6	6	5	166	2,829
Total Single-Family loans	\$430,686	\$1,064,296	\$798,228	\$132,259	\$53,069	\$502,863	\$2,981,401

(1) Excludes charge-offs related to accrued interest receivable and advances of pre-foreclosure costs.

### Multifamily

The table below presents the amortized cost basis of our multifamily held-for-investment loans, for which we have not elected the fair value option, by credit quality indicator, based on available data through the end of each period presented. These indicators involve significant management judgment and are defined as follows:

- "Pass" is current and adequately protected by the borrower's current financial strength and debt service capacity;
- "Special mention" has administrative issues that may affect future repayment prospects but does not have current credit weaknesses. In addition, this category generally includes loans in forbearance;
- "Substandard" has a weakness that jeopardizes the timely full repayment; and
- "Doubtful" has a weakness that makes collection or liquidation in full highly questionable and improbable based on existing conditions.

**Table 3.7 - Amortized Cost Basis of Multifamily Held-for-Investment Loans by Credit Quality Indicator and Vintage**

(In millions)	September 30, 2023							
	Year of Origination							Total
	2023	2022	2021	2020	2019	Prior	Revolving Loans	
Category:								
Pass	\$8,610	\$17,996	\$7,625	\$6,416	\$4,482	\$3,181	\$2,111	\$50,421
Special mention	20	37	28	109	294	98	—	586
Substandard	—	11	70	75	212	457	—	825
Doubtful	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$8,630</b>	<b>\$18,044</b>	<b>\$7,723</b>	<b>\$6,600</b>	<b>\$4,988</b>	<b>\$3,736</b>	<b>\$2,111</b>	<b>\$51,832</b>

(In millions)	December 31, 2022							
	Year of Origination							Total
	2022	2021	2020	2019	2018	Prior	Revolving Loans	
Category:								
Pass	\$21,854	\$7,638	\$6,546	\$4,784	\$1,077	\$2,646	\$1,924	\$46,469
Special mention	—	39	65	232	7	113	—	456
Substandard	—	1	3	27	7	131	—	169
Doubtful	—	—	—	—	—	—	—	—
<b>Total</b>	<b>\$21,854</b>	<b>\$7,678</b>	<b>\$6,614</b>	<b>\$5,043</b>	<b>\$1,091</b>	<b>\$2,890</b>	<b>\$1,924</b>	<b>\$47,094</b>

## Past Due Status

The table below presents the amortized cost basis of our single-family and multifamily held-for-investment loans, for which we have not elected the fair value option, by payment status.

**Table 3.8 - Amortized Cost Basis of Held-for-Investment Loans by Payment Status**

(In millions)	September 30, 2023						
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure <sup>(1)</sup>	Total	Three Months or More Past Due, and Accruing Interest	Non-Accrual With No Allowance <sup>(2)</sup>
Single-Family:							
20- and 30-year or more, amortizing fixed-rate	\$2,606,211	\$22,292	\$4,949	\$11,445	\$2,644,897	\$—	\$423
15-year or less, amortizing fixed-rate	340,005	1,419	231	513	342,168	—	5
Adjustable-rate and other	27,846	331	79	262	28,518	—	53
<b>Total Single-Family</b>	<b>2,974,062</b>	<b>24,042</b>	<b>5,259</b>	<b>12,220</b>	<b>3,015,583</b>	<b>—</b>	<b>481</b>
<b>Total Multifamily</b>	<b>51,764</b>	<b>4</b>	<b>—</b>	<b>64</b>	<b>51,832</b>	<b>—</b>	<b>22</b>
<b>Total Single-Family and Multifamily</b>	<b>\$3,025,826</b>	<b>\$24,046</b>	<b>\$5,259</b>	<b>\$12,284</b>	<b>\$3,067,415</b>	<b>\$—</b>	<b>\$503</b>

Referenced footnotes are included after the prior period table.

(In millions)	December 31, 2022						
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure <sup>(1)</sup>	Total	Three Months or More Past Due, and Accruing Interest	Non-Accrual with No Allowance <sup>(2)</sup>
Single-Family:							
20- and 30-year or more, amortizing fixed-rate	\$2,541,057	\$19,820	\$4,603	\$12,358	\$2,577,838	\$3,432	\$522
15-year or less, amortizing fixed-rate	372,065	1,590	250	608	374,513	191	9
Adjustable-rate and other	28,262	325	88	375	29,050	30	67
<b>Total Single-Family</b>	<b>2,941,384</b>	<b>21,735</b>	<b>4,941</b>	<b>13,341</b>	<b>2,981,401</b>	<b>3,653</b>	<b>598</b>
<b>Total Multifamily</b>	<b>47,039</b>	<b>13</b>	<b>—</b>	<b>42</b>	<b>47,094</b>	<b>—</b>	<b>42</b>
<b>Total Single-Family and Multifamily</b>	<b>\$2,988,423</b>	<b>\$21,748</b>	<b>\$4,941</b>	<b>\$13,383</b>	<b>\$3,028,495</b>	<b>\$3,653</b>	<b>\$640</b>

(1) Includes \$1.9 billion and \$1.6 billion of single-family loans that were in the process of foreclosure as of September 30, 2023 and December 31, 2022, respectively.

(2) Loans with no allowance for loan losses primarily represent loans that were previously charged off and for which the amount we expect to collect is sufficiently in excess of the amortized cost to result in recovery of the entire amortized cost basis if the property were foreclosed upon or otherwise subject to disposition. We exclude the amounts of allowance for credit losses on accrued interest receivable and advances of pre-foreclosure costs when determining whether a loan has an allowance for credit losses.

## Loan Restructurings

### Single-Family Loan Restructurings

We offer several types of restructurings to single-family borrowers that may result in a payment delay, interest rate reduction, term extension, or combination thereof. We do not offer principal forgiveness.

For purposes of the disclosure related to single-family loan restructurings involving borrowers experiencing financial difficulty, we exclude loans that were held-for-sale either at the time of restructuring or at the period end. The table below presents the amortized cost basis of single-family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented. The amortized cost basis of loans in trial period modification plans was \$1.6 billion as of both September 30, 2023 and September 30, 2022. Most of these loans are 20- and 30-year or more, amortizing fixed-rate loans.

**Table 3.9 - Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(Dollars in millions)	3Q 2023				
	Payment Delay <sup>(2)</sup>	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total	Total as % of Class of Financing Receivable <sup>(3)</sup>
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$5,232	\$1,140	\$13	\$6,385	0.2 %
15-year or less, amortizing fixed-rate	230	—	—	230	0.1
Adjustable-rate and other	49	6	1	56	0.2
<b>Total Single-Family loan restructurings</b>	<b>\$5,511</b>	<b>\$1,146</b>	<b>\$14</b>	<b>\$6,671</b>	<b>0.2</b>

(Dollars in millions)	3Q 2022				
	Payment Delay <sup>(2)</sup>	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total	Total as % of Class of Financing Receivable <sup>(3)</sup>
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$6,435	\$750	\$1,254	\$8,439	0.3 %
15-year or less, amortizing fixed-rate	381	24	6	411	0.1
Adjustable-rate and other	98	12	22	132	0.5
<b>Total Single-Family loan restructurings</b>	<b>\$6,914</b>	<b>\$786</b>	<b>\$1,282</b>	<b>\$8,982</b>	<b>0.3</b>

Referenced footnotes are included after the year-to-date table.



(Dollars in millions)	YTD 2023				Total as % of Class of Financing Receivable <sup>(3)</sup>
	Payment Delay <sup>(2)</sup>	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total	
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$13,945	\$3,122	\$123	\$17,190	0.6 %
15-year or less, amortizing fixed-rate	683	—	—	683	0.2
Adjustable-rate and other	154	19	6	179	0.6
<b>Total Single-Family loan restructurings</b>	<b>\$14,782</b>	<b>\$3,141</b>	<b>\$129</b>	<b>\$18,052</b>	<b>0.6</b>

(Dollars in millions)	YTD 2022				Total as % of Class of Financing Receivable <sup>(3)</sup>
	Payment Delay <sup>(2)</sup>	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total	
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$18,207	\$1,868	\$6,554	\$26,629	1.0 %
15-year or less, amortizing fixed-rate	1,130	24	6	1,160	0.3
Adjustable-rate and other	357	32	105	494	1.7
<b>Total Single-Family loan restructurings</b>	<b>\$19,694</b>	<b>\$1,924</b>	<b>\$6,665</b>	<b>\$28,283</b>	<b>1.0</b>

- (1) Type of loan restructurings reflects the cumulative effects of the loan restructurings received during the period. Includes loan modifications in the period in which the borrower completes the trial period and the loan is permanently modified.
- (2) Includes \$1.9 billion and \$6.5 billion related to payment deferral plans for 3Q 2023 and YTD 2023, respectively, compared to \$2.8 billion and \$10.8 billion for 3Q 2022 and YTD 2022, respectively. Also includes forbearance plans, repayment plans, and loan modifications that only involve payment delays.
- (3) Based on the amortized cost basis as of period end, divided by the total period-end amortized cost basis of the corresponding financing receivable class of single-family held-for-investment loans.

The table below shows the financial effect of single-family held-for-investment loan restructurings involving borrowers experiencing financial difficulty that we entered into during the periods presented.

**Table 3.10 – Financial Effects of Single-Family Loan Restructurings Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(Dollars in thousands)	3Q 2023		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.2 %	175	\$18
15-year or less, amortizing fixed-rate	—	0	15
Adjustable-rate and other	1.0	222	18

(Dollars in thousands)	3Q 2022		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.1 %	183	\$19
15-year or less, amortizing fixed-rate	0.6	366	21
Adjustable-rate and other	1.9	221	20

Referenced footnotes are included after the year-to-date table.

(Dollars in thousands)	YTD 2023		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.0 %	177	\$17
15-year or less, amortizing fixed-rate	—	0	16
Adjustable-rate and other	1.8	202	17

(Dollars in thousands)	YTD 2022		
	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension	Weighted-Average Payment Deferral or Principal Forbearance <sup>(2)</sup>
Single-Family:			
20- and 30-year or more, amortizing fixed-rate	1.4 %	187	\$22
15-year or less, amortizing fixed-rate	0.6	366	24
Adjustable-rate and other	2.3	225	26

(1) Averages are based on payment deferral plans and loan modifications completed during the periods presented. The financial effects of forbearance plans and repayment plans consist of a payment delay of between one and twelve months. In addition, the financial effect of a forbearance plan is included at the time the forbearance plan is completed if the borrower exits forbearance by entering into a payment deferral plan or loan modification.

(2) Primarily related to payment deferral plans. Amounts are based on non-interest-bearing principal balances on the restructured loans.

The following table provides the amortized cost basis of single-family held-for-investment loans that had a payment default (i.e., loans that became two months delinquent) during the periods presented and had been restructured within the previous 12 months preceding the payment default, when the borrower was experiencing financial difficulty at the time of the restructuring. Since we adopted ASU 2022-02 prospectively, single-family held-for-investment loans that were restructured prior to January 1, 2022, the date we adopted such guidance, have been excluded from the disclosures related to loan restructurings.

**Table 3.11 - Subsequent Defaults of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty<sup>(1)</sup>**

(In millions)	3Q 2023			
	Payment Delay	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$810	\$319	\$57	\$1,186
15-year or less, amortizing fixed-rate	33	—	—	33
Adjustable-rate and other	11	2	1	14
<b>Total Single-Family</b>	<b>\$854</b>	<b>\$321</b>	<b>\$58</b>	<b>\$1,233</b>

(In millions)	3Q 2022			
	Payment Delay	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$483	\$53	\$140	\$676
15-year or less, amortizing fixed-rate	28	—	—	28
Adjustable-rate and other	9	1	1	11
<b>Total Single-Family</b>	<b>\$520</b>	<b>\$54</b>	<b>\$141</b>	<b>\$715</b>

Referenced footnotes are included after the year-to-date table.

YTD 2023				
(In millions)	Payment Delay	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$1,877	\$614	\$315	\$2,806
15-year or less, amortizing fixed-rate	78	—	—	78
Adjustable-rate and other	25	5	6	36
<b>Total Single-Family</b>	<b>\$1,980</b>	<b>\$619</b>	<b>\$321</b>	<b>\$2,920</b>

YTD 2022				
(In millions)	Payment Delay	Payment Delay and Term Extension	Payment Delay, Term Extension, and Interest Rate Reduction	Total
Single-Family:				
20- and 30-year or more, amortizing fixed-rate	\$1,194	\$94	\$216	\$1,504
15-year or less, amortizing fixed-rate	67	—	—	67
Adjustable-rate and other	31	3	3	37
<b>Total Single-Family</b>	<b>\$1,292</b>	<b>\$97</b>	<b>\$219</b>	<b>\$1,608</b>

(1) Excludes forbearance plans and repayment plans as borrowers are typically past due based on the loan's original contractual terms at the time the borrowers enter into these plans.

The following table provides the single-family held-for-investment loan performance in the 12 months after a restructuring involving borrowers experiencing financial difficulty. While a single-family loan is in a forbearance plan or repayment plan, payments continue to be due based on the loan's original contractual terms because the loan has not been permanently modified. As a result, we report single-family loans in forbearance plans and repayment plans as delinquent to the extent that payments are past due based on the loan's original contractual terms. Loans that have been restructured by entering into a payment deferral plan or loan modification are reported as delinquent to the extent that payments are past due based on the loan's restructured terms.

**Table 3.12 - Amortized Cost Basis of Single-Family Restructured Loans Involving Borrowers Experiencing Financial Difficulty by Payment Status**

September 30, 2023					
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due	Total
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$11,858	\$2,636	\$1,484	\$5,805	\$21,783
15-year or less, amortizing fixed-rate	483	96	56	248	883
Adjustable-rate and other	123	26	15	71	235
<b>Total Single-Family</b>	<b>\$12,464</b>	<b>\$2,758</b>	<b>\$1,555</b>	<b>\$6,124</b>	<b>\$22,901</b>

September 30, 2022					
(In millions)	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due	Total
Single-Family:					
20- and 30-year or more, amortizing fixed-rate	\$17,282	\$2,289	\$1,535	\$5,523	\$26,629
15-year or less, amortizing fixed-rate	696	107	81	276	1,160
Adjustable-rate and other	303	30	23	138	494
<b>Total Single-Family</b>	<b>\$18,281</b>	<b>\$2,426</b>	<b>\$1,639</b>	<b>\$5,937</b>	<b>\$28,283</b>

## Non-Cash Investing and Financing Activities

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During YTD 2023 and YTD 2022, we acquired \$160.8 billion and \$339.6 billion, respectively, of loans held-for-investment in exchange for the issuance of debt of consolidated trusts in guarantor swap transactions. We received approximately \$72.9 billion and \$146.6 billion of loans held-for-investment from sellers during YTD 2023 and YTD 2022, respectively, to satisfy advances to lenders that were recorded in other assets on our condensed consolidated balance sheets.

## NOTE 4

### Guarantees and Other Off-Balance Sheet Credit Exposures

#### Guarantee Activities

The table below shows information about our mortgage-related guarantees and guarantees of Fannie Mae securities, including the UPB of the loans or securities underlying the guarantee, the maximum potential amount of future payments that we could be required to make under the guarantee, the liability we have recognized on our condensed consolidated balance sheets for the guarantee, and the maximum remaining term of the guarantee. This table does not include our unrecognized guarantees, such as guarantees to consolidated VIEs or to securitization trusts that do not expose us to incremental credit risk. We do not believe the potential amount of future payments we could be required to make is representative of the actual payments we will be required to make or the actual loss we are likely to incur, based on our historical loss experience and after consideration of proceeds from related collateral liquidation, including possible recoveries under credit enhancements.

**Table 4.1 - Financial Guarantees**

(Dollars in millions, terms in years)	September 30, 2023			
	UPB	Maximum Exposure	Recognized Liability <sup>(1)</sup>	Maximum Remaining Term
Single-Family mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)</sup>	\$30,490	\$24,768	\$382	39
Other mortgage-related guarantees	8,869	8,869	171	29
<b>Total Single-Family mortgage-related guarantees</b>	<b>39,359</b>	<b>33,637</b>	<b>553</b>	
Multifamily mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)(3)</sup>	356,552	316,875	4,636	37
Other mortgage-related guarantees	10,768	10,768	380	35
<b>Total Multifamily mortgage-related guarantees</b>	<b>367,320</b>	<b>327,643</b>	<b>5,016</b>	
Guarantees of Fannie Mae securities <sup>(4)</sup>	112,052	112,052	—	38
Other	144	483	—	30

(Dollars in millions, terms in years)	December 31, 2022			
	UPB	Maximum Exposure	Recognized Liability <sup>(1)</sup>	Maximum Remaining Term
Single-Family mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)</sup>	\$31,604	\$25,772	\$391	40
Other mortgage-related guarantees	9,476	9,476	203	29
<b>Total Single-Family mortgage-related guarantees</b>	<b>41,080</b>	<b>35,248</b>	<b>594</b>	
Multifamily mortgage-related guarantees:				
Nonconsolidated securitization products <sup>(2)(3)</sup>	360,869	319,117	4,889	37
Other mortgage-related guarantees	10,510	10,510	379	36
<b>Total Multifamily mortgage-related guarantees</b>	<b>371,379</b>	<b>329,627</b>	<b>5,268</b>	
Guarantees of Fannie Mae securities <sup>(4)</sup>	119,267	119,267	—	39
Other	185	435	—	29

(1) Excludes allowance for credit losses on off-balance sheet credit exposures. See **Note 5** for additional information on our allowance for credit losses on off-balance sheet credit exposures.

(2) Maximum exposure is based on remaining UPB of the guaranteed securities issued by the VIE.

(3) Includes UPB of \$0.4 billion as of both September 30, 2023 and December 31, 2022, related to VIEs in which our interest would no longer absorb significant variability as the guaranteed securities have completely paid off. In addition, includes guarantees that are accounted for as derivatives with UPB of \$2.1 billion as of both September 30, 2023 and December 31, 2022.

(4) Excludes \$0.1 billion as of both September 30, 2023 and December 31, 2022, of Fannie Mae securities that we have guaranteed that are included in securitization trusts that we have consolidated as we own all of the outstanding securities issued by the VIE.

The table below shows the payment status of the mortgage loans underlying our mortgage-related guarantees.

**Table 4.2 – UPB of Loans Underlying Our Mortgage-Related Guarantees by Payment Status**

(In millions)	September 30, 2023				
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total
Single-Family	\$35,098	\$2,063	\$737	\$1,461	\$39,359
Multifamily	366,275	104	59	882	367,320
<b>Total</b>	<b>\$401,373</b>	<b>\$2,167</b>	<b>\$796</b>	<b>\$2,343</b>	<b>\$406,679</b>

(In millions)	December 31, 2022				
	Current	One Month Past Due	Two Months Past Due	Three Months or More Past Due, or in Foreclosure	Total
Single-Family	\$36,241	\$2,072	\$748	\$2,019	\$41,080
Multifamily	370,911	23	12	433	371,379
<b>Total</b>	<b>\$407,152</b>	<b>\$2,095</b>	<b>\$760</b>	<b>\$2,452</b>	<b>\$412,459</b>

## Other Off-Balance Sheet Credit Exposures

In addition to our guarantees, we enter into other agreements that expose us to off-balance sheet credit risk. These agreements may require us to transfer cash before or upon settlement of our contractual obligation. We recognize an allowance for credit losses for those agreements not measured at fair value or otherwise recognized in the financial statements. Most of these commitments expire in less than one year. See Note 5 for additional discussion of our allowance for credit losses on our off-balance sheet credit exposures. The table below shows our other off-balance sheet credit exposures.

**Table 4.3 – Other Off-Balance Sheet Credit Exposures**

(In millions)	September 30, 2023	December 31, 2022
Mortgage loan purchase commitments <sup>(1)</sup>	\$11,537	\$9,609
Other commitments <sup>(2)</sup>	50,691	22,293
<b>Total</b>	<b>\$62,228</b>	<b>\$31,902</b>

(1) Includes \$2.6 billion and \$0.5 billion of commitments for which we have elected the fair value option as of September 30, 2023 and December 31, 2022, respectively. Excludes mortgage loan purchase commitments accounted for as derivative instruments. See **Note 8** for additional information on commitments accounted for as derivative instruments.

(2) Consists of unfunded portion of revolving lines of credit, liquidity guarantees, and other commitments.

## NOTE 5

### Allowance for Credit Losses

The table below summarizes changes in our allowance for credit losses.

**Table 5.1 - Details of the Allowance for Credit Losses**

(In millions)	3Q 2023			3Q 2022			YTD 2023			YTD 2022		
	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total	Single-Family	Multi-family	Total
Beginning balance	\$7,457	\$325	\$7,782	\$5,342	\$81	\$5,423	\$7,746	\$147	\$7,893	\$5,440	\$78	\$5,518
Provision (benefit) for credit losses	(304)	41	(263)	1,784	12	1,796	(624)	219	(405)	1,251	15	1,266
Charge-offs	(221)	—	(221)	(108)	—	(108)	(422)	—	(422)	(388)	—	(388)
Recoveries collected	54	—	54	29	—	29	115	—	115	124	—	124
Other <sup>(1)</sup>	80	—	80	168	—	168	251	—	251	788	—	788
<b>Ending balance</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>
<b>Components of the ending balance of the allowance for credit losses:</b>												
Mortgage loans held-for-investment	\$6,668	\$280	\$6,948	\$6,802	\$49	\$6,851						
Other <sup>(2)</sup>	398	86	484	413	44	457						
<b>Total ending balance</b>	<b>\$7,066</b>	<b>\$366</b>	<b>\$7,432</b>	<b>\$7,215</b>	<b>\$93</b>	<b>\$7,308</b>						

(1) Primarily includes capitalization of past due interest related to non-accrual loans that receive payment deferral plans and loan modifications.

(2) Includes allowance for credit losses related to advances of pre-foreclosure costs, accrued interest receivable, and off-balance sheet credit exposures.

- **3Q 2023 vs. 3Q 2022** - The benefit for credit losses for 3Q 2023 was primarily driven by a credit reserve release in Single-Family due to increases in observed and forecasted house price appreciation, partially offset by a credit reserve build in Multifamily due to deterioration in overall loan performance. The provision for credit losses for 3Q 2022 was primarily driven by a credit reserve build in Single-Family due to deterioration in housing market conditions, including lower observed and forecasted house price appreciation.
- **YTD 2023 vs. YTD 2022** - The benefit for credit losses for YTD 2023 was primarily driven by a credit reserve release in Single-Family due to increases in observed and forecasted house price appreciation, partially offset by a credit reserve build in Multifamily due to increased uncertainty in forecasted economic conditions and multifamily market conditions as well as deterioration in overall loan performance. The provision for credit losses for YTD 2022 was primarily driven by a credit reserve build in Single-Family due to deterioration in housing market conditions, including lower observed and forecasted house price appreciation.

In addition, charge-offs increased during the 2023 periods, compared to the 2022 periods, primarily due to a higher volume of transfers of single-family loans from held-for-investment to held-for-sale and the lower fair value of these loans as a result of higher mortgage interest rates.

## NOTE 6

### Investment Securities

The table below summarizes the fair values of our investments in debt securities by classification.

**Table 6.1 - Investment Securities**

(In millions)	September 30, 2023	December 31, 2022
Trading securities	\$34,048	\$32,167
Available-for-sale securities	5,395	6,534
<b>Total fair value of investment securities</b>	<b>\$39,443</b>	<b>\$38,701</b>

### Trading Securities

The table below presents the fair values of our trading securities by major security type. Our non-mortgage-related securities primarily consist of investments in U.S. Treasury securities.

**Table 6.2 - Trading Securities**

(In millions)	September 30, 2023	December 31, 2022
Mortgage-related securities	\$8,580	\$8,334
Non-mortgage-related securities	25,468	23,833
<b>Total fair value of trading securities</b>	<b>\$34,048</b>	<b>\$32,167</b>

For trading securities held at September 30, 2023, we recorded net unrealized losses of \$0.1 billion and \$0.3 billion during 3Q 2023 and YTD 2023, respectively. For trading securities held at September 30, 2022, we recorded net unrealized losses of \$0.9 billion and \$2.0 billion during 3Q 2022 and YTD 2022, respectively.

### Available-for-Sale Securities

The table below provides details of the securities classified as available-for-sale on our condensed consolidated balance sheets. At September 30, 2023 and December 31, 2022, all available-for-sale securities were mortgage-related securities.

**Table 6.3 - Available-for-Sale Securities**

(In millions)	September 30, 2023				
	Amortized Cost Basis	Gross Unrealized Gains in Other Comprehensive Income	Gross Unrealized Losses in Other Comprehensive Income	Fair Value	Accrued Interest Receivable
Agency mortgage-related securities	\$5,131	\$—	(\$262)	\$4,870	\$12
Other mortgage-related securities	360	175	(10)	525	3
<b>Total available-for-sale securities</b>	<b>\$5,491</b>	<b>\$175</b>	<b>(\$272)</b>	<b>\$5,395</b>	<b>\$15</b>

(In millions)	December 31, 2022				
	Amortized Cost Basis	Gross Unrealized Gains in Other Comprehensive Income	Gross Unrealized Losses in Other Comprehensive Income	Fair Value	Accrued Interest Receivable
Agency mortgage-related securities	\$6,215	\$6	(\$301)	\$5,920	\$12
Other mortgage-related securities	429	188	(3)	614	3
<b>Total available-for-sale securities</b>	<b>\$6,644</b>	<b>\$194</b>	<b>(\$304)</b>	<b>\$6,534</b>	<b>\$15</b>

The fair value of our available-for-sale securities held at September 30, 2023 scheduled to contractually mature after ten years was \$1.3 billion, with an additional \$2.9 billion scheduled to contractually mature after five years through ten years.



The table below presents available-for-sale securities in a gross unrealized loss position and whether such securities have been in an unrealized loss position for less than 12 months, or 12 months or greater.

**Table 6.4 - Available-for-Sale Securities in a Gross Unrealized Loss Position**

(In millions)	September 30, 2023			
	Less than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-related securities	\$1,206	(\$35)	\$3,372	(\$227)
Other mortgage-related securities	52	(5)	25	(5)
<b>Total available-for-sale securities in a gross unrealized loss position</b>	<b>\$1,258</b>	<b>(\$40)</b>	<b>\$3,397</b>	<b>(\$232)</b>

(In millions)	December 31, 2022			
	Less than 12 Months		12 Months or Greater	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Agency mortgage-related securities	\$5,086	(\$253)	\$325	(\$48)
Other mortgage-related securities	46	(3)	5	—
<b>Total available-for-sale securities in a gross unrealized loss position</b>	<b>\$5,132</b>	<b>(\$256)</b>	<b>\$330</b>	<b>(\$48)</b>

At September 30, 2023, the gross unrealized losses relate to 205 securities.

The table below summarizes the gross realized gains and gross realized losses from sales of available-for-sale securities.

**Table 6.5 - Gross Realized Gains and Gross Realized Losses from Sales of Available-for-Sale Securities**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
Gross realized gains	\$—	\$33	\$5	\$34
Gross realized losses	(118)	(3)	(122)	(7)
<b>Net realized gains (losses)</b>	<b>(\$118)</b>	<b>\$30</b>	<b>(\$117)</b>	<b>\$27</b>

## Non-Cash Investing and Financing Activities

During YTD 2023 and YTD 2022, we recognized \$1.7 billion and \$9.0 billion, respectively, of investment securities in exchange for the issuance of debt of consolidated trusts through partial sales of commingled single-class resecuritization products that were previously consolidated.

During YTD 2023 and YTD 2022, we derecognized \$3.5 billion and \$10.5 billion, respectively, of mortgage-related securities and debt of consolidated trusts where we were no longer deemed the primary beneficiary.

## NOTE 7

### Debt

The table below summarizes the balances of total debt on our condensed consolidated balance sheets.

**Table 7.1 - Total Debt**

(In millions)	September 30, 2023	December 31, 2022
Debt of consolidated trusts	\$3,027,175	\$2,979,070
Debt of Freddie Mac:		
Short-term debt	5,929	7,712
Long-term debt	168,993	159,050
<b>Total debt of Freddie Mac</b>	<b>174,922</b>	<b>166,762</b>
<b>Total debt</b>	<b>\$3,202,097</b>	<b>\$3,145,832</b>

As of September 30, 2023, our aggregate indebtedness pursuant to the Purchase Agreement was \$184.9 billion, which was below the current \$270.0 billion debt cap limit. Our aggregate indebtedness calculation primarily includes the par value of short- and long-term debt.

### Debt of Consolidated Trusts

The table below summarizes the debt of consolidated trusts based on underlying loan product type.

**Table 7.2 - Debt of Consolidated Trusts**

(Dollars in millions)	September 30, 2023				December 31, 2022			
	Contractual Maturity	UPB	Carrying Amount <sup>(1)</sup>	Weighted Average Coupon <sup>(2)</sup>	Contractual Maturity	UPB	Carrying Amount <sup>(1)</sup>	Weighted Average Coupon <sup>(2)</sup>
Single-Family:								
20-and 30-year or more, fixed-rate	2023 - 2061	\$2,579,108	\$2,617,780	2.98 %	2023 - 2061	\$2,507,235	\$2,550,137	2.76 %
15-year or less, fixed-rate	2023 - 2038	336,312	341,684	2.19	2023 - 2038	367,844	374,339	2.14
Adjustable-rate and other	2023 - 2053	23,896	24,404	3.75	2023 - 2053	23,561	24,153	3.04
<b>Total Single-Family</b>		<b>2,939,316</b>	<b>2,983,868</b>			<b>2,898,640</b>	<b>2,948,629</b>	
Multifamily	2024 - 2053	44,191	43,307	3.16	2023 - 2052	30,927	30,441	2.66
<b>Total debt of consolidated trusts</b>		<b>\$2,983,507</b>	<b>\$3,027,175</b>			<b>\$2,929,567</b>	<b>\$2,979,070</b>	

(1) Includes \$2.0 billion and \$1.9 billion as of September 30, 2023 and December 31, 2022, respectively, of debt of consolidated trusts that represents the fair value of debt for which the fair value option was elected.

(2) The effective interest rate for debt of consolidated trusts was 2.60% and 2.39% as of September 30, 2023 and December 31, 2022, respectively.

## Short-Term Debt

The table below summarizes the balances and effective interest rates for short-term debt.

**Table 7.3 - Short-Term Debt**

(Dollars in millions)	September 30, 2023			December 31, 2022		
	Par Value	Carrying Amount	Weighted Average Effective Rate	Par Value	Carrying Amount	Weighted Average Effective Rate
Short-term debt:						
Discount notes and Reference Bills®	\$4,940	\$4,906	5.32 %	\$6,826	\$6,822	3.71 %
Medium-term notes	—	—	—	890	890	1.81
Securities sold under agreements to repurchase	4,795	4,795	5.20	11,991	11,991	3.86
Offsetting arrangements <sup>(1)</sup>	(3,772)	(3,772)		(11,991)	(11,991)	
<b>Total short-term debt</b>	<b>\$5,963</b>	<b>\$5,929</b>	<b>5.33 %</b>	<b>\$7,716</b>	<b>\$7,712</b>	<b>3.49 %</b>

(1) We offset payables related to securities sold under agreements to repurchase against receivables related to securities purchased under agreements to resell on our condensed consolidated balance sheets, when such amounts meet the conditions for offsetting in the accounting guidance.

## Long-Term Debt

The table below summarizes our long-term debt.

**Table 7.4 - Long-Term Debt**

(Dollars in millions)	September 30, 2023				December 31, 2022			
	Contractual Maturity	Par Value	Carrying Amount <sup>(1)</sup>	Weighted Average Effective Rate <sup>(2)</sup>	Contractual Maturity	Par Value	Carrying Amount <sup>(1)</sup>	Weighted Average Effective Rate <sup>(2)</sup>
Long-term debt:								
Fixed-rate:								
Medium-term notes — callable	2023 - 2050	\$140,640	\$140,558	3.01 %	2023 - 2050	\$103,584	\$103,528	1.96 %
Medium-term notes — non-callable	2023 - 2028	1,673	1,674	1.04	2023 - 2028	2,747	2,747	0.73
Reference Notes securities — non-callable	2023 - 2032	27,051	27,097	3.27	2023 - 2032	49,801	49,832	1.76
SCR debt notes	2031 - 2032	84	84	13.00	2031 - 2032	90	93	13.00
Variable-rate:								
Medium-term notes — callable	2023 - 2028	2,145	2,142	4.84	2023 - 2027	4,691	4,689	3.95
Medium-term notes — non-callable	2026	47	47	8.10	2026	47	47	8.10
STACR	2023 - 2042	2,426	2,334	10.98	2023 - 2042	4,562	4,448	8.79
Zero-coupon:								
Medium-term notes — non-callable	2024 - 2039	4,836	3,050	6.16	2023 - 2039	4,841	2,913	6.11
Other	2047 - 2053	—	136	0.80	2047 - 2052	—	137	0.82
Hedging-related basis adjustments		N/A	(8,129)			N/A	(9,384)	
<b>Total long-term debt</b>		<b>\$178,902</b>	<b>\$168,993</b>	<b>3.22 %</b>		<b>\$170,363</b>	<b>\$159,050</b>	<b>2.20 %</b>

(1) Represents par value, net of associated discounts or premiums and issuance cost. Includes \$0.6 billion and \$1.1 billion at September 30, 2023 and December 31, 2022, respectively, of long-term debt that represents the fair value of debt for which the fair value option was elected.

(2) Based on carrying amount.

The table below summarizes the contractual maturities of long-term debt.

**Table 7.5 - Contractual Maturities of Long-Term Debt**

(In millions)	September 30, 2023 Amounts
<b>Annual Maturities</b>	
Long-term debt (excluding STACR and SCR debt notes):	
2023	\$13,376
2024	41,582
2025	63,210
2026	13,450
2027	12,247
Thereafter	32,527
Debt of consolidated trusts, STACR, and SCR debt notes <sup>(1)</sup>	2,986,017
<b>Total</b>	<b>3,162,409</b>
Net discounts, premiums, debt issuance costs, hedge-related, and other basis adjustments <sup>(2)</sup>	33,759
<b>Total debt of consolidated trusts, STACR, SCR, and long-term debt</b>	<b>\$3,196,168</b>

(1) Contractual maturities of these debt securities are not presented because they are subject to prepayment risk, as their payments are based upon the performance of a pool of mortgage assets that may be prepaid by the related mortgage borrower at any time generally without penalty.

(2) Other basis adjustments primarily represent changes in fair value on debt where we have elected the fair value option.

## NOTE 8

### Derivatives

We analyze the interest-rate sensitivity of financial assets and liabilities across a variety of interest-rate scenarios based on market prices, models, and economics. We use derivatives primarily to hedge interest-rate sensitivity mismatches between our financial assets and liabilities. We designate certain derivatives as hedging instruments in qualifying hedge accounting relationships. Interest-rate risk management derivatives that are not designated in qualifying hedge accounting relationships are economic hedges of financial instruments measured at fair value on a recurring basis or of other transactions or instruments that expose us to interest-rate risk.

We apply fair value hedge accounting to certain single-family mortgage loans and certain issuances of debt where we hedge the changes in fair value of these items attributable to the designated benchmark interest rate, using interest-rate swaps.

### Derivative Assets and Liabilities at Fair Value

The table below presents the notional value and fair value of derivatives reported on our condensed consolidated balance sheets.

**Table 8.1 - Derivative Assets and Liabilities at Fair Value**

	September 30, 2023			December 31, 2022		
	Notional or Contractual Amount	Derivatives at Fair Value		Notional or Contractual Amount	Derivatives at Fair Value	
(In millions)		Assets	Liabilities		Assets	Liabilities
<b>Not designated as hedges</b>						
Interest-rate risk management derivatives:						
Swaps	\$380,771	\$2,450	(\$414)	\$480,824	\$1,762	(\$526)
Written options	47,632	—	(2,099)	46,101	—	(1,857)
Purchased options <sup>(1)</sup>	77,235	4,773	—	92,010	4,302	—
Futures	242,335	—	—	182,330	—	—
<b>Total interest-rate risk management derivatives</b>	<b>747,973</b>	<b>7,223</b>	<b>(2,513)</b>	<b>801,265</b>	<b>6,064</b>	<b>(2,383)</b>
Mortgage commitment derivatives	52,690	11	(44)	29,354	12	(11)
CRT-related derivatives <sup>(2)</sup>	31,163	—	(205)	31,647	—	(55)
Other	13,973	2	(744)	14,426	2	(624)
<b>Total derivatives not designated as hedges</b>	<b>845,799</b>	<b>7,236</b>	<b>(3,506)</b>	<b>876,692</b>	<b>6,078</b>	<b>(3,073)</b>
<b>Designated as fair value hedges</b>						
Interest-rate risk management derivatives:						
Swaps	188,107	306	(7,674)	181,298	321	(7,847)
<b>Total derivatives designated as fair value hedges</b>	<b>188,107</b>	<b>306</b>	<b>(7,674)</b>	<b>181,298</b>	<b>321</b>	<b>(7,847)</b>
Receivables (payables)		1	(153)		35	(25)
Netting adjustments <sup>(3)</sup>		(7,100)	10,234		(6,127)	10,187
<b>Total derivative portfolio, net</b>	<b>\$1,033,906</b>	<b>\$443</b>	<b>(\$1,099)</b>	<b>\$1,057,990</b>	<b>\$307</b>	<b>(\$758)</b>

(1) Includes swaptions on credit indices with a notional or contractual amount of \$5.4 billion and \$10.1 billion at September 30, 2023 and December 31, 2022, respectively, and a fair value of \$2.0 million at both September 30, 2023 and December 31, 2022.

(2) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

(3) Represents counterparty netting and cash collateral netting.

## Gains and Losses on Derivatives

The table below presents the gains and losses on derivatives not designated in qualifying hedge relationships. These amounts are reported on our condensed consolidated statements of income as investment gains, net.

**Table 8.2 - Gains and Losses on Derivatives<sup>(1)</sup>**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
<b>Not designated as hedges</b>				
Interest-rate risk management derivatives:				
Swaps	(\$48)	\$680	\$360	\$929
Written options	(424)	(278)	(147)	(962)
Purchased options	1,012	620	463	1,845
Futures	668	788	880	2,213
<b>Total interest-rate risk management derivatives fair value gains (losses)</b>	<b>1,208</b>	<b>1,810</b>	<b>1,556</b>	<b>4,025</b>
Mortgage commitment derivatives	248	203	293	2,922
CRT-related derivatives <sup>(2)</sup>	(10)	(182)	(154)	(104)
Other	(194)	(155)	(197)	(236)
<b>Total derivatives not designated as hedges fair value gains (losses)</b>	<b>\$1,252</b>	<b>\$1,676</b>	<b>\$1,498</b>	<b>\$6,607</b>

(1) Accrual of periodic cash settlements on swaps is included in the respective gain (loss) of the derivative and is no longer presented separately. Certain prior period amounts have been reclassified to conform to the current period presentation.

(2) Includes derivative instruments related to CRT transactions that are considered freestanding credit enhancements.

## Fair Value Hedges

The table below presents the effects of fair value hedge accounting by condensed consolidated statements of income line item, including the gains and losses on derivatives and hedged items designated in qualifying hedge relationships and other components due to the application of hedge accounting.

**Table 8.3 - Gains and Losses on Fair Value Hedges**

(In millions)	3Q 2023		3Q 2022	
	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income and expense line items presented in our condensed consolidated statements of income in which the effects of fair value hedges are recorded:	\$26,799	(\$22,050)	\$21,894	(\$17,340)
Interest contracts on mortgage loans held-for-investment:				
Gain (loss) on fair value hedging relationships:				
Hedged items	(1,722)	—	(1,839)	—
Derivatives designated as hedging instruments	1,658	—	1,731	—
Interest accruals on hedging instruments	225	—	(5)	—
Discontinued hedge related basis adjustments amortization	60	—	12	—
Interest contracts on debt:				
Gain (loss) on fair value hedging relationships:				
Hedged items	—	16	—	2,558
Derivatives designated as hedging instruments	—	(9)	—	(2,586)
Interest accruals on hedging instruments	—	(1,014)	—	(353)
Discontinued hedge related basis adjustment amortization	—	(145)	—	1

(In millions)	YTD 2023		YTD 2022	
	Interest Income	Interest Expense	Interest Income	Interest Expense
Total amounts of income and expense line items presented in our condensed consolidated statements of income in which the effects of fair value hedges are recorded:	\$77,541	(\$63,768)	\$59,642	(\$46,225)
Interest contracts on mortgage loans held-for-investment:				
Gain (loss) on fair value hedging relationships:				
Hedged items	(1,563)	—	(5,989)	—
Derivatives designated as hedging instruments	1,485	—	5,194	—
Interest accruals on hedging instruments	687	—	(421)	—
Discontinued hedge related basis adjustments amortization	130	—	(116)	—
Interest contracts on debt:				
Gain (loss) on fair value hedging relationships:				
Hedged items	—	(794)	—	7,719
Derivatives designated as hedging instruments	—	776	—	(7,810)
Interest accruals on hedging instruments	—	(3,065)	—	(253)
Discontinued hedge related basis adjustment amortization	—	(355)	—	13

The table below presents the cumulative basis adjustments and the carrying amounts of the hedged item by its respective balance sheet line item.

**Table 8.4 - Cumulative Basis Adjustments Due to Fair Value Hedging**

(In millions)	September 30, 2023					
	Carrying Amount Assets / (Liabilities)	Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount			Closed Portfolio Under the Portfolio Layer Method	
		Total	Under the Portfolio Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	\$1,121,167	(\$4,555)	(\$954)	(\$3,601)	\$60,742	\$11,670
Mortgage loans held-for-sale	113	1	—	1	—	—
Debt	(152,962)	8,129	—	49	—	—

(In millions)	December 31, 2022					
	Carrying Amount Assets / (Liabilities)	Cumulative Amount of Fair Value Hedging Basis Adjustment Included in the Carrying Amount			Closed Portfolio Under the Portfolio Layer Method	
		Total	Under the Portfolio Layer Method	Discontinued - Hedge Related	Total Amount by Amortized Cost Basis	Designated Amount by UPB
Mortgage loans held-for-investment	\$1,108,098	(\$3,122)	(\$959)	(\$2,163)	\$79,070	\$11,516
Mortgage loans held-for-sale	67	1	—	1	—	—
Debt	(142,511)	9,384	—	123	—	—



## NOTE 9

### Collateralized Agreements and Offsetting Arrangements

#### Offsetting of Financial Assets and Liabilities

The table below presents offsetting and collateral information related to derivatives, securities purchased under agreements to resell, and securities sold under agreements to repurchase which are subject to enforceable master netting agreements or similar arrangements.

**Table 9.1 - Offsetting and Collateral Information of Financial Assets and Liabilities**

	September 30, 2023					
	Gross Amount Recognized	Amount Offset in the Condensed Consolidated Balance Sheets		Net Amount Presented in the Condensed Consolidated Balance Sheets	Gross Amount Not Offset in the Condensed Consolidated Balance Sheets <sup>(2)</sup>	Net Amount
(In millions)		Counterparty Netting	Cash Collateral Netting <sup>(1)</sup>			
Assets:						
Derivatives:						
OTC derivatives	\$7,521	(\$5,215)	(\$1,890)	\$416	(\$367)	\$49
Cleared and exchange-traded derivatives	9	(9)	14	14	—	14
Mortgage commitment derivatives	11	—	—	11	—	11
Other	2	—	—	2	—	2
<b>Total derivatives</b>	<b>7,543</b>	<b>(5,224)</b>	<b>(1,876)</b>	<b>443</b>	<b>(367)</b>	<b>76</b>
Securities purchased under agreements to resell	118,933	(3,772)	—	115,161	(115,161)	—
<b>Total</b>	<b>\$126,476</b>	<b>(\$8,996)</b>	<b>(\$1,876)</b>	<b>\$115,604</b>	<b>(\$115,528)</b>	<b>\$76</b>
Liabilities:						
Derivatives:						
OTC derivatives	(\$10,235)	\$5,215	\$4,963	(\$57)	\$34	(\$23)
Cleared and exchange-traded derivatives	(78)	9	47	(22)	22	—
Mortgage commitment derivatives	(71)	—	—	(71)	4	(67)
Other	(949)	—	—	(949)	—	(949)
<b>Total derivatives</b>	<b>(11,333)</b>	<b>5,224</b>	<b>5,010</b>	<b>(1,099)</b>	<b>60</b>	<b>(1,039)</b>
Securities sold under agreements to repurchase	(4,795)	3,772	—	(1,023)	1,023	—
<b>Total</b>	<b>(\$16,128)</b>	<b>\$8,996</b>	<b>\$5,010</b>	<b>(\$2,122)</b>	<b>\$1,083</b>	<b>(\$1,039)</b>

Referenced footnotes are included after the prior period table.

	December 31, 2022					
	Gross Amount Recognized	Amount Offset in the Condensed Consolidated Balance Sheets		Net Amount Presented in the Condensed Consolidated Balance Sheets	Gross Amount Not Offset in the Condensed Consolidated Balance Sheets <sup>(2)</sup>	Net Amount
(In millions)		Counterparty Netting	Cash Collateral Netting <sup>(1)</sup>			
Assets:						
Derivatives:						
OTC derivatives	\$6,385	(\$4,468)	(\$1,681)	\$236	(\$214)	\$22
Cleared and exchange-traded derivatives	28	—	22	50	—	50
Mortgage commitment derivatives	19	—	—	19	(4)	15
Other	2	—	—	2	—	2
<b>Total derivatives</b>	<b>6,434</b>	<b>(4,468)</b>	<b>(1,659)</b>	<b>307</b>	<b>(218)</b>	<b>89</b>
Securities purchased under agreements to resell	99,286	(11,991)	—	87,295	(87,295)	—
<b>Total</b>	<b>\$105,720</b>	<b>(\$16,459)</b>	<b>(\$1,659)</b>	<b>\$87,602</b>	<b>(\$87,513)</b>	<b>\$89</b>
Liabilities:						
Derivatives:						
OTC derivatives	(\$10,230)	\$4,468	\$5,702	(\$60)	\$23	(\$37)
Cleared and exchange-traded derivatives	(25)	—	17	(8)	8	—
Mortgage commitment derivatives	(11)	—	—	(11)	—	(11)
Other	(679)	—	—	(679)	—	(679)
<b>Total derivatives</b>	<b>(10,945)</b>	<b>4,468</b>	<b>5,719</b>	<b>(758)</b>	<b>31</b>	<b>(727)</b>
Securities sold under agreements to repurchase	(11,991)	11,991	—	—	—	—
<b>Total</b>	<b>(\$22,936)</b>	<b>\$16,459</b>	<b>\$5,719</b>	<b>(\$758)</b>	<b>\$31</b>	<b>(\$727)</b>

(1) Excess cash collateral held is presented as a derivative liability, while excess cash collateral posted is presented as a derivative asset.

(2) Does not include the fair value amount of non-cash collateral posted or held that exceeds the associated net asset or liability, netted by counterparty, presented on the condensed consolidated balance sheets. For securities purchased under agreements to resell, includes \$117.4 billion and \$54.7 billion of collateral that we had the right to repledge as of September 30, 2023 and December 31, 2022, respectively. We repledged \$0.1 billion and less than \$0.1 billion of collateral as of September 30, 2023 and December 31, 2022, respectively.

## Collateral Pledged

The table below summarizes the carrying value of the collateral pledged by us and recorded on our condensed consolidated balance sheets for derivatives and collateralized borrowing transactions, including securities that the secured party may repledge.

**Table 9.2 - Collateral in the Form of Securities Pledged**

September 30, 2023				
(In millions)	Derivatives	Securities Sold Under Agreements to Repurchase	Other <sup>(1)</sup>	Total
Trading securities	\$1,849	\$2,471	\$2,860	\$7,180
Other assets	—	936	—	936
<b>Total securities pledged</b>	<b>\$1,849</b>	<b>\$3,407</b>	<b>\$2,860</b>	<b>\$8,116</b>

December 31, 2022				
(In millions)	Derivatives	Securities Sold Under Agreements to Repurchase	Other <sup>(1)</sup>	Total
Trading securities	\$1,533	\$2,910	\$1,347	\$5,790
Other assets	—	6,543	—	6,543
<b>Total securities pledged</b>	<b>\$1,533</b>	<b>\$9,453</b>	<b>\$1,347</b>	<b>\$12,333</b>

(1) Includes other collateralized borrowings and collateral related to transactions with certain clearinghouses.

The table below presents the remaining contractual maturity of our gross obligations for securities sold under agreements to repurchase. The collateral for such obligations consisted primarily of U.S. Treasury securities.

**Table 9.3 - Remaining Contractual Maturity**

September 30, 2023					
(In millions)	Overnight and Continuous	30 Days or Less	After 30 Days Through 90 Days	Greater Than 90 Days	Total
Securities sold under agreements to repurchase	\$—	\$4,795	\$—	\$—	\$4,795

December 31, 2022					
(In millions)	Overnight and Continuous	30 Days or Less	After 30 Days Through 90 Days	Greater Than 90 Days	Total
Securities sold under agreements to repurchase	\$—	\$11,991	\$—	\$—	\$11,991

## NOTE 10

### Net Interest Income

The table below presents the components of net interest income per our condensed consolidated statements of income and comprehensive income.

**Table 10.1 - Components of Net Interest Income**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
Interest income:				
Mortgage loans	\$24,525	\$20,843	\$71,427	\$57,477
Investment securities	427	416	1,106	1,264
Other	1,847	635	5,008	901
<b>Total interest income</b>	<b>26,799</b>	<b>21,894</b>	<b>77,541</b>	<b>59,642</b>
Interest expense:				
Debt of consolidated trusts	(19,383)	(16,166)	(56,252)	(44,010)
Debt of Freddie Mac:				
Short-term debt	(191)	(82)	(593)	(102)
Long-term debt	(2,476)	(1,092)	(6,923)	(2,113)
<b>Total interest expense</b>	<b>(22,050)</b>	<b>(17,340)</b>	<b>(63,768)</b>	<b>(46,225)</b>
<b>Net interest income</b>	<b>4,749</b>	<b>4,554</b>	<b>13,773</b>	<b>13,417</b>
(Provision) benefit for credit losses	263	(1,796)	405	(1,266)
<b>Net interest income after (provision) benefit for credit losses</b>	<b>\$5,012</b>	<b>\$2,758</b>	<b>\$14,178</b>	<b>\$12,151</b>

## NOTE 11

### Segment Reporting

As shown in the table below, we have two reportable segments, Single-Family and Multifamily.

Segment	Description
<b>Single-Family</b>	Reflects results from our purchase, securitization, and guarantee of single-family loans, our investments in single-family loans and mortgage-related securities, the management of Single-Family mortgage credit risk and market risk, and any results of our treasury function that are not allocated to each segment.
<b>Multifamily</b>	Reflects results from our purchase, securitization, and guarantee of multifamily loans, our investments in multifamily loans and mortgage-related securities, and the management of Multifamily mortgage credit risk and market risk.

### Segment Results

The table below presents the financial results for our Single-Family and Multifamily segments.

**Table 11.1 - Segment Financial Results**

(In millions)	3Q 2023			3Q 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
<b>Net interest income</b>	<b>\$4,534</b>	<b>\$215</b>	<b>\$4,749</b>	<b>\$4,363</b>	<b>\$191</b>	<b>\$4,554</b>
<b>Non-interest income</b>						
Guarantee income	25	276	301	16	109	125
Investment gains, net	314	241	555	(13)	428	415
Other income	54	31	85	55	32	87
<b>Non-interest income</b>	<b>393</b>	<b>548</b>	<b>941</b>	<b>58</b>	<b>569</b>	<b>627</b>
<b>Net revenues</b>	<b>4,927</b>	<b>763</b>	<b>5,690</b>	<b>4,421</b>	<b>760</b>	<b>5,181</b>
(Provision) benefit for credit losses	304	(41)	263	(1,784)	(12)	(1,796)
Non-interest expense	(2,310)	(266)	(2,576)	(1,653)	(172)	(1,825)
<b>Income before income tax expense</b>	<b>2,921</b>	<b>456</b>	<b>3,377</b>	<b>984</b>	<b>576</b>	<b>1,560</b>
Income tax expense	(598)	(94)	(692)	(141)	(106)	(247)
<b>Net income</b>	<b>2,323</b>	<b>362</b>	<b>2,685</b>	<b>843</b>	<b>470</b>	<b>1,313</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	(6)	25	19	(39)	(142)	(181)
<b>Comprehensive income</b>	<b>\$2,317</b>	<b>\$387</b>	<b>\$2,704</b>	<b>\$804</b>	<b>\$328</b>	<b>\$1,132</b>

(In millions)	YTD 2023			YTD 2022		
	Single-Family	Multifamily	Total	Single-Family	Multifamily	Total
<b>Net interest income</b>	<b>\$13,125</b>	<b>\$648</b>	<b>\$13,773</b>	<b>\$12,704</b>	<b>\$713</b>	<b>\$13,417</b>
<b>Non-interest income</b>						
Guarantee income	73	1,003	1,076	81	319	400
Investment gains, net	131	610	741	1,471	778	2,249
Other income	161	105	266	250	115	365
<b>Non-interest income</b>	<b>365</b>	<b>1,718</b>	<b>2,083</b>	<b>1,802</b>	<b>1,212</b>	<b>3,014</b>
<b>Net revenues</b>	<b>13,490</b>	<b>2,366</b>	<b>15,856</b>	<b>14,506</b>	<b>1,925</b>	<b>16,431</b>
(Provision) benefit for credit losses	624	(219)	405	(1,251)	(15)	(1,266)
Non-interest expense	(6,121)	(591)	(6,712)	(5,285)	(492)	(5,777)
<b>Income before income tax expense</b>	<b>7,993</b>	<b>1,556</b>	<b>9,549</b>	<b>7,970</b>	<b>1,418</b>	<b>9,388</b>
Income tax expense	(1,612)	(313)	(1,925)	(1,548)	(276)	(1,824)
<b>Net income</b>	<b>6,381</b>	<b>1,243</b>	<b>7,624</b>	<b>6,422</b>	<b>1,142</b>	<b>7,564</b>
Other comprehensive income (loss), net of taxes and reclassification adjustments	(5)	24	19	(46)	(321)	(367)
<b>Comprehensive income</b>	<b>\$6,376</b>	<b>\$1,267</b>	<b>\$7,643</b>	<b>\$6,376</b>	<b>\$821</b>	<b>\$7,197</b>

The table below presents total assets for our Single-Family and Multifamily segments.

**Table 11.2 - Segment Assets**

(In millions)	September 30, 2023	December 31, 2022
Single-Family	\$3,024,041	\$2,986,045
Multifamily	431,954	429,302
<b>Total segment assets</b>	<b>3,455,995</b>	<b>3,415,347</b>
Reconciling items <sup>(1)</sup>	(184,354)	(207,014)
<b>Total assets per condensed consolidated balance sheets</b>	<b>\$3,271,641</b>	<b>\$3,208,333</b>

(1) Reconciling items include assets in our mortgage portfolio that are not recognized on our condensed consolidated balance sheets and assets recognized on our condensed consolidated balance sheets that are not allocated to the reportable segments.

## NOTE 12

### Concentration of Credit and Other Risks

#### Single-Family Mortgage Portfolio

The table below summarizes the concentration by geographic area of our Single-Family mortgage portfolio. See Note 2, Note 3, and Note 5 for more information about credit risk associated with single-family loans that we hold or guarantee.

**Table 12.1 - Concentration of Credit Risk of Our Single-Family Mortgage Portfolio**

(Dollars in millions)	September 30, 2023			December 31, 2022		
	Portfolio UPB <sup>(1)</sup>	% of Portfolio	SDQ Rate	Portfolio UPB <sup>(1)</sup>	% of Portfolio	SDQ Rate
<b>Region:<sup>(2)</sup></b>						
West	\$909,446	30 %	0.42 %	\$906,123	30 %	0.49 %
Northeast	700,588	23	0.67	695,944	23	0.82
North Central	440,267	15	0.55	436,294	15	0.65
Southeast	525,738	17	0.57	512,495	17	0.73
Southwest	447,743	15	0.53	434,907	15	0.63
<b>Total</b>	<b>\$3,023,782</b>	<b>100 %</b>	<b>0.55</b>	<b>\$2,985,763</b>	<b>100 %</b>	<b>0.66</b>
<b>State:</b>						
California	\$515,379	17 %	0.42	\$516,891	17 %	0.51
Texas	210,211	7	0.55	200,807	7	0.64
Florida	197,812	7	0.65	191,009	6	0.84
New York	131,289	4	1.00	129,935	4	1.16
Illinois	113,365	4	0.71	112,784	4	0.90
All other	1,855,726	61	0.52	1,834,337	62	0.63
<b>Total</b>	<b>\$3,023,782</b>	<b>100 %</b>	<b>0.55</b>	<b>\$2,985,763</b>	<b>100 %</b>	<b>0.66</b>

(1) Excludes UPB of loans underlying certain securitization products for which data was not available.

(2) Region designation: West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA); Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY).

#### Multifamily Mortgage Portfolio

The table below summarizes the concentration by geographic area of our Multifamily mortgage portfolio. See Note 2, Note 3, Note 4, and Note 5 for more information about credit risk associated with multifamily loans that we hold or guarantee.

**Table 12.2 - Concentration of Credit Risk of Our Multifamily Mortgage Portfolio**

(Dollars in millions)	September 30, 2023			December 31, 2022		
	Portfolio UPB	% of Portfolio	Delinquency Rate <sup>(1)</sup>	Portfolio UPB	% of Portfolio	Delinquency Rate <sup>(1)</sup>
<b>Region:<sup>(2)(3)</sup></b>						
West	\$108,123	25 %	0.15 %	\$107,260	25 %	0.04 %
Northeast	105,213	24	0.52	106,478	25	0.28
North Central	41,638	10	0.39	40,524	9	0.16
Southeast	86,713	20	0.05	85,438	20	0.04
Southwest	90,267	21	0.15	89,602	21	0.08
<b>Total</b>	<b>\$431,954</b>	<b>100 %</b>	<b>0.24</b>	<b>\$429,302</b>	<b>100 %</b>	<b>0.12</b>

(1) Based on loans two monthly payments or more delinquent or in foreclosure.

(2) Region designation: West (AK, AZ, CA, GU, HI, ID, MT, NV, OR, UT, WA); Northeast (CT, DE, DC, MA, ME, MD, NH, NJ, NY, PA, RI, VT, VA, WV); North Central (IL, IN, IA, MI, MN, ND, OH, SD, WI); Southeast (AL, FL, GA, KY, MS, NC, PR, SC, TN, VI); Southwest (AR, CO, KS, LA, MO, NE, NM, OK, TX, WY).

(3) The UPB of loans collateralized by properties located in multiple regions are reported entirely in the region with the largest underlying collateral UPB as of origination.

## NOTE 13

### Fair Value Disclosures

We use fair value measurements for the initial recording of certain assets and liabilities and periodic remeasurement of certain assets and liabilities on a recurring or non-recurring basis.

### Assets and Liabilities Measured at Fair Value on a Recurring Basis

The table below presents our assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis subsequent to initial recognition, including instruments where we have elected the fair value option.

**Table 13.1 - Assets and Liabilities Measured at Fair Value on a Recurring Basis**

(In millions)	September 30, 2023				
	Level 1	Level 2	Level 3	Netting Adjustments <sup>(1)</sup>	Total
<b>Assets:</b>					
Investment securities:					
Available-for-sale	\$—	\$4,704	\$691	\$—	\$5,395
Trading:					
Mortgage-related securities	—	5,828	2,752	—	8,580
Non-mortgage-related securities	25,008	460	—	—	25,468
<b>Total trading securities</b>	<b>25,008</b>	<b>6,288</b>	<b>2,752</b>	<b>—</b>	<b>34,048</b>
<b>Total investment securities</b>	<b>25,008</b>	<b>10,992</b>	<b>3,443</b>	<b>—</b>	<b>39,443</b>
Mortgage loans held-for-sale	—	7,113	958	—	8,071
Mortgage loans held-for-investment	—	1,152	157	—	1,309
Other assets:					
Guarantee assets	—	—	5,195	—	5,195
Derivative assets, net	9	7,531	2	(7,099)	443
Other assets	—	12	148	—	160
<b>Total other assets</b>	<b>9</b>	<b>7,543</b>	<b>5,345</b>	<b>(7,099)</b>	<b>5,798</b>
<b>Total assets carried at fair value on a recurring basis</b>	<b>\$25,017</b>	<b>\$26,800</b>	<b>\$9,903</b>	<b>(\$7,099)</b>	<b>\$54,621</b>
<b>Liabilities:</b>					
Debt:					
Debt of consolidated trusts	\$—	\$1,685	\$338	\$—	\$2,023
Debt of Freddie Mac	—	482	92	—	574
<b>Total debt</b>	<b>—</b>	<b>2,167</b>	<b>430</b>	<b>—</b>	<b>2,597</b>
Other liabilities:					
Derivative liabilities, net	1	11,071	108	(10,081)	1,099
Other liabilities	—	22	7	—	29
<b>Total other liabilities</b>	<b>1</b>	<b>11,093</b>	<b>115</b>	<b>(10,081)</b>	<b>1,128</b>
<b>Total liabilities carried at fair value on a recurring basis</b>	<b>\$1</b>	<b>\$13,260</b>	<b>\$545</b>	<b>(\$10,081)</b>	<b>\$3,725</b>

Referenced footnote is included after the prior period table.



(In millions)	December 31, 2022				
	Level 1	Level 2	Level 3	Netting Adjustments <sup>(1)</sup>	Total
<b>Assets:</b>					
Investment securities:					
Available-for-sale	\$—	\$5,640	\$894	\$—	\$6,534
Trading:					
Mortgage-related securities	—	5,603	2,731	—	8,334
Non-mortgage-related securities	23,453	380	—	—	23,833
<b>Total trading securities</b>	<b>23,453</b>	<b>5,983</b>	<b>2,731</b>	<b>—</b>	<b>32,167</b>
<b>Total investment securities</b>	<b>23,453</b>	<b>11,623</b>	<b>3,625</b>	<b>—</b>	<b>38,701</b>
Mortgage loans held-for-sale	—	2,908	310	—	3,218
Mortgage loans held-for-investment	—	1,104	110	—	1,214
Other assets:					
Guarantee assets	—	—	5,442	—	5,442
Derivative assets, net	—	6,397	2	(6,092)	307
Other assets	—	12	129	—	141
<b>Total other assets</b>	<b>—</b>	<b>6,409</b>	<b>5,573</b>	<b>(6,092)</b>	<b>5,890</b>
<b>Total assets carried at fair value on a recurring basis</b>	<b>\$23,453</b>	<b>\$22,044</b>	<b>\$9,618</b>	<b>(\$6,092)</b>	<b>\$49,023</b>
<b>Liabilities:</b>					
Debt:					
Debt of consolidated trusts	\$—	\$1,656	\$288	\$—	\$1,944
Debt of Freddie Mac	—	1,003	100	—	1,103
<b>Total debt</b>	<b>—</b>	<b>2,659</b>	<b>388</b>	<b>—</b>	<b>3,047</b>
Other liabilities:					
Derivative liabilities, net	—	10,823	97	(10,162)	758
Other liabilities	—	1	—	—	1
<b>Total other liabilities</b>	<b>—</b>	<b>10,824</b>	<b>97</b>	<b>(10,162)</b>	<b>759</b>
<b>Total liabilities carried at fair value on a recurring basis</b>	<b>\$—</b>	<b>\$13,483</b>	<b>\$485</b>	<b>(\$10,162)</b>	<b>\$3,806</b>

(1) Represents counterparty netting and cash collateral netting.

## Level 3 Fair Value Measurements

The table below presents a reconciliation of all assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis using significant unobservable inputs (Level 3), including transfers into and out of Level 3. The table also presents gains and losses due to changes in fair value, including both realized and unrealized gains and losses, recognized on our condensed consolidated statements of income for Level 3 assets and liabilities.

Table 13.2 - Fair Value Measurements of Assets and Liabilities Using Significant Unobservable Inputs

	3Q 2023											
	Balance, July 1, 2023	Total Realized/Unrealized Gains/Losses <sup>(1)</sup>		Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3	Balance, September 30, 2023	Change in Unrealized Gains/Losses <sup>(1)</sup> Included in Net Income Related to Assets and Liabilities Still Held as of September 30, 2023 <sup>(2)</sup>	Change in Unrealized Gains/Losses <sup>(1)</sup> , Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of September 30, 2023
(In millions)		Included in Earnings	Included in Other Comprehensive Income									
Assets												
Investment securities:												
Available-for-sale	\$790	\$—	(\$15)	\$—	\$—	\$—	(\$43)	\$—	(\$41)	\$691	\$—	(\$12)
Trading	2,561	(141)	—	348	—	—	(16)	—	—	2,752	20	—
Total investment securities	3,351	(141)	(15)	348	—	—	(59)	—	(41)	3,443	20	(12)
Mortgage loans held-for-sale	881	(1)	—	814	—	(723)	(13)	—	—	958	(4)	—
Mortgage loans held-for-investment	170	(2)	—	—	—	—	(5)	—	(6)	157	(12)	—
Other assets:												
Guarantee assets	5,323	(89)	—	—	179	—	(218)	—	—	5,195	(89)	—
Other assets	159	—	—	(5)	4	(4)	(4)	—	—	150	—	—
Total other assets	5,482	(89)	—	(5)	183	(4)	(222)	—	—	5,345	(89)	—
Total assets	\$9,884	(\$233)	(\$15)	\$1,157	\$183	(\$727)	(\$299)	\$—	(\$47)	\$9,903	(\$85)	(\$12)
Liabilities												
Debt	\$374	\$1	\$—	\$—	\$55	\$—	\$—	\$—	\$—	\$430	\$8	\$—
Other liabilities	99	47	—	—	—	—	(31)	—	—	115	24	—
Total liabilities	\$473	\$48	\$—	\$—	\$55	\$—	(\$31)	\$—	\$—	\$545	\$32	\$—
YTD 2023												
	Balance, January 1, 2023	Total Realized/Unrealized Gains/Losses <sup>(1)</sup>		Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3	Balance, September 30, 2023	Change in Unrealized Gains/Losses <sup>(1)</sup> Included in Net Income Related to Assets and Liabilities Still Held as of September 30, 2023 <sup>(2)</sup>	Change in Unrealized Gains/Losses <sup>(1)</sup> , Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of September 30, 2023
(In millions)		Included in Earnings	Included in Other Comprehensive Income									
Assets												
Investment securities:												
Available-for-sale	\$894	\$1	(\$23)	\$—	\$—	\$—	(\$139)	\$—	(\$42)	\$691	\$—	(\$18)
Trading	2,731	(470)	—	531	—	—	(40)	—	—	2,752	30	—
Total investment securities	3,625	(469)	(23)	531	—	—	(179)	—	(42)	3,443	30	(18)
Mortgage loans held-for-sale	310	(30)	—	1,567	—	(723)	(24)	12	(154)	958	(4)	—
Mortgage loans held-for-investment	110	(13)	—	—	—	—	(11)	142	(71)	157	(12)	—
Other assets:												
Guarantee assets	5,442	(82)	—	—	498	—	(663)	—	—	5,195	(82)	—
Other assets	131	55	—	(23)	7	(4)	(16)	—	—	150	54	—
Total other assets	5,573	(27)	—	(23)	505	(4)	(679)	—	—	5,345	(28)	—
Total assets	\$9,618	(\$539)	(\$23)	\$2,075	\$505	(\$727)	(\$893)	\$154	(\$267)	\$9,903	(\$14)	(\$18)
Liabilities												
Debt	\$388	(\$18)	\$—	\$66	\$—	\$—	(\$6)	\$—	\$—	\$430	(\$1)	\$—
Other liabilities	97	51	—	—	—	—	(33)	—	—	115	18	—
Total liabilities	\$485	\$33	\$—	\$66	\$—	\$—	(\$39)	\$—	\$—	\$545	\$17	\$—

Referenced footnote is included after the prior period table.

3Q 2022												
(In millions)	Balance, July 1, 2022	Total Realized/Unrealized Gains/Losses <sup>(1)</sup>		Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3	Balance, September 30, 2022	Change in Unrealized Gains/Losses <sup>(1)</sup> Included in Net Income Related to Assets and Liabilities Still Held as of September 30, 2022 <sup>(2)</sup>	Change in Unrealized Gains/Losses <sup>(1)</sup> , Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of September 30, 2022
	Included in Earnings	Included in Other Comprehensive Income										
<b>Assets</b>												
Investment securities:												
Available-for-sale	\$1,124	\$30	(\$55)	\$169	\$—	(\$120)	(\$46)	\$—	\$—	\$1,102	\$—	(\$11)
Trading	3,319	(334)	—	260	—	—	(122)	—	(265)	2,858	(154)	—
<b>Total investment securities</b>	<b>4,443</b>	<b>(304)</b>	<b>(55)</b>	<b>429</b>	<b>—</b>	<b>(120)</b>	<b>(168)</b>	<b>—</b>	<b>(265)</b>	<b>3,960</b>	<b>(154)</b>	<b>(11)</b>
Mortgage loans held-for-sale	339	(42)	—	—	—	(36)	(1)	52	—	312	(42)	—
Other assets:												
Guarantee assets	5,649	(264)	—	—	272	—	(225)	—	—	5,432	(264)	—
Other assets	132	9	—	(6)	3	(3)	(8)	—	—	127	9	—
Total other assets	5,781	(255)	—	(6)	275	(3)	(233)	—	—	5,559	(255)	—
<b>Total assets</b>	<b>\$10,563</b>	<b>(\$601)</b>	<b>(\$55)</b>	<b>\$423</b>	<b>\$275</b>	<b>(\$159)</b>	<b>(\$402)</b>	<b>\$52</b>	<b>(\$265)</b>	<b>\$9,831</b>	<b>(\$451)</b>	<b>(\$11)</b>
<b>Liabilities</b>												
Debt	\$457	(\$18)	\$—	(\$14)	\$6	\$—	(\$50)	\$—	\$—	\$381	(\$7)	\$—
Other liabilities	58	47	—	—	—	—	(1)	—	—	104	46	—
<b>Total liabilities</b>	<b>\$515</b>	<b>\$29</b>	<b>\$—</b>	<b>(\$14)</b>	<b>\$6</b>	<b>\$—</b>	<b>(\$51)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$485</b>	<b>\$39</b>	<b>\$—</b>
YTD 2022												
(In millions)	Balance, January 1, 2022	Total Realized/Unrealized Gains/Losses <sup>(1)</sup>		Purchases	Issues	Sales	Settlements, Net	Transfers into Level 3	Transfers out of Level 3	Balance, September 30, 2022	Change in Unrealized Gains/Losses <sup>(1)</sup> Included in Net Income Related to Assets and Liabilities Still Held as of September 30, 2022 <sup>(2)</sup>	Change in Unrealized Gains/Losses <sup>(1)</sup> , Net of Tax, Included in OCI Related to Assets and Liabilities Still Held as of September 30, 2022
	Included in Earnings	Included in Other Comprehensive Income										
<b>Assets</b>												
Investment securities:												
Available-for-sale	\$1,286	\$30	(\$98)	\$168	\$—	(\$78)	(\$236)	\$30	\$—	\$1,102	(\$1)	(\$38)
Trading	3,386	(993)	—	641	—	—	(156)	—	(20)	2,858	(468)	—
<b>Total investment securities</b>	<b>4,672</b>	<b>(963)</b>	<b>(98)</b>	<b>809</b>	<b>—</b>	<b>(78)</b>	<b>(392)</b>	<b>30</b>	<b>(20)</b>	<b>3,960</b>	<b>(469)</b>	<b>(38)</b>
Mortgage loans held-for-sale	—	(56)	—	—	—	(41)	(25)	434	—	312	(56)	—
Other assets:												
Guarantee assets	5,919	(774)	—	—	980	—	(693)	—	—	5,432	(774)	—
Other assets	101	58	—	(15)	11	(8)	(20)	—	—	127	58	—
Total other assets	6,020	(716)	—	(15)	991	(8)	(713)	—	—	5,559	(716)	—
<b>Total assets</b>	<b>\$10,692</b>	<b>(\$1,735)</b>	<b>(\$98)</b>	<b>\$794</b>	<b>\$991</b>	<b>(\$127)</b>	<b>(\$1,130)</b>	<b>\$464</b>	<b>(\$20)</b>	<b>\$9,831</b>	<b>(\$1,241)</b>	<b>(\$38)</b>
<b>Liabilities</b>												
Debt	\$294	\$18	\$—	(\$21)	\$148	\$—	(\$58)	\$—	\$—	\$381	\$48	\$—
Other liabilities	24	85	—	1	—	—	(6)	—	—	104	81	—
<b>Total liabilities</b>	<b>\$318</b>	<b>\$103</b>	<b>\$—</b>	<b>(\$20)</b>	<b>\$148</b>	<b>\$—</b>	<b>(\$64)</b>	<b>\$—</b>	<b>\$—</b>	<b>\$485</b>	<b>\$129</b>	<b>\$—</b>

(1) For assets, increase and decrease in earnings and other comprehensive income is shown as gains and (losses), respectively. For liabilities, increase and decrease in earnings and comprehensive income is shown as (gains) and losses, respectively.

(2) Represents the amount of total gains or losses for the period, included in earnings, attributable to the change in unrealized gains and losses related to assets and liabilities classified as Level 3 that were still held at September 30, 2023 and September 30, 2022.

The table below provides valuation techniques, the range, and the weighted average of significant unobservable inputs for Level 3 assets and liabilities measured on our condensed consolidated balance sheets at fair value on a recurring basis.

**Table 13.3 - Quantitative Information about Recurring Level 3 Fair Value Measurements**

Quantitative information about recurring Level 3 fair value measurements					
(Dollars in millions, except for certain unobservable inputs as shown)	September 30, 2023				
	Level 3 Fair Value	Predominant Valuation Technique(s)	Unobservable Inputs		
			Type	Range	Weighted Average <sup>(1)</sup>
<b>Assets</b>					
Investment securities:					
Available-for-sale	\$493	Median of external sources	External pricing sources	\$59.8 - \$71.1	\$65.6
	198	Other			
Trading	1,972	Single external source	External pricing source	\$0.0 - \$4,677.2	\$165.5
	780	Other			
Mortgage loans held-for-sale	958	Single external source	External pricing source	\$46.5 - \$100.3	\$92.5
Mortgage loans held-for-investment	157	Single external source	External pricing source	\$26.7 - \$98.4	\$74.1
Guarantee assets	4,858	Discounted cash flows	OAS	17 - 233 bps	46 bps
	337	Other			
Insignificant Level 3 assets <sup>(2)</sup>	150				
<b>Total level 3 assets</b>	<b>\$9,903</b>				
<b>Liabilities</b>					
Insignificant Level 3 liabilities <sup>(2)</sup>	545				
<b>Total level 3 liabilities</b>	<b>\$545</b>				

December 31, 2022					
(Dollars in millions, except for certain unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	Unobservable Inputs		
			Type	Range	Weighted Average <sup>(1)</sup>
<b>Assets</b>					
Investment securities:					
Available-for-sale	\$557	Median of external sources	External pricing sources	\$66.3 - \$74.6	\$70.5
	337	Other			
Trading	2,080	Single external source	External pricing source	\$0.0 - \$5,702.4	\$224.8
	651	Other			
Mortgage loans held-for-sale	310	Single external source	External pricing source	\$39.6 - \$98.1	\$76.6
Mortgage loans held-for-investment	110	Single external source	External pricing source	\$76.9 - \$87.5	\$80.6
Guarantee assets	5,084	Discounted cash flows	OAS	17 - 186 bps	45 bps
	358	Other			
Insignificant Level 3 assets <sup>(2)</sup>	131				
<b>Total level 3 assets</b>	<b>\$9,618</b>				
<b>Liabilities</b>					
Insignificant Level 3 liabilities <sup>(2)</sup>	485				
<b>Total level 3 liabilities</b>	<b>\$485</b>				

(1) Unobservable inputs were weighted primarily by the relative fair value of the financial instruments.

(2) Represents the aggregate amount of Level 3 assets and liabilities measured at fair value on a recurring basis that are individually and in the aggregate insignificant.

## Assets Measured at Fair Value on a Non-Recurring Basis

We may be required, from time to time, to measure certain assets at fair value on a non-recurring basis. These adjustments usually result from the application of lower-of-cost-or-fair-value accounting or measurement of impairment based on the fair value of the underlying collateral. Certain fair values in the tables below were not obtained as of period end, but were obtained during the period.

The table below presents assets measured on our condensed consolidated balance sheets at fair value on a non-recurring basis.

**Table 13.4 - Assets Measured at Fair Value on a Non-Recurring Basis**

(In millions)	September 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mortgage loans <sup>(1)</sup>	\$—	\$463	\$2,260	\$2,723	\$—	\$386	\$1,758	\$2,144

(1) Includes loans that are classified as held-for-investment and have an allowance for credit losses based on the fair value of the underlying collateral and held-for-sale loans where the fair value is below cost.

The table below provides valuation techniques, the range, and the weighted average of significant unobservable inputs for Level 3 assets measured on our condensed consolidated balance sheets at fair value on a non-recurring basis.

**Table 13.5 - Quantitative Information About Non-Recurring Level 3 Fair Value Measurements**

(Dollars in millions, except for unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	September 30, 2023		
			Unobservable Inputs		
			Type	Range	Weighted Average <sup>(1)</sup>
Mortgage loans	\$1,827 433	Median of external sources Other	External pricing sources	\$71.8 - \$99.0	\$80.9
<b>Total</b>	<b>\$2,260</b>				

(Dollars in millions, except for unobservable inputs as shown)	Level 3 Fair Value	Predominant Valuation Technique(s)	December 31, 2022		
			Unobservable Inputs		
			Type	Range	Weighted Average <sup>(1)</sup>
Mortgage loans	\$1,657 101	Median of external sources Other	External pricing sources	\$74.8 - \$98.6	\$86.3
<b>Total</b>	<b>\$1,758</b>				

(1) Unobservable inputs were weighted primarily by the relative fair value of the financial instruments.

## Fair Value of Financial Instruments

The table below presents the carrying value and estimated fair value of our financial instruments. For certain types of financial instruments, such as cash and cash equivalents, securities purchased under agreements to resell, and certain debt, the carrying value on our condensed consolidated balance sheets approximates fair value, as these assets and liabilities are short-term in nature and have limited fair value volatility.

**Table 13.6 - Fair Value of Financial Instruments**

	September 30, 2023						
	GAAP Measurement Category <sup>(1)</sup>	Carrying Amount	Fair Value				
(In millions)			Level 1	Level 2	Level 3	Netting Adjustments <sup>(2)</sup>	Total
<b>Financial Assets</b>							
Cash and cash equivalents	Amortized cost	\$5,354	\$5,354	\$—	\$—	\$—	\$5,354
Securities purchased under agreements to resell	Amortized cost	115,161	—	118,933	—	(3,772)	115,161
Investment securities:							
Available-for-sale	FV - OCI	5,395	—	4,704	691	—	5,395
Trading	FV - NI	34,048	25,008	6,288	2,752	—	34,048
<b>Total investment securities</b>		<b>39,443</b>	<b>25,008</b>	<b>10,992</b>	<b>3,443</b>	<b>—</b>	<b>39,443</b>
<b>Mortgage loans:</b>							
Loans held by consolidated trusts		3,019,212	—	2,288,567	212,407	—	2,500,974
Loans held by Freddie Mac		56,469	—	22,064	28,862	—	50,926
<b>Total mortgage loans<sup>(3)</sup></b>	<b>Various<sup>(4)</sup></b>	<b>3,075,681</b>	<b>—</b>	<b>2,310,631</b>	<b>241,269</b>	<b>—</b>	<b>2,551,900</b>
<b>Other assets:</b>							
Guarantee assets	FV - NI	5,195	—	—	5,198	—	5,198
Derivative assets, net	FV - NI	443	9	7,531	2	(7,099)	443
Other assets <sup>(5)</sup>	Various	3,363	—	896	2,472	—	3,368
<b>Total other assets</b>		<b>9,001</b>	<b>9</b>	<b>8,427</b>	<b>7,672</b>	<b>(7,099)</b>	<b>9,009</b>
<b>Total financial assets</b>		<b>\$3,244,640</b>	<b>\$30,371</b>	<b>\$2,448,983</b>	<b>\$252,384</b>	<b>(\$10,871)</b>	<b>\$2,720,867</b>
<b>Financial Liabilities</b>							
<b>Debt:</b>							
Debt of consolidated trusts		\$3,027,175	\$—	\$2,494,510	\$724	\$—	\$2,495,234
Debt of Freddie Mac		174,922	—	175,363	3,132	(3,772)	174,723
<b>Total debt</b>	<b>Various<sup>(6)</sup></b>	<b>3,202,097</b>	<b>—</b>	<b>2,669,873</b>	<b>3,856</b>	<b>(3,772)</b>	<b>2,669,957</b>
<b>Other liabilities:</b>							
Guarantee obligations	Amortized cost	5,473	—	105	5,824	—	5,929
Derivative liabilities, net	FV - NI	1,099	1	11,071	108	(10,081)	1,099
Other liabilities <sup>(5)</sup>	FV - NI	44	—	1,185	282	—	1,467
<b>Total other liabilities</b>		<b>6,616</b>	<b>1</b>	<b>12,361</b>	<b>6,214</b>	<b>(10,081)</b>	<b>8,495</b>
<b>Total financial liabilities</b>		<b>\$3,208,713</b>	<b>\$1</b>	<b>\$2,682,234</b>	<b>\$10,070</b>	<b>(\$13,853)</b>	<b>\$2,678,452</b>

Referenced footnotes are included after the prior period table.

	December 31, 2022						
	GAAP Measurement Category <sup>(1)</sup>	Carrying Amount	Fair Value				
(In millions)			Level 1	Level 2	Level 3	Netting Adjustments <sup>(2)</sup>	Total
<b>Financial Assets</b>							
Cash and cash equivalents	Amortized cost	\$6,360	\$6,360	\$—	\$—	\$—	\$6,360
Securities purchased under agreements to resell	Amortized cost	87,295	—	99,286	—	(11,991)	87,295
Investment securities:							
Available-for-sale	FV - OCI	6,534	—	5,640	894	—	6,534
Trading	FV - NI	32,167	23,453	5,983	2,731	—	32,167
<b>Total investment securities</b>		<b>38,701</b>	<b>23,453</b>	<b>11,623</b>	<b>3,625</b>	<b>—</b>	<b>38,701</b>
Mortgage loans:							
Loans held by consolidated trusts		2,971,601	—	2,331,969	244,045	—	2,576,014
Loans held by Freddie Mac		62,914	—	25,921	32,460	—	58,381
<b>Total mortgage loans</b>	<b>Various<sup>(4)</sup></b>	<b>3,034,515</b>	<b>—</b>	<b>2,357,890</b>	<b>276,505</b>	<b>—</b>	<b>2,634,395</b>
Other assets:							
Guarantee assets	FV - NI	5,442	—	—	5,445	—	5,445
Derivative assets, net	FV - NI	307	—	6,397	2	(6,092)	307
Other assets <sup>(5)</sup>	Various	1,739	—	907	835	—	1,742
<b>Total other assets</b>		<b>7,488</b>	<b>—</b>	<b>7,304</b>	<b>6,282</b>	<b>(6,092)</b>	<b>7,494</b>
<b>Total financial assets</b>		<b>\$3,174,359</b>	<b>\$29,813</b>	<b>\$2,476,103</b>	<b>\$286,412</b>	<b>(\$18,083)</b>	<b>\$2,774,245</b>
<b>Financial Liabilities</b>							
Debt:							
Debt of consolidated trusts		\$2,979,070	\$—	\$2,564,323	\$701	\$—	\$2,565,024
Debt of Freddie Mac		166,762	—	175,673	3,162	(11,991)	166,844
<b>Total debt</b>	<b>Various<sup>(6)</sup></b>	<b>3,145,832</b>	<b>—</b>	<b>2,739,996</b>	<b>3,863</b>	<b>(11,991)</b>	<b>2,731,868</b>
Other liabilities:							
Guarantee obligations	Amortized cost	5,779	—	—	6,016	—	6,016
Derivative liabilities, net	FV - NI	758	—	10,823	97	(10,162)	758
Other liabilities <sup>(5)</sup>	FV - NI	20	—	1,025	211	—	1,236
<b>Total other liabilities</b>		<b>6,557</b>	<b>—</b>	<b>11,848</b>	<b>6,324</b>	<b>(10,162)</b>	<b>8,010</b>
<b>Total financial liabilities</b>		<b>\$3,152,389</b>	<b>\$—</b>	<b>\$2,751,844</b>	<b>\$10,187</b>	<b>(\$22,153)</b>	<b>\$2,739,878</b>

(1) FV - NI denotes fair value through net income. FV - OCI denotes fair value through other comprehensive income.

(2) Represents counterparty netting and cash collateral netting.

(3) Excludes basis adjustments maintained on a closed portfolio basis related to existing portfolio layer method hedge relationships as of September 30, 2023. See **Note 3** for additional information on basis adjustments associated with closed portfolios during existing portfolio layer method hedges.

(4) The GAAP carrying amounts measured at amortized cost, lower-of-cost-or-fair-value, and FV - NI were \$3.1 trillion, \$5.8 billion, and \$9.4 billion as of September 30, 2023, respectively, and \$3.0 trillion, \$9.0 billion and \$4.4 billion as of December 31, 2022, respectively.

(5) For other assets, includes advances to lenders, secured lending, and loan commitments. For other liabilities, includes loan commitments.

(6) The GAAP carrying amounts measured at amortized cost and FV - NI were \$3.2 trillion and \$2.6 billion as of September 30, 2023, respectively, and \$3.1 trillion and \$3.0 billion as of December 31, 2022, respectively.

## Fair Value Option

We elected the fair value option for certain mortgage loans and loan commitments and certain debt issuances.

The table below presents the fair value and UPB related to items for which we have elected the fair value option.

**Table 13.7 - Difference between Fair Value and UPB for Certain Financial Instruments with Fair Value Option Elected<sup>(1)</sup>**

(In millions)	September 30, 2023			December 31, 2022		
	Fair value	UPB	Difference	Fair value	UPB	Difference
Mortgage loans held-for-sale	\$8,071	\$8,403	(\$332)	\$3,218	\$3,421	(\$203)
Mortgage loans held-for-investment	1,309	1,537	(228)	1,214	1,368	(154)
Debt of Freddie Mac	371	364	7	892	881	11
Debt of consolidated trusts	1,684	1,889	(205)	1,656	1,833	(177)
Other assets (other liabilities)	(18)	N/A	N/A	11	N/A	N/A

(1) Excludes interest-only securities related to debt of consolidated trusts and debt of Freddie Mac with a fair value of \$0.5 billion as of both September 30, 2023 and December 31, 2022.

## Changes in Fair Value Under the Fair Value Option Election

The table below presents the changes in fair value related to items for which we have elected the fair value option. These amounts are included in investment gains, net, on our condensed consolidated statements of income.

**Table 13.8 - Changes in Fair Value Under the Fair Value Option Election**

(In millions)	3Q 2023	3Q 2022	YTD 2023	YTD 2022
	Gains (Losses)	Gains (Losses)	Gains (Losses)	Gains (Losses)
Mortgage loans held-for-sale	(\$256)	(\$333)	(\$379)	(\$1,282)
Mortgage loans held-for-investment	(20)	—	(24)	—
Debt of Freddie Mac	(6)	(18)	13	(44)
Debt of consolidated trusts	35	182	35	425
Other assets/other liabilities	(7)	(86)	47	(292)

Changes in fair value attributable to instrument-specific credit risk were not material for the periods presented for assets or liabilities for which we elected the fair value option.



## NOTE 14

### Legal Contingencies

We are involved, directly or indirectly, in a variety of legal and regulatory proceedings arising from time to time in the ordinary course of business (including, among other things, contractual disputes, personal injury claims, employment-related litigation, and other legal proceedings incidental to our business) and in connection with the conservatorship and Purchase Agreement. We are frequently involved, directly or indirectly, in litigation involving mortgage foreclosures. From time to time, we are also involved in proceedings arising from our termination of a seller's or servicer's eligibility to sell loans to, and/or service loans for, us. In these cases, the former seller or servicer sometimes seeks damages against us for wrongful termination under a variety of legal theories. In addition, we are sometimes sued in connection with the origination or servicing of loans. These suits typically involve claims alleging wrongful actions of sellers and servicers. Our contracts with our sellers and servicers generally provide for indemnification of Freddie Mac against liability arising from sellers' and servicers' wrongful actions with respect to loans sold to or serviced for Freddie Mac.

Litigation claims and proceedings of all types are subject to many uncertainties (including appeals and procedural filings), and there can be no assurance as to the ultimate outcome of those actions (including the matters described below). In accordance with the accounting guidance for contingencies, we reserve for litigation claims and assessments asserted or threatened against us when a loss is probable (as defined in such guidance) and the amount of the loss can be reasonably estimated. The actual costs of resolving legal actions may be substantially higher or lower than the amounts accrued for those actions.

It is not possible for us to predict the actions the U.S. government (including Treasury and FHFA) might take in response to any ruling or finding in any of these lawsuits or any future lawsuits. However, it is possible that we could be adversely affected by these events, including, for example, by changes to the Purchase Agreement, or any resulting actual or perceived changes in the level of U.S. government support for our business.

### Putative Securities Class Action Lawsuit: Ohio Public Employees Retirement System vs. Freddie Mac, Syron, Et Al.

This putative securities class action lawsuit was filed against Freddie Mac and certain former officers on January 18, 2008 in the U.S. District Court for the Northern District of Ohio purportedly on behalf of a class of purchasers of Freddie Mac stock from August 1, 2006 through November 20, 2007. FHFA later intervened as Conservator, and the plaintiff amended its complaint on several occasions. The plaintiff alleged, among other things, that the defendants violated federal securities laws by making false and misleading statements concerning our business, risk management, and the procedures we put into place to protect the company from problems in the mortgage industry. The plaintiff seeks unspecified damages and interest, and reasonable costs and expenses, including attorney and expert fees.

In August 2018, the District Court denied the plaintiff's motion for class certification. On April 6, 2023, the Sixth Circuit reversed the District Court's September 17, 2020 decision to grant the plaintiff's request for summary judgment and enter final judgment in favor of Freddie Mac and other defendants. The Sixth Circuit remanded the case to the District Court for further proceedings. The District Court scheduled the trial to begin on October 21, 2024.

### Litigation Concerning the Purchase Agreement in the U.S. District Court for the District of Columbia

***In re Fannie Mae/Freddie Mac Senior Preferred Stock Purchase Agreement Class Action Litigations.*** This is a consolidated class action lawsuit filed by private individual and institutional investors (collectively, "Class Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

***Fairholme Funds, Inc., et al. v. FHFA, et al.*** This is an individual plaintiffs' lawsuit by certain institutional investors ("Individual Plaintiffs") against FHFA, Fannie Mae, and Freddie Mac.

Plaintiffs in each of the District of Columbia lawsuits filed an amended complaint on November 1, 2017 alleging claims for breach of contract, breach of the implied covenant of good faith and fair dealing, breach of fiduciary duties, and violation of Delaware and Virginia corporate law. Additionally, the Class Plaintiffs brought derivative claims against FHFA for breach of fiduciary duties and the Individual Plaintiffs brought claims under the Administrative Procedure Act. Both sets of claims are generally based on allegations that the net worth sweep dividend provisions of the senior preferred stock that were implemented pursuant to the August 2012 amendments nullified certain of the shareholders' rights, including the rights to receive dividends and a liquidation preference. On September 28, 2018, the District Court dismissed all of the claims except those for breach of the implied covenant of good faith and fair dealing. The cases were consolidated for trial.

Court rulings have limited the Plaintiffs' damages theories to those based on the decline in Freddie Mac's and Fannie Mae's share value immediately after the Third Amendment. The Plaintiffs have asserted losses based on the decline in value of Freddie Mac's common and junior preferred stock from August 16 to August 17, 2012. During the trial in October and early November 2022, the Plaintiffs requested that the jury award \$832 million plus pre-judgment interest as damages against Freddie Mac. The jury in that trial was not able to reach a unanimous verdict and on November 7, 2022 the judge declared a mistrial. The retrial started on July 24, 2023. On August 14, 2023, the jury returned a verdict against FHFA, Fannie Mae, and Freddie Mac awarding compensatory damages of \$282 million to Freddie Mac junior preferred shareholders and \$31 million to Freddie Mac common shareholders. The jury declined to award the Freddie Mac shareholders prejudgment interest. In 3Q 2023, we recorded a \$313 million accrual in other expense on our condensed consolidated statements of income for the adverse judgment.

## NOTE 15

### Regulatory Capital

#### ERCF

The table below presents our capital metrics under the ERCF.

**Table 15.1 - ERCF Available Capital and Capital Requirements**

(In billions)	September 30, 2023			December 31, 2022		
Adjusted total assets	\$3,758			\$3,710		
Risk-weighted assets (standardized approach)	973			899		

	September 30, 2023					
	Amounts			Ratios		
(Dollars in billions)	Available Capital (Deficit)	Minimum Capital Requirement	Capital Requirement (Including Buffer <sup>(1)</sup> )	Available Capital (Deficit) Ratio <sup>(2)</sup>	Minimum Capital Requirement Ratio <sup>(2)</sup>	Capital Requirement Ratio <sup>(2)</sup> (Including Buffer <sup>(1)</sup> )
<b>Risk-based capital:</b>						
Total capital	(\$21)	\$78	\$78	(2.1)%	8.0 %	8.0 %
CET1 capital	(47)	44	95	(4.8)	4.5	9.7
Tier 1 capital	(33)	58	109	(3.4)	6.0	11.2
Adjusted total capital	(33)	78	129	(3.4)	8.0	13.2
<b>Leverage capital:</b>						
Core capital	(\$28)	\$94	\$94	(0.7)%	2.5 %	2.5 %
Tier 1 capital	(33)	94	105	(0.9)	2.5	2.8

	December 31, 2022					
	Amounts			Ratios		
(Dollars in billions)	Available Capital (Deficit)	Minimum Capital Requirement	Capital Requirement (Including Buffer <sup>(1)</sup> )	Available Capital (Deficit) Ratio <sup>(2)</sup>	Minimum Capital Requirement Ratio <sup>(2)</sup>	Capital Requirement Ratio <sup>(2)</sup> (Including Buffer <sup>(1)</sup> )
<b>Risk-based capital:</b>						
Total capital	(\$27)	\$72	\$72	(3.1)%	8.0 %	8.0 %
CET1 capital	(55)	40	90	(6.2)	4.5	10.1
Tier 1 capital	(41)	54	104	(4.6)	6.0	11.6
Adjusted total capital	(41)	72	122	(4.6)	8.0	13.6
<b>Leverage capital:</b>						
Core capital	(\$35)	\$93	\$93	(1.0)%	2.5 %	2.5 %
Tier 1 capital	(41)	93	104	(1.1)	2.5	2.8

(1) PCCBA for risk-based capital and PLBA for leverage capital.

(2) As a percentage of RWA for risk-based capital and ATA for leverage capital.

END OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

## Other Information

### LEGAL PROCEEDINGS

We are involved, directly or indirectly, in a variety of legal proceedings arising from time to time in the ordinary course of business and in connection with the conservatorship and Purchase Agreement. See Note 14 for more information regarding our involvement as a party to various legal proceedings, including those in connection with the conservatorship and Purchase Agreement.

Over the last several years, numerous lawsuits have been filed against the U.S. government and, in some cases, the Secretary of the Treasury and the Director of FHFA, challenging certain government actions related to the conservatorship (including actions taken in connection with the imposition of conservatorship) and the Purchase Agreement. Freddie Mac is not a party to all of these lawsuits. Several of the lawsuits seek to invalidate the net worth sweep dividend provisions of the senior preferred stock, which were implemented pursuant to the August 2012 amendment to the Purchase Agreement. Some of these cases also have challenged the constitutionality of the structure of FHFA. A number of cases have been dismissed (some of which have been appealed), and others remain pending.

These cases include one that was filed in the U.S. Court of Federal Claims as a derivative lawsuit, purportedly on behalf of Freddie Mac as a "nominal" defendant: *Reid and Fisher vs. the United States of America and Federal Home Loan Mortgage Corporation*. This case was filed on February 26, 2014. The complaint alleges, among other items, that the net worth sweep dividend provisions of the senior preferred stock constitute an unlawful taking of private property for public use without just compensation. The plaintiffs ask that Freddie Mac be awarded just compensation for the U.S. government's alleged taking of its property, attorneys' fees, costs, and other expenses. The Court dismissed the case with prejudice on September 1, 2023 and entered judgment for the defendants.

Pursuant to the Purchase Agreement, in addition to satisfying other conditions, all currently pending material litigation related to our conservatorship and/or the Purchase Agreement must be resolved or settled and we must indemnify Treasury and the United States from and against any loss, cost, or damage of any kind arising out of our placement into conservatorship or the August 2012 amendment to the Purchase Agreement in order to exit from conservatorship.

### RISK FACTORS

This Form 10-Q should be read together with the Risk Factors section in our 2022 Annual Report, which describe various risks and uncertainties to which we are or may become subject. These risks and uncertainties could, directly or indirectly, adversely affect our business, financial condition, results of operations, cash flows, strategies, and/or prospects.

### UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### Recent Sales of Unregistered Securities

The securities we issue are "exempted securities" under the Securities Act of 1933, as amended. As a result, we do not file registration statements with the SEC with respect to offerings of our securities.

Following our entry into conservatorship, we suspended the operation of, and ceased making grants under, equity compensation plans. Previously, we had provided equity compensation under those plans to employees and members of the Board of Directors. Under the Purchase Agreement, we cannot issue any new options, rights to purchase, participations, or other equity interests without Treasury's prior approval.

#### Information About Certain Securities Issuances by Freddie Mac

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 an internet site ([www.sec.gov](http://www.sec.gov)) that contains reports, proxy and information statements, and other information regarding companies that file electronically with the SEC.

We provide disclosure about our debt securities on our website at [www.freddiemac.com/debt](http://www.freddiemac.com/debt). From this address, investors can access the offering circular and related supplements for debt securities offerings under Freddie Mac's global debt facility.

including pricing supplements for individual issuances of debt securities. Similar information about our STACR transactions and SCR transactions is available at [crt.freddie.mac.com](http://crt.freddie.mac.com) and [mf.freddie.mac.com/investors](http://mf.freddie.mac.com/investors), respectively.

We provide disclosure about our mortgage-related securities, some of which are off-balance sheet obligations (e.g., K Certificates and SB Certificates), on our website at [www.freddie.mac.com/mbs](http://www.freddie.mac.com/mbs) and [mf.freddie.mac.com/investors](http://mf.freddie.mac.com/investors). From these addresses, investors can access information and documents, including offering circulars and offering circular supplements, for mortgage-related securities offerings.

We provide additional information, including product descriptions, investor presentations, securities issuance calendars, transactions volumes and details, redemption notices, Freddie Mac research, and material developments or other events that may be important to investors, in each case as applicable, on the websites for our business activities, which can be found at [sf.freddie.mac.com](http://sf.freddie.mac.com), [mf.freddie.mac.com](http://mf.freddie.mac.com), and [capitalmarkets.freddie.mac.com/capital-markets](http://capitalmarkets.freddie.mac.com/capital-markets).

We provide information on our sustainability efforts on our website at [freddie.mac.com/about/sustainability](http://freddie.mac.com/about/sustainability).

## OTHER INFORMATION

### Insider Trading Arrangements and Policies

No executive officer or director adopted or terminated any contract, instruction, or written plan for the purchase or sale of, or any other such trading arrangement for, our securities. For more information on executive officer and director compensation and security ownership by our executive officers and directors, see Directors, Corporate Governance, and Executive Officers, Executive Compensation, and Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters in our 2022 Annual Report.

## EXHIBITS

The exhibits are listed in the Exhibit Index of this Form 10-Q.

# Controls and Procedures

## EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified by the SEC's rules and forms and that such information is accumulated and communicated to management of the company, including the company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we must apply judgment in implementing possible controls and procedures.

Management, including the company's Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2023. As a result of management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of September 30, 2023, at a reasonable level of assurance, because we have not been able to update our disclosure controls and procedures to provide reasonable assurance that information known by FHFA on an ongoing basis is communicated from FHFA to Freddie Mac's management in a manner that allows for timely decisions regarding our required disclosure under the federal securities laws. We consider this situation to be a material weakness in our internal control over financial reporting.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING DURING 3Q 2023

We evaluated the changes in our internal control over financial reporting that occurred during 3Q 2023 and concluded that there were no changes that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## MITIGATING ACTIONS RELATED TO THE MATERIAL WEAKNESS IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As described above under *Evaluation of Disclosure Controls and Procedures*, we have one material weakness in internal control over financial reporting as of September 30, 2023 that we have not remediated.

Given the structural nature of this material weakness, we believe it is likely that we will not remediate it while we are under conservatorship. However, both we and FHFA have continued to engage in activities and employ procedures and practices intended to permit accumulation and communication to management of information needed to meet our disclosure obligations under the federal securities laws. These include the following:

- FHFA has established the Division of Conservatorship Oversight and Readiness, which is intended to facilitate operation of the company with the oversight of the Conservator.
- We provide drafts of our SEC filings to FHFA personnel for their review and comment prior to filing. We also provide drafts of certain external press releases and statements to FHFA personnel for their review and comment prior to release.
- FHFA personnel, including senior officials, review our SEC filings prior to filing, including this Form 10-Q, and engage in discussions with us regarding issues associated with the information contained in those filings. Prior to filing this Form 10-Q, FHFA provided us with a written acknowledgment that it had reviewed the Form 10-Q, was not aware of any material misstatements or omissions in the Form 10-Q, and had no objection to our filing the Form 10-Q.
- Our senior management meets regularly with senior leadership at FHFA, including, but not limited to, the Director.
- FHFA representatives attend meetings frequently with various groups within the company to enhance the flow of information and to provide oversight on a variety of matters, including accounting, credit and capital markets management, external communications, and legal matters.
- Senior officials within FHFA's accounting group meet frequently with our senior financial executives regarding our accounting policies, practices, and procedures.

In view of our mitigating actions related to this material weakness, we believe that our condensed consolidated financial statements for 3Q 2023 have been prepared in conformity with GAAP.

# Exhibit Index

Exhibit	Description*
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)</a>
31.2	<a href="#">Certification of Executive Vice President and Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350</a>
32.2	<a href="#">Certification of Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Label
101.PRE	XBRL Taxonomy Extension Presentation
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*	The SEC file numbers for the Registrant's Registration Statement on Form 10, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K are 000-53330 and 001-34139.

# Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Federal Home Loan Mortgage Corporation

By: /s/ Michael J. DeVito  
Michael J. DeVito  
Chief Executive Officer  
(Principal Executive Officer)

Date: November 1, 2023

By: /s/ Christian M. Lown  
Christian M. Lown  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

Date: November 1, 2023



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**CERTIFICATION**  
**PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)**

I, Michael J. DeVito, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of the Federal Home Loan Mortgage Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023

/s/ Michael J. DeVito

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Michael J. DeVito  
Chief Executive Officer

**CERTIFICATION**  
**PURSUANT TO SECURITIES EXCHANGE ACT RULE 13a-14(a)**

I, Christian M. Lown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of the Federal Home Loan Mortgage Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023

/s/ Christian M. Lown

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Christian M. Lown

Executive Vice President and Chief Financial Officer

**CERTIFICATION**  
**PURSUANT TO 18 U.S.C. SECTION 1350,**  
**AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. DeVito, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2023

/s/ Michael J. DeVito

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Michael J. DeVito  
Chief Executive Officer

**CERTIFICATION**  
**PURSUANT TO 18 U.S.C. SECTION 1350,**  
**AS ENACTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 of the Federal Home Loan Mortgage Corporation (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christian M. Lown, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2023

/s/ Christian M. Lown

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Christian M. Lown

Executive Vice President and Chief Financial Officer