

Offering Circular Supplement
(To Offering Circular
Dated June 1, 2003)

\$206,500,000
Freddie Mac
Multiclass Certificates, Series 2848

**Freddie
Mac**

Offered Classes: REMIC Classes shown below
Offering Terms: The underwriter named below is offering the Classes in negotiated transactions at varying prices
Closing Date: August 30, 2004

REMIC Classes	Original Balance	Principal Type(1)	Class Coupon	Interest Type(1)	CUSIP Number	Final Payment Date
CA	\$32,550,000	SEQ	5.0%	FIX	31395E5D5	February 15, 2021
CG	74,800,000	SEQ	5.0	FIX	31395E5E3	June 15, 2015
CM	14,000,000	SEQ	5.0	FIX	31395E5F0	October 15, 2015
CY	13,950,000	SEQ	5.0	FIX	31395E5G8	August 15, 2024
CZ	24,000,000	SEQ	5.0	FIX/Z	31395E5H6	August 15, 2024
GZ	22,000,000	SEQ	5.0	FIX/Z	31395E5J2	March 15, 2019
TC	20,000,000	SEQ	5.0	FIX	31395E5L7	August 15, 2020
VE	5,200,000	AD/SEQ	5.0	FIX	31395E5M5	December 15, 2008
R	0	NPR	0.0	NPR	31395E5K9	August 15, 2024

(1) See *Appendix II* to the Offering Circular.

The Certificates may not be suitable investments for you. You should not purchase Certificates unless you have carefully considered and are able to bear the associated prepayment, interest rate, yield and market risks of investing in them. *Certain Risk Considerations* on page S-2 highlights some of these risks.

You should purchase Certificates only if you have read and understood this Supplement, the attached Offering Circular and the documents listed under *Available Information*.

We guarantee principal and interest payments on the Certificates. These payments are not guaranteed by and are not debts or obligations of the United States or any federal agency or instrumentality other than Freddie Mac. The Certificates are not tax-exempt. Because of applicable securities law exemptions, we have not registered the Certificates with any federal or state securities commission. No securities commission has reviewed this Supplement.

FTN Financial

July 29, 2004

CERTAIN RISK CONSIDERATIONS

Although we guarantee the payments on the Certificates, and so bear the associated credit risk, as an investor you will bear the other risks of owning mortgage securities. This section highlights some of these risks. You should also read *Risk Factors* and *Prepayment, Yield and Suitability Considerations* in the Offering Circular for further discussions of these risks.

The Certificates May Not be Suitable Investments for You. The Certificates are complex securities. You should not purchase Certificates unless you are able to understand and bear the associated prepayment, interest rate, yield and market risks.

In particular, the Accrual and Residual Classes have special risks and are not suitable for all investors.

Prepayments Can Reduce Your Yield. The yield on your Certificates could be lower than you expect if:

- You buy your Certificates at a premium over their principal amount and principal payments are faster than you expect.
- You buy your Certificates at a discount to their principal amount and principal payments are slower than you expect.

The Certificates are Subject to Market Risks. You will bear all of the market risks of your investment. The market value of your Certificates will vary over time, primarily in response to changes in prevailing interest rates. If you sell your Certificates when their market value is low, you may experience significant losses. The underwriter named on the front cover (the “**Underwriter**”) intends to make a market for the purchase and sale of the Certificates after they are issued, but has no obligation to do so. A secondary market may not develop. Even if one does develop, it may not be liquid enough to allow you to sell your Certificates easily or at your desired price.

Our Multiclass Certificates Offering Circular dated June 1, 2003 (the “**Offering Circular**”), attached to this Supplement, defines many of the terms we use in this Supplement.

TERMS SHEET

This Terms Sheet contains selected information about this Series. You should refer to the remainder of this Supplement for further information.

In this Supplement, we refer to Classes only by their letter designations. For example, “R” refers to the R Class of this Series.

Payment Dates

We make payments of principal and interest on the Certificates on each monthly Payment Date beginning in September 2004.

Form of Classes

Regular Classes: Book-entry on Fed System

Residual Class: Certificated

Interest

The Fixed Rate Classes bear interest at the Class Coupons shown on the front cover.

See *Payments — Interest*.

Principal

On each Payment Date, we pay:

- | | | |
|----------------------------------|---|--|
| Sequential
Pay and
Accrual | { | <ul style="list-style-type: none">• The GZ Accrual Amount to VE and CM, in that order, until retired, and then to GZ• The CZ Accrual Amount to CG, VE, CM, GZ and TC, in that order, until retired, and then to CZ |
| Sequential
Pay | { | <ul style="list-style-type: none">• The Asset Principal Amount, allocated concurrently:<ul style="list-style-type: none">1. 22.5181598063% to CA and CY, in that order, until retired2. 77.4818401937% to CG, VE, CM, GZ, TC and CZ, in that order, until retired |

REMIC Status

We will form a single REMIC Pool for this Series. We will elect to treat the REMIC Pool as a REMIC under the Code. R will be the “**Residual Class**” and the other Classes shown on the front cover will be “**Regular Classes**.” The Residual Class will be subject to transfer restrictions. See *Certain Federal Income Tax Consequences* in this Supplement and the Offering Circular.

Weighted Average Lives (in years)*

	PSA Prepayment Assumption				
	0%	100%	183%	300%	400%
CA	9.9	5.2	3.8	2.8	2.3
CG	6.1	3.1	2.3	1.8	1.5
CM	8.5	6.2	4.8	3.6	3.0
CY	18.3	14.9	12.4	9.4	7.6
CZ	18.1	15.3	13.2	10.6	8.8
GZ	12.9	8.2	6.3	4.7	3.9
TC	15.3	10.7	8.4	6.3	5.2
VE	2.2	2.2	2.2	2.1	1.9
The Assets	12.4	8.1	6.4	4.8	3.9

* We calculate weighted average lives based on the assumptions described in *Prepayment and Yield Analysis*. The actual weighted average lives are likely to differ from those shown, perhaps significantly.

The Assets

The “Assets” consist of Freddie Mac PCs with the following characteristics:

<u>Principal Balance</u>	<u>Original Term (in years)</u>	<u>Interest Rate</u>
\$206,500,000	20	5.0%

See *General Information — Structure of Transaction*.

We will publish a Supplemental Statement applicable to this Series shortly after the Closing Date. The Supplemental Statement will contain a schedule of the Assets and other information. See *Available Information*.

Assumed Mortgage Characteristics (as of August 1, 2004)

<u>Principal Balance</u>	<u>Remaining Term to Maturity (in months)</u>	<u>Loan Age (in months)</u>	<u>Per Annum Interest Rate</u>	<u>Per Annum Interest Rate of Related PCs</u>
\$206,500,000	235	5	5.566%	5.0%

The actual characteristics of the Mortgages differ from those shown, in some cases significantly.

See *General Information— The Mortgages*.

AVAILABLE INFORMATION

You should purchase Certificates only if you have read and understood this Supplement, the Offering Circular and the following documents:

- Our Mortgage Participation Certificates Offering Circular dated July 1, 2004, which describes Gold PCs generally.
- Our Giant and Other Pass-Through Certificates Offering Circular dated December 1, 1999 and the related Offering Circular Supplements dated May 9, 2001 and March 31, 2004, which together describe Gold Giant PCs generally.
- Our Information Statement dated February 27, 2004 and each of our Information Statement Supplements published through the time of purchase.

This Supplement incorporates by reference the documents listed above. We will also publish a Supplemental Statement applicable to this Series shortly after the Closing Date. The Supplemental Statement will contain a schedule of the Assets and other information. You should rely only on the most current information provided or incorporated by reference in this Supplement and any applicable Supplemental Statement.

You can obtain the documents listed above, the Agreement and current information concerning the Assets and the Certificates from our Investor Inquiry Department or our Internet Web-Site as described on page 3 of the Offering Circular. You can also obtain the documents listed above from the Underwriter at:

FTN Financial
Prospectus Department
Attn: Rusty Williams
845 Crossover Lane
Suite 150
Memphis, Tennessee 38117
(901) 435-8080

GENERAL INFORMATION

The Agreement

We will create the Certificates under the Multiclass Certificates Agreement dated June 1, 2003 and a Terms Supplement dated the Closing Date (together, the “**Agreement**”).

You should refer to the Agreement for a complete description of your rights and obligations and those of Freddie Mac. You will acquire your Certificates subject to the terms and conditions of the Agreement, including the Terms Supplement.

Form of Certificates

The Regular Classes are issued, held and transferable on the Fed System. The Residual Class is issued and held in certificated form and is transferable at the office of the Registrar.

Only a Fed Participant can be a Holder of a Regular Class. As an investor in Certificates, you are not necessarily the Holder.

See *Description of Certificates — Form, Holders and Payment Procedures* in the Offering Circular.

Structure of Transaction

General

This Series is a Single-Tier Series. See *Description of Certificates — REMIC Pool Structures* in the Offering Circular.

The Assets

The Assets are Gold PCs and/or Gold Giant PCs.

The Mortgages

The Mortgages underlying the Assets (the “**Mortgages**”) are fixed-rate, first lien residential mortgages and mortgage participations.

For purposes of this Supplement, we have made certain assumptions regarding the Mortgages, as shown under *Terms Sheet — Assumed Mortgage Characteristics*. However, the actual characteristics of most of the Mortgages differ from those assumed, perhaps significantly. This is the case even if the *weighted average* characteristics of the Mortgages are the same as those of mortgages having the characteristics assumed.

We may furnish some or all of the Assets from our own portfolio. Assets from our portfolio, or from other sources, may emphasize specific Mortgage characteristics, such as loan purpose, source of origination, geographic distribution or loan size, or specific borrower characteristics, such as credit rating or equity in the property. You can obtain information about the underlying Mortgage characteristics for the Assets from our Internet Web-Site.

PAYMENTS

Payment Dates; Record Dates

We make payments of principal and interest on the Certificates on each Payment Date, beginning in the month following the Closing Date. A “**Payment Date**” is the 15th of each month or, if the 15th is not a Business Day, the next Business Day.

On each Payment Date, any payment on a Certificate is made to the Holder of record as of the end of the preceding calendar month (a “**Record Date**”).

Method of Payment

You will receive payments on your Certificates in the manner described under *Description of Certificates — Form, Holders and Payment Procedures* in the Offering Circular.

Categories of Classes

For purposes of principal and interest payments, we have categorized the Classes as shown under “Principal Type” and “Interest Type” on the front cover. *Appendix II* to the Offering Circular explains the abbreviations used for categories of Classes.

Interest

We pay 30 days' interest on each Payment Date to the Holders of each Class on which interest has accrued, except that the Accrual Classes receive payments as described below. We calculate each interest payment on the outstanding balance of the Class as of the related Record Date and on the basis of a 360-day year of twelve 30-day months.

Accrual Period

The “**Accrual Period**” for each Payment Date is the preceding calendar month.

Fixed Rate Classes

The Fixed Rate Classes bear interest at the Class Coupons shown on the front cover.

Accrual Classes

CZ and GZ are Accrual Classes. The Accrual Classes do not receive interest payments; rather, interest accrued on each Accrual Class during each Accrual Period is added to its principal amount on the related Payment Date. We pay principal on each Accrual Class, including accrued interest that has been added to its principal amount, as described under *Terms Sheet — Principal*.

Principal

We pay principal on each Payment Date to the Holders of the Classes on which principal is then due. Holders receive principal payments on a pro rata basis among the Certificates of their Class.

Amount of Payments

The principal payments on the Certificates on each Payment Date equal:

- The amount of interest accrued on CZ and GZ during the related Accrual Period and not payable as interest on that Payment Date (the “**CZ Accrual Amount**” and the “**GZ Accrual Amount**”).
- The amount of principal required to be paid in the same month on the Assets (the “**Asset Principal Amount**”).

Allocation of Payments

On each Payment Date, we pay the Accrual Amounts and Asset Principal Amount for that Payment Date as described under *Terms Sheet — Principal*.

Class Factors

General

We make Class Factors available on or about the fifth business day of each month after the Closing Date. See *Description of Certificates — Payments — Class Factors* in the Offering Circular.

Use of Factors

You can calculate principal and interest payments by using the Class Factors.

For example, the reduction (or for an Accrual Class, the increase) in the balance of a Certificate in February will equal its original balance times the difference between its January and February Class Factors. The amount of interest to be paid on (or for an Accrual Class, added to the principal amount of) a Certificate in February will equal 30 days' interest at its Class Coupon, accrued during the related Accrual Period, on the balance of that Certificate determined by its January Class Factor.

Guarantees

We guarantee to each Holder of a Certificate the timely payment of interest at its Class Coupon and the payment of its principal amount as described in this Supplement. See *Description of Certificates — Payments — Guarantees* in the Offering Circular.

1% Clean-up Call

We have a 1% Clean-up Call Right. If we exercise this right, all of the Classes then outstanding will be paid in full and will retire. See *Description of Certificates — Payments — 1% Clean-up Call* in the Offering Circular.

Residual Proceeds

Upon surrender of their Certificates to the Registrar, the Holders of the Residual Class will receive the proceeds of any remaining assets of the REMIC Pool after all required principal and interest payments on the Classes have been made. Any remaining assets are likely to be insignificant. See *Description of Certificates — Payments — Residual Classes* in the Offering Circular.

PREPAYMENT AND YIELD ANALYSIS

General

Mortgage Prepayments

The rates of principal payments on the Assets and the Certificates will depend on the rates of principal payments, including prepayments, on the underlying Mortgages. The Mortgages are subject to prepayment at any time without penalty. Mortgage prepayment rates fluctuate continuously and, in some market conditions, substantially. See *Prepayment, Yield and Suitability Considerations — Prepayments* in the Offering Circular for a discussion of Mortgage prepayment considerations and risks.

Yield

As an investor in the Certificates, your yield will depend on:

- Your purchase price.
- The rate of principal payments on the underlying Mortgages.
- The actual characteristics of the underlying Mortgages.
- The delay between each Accrual Period and the related Payment Date.

See *Prepayment, Yield and Suitability Considerations — Yields* in the Offering Circular for a discussion of yield considerations and risks.

Suitability

The Certificates may not be suitable investments for you. See *Prepayment, Yield and Suitability Considerations — Suitability* in the Offering Circular for a discussion of suitability considerations and risks.

Modeling Assumptions

To prepare the tables in this Supplement, we have made several assumptions. Unless otherwise noted, each table employs the following assumptions (the “**Modeling Assumptions**”), among others:

- The Mortgages have the characteristics shown under *Terms Sheet — Assumed Mortgage Characteristics*.
- The Classes and Assets always receive payments on the 15th of the month, whether or not a Business Day.
- We do not exercise our 1% Clean-up Call Right.

The Modeling Assumptions, like any other stated assumptions, are likely to differ from actual experience in many cases. For example, the Mortgages have characteristics more diverse than those assumed, many Payment Dates will occur on a Business Day after the dates assumed and we may exercise our 1% Clean-up Call Right. Moreover, Mortgage prepayment rates will differ from the percentages of PSA shown in the tables. These differences will affect the actual payment behavior, weighted average lives and yields of the Classes, perhaps significantly.

See *Prepayment, Yield and Suitability Considerations — Tabular Information in Supplements* in the Offering Circular for descriptions of weighted average life and yield calculations and the PSA prepayment model.

Prepayment and Weighted Average Life Considerations

Accretion Directed Class

Payments of principal on the Accretion Directed Class should be stable under relatively slow prepayment scenarios because the GZ Accrual Amount will be dedicated to making principal payments on that Class until it retires. The weighted average life of the Accretion Directed Class cannot exceed its weighted average life as shown in the following table under any prepayment scenario, even a scenario where there are no prepayments. Based on the Modeling Assumptions, the Accretion Directed Class would retire on, but not before, its Final Payment Date if the underlying Mortgages prepay at any rate at or below the rate shown for that Class until it retires.

The principal payment stability of the Accretion Directed Class is supported primarily by its receipt of the GZ Accrual Amount. It is protected against early retirement by the Class shown in the table. When that Class retires, however, the Accretion Directed Class, if outstanding, will become sensitive to Mortgage prepayments and may retire before its Final Payment Date.

Accretion Directed Class

<u>Class</u>	<u>Maximum Weighted Average Life (in Years)</u>	<u>Final Payment Date</u>	<u>Prepayment Rate at or below</u>	<u>Protected by</u>
VE	2.2	December 15, 2008	194% PSA	CG

The underlying Mortgages have characteristics that differ from the Modeling Assumptions. As a result, even if the Mortgages prepay at a rate at or somewhat below the rate shown for the Accretion Directed Class, that Class could retire before its Final Payment Date and its weighted average life could shorten.

Sequential Pay Classes

The Sequential Pay Classes receive principal payments from the Assets in a prescribed sequence.

Declining Balances Table

The following table shows:

- Percentages of original balances (as of the Closing Date) that would be outstanding after each of the Payment Dates shown at various percentages of PSA.
- Corresponding weighted average lives.

We have prepared this table using the Modeling Assumptions. However, for 0% PSA we have assumed that each Mortgage (a) has an interest rate 2.5% higher than that of the PCs and (b) has a remaining term to maturity of 240 months and a loan age of 0 months.

Percentages of Original Balances Outstanding* and Weighted Average Lives

Date	CA					CG					CM				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 15, 2005	97	93	90	86	83	94	87	83	78	73	100	100	100	100	100
August 15, 2006	93	82	75	65	56	87	70	59	43	31	100	100	100	100	100
August 15, 2007	90	71	58	42	30	79	51	32	8	0	100	100	100	100	56
August 15, 2008	86	60	44	24	10	71	33	9	0	0	100	100	100	0	0
August 15, 2009	81	50	31	10	0	63	16	0	0	0	93	93	26	0	0
August 15, 2010	77	40	20	0	0	54	0	0	0	0	82	78	0	0	0
August 15, 2011	72	31	10	0	0	44	0	0	0	0	71	0	0	0	0
August 15, 2012	66	23	2	0	0	34	0	0	0	0	60	0	0	0	0
August 15, 2013	60	15	0	0	0	22	0	0	0	0	48	0	0	0	0
August 15, 2014	54	8	0	0	0	11	0	0	0	0	35	0	0	0	0
August 15, 2015	47	1	0	0	0	0	0	0	0	0	10	0	0	0	0
August 15, 2016	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2017	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2018	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2019	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2020	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August 15, 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	9.9	5.2	3.8	2.8	2.3	6.1	3.1	2.3	1.8	1.5	8.5	6.2	4.8	3.6	3.0

Date	CY					CZ					GZ				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 15, 2005	100	100	100	100	100	105	105	105	105	105	105	105	105	105	105
August 15, 2006	100	100	100	100	100	110	110	110	110	110	110	110	110	110	110
August 15, 2007	100	100	100	100	100	116	116	116	116	116	116	116	116	116	116
August 15, 2008	100	100	100	100	100	122	122	122	122	122	122	122	122	117	46
August 15, 2009	100	100	100	100	90	128	128	128	128	128	128	128	128	37	0
August 15, 2010	100	100	100	96	65	135	135	135	135	131	135	135	81	0	0
August 15, 2011	100	100	100	75	47	142	142	142	142	94	142	131	24	0	0
August 15, 2012	100	100	100	58	34	149	149	149	116	68	149	81	0	0	0
August 15, 2013	100	100	87	45	24	157	157	157	89	48	157	33	0	0	0
August 15, 2014	100	100	72	34	17	165	165	143	68	34	165	0	0	0	0
August 15, 2015	100	100	59	26	12	173	173	117	51	24	173	0	0	0	0
August 15, 2016	100	87	47	19	8	182	173	95	38	16	133	0	0	0	0
August 15, 2017	100	73	37	14	6	191	145	75	28	11	82	0	0	0	0
August 15, 2018	100	59	29	10	4	201	119	58	20	7	29	0	0	0	0
August 15, 2019	100	47	22	7	2	211	94	44	14	5	0	0	0	0	0
August 15, 2020	100	36	16	5	1	222	71	31	9	3	0	0	0	0	0
August 15, 2021	86	25	10	3	1	173	49	21	5	2	0	0	0	0	0
August 15, 2022	60	15	6	1	0	119	29	12	3	1	0	0	0	0	0
August 15, 2023	31	5	2	0	0	62	10	4	1	0	0	0	0	0	0
August 15, 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	18.3	14.9	12.4	9.4	7.6	18.1	15.3	13.2	10.6	8.8	12.9	8.2	6.3	4.7	3.9

* Rounded to nearest whole percentage.

Date	TC					VE					The Assets				
	PSA Prepayment Assumption					PSA Prepayment Assumption					PSA Prepayment Assumption				
	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%	0%	100%	183%	300%	400%
Closing Date	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
August 15, 2005	100	100	100	100	100	78	78	78	78	78	98	95	93	90	88
August 15, 2006	100	100	100	100	100	56	56	56	56	56	95	88	82	75	69
August 15, 2007	100	100	100	100	100	32	32	32	32	0	93	79	71	60	51
August 15, 2008	100	100	100	100	100	7	7	7	0	0	90	72	61	47	37
August 15, 2009	100	100	100	100	63	0	0	0	0	0	87	65	52	37	27
August 15, 2010	100	100	100	69	0	0	0	0	0	0	84	58	44	29	20
August 15, 2011	100	100	100	10	0	0	0	0	0	0	80	52	37	22	14
August 15, 2012	100	100	71	0	0	0	0	0	0	0	76	46	31	17	10
August 15, 2013	100	100	20	0	0	0	0	0	0	0	72	40	26	13	7
August 15, 2014	100	85	0	0	0	0	0	0	0	0	68	35	21	10	5
August 15, 2015	100	36	0	0	0	0	0	0	0	0	63	31	18	8	4
August 15, 2016	100	0	0	0	0	0	0	0	0	0	58	26	14	6	2
August 15, 2017	100	0	0	0	0	0	0	0	0	0	53	22	11	4	2
August 15, 2018	100	0	0	0	0	0	0	0	0	0	47	18	9	3	1
August 15, 2019	68	0	0	0	0	0	0	0	0	0	40	14	7	2	1
August 15, 2020	0	0	0	0	0	0	0	0	0	0	33	11	5	1	0
August 15, 2021	0	0	0	0	0	0	0	0	0	0	26	7	3	1	0
August 15, 2022	0	0	0	0	0	0	0	0	0	0	18	4	2	0	0
August 15, 2023	0	0	0	0	0	0	0	0	0	0	9	2	1	0	0
August 15, 2024	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (Years)	15.3	10.7	8.4	6.3	5.2	2.2	2.2	2.2	2.1	1.9	12.4	8.1	6.4	4.8	3.9

FINAL PAYMENT DATES

The Final Payment Date for each Class is the latest date by which it will be paid in full and will retire. We calculate Final Payment Dates using highly conservative assumptions, and the actual retirement of each Class may occur earlier than its Final Payment Date.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

General

Subject to the assumptions described under *Certain Federal Income Tax Consequences — REMIC Election* in the Offering Circular, the REMIC Pool will qualify as a REMIC for federal income tax purposes.

Regular Classes

The Regular Classes are “regular interests” in the REMIC Pool. They are treated as debt instruments for federal income tax purposes and may be issued with original issue discount (“OID”) or at a premium. Based in part on information provided by the Underwriter regarding the initial prices at which it will sell substantial portions of the Regular Classes, we expect to report income to the Internal Revenue Service and to Holders of the Regular Classes assuming they are issued as follows:

- *OID:* CY, CZ and GZ.
- *De Minimis OID:* TC.
- *Premium:* CA, CG, CM and VE.

OID generally results in recognition of taxable income in advance of the receipt of cash attributable to that income. The Pricing Speed used for OID and premium calculations is 183% PSA. See *Certain Federal Income Tax Consequences — Taxation of Regular Classes — Original Issue Discount* and — *Premium* in the Offering Circular.

Residual Class

The Residual Class is the “residual interest” in the REMIC Pool. Special tax considerations apply to the Residual Class. The taxation of the Residual Class can produce a significantly less favorable after-tax return than if (a) the Residual Class were taxable as a debt instrument or (b) no portion of the taxable income on the Residual Class were treated as “excess inclusions.” In certain periods, taxable income and the resulting tax liability on the Residual Class may exceed any payments on that Class. See *Certain Federal Income Tax Consequences — Taxation of Residual Classes* in the Offering Circular.

A substantial tax may be imposed on certain transferors of the Residual Class and certain beneficial owners of the Residual Class that are “pass-through entities.” See *Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Disqualified Organizations* in the Offering Circular. You should not purchase the Residual Class before consulting your tax advisor.

Certain Transfers of Residual Class

The REMIC Regulations disregard:

1. A transfer of a “noneconomic residual interest” unless no significant purpose of the transfer is to impede the assessment or collection of tax.
2. Except in certain cases, a transfer of a residual interest to a foreign investor or a transfer of a residual interest from a foreign investor to a U.S. investor. Accordingly, the Agreement prohibits the transfer of an interest in the Residual Class to or from a foreign investor without our written consent.

See *Certain Federal Income Tax Consequences — Transfers of Interests in a Residual Class — Additional Transfer Restrictions* in the Offering Circular. In the case of a transfer that is disregarded, the transferor would continue to be treated as the owner of the residual interest and thus would continue to be subject to tax on its allocable portion of the net income of the REMIC.

Residual Class with Negative Fair Market Value

Recently, the Treasury issued final regulations addressing the treatment of a payment made to a transferee on the transfer of a “noneconomic residual interest.” Under these regulations, the transferee does not immediately recognize the payment as income. Rather, the payment is recognized as income over a period that is reasonably related to the period during which the REMIC is expected to generate taxable income or net loss allocable to the holder of the noneconomic Residual Class. The regulations also provide the following two safe harbor methods for tax accounting for the payment:

- A transferee may recognize the payment for federal income tax purposes in the same amounts and over the same period in which the payment is included in the transferee’s income for financial reporting purposes, provided that such period is not shorter than the period over which the REMIC is expected to generate taxable income.
- A transferee may recognize the payment for federal income tax purposes ratably over the “anticipated weighted average life of the REMIC,” as defined in the REMIC Regulations, as determined at the time the transferee acquires the residual interest.

The regulations state that the unamortized amount of the payment must be currently included by a transferee on disposition of the Residual Class. Additionally, the regulations provide that a transferee’s treatment of the payment is a method of accounting that must be consistently applied to all such payments received by the transferee in connection with noneconomic Residual Classes. Finally, the regulations state that such payment shall be treated as income from U.S. sources. The regulations are effective for taxable years ending on or after May 11, 2004.

Certain federal income tax consequences of a payment made to a transferee on the transfer of the Residual Class remain unclear. For example, the regulations do not address whether a residual interest could have a negative basis and a negative issue price.

If you receive a payment in connection with the acquisition of the Residual Class, you should consult your tax advisor as to the proper treatment of such payment.

Reporting and Administrative Matters

We will provide Holders of the Residual Class information to enable them to prepare reports required under the Code or applicable Treasury regulations. Because we do not intend to hold the Residual Class, applicable law may not allow us to perform tax administrative functions for the REMIC Pool. Therefore, if you own the Residual Class, you may have certain tax administrative obligations, for which we will act as your attorney-in-fact and agent. See *Certain Federal Income Tax Consequences — Reporting and Administrative Matters* in the Offering Circular.

LEGAL INVESTMENT CONSIDERATIONS

You should consult your legal advisor to determine whether the Certificates are a legal investment for you and whether you can use the Certificates as collateral for borrowings. See *Legal Investment Considerations* in the Offering Circular.

ERISA CONSIDERATIONS

Fiduciaries of ERISA plans should review *ERISA Considerations* in the Offering Circular.

PLAN OF DISTRIBUTION

Under an agreement with the Underwriter, we have agreed to sell all of the REMIC Certificates to the Underwriter in exchange for the Assets.

The Underwriter is offering the Certificates to the public in negotiated transactions at varying prices to be determined at the time of sale, plus accrued interest on each interest-bearing Class from the first day of its initial Accrual Period. The Underwriter is offering the Certificates subject to their issuance by us and subject to the Underwriter's right to reject any order. The Underwriter may make sales to or through securities dealers, which may include Freddie Mac through our Securities Sales & Trading Group. The dealers may receive compensation in the form of discounts, concessions or commissions from the Underwriter and commissions from any purchasers for which they act as agents.

Our agreement with the Underwriter provides that we will indemnify it against certain liabilities.

LEGAL MATTERS

Our General Counsel (or one of our Deputy General Counsels) will render an opinion on the legality of the Certificates. McKee Nelson LLP is representing the Underwriter on legal matters concerning the Certificates.

If you intend to purchase Certificates, you should rely only on the information in this Supplement and the Offering Circular, including the information in the disclosure documents that we have incorporated by reference. We have not authorized anyone to provide you with different information.

This Supplement, the Offering Circular and the incorporated documents may not be correct after their dates.

We are not offering the Certificates in any jurisdiction that prohibits their offer.

\$206,500,000

Freddie Mac

**Multiclass Certificates,
Series 2848**

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FTN Financial

July 29, 2004