

FEDERAL HOME LOAN MORTGAGE CORP

Form 10-K/A

April 12, 2010

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

FORM 10-K/A

(Amendment No. 2)

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

For the fiscal year ended December 31, 2009

Commission File Number: 000-53330

Federal Home Loan Mortgage Corporation
(Exact name of registrant as specified in its charter)

Freddie Mac

Federally chartered corporation <i>(State or other jurisdiction of incorporation or organization)</i>	8200 Jones Branch Drive McLean, Virginia 22102-3110 <i>(Address of principal executive offices, including zip code)</i>	52-0904874 <i>(I.R.S. Employer Identification No.)</i>	(703) 903-2000 <i>(Registrant's telephone number, including area code)</i>
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Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Voting Common Stock, no par value per share	New York Stock Exchange
Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.1% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.79% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange

Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.81% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
6% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Variable Rate, Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.7% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Variable Rate, Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
6.42% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.9% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.57% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
5.66% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
6.02% Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange
6.55% Non-Cumulative Preferred Stock, par value \$1.00 per share	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, par value \$1.00 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

The aggregate market value of the common stock held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2009 (the last business day of the registrant's most recently completed second fiscal quarter) was \$401.9 million.

As of February 11, 2010, there were 648,377,977 shares of the registrant's common stock outstanding.

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EXPLANATORY NOTE

The Federal Home Loan Mortgage Corporation (Freddie Mac or the company) is filing this Amendment No. 2 on Form 10-K/A to its Annual Report on Form 10-K for the fiscal year ended December 31, 2009, or the Form 10-K, to provide the additional information required by Part III of Form 10-K. This Amendment No. 2 on Form 10-K/A does not change the previously reported financial statements or any of the other disclosures contained in Part I or Part II of the Form 10-K, filed on February 24, 2010, as amended by Amendment No. 1 on Form 10-K/A filed on March 4, 2010. Part IV is being amended solely to add as exhibits certain new certifications in accordance with Rule 13a-14(a) promulgated by the Securities and Exchange Commission, or the SEC, under the Securities Exchange Act of 1934, or the Exchange Act.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Background

On September 6, 2008, the Director of the Federal Housing Finance Agency, or FHFA, appointed FHFA as the Conservator of Freddie Mac. Upon its appointment as Conservator, FHFA immediately succeeded to all rights, titles, powers and privileges of Freddie Mac, and of any stockholder, officer or director of Freddie Mac with respect to Freddie Mac and its assets, including, without limitation, the right of holders of Freddie Mac common stock to vote with respect to the election of directors and any other matter for which stockholder approval is required or deemed advisable. In view of the Conservator's succession to all of the voting power of Freddie Mac's stockholders, stockholders no longer have the ability to recommend director nominees or vote for the election of the directors of Freddie Mac. Accordingly, Freddie Mac will not solicit proxies, distribute a proxy statement to stockholders, or hold an annual meeting of stockholders in 2010. Instead, the Conservator has elected directors by a written consent in lieu of an annual meeting, as it did in 2009.

Directors

On November 24, 2008, the Conservator reconstituted the Board of Directors, or the Board, of Freddie Mac and delegated certain powers to the Board while reserving certain powers of approval to itself. See Authority of the Board and Board Committees. The Conservator determined that the Board is to have a non-executive Chairman, and is to consist of a minimum of nine and not more than 13 directors, with the Chief Executive Officer being the only corporate officer serving as a member of the Board.

On December 21, 2009, Freddie Mac announced that Barbara T. Alexander had notified FHFA that she would not stand for re-election to our Board at the expiration of her then-current term.

The Conservator executed a written consent, effective March 19, 2010, electing all of the then-current directors other than Ms. Alexander to another term as directors of Freddie Mac. The terms of those directors will end (i) on the date of the next annual meeting of stockholders of Freddie Mac, or (ii) when the Conservator next elects directors by written consent, whichever occurs first.

The Board is engaged in the process of identifying an appropriate and qualified candidate to fill the vacancy created by Ms. Alexander's departure from the Board. If such a candidate is identified, we anticipate that the Board will appoint that individual to fill the vacancy, subject to review by the Conservator, pursuant to authority delegated to the Board by the Conservator. The term of a director appointed by the Board to fill the vacancy would end at the same time as the terms of the directors elected by the Conservator by written consent.

Freddie Mac's Board seeks candidates for the Board who have achieved a high level of stature, success and respect in their principal occupations. Each of our current directors was selected as a candidate because of his or her character, judgment, experience and expertise. The qualifications of candidates also were evaluated in light of the requirement in our charter, as amended by the Reform Act, that our Board must at all times have at least one individual from the homebuilding, mortgage lending and real estate industries, and at least one person from an organization representing consumer or community interests or one person who has demonstrated a career commitment to the provision of housing for low-income households. Consistent with the examination guidance for Corporate Governance issued by FHFA, the factors considered also include the knowledge directors would have, as a group, in the areas of business,

finance, accounting, risk management, public policy, mortgage lending, real estate, low-income housing, homebuilding, regulation of financial institutions and any other areas that may be relevant to the safe and sound operation of Freddie Mac. Additionally, in accordance with the guidance issued by FHFA, we considered whether a candidate's other commitments, including the number of other board memberships, would permit the candidate to devote sufficient time to the candidate's duties and responsibilities as a Freddie Mac director.

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The following is a brief discussion of: the age and length of Board service of each director; the directors' experience, qualifications, attributes and/or skills; and other biographical information about our directors, as of April 8, 2010:

Linda B. Bammann joined the Board in December 2008. She is 54 years old. She is an experienced finance executive with in-depth knowledge of risk management gained from her previous employment and board memberships.

Ms. Bammann was Executive Vice President, Deputy Chief Risk Officer for JPMorgan Chase & Co. from July 2004 until her retirement in January 2005. Prior to that, Ms. Bammann held several positions with Bank One Corporation beginning in 2000, including Executive Vice President and Chief Risk Management Officer from 2001 until Bank One's acquisition by JPMorgan Chase & Co. in July 2004. Ms. Bammann also was a member of Bank One's executive planning group. From 1992 to 2000, Ms. Bammann was a Managing Director with UBS Warburg LLC and predecessor firms. Ms. Bammann was a board member of the Risk Management Association, and chairperson of the Loan Syndications and Trading Association. Ms. Bammann currently is a director of Manulife Financial Corporation, where she is a member of the Risk Committee and the Conduct, Review and Ethics Committee, and of The Manufacturers Life Insurance Company, a subsidiary of Manulife Financial Corporation.

Carolyn H. Byrd joined the Board in December 2008. She is 61 years old. She is an experienced finance executive who has held a variety of leadership positions. She also has significant public company audit committee experience.

Ms. Byrd has been Chairman and Chief Executive Officer of GlobalTech Financial, LLC, a financial services company she founded, since 2000. From 1997 to 2000, Ms. Byrd was President of Coca-Cola Financial Corporation. From 1977 to 1997, Ms. Byrd held a variety of domestic and international positions with The Coca-Cola Company, including Chief of Internal Audits and Director of the Corporate Auditing Department. She is currently a director of AFC Enterprises, Inc., where she is the Chair of the Audit Committee and a member of the People Services (Compensation) Committee. Ms. Byrd is a former member of the board of directors and audit committee member of Circuit City Stores, Inc. and RARE Hospitality International, Inc., and she also served on the board of directors of St. Paul Travelers Companies, Inc.

Robert R. Glauber joined the Board in 2006. He is 71 years old. Mr. Glauber is an experienced finance executive who has held several leadership positions in the private and public sectors and has academic experience focusing on financial matters.

From March 13, 2009 until August 10, 2009, Mr. Glauber served as our Interim Non-Executive Chairman while Mr. Koskinen served as our Interim Chief Executive Officer. Mr. Glauber is a Lecturer at Harvard's Kennedy School of Government and was a visiting professor at the Harvard Law School in 2007 and 2009. Previously, he served as Chairman and Chief Executive Officer of the National Association of Securities Dealers, or the NASD (now the Financial Industry Regulatory Authority, Inc., or FINRA), the private-sector regulator of U.S. securities firms, from September 2001 to September 2006, after becoming NASD's CEO in November 2000. Prior to becoming an officer at NASD, he was a Lecturer at the Kennedy School from 1992 until 2000, Under Secretary of the Treasury for Finance from 1989 to 1992 and, prior to that, a Professor of Finance at the Harvard Business School for 25 years. In 1987-88, Mr. Glauber served as Executive Director of the Task Force (Brady Commission) appointed by President Reagan to report on the October 1987 stock market break. He has served on the boards of the Federal Reserve Bank of Boston, a number of Dreyfus mutual funds, the Investment Company Institute, Quadra Realty Trust and as president of the Boston Economic Club. Mr. Glauber currently is a director of Moody's Corporation, where he is a member of the Audit Committee and the Governance and Compensation Committee; Chairman of XL Capital Ltd. (an insurance company), where he is the Chair of the Management Development and Compensation Committee and a member of the Governance and External Affairs Committee and the Finance

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Committee; and a Trustee of the International Accounting Standards Committee Foundation. He has been a Senior Advisor at Peter J. Solomon Co., an investment bank, since November 2006.

Charles E. Haldeman, Jr. joined the Board in August 2009, effective upon the commencement of his employment as Chief Executive Officer of Freddie Mac. He is 61 years old. He is an experienced finance executive and leader of finance and investment organizations.

Prior to joining Freddie Mac, Mr. Haldeman served as Chairman of Putnam Investment Management, LLC, the investment advisor for the Putnam Funds, from July 2008 through June 2009. He joined Putnam Investments in 2002 as Senior Managing Director and Co-Head of the investment division, was appointed President and Chief Executive Officer in November 2003, and served in that capacity until June 2008. He was a member of Putnam Funds Board of Trustees from 2004 until July 2009, and was named President of the Putnam Funds in 2007. He served as a member of Putnam Investments Board of Trustees from November 2003 until June 2009, where he served as a member of the audit committee. Prior to joining Putnam, Mr. Haldeman served as Chief Executive Officer of Delaware Investments from 2000 to 2002, and as chairman from 2001 to 2002. He was the President and Chief Operating Officer of United Asset Management Corporation (UAM) from 1998 to 1999. Before his service at UAM, he worked in various roles at Cooke & Bieler, Inc., an investment management firm and affiliate of UAM, from 1974 to 1998, most recently as Managing Partner. Mr. Haldeman is currently chairman of Dartmouth College's Board of Trustees. He also serves on the Harvard Business School Board of Dean's Advisors.

Laurence E. Hirsch joined the Board in December 2008. He is 64 years old. He is an experienced finance executive who has held leadership positions in the homebuilding and real estate and investment industries.

Mr. Hirsch has been Chairman of Highlander Partners, L.P., a private equity firm, since April 2004. Mr. Hirsch was Chief Executive Officer of Centex Corporation, a large homebuilder, from 1988 until his retirement in March 2004 and its Chairman from 1991 until March 2004. Mr. Hirsch is the Chairman of Eagle Materials Inc., where he is also Chairman of the Executive Committee. Mr. Hirsch is a director of A. H. Belo Corporation, where he is a member of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, and formerly served on the board of directors of Belo Corp., its parent company. In addition, Mr. Hirsch is Chairman of the Center for European Policy Analysis in Washington, D.C.

John A. Koskinen joined the Board in September 2008. He is 70 years old. He brings over thirty-five years of executive, board and government experience to the Board. He has managed a wide range of companies and divisions engaged in a variety of activities including mortgage securitization and investment, real estate development and management, hotel and resort operations, home building and insurance.

Mr. Koskinen served as Non-Executive Chairman of Freddie Mac from September 2008 until March 13, 2009, when he became our Interim Chief Executive Officer. He resumed the role of Non-Executive Chairman on August 10, 2009. In addition, Mr. Koskinen performed the function of principal financial officer on an interim basis from April 22, 2009 until August 10, 2009. Previously, Mr. Koskinen was President of the United States Soccer Foundation for four years, deputy mayor and city administrator of Washington, D.C. from 2000 to 2003, assistant to the president and chair of the President's Council on Year 2000 Conversion from 1998 to 2000 and deputy director for management of the Office of Management and Budget from 1994 to 1997. Prior to his government service, Mr. Koskinen worked as a senior executive of The Palmieri Company, including serving as President and Chief Executive Officer, participating in the restructuring of a range of large, troubled enterprises including Penn Central, the Teamsters Pension Fund, Levitt and Sons, Inc. and Mutual Benefit. Mr. Koskinen also is a director of The AES Corporation, where he is a member of the Financial Audit Committee and the Compensation Committee, and American Capital, Ltd., where he is a member of the Audit and Compliance Committee.

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Christopher S. Lynch joined the Board in December 2008. He is 52 years old. He is an experienced senior accounting executive who served as the lead audit signing Partner and Account Executive for several large financial institutions with mortgage lending businesses. He also has significant public company audit committee experience and risk management experience.

Mr. Lynch is an independent consultant providing a variety of services to financial intermediaries, including risk management, strategy, governance, financial and regulatory reporting and troubled-asset management. Prior to retiring from KPMG LLP in May 2007, Mr. Lynch held a variety of leadership positions at KPMG, including National Partner in Charge – Financial Services, the U.S. firm’s largest industry division. Mr. Lynch chaired KPMG’s Americas Financial Services Leadership team, was a member of the Global Financial Services Leadership and the U.S. Industries Leadership teams and led the Banking & Finance practice. Mr. Lynch also served as a partner in KPMG’s Department of Professional Practice and as a Practice Fellow at the Financial Accounting Standards Board. Mr. Lynch was the lead and audit signing partner for some of KPMG’s largest financial services clients. Mr. Lynch also is a director of American International Group, Inc., where he is the Chair of the Audit Committee and a member of the Finance and Risk Management Committee.

Nicolas P. Retsinas joined the Board in 2007. He is 63 years old. He is an experienced leader in the governmental and educational sectors, with in-depth knowledge of the mortgage lending and real estate industries. He also has represented consumer and community interests and has demonstrated a career commitment to the provision of housing for low-income households.

Since 1998, Mr. Retsinas has been Director of Harvard University’s Joint Center for Housing Studies. He also is a lecturer in Housing Studies at the Graduate School of Design and the Harvard Kennedy School of Government, and is a lecturer in Real Estate at the Harvard Business School. Prior to his Harvard appointment, Mr. Retsinas served as Assistant Secretary for Housing – Federal Housing Commissioner at the United States Department of Housing and Urban Development from 1993 to 1998 and as Director of the Office of Thrift Supervision from 1996 to 1997. He served on the Board of the Federal Deposit Insurance Corporation from 1996 to 1997, the Federal Housing Finance Board from 1993 to 1998 and the Neighborhood Reinvestment Corporation from 1993 to 1998. Mr. Retsinas serves on the Board of Trustees for the National Housing Endowment and for Enterprise Community Partners and on the Board of Directors of the Center for Responsible Lending.

Eugene B. Shanks, Jr. joined the Board in December 2008. He is 63 years old. He is an experienced finance executive with leadership and risk management expertise.

Mr. Shanks is a Trustee of Vanderbilt University, a member of the Advisory Board of the Stanford Institute for Economic Policy Research, a director of NewPower Holdings, Inc., and a founding director at The Posse Foundation. From November 2007 until August 2008, Mr. Shanks was the acting Chief Executive Officer of Trinsum Group, Incorporated, a strategic consulting and asset management company. From 1997 until its sale in 2002, Mr. Shanks was President and Chief Executive Officer of NetRisk, Inc., a risk management software and advisory services company he founded. From 1973 to 1978 and from 1980 to 1995, Mr. Shanks held a variety of positions with Bankers Trust New York Corporation, including head of Global Markets from 1986 to 1992 and President and Director from 1992 to 1995.

Anthony A. Williams joined the Board in December 2008. He is 58 years old. He is an experienced leader of state and local governments, with extensive knowledge concerning real estate and housing for low-income individuals. He also has significant experience in financial matters and is an experienced academic focusing on public management issues.

Mr. Williams is the William H. Bloomberg Lecturer in Public Management at Harvard's Kennedy School of Government. Since January 4, 2010, he has served as Executive Director of the Government Practice at The Corporate Executive Board Company. Since May 2009, Mr. Williams has been affiliated with Arent Fox LLP. Prior to this, Mr. Williams served as the Chief Executive Officer of Primum Public Realty Trust, beginning in January 2007. Mr. Williams served as the Mayor of Washington, D.C. from 1999 to January 2007, and as its Chief Financial Officer from 1995 to 1998. In

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2005, Mr. Williams served as Vice Chair of the Metropolitan Washington Council of Governments, and in 2004, Mr. Williams served as President of the National League of Cities. From 1993 to 1995, Mr. Williams was the first Chief Financial Officer for the U.S. Department of Agriculture. From 1991 to 1993, Mr. Williams was the Deputy State Comptroller of Connecticut. From 1989 to 1991, Mr. Williams was the Executive Director of the Community Development Agency of St. Louis, Missouri. From 1988 to 1989, Mr. Williams was an Assistant Director with the Boston Redevelopment Authority where he led the Department of Neighborhood Housing and Development, one of the Authority's four primary divisions. Mr. Williams also is a director of Meruelo Maddux Properties, Inc., where he is a member of the Audit Committee and the Nominating and Corporate Governance Committee.

Authority of the Board and Board Committees

The directors serve on behalf of, and exercise authority as directed by, the Conservator. The Conservator has delegated to the Board and its committees authority to function in accordance with the duties and authorities set forth in applicable statutes, regulations and regulatory examination and policy guidance, and Freddie Mac's Bylaws and Board committee charters, as such duties or authorities may be modified by the Conservator. The Conservator has instructed the Board that it should consult with and obtain the approval of the Conservator before taking action in the following areas:

actions involving capital stock, dividends, the senior preferred stock purchase agreement, or the Purchase Agreement, between the company and the U.S. Department of the Treasury, or Treasury, increases in risk limits, material changes in accounting policy, and reasonably foreseeable material increases in operational risk;

creation of any subsidiary or affiliate or any substantial transaction between Freddie Mac and any of its subsidiaries or affiliates, except for transactions undertaken in the ordinary course (*e.g.*, the creation of a trust, real estate mortgage investment conduit (REMIC), real estate investment trust (REIT) or similar vehicle);

matters that relate to conservatorship, such as, but not limited to, the initiation of, and material actions in connection with, significant litigation addressing the actions or authority of the Conservator, repudiation of contracts, qualified financial contracts in dispute due to our conservatorship and counterparties attempting to nullify or amend contracts due to our conservatorship;

actions involving hiring, compensation and termination benefits of directors and officers at the executive vice president level and above (including, regardless of title, executive positions with the functions of chief operating officer, chief financial officer, general counsel, chief business officer, chief investment officer, treasurer, chief compliance officer, chief risk officer and chief/general/internal auditor);

actions involving the retention and termination of external auditors and law firms serving as consultants to the Board;

settlements in excess of \$50 million of litigation, claims, regulatory proceedings or tax-related matters;

any merger with or purchase or acquisition of a business involving consideration in excess of \$50 million; and

any action that, in the reasonable business judgment of the Board at the time that the action is taken, is likely to cause significant reputation risk.

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The Board has five standing committees: Audit; Business and Risk; Compensation; Executive; and Nominating and Governance. The membership of current Board members on each committee is shown in the table below.

Director	Audit	Business and Risk	Compensation	Executive	Nominating and Governance
L. Bammann		Chair	X	X	
C. Byrd	X				X
R. Glauber	X			X	Chair
C. Haldeman				X	
L. Hirsch		X			X
J. Koskinen				Chair	
C. Lynch	Chair		X	X	
N. Retsinas		X			X
E. Shanks		X	Chair	X	
A. Williams	X				X

The charters reflecting the duties of the committees have been adopted by the Board and approved by the Conservator. All the charters of the standing committees are available on our website at www.freddiemac.com/governance/bd_committees.html.

Freddie Mac's Board has an independent Non-Executive Chairman, whose responsibilities include presiding over meetings of the Board, regularly scheduled executive sessions of the non-employee directors and executive sessions including only the independent directors that occur at least once annually if any of the non-employee directors are not independent. Mr. Koskinen was appointed to the position of Non-Executive Chairman by the Conservator in September 2008. He served in that position until March 13, 2009, when he assumed the position of Interim Chief Executive Officer. He resumed his duties as the Non-Executive Chairman on August 10, 2009 after Mr. Haldeman became Chief Executive Officer. Mr. Glauber assumed the position of Interim Non-Executive Chairman during the same period that Mr. Koskinen temporarily vacated that position.

Communications with Directors

Interested parties wishing to communicate any concerns or questions about Freddie Mac to the Non-Executive Chairman of the Board or to our non-employee directors as a group may do so by U.S. mail, addressed to the Corporate Secretary, Freddie Mac, Mail Stop 200, 8200 Jones Branch Drive, McLean, VA 22102-3110. Communications may be addressed to a specific director or directors or to groups of directors, such as the independent or non-employee directors.

Executive Officers

As of April 8, 2010, our executive officers are as follows:

Name	Age	Year of Affiliation	Position
Charles E. Haldeman, Jr.	61	2009	Chief Executive Officer
Bruce M. Witherell	50	2009	Chief Operating Officer
Ross J. Kari	51	2009	Executive Vice President Chief Financial Officer

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Donald J. Bisenius	51	1992	Executive Vice President Guarantee Business	Single Family Credit
Robert E. Bostrom	57	2006	Executive Vice President & Corporate Secretary	General Counsel
Paul G. George	58	2005	Executive Vice President & Corporate Services	Human Resources
Michael Perlman	59	2007	Executive Vice President	Operations & Technology
Raymond G. Romano	48	2004	Executive Vice President	Chief Credit Officer
Peter J. Federico	44	1988	Senior Vice President and Treasurer	Investments & Capital Markets
Timothy F. Kenny	48	2007	Senior Vice President	General Auditor
Michael C. May	51	1983	Senior Vice President	Multifamily
Hollis S. McLoughlin	59	2004	Senior Vice President	External Relations
Paul E. Mullings	59	2005	Senior Vice President	Single Family Sourcing
Jerry Weiss	52	2003	Senior Vice President	Compliance, Regulatory Affairs and Mission, and Chief Compliance Officer
Paige H. Wisdom	48	2008	Senior Vice President	Chief Enterprise Risk Officer

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The following is a brief biographical description of each executive officer who is not also a member of the Board.

Bruce M. Witherell was appointed Freddie Mac's Chief Operating Officer effective September 2009. From May 2008 until he joined Freddie Mac, Mr. Witherell served as Managing Director of PrimeStone Partners, LLC, a private investment and advisory firm. Previously, Mr. Witherell served as Managing Director and Global Co-Head of the residential mortgage business of Morgan Stanley, a global financial services firm, from December 2006 to May 2008. Before his service at Morgan Stanley, he worked in various roles at Lehman Brothers Holdings Inc., a global investment bank, for 15 years, including as Chief Executive Officer of Lehman Brothers Bank and as Chief Executive Officer of Aurora Loan Services from 2003 to 2006.

Ross J. Kari was appointed the company's Executive Vice President – Chief Financial Officer, effective October 2009. Mr. Kari joined Freddie Mac from Fifth Third Bancorp, a financial services firm, where he served as Executive Vice President and Chief Financial Officer beginning in November 2008. Previously, he served as Executive Vice President and Chief Financial Officer of Safeco Corporation, an insurance firm, from June 2006 to October 2008. Prior to that, Mr. Kari served as Executive Vice President and Chief Operating Officer of the Federal Home Loan Bank of San Francisco, a government sponsored enterprise and part of the Federal Home Loan Bank System, from February 2002 to June 2006. Mr. Kari is a member of the board of directors of KKR Financial Holdings LLC where he is the Chairman of the Audit Committee.

Donald J. Bisenius was appointed Executive Vice President – Single Family Credit Guarantee in May 2009. Prior to holding his current position, he served as Senior Vice President – Single Family Credit Guarantee from May 2008 until May 2009 and Senior Vice President – Credit Policy and Portfolio Management from November 2003 until April 2008. From October 2001 until October 2003. Mr. Bisenius was Senior Vice President – Credit Risk Management. Prior to that, he served in a number of positions with Freddie Mac since joining us in January 1992. Before his service at Freddie Mac, Mr. Bisenius served in a variety of positions with the Federal Housing Finance Board and the Federal Home Loan Bank Board in Washington, DC.

Robert E. Bostrom was appointed Executive Vice President – General Counsel & Corporate Secretary in February 2006. Prior to joining us, Mr. Bostrom was the managing partner of the New York office of Winston & Strawn LLP, a member of that firm's executive committee and head of its financial institutions practice. Mr. Bostrom originally joined Winston & Strawn in 1990. From 1992 until 1996, Mr. Bostrom served as Executive Vice President of Legal, Regulatory and Compliance and General Counsel of National Westminster Bancorp.

Paul G. George was appointed Executive Vice President – Human Resources & Corporate Services in December 2006. He joined us in August 2005 as Executive Vice President, Human Resources. Prior to joining us, Mr. George was Senior Executive Vice President of Human Resources at Wachovia Corp. from July 1999 through December 2004. Prior to that, he was a member of Waste Management Inc.'s interim management team from 1998 to 1999. He also served for approximately nine years as Senior Vice President of Human Resources at United Airlines. Between 1985 and 1988 he was Vice President of Human Resources at Pacific Southwest Airlines. Prior to that, he was a partner at the law firm Meserve, Mumper & Hughes.

Michael Perlman was appointed Executive Vice President – Operations & Technology in August 2007. Prior to joining us, Mr. Perlman was a managing director at Morgan Stanley until July 2007, where he developed operations and technology infrastructure to support their Fixed Income and Global Operations Divisions. Mr. Perlman also played significant roles in building Morgan Stanley's institutional processing systems. Before joining Morgan Stanley in September 1997, Mr. Perlman was a founding partner at AT&T Solutions – Financial Services Group and a partner in the Washington, DC and New York offices of Deloitte & Touche, where he specialized in large-scale business and technology renovation.

Raymond G. Romano was appointed Executive Vice President Chief Credit Officer in April 2009. Prior to this appointment, he served as our Senior Vice President Chief Credit Officer from December 2008 until March 2009 and as acting Chief Credit Officer from September 2008 until December 2008. Before being appointed Chief Credit Officer, Mr. Romano served as Senior Vice President Credit Risk Oversight, a position he held since March 2004. Prior to that, Mr. Romano served as Senior Vice President and Chief

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Credit Risk Officer and other executive positions at different major financial institutions including North American Mortgage Company in Tampa, Dime Savings Bank of NY, and with Citicorp's Investment Bank.

Peter J. Federico was appointed Senior Vice President – Investments & Capital Markets and Treasurer in May 2009. In this position, Mr. Federico is responsible for managing all of Freddie Mac's mortgage investment activities for the mortgage-related investments portfolio. He also manages the company's short- and long-term debt issuance program. Mr. Federico joined Freddie Mac in 1988. From December 2008 until May 2009, he served as Treasurer and Senior Vice President – Treasury & Liability Management, a position in which he was responsible for managing the company's debt and equity funding, as well as its Liquidity & Contingency Portfolio of non-mortgage investments. From March 2006 to December 2008, Mr. Federico served as Senior Vice President – Asset & Liability Management, managing the interest rate risks associated with the company's mortgage investment and guarantee businesses. In that position, he also was responsible for the management of Freddie Mac's Liquidity and Contingency Portfolio. He was named Vice President, Asset & Liability Management, in 2000.

Timothy F. Kenny was appointed Senior Vice President – General Auditor in July 2008. Prior to this appointment, Mr. Kenny served as Vice President and Interim General Auditor starting in May 2008. Before that, he served as our Vice President, Assistant General Auditor from September 2007 to May 2008. From 2001 to 2007, Mr. Kenny was a Managing Director with BearingPoint, Inc. (formerly KPMG Consulting, Inc.) where he directed a large team of financial professionals on a variety of financial risk management consulting projects with Ginnie Mae, the Federal Housing Administration, private sector mortgage bankers and other federal credit agencies. He was appointed a member of the BearingPoint, Inc. 401(k) Plan Committee in 2004 and served as a member until his resignation in 2007. He joined KPMG LLP, the predecessor organization to KPMG Consulting, in 1986, was promoted to a KPMG Audit Partner in 1997, and served in that position until the separation of KPMG Consulting from KPMG LLP in February 2001.

Michael C. May was appointed Senior Vice President – Multifamily in August 2005. Prior to this appointment, Mr. May served as our Senior Vice President, Operations starting in February 2005. He also served as Senior Vice President, Mortgage Sourcing, Operations & Funding from November 2003 to February 2005. Prior to that, Mr. May held the positions of Senior Vice President, Single Family Operations from July 2002 through October 2003 and Senior Vice President, Project Enterprise from January 2001 to July 2002. Mr. May also held various positions at our company since joining us in 1983.

Hollis S. McLoughlin was appointed Senior Vice President – External Relations in September 2008. Prior to that he served as Senior Vice President – External Relations and Chief of Staff from April 2008 until September 2008. Prior to this appointment, Mr. McLoughlin served as our Senior Vice President, External Relations starting in January 2006. He also served as Senior Vice President and Chief of Staff from April 2004 to January 2006. During the period from 1998 until 2004, Mr. McLoughlin was Chief Operating Officer of two private equity-backed operating companies. Before that, he was one of the founding partners of Darby Overseas, a private equity partnership based in Washington, D.C. He also has been a senior executive at Purolator Courier, an overnight delivery company, and a privately held transportation company. Mr. McLoughlin served from 1989 through 1992 as assistant secretary of the Treasury under President George Bush, where he was responsible for the coordination of all policy and management of several key internal functions. He served as chief of staff to Sen. Nicholas Brady, R-N.J., in 1982 and to Rep. Millicent Fenwick, R-N.J., from 1975 to 1979.

Paul E. Mullings was appointed Senior Vice President – Single Family Sourcing in July 2005. Before joining us, Mr. Mullings was Senior Vice President of JPMorgan Chase and Mortgage Finance Manager and Fair Lending Executive at Chase Home Finance. Prior to joining Chase Home Finance in 1997, Mr. Mullings was President and Chief Executive Officer of Mortgage Electronic Registration Systems, Inc. Mr. Mullings was also President and Chief Executive Officer of the residential mortgage division of First Interstate Bank, Los Angeles. Prior to First Interstate,

he held a series of senior management positions with increasing responsibilities at Glendale Federal Bank, Glendale, California.

Jerry Weiss was appointed Senior Vice President Compliance, Regulatory Affairs and Mission, and Chief Compliance Officer in April 2009. More recently, he has also become responsible for overseeing both

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the company's affordable housing mission and activities related to the President's Making Home Affordable Program. Mr. Weiss served as Senior Vice President - Compliance and Regulatory Affairs and Chief Compliance Officer from April 2008 until April 2009. Prior to this appointment, Mr. Weiss served as our Senior Vice President and Chief Compliance Officer since joining us in October 2003. Prior to joining us, Mr. Weiss worked from 1990 at Merrill Lynch Investment Managers, most recently as First Vice President and Global Head of Compliance. From 1982 to 1990, Mr. Weiss was with a national law practice in Washington, D.C., where he specialized in securities regulation and corporate finance matters.

Paige H. Wisdom was appointed Senior Vice President - Chief Enterprise Risk Officer in April 2010. Prior to this appointment, she served as the Senior Vice President - Business Unit Chief Financial Officer from January 2008 through March 2010. From August 2004 until December 2007, Ms. Wisdom served as a Business Unit Chief Financial Officer at Bank of America for key businesses including Global Business and Financial Services; Business, Lending, and Global Technology; and Service and Fulfillment. Prior to joining Bank of America, Ms. Wisdom served at Bank One Corporation/JP Morgan from June 2000 until July 2004, most recently as the Chief Financial Officer, Corporate Bank. Prior to that she served in leadership positions with increasing responsibilities at UBS/Warburg Dillon Read, Citibank Salomon Smith Barney, and Swiss Bank Corporation/SBC Warburg Dillon Read.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the directors and executive officers of a reporting company and persons who own more than 10% of a registered class of such company's equity securities to file reports of ownership and changes in ownership with the SEC and the exchange on which such company's securities trade, and to furnish the company with copies of the reports. Based solely on a review of such reports, we believe that during 2009 our directors and executive officers complied with such reporting obligations.

Codes of Conduct

We have separate codes of conduct applicable to employees and to Board members that outline the principles, policies and laws governing their activities. Upon joining Freddie Mac or its Board, all employees and directors, respectively, are required to sign acknowledgements that they have read the applicable code and agree to abide by it. In addition, all employees and directors must respond to an annual questionnaire concerning code compliance. The employee code also serves as the code of ethics for senior executives and financial officers required by the Sarbanes-Oxley Act and SEC regulations. Copies of our employee and director codes of conduct are available, and any amendments or waivers that would be required to be disclosed are posted, on our website at www.freddiemac.com.

Indemnification Agreements

Freddie Mac has entered into an indemnification agreement with each of its current directors and executive officers (except for Ms. Wisdom) (each, an "indemnitee"). A copy of the form of indemnification agreement is filed as Exhibit 10.2 to our Form 8-K filed on December 23, 2008 and is incorporated herein by reference.

The indemnification agreements provide that Freddie Mac will indemnify the indemnitee to the fullest extent permitted by Freddie Mac's Bylaws and Virginia law. This obligation includes, subject to certain terms and conditions, indemnification against all liabilities and expenses (including attorneys' fees) actually and reasonably incurred by the indemnitee in connection with any threatened or pending action, suit or proceeding, except such liabilities and expenses as are incurred because of the indemnitee's willful misconduct or knowing violation of criminal law. The indemnification agreements provide that if requested by the indemnitee, Freddie Mac will advance expenses, subject to repayment by the indemnitee of any funds advanced if it is ultimately determined that the indemnitee is not entitled to indemnification. The rights to indemnification under the indemnification agreements are not exclusive of any other

right the indemnitee may have under any statute, agreement or otherwise. Freddie Mac's obligations under the indemnification agreements will continue after the indemnitee is no longer a director or officer of the company with respect to any possible claims based on the fact that the indemnitee was a director or officer, and the indemnification agreements will remain in effect

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in the event the conservatorship is terminated. The indemnification agreements also provide that indemnification for actions instituted by FHFA will be governed by the standards set forth in FHFA's Notice of Proposed Rulemaking published in the Federal Register on November 14, 2008, proposing an amendment to FHFA's interim final golden parachute payments regulation to address prohibited and permissible indemnification payments. In January 2009, FHFA issued final regulations relating to golden parachute payments. Under those final regulations, FHFA may limit golden parachute payments, and the regulations set forth factors to be considered by the Director of FHFA in acting upon his authority to limit these payments. A new proposed rule was published by FHFA in June 2009 that has not yet been adopted in final form. In general, this proposal would give FHFA the authority to prohibit indemnification payments in cases involving administrative proceedings before FHFA or civil actions initiated by FHFA.

Audit Committee Financial Expert

We have a standing Audit Committee that satisfies the audit committee definition under Section 3(a)(58)(A) of the Exchange Act, the requirements of Rule 10A-3 under the Exchange Act and Sections 303A.06 and 303A.07 of the New York Stock Exchange, or NYSE, Listed Company Manual. The current members of the Audit Committee are Carolyn H. Byrd, Robert R. Glauber, Christopher S. Lynch and Anthony A. Williams, all of whom the Board determined in March 2010 are independent within the meaning of Rule 10A-3 under the Exchange Act and Section 303A.02 of the NYSE Listed Company Manual.

Mr. Lynch has been a member of the Audit Committee since December 18, 2008 and currently is its chairman. The Board determined in March 2010 that Mr. Lynch meets the definition of an audit committee financial expert under SEC regulations.

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