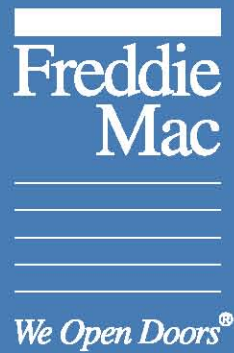


A Portrait of Hope

Freddie Mac
Foundation



President's Letter



As you turn through the pages of this annual report, imagine yourself strolling through a gallery and finding a painting or photograph that captures your interest. You might first stand at a distance, taking in the whole image. Then, wanting to fully grasp the depth of the work, you move in closer and closer. It's then you realize that every color, every shadow, every line is important, because each one occupies a unique space and each tells a select part of the story.

Our 2003 Philanthropic Annual Report portrays how Freddie Mac and the Freddie Mac Foundation make a difference in the community. In 2003, we invested substantial resources to build strong communities and open doors to hope and opportunity for children, youth and their families. In addition, hundreds of Freddie Mac employees donated their time, enriching the lives of children and building stronger communities through our business-school partnerships, Habitat for Humanity builds and other volunteer projects.

That's the big picture, but it's not the whole picture. For the complete image, a closer look at the depth and texture of our philanthropic efforts is required. Since 1991, Freddie Mac has continued to be a leader in the housing finance system, an employer of choice and a good corporate citizen, and the Freddie Mac Foundation has been improving the lives of children, families and communities. Against this vibrant historical background, in 2003, we continued to strategically add layers of support and community leadership to strengthen and deepen our past work. We took deliberate and thoughtful steps to ensure that the progress of the past was not eroded, and that new strides were made. We looked for innovative ways to be responsive to the needs of our community. We also leveraged our resources, energy and relationships in a number of important ways to create even greater benefit to nonprofits and the people they serve.

In April, we launched *Freddie Mac's Hoops for the Homeless*, a signature corporate event to heighten public awareness and raise funds to alleviate homelessness in the Washington metropolitan area. With the enthusiastic support of many of our industry partners, we raised \$180,000 and made it possible for three organizations serving the homeless to preserve and expand vital programs and services to the homeless.

Together, the corporation and the Foundation averted the closure of the Metropolitan Police Boys & Girls Clubs, through quick action and a \$1 million donation to support their merger with the Boys & Girls Clubs of Greater Washington. In turn, that donation leveraged an additional \$550,000 in contributions from the Boys & Girls Clubs of America.



José Perez and Doris Cañas with sons Andy and Alexy

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When their youngest son's medical prognosis was uncertain, the Cañas-Perez family turned to MotherNet/Healthy Families Loudoun for help. There, the family found hope and support when they needed it most.



Alexy and Andy Perez

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As a premature baby, Alexy Perez, now two, once fought for life. Today he and his five-year-old brother, Andy, are healthy, energetic little boys.