

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

DEPARTMENT OF DEFENSE

AND

FREDDIE MAC

I. Purpose and Basis for Memorandum of Understanding

This Memorandum of Understanding (MOU) establishes a partnership between Freddie Mac and the Office of the Deputy Under Secretary of Defense (Military Community and Family Policy). This partnership, under the conditions outlined in this MOU, allows Freddie Mac's Consumer Credit Education Program to be used at military installations throughout the Department of Defense (DoD).

The purpose of the DoD financial education initiative is to assist Service men and women and their immediate families in their efforts to building personal wealth through reducing debt and establishing savings goals. Building wealth affords Service members and their families an opportunity to achieve goals such as maintaining an emergency cash reserve, buying a house, or paying for college. The partnership promotes DoD's financial education program for Service men and women and their families using their **CreditSmart** product.

II. Freddie Mac

Freddie Mac is established by 12 U.S.C. §§ 1451 et seq. As a result of this Memorandum of Understanding, DoD commanders are permitted to use Freddie Mac's topical educational materials – including consumer credit educational materials such as **CreditSmart**.

III. Description of Freddie Mac's CreditSmart Program

Freddie Mac provides topical education information through **CreditSmart**, a community based outreach initiative, focused on helping consumers obtain and maintain good credit.

IV. Department of Defense

The DoD represents over 2 million active duty and reserve Service members in three military departments – Army, Navy, and Air Force. As part of its social compact with Service members and their families to care for their quality of life, DoD provides personal financial management education and training to prepare them for their changing financial needs. Enlisted Service members receive the bulk of their basic financial education during their first 18 months of service. Follow-on programs that include family members are provided at military installations to fulfill local education requirements.

Personal financial management is also seen as an integral part of personal readiness to accomplish the DoD mission. Poor money management skills may cause a Service member more than financial problems, and may also interfere with his or her ability to focus on the mission of defending the nation's interests.

V. Responsibilities

The Office of the Deputy Under Secretary of Defense (Military Community and Family Policy) and Freddie Mac agree to the following:

Responsibilities of Freddie Mac:

Provide a set number of copies of their **CreditSmart** consumer education materials to DoD Service members at no cost.

Responsibilities of the DoD

- A. The DoD, through the military Services, will promote the use of the **CreditSmart** educational materials.
- B. The DoD, through the military Services, will promote the use of local partnerships with Freddie Mac members within the vicinity of military installations, to develop programs and services to counsel and educate Service members and their families.

VI. Amendment

This MOU will be reviewed annually, and may be amended as agreed to in writing by both parties.

VII. Effective Date and Termination

This MOU shall become effective upon the signature of the authorized officials of the respective parties. It shall remain in effect until terminated by mutual agreement or 60 days advance written notice by either party.

VIII. Limitation

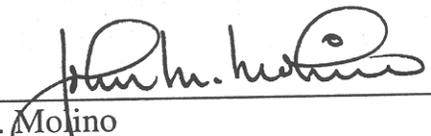
This document is a Memorandum of Understanding only. It is entered into only as a declaration of present intent. Nothing herein shall be construed as a legally binding commitment of any part or parties hereto either individually or collectively. This MOU does not create any rights either on the part of any party hereto or any third party. Any provision of this MOU that conflicts with federal law will be null and void.

IX. Points of Contact (POC)

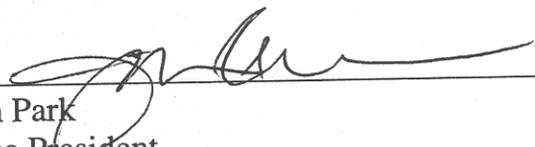
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Date: 10/1/03



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Date: 10/3/03