



Making Home Possible in Arkansas

Financing Homeownership & Rental Housing

Freddie Mac is supporting the housing market and answering the nation's call to assist with its recovery. Our top priorities are providing essential liquidity to the market and helping to stem the foreclosure crisis. Over the past decade, Freddie Mac has invested approximately **\$15.6 billion** in home loans, helping **152,294** Arkansas families own or rent a home.

| | Freddie Mac Investment | Homeowners Served | Renters Served | Total Families Served |
|---------------|------------------------|-------------------|----------------|-----------------------|
| 2008 | \$1.7 billion | 13,294 | 256 | 13,550 |
| Past 10 Years | \$15.6 billion | 135,029 | 17,266 | 152,294 |

In 2008 Freddie Mac:

- Enabled 1,305 Arkansas homebuyers to purchase their first home.
- Financed loans for 5,211 low- and moderate-income Arkansas families.
- Funded home loans with an average mortgage of \$127,346.

Preventing Foreclosure

We are proud to play a key role in sustaining homeownership by supporting the President's Making Home Affordable program. Freddie Mac helped approximately **88,000** homeowners avoid foreclosure in 2008, and **559** in Arkansas alone.

| | Loan Modifications | Repayment Plans | Forbearance | Other Foreclosure Alternatives | Total Families Avoiding Foreclosure |
|-------|--------------------|-----------------|-------------|--------------------------------|-------------------------------------|
| 2008* | 206 | 317 | 24 | 12 | 559 |

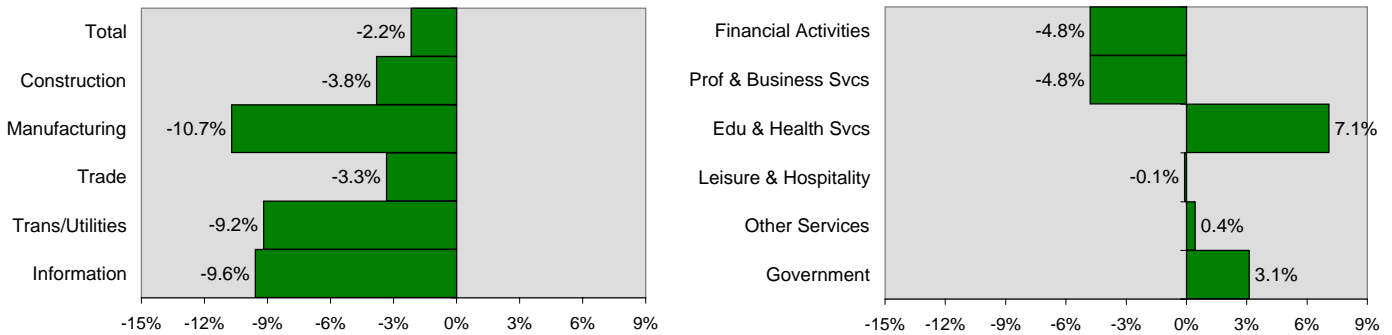
Homeowner Resources

- The mortgage lender, also called the "servicer." (Contact information located on mortgage statement.)
- www.MakingHomeAffordable.gov
- [Arkansas HUD](#)
- [Homeowner's HOPE™ Hotline, \(888\) 995-HOPE™](#)
- [HUD-Certified Housing Counselors, \(800\) 569-4287](#)
- www.FreddieMac.com/avoidforeclosure or (800) FREDDIE

For more information, please go to www.freddiemac.com/states

* Based on completed agreements. Periodically, there are differences in and changes to our reported numbers due to the timing of completion.

Employment growth was strongest in Arkansas' education and health services sector over the year ended July 2009

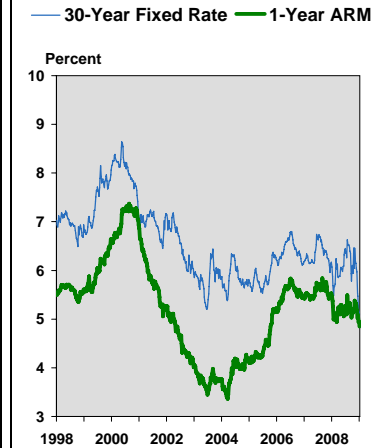


Source: Bureau of Labor Statistics, % change year ago

| Indicators | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---------|---------|---------|---------|---------|
| Gross State Product, C\$B | 74,191 | 76,458 | 77,540 | 78,716 | 79,245 |
| % Change | 4.8 | 3.1 | 1.4 | 1.5 | 0.7 |
| Total Non-Farm Employment (ths.) | 1,158.1 | 1,177.9 | 1,198.6 | 1,204.5 | 1,204.3 |
| % Change | 1.1 | 1.7 | 1.8 | 0.5 | 0.0 |
| Unemployment Rate (%) | 5.6 | 5.1 | 5.2 | 5.1 | 5.1 |
| Personal Income Growth (%) | 6.4 | 5.9 | 6.7 | 7.0 | 4.5 |
| Population (ths.) | 2,740.2 | 2,768.9 | 2,804.2 | 2,830.6 | 2,855.4 |
| Single-Family Permits | 10,563 | 13,191 | 10,769 | 7,990 | 5,219 |
| Multifamily Permits | 5,292 | 4,741 | 3,116 | 3,041 | 3,591 |
| Existing Median Home Sales Price (ths.) | 101.5 | 109.0 | 112.7 | 109.7 | 105.8 |
| Mortgage Originations (# of SF loans) | 87,397 | 89,849 | 83,847 | 78,932 | n/a |
| Personal Bankruptcies (total ch. 7 & 13) | 23,884 | 30,134 | 9,289 | 11,450 | 13,489 |
| Existing Home Sales (ths.) | 60.6 | 74.8 | 82.0 | 79.4 | 63.5 |
| 30-Year Fixed Mortgage Rate Average (%) | 5.84 | 5.87 | 6.41 | 6.34 | 6.07 |
| Rental Vacancy Rate (%) | 13.5 | 13.7 | 13.5 | 11.8 | 13.4 |
| Serious Mortgage Delinquency (% All Loans) | 1.52 | 1.63 | 1.71 | 2.40 | 3.32 |
| Foreclosure Rate (% All Loans) | 0.30 | 0.16 | 0.31 | 1.14 | 2.47 |
| Homeownership Rate (%) | 65.5 | 67.8 | 68.3 | 67.7 | n/a |

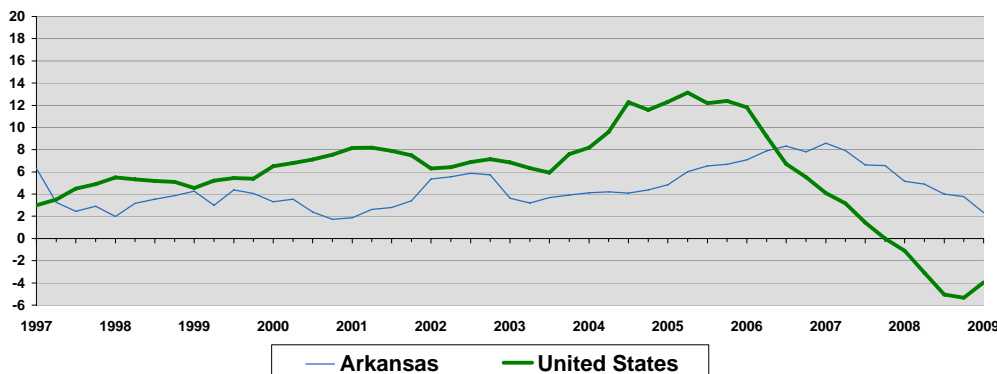
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®



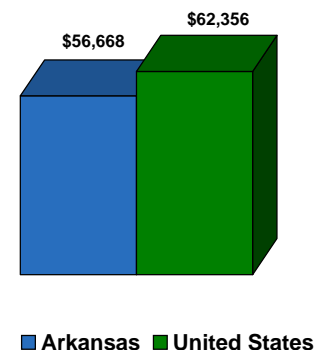
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



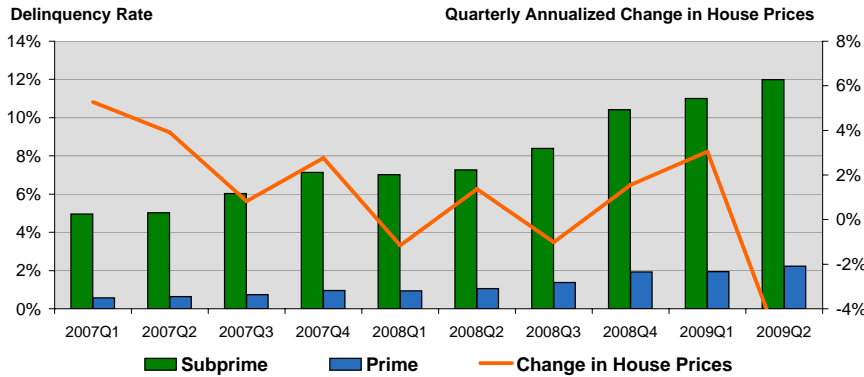
Source: Freddie Mac's Conventional Mortgage Home Price Index

2008Q4 Median Family Income



Source: US Census Bureau, Moody's Economy.com

Serious mortgage delinquencies are rising among prime and subprime borrowers in Arkansas but are low overall



Source: First American CoreLogic and Freddie Mac

National Rankings

| | |
|---------------------------------------|-----------|
| Homeownership Rate | 37 |
| 1 = Highest | |
| Mortgage Delinquency Rate | 38 |
| 1 = Most Delinquent | |
| Median Family Income | 37 |
| 1 = Highest | |
| Adjustable Rate Mortgage Share | 30 |
| 1 = Highest Share | |
| Housing Affordability | 15 |
| 1 = Most Affordable | |
| Employment Growth | 13 |
| 1 = Highest Growth | |

Homeownership Rates by Race and Ethnicity in Arkansas

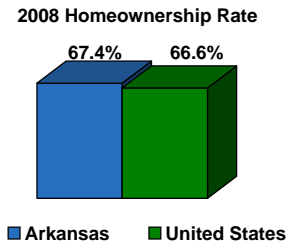
| Group | Homeownership Rate in 2008 | Change in Homeownership Rate from 2007 |
|---------------------------|----------------------------|--|
| All Households | 67.7% | -0.6% |
| White, Non-hispanic | 72.6% | -0.4% |
| Black | 45.6% | -0.7% |
| Hispanic | 51.2% | 8.5% |
| Asian or Pacific Islander | 61.7% | 7.3% |

Source: US Census Bureau - American Community Survey

Homeownership Rate in 2008

Change in Homeownership Rate from 2007

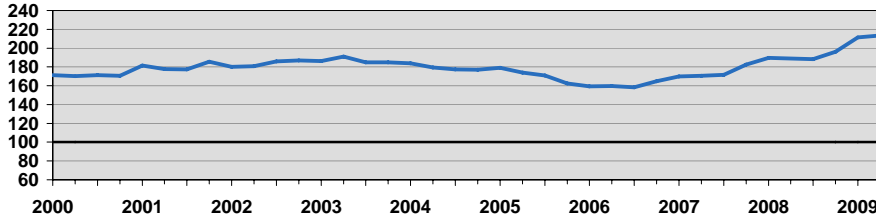
Homeownership is slightly higher in AR than the national average



Source: US Census Bureau

State Housing Affordability Index - Arkansas

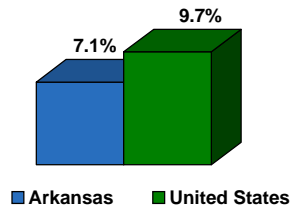
Share of the median-priced home affordable to the median-income family with a 30-year fixed-rate mortgage and 20% downpayment.



Source: Moody's Economy.com

The unemployment rate is lower in AR

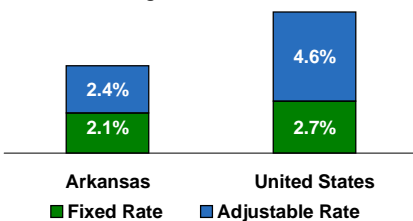
August 2009 Unemployment Rate



Source: Bureau of Labor Statistics

The Subprime Picture

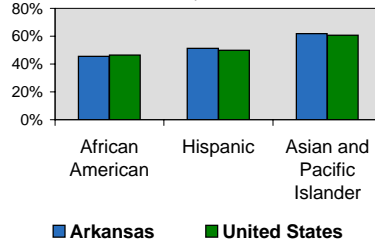
Subprime dollar share of all loans outstanding as of December 2008



Source: First American CoreLogic

Homeownership is higher among Hispanic and Asian populations in AR

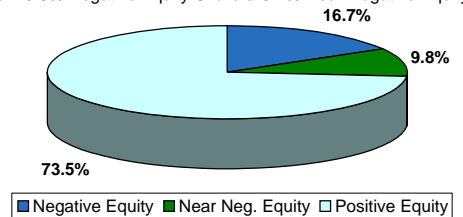
2008 Homeownership Rate



Source: US Census Bureau - American Community Survey

Share of Homes with Negative Equity - Arkansas

US: 19.8% Negative Equity Share & 5.2% Near Negative Equity



Source: First American CoreLogic. Data represent share of homes where total mortgage debt is higher than home value.