



Making Home Possible in Connecticut

Over the past decade, Freddie Mac has invested **\$46.6 billion** in home loans, helping **336,033 Connecticut families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$5.6 billion	31,696	2,246	33,942
Past 10 Years	\$46.6 billion	317,770	18,264	336,033

In 2006 Freddie Mac:

- Enabled 4,230 Connecticut homebuyers to purchase their first home.
- Financed loans for 18,715 low- and moderate-income Connecticut families.
- Helped 330 Connecticut families avoid foreclosure.
- Funded residential loans with an average mortgage of \$170,479.

- Since 2000, Freddie Mac funded \$484.3 million in mortgage revenue bonds, providing low-cost mortgages to Connecticut families.
- Since 1998, Freddie Mac has invested \$67.6 million in low-income housing tax credits, creating 2,818 affordable homes for Connecticut families.

Working with our partners, Freddie Mac helps make home possible for Connecticut families every step of the way through the homebuying process.

- **Creating opportunities** for successful homeownership through a comprehensive set of borrower education and outreach programs
- **Realizing possibilities** by continually evolving our mortgage solutions to meet the individual needs of today's diverse borrowers
- **Preserving dreams** by providing essential tools and education to help keep more of America's families in homes they can afford and keep

Bridgeport HOME:

Freddie Mac launched the Bridgeport Homeownership Made Easy (HOME) initiative to educate and prepare families for homeownership. The Bridgeport initiative includes comprehensive financial literacy education through Freddie Mac's *CreditSmart®* and *CreditSmart® Español* curriculum, pre-and post-purchase homebuyer counseling, and flexible mortgage products. Key participants include Chase Home Finance, Faith CDC, Prince of Peace CDC, Consumer Credit Counseling Services of New England, and the cities of Bridgeport and Stratford.

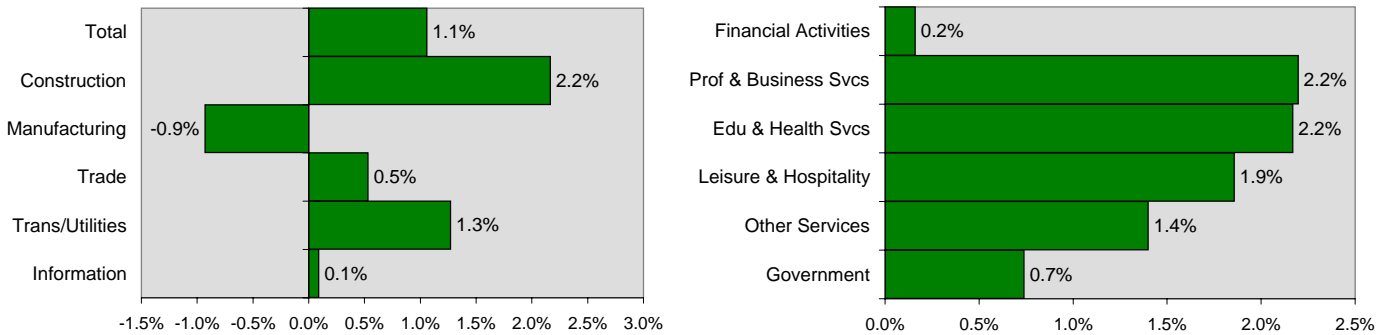
***Don't Borrow Trouble*® Anti-Predatory Lending Campaign – Connecticut:**

Freddie Mac launched the *Don't Borrow Trouble* campaign in Connecticut to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Outreach efforts include television public service announcements (PSAs), transit ads, billboards and posters. Information is also distributed at community fairs and festivals. The lead agency for the campaign is the Connecticut Fair Housing Center, Inc.

CreditSmart® Connecticut:

Freddie Mac launched *CreditSmart* and *CreditSmart Español*, a classroom-based consumer credit education initiative designed to help people better understand credit and its effect on homeownership. The initiative brings one-on-one counseling and follow-up mentoring to Housing Authority residents. Key participants include Bank of America, Citizens Bank, Connecticut Housing Coalition, Vision Financial Services, the Office of the Connecticut State Treasurer, and the Housing Authorities in Hartford, Meriden, Stamford, New Haven, and Bridgeport.

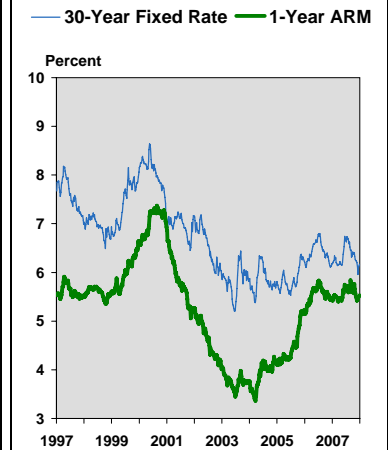
Employment growth was strongest in Connecticut's construction, professional and business services and education and health services sectors in 2007



Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	158,628	159,456	167,771	171,934	176,406
% Change	-1.6	0.5	5.2	2.5	2.6
Total Non-Farm Employment (ths.)	1,664.9	1,644.5	1,649.8	1,662.0	1,679.6
% Change	-1.0	-1.2	0.3	0.7	1.1
Unemployment Rate (%)	4.4	5.5	4.9	4.8	4.3
Personal Income Growth (%)	-0.2	1.2	7.0	4.9	6.6
Population (ths.)	3,457.9	3,482.3	3,493.9	3,500.7	3,504.8
Single-Family Permits	8,484	8,180	9,263	8,817	7,107
Multifamily Permits	1,247	2,255	2,574	3,068	2,129
Existing Median Home Sales Price (ths.)	239.0	250.0	289.0	325.0	317.0
Mortgage Originations (# of SF loans)	209,032	291,127	186,018	185,560	163,229
Personal Bankruptcies (total ch. 7 & 13)	11,554	12,041	11,261	15,099	4,800
Existing Home Sales (ths.)	63.2	63.7	74.6	81.0	71.4
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	4.6	9.1	8.4	8.3	7.9
Serious Mortgage Delinquency (% All Loans)	1.28	1.13	0.99	0.96	1.21
Foreclosure Rate (% All Loans)	0.54	0.49	0.41	0.39	0.55
Homeownership Rate (%)	69.0	67.7	69.7	69.5	69.5

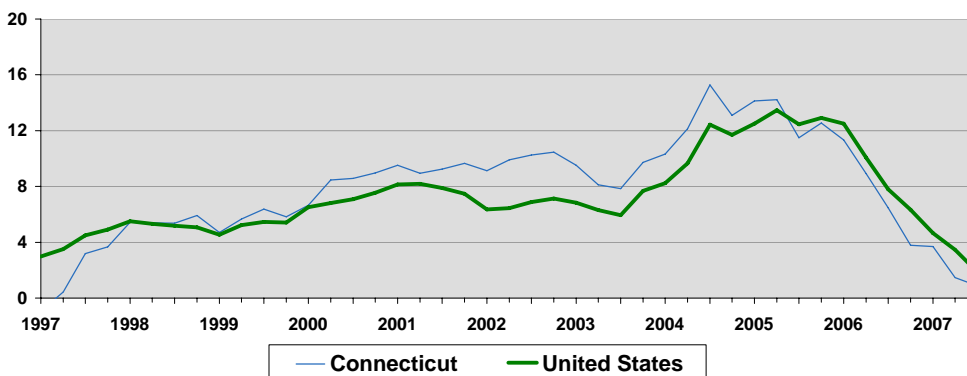
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®



Source: Freddie Mac, Primary Mortgage Market Survey®

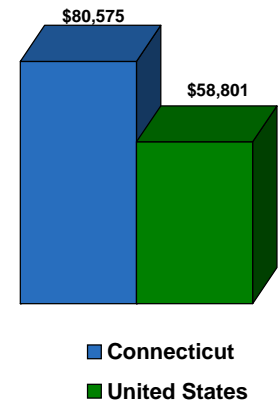
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



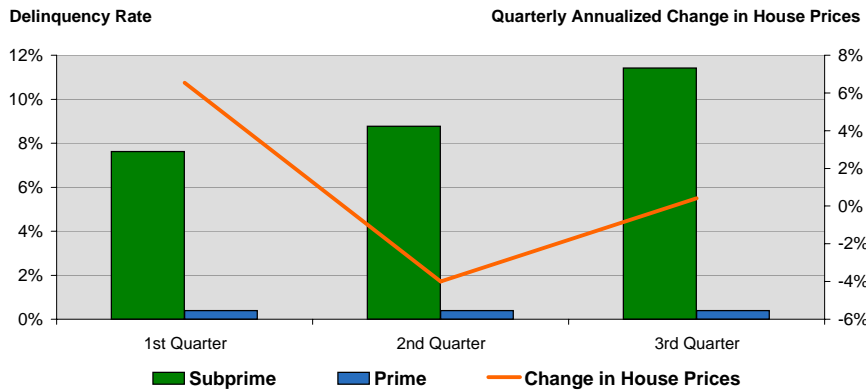
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

Serious mortgage delinquencies are rising among subprime borrowers in 2007 and are exacerbated by declining house prices in CT



Source: First American CoreLogic and Freddie Mac

National Rankings

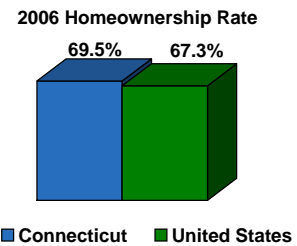
Homeownership Rate	24
1 = Highest	
Mortgage Delinquency Rate	37
1 = Most Delinquent	
Median Family Income	3
1 = Highest	
Adjustable Rate Mortgage Share	21
1 = Highest Share	
Housing Affordability	37
1 = Most Affordable	
Employment Growth	24
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Connecticut

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.5%	--
White, Non-hispanic	76.6%	7.1%
Black	41.2%	-28.3%
Hispanic	35.9%	-33.6%
Asian or Pacific Islander	58.6%	-10.9%

Source: US Census Bureau - American Community Survey

Homeownership is higher in CT than the national average



Source: US Census Bureau

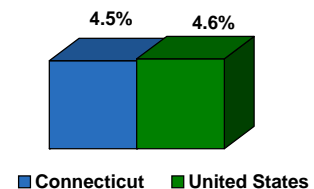
Characteristics of Subprime Mortgage Originations by Year Connecticut

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	59%	61%	74%	77%	74%
Non-Traditional Mortgages (%)	5%	8%	20%	35%	33%
Non-Owner Share (%)	12%	13%	15%	15%	14%
Share of Low-No Documentation	51%	52%	53%	57%	62%
Debt-to-Income Ratio	37%	38%	39%	39%	41%
Average Loan-to-Value	83%	84%	83%	80%	81%
Average Fico Credit Score	660	665	671	677	675

Source: First American CoreLogic. First liens only; by dollar amount. Negative amortization shares are not available.

Unemployment is low in CT

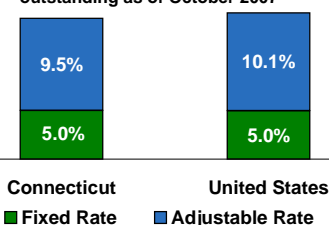
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

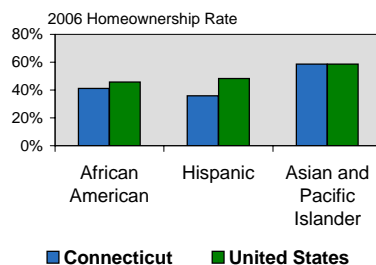
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

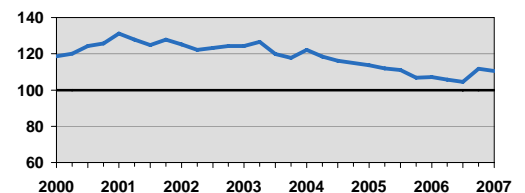
Homeownership rates within minority groups are low



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Connecticut

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