



Making Home Possible in Delaware

Over the past decade, Freddie Mac has invested **\$14.3 billion** in home loans, helping **105,232 Delaware families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$1.8 billion	9,419	1,644	11,063
Past 10 Years	\$14.3 billion	94,182	11,050	105,232

In 2006 Freddie Mac:

- Enabled 1,144 Delaware homebuyers to purchase their first home.
- Financed loans for 5,716 low- and moderate-income Delaware families.
- Helped 155 Delaware families avoid foreclosure.
- Funded residential loans with an average mortgage of \$184,645.
- Since 2000, Freddie Mac funded \$78.2 million in mortgage revenue bonds, providing low-cost mortgages to Delaware families.
- Since 1998, Freddie Mac has invested \$11.7 million in low-income housing tax credits, creating 938 affordable homes for Delaware families.

Working with our partners, Freddie Mac helps make home possible for Delaware 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

Delaware First-Time Homebuyer Initiative:

The *Delaware First-Time Homeowner initiative* provides homeownership education and counseling, downpayment assistance, and a variety of mortgage products and services that help low-income buyers find and purchase a home. Key participants include the Dover Housing Authority, the city of Dover, WSFS Bank, NCALL Research, Inc., Chase Home Finance, and Delaware State Housing Authority.

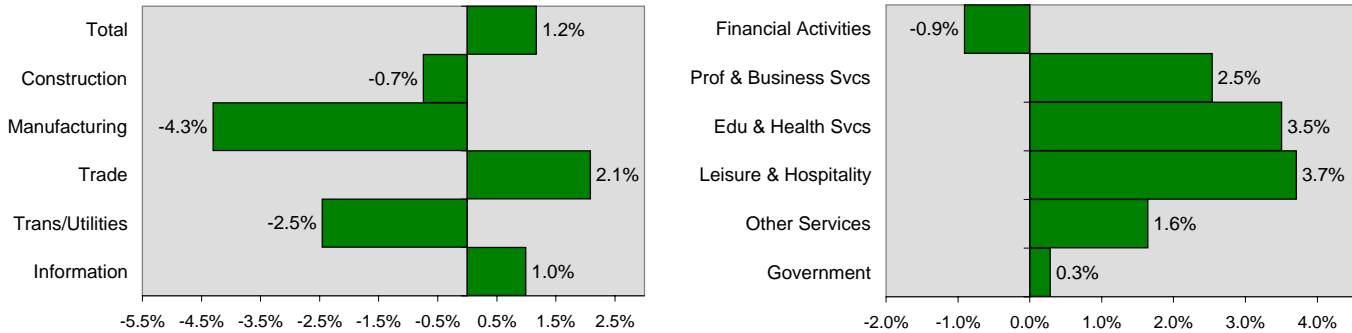


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Delaware Homeownership Initiative:

Freddie Mac launched the *Delaware Homeownership Initiative* to provide homebuyer education and counseling services to first-time homebuyers in Wilmington. Key participants include HSBC Mortgage Corporation USA.

Employment growth was strongest in Delaware's leisure and hospitality services sector

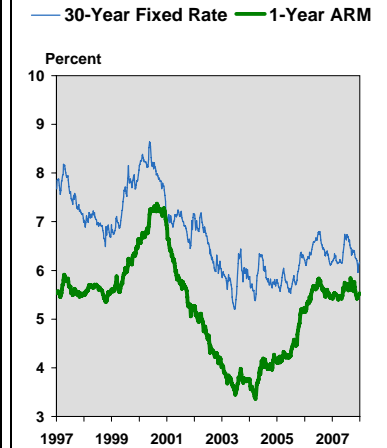


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	42,939	44,886	46,853	49,001	50,601
% Change	-0.1	4.5	4.4	4.6	3.3
Total Non-Farm Employment (ths.)	414.5	414.5	423.7	431.1	436.2
% Change	-1.2	0.0	2.2	1.7	1.2
Unemployment Rate (%)	4.0	4.2	4.0	4.0	3.6
Personal Income Growth (%)	3.9	3.3	6.8	6.6	6.6
Population (ths.)	805.6	816.9	828.8	841.7	853.5
Single-Family Permits	6,051	6,748	7,532	6,715	5,015
Multifamily Permits	280	1,012	326	1,480	1,489
Existing Median Home Sales Price (ths.)	206.0	255.0	270.0	317.0	358.6
Mortgage Originations (# of SF loans)	47,056	66,034	48,882	52,993	48,180
Personal Bankruptcies (total ch. 7 & 13)	3,138	3,412	3,389	4,148	1,287
Existing Home Sales (ths.)	14.8	15.9	18.3	19.4	17.8
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	8.7	10.5	11.0	11.3	12.2
Serious Mortgage Delinquency (% All Loans)	2.20	1.94	1.71	1.55	1.43
Foreclosure Rate (% All Loans)	0.96	0.79	0.59	0.48	0.53
Homeownership Rate (%)	73.4	72.8	72.9	72.4	74.4

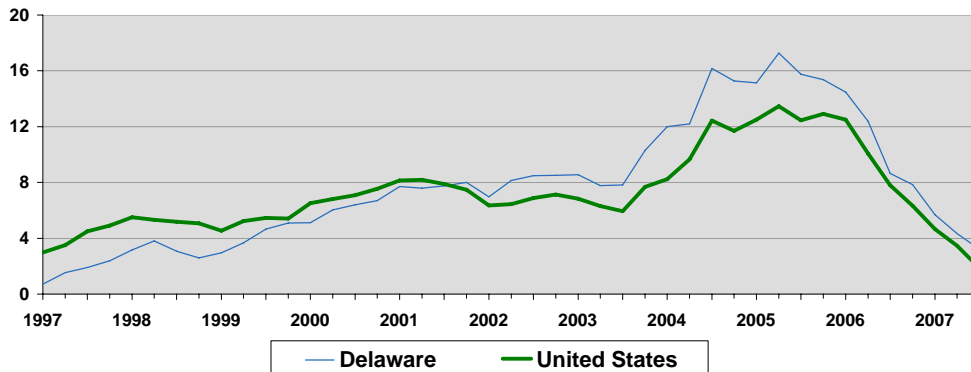
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, and Freddie Mac

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



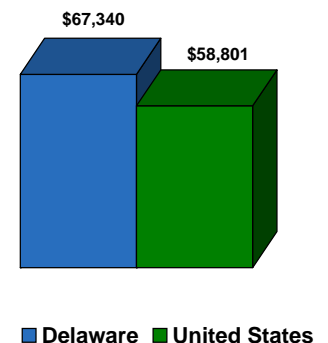
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



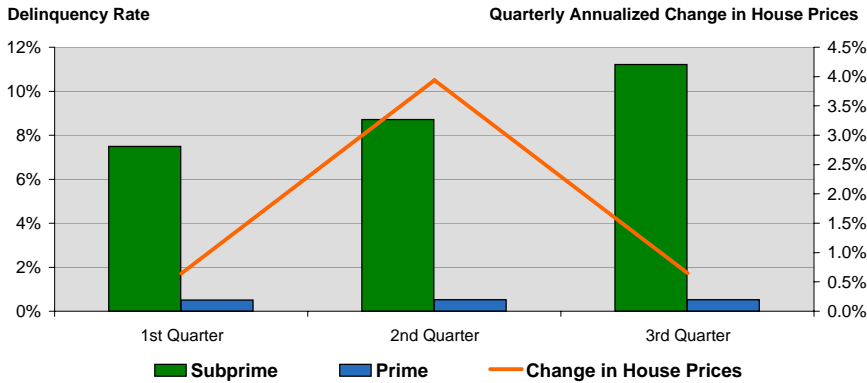
Source: Freddie Mac's Conventional Mortgage Home Price Index

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 slowing growth in house prices in DE



Source: First American CoreLogic and Freddie Mac

National Rankings

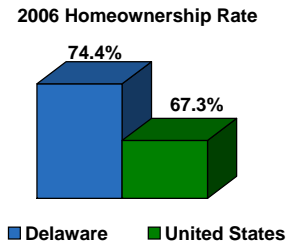
Homeownership Rate	6
1 = Highest	
Mortgage Delinquency Rate	32
1 = Most Delinquent	
Median Family Income	8
1 = Highest	
Adjustable Rate Mortgage Share	4
1 = Highest Share	
Housing Affordability	30
1 = Most Affordable	
Employment Growth	46
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Delaware

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	74.4%	--
White, Non-hispanic	79.6%	5.2%
Black	50.7%	-23.7%
Hispanic	41.0%	-33.4%
Asian or Pacific Islander	67.6%	-6.8%

Source: US Census Bureau - American Community Survey

Homeownership is higher in DE than the national average



Source: US Census Bureau

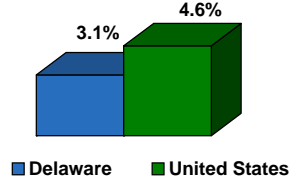
Characteristics of Subprime Mortgage Originations by Year

Delaware	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	51%	52%	68%	74%	66%
Non-Traditional Mortgages (%)	2%	5%	23%	42%	42%
Non-Owner Share (%)	19%	25%	27%	27%	25%
Share of Low-No Documentation	37%	43%	50%	49%	58%
Debt-to-Income Ratio	38%	37%	37%	39%	40%
Average Loan-to-Value	88%	87%	84%	81%	81%
Average Fico Credit Score	653	670	678	681	679

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

Unemployment is low in DE

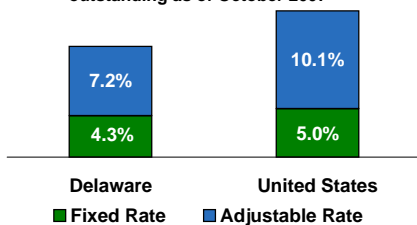
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

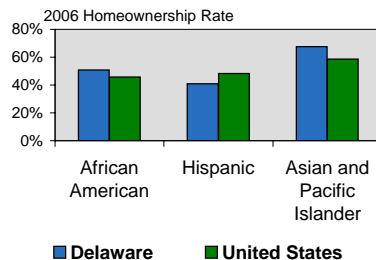
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

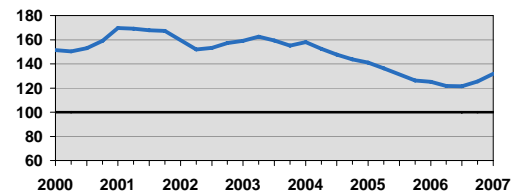
DE Homeownership rate is higher among African-Americans and Asians



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Delaware

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