



Making Home Possible in Hawaii

Over the past decade, Freddie Mac has invested **\$16.8 billion** in home loans, helping **73,178 Hawaii families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$3.3 billion	11,350	319	11,669
Past 10 Years	\$16.8 billion	71,977	1,201	73,178

In 2006 Freddie Mac:

- Enabled 1,179 Hawaii homebuyers to purchase their first home.
- Financed loans for 3,426 low- and moderate-income Hawaii families.
- Helped 43 STATE families avoid foreclosure.
- Funded residential loans with an average mortgage of \$285,281.

- Since 2000, Freddie Mac funded \$97.7 million in mortgage revenue bonds, providing low-cost mortgages to Hawaii families.
- Since 1998, Freddie Mac has invested \$2.1 million in low-income housing tax credits, creating 378 affordable homes for Hawaii families.

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

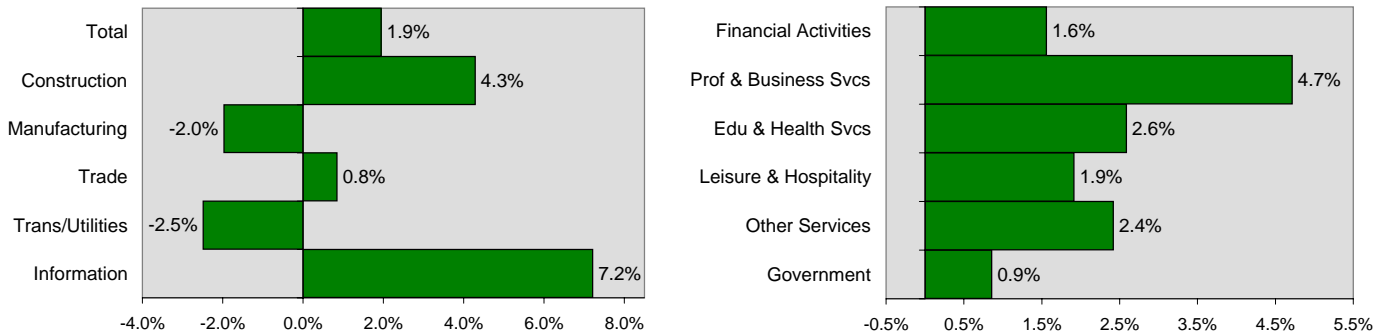
Realizing possibilities by continually evolving our mortgage solutions to meet the individual needs of today's diverse borrowers

Preserving dreams by providing essential tools and education to help keep more of America's families in homes they can afford and keep

Hawaii Homeownership Initiative:

In collaboration with local real estate and mortgage professionals, Freddie Mac launched a financial literacy and homeownership initiative in Hawaii and the neighboring islands. The initiative features Freddie Mac's suite of *Home Possible*® Mortgages, financial literacy education through Freddie Mac's *CreditSmart*® and on-line tutorial course, the Homeowner Readiness Check. Key participants include Senator Daniel Akaka (D-HI), the Hawaii Association of REALTORS® , and Central Pacific HomeLoans.

Employment growth was strongest in Hawaii's professional and business services sector in 2007

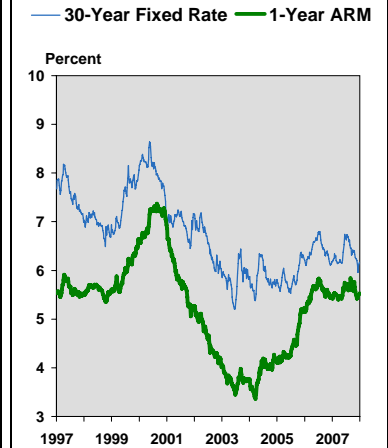


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	41,093	42,580	44,967	46,918	48,955
% Change	1.1	3.6	5.6	4.3	4.3
Total Non-Farm Employment (ths.)	556.8	567.6	583.4	601.6	616.6
% Change	0.3	1.9	2.8	3.1	2.5
Unemployment Rate (%)	4.0	3.9	3.2	2.7	2.4
Personal Income Growth (%)	3.5	4.0	8.6	7.9	6.8
Population (ths.)	1,233.2	1,245.6	1,259.3	1,273.3	1,285.5
Single-Family Permits	4,562	6,213	5,603	6,641	5,597
Multifamily Permits	1,340	1,071	3,431	3,187	1,933
Existing Median Home Sales Price (ths.)	261.0	306.4	344.0	426.0	445.0
Mortgage Originations (# of SF loans)	49,606	84,403	60,014	62,633	54,465
Personal Bankruptcies (total ch. 7 & 13)	4,426	3,715	3,056	4,406	936
Existing Home Sales (ths.)	28.1	34.4	35.5	36.7	31.7
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	7.3	8.9	7.7	5.1	5.5
Serious Mortgage Delinquency (% All Loans)	1.08	0.75	0.51	0.39	0.53
Foreclosure Rate (% All Loans)	0.41	0.30	0.18	0.16	0.21
Homeownership Rate (%)	56.1	56.6	58.9	59.7	59.5

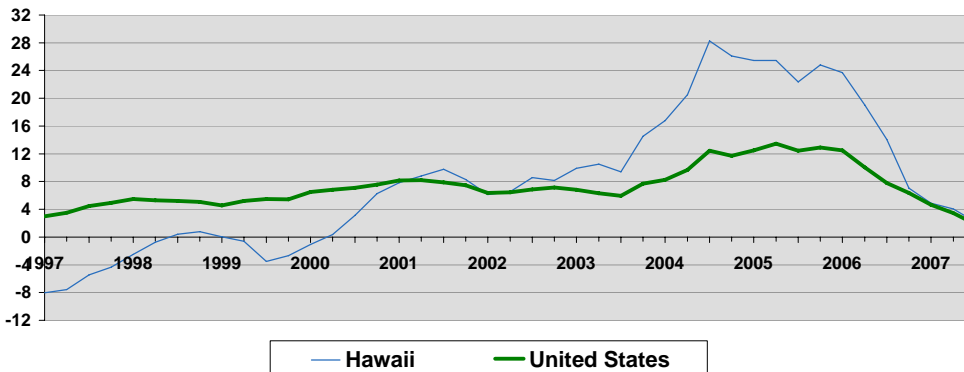
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, and Freddie Mac

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



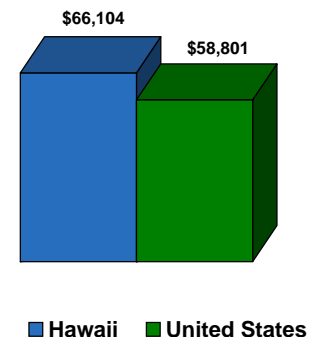
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



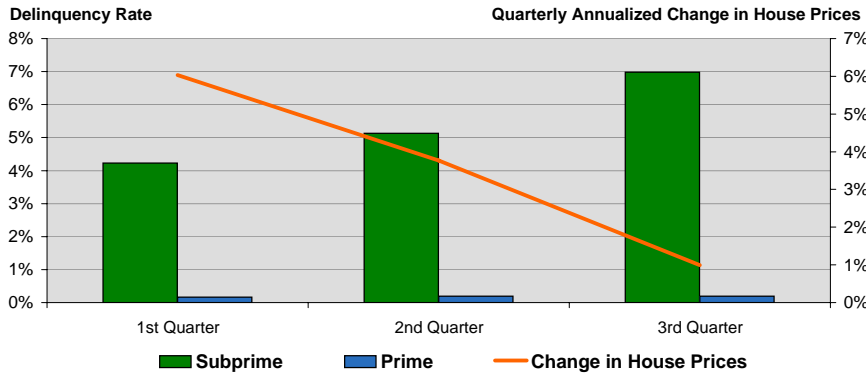
Source: Freddie Mac's Conventional Mortgage Home Price Index

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 HI



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	48
1 = Highest	
Mortgage Delinquency Rate	50
1 = Most Delinquent	
Median Family Income	12
1 = Highest	
Adjustable Rate Mortgage Share	8
1 = Highest Share	
Housing Affordability	50
1 = Most Affordable	
Employment Growth	8
1 = Highest Growth	

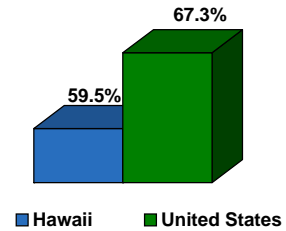
Homeownership Rates by Race and Ethnicity in Hawaii

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	59.5%	--
White, Non-hispanic	55.8%	-3.7%
Black	13.3%	-46.3%
Hispanic	46.2%	-13.3%
Asian	70.3%	10.8%
Hawaiian or Pacific Islander	45.5%	-14.0%

Source: US Census Bureau - American Community Survey

Homeownership in HI is lower than the national average

2006 Homeownership Rate



Source: US Census Bureau

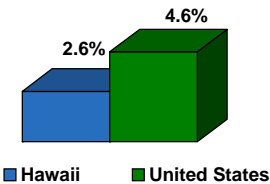
Characteristics of Subprime Mortgage Originations by Year Hawaii

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	53%	52%	65%	73%	73%
Non-Traditional Mortgages (%)	3%	7%	33%	57%	55%
Non-Owner Share (%)	24%	25%	28%	32%	30%
Share of Low-No Documentation	54%	56%	58%	67%	76%
Debt-to-Income Ratio	40%	39%	39%	39%	41%
Average Loan-to-Value	81%	82%	80%	78%	78%
Average Fico Credit Score	686	689	692	703	704

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

Unemployment is low in HI

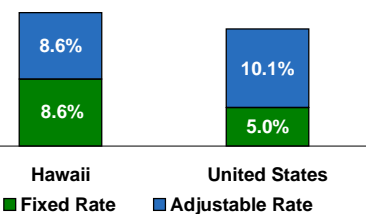
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

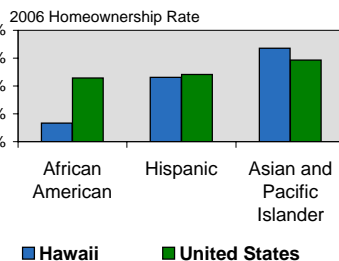
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

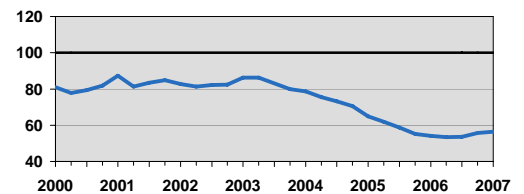
Homeownership is high among Asian and Pacific Islanders in HI



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Hawaii

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