



# Making Home Possible in Illinois

Over the past decade, Freddie Mac has invested **\$233 billion** in home loans, helping **1,767,760 Illinois families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$24.9 billion	147,612	6,710	154,322
Past 10 Years	\$233 billion	1,669,627	98,132	1,767,760

**In 2006 Freddie Mac:**

- Enabled 20,370 Illinois homebuyers to purchase their first home.
- Financed loans for 76,702 low- and moderate-income Illinois families.
- Helped 1,814 Illinois families avoid foreclosure.
- Funded residential loans with an average mortgage of \$165,391.
  
- Since 2000, Freddie Mac funded \$500.3 million in mortgage revenue bonds, providing low-cost mortgages to Illinois families.
- Since 1998, Freddie Mac has invested \$307.7 million in low-income housing tax credits, creating 19,083 affordable homes for Illinois families.

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

**Regional Office Opened in Chicago Area:**

Freddie Mac opened a regional technology office in Schaumburg, IL. The new Technology Solutions Unit will tap into a growing IT labor market in this Chicago suburb, and provide employment opportunities for local residents. Freddie Mac currently employs more than 100 technology professionals at this IT office.

**Rockford Affordable Housing Initiative:**

Freddie Mac launched this initiative with the Rockford Area Affordable Housing Coalition (RAAHC) and Amcore Bank to increase homeownership opportunities for low- and moderate-income families through workshops and educational materials. RAAHC offers Freddie Mac's *Get The Facts!*, a dynamic outreach and education initiative to dispel common misconceptions about buying and owning a home. Freddie Mac's Loan Prospector® Outreach is then used to determine if participants are ready to apply for a mortgage or if they need to continue counseling.

**Nuestro Barrio – Chicago:**

Freddie Mac launched "Nuestro Barrio" (Our Neighborhood), a Spanish-language TV mini-series about Hispanic life in the United States. The series educates viewers on important financial issues including money management, credit, homeownership, predatory lending and foreclosure prevention. Key participants include Harris Bank, the Spanish Coalition for Housing (SCH) and Latin United Community Housing Association (LUCHA).

**Ten Weeks to Homeownership Chicago:**

*Ten Weeks to Homeownership Chicago* is part of a national initiative focused on increasing the number of African-American homeowners. The Ten Weeks model incorporates outreach, education, and lender participation. Key participants include Bank of America, Rebirth of Englewood, and the Congressional Black Caucus Foundation.

**North Lawndale (Chicago) Revitalization Initiative:**

Freddie Mac launched this initiative to revitalize the North Lawndale community by developing new, mixed-income housing and rehabilitating the existing housing stock. Homeownership outreach and education efforts are also included to encourage renters to become homeowners. The North Lawndale Revitalization Initiative is a collaborative effort among Harris Bank, LaSalle National Bank, Austin Bank of Chicago, and community groups such as Neighborhood Enhancement and Empowerment Development (NEED).

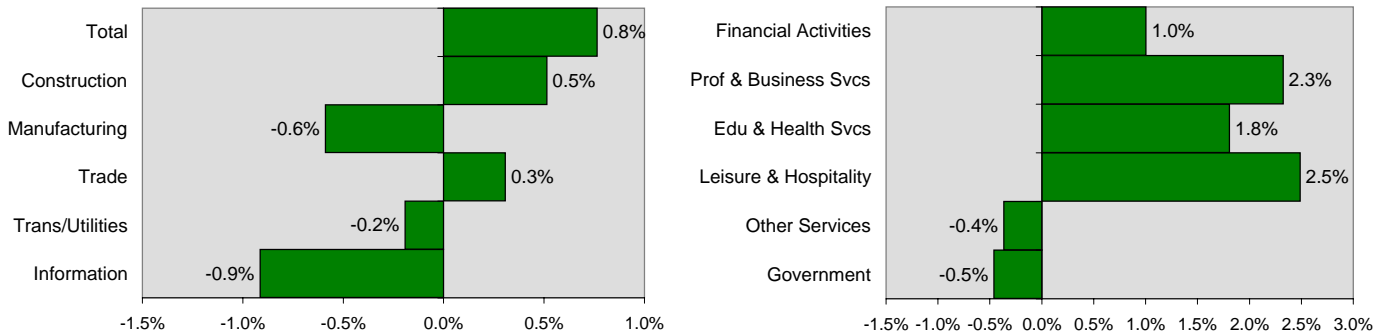
**Asian American Demonstration with the Asian Real Estate Association of America (AREAA)**

To serve Chicago's Chinatown and nearby neighborhoods, an alliance was developed among the Chinese American Service League (CASL), the Chicago Urban League, PMI, Washington Mutual and Charter One. CASL provides outreach and education, and educates clients on loan products in Chinese and English. This initiative also includes a marketing campaign, neighborhood canvassing, outreach through churches and schools, homeownership orientations, and financial literacy workshops.

**The Freddie Mac Foundation Philanthropy:**

Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made more than \$20.5 million in philanthropic contributions in the state of Illinois, including more than \$3 million to fund Wednesday's Child Chicago from 1999 to 2005, a program designed to find adoptive homes for foster children.

## Employment growth was strongest in Illinois' leisure and hospitality services sector in 2007

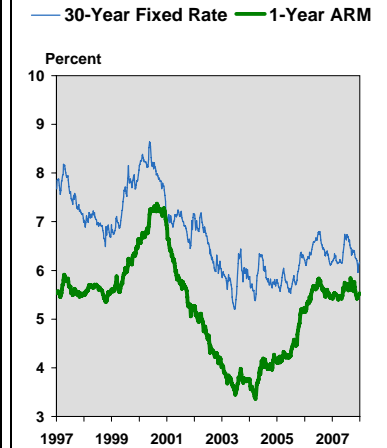


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
<b>Gross State Product, C\$B</b>	466,150	479,293	488,016	492,341	507,037
% Change	0.3	2.8	1.8	0.9	3.0
<b>Total Non-Farm Employment (ths.)</b>	5,883.9	5,810.8	5,815.9	5,861.9	5,934.7
% Change	-1.9	-1.2	0.1	0.8	1.2
<b>Unemployment Rate (%)</b>	6.5	6.7	6.2	5.7	4.5
<b>Personal Income Growth (%)</b>	1.6	3.2	4.3	4.2	5.9
<b>Population (ths.)</b>	12,595.0	12,649.8	12,713.5	12,765.4	12,832.0
<b>Single-Family Permits</b>	42,545	45,379	46,207	47,705	37,903
<b>Multifamily Permits</b>	18,426	16,832	13,546	19,237	20,899
<b>Existing Median Home Sales Price (ths.)</b>	205.0	218.0	227.0	240.0	226.0
<b>Mortgage Originations (# of SF loans)</b>	774,667	1,017,635	645,225	656,853	591,119
<b>Personal Bankruptcies (total ch. 7 &amp; 13)</b>	81,007	84,481	79,269	105,885	29,788
<b>Existing Home Sales (ths.)</b>	269.4	272.4	304.8	314.8	291.7
<b>30-Year Fixed Mortgage Rate Average (%)</b>	6.53	5.83	5.84	5.87	6.41
<b>Rental Vacancy Rate (%)</b>	10.9	12.0	14.8	13.4	12.6
<b>Serious Mortgage Delinquency (% All Loans)</b>	2.19	1.86	1.75	1.69	1.89
<b>Foreclosure Rate (% All Loans)</b>	0.96	0.82	0.70	0.68	0.80
<b>Homeownership Rate (%)</b>	67.6	68.6	69.2	69.9	69.9

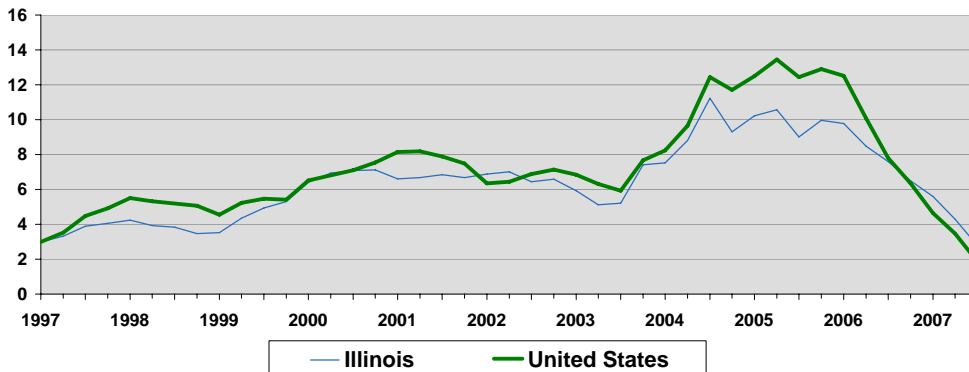
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



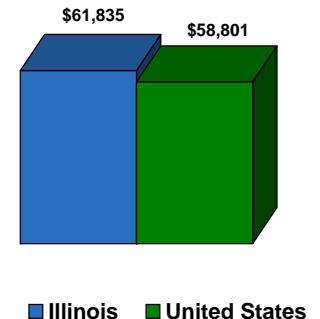
Source: Freddie Mac, Primary Mortgage Market Survey®

## Annual % Change in House Prices



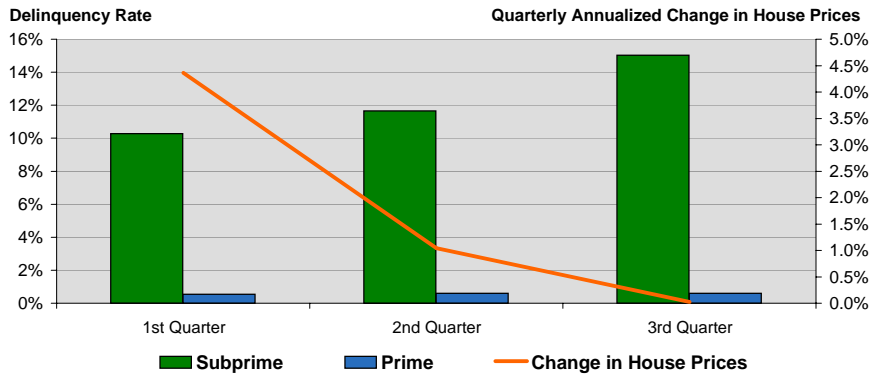
Source: Freddie Mac's Conventional Mortgage Home Price Index

## 2006 Median Family Income



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

## Serious mortgage delinquencies are high and rising among subprime borrowers in 2007 and are exacerbated by slowing growth in house prices in IL



Source: First American CoreLogic and Freddie Mac

## National Rankings

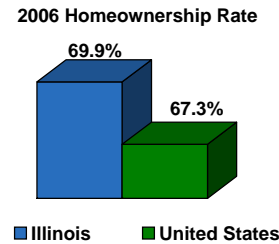
<b>Homeownership Rate</b>	<b>21</b>
1 = Highest	
<b>Mortgage Delinquency Rate</b>	<b>23</b>
1 = Most Delinquent	
<b>Median Family Income</b>	<b>20</b>
1 = Highest	
<b>Adjustable Rate Mortgage Share</b>	<b>15</b>
1 = Highest Share	
<b>Housing Affordability</b>	<b>35</b>
1 = Most Affordable	
<b>Employment Growth</b>	<b>20</b>
1 = Highest Growth	

## Homeownership Rates by Race and Ethnicity in Illinois

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.9%	--
White, Non-hispanic	77.3%	7.5%
Black	43.1%	-26.8%
Hispanic	55.2%	-14.6%
Asian or Pacific Islander	66.8%	-3.1%

Source: US Census Bureau - American Community Survey

## Homeownership is higher in IL than the national average



Source: US Census Bureau

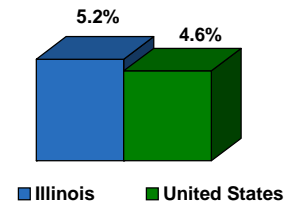
## Characteristics of Subprime Mortgage Originations by Year Illinois

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	60%	70%	86%	87%	82%
Non-Traditional Mortgages (%)	1%	4%	18%	33%	33%
Non-Owner Share (%)	11%	13%	13%	13%	13%
Share of Low-No Documentation	50%	52%	55%	59%	66%
Debt-to-Income Ratio	39%	39%	40%	40%	41%
Average Loan-to-Value	86%	88%	85%	83%	82%
Average Fico Credit Score	658	664	670	673	675

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

## The unemployment rate is higher in IL

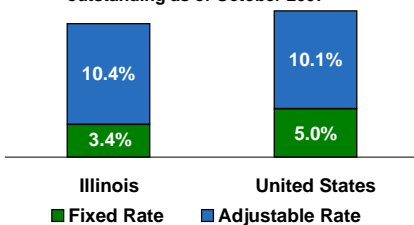
### 2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

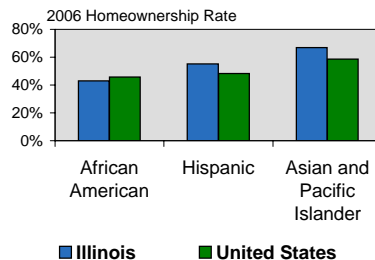
## The Subprime Picture

### Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

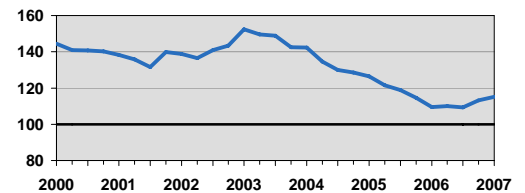
## Homeownership is higher within Hispanic and Asian groups in IL



Source: US Census Bureau - American Community Survey

## State Housing Affordability Index Illinois

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