

Making Home Possible in Indiana

Over the past decade, Freddie Mac has invested **\$70.6 billion** in home loans, helping **744,263 Indiana families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$6.4 billion	52,967	13,847	66,814
Past 10 Years	\$70.6 billion	685,361	58,902	744,263

In 2006 Freddie Mac:

- Enabled 6,836 Indiana homebuyers to purchase their first home.
- Financed loans for 42,205 low- and moderate-income Indiana families.
- Helped 1,419 Indiana families avoid foreclosure.
- Funded residential loans with an average mortgage of \$110,599.

- Since 2000, Freddie Mac funded \$296.2 million in mortgage revenue bonds, providing low-cost mortgages to Indiana families.
- Since 1998, Freddie Mac has invested \$86.4 million in low-income housing tax credits, creating 4,373 affordable homes for Indiana families.

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

Nuestro Barrio -- Northwest Indiana:

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).

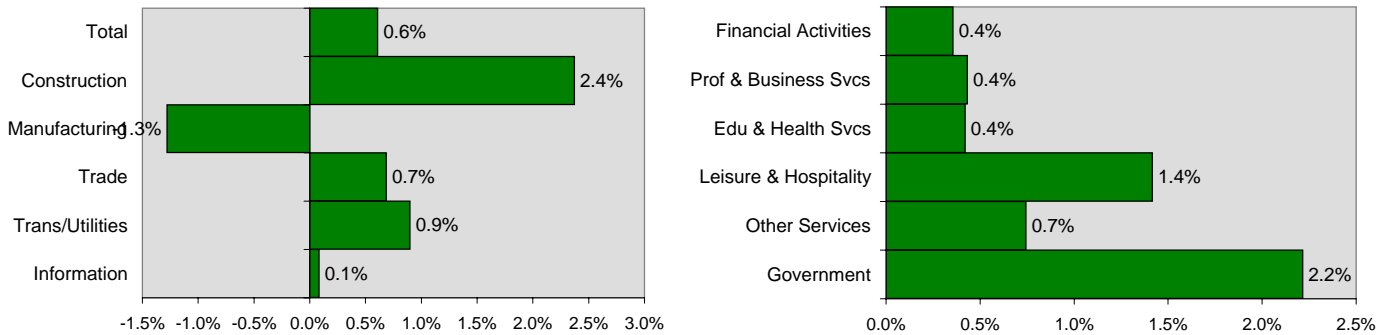
Own Your Own Home Initiative – Northwest Indiana:

Freddie Mac launched the *Own Your Own Home* financial outreach and education initiative to help reach low- to moderate-income, minority, and first-time homebuyers. The initiative creates greater awareness regarding homeownership opportunity, educates consumers on the importance of understanding, building, and maintaining good credit, and promotes affordable and sustainable homeownership financing. Key participants include Consumer Credit Counseling Services of Northwest Indiana and Centier Bank.

Northern Indiana Homeownership Initiative:

Freddie Mac launched this initiative to promote affordable, sustainable homeownership. The *Northern Indiana Homeownership Initiative* educates consumers about the importance of understanding, building, and maintaining good credit. It also prepares families to become homeowners through homebuyer readiness classes in the Northern Indiana areas of St. Joseph, Elkhart, and South Bend. The initiative includes Freddie Mac's *Get the Facts!*, a dynamic outreach and education effort to dispel common misconceptions about buying and owning a home, and Freddie Mac's Loan Prospector® Outreach, a tool used to determine if participants are ready to apply for a mortgage or if they need to continue counseling. Key participants include LaCasa of Goshen and First Federal Savings Bank of Rochester.

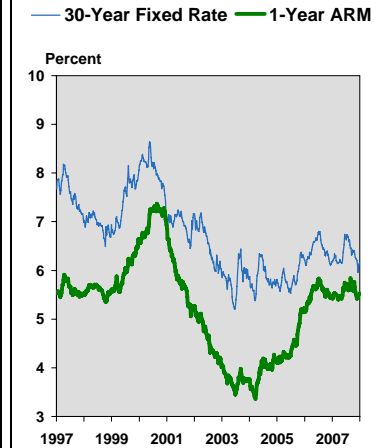
Employment growth was strongest in Indiana's government sector in 2007



Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	196,828	203,459	210,860	210,869	215,025
% Change	3.4	3.4	3.6	0.0	2.0
Total Non-Farm Employment (ths.)	2,900.9	2,895.3	2,928.9	2,955.2	2,973.4
% Change	-1.1	-0.2	1.2	0.9	0.6
Unemployment Rate (%)	5.2	5.3	5.3	5.3	5.0
Personal Income Growth (%)	2.7	3.6	4.2	3.9	5.1
Population (ths.)	6,154.7	6,191.7	6,223.3	6,266.0	6,313.5
Single-Family Permits	30,794	31,891	32,172	32,116	24,438
Multifamily Permits	8,802	7,530	7,061	6,360	4,631
Existing Median Home Sales Price (ths.)	123.5	115.0	120.0	140.0	155.0
Mortgage Originations (# of SF loans)	352,714	431,619	270,697	261,506	237,050
Personal Bankruptcies (total ch. 7 & 13)	52,847	55,148	53,922	78,171	22,137
Existing Home Sales (ths.)	125.2	119.7	129.2	138.2	0.0
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	12.1	12.8	12.9	14.2	14.0
Serious Mortgage Delinquency (% All Loans)	3.29	3.01	3.29	3.55	3.57
Foreclosure Rate (% All Loans)	1.52	1.45	1.37	1.44	1.52
Homeownership Rate (%)	71.8	71.8	71.8	72.0	72.1

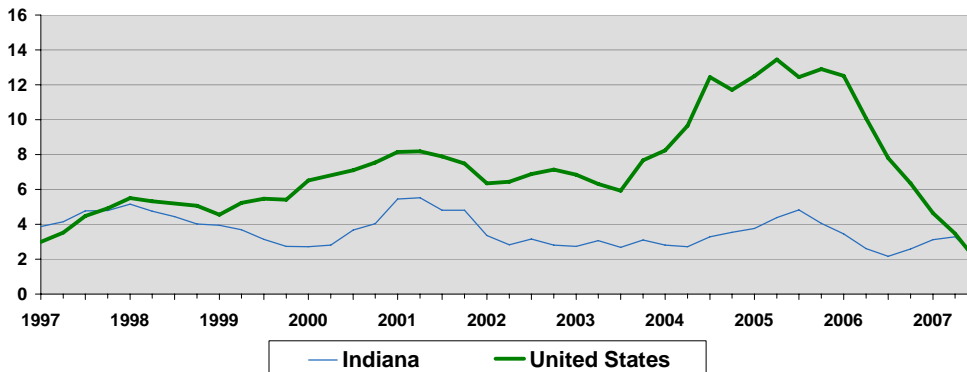
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®



Source: Freddie Mac, Primary Mortgage Market Survey®

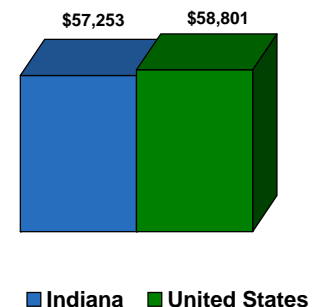
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



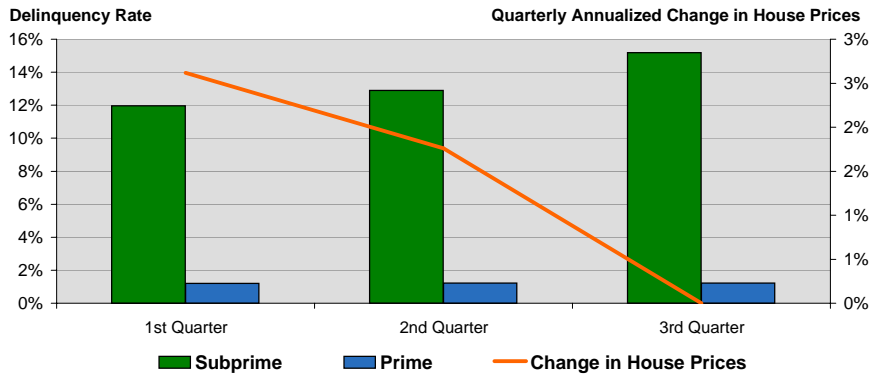
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

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



Source: First American CoreLogic and Freddie Mac

National Rankings

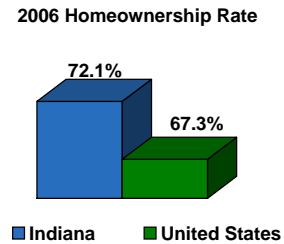
Homeownership Rate	7
1 = Highest	
Mortgage Delinquency Rate	4
1 = Most Delinquent	
Median Family Income	28
1 = Highest	
Adjustable Rate Mortgage Share	16
1 = Highest Share	
Housing Affordability	2
1 = Most Affordable	
Employment Growth	48
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Indiana

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	72.1%	--
White, Non-hispanic	76.1%	3.9%
Black	43.0%	-29.1%
Hispanic	52.5%	-19.7%
Asian or Pacific Islander	51.4%	-20.8%

Source: US Census Bureau - American Community Survey

Homeownership is higher than the national average in IN



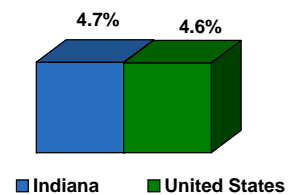
Source: US Census Bureau

Characteristics of Subprime Mortgage Originations by Year Indiana

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	53%	60%	72%	76%	72%
Non-Traditional Mortgages (%)	0%	2%	8%	16%	15%
Non-Owner Share (%)	15%	15%	18%	17%	21%
Share of Low-No Documentation	29%	30%	31%	33%	39%
Debt-to-Income Ratio	38%	37%	38%	39%	39%
Average Loan-to-Value	88%	90%	88%	86%	87%
Average Fico Credit Score	649	655	654	653	653

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

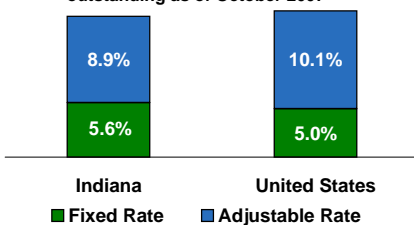
The unemployment rate is higher in IN



Source: Bureau of Labor Statistics

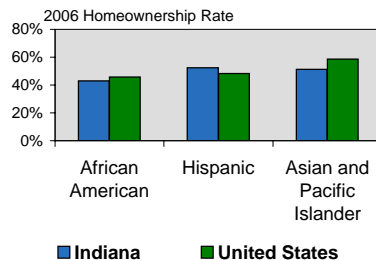
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

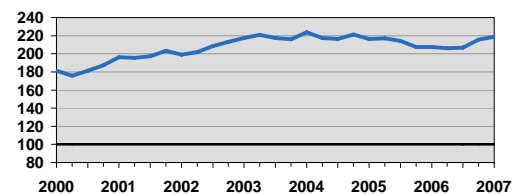
Homeownership is higher among Hispanics in IN than US



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Indiana

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