



Making Home Possible in Kentucky

Financing Homeownership & Rental Housing

Freddie Mac is supporting the housing market and answering the nation's call to assist with its recovery. Our top priorities are providing essential liquidity to the market and helping to stem the foreclosure crisis. Over the past decade, Freddie Mac has invested approximately **\$45 billion** in home loans, helping **426,755** Kentucky families own or rent a home.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2008	\$3.2 billion	21,675	1,713	23,388
Past 10 Years	\$45 billion	399,756	26,998	426,755

In 2008 Freddie Mac:

- Enabled 1,830 Kentucky homebuyers to purchase their first home.
- Financed loans for 10,749 low- and moderate-income Kentucky families.
- Funded home loans with an average mortgage of \$144,305.

Preventing Foreclosure

We are proud to play a key role in sustaining homeownership by supporting the President's Making Home Affordable program. Freddie Mac helped approximately **88,000** homeowners avoid foreclosure in 2008, and **1,216** in Kentucky alone.

	Loan Modifications	Repayment Plans	Forbearance	Other Foreclosure Alternatives	Total Families Avoiding Foreclosure
2008*	475	631	58	52	1,216

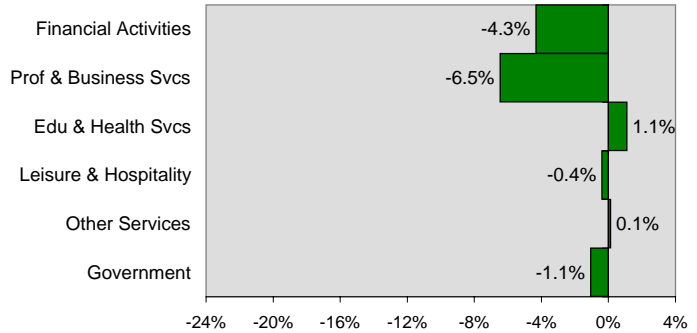
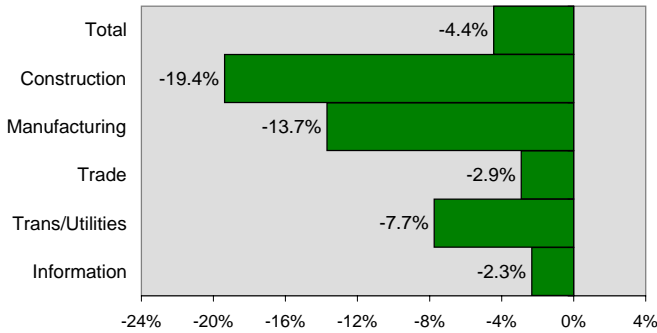
Homeowner Resources

- The mortgage lender, also called the "servicer." (Contact information located on mortgage statement.)
- www.MakingHomeAffordable.gov
- [Kentucky Homeownership Protection Center, \(866\) 830-7868](http://KentuckyHomeownershipProtectionCenter.com)
- [Homeowner's HOPE™ Hotline, \(888\) 995-HOPE™](http://Homeowner'sHOPE.com)
- [HUD-Certified Housing Counselors, \(800\) 569-4287](http://HUD-CertifiedHousingCounselors.com)
- www.FreddieMac.com/avoidforeclosure or (800) FREDDIE

For more information, please go to www.freddiemac.com/states

* Based on completed agreements. Periodically, there are differences in and changes to our reported numbers due to the timing of completion.

Employment growth was strongest in Kentucky's education and health services sector over the year ended July 2009



Source: Bureau of Labor Statistics, % change year ago

Indicators	2004	2005	2006	2007	2008
Gross State Product, C\$B	119,934	122,935	125,805	127,031	126,967
% Change	2.3	2.5	2.3	1.0	-0.1
Total Non-Farm Employment (ths.)	1,798.6	1,824.5	1,846.8	1,866.7	1,854.0
% Change	0.9	1.4	1.2	1.1	-0.7
Unemployment Rate (%)	5.6	6.1	5.9	5.5	6.5
Personal Income Growth (%)	5.2	4.6	6.1	5.3	4.1
Population (ths.)	4,135.6	4,166.0	4,199.4	4,236.3	4,269.2
Single-Family Permits	18,480	17,929	13,496	11,553	6,892
Multifamily Permits	4,143	3,230	3,132	3,385	3,602
Existing Median Home Sales Price (ths.)	121.8	124.4	124.2	123.3	117.5
Mortgage Originations (# of SF loans)	144,059	143,299	128,296	114,128	n/a
Personal Bankruptcies (total ch. 7 & 13)	27,766	39,860	12,176	16,845	20,953
Existing Home Sales (ths.)	88.8	96.1	97.1	92.0	74.1
30-Year Fixed Mortgage Rate Average (%)	5.84	5.87	6.41	6.34	6.07
Rental Vacancy Rate (%)	11.3	11.2	9.8	10.4	9.9
Serious Mortgage Delinquency (% All Loans)	2.19	2.52	2.80	3.63	4.18
Foreclosure Rate (% All Loans)	0.96	1.03	1.09	1.32	1.41
Homeownership Rate (%)	70.1	70.6	70.7	70.7	69.5

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, Freddie Mac

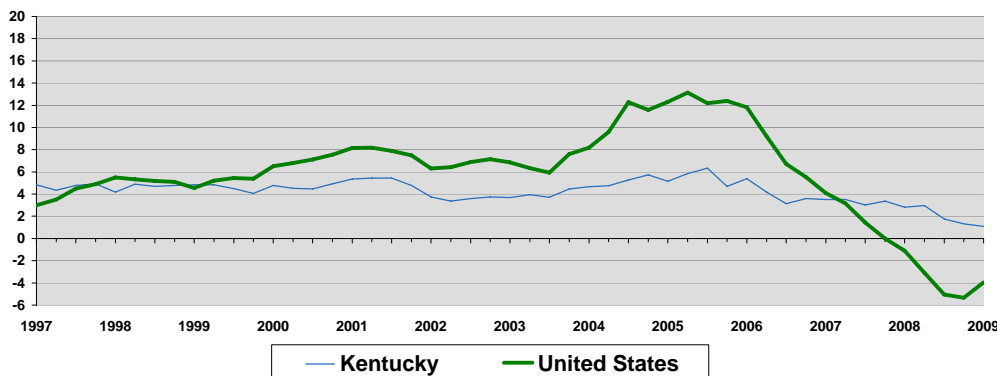
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®

— 30-Year Fixed Rate — 1-Year ARM



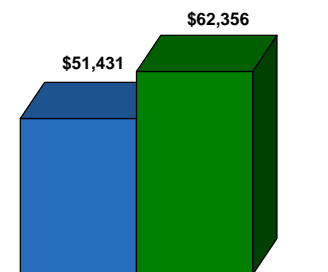
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



Source: Freddie Mac's Conventional Mortgage Home Price Index

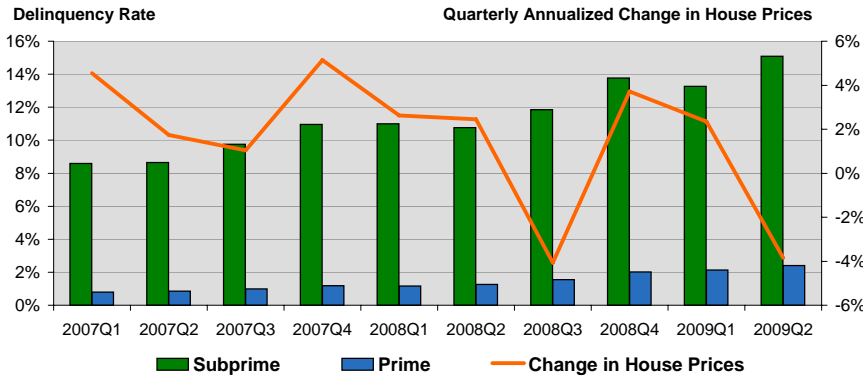
2008Q4 Median Family Income



■ Kentucky ■ United States

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

Serious mortgage delinquencies are rising among prime and subprime borrowers in Kentucky



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	21
1 = Highest	
Mortgage Delinquency Rate	23
1 = Most Delinquent	
Median Family Income	48
1 = Highest	
Adjustable Rate Mortgage Share	48
1 = Highest Share	
Housing Affordability	14
1 = Most Affordable	
Employment Growth	37
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Kentucky

	Homeownership Rate in 2008	Change in Homeownership Rate from 2007
All Households	69.5%	-1.2%
White, Non-hispanic	72.6%	-1.0%
Black	43.2%	0.3%
Hispanic	34.8%	-6.0%
Asian or Pacific Islander	54.0%	2.7%

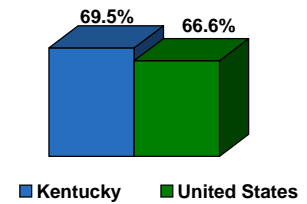
Source: US Census Bureau - American Community Survey

Homeownership Rate in 2008

Change in Homeownership Rate from 2007

Homeownership is higher in KY than the national average

2008 Homeownership Rate

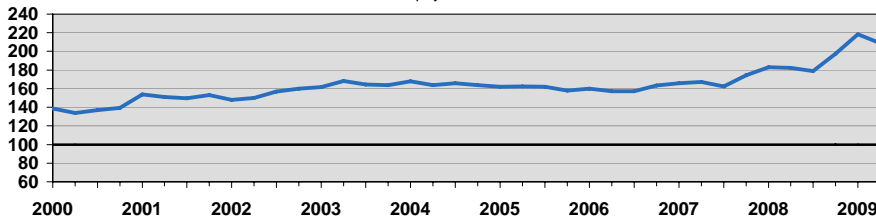


Source: US Census Bureau

State Housing Affordability Index

Kentucky

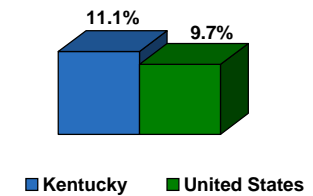
Share of the median-priced home affordable to the median-income family with a 30-year fixed-rate mortgage and 20% downpayment.



Source: Moody's Economy.com

The unemployment rate is higher in KY

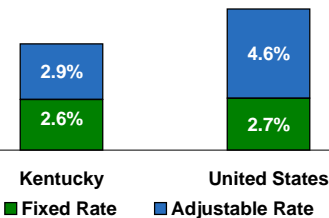
August 2009 Unemployment Rate



Source: Bureau of Labor Statistics

The Subprime Picture

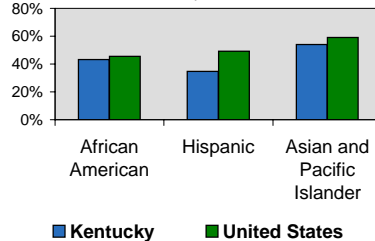
Subprime dollar share of all loans outstanding as of December 2008



Source: First American CoreLogic

Homeownership is lower within minority groups in KY than in US

2008 Homeownership Rate

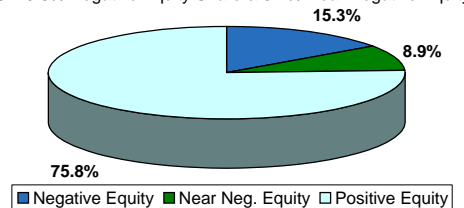


Source: US Census Bureau - American Community Survey

Share of Homes with Negative Equity

Kentucky

US: 19.8% Negative Equity Share & 5.2% Near Negative Equity



Source: First American CoreLogic. Data represent share of homes where total mortgage debt is higher than home value.