



Making Home Possible in Massachusetts

Over the past decade, Freddie Mac has invested **\$114.2 billion** in home loans, helping **742,752 Massachusetts families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$12.7 billion	63,390	2,307	65,697
Past 10 Years	\$114.2 billion	716,020	26,733	742,752

In 2006 Freddie Mac:

- Enabled 8,120 Massachusetts homebuyers to purchase their first home.
- Financed loans for 31,294 low- and moderate-income Massachusetts families.
- Helped 654 Massachusetts families avoid foreclosure.
- Funded residential loans with an average mortgage of \$198,021.

- Since 2000, Freddie Mac funded \$333.5 million in mortgage revenue bonds, providing low-cost mortgages to Massachusetts families.
- Since 1998, Freddie Mac has invested \$194.8 million in low-income housing tax credits, creating 12,004 affordable homes for Massachusetts families.

Working with our partners, Freddie Mac helps make home possible for Massachusetts families every step of the way through the homebuying

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

Don't Borrow Trouble® Anti-Predatory Lending Campaign – Boston:

Freddie Mac launched the *Don't Borrow Trouble* campaign in Boston to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Boston's multi-faceted program reaches out to consumers through subway ads, television and radio commercials and direct mailings. Key participants include The City of Boston, the Boston Home Center, and the Massachusetts Community & Banking Council (MCBC).

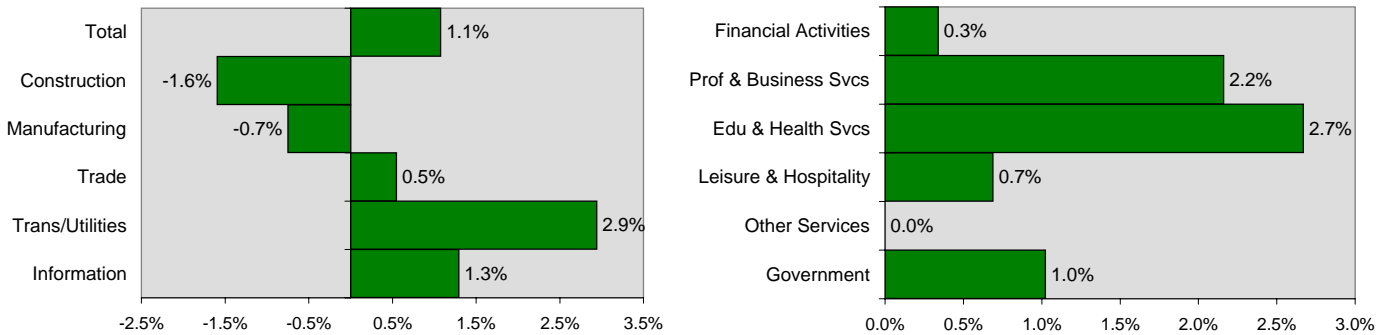
Metrocities Mortgage -- NOAH Home Possible Outreach Initiative:

Freddie Mac launched a homeownership education and outreach initiative in Boston to identify and eliminate barriers and challenges for Hispanic and other underserved borrowers in the homebuying process. Freddie Mac's *Get The Facts!*, *CreditSmart®* and *CreditSmart® Español*, and Loan Prospector® Outreach are included as part of the initiative. *Get The Facts!* is a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home, and Loan Prospector® Outreach is used to determine if participants are ready to apply for a mortgage or if they need to continue counseling. Key participants include Neighborhood of Affordable Housing, Inc. (NOAH) and Metrocities Mortgage.

National Council of La Raza to Offer CreditSmart® Home Preservation Materials

Freddie Mac and the National Council of La Raza (NCLR), the nation's largest Hispanic advocacy organization, are continuing their tradition of working together by educating the Latino population in the Lawrence area on all aspects of homeownership, from maintenance to financial management and foreclosure prevention. Freddie Mac enhanced its *CreditSmart®* multilingual financial literacy curriculum by adding new material on homeownership preservation, including foreclosure prevention, planning for emergencies, property maintenance and avoiding financial traps. NCLR will offer the *CreditSmart®* workshops in English and Spanish, which will give participants a greater understanding of the responsibilities of caring for their homes, the importance of maintaining their credit, and what to do if they ever have difficulty meeting their financial obligations.

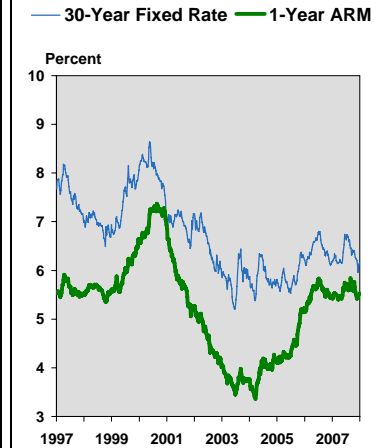
Employment growth was strongest in Massachusetts's education and health services sector in 2007



Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	274,997	280,881	289,295	292,225	300,753
% Change	-0.6	2.1	3.0	1.0	2.9
Total Non-Farm Employment (ths.)	3,259.3	3,198.4	3,194.9	3,211.6	3,243.3
% Change	-2.4	-1.9	-0.1	0.5	1.0
Unemployment Rate (%)	5.3	5.8	5.2	4.8	5.0
Personal Income Growth (%)	0.3	1.6	5.0	5.1	6.2
Population (ths.)	6,431.2	6,439.6	6,436.0	6,433.4	6,437.2
Single-Family Permits	13,636	13,037	14,842	14,585	10,916
Multifamily Permits	3,829	7,220	7,635	9,964	8,664
Existing Median Home Sales Price (ths.)	268.0	295.0	340.0	346.0	310.0
Mortgage Originations (# of SF loans)	459,185	603,692	354,527	340,454	290,190
Personal Bankruptcies (total ch. 7 & 13)	17,013	17,853	18,073	26,283	8,133
Existing Home Sales (ths.)	117.3	116.0	139.6	147.9	129.4
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	4.9	5.2	6.5	5.7	6.2
Serious Mortgage Delinquency (% All Loans)	0.74	0.64	0.63	0.77	1.28
Foreclosure Rate (% All Loans)	0.25	0.24	0.23	0.27	0.52
Homeownership Rate (%)	64.0	64.5	64.6	64.0	64.9

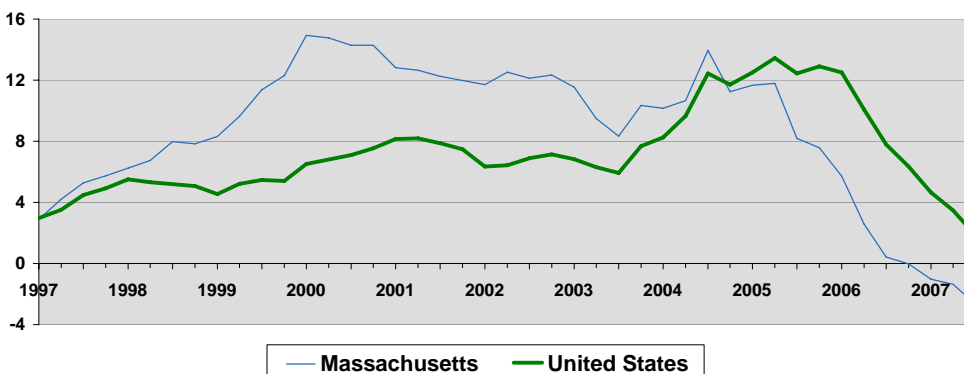
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®



Source: Freddie Mac, Primary Mortgage Market Survey®

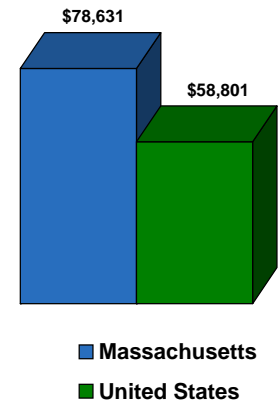
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



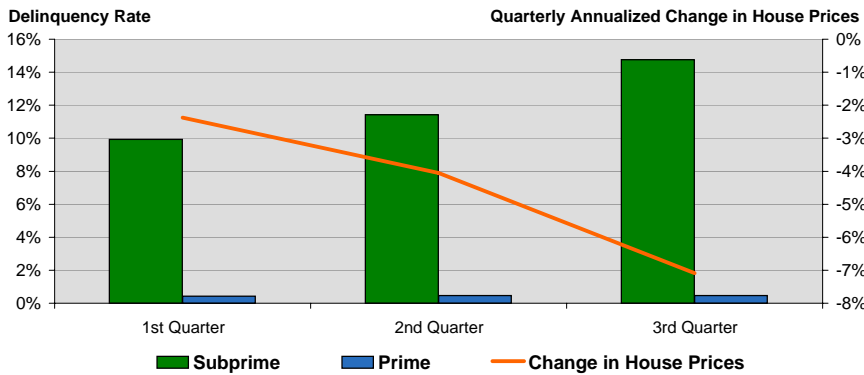
Source: Freddie Mac's Conventional Mortgage Home Price Index

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 falling house prices in MA



Source: First American CoreLogic and Freddie Mac

National Rankings

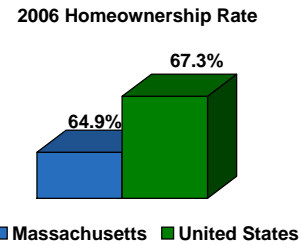
Homeownership Rate	43
1 = Highest	
Mortgage Delinquency Rate	24
1 = Most Delinquent	
Median Family Income	4
1 = Highest	
Adjustable Rate Mortgage Share	39
1 = Highest Share	
Housing Affordability	41
1 = Most Affordable	
Employment Growth	30
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Massachusetts

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	64.9%	--
White, Non-hispanic	69.6%	4.7%
Black	34.9%	-30.0%
Hispanic	26.1%	-38.8%
Asian or Pacific Islander	50.1%	-14.9%

Source: US Census Bureau - American Community Survey

Homeownership is lower in MA than the national average



Source: US Census Bureau

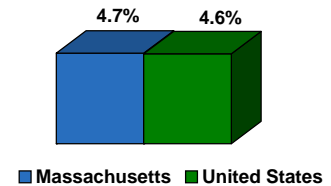
Characteristics of Subprime Mortgage Originations by Year Massachusetts

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	55%	63%	81%	83%	76%
Non-Traditional Mortgages (%)	2%	5%	27%	40%	32%
Non-Owner Share (%)	18%	16%	15%	14%	12%
Share of Low-No Documentation	57%	56%	59%	62%	66%
Debt-to-Income Ratio	39%	39%	40%	41%	42%
Average Loan-to-Value	83%	85%	82%	80%	81%
Average Fico Credit Score	671	676	680	683	681

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

The unemployment rate is higher in MA

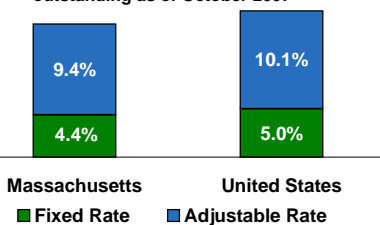
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

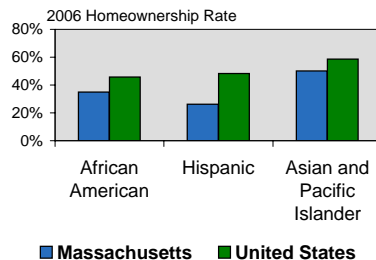
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

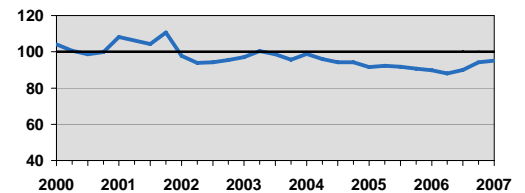
Homeownership rates are low among minority groups in MA



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Massachusetts

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