

## Making Home Possible in Mississippi

Over the past decade, Freddie Mac has invested **\$9.9 billion** in home loans, helping **105,801 Mississippi families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$1.5 billion	11,196	2,719	13,915
Past 10 Years	\$9.9 billion	91,182	14,618	105,801

### In 2006 Freddie Mac:

- Enabled 1,492 Mississippi homebuyers to purchase their first home.
- Financed loans for 6,288 low- and moderate-income Mississippi families.
- Helped 1,921 Mississippi families avoid foreclosure.
- Funded residential loans with an average mortgage of \$119,736.
- Since 2000, Freddie Mac funded \$405.2 million in mortgage revenue bonds, providing low-cost mortgages to Mississippi families.
- Since 1998, Freddie Mac has invested \$70.6 million in low-income housing tax credits, creating 2,382 affordable homes for Mississippi families.

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

### **Don't Borrow Trouble® Anti-Predatory Lending Campaign – Mississippi:**

To help families avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics, Freddie Mac launched a consumer education campaign in Mississippi. The campaign utilizes brochures, flyers, radio public service announcements and the [www.dontborrowtrouble.com](http://www.dontborrowtrouble.com) website to educate consumers who are most vulnerable to predatory lending. These consumers include the elderly, Hurricane Katrina and other natural disaster victims, minorities, and low- to moderate-income individuals. Key participants include Housing Education and Economic Development (HEED) and Mississippi Home Corporation (MHC).

**Temporary Housing for Mississippians:**

Freddie Mac joined forces with Mississippi Home Corporation (MHC) to provide \$900,000 for the acquisition and placement of more than 35 travel trailer units to provide temporary housing to Mississippians who were displaced by hurricanes Katrina and Rita. The temporary units were placed on the homeowner's property and tied into existing utilities during the reconstruction of the home.

**Jackson State University (JSU) Workforce Home Benefit:**

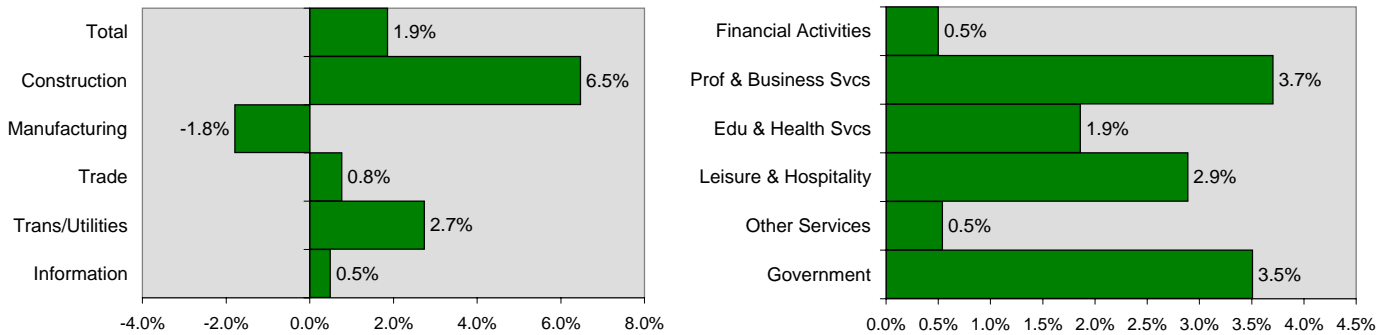
The *JSU Workforce Home Benefit* initiative is an employer-assisted housing benefit that provides direct assistance and information to help employees with the purchase of a home. In addition, the initiative helps JSU improve retention and recruitment of employees. The university's 1,400 faculty and staff members are provided with homebuying resources, including special loan products with flexible features, financial literacy/homebuyer education, and new or renovated homes built near their worksite. Key participants include Freddie Mac, Jackson State University, and Trustmark National Bank. (U.S. Rep. Bennie Thompson participated in the announcement of this initiative.)

**Operation Reconstruct Mississippi:**

Last year, Freddie Mac contributed \$225,000 to the Home Builders Institute to fund an initiative in Gulfport, Mississippi designed to help people in Gulfport rebuild their lives and their communities. For residents of the area who lost their jobs and/or their homes in Hurricanes Katrina and Rita, this 10-week construction class is designed to provide both classroom and on-the-job training in homebuilding skills desperately needed in the Gulf Coast. The on-the-job training is accomplished by working on homes for Gulfport families in need.

Everyone wins as homebuilders seeking a skilled workforce hire new employees with training, incentive and commitment to rebuild the Gulf coast. In addition to the training, the students receive a \$150/week stipend, free tools of their own, and job placement assistance.

## Employment growth was strongest in Mississippi's construction sector in 2007

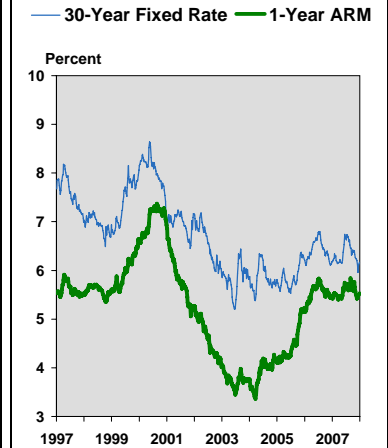


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
<b>Gross State Product, C\$B</b>	64,569	66,556	67,978	68,345	70,032
% Change	0.9	3.1	2.1	0.5	2.5
<b>Total Non-Farm Employment (ths.)</b>	1,123.6	1,114.9	1,124.5	1,130.2	1,142.4
% Change	-0.6	-0.8	0.9	0.5	1.1
<b>Unemployment Rate (%)</b>	6.7	6.4	6.4	7.8	6.8
<b>Personal Income Growth (%)</b>	2.0	3.6	5.2	6.1	5.8
<b>Population (ths.)</b>	2,863.1	2,874.2	2,892.7	2,908.5	2,910.5
<b>Single-Family Permits</b>	8,881	10,138	11,199	11,656	14,138
<b>Multifamily Permits</b>	2,395	1,872	3,333	1,740	2,480
<b>Existing Median Home Sales Price (ths.)</b>	125.0	126.0	131.9	140.0	149.6
<b>Mortgage Originations (# of SF loans)</b>	88,400	109,396	81,647	76,899	77,402
<b>Personal Bankruptcies (total ch. 7 &amp; 13)</b>	22,070	21,956	20,995	23,471	8,646
<b>Existing Home Sales (ths.)</b>	47.9	51.6	57.9	60.6	63.9
<b>30-Year Fixed Mortgage Rate Average (%)</b>	6.53	5.83	5.84	5.87	6.41
<b>Rental Vacancy Rate (%)</b>	15.4	15.8	12.5	13.2	12.9
<b>Serious Mortgage Delinquency (% All Loans)</b>	3.69	3.54	3.51	8.54	4.36
<b>Foreclosure Rate (% All Loans)</b>	1.23	1.03	0.83	0.57	0.92
<b>Homeownership Rate (%)</b>	71.4	70.1	69.6	69.9	70.7

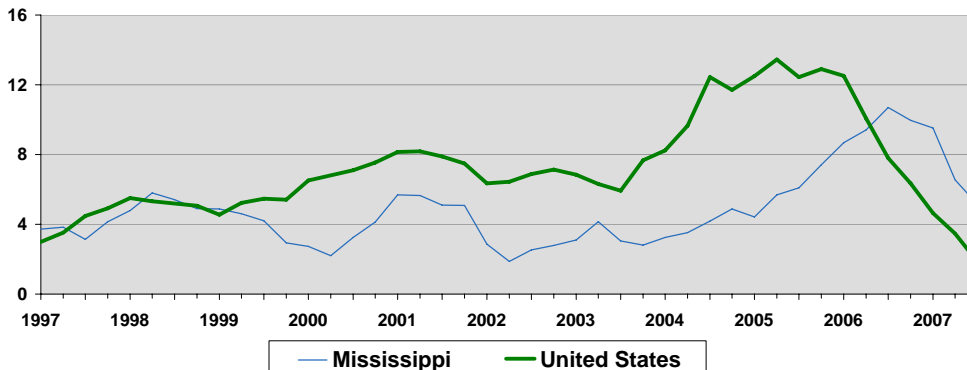
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



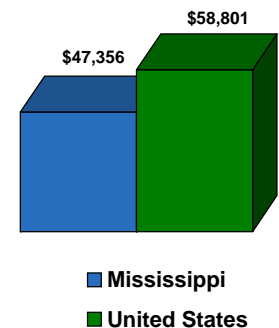
Source: Freddie Mac, Primary Mortgage Market Survey®

## Annual % Change in House Prices



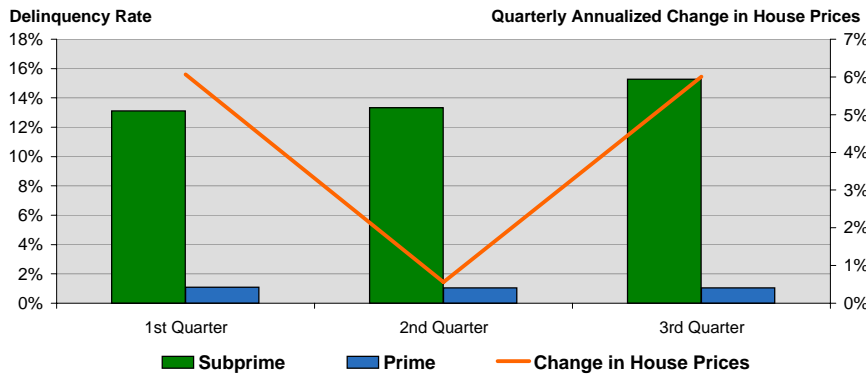
Source: Freddie Mac's Conventional Mortgage Home Price Index

## 2006 Median Family Income



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

## Serious mortgage delinquencies are high and rising among subprime borrowers in MS but home prices, while volatile, are up through 2007 Q3



Source: First American CoreLogic and Freddie Mac

### National Rankings

<b>Homeownership Rate</b>	<b>20</b>
1 = Highest	
<b>Mortgage Delinquency Rate</b>	<b>7</b>
1 = Most Delinquent	
<b>Median Family Income</b>	<b>50</b>
1 = Highest	
<b>Adjustable Rate Mortgage Share</b>	<b>27</b>
1 = Highest Share	
<b>Housing Affordability</b>	<b>19</b>
1 = Most Affordable	
<b>Employment Growth</b>	<b>33</b>
1 = Highest Growth	

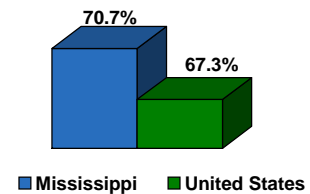
### Homeownership Rates by Race and Ethnicity in Mississippi

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	70.7%	--
White, Non-hispanic	77.7%	7.1%
Black	56.3%	-14.4%
Hispanic	42.8%	-27.9%
Asian or Pacific Islander	68.0%	-2.7%

Source: US Census Bureau - American Community Survey

### Homeownership is higher in Mississippi than the national average

#### 2006 Homeownership Rate



Source: US Census Bureau

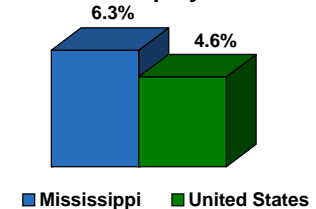
### Characteristics of Subprime Mortgage Originations by Year Mississippi

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	54%	63%	73%	77%	68%
Non-Traditional Mortgages (%)	0%	2%	10%	16%	16%
Non-Owner Share (%)	7%	7%	13%	12%	14%
Share of Low-No Documentation	26%	26%	28%	32%	37%
Debt-to-Income Ratio	39%	39%	38%	40%	40%
Average Loan-to-Value	88%	90%	88%	86%	86%
Average Fico Credit Score	625	630	633	633	639

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

### The unemployment rate is higher in MS

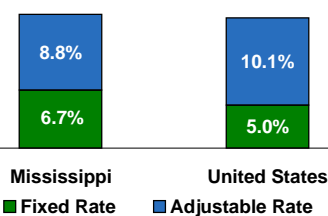
#### 2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

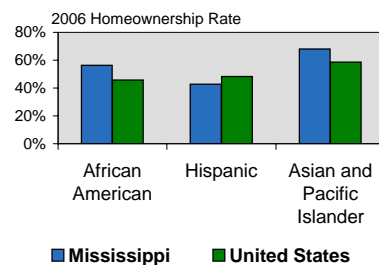
### The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

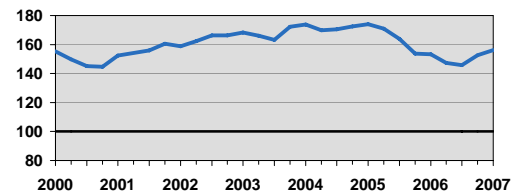
### Homeownership is higher among African-Americans and Asians in MS



Source: US Census Bureau - American Community Survey

### State Housing Affordability Index Mississippi

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