

Making Home Possible in New Jersey

Over the past decade, Freddie Mac has invested **\$131.5 billion** in home loans, helping **887,081 New Jersey families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$16.2 billion	78,320	10,910	89,230
Past 10 Years	\$131.5 billion	806,215	80,865	887,081

In 2006 Freddie Mac:

- Enabled 10,667 New Jersey homebuyers to purchase their first home.
- Financed loans for 35,739 low- and moderate-income New Jersey families.
- Helped 1,129 New Jersey families avoid foreclosure.
- Funded residential loans with an average mortgage of \$198,985.
- Since 2000, Freddie Mac funded \$8.2 million in mortgage revenue bonds, providing low-cost mortgages to New Jersey families.
- Since 1998, Freddie Mac has invested \$293.3 million in low-income housing tax credits, creating 8,088 affordable homes for New Jersey families.

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

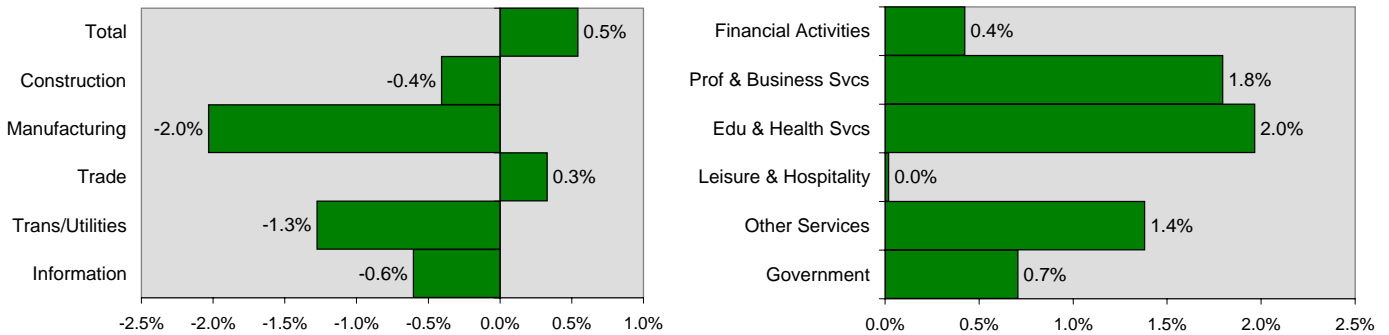
A Possible Dream – Northern New Jersey:

Freddie Mac launched "A Possible Dream" to promote homeownership opportunities for the Latino community in Northern New Jersey through an outreach campaign and educational workshop series. The initiative consists of four workshops that culminate in a certification. Key participants include GMAC Mortgage, the Hispanic Federation, and Brand New Day, a community-based non-profit housing counseling and affordable housing developer.

Morris County Financial Literacy and Homeownership Education Initiative:

Freddie Mac launched an outreach, homeownership education, and financial literacy initiative to expand homeownership opportunities to underserved markets and homebuyers within Morris County and other Northern New Jersey communities. Included in this initiative are Freddie Mac's *CreditSmart®* and *CreditSmart Español®* curricula, featuring an overview of credit and credit management, and *Get The Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. Freddie Mac's 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 HSBC Mortgage (USA) and Housing Partnership of Morris County (HPMC).

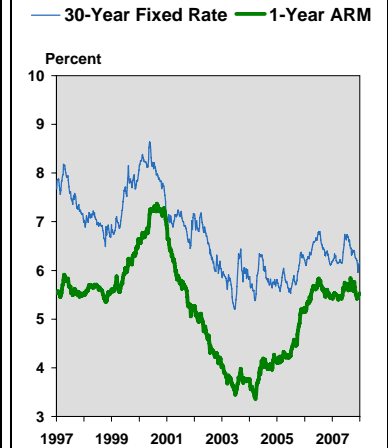
Employment growth was strongest in New Jersey's education and health services sector in 2007



Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	357,923	366,634	375,092	380,499	391,599
% Change	0.8	2.4	2.3	1.4	2.9
Total Non-Farm Employment (ths.)	3,983.9	3,978.8	3,999.1	4,039.1	4,075.0
% Change	-0.3	-0.1	0.5	1.0	0.9
Unemployment Rate (%)	5.8	5.9	4.9	4.5	4.6
Personal Income Growth (%)	1.2	1.7	5.9	5.0	6.0
Population (ths.)	8,577.5	8,632.6	8,675.9	8,703.2	8,724.6
Single-Family Permits	22,379	22,163	22,429	22,264	17,113
Multifamily Permits	8,062	10,821	13,507	16,324	17,210
Existing Median Home Sales Price (ths.)	262.5	292.0	310.0	360.0	368.0
Mortgage Originations (# of SF loans)	504,314	693,579	436,795	468,937	420,562
Personal Bankruptcies (total ch. 7 & 13)	40,252	41,418	40,536	48,760	13,529
Existing Home Sales (ths.)	165.4	173.6	187.7	184.5	154.3
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	4.8	6.3	6.2	6.2	7.3
Serious Mortgage Delinquency (% All Loans)	1.97	1.67	1.48	1.29	1.34
Foreclosure Rate (% All Loans)	0.73	0.63	0.51	0.41	0.55
Homeownership Rate (%)	65.9	66.7	68.1	67.3	67.3

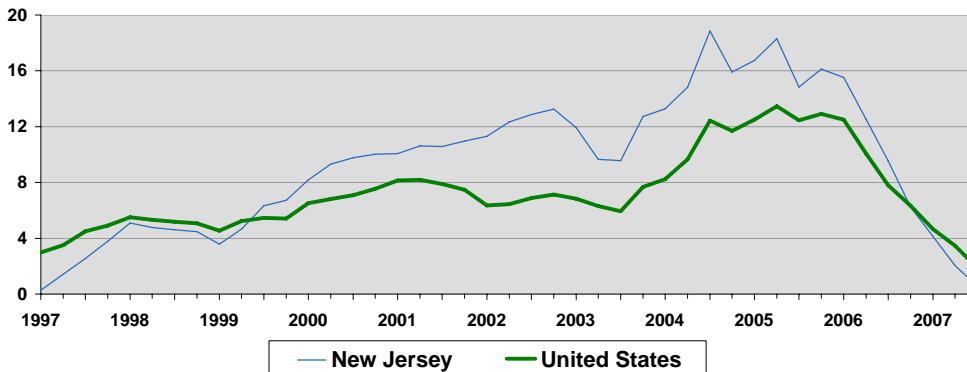
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®



Source: Freddie Mac, Primary Mortgage Market Survey®

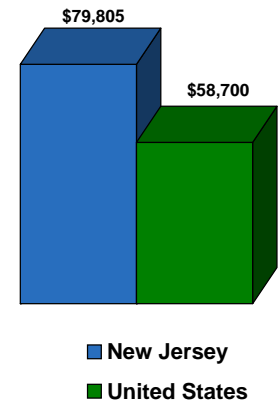
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



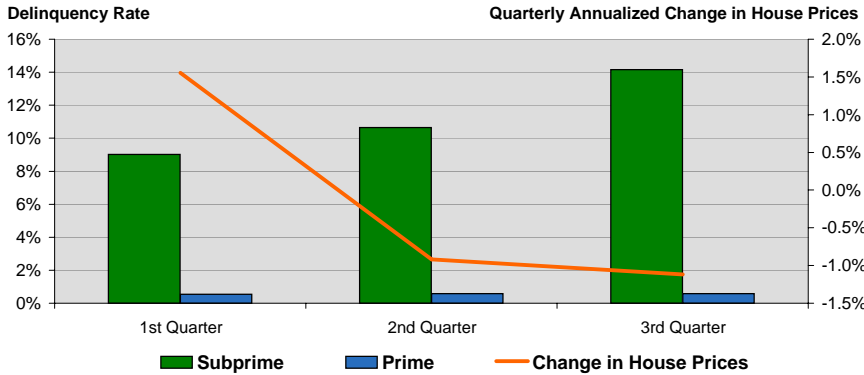
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

Serious mortgage delinquencies are high and rising among subprime borrowers in New Jersey and are exacerbated by declining home values in 2007



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	39
1 = Highest	
Mortgage Delinquency Rate	28
1 = Most Delinquent	
Median Family Income	2
1 = Highest	
Adjustable Rate Mortgage Share	37
1 = Highest Share	
Housing Affordability	42
1 = Most Affordable	
Employment Growth	44
1 = Highest Growth	

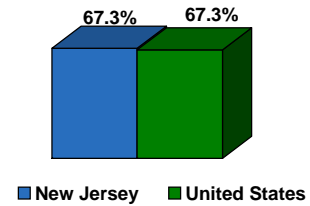
Homeownership Rates by Race and Ethnicity in New Jersey

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	67.3%	--
White, Non-hispanic	78.0%	10.7%
Black	41.1%	-26.2%
Hispanic	38.0%	-29.3%
Asian or Pacific Islander	64.4%	-2.9%

Source: US Census Bureau - American Community Survey

The homeownership rate in New Jersey matches the national average

2006 Homeownership Rate



Source: US Census Bureau

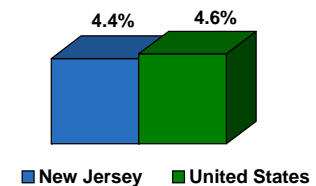
Characteristics of Subprime Mortgage Originations by Year New Jersey

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	41%	47%	71%	78%	73%
Non-Traditional Mortgages (%)	2%	5%	21%	42%	40%
Non-Owner Share (%)	14%	15%	18%	18%	14%
Share of Low-No Documentation	63%	65%	65%	68%	75%
Debt-to-Income Ratio	37%	38%	38%	40%	41%
Average Loan-to-Value	83%	84%	83%	81%	81%
Average Fico Credit Score	668	672	679	683	683

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

Unemployment is low in New Jersey

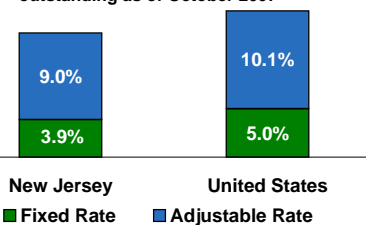
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

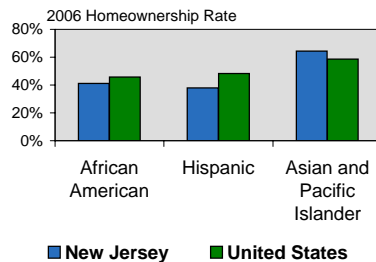
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

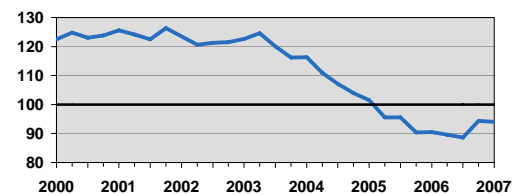
Homeownership is higher among Asian households in NJ



Source: US Census Bureau - American Community Survey

State Housing Affordability Index New Jersey

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