

Making Home Possible in New York

Over the past decade, Freddie Mac has invested **\$163.9 billion** in home loans, helping **1,329,033 New York families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$20.5 billion	99,094	30,516	129,610
Past 10 Years	\$163.9 billion	1,071,849	257,184	1,329,033

In 2006 Freddie Mac:

- Enabled 15,655 New York homebuyers to purchase their first home.
- Financed loans for 57,256 low- and moderate-income New York families.
- Helped 1,663 New York families avoid foreclosure.
- Funded residential loans with an average mortgage of \$187,864.

- Since 2000, Freddie Mac funded \$498 million in mortgage revenue bonds, providing low-cost mortgages to New York families.
- Since 1998, Freddie Mac has invested \$781.3 million in low-income housing tax credits, creating 32,206 affordable homes for New York families.

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

Working Immigrants Saving for a Home ("WISH") Workforce Home Benefit – New York City:

The Working Immigrants Saving for a Home (WISH) Workforce Home Benefit initiative is an employer-assisted housing initiative that provides direct assistance and information to help employees with the purchase of a home. In addition, the initiative helps employers retain and recruit employees. Five employers in the new-immigrant community in New York City are participating, along with HSBC Mortgage (USA), Washington Mutual, and Asian Americans For Equality (AAFE).

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Syracuse to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Home Headquarters answers consumer calls, a network of city agencies and non-profits provide counseling, and a legal team conducts screening and provides referrals to attorneys as necessary. Key participants include Home Headquarters, City of Syracuse, Syracuse Housing Authority, County of Onondaga Legal Aid Society, Consumer Credit Counseling Services of Central New York, Empire Development Office of the Attorney General – Syracuse University Neighborhood Preservation Association and Onondaga County District Attorney's Office.

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Rochester to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. The Housing Council takes consumer calls, provides counseling, and refers callers to partner agencies as necessary. Key participants include Bank of America, Citibank, HSBC Mortgage (USA), M&T Bank, Progressive Neighborhood FCU, Key Bank, Charter One Bank, Chase Home Mortgage, AARP, NHS, CCCS, NY State Attorney General, City of Rochester, Providence Housing Development, Legal Aid Society, Rochester District/NY State Credit Union League, Lifespan, Rural Opportunities, Empire Justice, and Society of Real Estate Appraisers.

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Buffalo to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Outreach efforts for the Buffalo campaign include a combination of paid advertising and grassroots outreach to raise awareness among consumers. The Buffalo Urban League staffs a hotline and provides counseling and legal assistance to consumers in need of help. Key participants include Bank of America, Key Bank, Charter One Bank, First Niagara Bank, Citibank, Greater Buffalo Savings Bank, M&T Bank, HSBC Mortgage (USA), JP Morgan Chase, Consumer Credit Counseling Services, Inc., Buffalo Urban League, County of Erie, The Legal Aid Bureau of Buffalo, Inc., Legal Services for the Elderly, Inc., City of Buffalo, U.S. Department of Housing & Urban Development, Congressman John LaFalce, and Western New York Law Center, Inc.

***Don't Borrow Trouble*® Anti-Predatory Lending Campaign – Long Island:**

Freddie Mac launched the *Don't Borrow Trouble* campaign in Long Island to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. The Long Island campaign includes an outreach campaign through churches, civic associations and other community-based organizations, as well as a network of attorneys, lenders, and 24 community agencies across Long Island. The Long Island Housing Partnership staffs a hotline and provides counseling and/or legal assistance to callers.

ERDA Homes Homeownership Initiative – Queens:

Freddie Mac launched the East River Development Alliance (ERDA) Homes Homeownership initiative to increase financial literacy and homeownership opportunities for residents of the Queensbridge, Ravenswood and Astoria public housing developments in Queens. Key participants include Chase Home Finance, ERDA Homes, other partners in the East River Development Alliance, and Neighborhood Housing Services of Northern Queens.

Fort Drum Homeownership Initiative:

The Fort Drum Homeownership initiative is a collaboration among the military, community, and financial institutions. The goal of the initiative is to bring affordable mortgage products, and a customized, onsite homeownership program to the soldiers and their families at Fort Drum. Key participants include Fort Drum's Housing Office, Neighbors of Watertown and HSBC Mortgage (USA).

Mi Primera Casa – Long Island:

Freddie Mac launched "Mi Primera Casa" to identify and eliminate barriers and challenges for Hispanic borrowers in the homebuying process on Long Island. Freddie Mac's *Get The Facts!* 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. 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 Community Development Corporation of Long Island.

Get The Facts!:

Freddie Mac launched homeownership outreach campaigns in Jackson Heights and Long Island. The initiative is based on Freddie Mac's *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.

– **SouthEast Asian Get The Facts! – Jackson Heights:** Key participants include Chhaya Community Development Corporation and HSBC Mortgage (USA).

– **Get The Facts! Hempstead, Long Island:** Key participants include HSBC Mortgage (USA) and the Hempstead Hispanic Civic Association.

Latino Campaign – South Bronx, Northern Queens & Bedford-Stuyvesant:

Neighborhood Housing Services of New York City's Latino Campaign offers innovative homeownership counseling, education, and financial resources to the Latino community, including residents of Dominican, Puerto Rican, and Mexican descent. The campaign's goal is to help participants decrease debt, build credit and savings, and become wiser consumers through financial fitness classes, homebuyers' clubs, Latino homebuyers' fairs, and one-on-one counseling. The participating lenders are members of Neighborhood Housing Services of New York City's lender consortium and include Chase Home Mortgage, HSBC Mortgage (USA), Washington Mutual, Bank of America, Wells Fargo Mortgage, and Citibank.

New York City P.A.C.E. Anti-Predatory Lending Campaign:

PACE, the New York City anti-predatory lending initiative, serves individuals in three areas by providing legal assistance, foreclosure prevention counseling, and loan remediation, as well as preventive outreach, education and mortgage counseling. The New York City Department of Housing Preservation and Development (HPD) logs intake calls and conducts extensive outreach to homeowners through direct mail and bus shelter ads. Homeowners receive assistance from the various PACE Project Team members. Key participants include Parodneck Foundation, Ridgewood-Bushwick Senior Citizens Council, South Brooklyn Legal Services, Neighborhood Economic Development Advocacy Project, and Pratt Area Community Council.

SHOP Syracuse, Buffalo, Rochester, & Capital District (Albany, Troy & Schenectady):

The SHOP (Special Home Ownership Program) initiative is a collaborative effort among Freddie Mac, HSBC Mortgage Corporation (USA), HSBC Bank (USA), and various non-profit counseling agencies to revitalize neighborhoods through retention and expansion of affordable homeownership opportunities. SHOP focuses on serving hard-working families, including minorities and low- and moderate-income households, and combines homebuyer outreach and education, counseling/pre-qualification technologies, and affordable mortgage products and services that offer flexible underwriting, low down payment requirements and lower closing costs.

"Town Hall Meeting" & "Circle of Influence Dinner" Outreach and Education Campaign, Long Island:

Freddie Mac collaborated with Guidance Residential to present a "Realities and Myth" campaign to the Muslim community on Long Island. The campaign is based on Freddie Mac's *Get The Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. As part of the campaign, "Center of Influence" workshops are held to increase financial literacy among the Muslim community.

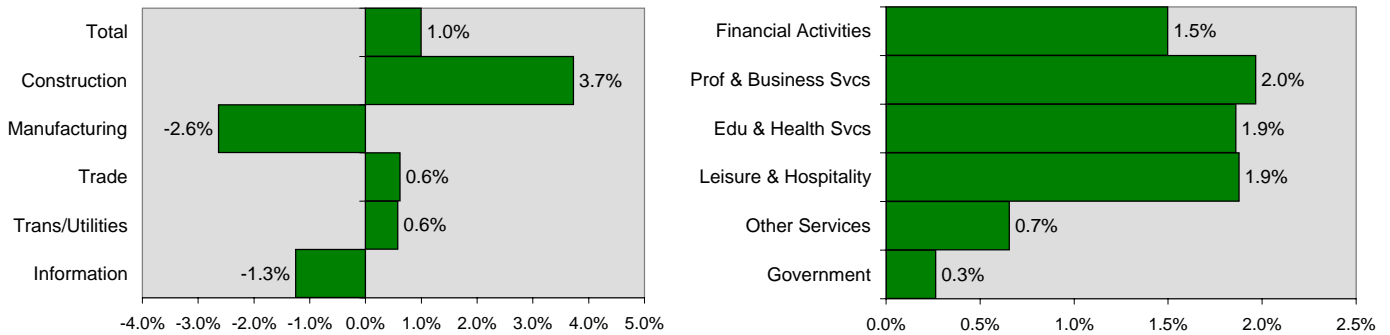
The Freddie Mac Foundation Philanthropy:

Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made more than \$26.6 million in philanthropic contributions in the state of New York, including more than \$5 million to fund *Wednesday's Child New York*, a program designed to find adoptive homes for foster children and conduct research on foster care issues.

Freddie Mac Foundation's Wednesday's Child – New York City:

The Freddie Mac Foundation's *Wednesday's Child* national television program features special needs or hard-to-place foster children in need of adoptive homes. Since 1999, the Foundation has made the dream of a permanent loving home a reality for over 200 foster children and generated thousands of viewer inquiries. *Wednesday's Child - New York City* is a partnership of the Freddie Mac Foundation, NBC4, and the City of New York Administration for Children's Services.

Employment growth was strongest in New York's construction sector in 2007

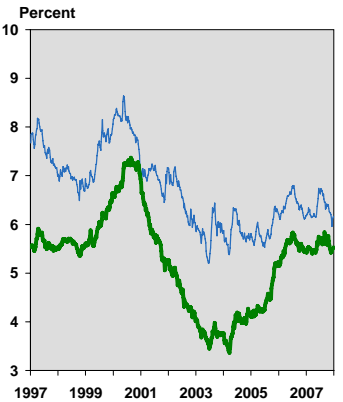


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	791,689	808,396	841,744	870,010	899,993
% Change	-0.3	2.1	4.1	3.4	3.4
Total Non-Farm Employment (ths.)	8,458.3	8,406.1	8,461.2	8,533.3	8,612.1
% Change	-1.5	-0.6	0.7	0.9	0.9
Unemployment Rate (%)	6.2	6.4	5.8	5.0	4.5
Personal Income Growth (%)	-0.3	2.4	6.7	6.8	7.4
Population (ths.)	19,167.6	19,238.3	19,291.5	19,315.7	19,306.2
Single-Family Permits	25,570	24,196	24,084	25,211	19,981
Multifamily Permits	23,579	25,512	29,413	36,738	34,401
Existing Median Home Sales Price (ths.)	270.0	256.0	243.0	270.0	258.0
Mortgage Originations (# of SF loans)	566,587	754,438	539,570	534,926	500,658
Personal Bankruptcies (total ch. 7 & 13)	69,620	73,784	75,862	107,402	28,989
Existing Home Sales (ths.)	291.1	278.7	306.3	319.2	304.6
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	5.8	5.6	6.1	5.1	5.8
Serious Mortgage Delinquency (% All Loans)	1.93	1.66	1.48	1.41	1.51
Foreclosure Rate (% All Loans)	0.91	0.80	0.62	0.55	0.64
Homeownership Rate (%)	53.8	54.2	55.6	55.3	55.6

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

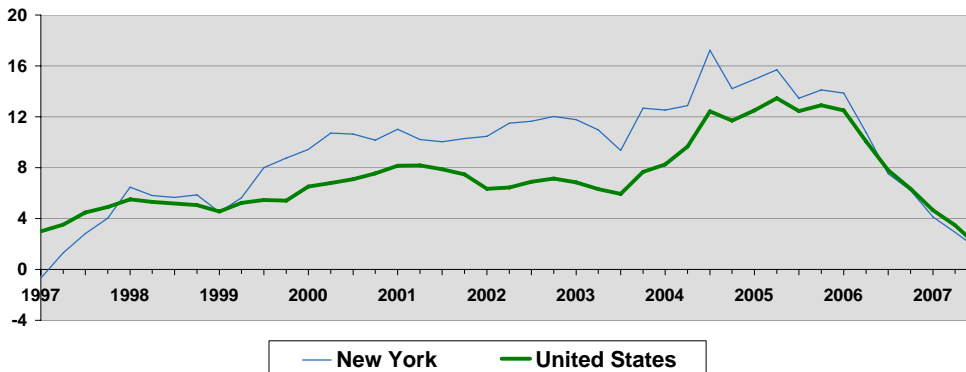
— 30-Year Fixed Rate — 1-Year ARM



Source: Freddie Mac, Primary Mortgage Market Survey®

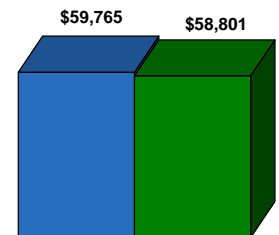
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



Source: Freddie Mac's Conventional Mortgage Home Price Index

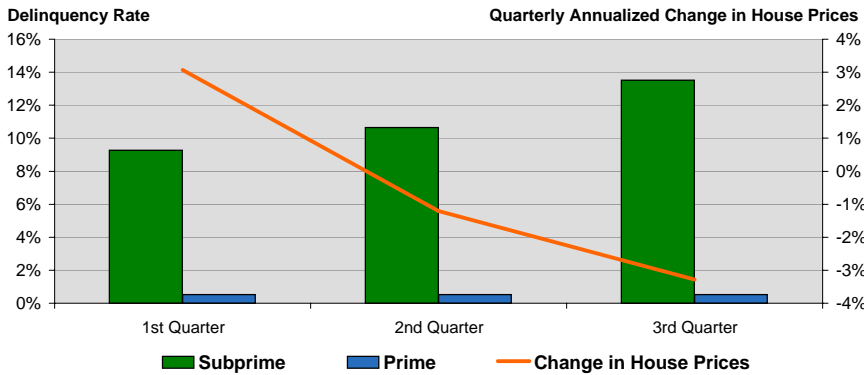
2006 Median Family Income



■ New York ■ United States

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

Serious mortgage delinquencies in New York are high and rising among subprime borrowers in 2007 and are exacerbated by declining house prices



Source: First American CoreLogic and Freddie Mac

National Rankings

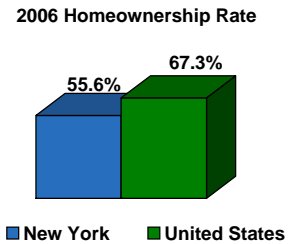
Homeownership Rate	50
1 = Highest	
Mortgage Delinquency Rate	26
1 = Most Delinquent	
Median Family Income	25
1 = Highest	
Adjustable Rate Mortgage Share	36
1 = Highest Share	
Housing Affordability	44
1 = Most Affordable	
Employment Growth	39
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in New York

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	55.6%	--
White, Non-hispanic	67.5%	11.9%
Black	32.6%	-23.0%
Hispanic	23.7%	-31.9%
Asian or Pacific Islander	45.7%	-9.9%

Source: US Census Bureau - American Community Survey

Homeownership in New York is lower than the national average



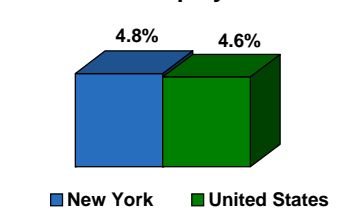
Source: US Census Bureau

Characteristics of Subprime Mortgage Originations by Year New York

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	35%	41%	63%	71%	69%
Non-Traditional Mortgages (%)	2%	5%	19%	35%	38%
Non-Owner Share (%)	10%	11%	13%	12%	11%
Share of Low-No Documentation	66%	67%	67%	72%	77%
Debt-to-Income Ratio	37%	38%	39%	40%	41%
Average Loan-to-Value	82%	84%	82%	80%	80%
Average Fico Credit Score	675	681	682	687	688

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

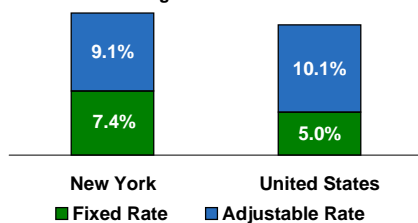
The unemployment rate is higher in NY



Source: Bureau of Labor Statistics

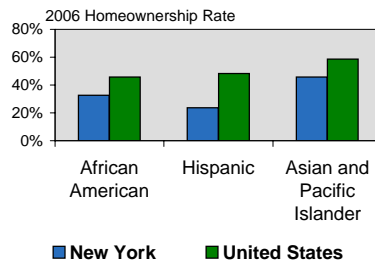
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

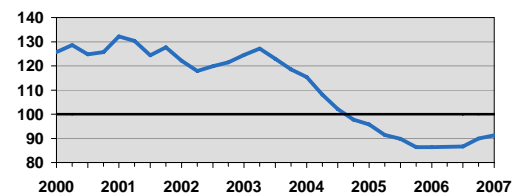
Homeownership rates are affected by low affordability in NY



Source: US Census Bureau - American Community Survey

State Housing Affordability Index New York

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