



# Making Home Possible in North Carolina

Over the past decade, Freddie Mac has invested **\$108.4 billion** in home loans, helping **930,416 North Carolina families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$12.5 billion	78,969	23,149	102,118
Past 10 Years	\$108.4 billion	827,302	103,114	930,416

**In 2006 Freddie Mac:**

- Enabled 10,515 North Carolina homebuyers to purchase their first home.
- Financed loans for 56,012 low- and moderate-income North Carolina families.
- Helped 2,010 North Carolina families avoid foreclosure.
- Funded residential loans with an average mortgage of \$144,190.
  
- Since 2000, Freddie Mac funded \$199.5 million in mortgage revenue bonds, providing low-cost mortgages to North Carolina families.
- Since 1998, Freddie Mac has invested \$90.5 million in low-income housing tax credits, creating 4,679 affordable homes for North Carolina families.

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

**Victorious Initiative – Raleigh/Durham:**

Freddie Mac, Victorious Community Development Corporation (CDC) and RBC Centura launched *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. The initiative targets the congregation of Victorious Praise Church of God in Christ in an effort to increase homeownership awareness and opportunities among African-Americans in the Raleigh/Durham area.

### **Passage Home Initiative – Raleigh:**

Freddie Mac, Passage Home, Inc., and RBC Centura launched *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. This initiative increases homeownership awareness and opportunities among low- to moderate-income individuals in the downtown Raleigh area. Participants begin with Passage Home, Inc., a local non-profit counseling agency, where they gain financial literacy, credit education, and information on the mortgage process.

### **Gateway to Homeownership:**

Freddie Mac, Fiscal Progress and RBC Centura launched *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. Through a partnership with St. Augustine's College, Fiscal Progress, a local housing agency, provides *Get the Facts!* workshops and homeownership education as part of the Lifelong Learner's Program curriculum, a degree program offered by St. Augustine's College. 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.

### **Friendship Initiative:**

Freddie Mac, Community Link, Friendship Missionary Baptist Church (FMBC), Friendship Community Development Corporation, and BB&T launched *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. The initiative targets the congregation of FMBC. Community Link is utilizing Freddie Mac's Loan Prospector® Outreach system to determine if participants are ready to apply for a mortgage or if they need to continue counseling.

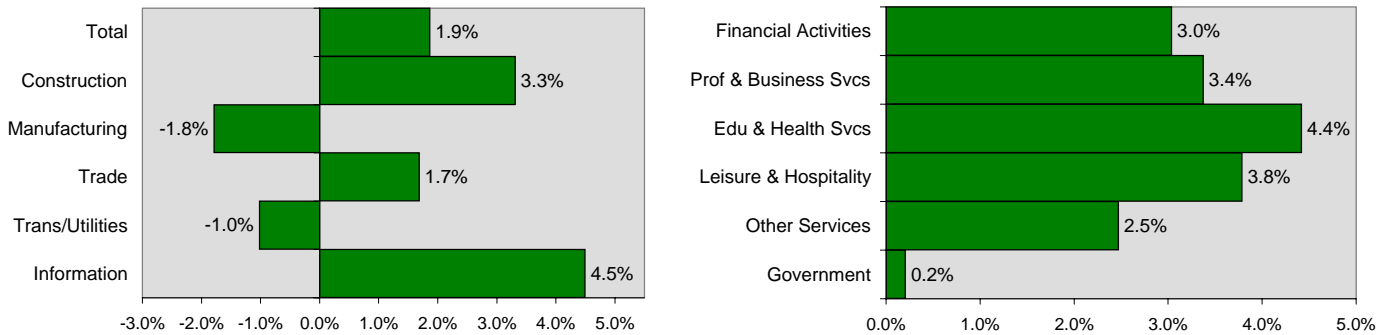
### **Education Home:**

Freddie Mac launched a grassroots, multi-faceted initiative targeting the Charlotte/Mecklenburg school district workforce. Staff are introduced to homeownership through *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home. In addition, Community Link offers homeownership education courses utilizing the *CreditSmart*® curriculum. 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 Charlotte/Mecklenburg County School District and Wachovia.

### **Central to Homeownership Initiative – Charlotte:**

Freddie Mac launched *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home, targeting employees and students of Central Piedmont Community College in the Greater Charlotte area. 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 Community Link and BB&T.

## Employment growth was strongest in North Carolina's information services sector in 2007

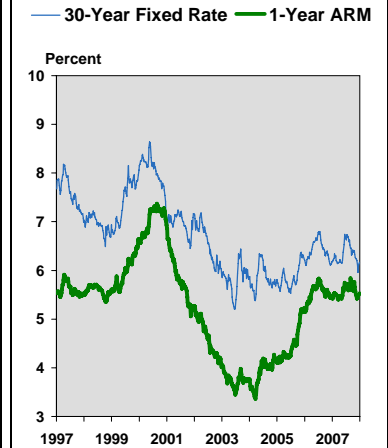


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
<b>Gross State Product, C\$B</b>	282,389	286,400	296,090	310,152	323,163
% Change	1.5	1.4	3.4	4.7	4.2
<b>Total Non-Farm Employment (ths.)</b>	3,836.1	3,788.5	3,836.0	3,914.8	4,020.5
% Change	-1.5	-1.2	1.3	2.1	2.7
<b>Unemployment Rate (%)</b>	6.6	6.5	5.5	5.2	4.8
<b>Personal Income Growth (%)</b>	1.5	2.8	6.9	6.2	7.3
<b>Population (ths.)</b>	8,313.5	8,415.7	8,531.0	8,672.5	8,856.5
<b>Single-Family Permits</b>	66,400	66,883	77,147	84,975	82,672
<b>Multifamily Permits</b>	13,424	12,343	15,930	12,935	17,307
<b>Existing Median Home Sales Price (ths.)</b>	159.5	167.0	173.5	189.0	188.5
<b>Mortgage Originations (# of SF loans)</b>	400,857	529,309	345,703	381,902	378,601
<b>Personal Bankruptcies (total ch. 7 &amp; 13)</b>	35,783	38,604	36,130	42,407	16,891
<b>Existing Home Sales (ths.)</b>	142.3	154.9	190.8	216.5	235.8
<b>30-Year Fixed Mortgage Rate Average (%)</b>	6.53	5.83	5.84	5.87	6.41
<b>Rental Vacancy Rate (%)</b>	13.6	15.0	13.3	13.8	11.7
<b>Serious Mortgage Delinquency (% All Loans)</b>	2.53	2.36	2.37	2.22	2.08
<b>Foreclosure Rate (% All Loans)</b>	0.91	0.77	0.65	0.56	0.54
<b>Homeownership Rate (%)</b>	68.6	68.3	69.0	68.2	68.1

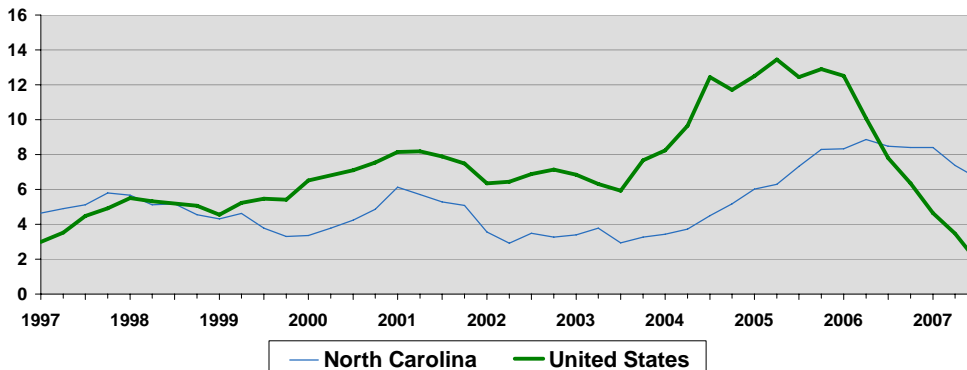
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



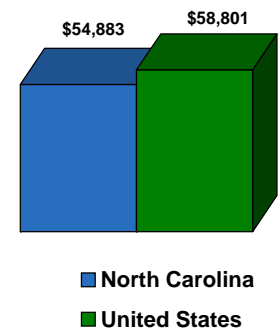
Source: Freddie Mac, Primary Mortgage Market Survey®

## Annual % Change in House Prices



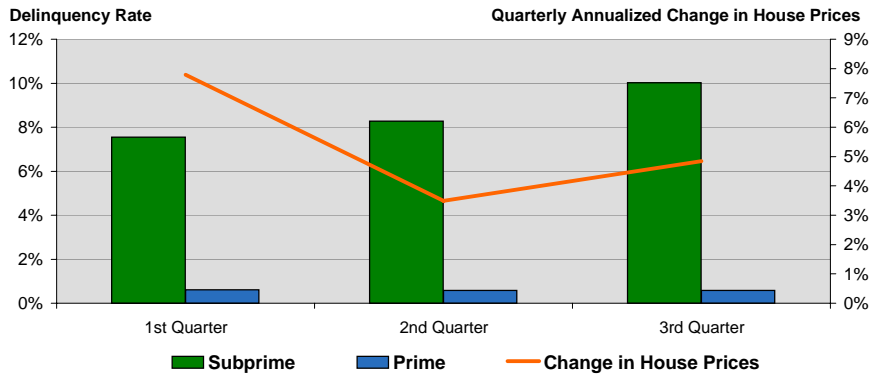
Source: Freddie Mac's Conventional Mortgage Home Price Index

## 2006 Median Family Income



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

## Serious mortgage delinquencies are rising among subprime borrowers in North Carolina but home prices continued to grow in 2007



Source: First American CoreLogic and Freddie Mac

## National Rankings

<b>Homeownership Rate</b>	<b>32</b>
1 = Highest	
<b>Mortgage Delinquency Rate</b>	<b>25</b>
1 = Most Delinquent	
<b>Median Family Income</b>	<b>34</b>
1 = Highest	
<b>Adjustable Rate Mortgage Share</b>	<b>2</b>
1 = Highest Share	
<b>Housing Affordability</b>	<b>27</b>
1 = Most Affordable	
<b>Employment Growth</b>	<b>17</b>
1 = Highest Growth	

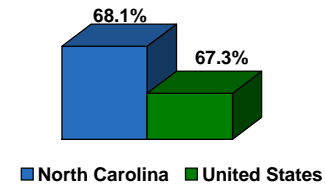
## Homeownership Rates by Race and Ethnicity in North Carolina

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	68.1%	--
White, Non-hispanic	75.8%	7.7%
Black	49.8%	-18.3%
Hispanic	35.8%	-32.3%
Asian or Pacific Islander	62.1%	-5.9%

Source: US Census Bureau - American Community Survey

## Homeownership in North Carolina is higher than the national average

### 2006 Homeownership Rate



Source: US Census Bureau

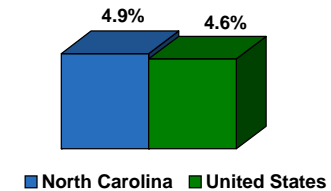
## Characteristics of Subprime Mortgage Originations by Year North Carolina

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	56%	63%	76%	74%	67%
Non-Traditional Mortgages (%)	3%	12%	33%	42%	38%
Non-Owner Share (%)	12%	16%	20%	23%	25%
Share of Low-No Documentation	36%	35%	37%	42%	51%
Debt-to-Income Ratio	38%	38%	38%	38%	39%
Average Loan-to-Value	87%	88%	84%	82%	82%
Average Fico Credit Score	655	663	673	675	676

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

## The unemployment rate is higher in NC

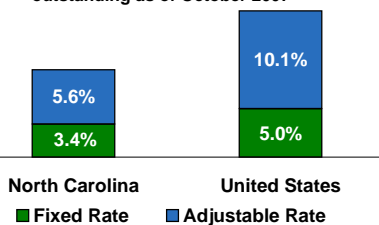
### 2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

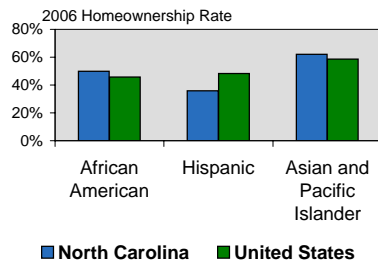
## The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

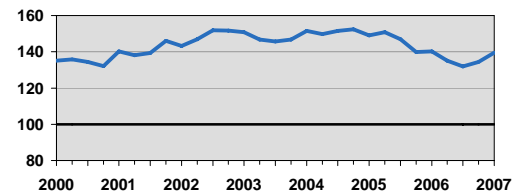
## Homeownership among African-Americans and Asians is higher in NC



Source: US Census Bureau - American Community Survey

## State Housing Affordability Index North Carolina

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