



Making Home Possible in Pennsylvania

Over the past decade, Freddie Mac has invested **\$116.3 billion** in home loans, helping **1,010,336 Pennsylvania families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$13.5 billion	90,679	11,162	101,841
Past 10 Years	\$116.3 billion	923,307	87,029	1,010,336

In 2006 Freddie Mac:

- Enabled 16,704 Pennsylvania homebuyers to purchase their first home.
- Financed loans for 53,906 low- and moderate-income Pennsylvania families.
- Helped 2,098 Pennsylvania families avoid foreclosure.
- Funded residential loans with an average mortgage of \$141,458.

- Since 2000, Freddie Mac funded \$169.4 million in mortgage revenue bonds, providing low-cost mortgages to Pennsylvania families.
- Since 1998, Freddie Mac has invested \$269.5 million in low-income housing tax credits, creating 9,136 affordable homes for Pennsylvania families.

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

Allegheny General Hospital Workforce Home Benefit – Pittsburgh:

The *Allegheny General Hospital Workforce Home Benefit* initiative is an employer-assisted housing initiative that provides direct assistance and information to employees with the purchase of a home. In addition, the initiative helps the hospital retain and recruit employees. Through this initiative, Allegheny General Hospital provides resources to help employees purchase their first home, including flexible mortgage products, homebuyer education classes, and credit counseling services. Key participants include National City Bank, Northside Leadership Conference (NLC), and NHS Inc.

West Penn Hospital Workforce Home Benefit:

The *West Penn Hospital Workforce Home Benefit* initiative is an employer-assisted housing initiative that provides direct assistance and information to help hospital employees with the purchase of a home. In addition, it helps the employer retain and recruit employees. The initiative helps hospital employees overcome financial challenges to homeownership through financial literacy, homebuyer education, and special, flexible loan products. Key participants include National City Bank, Omega Federal Credit Union, and NHS, Inc.

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Pittsburgh to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Homebuyer counseling, mortgage default and delinquency counseling, predatory lending counseling, and tenant counseling are provided by nearly 20 city-accredited agencies. Key participants include Allegheny County, Pittsburgh Community Reinvestment Group, City of Pittsburgh, Dollar Bank, Sky Bank, and National City Bank.

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Allegheny County to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. The campaign is headed by the Pittsburgh Community Reinvestment Group (PCRG) and supported by a coalition of private and public organizations in Allegheny County. The coalition urges consumers to call the *Don't Borrow Trouble* hotline that is staffed by trained professionals, who can offer free assistance to individuals seeking information about purchasing a home, refinancing, consolidating debt, taking out a home-equity loan and mortgage foreclosure prevention. Individuals can also be referred to appropriate legal or financial experts. Key participants include Pittsburgh Community Reinvestment Group, City of Pittsburgh, Allegheny County Government, National City, and Pennsylvania Department of Banking.

PCDC/CCCS of DE Valley Homeownership Initiative:

Freddie Mac, Consumer Credit Counseling Service (CCCS) of Delaware Valley, Philadelphia Chinatown Development Corporation (PCDC), the City of Philadelphia, and Chase Home Finance launched an affordable lending initiative to help Chinese-speaking families become homeowners and revitalize neighborhoods in Philadelphia. The initiative combines educational materials, workshops and financial counseling services in Mandarin and Cantonese to help community members learn about the homeownership process, understand the basics of banking, and help them establish credit.

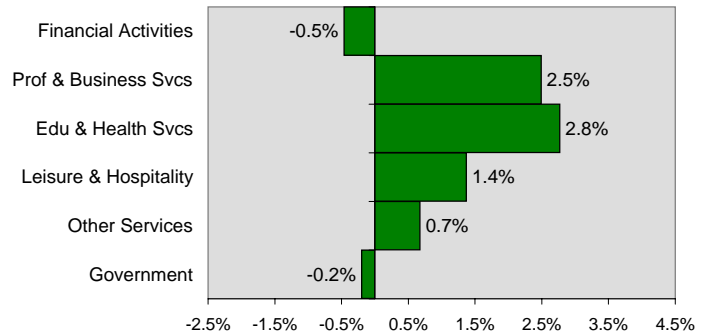
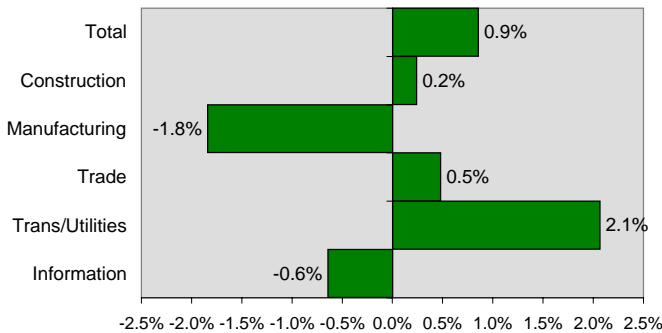
The Freddie Mac Foundation Philanthropy:

Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made more than \$5 million in philanthropic contributions in the state of Pennsylvania, including more than \$2.7 million to fund Wednesday's Child Philadelphia, a program designed to find adoptive homes for foster children.

Freddie Mac Foundation's Wednesday's Child – Philadelphia:

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 2004, the Foundation has made the dream of a permanent loving home a reality for a number of foster children and generated hundreds of viewer inquiries. Wednesday's Child - Philadelphia is a partnership of the Foundation, NBC 10, and the Philadelphia Department of Human Services.

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



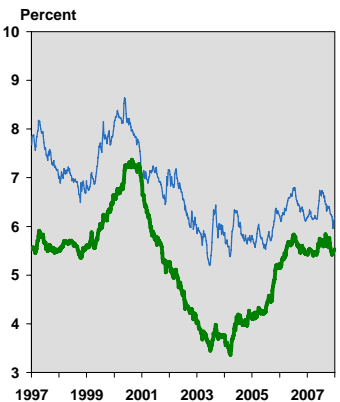
Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	402,978	411,599	420,786	426,032	433,280
% Change	1.9	2.1	2.2	1.2	1.7
Total Non-Farm Employment (ths.)	5,640.8	5,611.3	5,644.2	5,702.2	5,753.2
% Change	-0.7	-0.5	0.6	1.0	0.9
Unemployment Rate (%)	5.6	5.7	5.5	5.0	4.7
Personal Income Growth (%)	2.7	3.0	5.1	4.3	5.7
Population (ths.)	12,321.6	12,351.4	12,377.4	12,405.3	12,440.6
Single-Family Permits	38,683	38,567	41,496	37,268	33,121
Multifamily Permits	6,431	8,789	8,169	7,257	6,007
Existing Median Home Sales Price (ths.)	151.5	179.9	190.0	255.0	247.5
Mortgage Originations (# of SF loans)	573,410	795,210	543,437	541,708	511,128
Personal Bankruptcies (total ch. 7 & 13)	53,495	58,174	58,049	77,530	23,202
Existing Home Sales (ths.)	202.5	218.4	245.9	256.2	234.8
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	7.9	10.0	11.7	10.0	10.6
Serious Mortgage Delinquency (% All Loans)	2.75	2.64	2.65	2.50	2.28
Foreclosure Rate (% All Loans)	1.03	1.09	0.90	0.83	0.81
Homeownership Rate (%)	71.7	71.8	72.8	71.5	71.7

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

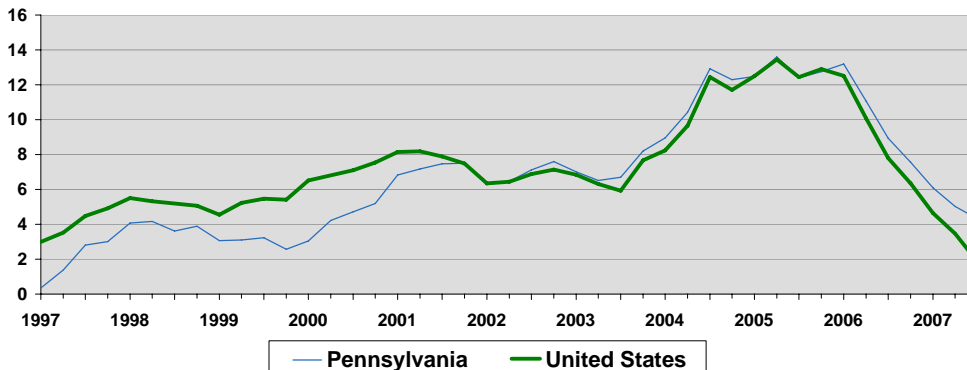
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®

— 30-Year Fixed Rate — 1-Year ARM



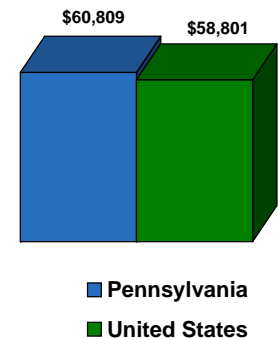
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



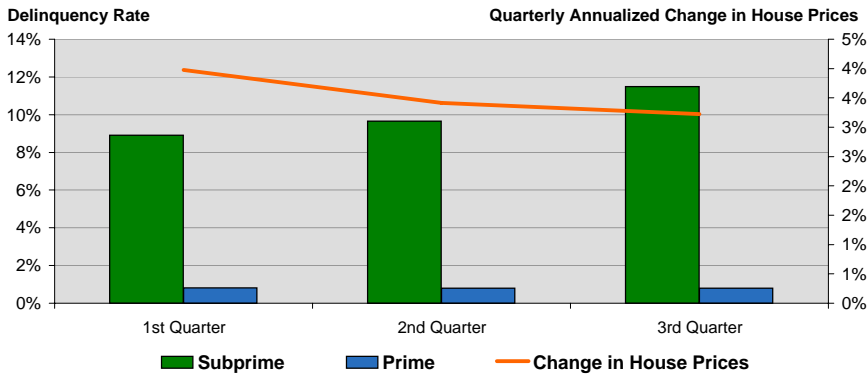
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

Serious mortgage delinquencies are rising in Pennsylvania among subprime borrowers even though home values rose through the 3rd quarter of 2007



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	10
1 = Highest	
Mortgage Delinquency Rate	10
1 = Most Delinquent	
Median Family Income	22
1 = Highest	
Adjustable Rate Mortgage Share	32
1 = Highest Share	
Housing Affordability	20
1 = Most Affordable	
Employment Growth	37
1 = Highest Growth	

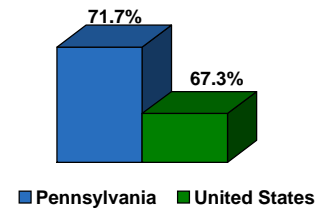
Homeownership Rates by Race and Ethnicity in Pennsylvania

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	71.7%	--
White, Non-hispanic	75.6%	3.9%
Black	47.2%	-24.5%
Hispanic	44.2%	-27.5%
Asian or Pacific Islander	57.2%	-14.5%

Source: US Census Bureau - American Community Survey

Homeownership is higher in Pennsylvania than the national average

2006 Homeownership Rate



Source: US Census Bureau

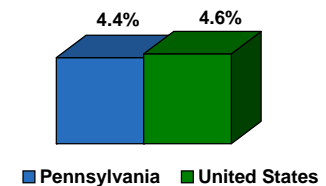
Characteristics of Subprime Mortgage Originations by Year Pennsylvania

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	49%	48%	60%	68%	65%
Non-Traditional Mortgages (%)	1%	3%	13%	26%	24%
Non-Owner Share (%)	11%	12%	15%	14%	14%
Share of Low-No Documentation	37%	40%	43%	47%	53%
Debt-to-Income Ratio	37%	37%	38%	39%	39%
Average Loan-to-Value	86%	87%	86%	84%	84%
Average Fico Credit Score	651	665	669	670	667

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

Unemployment is low in Pennsylvania

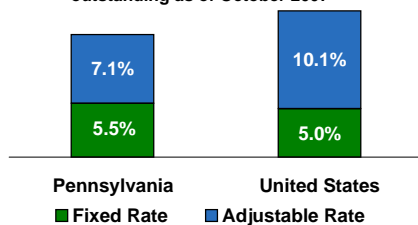
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

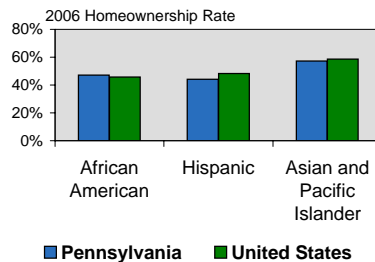
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

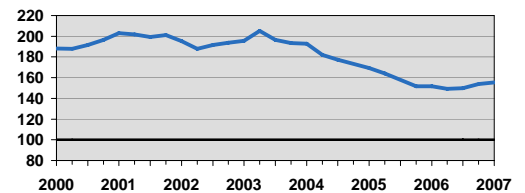
Homeownership in PA is higher than US among African Americans



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Pennsylvania

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