



Making Home Possible in Rhode Island

Over the past decade, Freddie Mac has invested **\$14.4 billion** in home loans, helping **114,063 Rhode Island families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$1.9 billion	11,431	510	11,941
Past 10 Years	\$14.4 billion	111,779	2,285	114,063

In 2006 Freddie Mac:

- Enabled 954 Rhode Island homebuyers to purchase their first home.
- Financed loans for 5,373 low- and moderate-income Rhode Island families.
- Helped 148 Rhode Island families avoid foreclosure.
- Funded residential loans with an average mortgage of \$166,521.

- Since 2000, Freddie Mac funded \$234 million in mortgage revenue bonds, providing low-cost mortgages to Rhode Island families.
- Since 1998, Freddie Mac has invested \$36.7 million in low-income housing tax credits, creating 1,662 affordable homes for Rhode Island families.

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

Get The Facts! -- Rhode Island:

Freddie Mac launched a homeownership outreach campaign in Rhode Island 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. Key participants include Money Management International (MMI) and Wells Fargo.

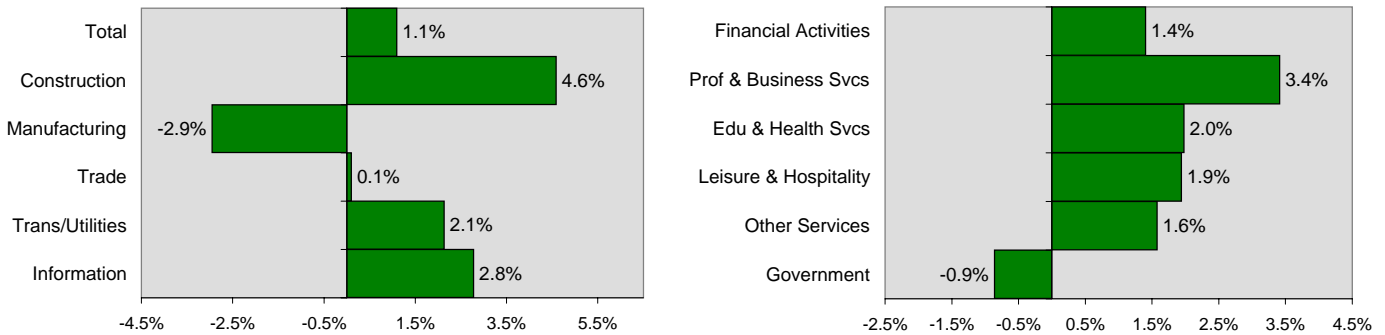


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Don't Borrow Trouble® Anti-Predatory Lending Campaign:

To help families avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics, Freddie Mac launched consumer education campaigns in Rhode Island. As part of the initiative, consumers call a call center where counseling and/or legal advice is provided if needed, and a Safe Lending Committee provides loan products to help prevent foreclosures. The Housing Network of Rhode Island/Homeownership Center of Rhode Island is the lead agency, working in partnership with Consumer Credit Counseling Services of Southern New England.

Employment growth was strongest in Rhode Island's construction sector in 2007



Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	34,918	36,488	37,964	38,065	38,746
% Change	2.2	4.5	4.0	0.3	1.8
Total Non-Farm Employment (ths.)	479.4	484.2	488.5	491.0	493.4
% Change	0.2	1.0	0.9	0.5	0.5
Unemployment Rate (%)	5.1	5.4	5.2	5.1	5.2
Personal Income Growth (%)	3.6	4.3	5.0	4.3	3.6
Population (ths.)	1,068.6	1,074.8	1,078.9	1,073.6	1,067.6
Single-Family Permits	2,182	1,948	1,903	1,808	1,801
Multifamily Permits	666	338	629	1,028	569
Existing Median Home Sales Price (ths.)	225.0	238.0	265.0	335.0	275.0
Mortgage Originations (# of SF loans)	72,295	100,253	68,748	66,746	53,736
Personal Bankruptcies (total ch. 7 & 13)	4,840	4,509	4,047	5,704	1,572
Existing Home Sales (ths.)	17.2	16.8	19.0	19.8	17.6
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	4.0	5.2	6.1	7.7	7.5
Serious Mortgage Delinquency (% All Loans)	1.01	0.82	0.67	0.80	1.48
Foreclosure Rate (% All Loans)	0.37	0.32	0.26	0.31	0.57
Homeownership Rate (%)	61.4	63.0	61.8	62.7	63.0

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

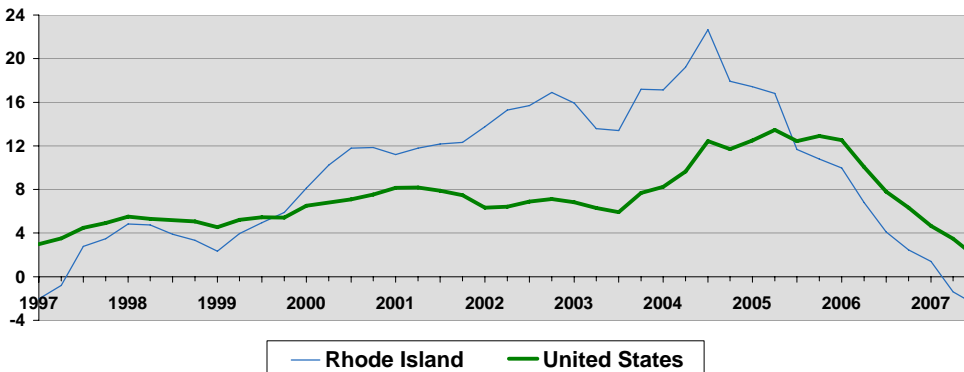
— 30-Year Fixed Rate — 1-Year ARM



Source: Freddie Mac, Primary Mortgage Market Survey®

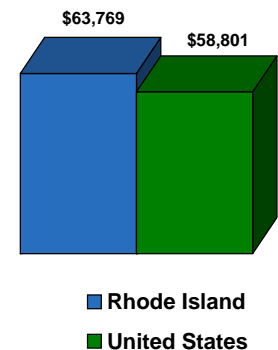
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



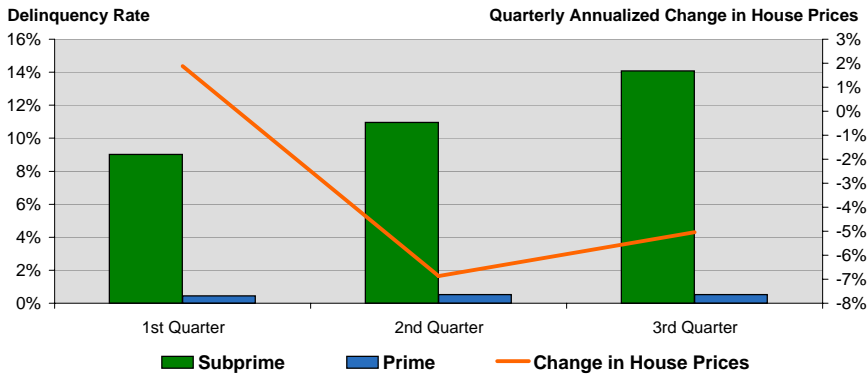
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

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



Source: First American CoreLogic and Freddie Mac

National Rankings

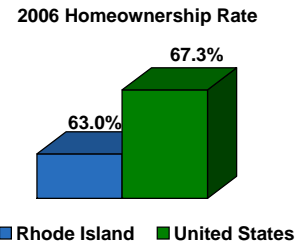
Homeownership Rate	46
1 = Highest	
Mortgage Delinquency Rate	21
1 = Most Delinquent	
Median Family Income	15
1 = Highest	
Adjustable Rate Mortgage Share	22
1 = Highest Share	
Housing Affordability	39
1 = Most Affordable	
Employment Growth	29
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Rhode Island

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	63.0%	--
White, Non-hispanic	68.1%	5.1%
Black	33.2%	-29.8%
Hispanic	29.5%	-33.5%
Asian or Pacific Islander	55.3%	-7.7%

Source: US Census Bureau - American Community Survey

Homeownership in Rhode Island is lower than the national average



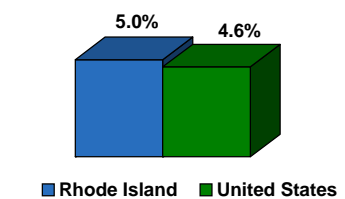
Source: US Census Bureau

Characteristics of Subprime Mortgage Originations by Year Rhode Island

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	54%	57%	77%	81%	77%
Non-Traditional Mortgages (%)	1%	3%	17%	34%	27%
Non-Owner Share (%)	27%	22%	21%	18%	14%
Share of Low-No Documentation	44%	49%	54%	59%	62%
Debt-to-Income Ratio	37%	38%	40%	41%	42%
Average Loan-to-Value	84%	85%	83%	81%	82%
Average Fico Credit Score	662	670	673	676	670

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

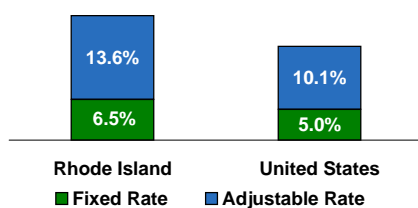
The unemployment rate is higher in RI



Source: Bureau of Labor Statistics

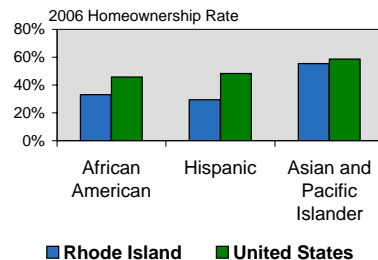
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

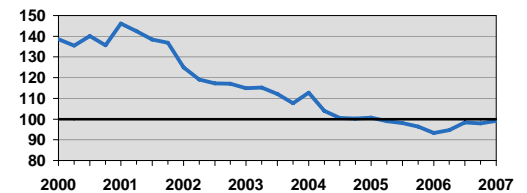
Homeownership is lower among minority groups in RI relative to US



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Rhode Island

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