



Making Home Possible in Virginia

Over the past decade, Freddie Mac has invested **\$130.2 billion** in home loans, helping **917,407 Virginia families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$15.7 billion	72,364	17,940	90,304
Past 10 Years	\$130.2 billion	789,216	128,191	917,407

In 2006 Freddie Mac:

- Enabled 8,163 Virginia homebuyers to purchase their first home.
- Financed loans for 51,307 low- and moderate-income Virginia families.
- Helped 811 Virginia families avoid foreclosure.
- Funded residential loans with an average mortgage of \$200,908.

- Since 2000, Freddie Mac funded \$566.7 million in mortgage revenue bonds, providing low-cost mortgages to Virginia families.
- Since 1998, Freddie Mac has invested \$151 million in low-income housing tax credits, creating 10,549 affordable homes for Virginia families.

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

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

To help families avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics, Freddie Mac launched a consumer education campaign in Richmond. With the support of the city of Richmond and HUD, Housing Opportunities Made Equal (H.O.M.E.), the lead agency of this campaign, provides personalized borrower counseling to potential homebuyers. BB&T provides affordable mortgage financing with flexible underwriting for qualified borrowers.

Promoting Homeownership Shenandoah Valley:

Freddie Mac launched the Promoting Homeownership Shenandoah Valley initiative to expand homeownership opportunities to underserved markets and homebuyers across the Shenandoah Valley. The initiative encompasses Freddie Mac's *Get The Facts!*, a dynamic outreach and education tool 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 Blue Ridge Housing Network (BRHN) and BB&T.

Promoting Homeownership Roanoke Valley:

Freddie Mac launched the Promoting Homeownership Roanoke Valley initiative to expand homeownership opportunities to underserved markets and homebuyers across the Roanoke Valley. The initiative encompasses Freddie Mac's *Get The Facts!*, a dynamic outreach and education tool 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 Blue Ridge Housing Development Corporation (BRHDC) and BB&T.

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

Freddie Mac launched the *Don't Borrow Trouble* campaign in Central Virginia to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. The campaign is headed by Piedmont Housing Alliance and supported by a coalition of private and public organizations in Charlottesville and surrounding communities. 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 Piedmont Housing Alliance, Albemarle County, Bank of America, Charlottesville Area Association of Realtors®, City of Charlottesville, SunTrust, United States Department of Housing and Urban Development (HUD), Virginia Partnership to Encourage Responsible Lending (VaPERL), Virginia Housing and Development Authority (VHDA), and Wachovia.

La Buena Vida 'Live A Better Life' Latino Outreach Initiative:

Freddie Mac launched the "La Buena Vida 'Live A Better Life' Latino Outreach Initiative" to address many misconceptions about the home buying process within the Latino community. Through La Buena Vida broadcasts, Freddie Mac and other initiative participants collaborate to promote a commitment to providing accurate, reliable information and offer educational opportunities about the home buying process through Telemundo's community outreach channels and the Hispanic Committee of Virginia to the Latino community in Northern Virginia. Key participants include Chevy Chase, Telemundo, and Hispanic Committee of Virginia (HCV).

Arlington County Workforce Home Benefit:

The Arlington County Workforce Home Benefit initiative is an employer-assisted housing benefit that provides direct assistance and information to help employees with the purchase of a home in Arlington, Virginia. In addition, the initiative helps employers retain and recruit employees. The initiative includes special loan products with flexible features, financial literacy/homebuyer education, and down payment and closing cost assistance. Four employers currently participate in this initiative: Arlington County Government, Arlington County Schools, Virginia Hospital Center and George Mason University. Other participants include the Arlington County Department of Community Planning--Housing & Development, Sun Trust, First Horizon, National City, Wachovia, George Mason Mortgage, and Arlington County Homeownership Made Easy.

Freddie Mac's Hoops for the Homeless®:

Hoops for the Homeless is Freddie Mac's signature program designed to fight family homelessness in the Washington, D.C. region. A charitable basketball tournament, the event raises much needed awareness and funds to help alleviate homelessness, particularly among children and families in the region. The program is fully underwritten by Freddie Mac and all funds raised go directly to six Washington, D.C. region homeless service organizations, including two in Virginia. In 2007, *Hoops for the Homeless* raised \$900,000.

The Freddie Mac Foundation Philanthropy:

Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made more than \$46 million in philanthropic contributions in the state of Virginia, and given more than \$3.4 million to fund the Washington, D.C. region's *Wednesday's Child*, a program designed to find adoptive homes for foster children. Freddie Mac is the largest corporate funder in the region, which includes parts of Virginia.

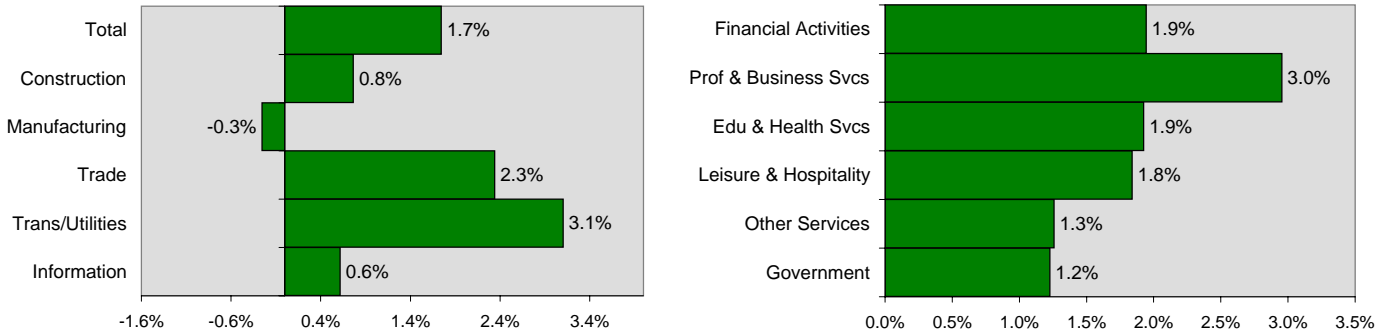
Freddie Mac Foundation's Wednesday's Child - Washington Metropolitan Region:

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 1991, the Foundation has made the dream of a permanent loving home a reality for over 250 foster children in D.C., Maryland and Virginia and generated thousands of viewer inquiries. *Wednesday's Child* in the Washington, D.C. region is a partnership of the Freddie Mac Foundation, NBC4 and the Metropolitan Washington Council of Governments.

Freddie Mac Foundation Supports First Lady Holton's "For Keeps" Initiative:

Virginia's First Lady Anne B. Holton has announced that foster care issues will be her major focus during her time as First Lady, and launched an initiative called "For Keeps." The initiative will partner with Virginia's human services agencies, the Freddie Mac Foundation, and other private organizations to find and strengthen permanent families for older children already in foster care or those at risk of entering the foster care system. The Freddie Mac Foundation has donated approximately \$100,000 to local 501(c)(3) charities to support the First Lady's efforts.

Employment growth was strongest in Virginia's transportation and utilities and professional and business services sectors in 2007

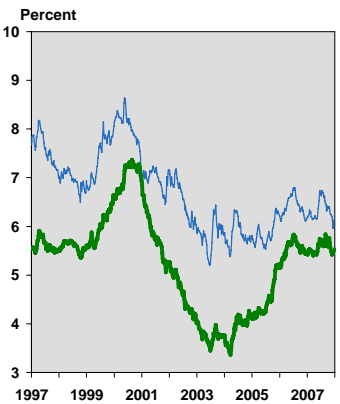


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	271,184	281,452	295,014	308,830	318,727
% Change	271,184.0	281,452.0	295,014.0	308,830.0	318,727.0
Total Non-Farm Employment (ths.)	3,494.1	3,497.5	3,583.7	3,664.4	3,726.2
% Change	3,494.1	3,497.5	3,583.7	3,664.4	3,726.2
Unemployment Rate (%)	4.2	4.1	3.7	3.5	3.0
Personal Income Growth (%)	240,533.6	250,605.5	267,784.6	287,250.5	302,381.9
Population (ths.)	7,285.7	7,375.9	7,472.4	7,564.3	7,642.9
Single-Family Permits	45,711	46,263	48,990	49,959	38,977
Multifamily Permits	13,734	9,673	14,230	11,559	8,727
Existing Median Home Sales Price (ths.)	224.0	260.0	289.0	349.0	360.0
Mortgage Originations (# of SF loans)	482,747	674,703	476,703	509,582	435,388
Personal Bankruptcies (total ch. 7 & 13)	41,821	42,482	39,707	44,606	12,905
Existing Home Sales (ths.)	151.6	156.3	183.8	182.3	141.0
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	8.0	9.0	11.4	7.8	8.3
Serious Mortgage Delinquency (% All Loans)	1.22	0.98	0.82	0.71	0.81
Foreclosure Rate (% All Loans)	0.30	0.22	0.17	0.14	0.17
Homeownership Rate (%)	67.8	69.1	69.2	69.6	69.9

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

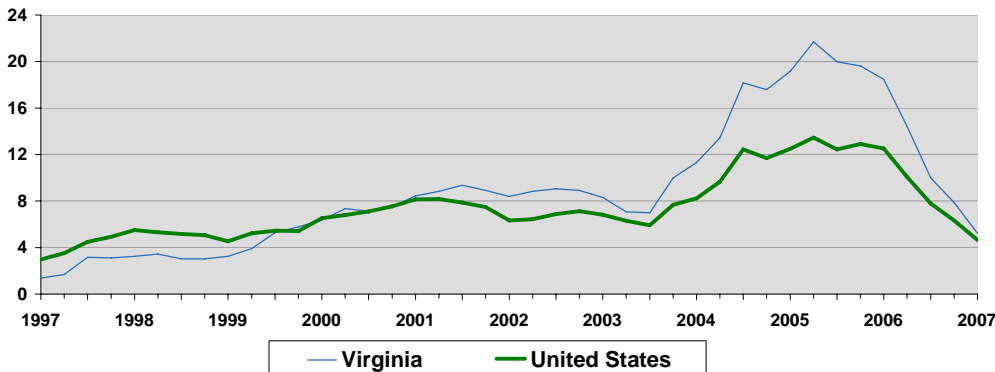
— 30-Year Fixed Rate — 1-Year ARM



Source: Freddie Mac, Primary Mortgage Market Survey®

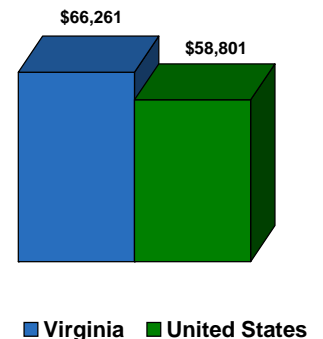
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



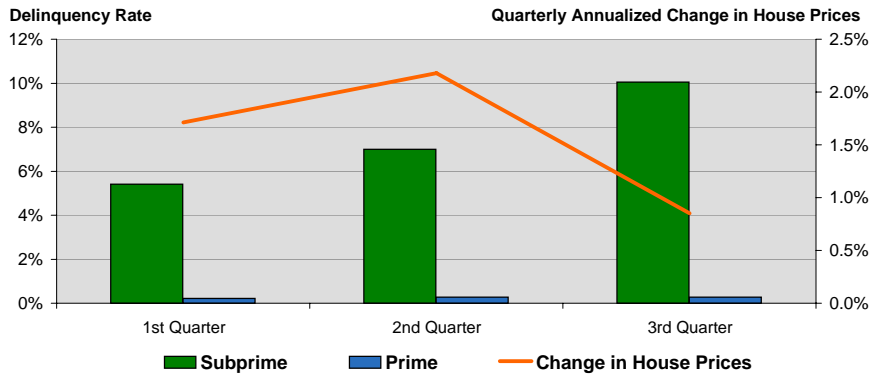
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

Serious mortgage delinquencies are rising among subprime borrowers in 2007 and are exacerbated by slowing growth in house prices in VA



Source: LoanPerformance, a subsidiary of First American Real Estate Solutions and Freddie Mac

National Rankings

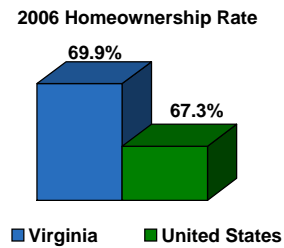
Homeownership Rate	22
1 = Highest	
Mortgage Delinquency Rate	46
1 = Most Delinquent	
Median Family Income	10
1 = Highest	
Adjustable Rate Mortgage Share	46
1 = Highest Share	
Housing Affordability	40
1 = Most Affordable	
Employment Growth	14
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Virginia

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.9%	--
White, Non-hispanic	75.8%	5.9%
Black	51.5%	-18.4%
Hispanic	50.0%	-19.8%
Asian or Pacific Islander	69.7%	-0.2%

Source: US Census Bureau - American Community Survey

Homeownership in Virginia is higher than the national average



Source: US Census Bureau

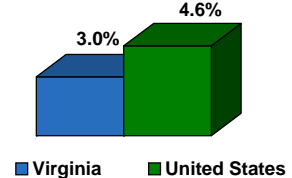
Characteristics of Subprime Mortgage Originations by Year Virginia

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	50%	57%	81%	84%	79%
Non-Traditional Mortgages (%)	4%	12%	50%	69%	66%
Non-Owner Share (%)	8%	12%	12%	14%	10%
Share of Low-No Documentation	46%	49%	52%	66%	72%
Debt-to-Income Ratio	38%	39%	40%	40%	41%
Average Loan-to-Value	86%	86%	82%	80%	80%
Average Fico Credit Score	673	679	688	692	691

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

Unemployment is low in Virginia

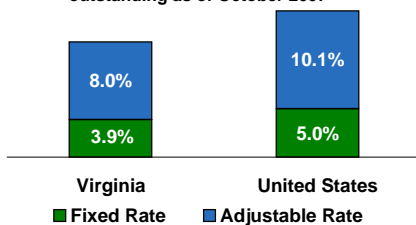
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

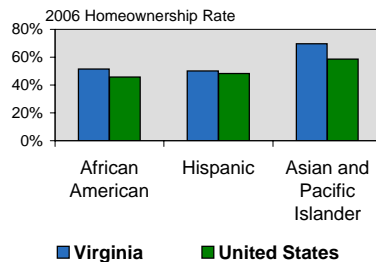
The Subprime Picture

Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

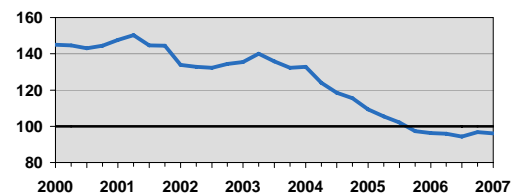
Homeownership in VA is higher than US among Asian households



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Virginia

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