



Making Home Possible in Washington, D.C.

Over the past decade, Freddie Mac has invested **\$8.9 billion** in home loans, helping **62,950 Washington, D.C. families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2006	\$1.3 billion	5,516	1,039	6,555
Past 10 Years	\$8.9 billion	49,032	13,918	62,950

In 2006 Freddie Mac:

- Enabled 858 Washington, D.C. homebuyers to purchase their first home.
- Financed loans for 4,054 low- and moderate-income Washington, D.C. families.
- Helped 67 Washington, D.C. families avoid foreclosure.
- Funded residential loans with an average mortgage of \$213,508.

- Since 2000, Freddie Mac funded \$190.2 million in mortgage revenue bonds, providing low-cost mortgages to Washington, D.C. families.
- Since 1998, Freddie Mac has invested \$52.9 million in low-income housing tax credits, creating 4,097 affordable homes for Washington, D.C. families.

Working with our partners, Freddie Mac helps make home possible for Washinton, D.C. 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

Capitol Quarter Workforce Home Benefit:

The *Capitol Quarter 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 addition, the initiative helps employers retain and recruit employees. Capitol Quarter is a mixed income community of townhomes, workforce homes, and affordable rental units in a former public housing site in Southwest D.C. This initiative provides flexible mortgage products, as well as down payment and closing cost assistance. HomeFree-USA provides homebuyer education, financial literacy, and borrower preparation. George Mason Mortgage is the participating lender.

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 Metropolitan 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 Washington metropolitan region homeless service organizations advocating for the homeless population across the nation. In 2007, Hoops for the Homeless® raised \$900,000.

Operation Welcome Home:

Operation Welcome Home, a military assistance initiative from Freddie Mac, helps injured soldiers at Walter Reed Army Medical Center and their families address the financial issues they face as they prepare to re-enter civilian life. Operation Welcome Home features a credit clinic at which Consumer Credit Counseling Services (CCCS) of Greater Washington helps soldiers review their credit report, identify inaccuracies on the report, and work toward improving credit scores. CCCS also provides educational seminars on financial topics such as credit, interest rates, preventing identity theft, budgeting and money management and provides housing counseling and pre-purchase classes. HSBC Mortgage Corporation USA is a key participant in this effort.

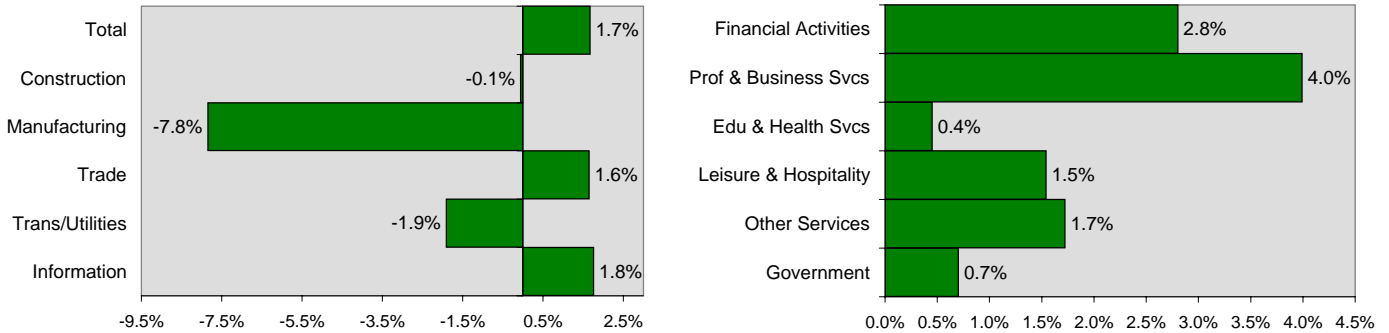
The Freddie Mac Foundation Philanthropy:

Freddie Mac is the largest corporate funder in the Washington Metropolitan region. Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made nearly \$130 million in philanthropic contributions in Washington, D.C., including more than \$3.4 million to fund the Washington Metropolitan Region's *Wednesday's Child*, a program designed to find adoptive homes for foster children.

Freddie Mac Foundation's Wednesday's Child – Washington, D.C. 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 and generated thousands of viewer inquiries. *Wednesday's Child -Washington, DC* is a partnership of the Freddie Mac Foundation, NBC 4 and the Metropolitan Washington Council of Governments and serves the entire Washington, D.C. region.

Employment growth was strongest in the District's professional and business services sector in 2007

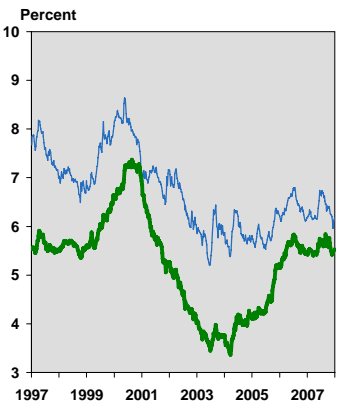


Source: Bureau of Labor Statistics, % change year ago

Indicators	2002	2003	2004	2005	2006
Gross State Product, C\$B	62,825	64,660	67,503	69,470	72,321
% Change	2.0	2.9	4.4	2.9	4.1
Total Non-Farm Employment (ths.)	664.2	665.5	674.2	682.2	688.2
% Change	1.6	0.2	1.3	1.2	0.9
Unemployment Rate (%)	6.8	7.0	7.5	6.5	6.0
Personal Income Growth (%)	1.0	4.4	8.6	6.8	6.9
Population (ths.)	578.9	577.5	579.7	582.0	581.5
Single-Family Permits	383	152	226	125	126
Multifamily Permits	1,208	1,275	1,710	2,735	1,979
Existing Median Home Sales Price (ths.)	260.0	309.0	370.0	450.0	484.9
Mortgage Originations (# of SF loans)	29,555	41,684	32,382	35,498	31,726
Personal Bankruptcies (total ch. 7 & 13)	2,446	2,251	1,888	2,381	519
Existing Home Sales (ths.)	11.1	11.9	13.3	12.2	10.2
30-Year Fixed Mortgage Rate Average (%)	6.53	5.83	5.84	5.87	6.41
Rental Vacancy Rate (%)	10.8	10.7	11.3	7.7	7.8
Serious Mortgage Delinquency (% All Loans)	2.30	1.68	1.13	0.75	0.81
Foreclosure Rate (% All Loans)	0.70	0.49	0.31	0.21	0.27
Homeownership Rate (%)	39.9	42.0	43.6	42.5	45.8

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

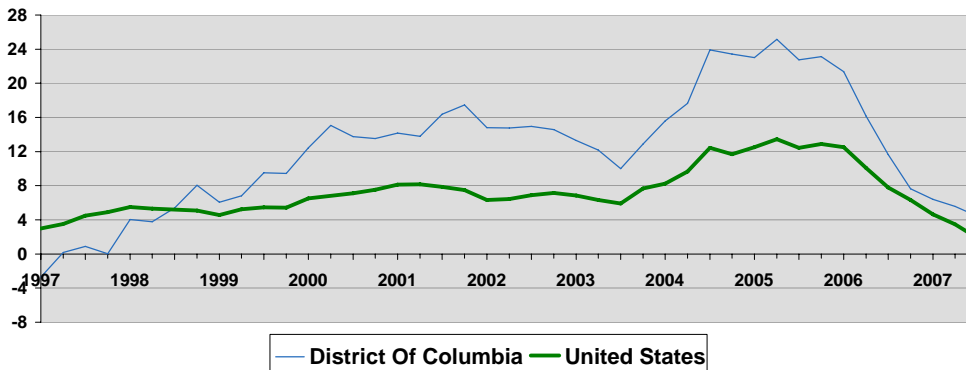
— 30-Year Fixed Rate — 1-Year ARM



Source: Freddie Mac, Primary Mortgage Market Survey®

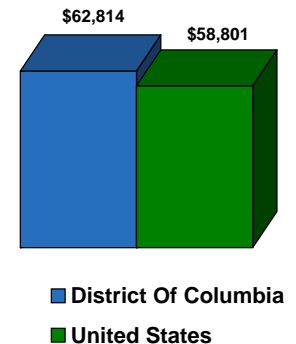
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

Annual % Change in House Prices



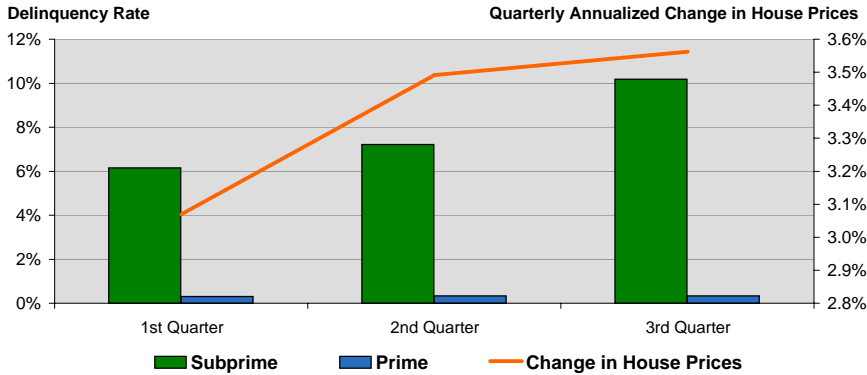
Source: Freddie Mac's Conventional Mortgage Home Price Index

2006 Median Family Income



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

Serious mortgage delinquency is rising in the District among subprime borrowers even though home values rose moderately through the 3rd quarter of 2007



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	51
1 = Highest	
Mortgage Delinquency Rate	42
1 = Most Delinquent	
Median Family Income	19
1 = Highest	
Adjustable Rate Mortgage Share	20
1 = Highest Share	
Housing Affordability	49
1 = Most Affordable	
Employment Growth	36
1 = Highest Growth	

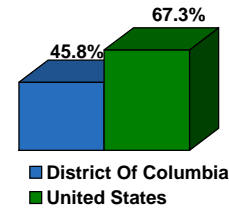
Homeownership Rates by Race and Ethnicity in District Of Columbia

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	45.8%	--
White, Non-hispanic	53.6%	7.8%
Black	37.2%	-8.6%
Hispanic	28.8%	-17.0%
Asian or Pacific Islander	32.9%	-12.9%

Source: US Census Bureau - American Community Survey

Homeownership in DC is lower than the national average

2006 Homeownership Rate



Source: US Census Bureau

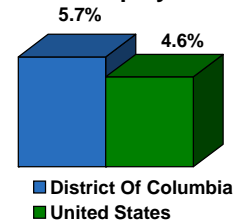
Characteristics of Subprime Mortgage Originations by Year District Of Columbia

	2002	2003	2004	2005	2006
Adjustable Rate Mortgages (%)	36%	50%	79%	83%	76%
Non-Traditional Mortgages (%)	5%	17%	50%	64%	60%
Non-Owner Share (%)	24%	23%	26%	23%	18%
Share of Low-No Documentation	56%	53%	51%	56%	67%
Debt-to-Income Ratio	35%	36%	36%	38%	40%
Average Loan-to-Value	83%	84%	81%	80%	80%
Average Fico Credit Score	698	698	699	700	698

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

Unemployment is higher in the District

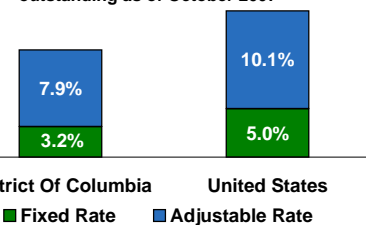
2007Q3 Unemployment Rate



Source: Bureau of Labor Statistics

The Subprime Picture

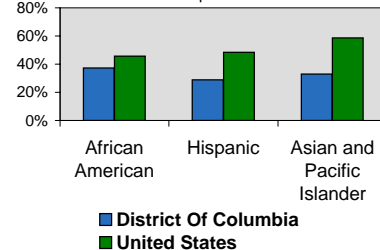
Subprime dollar share of all loans outstanding as of October 2007



Source: First American CoreLogic

DC Homeownership rates are lower within minority groups than US rates

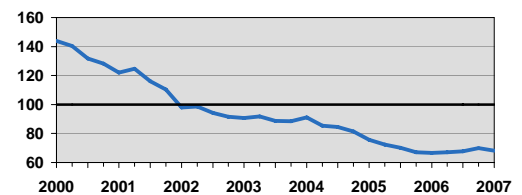
2006 Homeownership Rate



Source: US Census Bureau - American Community Survey

State Housing Affordability Index District Of Columbia

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