



Making Home Possible in Hawaii

Over the past decade, Freddie Mac has invested **\$20.1 billion** in home loans, helping **82,839 Hawaii families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2007	\$3.6 billion	10,347	531	10,877
Past 10 Years	\$20.1 billion	81,107	1,732	82,839

In 2007 Freddie Mac:

- Enabled 1,382 Hawaii homebuyers to purchase their first home.
- Financed loans for 2,813 low- and moderate-income Hawaii families.
- Helped 43 STATE families avoid foreclosure.
- Funded residential loans with an average mortgage of \$338,345.
- Since 2000, Freddie Mac funded \$97.7 million in mortgage revenue bonds, providing low-cost mortgages to Hawaii families.
- Since 1988, Freddie Mac has invested \$2.1 million in low-income housing tax credits, creating 378 affordable homes for Hawaii families.

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

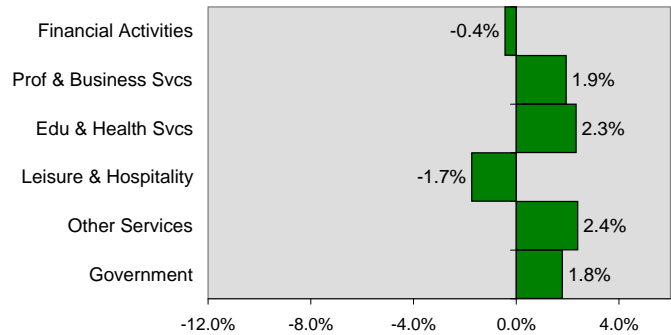
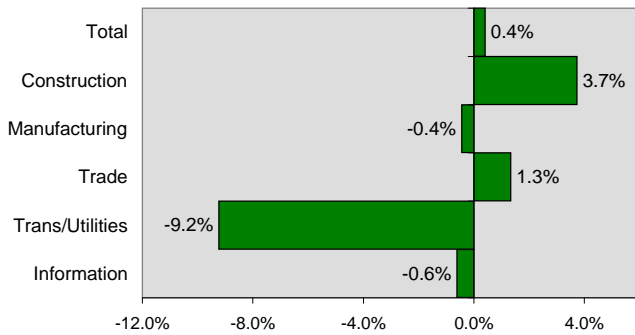
Realizing possibilities by continually evolving our mortgage solutions to meet the individual needs of today's diverse borrowers

Preserving dreams by providing essential tools and education to help keep more of America's families in homes they can afford and keep

Hawaii Homeownership Initiative:

In collaboration with local real estate and mortgage professionals, Freddie Mac launched a financial literacy and homeownership initiative in Hawaii and the neighboring islands. The initiative features Freddie Mac's suite of *Home Possible*® Mortgages, financial literacy education through Freddie Mac's *CreditSmart*® and on-line tutorial course, the Homeowner Readiness Check. Key participants include Senator Daniel Akaka (D-HI), the Hawaii Association of REALTORS®, and Central Pacific HomeLoans.

Employment growth was strongest in Hawaii's construction sector in July 2008



Source: Bureau of Labor Statistics, % change year ago

Indicators	2003	2004	2005	2006	2007
Gross State Product, C\$B	42,580	44,636	46,939	48,428	49,860
% Change	3.6	4.8	5.2	3.2	3.0
Total Non-Farm Employment (ths.)	567.6	583.4	601.6	617.1	623.6
% Change	1.9	2.8	3.1	2.6	1.1
Unemployment Rate (%)	3.9	3.2	2.7	2.5	2.7
Personal Income Growth (%)	4.0	8.4	7.9	6.9	6.4
Population (ths.)	1,240.3	1,254.2	1,267.6	1,278.6	1,283.4
Single-Family Permits	6,213	5,603	6,641	5,597	4,482
Multifamily Permits	1,071	3,431	3,187	1,933	2,490
Existing Median Home Sales Price (ths.)	317.8	376.4	471.6	507.8	520.2
Mortgage Originations (# of SF loans)	84,403	60,014	62,633	54,465	n/a
Personal Bankruptcies (total ch. 7 & 13)	3,715	3,056	4,406	936	1,328
Existing Home Sales (ths.)	34.4	35.5	36.7	31.7	27.7
30-Year Fixed Mortgage Rate Average (%)	5.83	5.84	5.87	6.41	6.34
Rental Vacancy Rate (%)	8.9	7.7	5.1	5.5	6.3
Serious Mortgage Delinquency (% All Loans)	0.75	0.51	0.39	0.53	1.03
Foreclosure Rate (% All Loans)	0.30	0.18	0.16	0.21	0.48
Homeownership Rate (%)	56.6	58.9	59.7	59.5	n/a

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

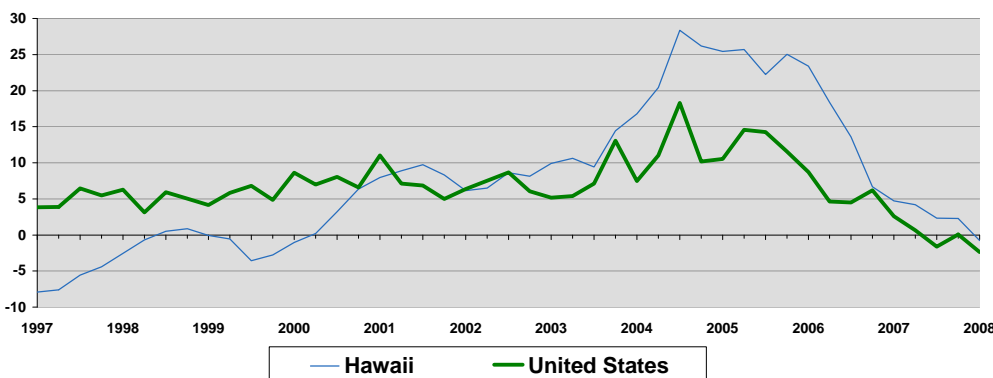
National Weekly Average Mortgage Interest Rates from Freddie Mac's Primary Mortgage Market Survey®

— 30-Year Fixed Rate — 1-Year ARM



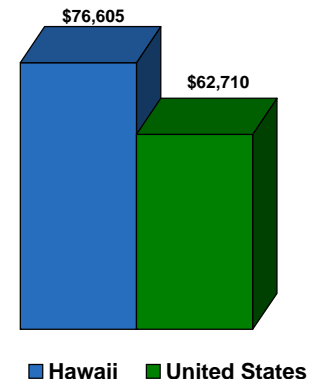
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



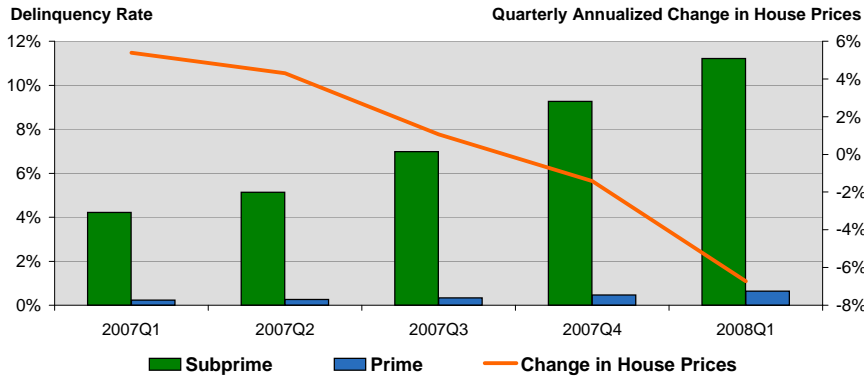
Source: Freddie Mac's Conventional Mortgage Home Price Index

2008Q1 Median Family Income



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

Serious mortgage delinquencies are rising among prime and subprime borrowers in Hawaii and are exacerbated by declining house prices



Source: First American CoreLogic and Freddie Mac

National Rankings

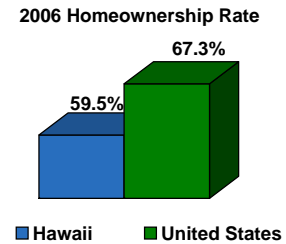
Homeownership Rate	48
1 = Highest	
Mortgage Delinquency Rate	45
1 = Most Delinquent	
Median Family Income	5
1 = Highest	
Adjustable Rate Mortgage Share	29
1 = Highest Share	
Housing Affordability	51
1 = Most Affordable	
Employment Growth	21
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Hawaii

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	59.5%	--
White, Non-hispanic	55.8%	-3.7%
Black	13.3%	-46.3%
Hispanic	46.2%	-13.3%
Asian or Pacific Islander	67.2%	7.6%

Source: US Census Bureau - American Community Survey

Homeownership in HI is lower than the national average



Source: US Census Bureau

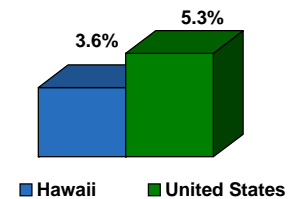
Characteristics of Nonprime Mortgage Originations by Year Hawaii

	2003	2004	2005	2006	2007
Adjustable Rate Mortgages (%)	52%	65%	73%	73%	61%
Non-Traditional Mortgages (%)	7%	33%	57%	55%	66%
Non-Owner Share (%)	25%	28%	32%	30%	37%
Share of Low-No Documentation	56%	58%	67%	76%	80%
Debt-to-Income Ratio	39%	39%	39%	41%	39%
Average Loan-to-Value	82%	80%	78%	78%	78%
Average FICO Credit Score	689	692	703	704	718

Source: First American CoreLogic. First liens only; by dollar amount. Nonprime loans include subprime and Alt-A loans in ABS securities.

Unemployment is low in HI

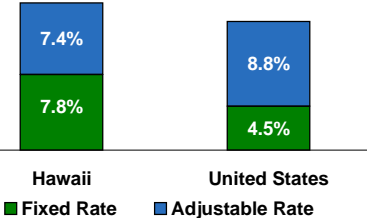
July 2008 Unemployment Rate



Source: Bureau of Labor Statistics

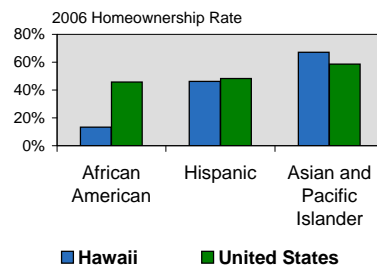
The Subprime Picture

Subprime dollar share of all loans outstanding as of April 2008



Source: First American CoreLogic

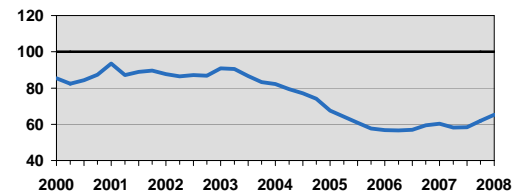
Homeownership is high among Asian and Pacific Islanders in HI



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Hawaii

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