



Making Home Possible in Illinois

*Over the past decade, Freddie Mac has invested **\$254.8 billion** in home loans, helping **1,873,969 Illinois families**.*

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2007	\$27.2 billion	141,928	16,762	158,690
Past 10 Years	\$254.8 billion	1,759,896	114,073	1,873,969

In 2007 Freddie Mac:

- Enabled 20,326 Illinois homebuyers to purchase their first home.
- Financed loans for 82,358 low- and moderate-income Illinois families.
- Helped 1,814 Illinois families avoid foreclosure.
- Funded residential loans with an average mortgage of \$184,245.

- Since 2000, Freddie Mac funded \$500.3 million in mortgage revenue bonds, providing low-cost mortgages to Illinois families.
- Since 1988, Freddie Mac has invested \$307.7 million in low-income housing tax credits, creating 19,083 affordable homes for Illinois families.

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

Rockford Affordable Housing Initiative:

Freddie Mac launched this initiative with the Rockford Area Affordable Housing Coalition (RAAHC) and Amcore Bank to increase homeownership opportunities for low- and moderate-income families through workshops and educational materials. RAAHC offers Freddie Mac's Get The Facts!, a dynamic outreach and education initiative to dispel common misconceptions about buying and owning a home. Freddie Mac's Loan Prospector® Outreach is then used to determine if participants are ready to apply for a mortgage or if they need to continue counseling.

Nuestro Barrio – Chicago:

Freddie Mac launched "Nuestro Barrio" (Our Neighborhood), a Spanish-language TV mini-series about Hispanic life in the United States. The series educates viewers on important financial issues including money management, credit, homeownership, predatory lending and foreclosure prevention. Key participants include Harris Bank, the Spanish Coalition for Housing (SCH) and Latin United Community Housing Association (LUCHA).

Ten Weeks to Homeownership Chicago:

Ten Weeks to Homeownership Chicago is part of a national initiative focused on increasing the number of African-American homeowners. The Ten Weeks model incorporates outreach, education, and lender participation. Key participants include Bank of America, Rebirth of Englewood, and the Congressional Black Caucus Foundation.

North Lawndale (Chicago) Revitalization Initiative:

Freddie Mac launched this initiative to revitalize the North Lawndale community by developing new, mixed-income housing and rehabilitating the existing housing stock. Homeownership outreach and education efforts are also included to encourage renters to become homeowners. The North Lawndale Revitalization Initiative is a collaborative effort among Harris Bank, LaSalle National Bank, Austin Bank of Chicago, and community groups such as Neighborhood Enhancement and Empowerment Development (NEED).

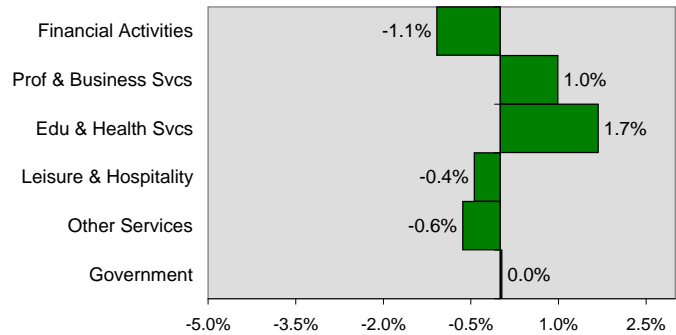
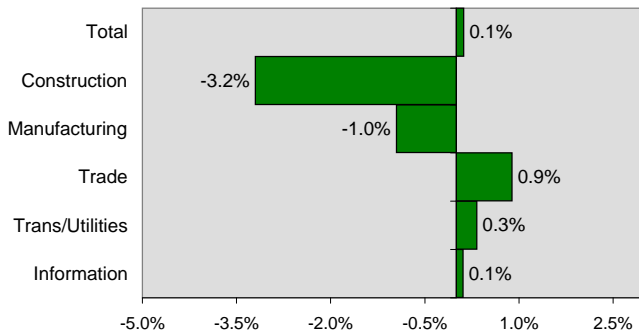
Asian American Demonstration with the Asian Real Estate Association of America (AREAA)

To serve Chicago's Chinatown and nearby neighborhoods, an alliance was developed among the Chinese American Service League (CASL), the Chicago Urban League, PMI, Washington Mutual and Charter One. CASL provides outreach and education, and educates clients on loan products in Chinese and English. This initiative also includes a marketing campaign, neighborhood canvassing, outreach through churches and schools, homeownership orientations, and financial literacy workshops.

The Freddie Mac Foundation Philanthropy:

Since its creation, Freddie Mac, together with the Freddie Mac Foundation, has made more than \$20.5 million in philanthropic contributions in the state of Illinois, including more than \$3 million to fund Wednesday's Child Chicago from 1999 to 2005, a program designed to find adoptive homes for foster children.

Employment growth was strongest in Illinois' education and health services sector in July 2008

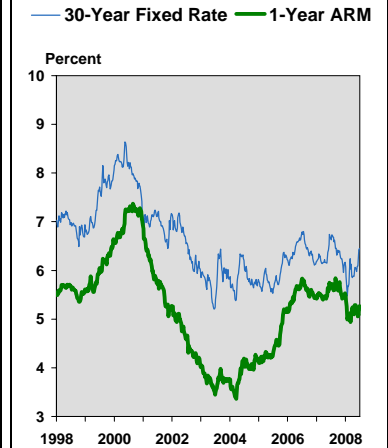


Source: Bureau of Labor Statistics, % change year ago

Indicators	2003	2004	2005	2006	2007
Gross State Product, C\$B	479,293	487,557	490,239	501,060	508,551
% Change	2.8	1.7	0.6	2.2	1.5
Total Non-Farm Employment (ths.)	5,810.8	5,815.9	5,861.9	5,932.7	5,981.4
% Change	-1.2	0.1	0.8	1.2	0.8
Unemployment Rate (%)	6.7	6.2	5.7	4.6	5.0
Personal Income Growth (%)	3.2	4.3	4.3	5.7	5.6
Population (ths.)	12,625.2	12,680.1	12,719.6	12,777.0	12,852.5
Single-Family Permits	45,379	46,207	47,705	37,903	24,511
Multifamily Permits	16,832	13,546	19,237	20,899	18,509
Existing Median Home Sales Price (ths.)	179.6	195.6	215.7	224.1	224.2
Mortgage Originations (# of SF loans)	1,017,635	645,225	656,853	591,119	n/a
Personal Bankruptcies (total ch. 7 & 13)	84,481	79,269	105,885	29,788	40,385
Existing Home Sales (ths.)	272.4	304.8	314.8	291.7	243.4
30-Year Fixed Mortgage Rate Average (%)	5.83	5.84	5.87	6.41	6.34
Rental Vacancy Rate (%)	12.0	14.8	13.4	12.6	10.4
Serious Mortgage Delinquency (% All Loans)	1.86	1.75	1.69	1.89	2.41
Foreclosure Rate (% All Loans)	0.82	0.70	0.68	0.80	1.21
Homeownership Rate (%)	68.6	69.2	69.9	69.9	n/a

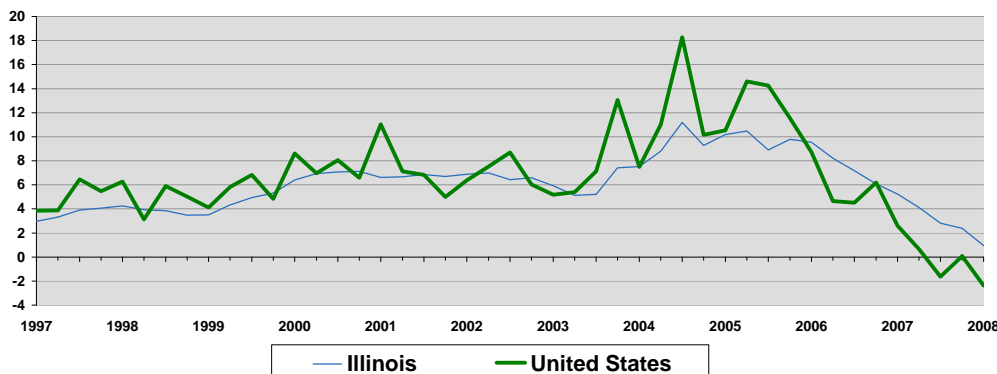
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



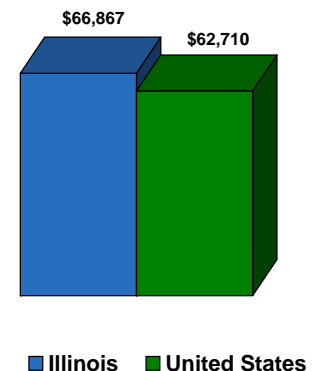
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



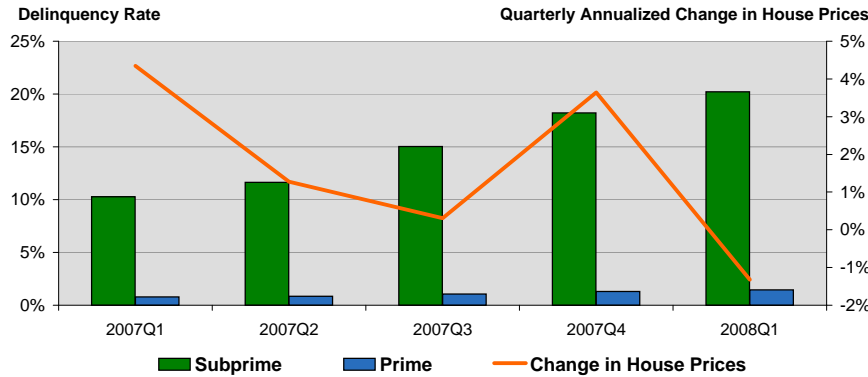
Source: Freddie Mac's Conventional Mortgage Home Price Index

2008Q1 Median Family Income



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

Serious mortgage delinquencies are high and rising among prime and subprime borrowers in Illinois even though home prices rose in 2007



Source: First American CoreLogic and Freddie Mac

National Rankings

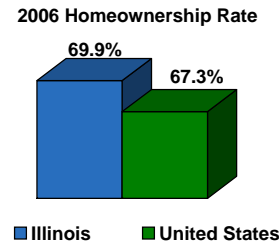
Homeownership Rate	25
1 = Highest	
Mortgage Delinquency Rate	10
1 = Most Delinquent	
Median Family Income	14
1 = Highest	
Adjustable Rate Mortgage Share	14
1 = Highest Share	
Housing Affordability	32
1 = Most Affordable	
Employment Growth	31
1 = Highest Growth	

Homeownership Rates by Race and Ethnicity in Illinois

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.9%	--
White, Non-hispanic	77.3%	7.5%
Black	43.1%	-26.8%
Hispanic	55.2%	-14.6%
Asian or Pacific Islander	66.8%	-3.1%

Source: US Census Bureau - American Community Survey

Homeownership is higher in IL than the national average



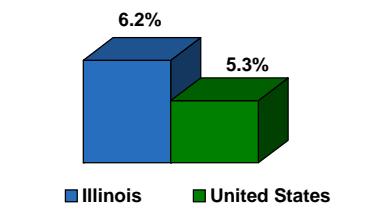
Source: US Census Bureau

Characteristics of Nonprime Mortgage Originations by Year Illinois

	2003	2004	2005	2006	2007
Adjustable Rate Mortgages (%)	70%	86%	87%	82%	67%
Non-Traditional Mortgages (%)	4%	18%	33%	33%	41%
Non-Owner Share (%)	13%	13%	13%	13%	15%
Share of Low-No Documentation	52%	55%	59%	66%	66%
Debt-to-Income Ratio	39%	40%	40%	41%	40%
Average Loan-to-Value	88%	85%	83%	82%	84%
Average FICO Credit Score	664	670	673	675	693

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

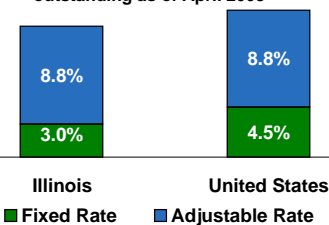
The unemployment rate is higher in IL



Source: Bureau of Labor Statistics

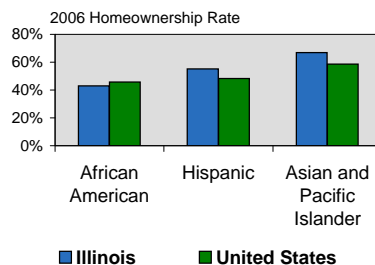
The Subprime Picture

Subprime dollar share of all loans outstanding as of April 2008



Source: First American CoreLogic

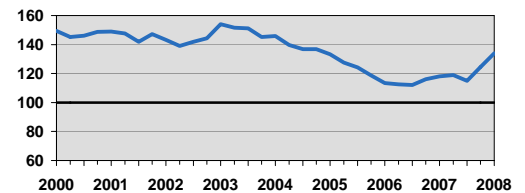
Homeownership is higher within Hispanic and Asian groups in IL



Source: US Census Bureau - American Community Survey

State Housing Affordability Index Illinois

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