



# Making Home Possible in New Mexico

Over the past decade, Freddie Mac has invested **\$21.4 billion** in home loans, helping **181,347 New Mexico families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2007	\$3.1 billion	18,078	4,308	22,386
Past 10 Years	\$21.4 billion	160,855	20,491	181,347

**In 2007 Freddie Mac:**

- Enabled 2,249 New Mexico homebuyers to purchase their first home.
- Financed loans for 10,393 low- and moderate-income New Mexico families.
- Helped 297 New Mexico families avoid foreclosure.
- Funded residential loans with an average mortgage of \$163,900.
  
- Since 2000, Freddie Mac funded \$244.9 million in mortgage revenue bonds, providing low-cost mortgages to New Mexico families.
- Since 1988, Freddie Mac has invested \$39.4 million in low-income housing tax credits, creating 2,452 affordable homes for New Mexico families.

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

**Latino Homebuyer Outreach and Education Initiative:**

Freddie Mac launched a community-based homebuyer outreach and education initiative to increase homeownership for Latino households in Albuquerque. Las Mujeres de LULAC (League of United Latin American Citizens) facilitates local homebuyer education seminars for first-time Latino homebuyers and the seminars are supported by Charter Mortgage.

### **Nuestro Barrio:**

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.

-- **Albuquerque:** Key participants include Greater Albuquerque Housing Partnership (GAHP) and Bank of Albuquerque.

-- **Las Cruces:** Key participants include Consumer Credit Counseling Service of the YWCA and Charter Bank.

### **Homeownership: Let The Truth Move You – Albuquerque:**

Freddie Mac conducted a grassroots, bilingual, multifaceted outreach initiative to increase the homeownership rate of African Americans and Hispanic Americans, particularly those with misconceptions about homeownership. Key participants include the United South Broadway Corporation and Charter Mortgage.

### **Your Place in the Sun:**

Freddie Mac, Charter Mortgage, and the United South Broadway Corporation joined forces to increase homeownership opportunities for underserved markets within Albuquerque and other target market areas. The initiative includes *Get The Facts!*, a dynamic outreach and education effort intended to dispel common misconceptions about buying and owning a home. Freddie Mac's Loan Prospector® Outreach is also used to determine if participants are ready to apply for a mortgage or if they need to continue counseling.

### **Don't Borrow Trouble® Anti-Predatory Lending Campaign – New Mexico:**

Freddie Mac and the Project Change Fair Lending Center launched the *Don't Borrow Trouble* campaign in New Mexico to help consumers avoid abusive lending practices, such as exorbitant interest rates, excessive fees and pressuring tactics. Outreach efforts for the New Mexico campaign include legal education, referral, technical assistance, community education and outreach, and advocacy.

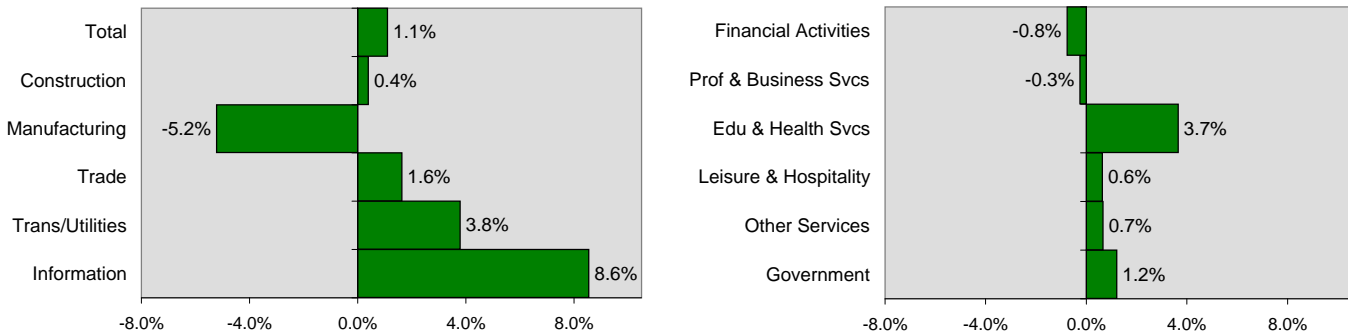
### **Mi Casa Es Su Casa:**

Freddie Mac launched *Mi Casa Es Su Casa* to increase homeownership awareness in Albuquerque. The initiative includes *Get the Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home, as well as credit and homebuyer counseling services. Key participants include the Greater Albuquerque Housing Partnership (GAHP) and Bank of Albuquerque.

### **Albuquerque Latino Homes Initiative:**

Freddie Mac launched *Get The Facts!*, a dynamic outreach and education initiative intended to dispel common misconceptions about buying and owning a home in America. The initiative includes bi-lingual homeownership education and counseling. Key participants include the Greater Albuquerque Housing Partnership (GAHP), the National Hispanic Cultural Center (NHCC), GMAC Mortgage, and Ditech.

## Employment growth was strongest in New Mexico's information sector in July 2008

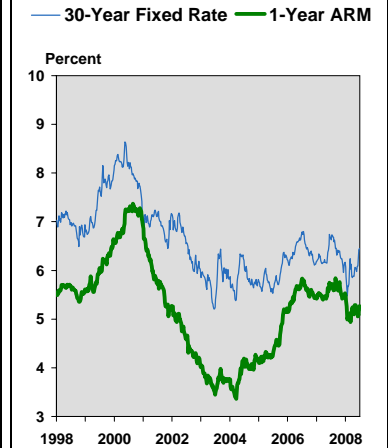


Source: Bureau of Labor Statistics, % change year ago

Indicators	2003	2004	2005	2006	2007
<b>Gross State Product, C\$B</b>	53,691	56,915	57,694	59,293	60,955
% Change	4.0	6.0	1.4	2.8	2.8
<b>Total Non-Farm Employment (ths.)</b>	775.6	790.4	808.6	832.2	843.2
% Change	1.2	1.9	2.3	2.9	1.3
<b>Unemployment Rate (%)</b>	5.9	5.7	5.2	4.3	3.5
<b>Personal Income Growth (%)</b>	3.7	6.8	8.4	7.7	6.7
<b>Population (ths.)</b>	1,870.1	1,892.2	1,916.3	1,942.3	1,969.9
<b>Single-Family Permits</b>	11,865	11,674	13,417	12,294	8,234
<b>Multifamily Permits</b>	1,894	881	763	1,279	972
<b>Existing Median Home Sales Price (ths.)</b>	132.9	139.6	157.3	169.6	179.1
<b>Mortgage Originations (# of SF loans)</b>	107,969	71,831	79,517	83,395	n/a
<b>Personal Bankruptcies (total ch. 7 &amp; 13)</b>	8,981	8,769	11,580	2,424	3,259
<b>Existing Home Sales (ths.)</b>	43.1	49.9	56.8	58.4	44.9
<b>30-Year Fixed Mortgage Rate Average (%)</b>	5.83	5.84	5.87	6.41	6.34
<b>Rental Vacancy Rate (%)</b>	11.4	8.1	7.7	8.1	9.3
<b>Serious Mortgage Delinquency (% All Loans)</b>	2.01	1.82	1.54	1.21	1.29
<b>Foreclosure Rate (% All Loans)</b>	0.94	0.75	0.58	0.42	0.53
<b>Homeownership Rate (%)</b>	69.5	69.3	69.3	69.7	n/a

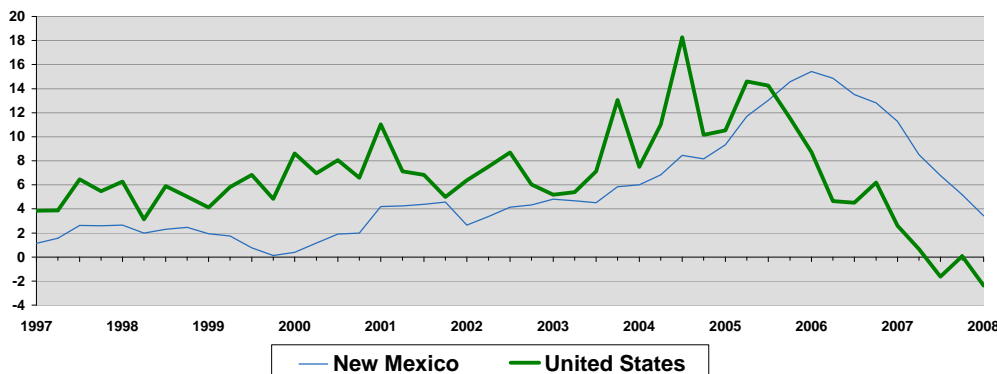
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



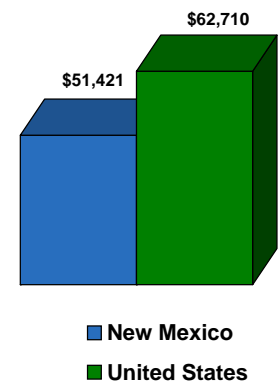
Source: Freddie Mac, Primary Mortgage Market Survey®

## Annual % Change in House Prices



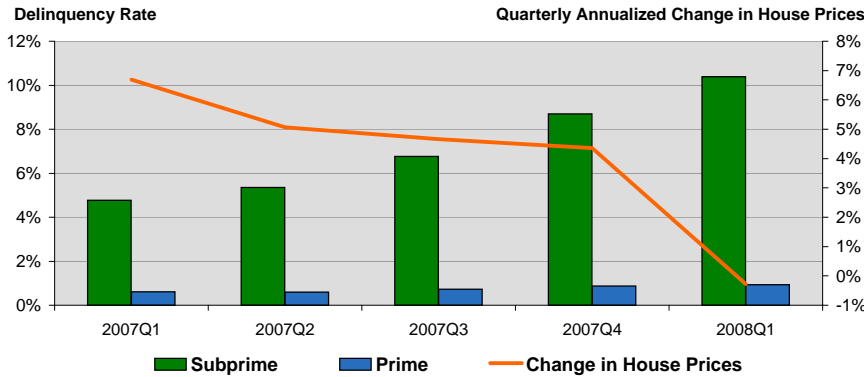
Source: Freddie Mac's Conventional Mortgage Home Price Index

## 2008Q1 Median Family Income



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

## Serious mortgage delinquencies are rising among prime and subprime borrowers in New Mexico but modest growth in home prices has kept delinquencies low overall



Source: First American CoreLogic and Freddie Mac

## National Rankings

<b>Homeownership Rate</b>	<b>26</b>
1 = Highest	
<b>Mortgage Delinquency Rate</b>	<b>40</b>
1 = Most Delinquent	
<b>Median Family Income</b>	<b>47</b>
1 = Highest	
<b>Adjustable Rate Mortgage Share</b>	<b>44</b>
1 = Highest Share	
<b>Housing Affordability</b>	<b>37</b>
1 = Most Affordable	
<b>Employment Growth</b>	<b>29</b>
1 = Highest Growth	

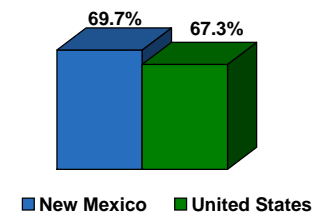
## Homeownership Rates by Race and Ethnicity in New Mexico

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.7%	--
White, Non-hispanic	73.7%	4.0%
Black	49.2%	-20.5%
Hispanic	65.7%	-3.9%
Asian or Pacific Islander	52.4%	-17.2%

Source: US Census Bureau - American Community Survey

## Homeownership in New Mexico is higher than the national average

### 2006 Homeownership Rate



Source: US Census Bureau

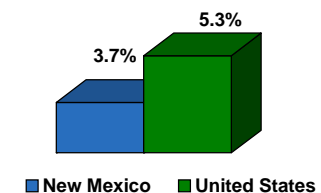
## Characteristics of Nonprime Mortgage Originations by Year

Characteristic	2003	2004	2005	2006	2007
Adjustable Rate Mortgages (%)	53%	65%	65%	66%	55%
Non-Traditional Mortgages (%)	4%	21%	38%	39%	49%
Non-Owner Share (%)	18%	20%	30%	33%	30%
Share of Low-No Documentation	47%	48%	52%	59%	67%
Debt-to-Income Ratio	38%	38%	38%	39%	38%
Average Loan-to-Value	86%	83%	81%	81%	82%
Average FICO Credit Score	671	678	686	688	703

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 NM

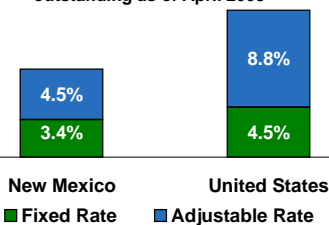
### July 2008 Unemployment Rate



Source: Bureau of Labor Statistics

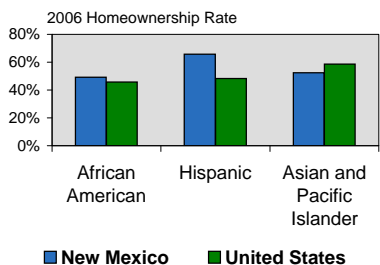
## The Subprime Picture

Subprime dollar share of all loans outstanding as of April 2008



Source: First American CoreLogic

## NM Homeownership is high among Hispanics and African Americans

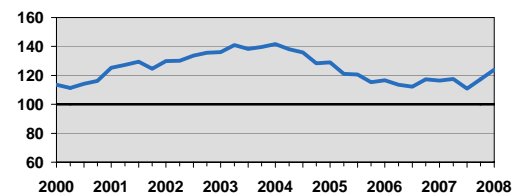


Source: US Census Bureau - American Community Survey

## State Housing Affordability Index

### New Mexico

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