



Making Home Possible in South Dakota

Over the past decade, Freddie Mac has invested **\$7.1 billion** in home loans, helping **67,022 South Dakota families**.

	Freddie Mac Investment	Homeowners Served	Renters Served	Total Families Served
2007	\$622 million	4,471	378	4,849
Past 10 Years	\$7.1 billion	63,666	3,356	67,022

In 2007 Freddie Mac:

- Enabled 612 South Dakota homebuyers to purchase their first home.
- Financed loans for 2,281 low- and moderate-income South Dakota families.
- Helped 78 South Dakota families avoid foreclosure.
- Funded residential loans with an average mortgage of \$134,019.

- Since 2000, Freddie Mac funded \$114.7 million in mortgage revenue bonds, providing low-cost mortgages to South Dakota families.
- Since 1988, Freddie Mac has invested \$7 million in low-income housing tax credits, creating 348 affordable homes for South Dakota families.

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

CreditSmart®:

Freddie Mac's *CreditSmart* is an award-winning financial education curriculum that helps consumers understand, build, and maintain better credit. *CreditSmart* training, which is typically provided by a community-based organization, also gives families in South Dakota the knowledge to improve their financial outlook and achieve successful long-term homeownership.

Buying and Owning a Home: Freddie Mac's Online Guide to the Homebuying Process:

The free, online guide gives South Dakota families the tools to help manage their finances, improve their credit, and reach their dreams, including homeownership. More information can be found at http://www.freddiemac.com/corporate/buying_and_owning.html

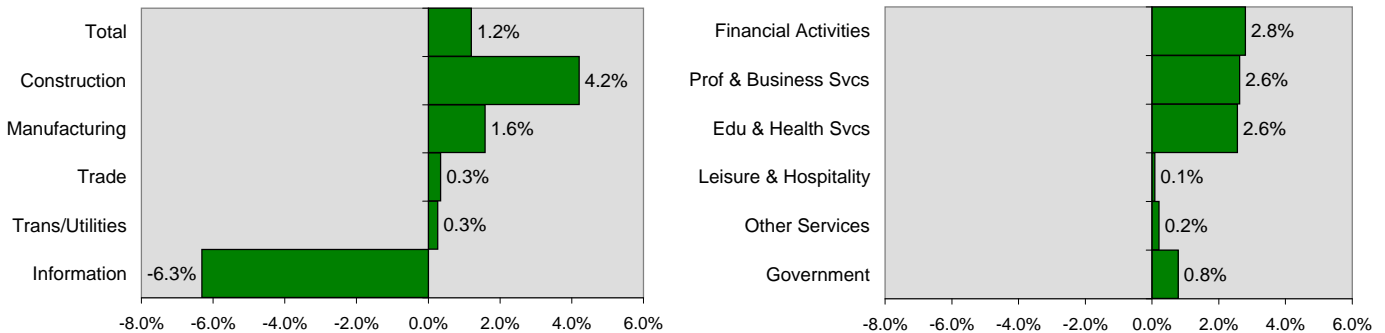
Home Possible® Mortgages:

Through Freddie Mac's *Home Possible* Mortgages, South Dakota lenders can meet the home financing needs of borrowers looking for low down payments and flexible sources of funds, including first-time homebuyers, retirees, families in underserved areas, new immigrants and others. *Home Possible* Mortgages also offer greater flexibilities to those who serve South Dakota communities like teachers, firefighters, healthcare workers, law enforcement officers, and military personnel.

Home Steps™:

HomeSteps is the second largest owner/seller of single-family real estate in America. It is a service brand of Freddie Mac, and its free-of-charge service allows homebuyers to search a database of houses for sale in South Dakota or find a local agent to make the dream of homeownership a reality. More information can be found at www.homesteps.com.

Employment growth was strongest in South Dakota's construction sector in July 2008

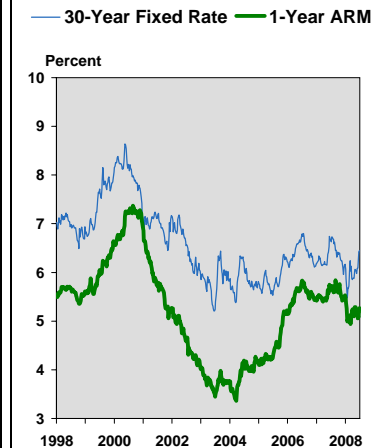


Source: Bureau of Labor Statistics, % change year ago

Indicators	2003	2004	2005	2006	2007
Gross State Product, C\$B	25,686	26,561	27,059	27,701	28,342
% Change	1.5	3.4	1.9	2.4	2.3
Total Non-Farm Employment (ths.)	378.4	383.7	390.1	398.6	406.4
% Change	0.2	1.4	1.7	2.2	2.0
Unemployment Rate (%)	3.5	3.7	3.7	3.1	3.0
Personal Income Growth (%)	8.7	6.6	3.2	2.6	6.9
Population (ths.)	766.9	774.1	780.0	788.5	796.2
Single-Family Permits	4,060	4,659	4,693	4,013	3,617
Multifamily Permits	926	1,180	992	1,291	1,495
Existing Median Home Sales Price (ths.)	100.3	105.0	110.9	113.1	116.1
Mortgage Originations (# of SF loans)	40,113	26,445	26,605	24,928	n/a
Personal Bankruptcies (total ch. 7 & 13)	2,735	2,712	3,974	902	1,277
Existing Home Sales (ths.)	15.4	17.0	18.3	18.2	18.4
30-Year Fixed Mortgage Rate Average (%)	5.83	5.84	5.87	6.41	6.34
Rental Vacancy Rate (%)	12.8	11.2	8.8	8.3	8.9
Serious Mortgage Delinquency (% All Loans)	0.88	0.94	0.99	1.10	1.18
Foreclosure Rate (% All Loans)	0.40	0.38	0.41	0.43	0.54
Homeownership Rate (%)	69.2	69.1	69.0	69.2	n/a

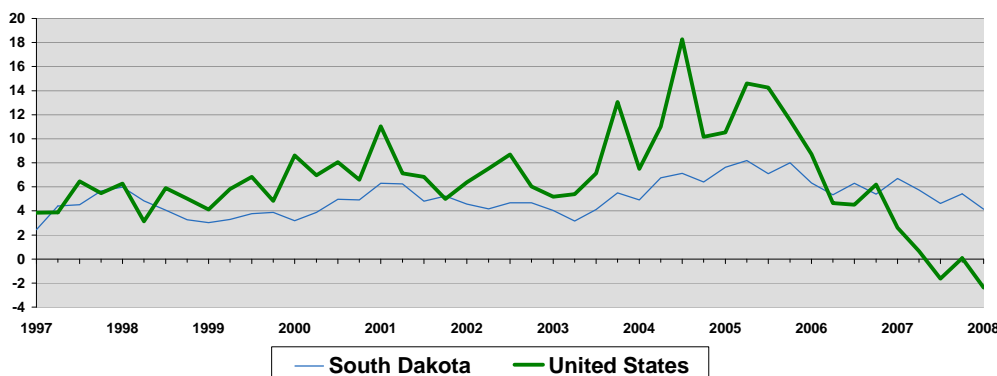
Sources: Moody's Economy.com, Bureau of Economic Analysis, Bureau of Labor Statistics, US Census Bureau, Federal Housing Finance Board, US District Courts, National Association of Realtors, First American CoreLogic, Federal Financial Institutions Examination Council, Freddie Mac

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



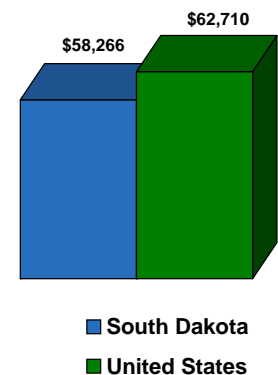
Source: Freddie Mac, Primary Mortgage Market Survey®

Annual % Change in House Prices



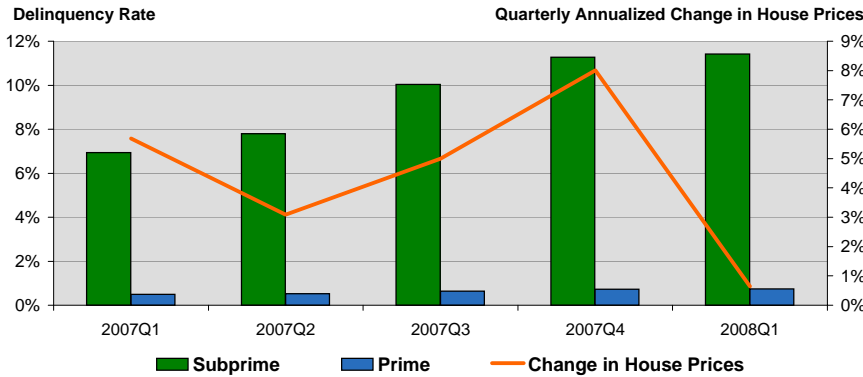
Source: Freddie Mac's Conventional Mortgage Home Price Index

2008Q1 Median Family Income



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

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



Source: First American CoreLogic and Freddie Mac

National Rankings

Homeownership Rate	30
1 = Highest	
Mortgage Delinquency Rate	41
1 = Most Delinquent	
Median Family Income	33
1 = Highest	
Adjustable Rate Mortgage Share	47
1 = Highest Share	
Housing Affordability	3
1 = Most Affordable	
Employment Growth	9
1 = Highest Growth	

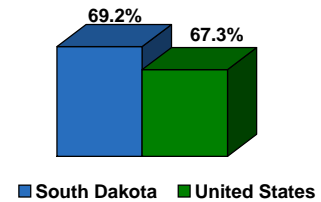
Homeownership Rates by Race and Ethnicity in South Dakota

	Homeownership Rate in 2006	Homeownership Rate Gap Relative to All Households
All Households	69.2%	--
White, Non-hispanic	72.3%	3.1%
Black	12.5%	-56.7%
Hispanic	33.7%	-35.5%
Asian or Pacific Islander	39.6%	-29.6%

Source: US Census Bureau - American Community Survey

Homeownership in South Dakota is higher than the national average

2006 Homeownership Rate



Source: US Census Bureau

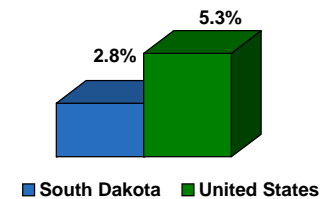
Characteristics of Nonprime Mortgage Originations by Year South Dakota

	2003	2004	2005	2006	2007
Adjustable Rate Mortgages (%)	70%	72%	75%	74%	64%
Non-Traditional Mortgages (%)	1%	11%	19%	21%	38%
Non-Owner Share (%)	14%	16%	14%	9%	23%
Share of Low-No Documentation	32%	42%	36%	42%	55%
Debt-to-Income Ratio	39%	40%	39%	41%	39%
Average Loan-to-Value	88%	86%	84%	84%	86%
Average FICO Credit Score	666	665	660	650	672

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

Unemployment is very low in South Dakota

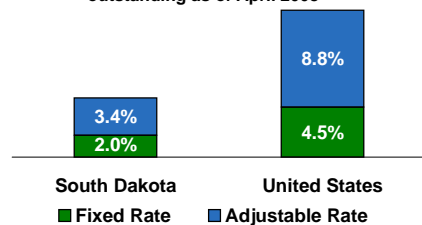
July 2008 Unemployment Rate



Source: Bureau of Labor Statistics

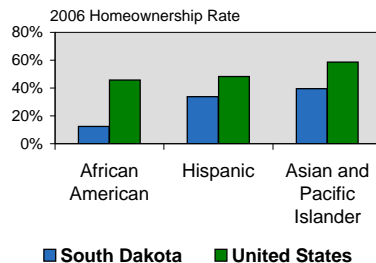
The Subprime Picture

Subprime dollar share of all loans outstanding as of April 2008



Source: First American CoreLogic

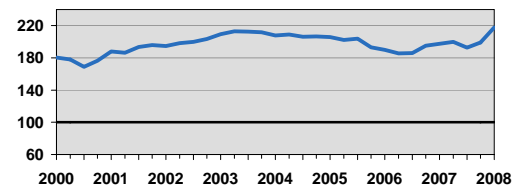
Homeownership is lower among minority groups in SD relative to US



Source: US Census Bureau - American Community Survey

State Housing Affordability Index South Dakota

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