



Federal Housing Finance Agency

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October 29, 2010

Mr. Ran Borgersen
Director, Mission Oversight
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102

Dear Mr. Borgersen:

On September 14, 2010, the Federal Housing Finance Agency (FHFA) published a final rule in the *Federal Register* establishing housing goals for 2010-11 for Freddie Mac.

The final rule provides that the overall low-income areas benchmark goal shall include the 13 percent benchmark for the subgoal plus an increment for families in disaster areas with incomes no greater than area median income (AMI). The disaster areas increment for 2010 is 11 percent, thus the overall low-income areas home purchase subgoal for 2010 is 24 percent.

The disaster areas increment to the low-income areas home purchase subgoal was calculated by determining all counties which were designated as being eligible for individual assistance during the 2007-09 period. This included 931 counties (or county-equivalents) in 35 states and 21 municipios in Puerto Rico. No counties were included in the other 15 states, and the District of Columbia was not included.

Home purchase mortgages to families in these areas with incomes no greater than 100 percent of area median income, but which were not already included in the low-income areas home purchase subgoal, were calculated as a share of all home purchase mortgages. This yielded the 11 percent disaster areas increment for 2010.

The Market Estimation Model published by FHFA with the final rule on September 14, 2010, provides additional detail on FHFA's calculation of the disaster areas increment. The Market Estimation Model is available on FHFA's website (<http://www.fhfa.gov>).

If you have any questions, please contact me or Brian Doherty. We can be reached at Nelson.Hernandez@fhfa.gov (202) 408-2983 or Brian.Doherty@fhfa.gov (202) 408-2991.

Sincerely yours,

A handwritten signature in blue ink that reads "Nelson Hernandez". The signature is fluid and cursive, with a large loop at the end.

Nelson Hernandez
Senior Associate Director
Office of Housing and Community Investment