Freddie Mac

We make home possible℠

Annual Housing Activities Report for 2012

Federal Home Loan Mortgage Corporation

March 13, 2013

Introduction

Pursuant to section 307(f) of the Federal Home Loan Mortgage Corporation Act, as amended, 12 U.S.C. § 1456(f), the Federal Home Loan Mortgage Corporation (Freddie Mac) must submit annually to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives and the Federal Housing Finance Agency (FHFA) a report on its activities under subpart B of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, 12 U.S.C. §§ 4561 et seq.

The following constitutes Freddie Mac's 2012 Annual Housing Activities Report to Congress and FHFA under section 307(f) and the regulation at 24 C.F.R. 1282.63.[1]

A. Information Required Under § 307(f)(2)(A)

§ 307(f)(2)(A) requires that this report include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals established under such subpart.

In 2012, Freddie Mac purchased more than 1.9 million mortgages on single-family owner-occupied properties, and more than 1,400 mortgages on multifamily properties.[2]

Exhibit A-1 summarizes our performance for the single-family affordable housing goals, listing for each affordable housing goal the regulatory benchmark, our performance against the benchmark in 2012, the dollar volume of goal-qualifying mortgages that Freddie Mac purchased in 2012, and the number of goal-qualifying mortgages. Exhibit A-2 summarizes our performance for the multifamily affordable housing goals, listing for the multifamily goal and subgoal, the regulatory targets, our performance against the targets in 2012, and the dollar volume of goal-qualifying units that Freddie Mac financed in 2012.

[1] The statistical and financial information included in this report and in the tables referenced in this report may not be comparable to information provided in Freddie Mac's public disclosure documents, including Monthly Volume Summaries and reports filed with the U.S. Securities and Exchange Commission, as the statistical and financial information included in this report and in the tables has been compiled and aggregated in accordance with specific regulatory guidelines. The information presented in the exhibits (and described in the related discussion) is derived from certain tables included in Freddie Mac's 2012 Annual Mortgage Report (2012 AMR). The 2012 AMR is being delivered to FHFA with this report.

[2] The vast majority of these single-family and multifamily mortgages funded "eligible housing units" for purposes of the housing goals, and thus was used as the basis for calculating our performance under the housing goals.

Exhibit A-1:
Freddie Mac's 2012 Single-Family Affordable Housing Goals Performance[3]

	2012 Benchmark	2012 Performance	Volume ($Millions)	Owner-Occupied Mortgages Financed
Single-Family				
Low-Income Purchase Goal	23%	24.40%	$9,350	70,212
Very Low-Income Purchase Goal	7%	7.09%	$2,049	20,391
Low-Income Areas Purchase Goal	20%	20.54%	$9,769	59,108
Low-Income Areas Subgoal	11%	11.36%	$5,571	32,691
Low-Income Refinance Goal	20%	22.45%	$48,479	345,575

Exhibit A-2:
Freddie Mac's 2012 Multifamily Affordable Housing Goals Performance[4]

	2012 Benchmark (Units)	2012 Performance (Units)	Volume ($Millions)
Multifamily			
Low-Income Goal	225,000	298,781	$16,732
Very Low-Income Subgoal	59,000	60,084	$2,223

While FHFA will ultimately determine whether Freddie Mac achieved compliance with the affordable housing goals, Freddie Mac believes it achieved all five FHFA single-family benchmarks and both the multifamily goal and subgoal.

Pursuant to FHFA regulations[5] promulgated under section 1336(b)(2) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (FHEFSSA), as amended by the Federal Housing Finance Regulatory Reform Act of 2008 (enacted as part of the Housing and Economic Recovery Act of 2008), Freddie Mac may achieve a single-family housing goal or subgoal by meeting or exceeding either the FHFA benchmark or the share of qualifying loans originated by the market, as defined by Home Mortgage Disclosure Act (HMDA) data.

In 2012, Freddie Mac also financed 11,862 low-income rental units in single-family 2-4 unit properties in which an owner-occupant resides in the first unit.

[3] Figures calculated by Freddie Mac. Final performance will be calculated and published by FHFA.
[4] Id.
[5] 24 CFR 1282.12.

B. Information Required Under § 307(f)(2)(B)

§ 307(f)(2)(B) requires that this report include, in aggregate form and by appropriate category, statements of the number of families served by the Corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed.

In 2012, Freddie Mac financed housing for almost 2.5 million families, including more than 2 million single-family owner-occupied and rental units and more than 435,000 multifamily rental units.

The following exhibits provide the information required under § 307(f)(2)(B).

Exhibit B-1:

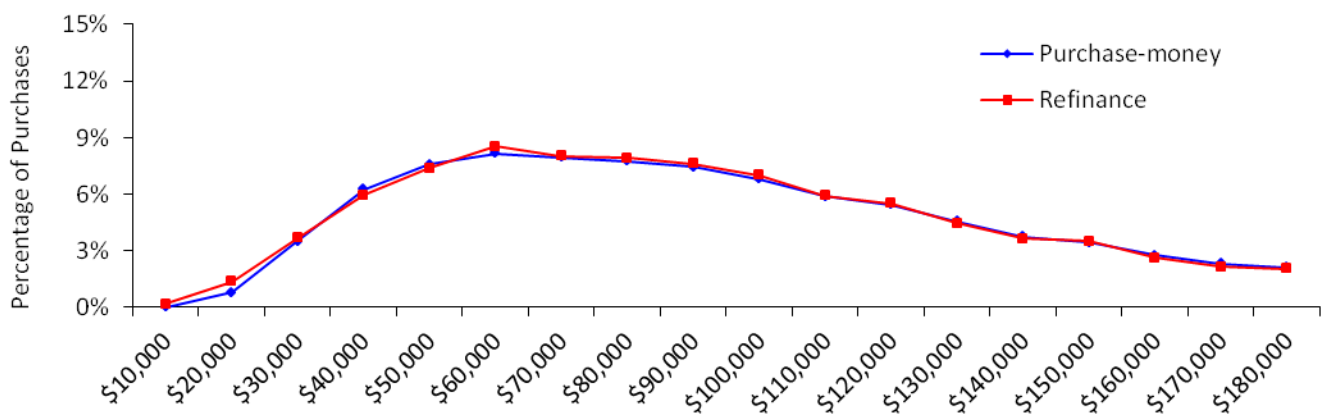
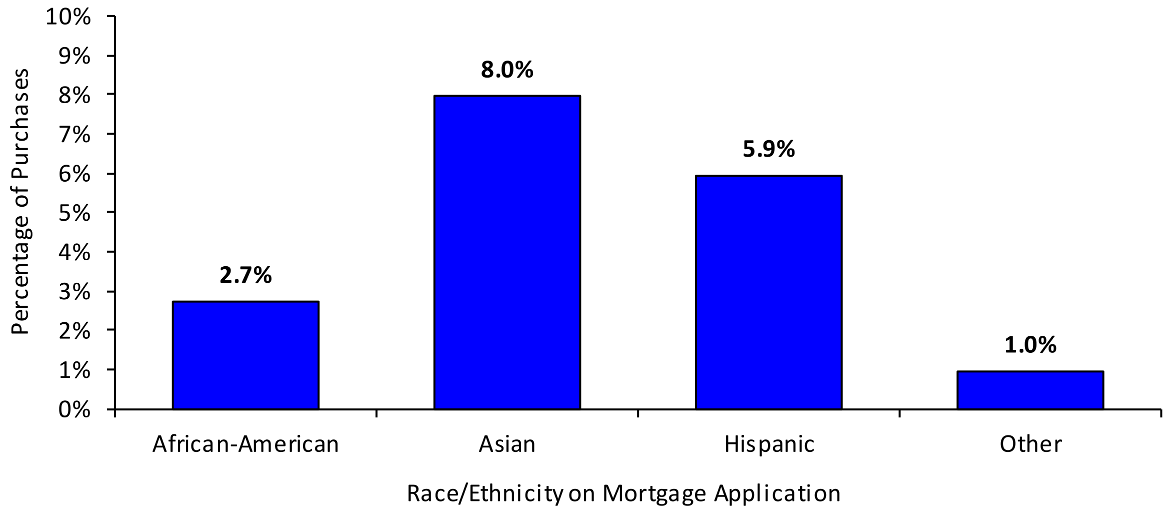
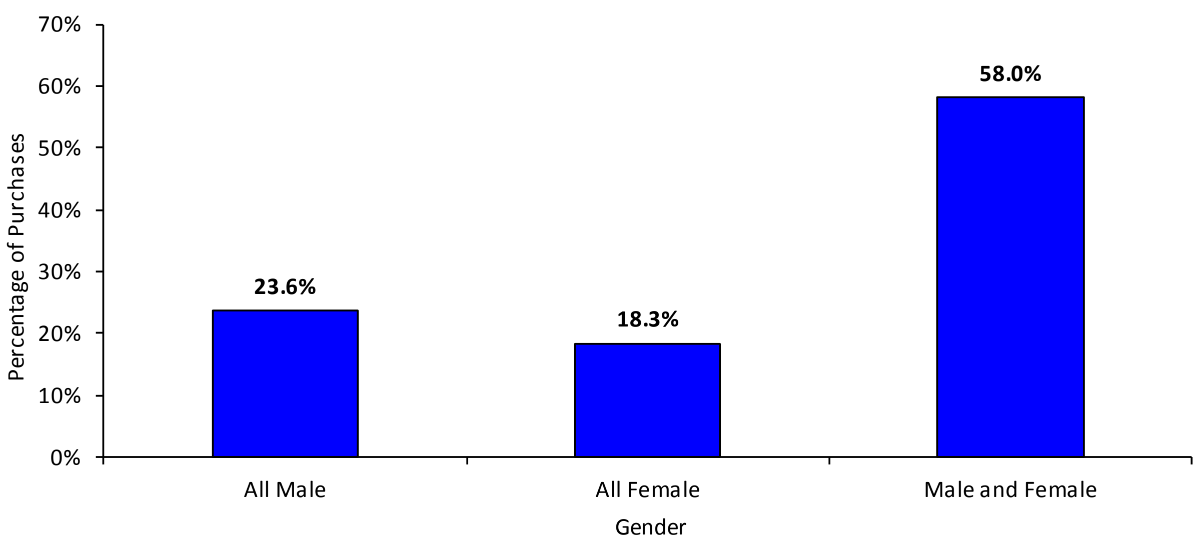


Exhibit B-2:
Freddie Mac's 2012 Single-Family Owner-Occupied Mortgage Purchases, by Race/Ethnicity of Minority Borrowers



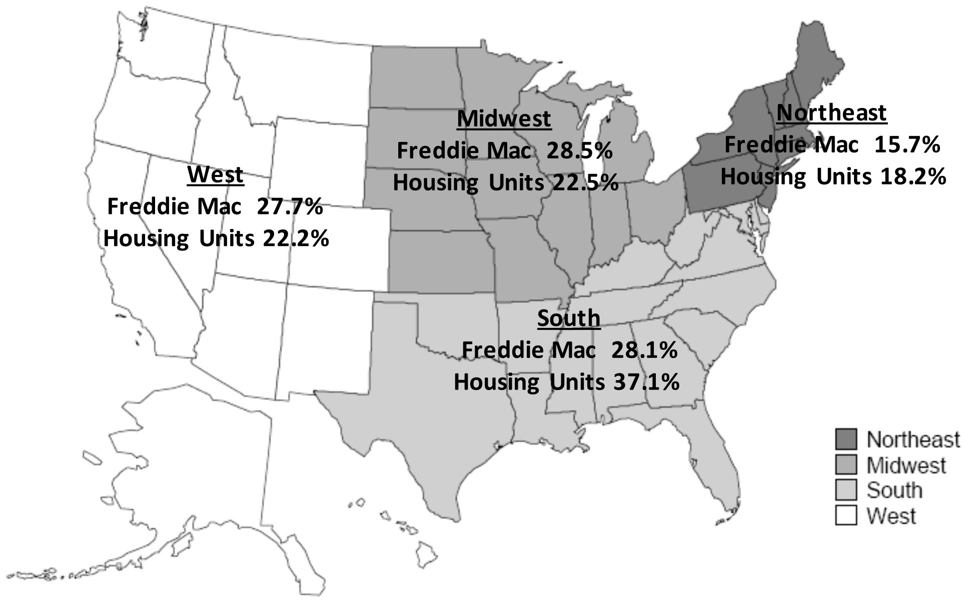
Note: The "Other" category includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, mortgages that have White and minority co-borrowers, and mortgages where a borrower defines him or herself to be of two or more races. The Hispanic borrower category overlaps with other minority categories, since borrowers may define themselves to be of Hispanic ethnicity and also belong to one or more racial classifications. Minority shares exclude mortgages where (a) ethnicity is non-Hispanic and race is missing, (b) race is White and ethnicity is missing, or (c) both race and ethnicity are missing.

Exhibit B-3:
Freddie Mac's 2012 Single-Family Owner-Occupied Mortgage Purchases, by Borrower Gender



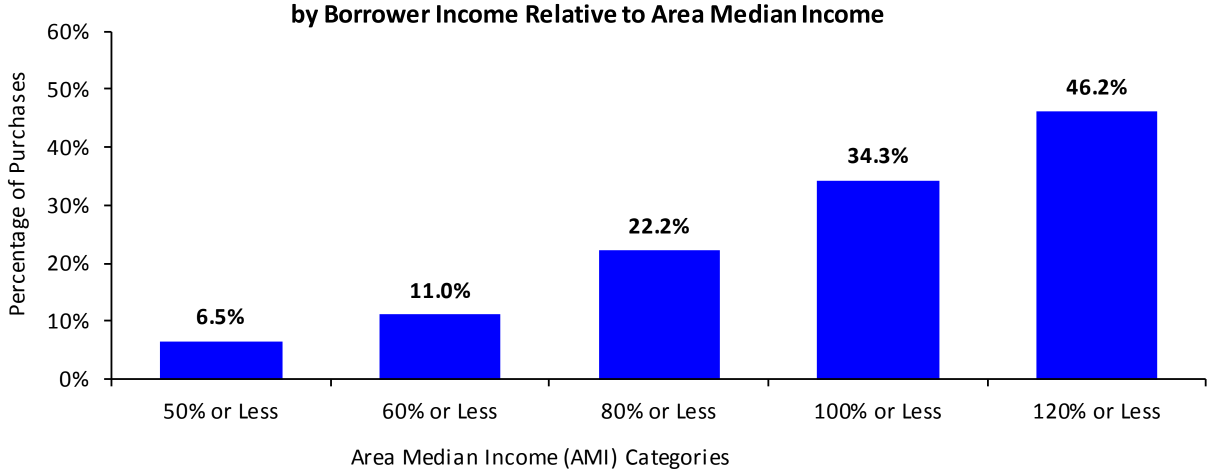
Note: These calculations exclude those mortgages for which we do not have borrower gender information.

Exhibit B-4:
Freddie Mac's 2012 Single-Family Units Compared to
2011 Occupied Single-Family Housing Units, by Census Region



Note: Housing Unit data from 2011 American Community Survey.
Does not include Puerto Rico, Guam or U.S. Virgin Islands.

Exhibit B-5:
Freddie Mac's 2012 Single-Family Owner-Occupied Mortgage Purchases,
by Borrower Income Relative to Area Median Income



Note: These calculations exclude those mortgages for which we do not have borrower income information.

Exhibit B-6:

Freddie Mac's 2012 Single-Family Owner-Occupied Mortgage Purchases, by Minority Concentration of Census Tract

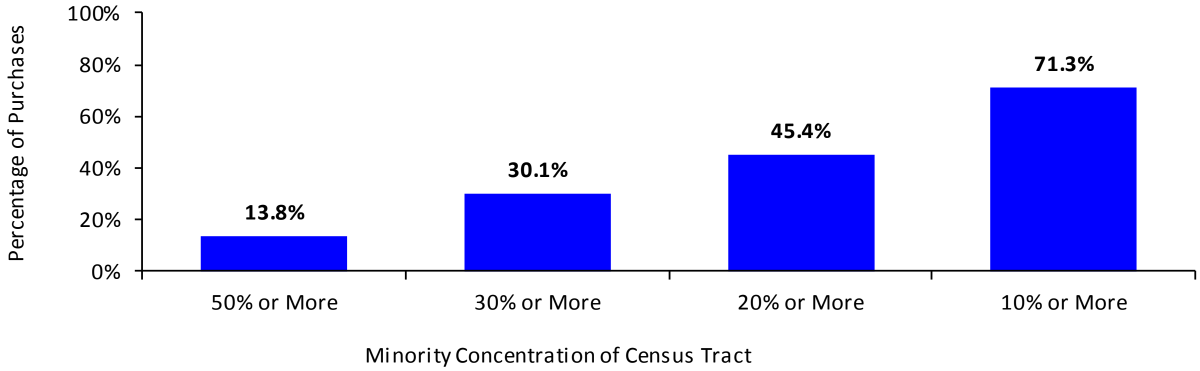
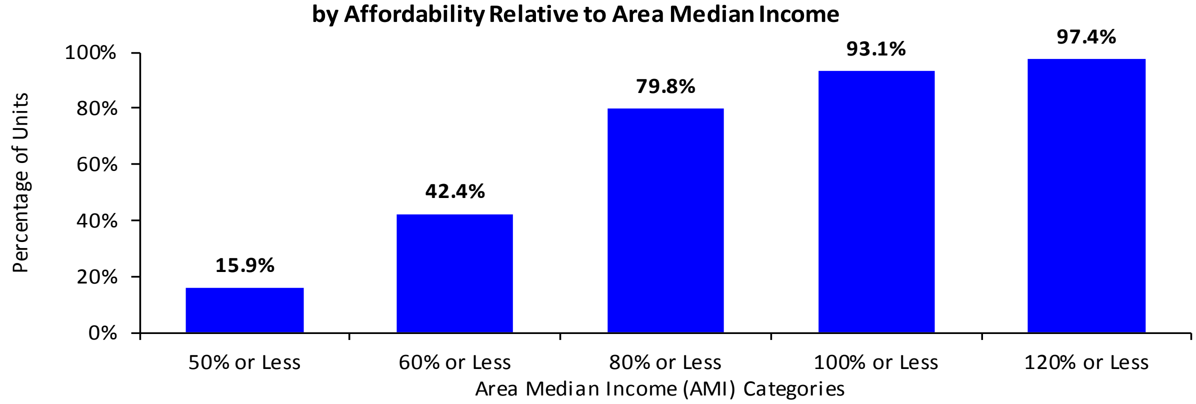


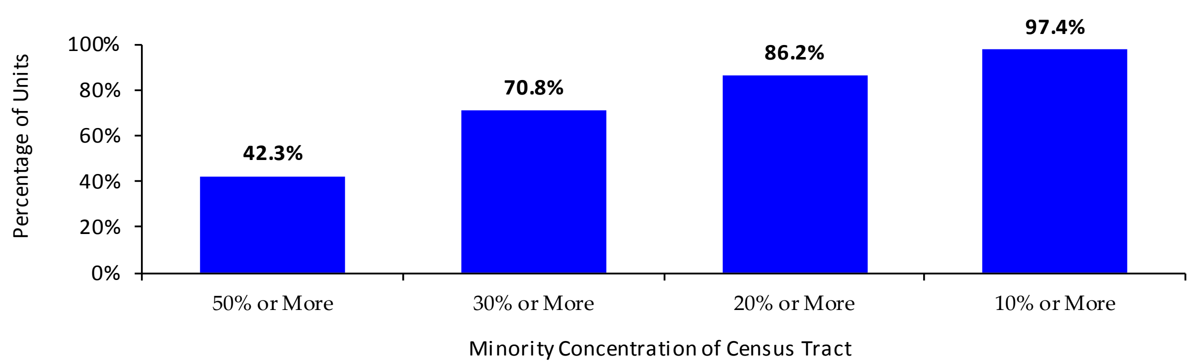
Exhibit B-7:
Freddie Mac's 2012 Multifamily Rental Units, by Affordability Relative to Area Median Income



Note: These calculations exclude those rental units for which we do not have rent information.

Exhibit B-8:

Freddie Mac's 2012 Multifamily Rental Units, by Minority Concentration of Census Tract



C. Information Required Under § 307(f)(2)(C)

§ 307(f)(2)(C) requires that this report include a statement of the extent to which the mortgages purchased by the Corporation have been used in conjunction with public subsidy programs under federal law.

In 2012, Freddie Mac purchased or guaranteed an aggregate of $390 million in single-family mortgages (financing approximately 3,200 mortgages) and $437 million in multifamily mortgages (financing approximately 7,700 units) that had been used in conjunction with various federal public subsidy programs including the following:

- the Federal Housing Administration (FHA) program;
- the Veteran Administration (VA) program;
- the U.S. Department of Agriculture's Guaranteed Rural Housing program;
- Mortgage Revenue Bonds (MRBs) issued by various state and local housing finance agencies (HFAs)[6]; and
- Section 8 and Section 236 programs.

In addition, Freddie Mac securitizes pools of multifamily mortgage revenue bonds under its Tax-Exempt Bond Securitization (TEBS) execution and credit enhances tax-exempt multifamily mortgage revenue bonds through its bond credit enhancement program. These transactions totaled $2.4 billion in 2012, financing approximately 34,800 units for low-income families. In 2012, Freddie Mac did not finance any loans under its TEBS execution.

D. Information Required Under § 307(f)(2)(D)

§ 307(f)(2)(D) requires that this report include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the Corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers.

In 2012, Freddie Mac purchased more than 98,000 mortgages of first-time homebuyers, representing 33.8 percent of the owner-occupied, purchase money mortgages for which information on the borrower's ownership history is available.[7]

Freddie Mac also facilitated homeownership opportunities for first-time homebuyers through its support of housing finance agencies under the Housing Finance Agency (HFA) Initiative. Freddie Mac is one of the lead organizations administering the HFA Initiative. Freddie Mac

[6] This figure does not include loans facilitated through Freddie Mac's guarantee of mortgage revenue bonds through the Housing Finance Agency Initiative. For more information on this initiative, see Section K.

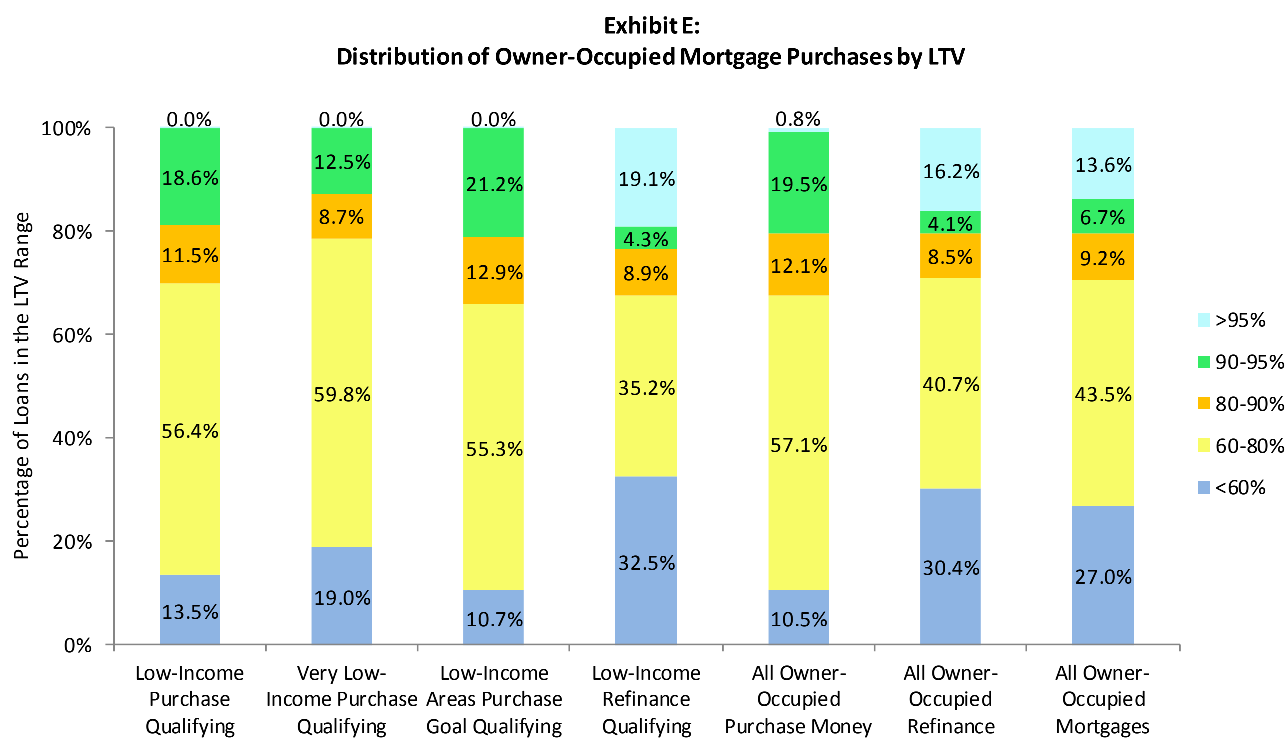
[7] We do not have information on the borrower's ownership history for 0.12 percent (340) of the single-family, owner-occupied, purchase money mortgages we purchased in 2012. Therefore, we excluded those mortgages from the calculations underlying the information presented in this section.

helped develop a securitization execution whereby Treasury purchased partially guaranteed GSE securities backed by tax-exempt (and certain taxable) bonds issued by the HFAs that enables the HFAs to originate mortgages to low- and moderate-income borrowers at affordable rates. Freddie Mac and Fannie Mae also provided substitute credit and liquidity facilities to HFAs to replace their existing liquidity facilities. For more information on the HFA Initiative see Section K.

E. Information Required Under § 307(f)(2)(E)

§ 307(f)(2)(E) requires that this report include, in aggregate form and by appropriate category, the data provided to the Director of FHFA under subsection (e)(1)(B) [loan-to-value ratios of purchased mortgages at the time of origination].

Exhibit E compares the LTV distribution on the goal-qualifying, single-family owner-occupied mortgages acquired by Freddie Mac in 2012 to the LTV distribution on all single-family owner-occupied mortgages acquired by Freddie Mac in 2012, as measured at the time of origination.



Note: These calculations exclude those mortgages for which we do not have LTV information.

F. Information Required Under § 307(f)(2)(F)

§ 307(f)(2)(F) requires that this report compare the level of securitization versus portfolio activity.

In 2012, Freddie Mac securitized $457 billion in single-family and multifamily mortgages and purchased $7 billion of single-family and multifamily mortgages for its portfolio, net of mortgage loans securitized during the year.

G. Information Required Under § 307(f)(2)(G)

§ 307(f)(2)(G) requires that this report assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending.

Freddie Mac continues to make mortgage financing available for sustainable homeownership opportunities for low- and moderate-income families. To that end, Freddie Mac regularly evaluates market conditions, the credit environment, and the performance of our mortgage purchases in an effort to ensure that our underwriting standards, business practices, repurchase requirements, pricing, fees and procedures serve our mission to provide liquidity and stability to the conforming mortgage market, and promote affordable housing and fair lending.

During 2012, Freddie Mac continued to take steps consistent with prudent risk management to manage the risk of our credit terms, provide mortgage credit risk leadership in the marketplace, and help lenders make mortgage financing available for homeowners on terms intended to sustain successful homeownership.

In 2012, Freddie Mac made significant credit changes to:

- enhance further the benefits of our Relief Refinance Mortgage offering to increase lender participation and attract more borrowers who can benefit from refinancing their mortgage;
- introduce a new representation and warranty framework that relieves sellers of credit and collateral reps and warrants for loans that demonstrate acceptable payment histories.
- streamline and simplify our condominium project eligibility requirements; and
- reduce the initial and periodic interest rate adjustment caps on shorter-term ARMs to help protect against payment shock to borrowers.

H. Information Required Under § 307(f)(2)(H)

§ 307(f)(2)(H) requires that this report describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing.

National Trends in the Primary and Secondary Multifamily Mortgage Markets

Multifamily market fundamentals continued to improve on a national level during 2012, although at a slower pace as compared to 2011. As reported by REIS, Inc., the national apartment vacancy rate was 4.5 percent and 5.2 percent at the end of 2012 and 2011, respectively, and remained at the lowest levels since 2001. The multifamily sector continued to experience strong investor interest and continued to outperform other commercial real estate sectors. Vacancy rates and effective rents are important to loan performance because multifamily loans are generally repaid from the cash flows generated by the underlying property and these factors significantly influence those cash flows. We believe positive market fundamentals, such as low vacancy rates and increasing effective rents, as well as optimism about demand for multifamily housing have contributed to improvement in property values in most markets during 2012. In addition, we believe that the supply of multifamily housing will remain relatively low in the near term and that new construction, while increasing, will continue to be constrained by the availability of financing and rising construction costs.

As a result of our underwriting standards and practices, which we believe are prudent, and positive multifamily market fundamentals, the credit quality of the multifamily mortgage portfolio remains strong. Our portfolio continued to experience minimal credit losses due to low foreclosure activity and an increase in net operating income of the underlying multifamily properties in most regions. Multifamily credit losses as a percentage of the combined average balance of our multifamily loan and guarantee portfolios were 2.8 basis points in 2012. The delinquency rate for loans in the multifamily mortgage portfolio was 0.19 percent as of December 31, 2012. We expect our multifamily delinquency rate to remain low in 2013 as recent market data, such as improving vacancy rates and effective rents, continue to reflect positive multifamily market fundamentals on a national level.

Freddie Mac Multifamily Financing and Initiatives

Freddie Mac helps meet the need for affordable rental housing by credit enhancing or purchasing multifamily mortgages originated by numerous financial institutions. Working through our networks, Freddie Mac supports the financing of affordable apartment communities across America through a variety of products and services.

Freddie Mac continued to serve as a stable source of liquidity and continued our support of the multifamily market and the nation's renters as evidenced by our $28.8 billion of multifamily loan purchases and issuance of other guarantee commitments in 2012, a 42 percent increase as compared to $20.3 billion in 2011. In 2012, Freddie Mac provided financing for more than 1,600 properties amounting to more than 435,000 apartment units[8]. The majority of these apartments were affordable to low and moderate income families. Based on the most recent market data, we estimate Freddie Mac financed approximately 20 percent of the overall multifamily market, compared to 18 percent in 2011. We expect similar purchase and guarantee volume for 2013 when compared to 2012 levels, as demand for multifamily financing is expected to remain strong.

Standardization and Securitization

Since 2009, Freddie Mac's primary business model is to purchase held-for-sale multifamily loans through its Capital Markets Execution℠ (CME) program for aggregation and then securitization through issuance of multifamily K Certificates. In 2012, Freddie Mac purchased $25.3 billion in multifamily mortgages, (approximately 96 percent of the multifamily mortgages purchased by Freddie Mac) through the CME program and executed 17 K Certificate issuances backed by $21.2 billion of multifamily loans. In the four years since the program's inception, Freddie Mac has securitized $43.4 billion in mortgages backed by 5-, 7-, and 10-year term fixed-rate mortgages, as well as floating rate mortgages.

Freddie Mac requires loans funded through the CME program to be more standardized than the historic norm because the senior and subordinated tranche investors expect to be able to readily understand the terms and performance of the underlying loans of the security they purchase, and therefore the loans need to be homogenous. The securitization model allows Freddie Mac to access more potential capital sources and provides Freddie Mac with additional opportunities to finance multifamily properties at competitive rates, while providing greater liquidity and stability to the multifamily marketplace.

I. Information Required Under § 307(f)(2)(I)

§ 307(f)(2)(I) requires that this report describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the Corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the Corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families.

Two measures contrast the delinquency and default performance of mortgages serving low-and moderate-income (LMI) borrowers to the performance of mortgages serving borrowers who are above the area median income (non-LMI). In Exhibit I, the second column presents the ratio of early payment delinquency rates for LMI borrowers to that of non-LMI borrowers by acquisition year. The third column in Exhibit I present the ratio of cumulative lifetime default rates for the two groups of borrowers.[9]

[8] Unlike the data referenced in Section A above, these data include mortgages on properties which are not eligible for counting under the affordable housing goals.

[9] The information presented in this section and in Exhibit I is based upon an analysis of a sample of unseasoned,

Exhibit I

Delinquency and Default Rate of LMI Borrowers
Relative to the Delinquency and Default Rate of Higher Income Borrowers

Year of Acquisition	Relative Serious Early Delinquency Performance	Relative Ever Default Performance
1996	1.5	1.7
1997	1.7	1.8
1998	1.5	1.9
1999	1.7	1.9
2000	1.9	2.7
2001	1.9	2.8
2002	2.8	3.6
2003	2.7	3.0
2004	2.3	2.3
2005	1.7	1.5
2006	1.2	1.1
2007	1.1	1.1
2008	1.4	1.6
2009	1.9	2.5
2010	2.1	2.6
2011	2.4	2.6
Average	1.6	1.7

Source: Internal Freddie Mac delinquency study.

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conforming, conventional, forward amortizing, first lien, non Graduated Equity Mortgages/Graduated Payment Mortgages. The delinquency (default) rates presented in Exhibit I were determined by dividing mortgages serving low- and moderate-income families by the delinquency (default) rates for mortgages serving households with incomes above the median level. Delinquency is defined as the borrower ever being 90 or more days delinquent on the mortgage within 12 months of Freddie Mac's acquisition. Default is defined as a foreclosure, deed-in-lieu of foreclosure, or third party sale occurring at any point since Freddie Mac acquired the mortgage. With respect to the delinquency rate, we analyzed only the performance during the first year so that we could present a trend over time that avoided commingling mortgages of different ages. The analysis presented here does not control for other risk factors, such as LTV or credit history.

J. Information Required Under § 307(f)(2)(J)

§ 307(f)(2)(J) requires that this report describe in the aggregate the seller and servicer network of the Corporation, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders.

Freddie Mac purchases mortgages from a network of 1,922 lenders, benefiting borrowers across the U.S. and its territories. Freddie Mac purchases mortgages from all major lender types. Some of these firms sell mortgages to Freddie Mac on a regular basis, while others sell to Freddie Mac only occasionally. Of the total seller network, more than 1,155 lenders sold mortgages to Freddie Mac in 2012. In 2012, 92 percent of our lenders are considered community-oriented lenders. In 2012, Freddie Mac purchased approximately $66 billion of mortgages from community-oriented lenders and approximately $68 billion of mortgages from regional lenders.

Freddie Mac's ongoing efforts to facilitate relationships with community-oriented lenders supported our ability to source mortgages from these institutions. We renewed our Community Lending Alliance with the American Bankers Association and continued the alliance relationships with the Independent Community Bankers of America and the Credit Union National Association. In 2012, 385 lenders took advantage of the alliance offerings provided by Freddie Mac. Approximately 44 percent of the dollar volume of mortgages that Freddie Mac purchased from community and regional lenders came from participants in the Community Lending Alliances.

Minority-owned lenders and women-owned lenders represented a total of 4 percent of Freddie Mac's lender base in 2012. Freddie Mac purchased approximately $8.1 billion in mortgages from minority-owned lenders and women-owned lenders in 2012.

K. Information Required Under § 307(f)(2)(K)

§ 307(f)(2)(K) requires that this report describe the activities undertaken by the Corporation with non-profit and for-profit organizations and with State and local governments and housing finance agencies, including how the Corporation's activities support the objective of comprehensive housing affordability strategies under section 12705 of Title 42.

Freddie Mac undertakes numerous activities in support of affordable housing with state and local governments, housing finance agencies, our lender customers, and a wide variety of non-profit and for-profit organizations. The following section describes some of the affordable housing initiatives Freddie Mac undertook in 2012 that also should support the objectives of the Cranston-Gonzalez National Affordable Housing Act.

Housing Finance Agency Initiative

Since 2009, on behalf of the U.S. Department of the Treasury, Freddie Mac along with Fannie Mae and State Street Global Advisors served as the lead organizations managing the implementation and administration of the Housing Finance Agency (HFA) Initiative – New Issue Bond Program (NIBP) and Temporary Credit and Liquidity Program (TCLP). Freddie Mac also worked closely with FHFA and US Bank Corporate Trust.

As part of the Obama Administration's *Homeowner Affordability and Stability Plan*, the HFA Initiative is an interim solution designed to assist state and local HFAs' lending programs and support their infrastructure.

Throughout all of 2012, Freddie Mac dedicated significant corporate resources to manage both the NIBP and TCLP. Specifically, staffs from Mission, Legal, Counterparty Credit Risk, Single-Family Sourcing, Multifamily, and Finance were involved the entire year to ensure effective and proper implementation and governance of the program.

The HFA Initiative consists of two main components:

- New Issue Bond Program (NIBP) – To enable the HFAs to originate mortgages to low- and moderate-income borrowers at affordable rates, Freddie Mac and Fannie Mae developed a securitization execution whereby Treasury purchased partially guaranteed GSE securities backed by tax-exempt (and certain taxable) bonds issued by the HFAs. The HFAs used the proceeds from bond issuances to originate new single-family and multifamily mortgages. Total completed issuance through 2012, including simultaneous and drawn funds from escrow, was $12,467,505,000 representing over 86 percent of allocated funds. Single-family program bond issuance totaled $10,432,965,000, (approximately 84 percent of total allocations) and multifamily program bond issuance totaled $2,694,470,000 (over 95 percent of total allocations). Additionally, $75,070,000 of SF allocation was transferred to multifamily per the extension agreement of November 2011. Release of the above funds required 74 individual transactions (single-family and multifamily) to be executed in 2012. All transactions were executed on the dates requested by the HFAs with no errors or failed conversions.

- Temporary Credit and Liquidity Program (TCLP) – Under the TCLP, Freddie Mac and Fannie Mae provided substitute credit and liquidity facilities to HFAs to replace their existing liquidity facilities. For a three-year period, Freddie Mac, together with Fannie Mae, will provide, on a standby basis, credit support and liquidity guaranties for certain variable rate single-family and multifamily housing revenue bonds. HFAs are required to convert to private liquidity providers as competitive facilities become available to them. Seven state HFAs have successfully exited the TCLP in 2012. Effective December 31, 2012, six HFAs remain in the TCLP. Total TCLP balance outstanding as of December 31, 2012 was $3,049,620,000, including single-family and multifamily.

Program Enhancements

Freddie Mac worked collaboratively with Treasury and all of the named participants to successfully extend the NIBP program through December 31, 2012. Thirty-seven HFAs opted into the 2012 extension. This extension will provide an opportunity for Housing Finance Agencies to use their remaining funds.

Additionally, in November 2012, Treasury extended the TCLP portion of the HFA Initiative through December 2015. In so doing, Treasury is requiring participating agencies to provide a detailed plan of how and when they will reduce their exposure to variable rate debt obligations.

Making Home Affordable and Other Foreclosure Prevention Activities

In 2012, Freddie Mac continued to support the Making Home Affordable program through outreach initiatives, events, and activities with housing professionals. Staff participated in 74 borrower outreach events, which included Treasury, HOPE NOW Alliance, Congressional, Servicer, non-profit and industry events. In support of foreclosure prevention efforts, Freddie Mac also conducted 45 trainings and educational sessions for housing counselors on foreclosure alternatives and Freddie Mac specific loss mitigation initiatives/servicing policies such as the Servicing Alignment Initiative, short sales, disaster relief to borrowers impacted by Hurricane Sandy, and Freddie Mac's standard modification. More than 3,000 housing counseling professionals attended these sessions.

Borrower Help Centers/ Borrower Help Network

Freddie Mac established "Borrower Help Centers" with selected non-profit organizations in several metropolitan areas to provide more assistance to delinquent borrowers to help avoid foreclosure. In these centers, delinquent borrowers receive free, in-person, face-to-face financial reviews and counseling assistance through a trusted intermediary. Freddie Mac also initiated "The Borrower Help Network" with national non-profit organizations to provide free, phone-based financial reviews and counseling assistance to a targeted group of pre-identified delinquent borrowers nationwide who have not responded to previous contact attempts from their mortgage servicer.

The initiative is designed to encourage delinquent borrowers to pursue mortgage workouts whenever possible. In 2012, the Community Outreach Expansion Initiative's Borrower Help Centers and Borrower Help Network solicited more than 70,000 delinquent Freddie Mac borrowers, made right party contact with 4,465 borrowers, counseled more than 2,477 Borrowers, and submitted 225 workout packages to Freddie Mac servicers participating in the program on behalf of borrowers.

Other Initiatives with Non-Profits

Freddie Mac continues to engage non-profit organizations, lenders, and real estate professionals in educational and outreach initiatives designed to inform and prepare homebuyers and homeowners on how to build and maintain better credit, make sound financial decisions and understand the steps to successful long-term homeownership. The educational tools used to support these initiatives include, CreditSmart, a multilingual financial education curriculum, *Your Step-By-Step Mortgage Guide* and *Get the Facts On Homeownership.*

State and Local Lending Initiatives

In collaboration with our lender customers (including J.P. Morgan Chase, Wells Fargo, Fifth Third Bank, Bank of America and US Bank), state and local governments, and other organizations, Freddie Mac undertakes numerous outreach initiatives designed to expand homeownership opportunities in minority and underserved communities in states and localities across the country. In 2012, Freddie Mac created 135 new outreach initiatives, reaching 10,000 industry professionals and consumers.

Affordable Housing Advisory Council

Freddie Mac convened 100 participants from the housing industry and government to discuss the theme "What Lies Ahead for the Housing Economy?" The forum included presentations on the current state of housing and mortgage markets; the growing impact of minorities on the housing market, and policy issues critical to support the housing needs of the burgeoning population; and an interactive discussion on the demographic trends and policy issues that will drive the housing finance system in coming years.

Hurricane Sandy Outreach Response

In the aftermath of Hurricane Sandy, Freddie Mac is working together with community organizations to ease the burden for families hit hard by the disaster. Freddie Mac donated $1 million to the American Red Cross and local New York and New Jersey non-profits to assist affected residents find temporary housing, set up a New Jersey meal facility, and provide generators, cleaning kits and hot water heater repair for low-income families.

Special training was offered to educate housing counselors on Freddie Mac's disaster relief policies.