



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

December 4, 2018

Mr. Donald H. Layton
Chief Executive Officer
Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22103-3107

Re: Final Determination of Freddie Mac's 2017 Housing Goals Performance

Dear Mr. Layton:

Thank you for the November 13, 2018 response to the Federal Housing Finance Agency's (FHFA) preliminary determinations of Freddie Mac's performance on the housing goals for 2017.

FHFA has completed its review of Freddie Mac's performance under the Enterprise housing goals for 2017 pursuant to 12 USC 4566. FHFA has determined that for 2017, Freddie Mac met the single-family low-income areas home purchase goal, the single-family low-income areas home purchase subgoal, and the low-income refinance goal. FHFA has also determined that Freddie Mac met all the multifamily housing goals for 2017.

However, FHFA has also determined that Freddie Mac failed to meet the single-family low-income home purchase goal and the very low-income home purchase goal. FHFA has further determined that achievement of these 2017 goals by Freddie Mac was feasible. In making these determinations, FHFA analyzed the size and composition of the conventional conforming primary mortgage market, as measured using the Home Mortgage Disclosure Act (HMDA) data for 2017.

As specified in 12 CFR 1282.12, the single-family housing goals include both a benchmark level and a market level determined by FHFA based on its analysis of HMDA data for 2017. Freddie Mac meets a single-family housing goal if its official performance meets or exceeds either the benchmark level or the market level. FHFA's final determinations of Freddie Mac's official performance on the single-family housing goals for 2017 are set forth below:

Single-Family Housing Goals	Goal Target – 2017	Market level – 2017	FHFA Final Determination of Freddie Mac's 2017 Performance
Low-Income Home Purchase Goal	24%	24.3%	23.2%*
Very Low-Income Home Purchase Goal	6%	5.9%	5.7%*
Low-Income Areas Home Purchase Goal	18%	21.5%	20.9%
Low-Income Areas Home Purchase Subgoal	14%	17.1%	16.4%
Low-Income Refinance Goal	21%	25.4%	24.8%

* Reflects goal not met.

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. The home purchase goals are based on Freddie Mac's acquisitions of purchase money mortgages, while the refinance goal is based on Freddie Mac's acquisitions of refinance mortgages and Home Affordable Modification Program (HAMP) loan modifications, where applicable. Based on the above information, FHFA has determined that Freddie Mac achieved the single-family low-income areas home purchase goal and subgoal and the low-income refinance goal. FHFA has also determined that Freddie Mac did not achieve the single-family low-income or very low-income home purchase goals.

Unlike the single-family housing goals, the multifamily housing goals are based solely on benchmark levels established in advance by FHFA pursuant to 12 CFR 1282.13. FHFA's final determinations of Freddie Mac's official performance on the multifamily housing goals for 2017 are set forth below:

Multifamily Housing Goals	Goal Target – 2017	FHFA Final Determination of Freddie Mac's 2017 Performance
Low-Income Multifamily Goal	300,000	408,096
Very Low-Income Multifamily Subgoal	60,000	92,274
Small Multifamily (5-50 unit) Low-Income Subgoal	10,000	39,473

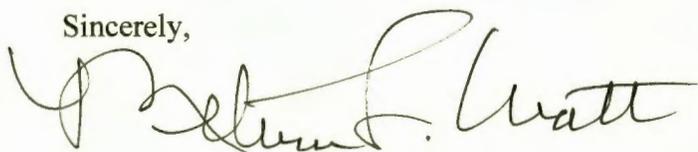
Based on the above information, FHFA has determined that Freddie Mac achieved all the multifamily goals in 2017.

Although FHFA has determined that achieving the single-family low-income and very low-income home purchase goals by Freddie Mac was feasible for 2017, FHFA acknowledges the aggressive steps that Freddie Mac has taken under the housing plan that FHFA approved for

2016-2018 to improve Freddie Mac's performance on these goals, including those taken in 2018. Therefore, FHFA will not require Freddie Mac to extend its existing housing plan under 12 USC 4566 with respect to these goals. However, FHFA will expect Freddie Mac to continue to make improvements in serving this market in line with both the housing goal requirements and FHFA's conservatorship expectations. FHFA will closely monitor and evaluate Freddie Mac's housing goals performance in 2018 and 2019.

If you have any questions, please contact Ted Wartell, Manager, Office of Housing & Community Investment, Division of Housing Mission & Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin L. Watt". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Melvin L. Watt