



FEDERAL HOUSING FINANCE AGENCY  
Office of the Director

June 3, 2010

Mr. Charles E. Haldeman, Jr.  
Chief Executive Officer  
Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, VA 22102-3107

**RE: Final Feasibility Determination on 2009 Housing Goals Compliance**

Dear Mr. Haldeman:

Pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended by the Housing and Economic Recovery Act of 2008, the Federal Housing Finance Agency (FHFA) has determined that Freddie Mac failed to meet its underserved areas housing goal, underserved areas home purchase subgoal, special affordable housing goal, and special affordable multifamily subgoal for 2009. FHFA has also determined, however, that Freddie Mac will not be required to submit a housing plan to FHFA pursuant to the Safety and Soundness Act with regard to these goals and subgoals. FHFA's determination is based on information contained in Freddie Mac's Annual Housing Activities Report, submitted to FHFA on March 16, 2010. Based on analysis of loan-level data also submitted to FHFA on that date, FHFA will publish Freddie Mac's official 2009 housing goal and subgoal performance later this year.

On December 15, 2009, FHFA notified Freddie Mac of its determination that there was a substantial probability that Freddie Mac would fail to meet its underserved areas housing goal, underserved areas home purchase subgoal, special affordable housing goal, and special affordable multifamily subgoal for 2009. By letter dated January 19, 2010, Freddie Mac submitted its own analysis of the feasibility of these goals and subgoals and requested that FHFA find these goals and subgoals infeasible for 2009.

Based on the most recent information available, FHFA has made a final determination that Freddie Mac has failed to meet the aforementioned goals and subgoals for 2009. In determining whether these goals and subgoals were feasible, FHFA considered the tightened single-family underwriting standards adopted by Freddie Mac and others in the mortgage industry, the decreased availability of private mortgage insurance in the primary market, the sharp increase in the share of single-family mortgages insured by the Federal Housing Administration, and the

sharp fall in the issuance of private-label securities. With regard to Freddie Mac's purchases of multifamily mortgages, FHFA considered the decrease in the multifamily share of units financed by Freddie Mac in 2009, and the collapse of the Commercial Mortgage-Backed Securities market. FHFA also considered the financial condition of Freddie Mac in 2009.

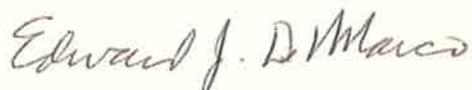
FHFA has determined that, while the housing market and economic conditions mentioned in the preceding paragraph made it difficult for Freddie Mac to meet the underserved areas home purchase subgoal, these conditions did not make the subgoal infeasible. FHFA has also considered Freddie Mac's financial condition. Despite the adverse financial condition of Freddie Mac in 2009, FHFA has determined that the underserved areas home purchase subgoal was feasible. Under the Safety and Soundness Act, there is no housing plan requirement for subgoals established within the underserved areas housing goal.

Similarly, FHFA has determined that the 2009 special affordable housing goal for Freddie Mac was feasible. In light of the near achievement of this goal—a difference of only 30 basis points between the goal and performance—FHFA will not require a housing plan.

FHFA has determined that actual economic conditions in 2009 limited the relative number of mortgages qualifying for the underserved areas housing goal and the special affordable multifamily subgoal. Based on the housing market and economic conditions in 2009, FHFA has concluded that achievement by Freddie Mac of this goal and subgoal was not feasible in 2009. FHFA also recognized that the subgoal was increased by 17 percent over the 2008 level—an increase announced in late July 2009. Accordingly, Freddie Mac is not required to submit a housing plan to FHFA for this goal and subgoal pursuant to the Safety and Soundness Act.

FHFA expects Freddie Mac to focus on serving low-income households and areas in both single-family and multifamily housing in a safe and sound manner in meeting the revised housing goals for 2010. FHFA will monitor Freddie Mac's performance on the achievement of the 2010 housing goals through monthly meetings, quarterly updates, and ongoing supervision.

Sincerely,



Edward J. DeMarco  
Acting Director

xc: The Honorable Christopher J. Dodd, Chairman, Committee on Banking Housing &  
Urban Affairs  
The Honorable Barney Frank, Chairman, Committee on Financial Services  
The Honorable Richard C. Shelby, Ranking Member, Committee on Banking  
Housing & Urban Affairs  
The Honorable Spencer Bachus, Ranking Member, Committee on Financial Services