



Federal Housing Finance Agency

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January 28, 2011

Ran Borgersen
Director, Mission Oversight
Freddie Mac
8200 Jones Branch Road
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 2011 is 11 percent, thus the overall low-income areas home purchase goal for 2011 is 24 percent. As you are aware, the disaster areas increment for 2010 was also 11 percent, and the overall low-income areas goal for 2010 was also 24 percent.

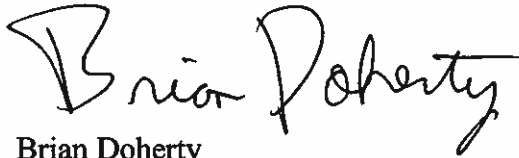
The disaster areas increment to the low-income areas home purchase subgoal was calculated by determining all counties which were designated as being eligible for individual assistance during the 2008-10 period. This included 876 counties (or county-equivalents) in 32 states and 21 municipios in Puerto Rico. No counties were included in the other 18 states, and the District of Columbia was also not designated as being eligible for individual assistance during this period.

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, based on FHFA analysis of Home Mortgage Disclosure Act (HMDA) data for 2007-09. This yielded the 11 percent disaster areas increment for 2011.

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, as updated, will be available on FHFA's website (<http://www.fhfa.gov>).

If you have any questions, please contact me or Paul Manchester. We can be reached at Brian.Doherty@fhfa.gov (202) 408-2991 or Paul.Manchester@fhfa.gov (202) 408-2946.

Sincerely yours,

A handwritten signature in black ink that reads "Brian Doherty". The signature is written in a cursive style with a large, stylized initial "B".

Brian Doherty
Acting Senior Associate Director
Office of Housing and Community Investment