



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

December 19, 2012

Mr. Donald H. Layton
Chief Executive Officer
Freddie Mac
8200 Jones Bridge Road
McLean, VA 22102-3107

Re: Final Determination of Freddie Mac's Housing Goals Performance for 2011

Dear Mr. Layton:

The Federal Housing Finance Agency (FHFA) has completed its review of Freddie Mac's performance under the housing goals for 2011. FHFA has made final determinations, pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended (the Safety and Soundness Act) and 12 C.F.R. part 1282, that Freddie Mac achieved the low-income refinance goal, the low-income multifamily goal, and the very low-income multifamily subgoal for 2011. FHFA has also made final determinations that Freddie Mac failed to meet the low-income home purchase housing goal, the very low-income home purchase housing goal, the low-income areas home purchase goal, and the low-income areas home purchase subgoal for 2011.

FHFA has further determined that achievement of the home purchase housing goals and subgoal was feasible for 2011. In determining that these single-family housing goals were feasible, FHFA analyzed the size and composition of the conventional conforming primary mortgage market as measured using Home Mortgage Disclosure Act (HMDA) data. FHFA also considered the financial condition of the Enterprises in 2011.

Although FHFA has determined that the achievement of these single-family goals was feasible, Freddie Mac will not be required to submit a housing plan with respect to these goals under section 1336 of the Safety and Soundness Act. As stated in FHFA's October 11, 2012 preliminary determination letter to Freddie Mac, a housing plan will not be required because Freddie Mac continues to operate under conservatorship. However, in that letter FHFA requested that Freddie Mac review why the goal-qualifying shares of home purchase mortgages it acquired in 2011 were less than those for the market, as shown below, and FHFA is reviewing Freddie Mac's response.

As specified in 12 C.F.R. § 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 2011. Freddie Mac meets a single-family housing goal if its official performance exceeds either the benchmark level or the market level as determined by FHFA. FHFA's final determinations for Freddie Mac's performance on the single-family housing goals for 2011 were based on the following numbers:

Single-Family Housing Goals	Benchmark level – 2011	Market level – 2011	Freddie Mac Official Performance Results – 2011
Low-Income Home Purchase Goal	27%	26.5%	23.27%
Very Low-Income Home Purchase Goal	8%	8.0%	6.63%
Low-Income Areas Home Purchase Goal	24%	22.0%	19.22%
Low-Income Areas Home Purchase Subgoal	13%	11.4%	9.16%
Low-Income Refinance Goal	21%	21.5%	23.35%

For each housing goal, the percentages shown above reflect the proportions of mortgages that met the criteria for that goal. A housing unit may count towards more than one goal or subgoal in the performance year. 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.

Unlike the single-family housing goals, the multifamily housing goals are based solely on benchmark levels established in advance by FHFA in 12 C.F.R. § 1282.13. FHFA's final determinations for Freddie Mac's performance on the multifamily housing goals for 2011 were based on the following numbers:

Multifamily Housing Goals	Goal target – 2011	Freddie Mac Official Performance Results – 2011
Low-Income Multifamily Goal	161,250	229,001
Very Low-Income Multifamily Subgoal	21,000	35,471

If you have any questions, please contact Paul Manchester, Principal Economist, Office of Housing and Regulatory Policy, at 202-649-3115.

Yours truly,

Edward J. DeMarco
Acting Director