



**FEDERAL HOUSING FINANCE AGENCY**  
**Office of the Director**

October 11, 2012

Mr. Donald H. Layton  
Chief Executive Officer  
Freddie Mac  
8200 Jones Branch Drive  
McLean, VA 22103-3107

Re: Freddie Mac's Housing Goals Performance for 2011

Dear Mr. Layton:

The Federal Housing Finance Agency (FHFA) has reviewed Freddie Mac's performance under the Enterprise housing goals for 2011 and is providing this notice 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.

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 Home Mortgage Disclosure Act 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 evaluated Freddie Mac's performance on the single-family housing goals based on the following numbers:

<b>Single-Family Housing Goals</b>	<b>Benchmark level – 2011</b>	<b>Market level – 2011</b>	<b>Freddie Mac Official Performance Results – 2011</b>
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 proportion 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 and loan modifications, where applicable.

Based on the above information, FHFA has determined that Freddie Mac achieved the low-income refinance goal for 2011. FHFA has preliminarily determined that Freddie Mac failed to meet the low-income home purchase goal, the very low-income home purchase goal, and the low-income areas goal and subgoal for 2011.

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. For 2011, those benchmark levels and Freddie Mac's official performance were as follows:

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

Based on this information, FHFA has determined that Freddie Mac achieved each of the multifamily housing goals for 2011.

Given that Freddie Mac continues to operate under conservatorship, FHFA will not be requiring housing plans for goals that Freddie Mac did not achieve. But in light of Freddie Mac's results relative to actual market levels, I am asking that you review why Freddie Mac's goal-qualifying shares are less than those for the market.

Under section 1336(b)(2) of the Safety and Soundness Act, Freddie Mac has 30 days to submit any written information that it wishes FHFA to consider in making a final determination about Freddie Mac's compliance with the single-family housing goals that FHFA has preliminarily determined that Freddie Mac did not achieve.

If you have any questions, please contact Michael Opsahl, Manager, Single-Family Housing, Office of Housing and Regulatory Policy, at 202-649-3169.

Sincerely,



Edward J. DeMarco  
Acting Director