



FEDERAL HOUSING FINANCE AGENCY
Office of the Director

January 23, 2015

Mr. Donald H. Layton
Chief Executive Officer
Federal Home Loan Mortgage Corporation
8200 Jones Bridge Road
McLean, VA 22102

RE: Final Determinations of Freddie Mac's 2013 Housing Goals Performance

Dear Mr. Layton:

Thank you for the November 7, 2014 and November 13, 2014 responses to FHFA's preliminary determinations of Freddie Mac's performance on the housing goals for 2013.

FHFA has completed its review of Freddie Mac's performance under the housing goals for 2013, pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (the Safety and Soundness Act) and 12 CFR part 1282. FHFA has determined that for 2013, Freddie Mac achieved the single-family low-income refinance goal and low-income areas home purchase subgoal, as well as the multifamily low-income goal and multifamily very low-income subgoal.

However, FHFA has also determined that Freddie Mac failed to meet the single-family low-income home purchase goal, very low-income home purchase goal, and low-income areas home purchase goal for 2013. FHFA has further determined that achievement of the 2013 low-income home purchase goal, the very low-income home purchase goal, and the low-income areas home purchase goal for Freddie Mac was feasible. In making this determination, FHFA analyzed the size and composition of the conventional conforming primary mortgage market, as measured using Home Mortgage Disclosure Act (HMDA) data for 2013. FHFA also considered the financial condition of Freddie Mac in 2013.

Although FHFA has determined that achieving these single-family goals for Freddie Mac was feasible for 2013, FHFA will not require Freddie Mac to submit a formal housing plan under section 1336 of the Safety and Soundness Act with respect to these goals. However, FHFA will expect Freddie Mac to continue to make improvements in serving these markets in line with both the housing goal requirements and FHFA's conservatorship expectations. FHFA will evaluate Freddie Mac's performance on the 2014 housing goals and will closely monitor and evaluate Freddie Mac's housing goals performance in 2015.

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 2013. 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 2013 are set forth below:

| Single-Family Housing Goals | Benchmark level – 2013 | Market level – 2013 | FHFA Final Determinations of Freddie Mac's 2013 Performance |
|--|-------------------------------|----------------------------|--|
| Low-Income Home Purchase Goal | 23% | 24.0% | 21.8%* |
| Very Low-Income Home Purchase Goal | 7% | 6.3% | 5.5%* |
| Low-Income Areas Home Purchase Goal | 21% | 22.1% | 20.0%* |
| Low-Income Areas Home Purchase Subgoal | 11% | 14.2% | 12.3% |
| Low-Income Refinance Goal | 20% | 24.3% | 24.1% |

* Reflects goal not met.

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. A housing unit may count, as appropriate, 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 pursuant to 12 CFR 1282.13. FHFA's final determinations of Freddie Mac's official performance on the multifamily housing goals for 2013 are set forth below:

| Multifamily Housing Goals | Goal Target – 2013 | FHFA Final Determinations of Freddie Mac's 2013 Performance |
|-------------------------------------|---------------------------|--|
| Low-Income Multifamily Goal | 215,000 | 254,628 |
| Very Low-Income Multifamily Subgoal | 50,000 | 56,742 |

If you have any questions, please contact Nayantara Hensel, Associate Director for Policy Research, or Paul Manchester, Principal Economist, Office of Policy Analysis and Research, at 202-649-3122 or 202-649-3115.

Sincerely,



Melvin L. Watt