

2008 HOUSING GOAL PERFORMANCE FOR FANNIE MAE AND FREDDIE MAC

On March 16, 2009 Fannie Mae and Freddie Mac (the Enterprises) submitted their Annual Housing Activities Reports (AHARs) to the Federal Housing Finance Agency (FHFA), which included their performance on the housing goals and subgoals in 2008. The Enterprises also submitted computerized loan-level data on all mortgages purchased in 2008. FHFA reviewed the Enterprises' AHARs and the computerized loan-level data, and on June 11, 2009, notified the Enterprises of their official performance results.

For 2008, Fannie Mae exceeded the underserved areas housing goal in 2008, but Freddie Mac fell short of this goal. Fannie Mae and Freddie Mac both exceeded their respective special affordable multifamily subgoals. Both Fannie Mae and Freddie Mac fell short of the low- and moderate-income housing goal, the special affordable housing goal, and the home purchase subgoals for low- and moderate-income families, for underserved areas and for special affordable families (very low-income families and low-income families in low-income areas). On March 16, 2009, the FHFA determined that the housing goals and subgoals that were not met or exceeded by Fannie Mae were infeasible. The FHFA determined that the housing goals and subgoals that were not met or exceeded by Freddie Mac were infeasible, except for the underserved areas goal.

The 2008 housing goals and special affordable multifamily subgoal performance figures officially determined by FHFA are:

HOUSING GOALS	GOAL TARGETS*	FANNIE MAE RESULTS	FREDDIE MAC RESULTS
Low- and Moderate-Income	56%	53.67%	51.48%
Underserved Areas	39%	39.38%	37.73%
Special Affordable	27%	26.41%	23.05%
Special Affordable MF Subgoals			
Fannie Mae:	\$5.49 Billion	\$13.31 Billion	
Freddie Mac:	\$3.92 Billion		\$7.49 Billion

* As a matter of policy, housing goal and subgoal targets were set at the higher end of the market estimate.

In 2004, the Department of Housing and Urban Development (HUD), the previous mission regulator

for Fannie Mae and Freddie Mac, created home purchase subgoals under each of the housing goals. The home purchase subgoals were intended to encourage the Enterprises to facilitate greater financing and homeownership opportunities for families, including first-time homebuyers, and underserved communities targeted by the housing goals. The 2008 home purchase subgoal performance figures officially determined by FHFA are:

HOME PURCHASE SUBGOALS	SUBGOAL TARGETS	FANNIE MAE RESULTS	FREDDIE MAC RESULTS
Low- and Moderate-Income	47%	38.83%	39.33%
Underserved Areas	34%	30.38%	30.25%
Special Affordable	18%	13.55%	15.06%

Performance under the housing goals is measured as the percentage of dwelling units financed by mortgages acquired by each Enterprise that meet goal eligibility requirements relative to all eligible **dwelling units** financed by acquired mortgages during the year. Regulations provide that a housing unit may count towards more than one goal or subgoal in the performance year. Home purchase subgoals are expressed as percentages of the total **number of mortgages** acquired by the Enterprises that financed the purchase (not refinance) of single-family, owner-occupied properties located in metropolitan areas. The restriction of the home purchase subgoals to properties located in metropolitan areas was designed to facilitate comparison between loan-level data submitted to by the Enterprises with data submitted by primary market mortgage originators to their regulators in accordance with the Home Mortgage Disclosure Act (HMDA).