

Federal Housing Finance Agency

1700 G Street, N.W., Washington, D.C. 20552 Phone: 202-414-3800 Fax: 202-414-3823

October 27, 2008

Mr. David Moffett Chief Executive Officer Freddie Mac 8200 Jones Bridge Road McLean, VA 22102-3107

Dear Mr. Moffett:

The Federal Housing Finance Agency (FHFA) has completed its review of Freddie Mac's Annual Mortgage Report for 2007, including computerized loan-level data that are required to be submitted with this report.

In accordance with the Housing and Economic Recovery Act of 2008 (Public Law 110-289, 122 Stat. 2654), by this letter FHFA is notifying Freddie Mac that it intends to release to the public, following a period of 30 days in which you may submit comments on this determination, the following official housing goal performance results for 2007:

| HOUSING GOAL | GOAL TARGET - 2007 | OFFICIAL PERFORMANCE RESULTS – 2007 |
|-------------------------------|-----------------------|--|
| Low- and Moderate-Income | 55% | 56.1% |
| Underserved Areas | 38% | 43.1% |
| Special Affordable | 25% | 25.8% |
| Special Affordable MF Subgoal | \$3.92 Billion | \$15.12 Billion |

| HOME PURCHASE SUBGOALS | GOAL TARGET - 2007 | OFFICIAL PERFORMANCE RESULTS – 2007 |
|--------------------------|-----------------------|--|
| Low- and Moderate-Income | 47% | 43.5% |
| Underserved Areas | 33% | 33.8% |
| Special Affordable | 18% | 15.9% |

As you know, in response to a letter from Freddie Mac dated January 7, 2008, the Department of Housing and Urban Development, by letter of April 24, 2008, determined that achievement of the 2007 an Low- and Moderate-Income Home Purchase Subgoal and the Special Affordable Home Purchase Subgoal was not feasible and that no housing plan would be required. If you have any additional questions on this matter, please contact me or Brian Doherty of my staff at 202-343-1823.

Sincerely,

Edward J. DeMarco

COO & Sr. Deputy Director

Edward J. De Mares