



Supporting the Nation's Housing Recovery

During one of the worst housing and financial crises in decades, Freddie Mac is working to support the housing market and answer the nation's call to assist with its economic recovery. We are doing this by providing essential liquidity to the mortgage market and helping to stem the foreclosure crisis. Taken together, our actions have helped to stabilize communities across the country by ensuring that America's families have access to mortgage funding at low rates and helping hundreds of thousands of distressed borrowers avoid foreclosure.

Mortgage Landscape

Delinquency rates are at historically high levels. At the end of December 2009, the U.S. had more than 5.3 million seriously delinquent mortgages—Freddie Mac holds nine percent of these. So while we own approximately a quarter of all outstanding first home loans, we hold a disproportionately small percentage of seriously delinquent mortgages.

Providing Essential Liquidity

Throughout the downturn, Freddie Mac has continued to support the market by providing a stable source of home mortgage funding. In fact, the government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac provided approximately 72 percent of all the liquidity to the single-family mortgage market and approximately 80 percent of the liquidity to the multifamily market in 2009.

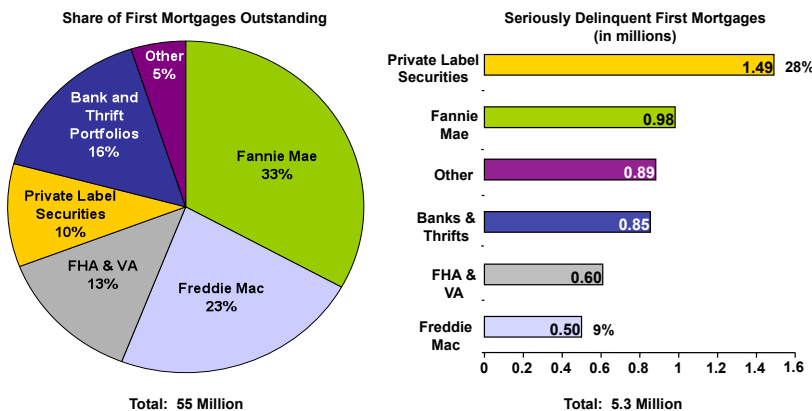
Freddie Mac alone purchased or guaranteed \$548 billion in mortgage loans and mortgage-related securities—helping 2.5 million families own or rent a home last year. This included \$379 billion in refinanced home loans that created an estimated aggregate savings of \$4.5 billion for approximately 1.8 million borrowers. Furthermore, our continuous presence in the market has helped keep mortgage rates low for homebuyers.

Helping Struggling Borrowers Avoid Foreclosure

Another critical part of Freddie Mac's efforts to support the housing market is its focus on helping distressed borrowers avoid foreclosure. In 2009, the company helped more than 272,000 borrowers stay in their homes or sell their properties through the company's long-standing foreclosure avoidance programs and the Home Affordable Modification program (HAMP)—three times the amount we helped in 2008.

Making Home Affordable continued to be the centerpiece of the company's efforts to help struggling borrowers lower their mortgage payments to more affordable levels. Freddie Mac's

Freddie Mac Holds a Disproportionately Small Percentage of the Nation's Seriously Delinquent Loans

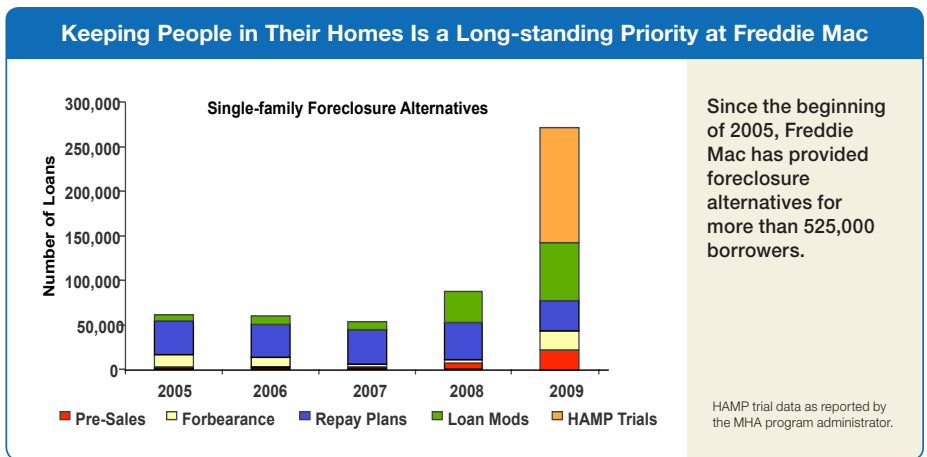


Freddie Mac holds 23% of the nation's single-family mortgages, but only 9% of all serious delinquencies. In contrast, private label securities hold 10% of the nation's mortgages but 28% of the serious delinquencies.

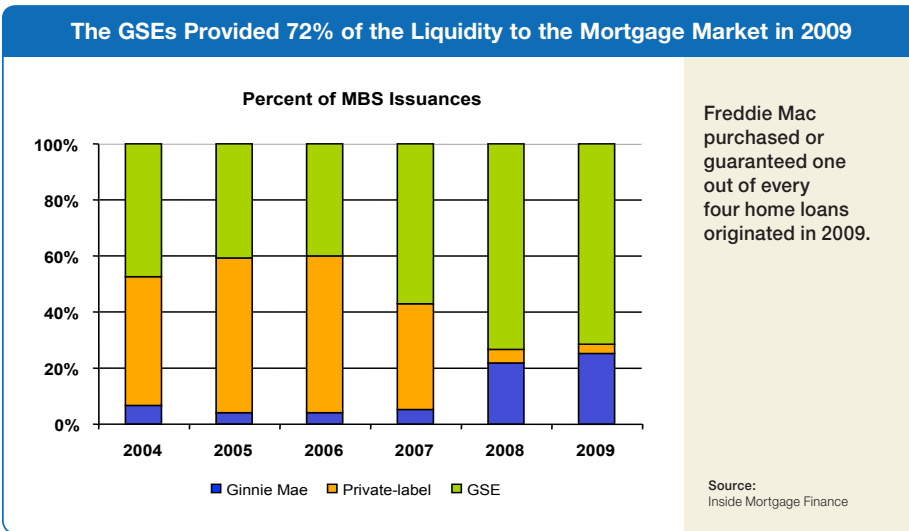
Sources: FDIC, Freddie Mac, Fannie Mae, Mortgage Bankers Association, HUD, First American CoreLogic (LoanPerformance). Note: Data as of December 31, 2009. Seriously Delinquent loans were at least 90 days delinquent or in foreclosure. Components may not sum to 100% because of rounding. Freddie Mac and Fannie Mae figures include whole loans held in portfolio and in guaranteed securities outstanding

key programs—HAMP and the Freddie Mac Relief Refinance MortgageSM—continued to gain traction during the fourth quarter of 2009.

Late last year, Freddie Mac accelerated its efforts to convert more HAMP trial period loans into permanent modifications by implementing document collection and signature services, door-knocking programs and reaching out to borrowers through local nonprofits. Based on information provided by the MHA program administrator, Freddie Mac implemented more than 143,000 trial and permanent HAMP loan modifications as of December 31, 2009.

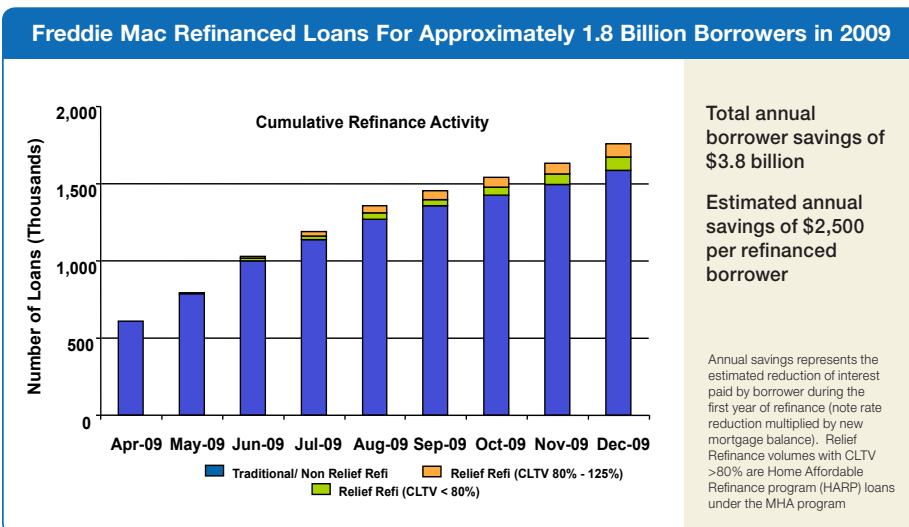


In addition, Freddie Mac continued the purchase of refinance mortgages originated under the Freddie Mac Relief Refinance MortgageSM. The company helped to refinance approximately 169,000 loans in 2009.



Commitment to Affordable Housing

Freddie Mac remains committed to affordable housing. Every American deserves a decent, affordable place to live and given today's economic environment this increasingly means rental housing. We continued to meet this need through our multifamily business in 2009, helping to finance more than 253,000 units of multifamily rental housing. We also financed more than 690,000 single-family homes to families with low- or moderate-incomes.



In addition, we are delivering affordable housing credit by supporting the Administration's Housing Finance Agency initiative for state and local finance agencies. Through this initiative, the company delivered approximately \$12 billion in affordable housing credit to local markets across the country—providing affordable mortgages for working families and enabling the development and rehabilitation of affordable rental properties.