



Freddie Mac At A Glance

Chartered by Congress to keep America's mortgage markets liquid, stable and affordable in all economic conditions, Freddie Mac is a continual presence that helps keep mortgage costs low, consumer choices open and our housing finance system better protected from the unexpected. We fulfill our public mission by operating as a shareholder-owned, market-driven business; we receive no taxpayer funds.

Freddie Facts

- Financed housing for more than 50 million families – that's 1 in 6 homebuyers and more than 4 million renters.
- Financed nearly 3.3 million homes in 2007 alone.
- Helped more than 360,000 first-time homebuyers buy a home in 2007.
- Provided financing for nearly 600,000 affordable apartment units in 2007.
- More than 50% of our mortgage purchases finance homes for low- and moderate-income borrowers.
- Average loan size is \$185,000.
- Named top corporate philanthropist in Washington DC region, investing more than \$321 million for at-risk children and families since 1991.

Real Savings

- **Interest-rate savings:** A homeowner with a \$417,000 conforming mortgage financed by Freddie Mac today saves \$5,000 in interest costs during the first year of the mortgage compared to a homeowner with a nonconforming mortgage that, by law, Freddie Mac cannot finance.
- **Pocketbook savings:** Homeowners save between \$16.2 and \$20.7 billion in interest costs annually on Freddie Mac- and Fannie Mae-owned mortgages. Both companies save homeowners over \$109 billion over the life of their loans.
- **Jumbo market savings:** Congress gave Freddie Mac temporary authority to buy jumbo mortgages in high-cost markets; this should allow the GSEs to inject liquidity and thus help enable reduced rates within the jumbo market.

How We Work: Step-By-Step

- 1 Borrower applies for loan.
- 2 Lender evaluates application, often using Freddie Mac tools, and makes loan to the borrower.
- 3 Lender sells loan to Freddie Mac. Freddie Mac pays lender, providing funds to make new loans to other borrowers.
- 4 Freddie Mac packages loans into mortgage-backed securities, then sells them to investors.
- 5 We keep money flowing in U.S. mortgage market, lowering rates and saving money for homebuyers.

Homeownership Prep

- **CreditSmart®**, multilingual consumer credit education for establishing good credit, buying a home and avoiding foreclosure.

Affordable Mortgage Choices

- **Home Possible® Mortgages** with low down payment options and flexible credit terms for police, firefighters, teachers, military, health care workers and low- and moderate-income borrowers.
- Employer-assisted housing program to help workers buy a home through affordable mortgages, down payment assistance, financial literacy and homebuyer education.

Foreclosure Prevention

- Help nearly 50,000 troubled borrowers a year avoid foreclosure.
- Require and incent servicers to do workouts with delinquent borrowers so they don't lose their homes. Last year, we paid servicers more than \$12 million in incentives.

- Co-sponsor, NeighborWorks America/ Ad Council public service campaign and national counseling hotline, 888-995-HOPE.

Combating Predatory Lending, Mortgage Fraud

- Do not purchase loans with excessive rates, single premium credit insurance and other predatory lending practices.
- **Don't Borrow Trouble®**, our consumer awareness campaign, helps the public (100,000+ consumers) in more than 50 communities nationwide.
- Alert public about fraud via the web, CreditSmart, and YouTube videos.
- Work with law enforcement to stop fraud artists.

Subprime Solutions

- Tightened underwriting standards to limit payment shock for borrowers.
- Require proof that borrowers have income to afford their mortgages under all terms of loan, not just temporary "teaser" rates.
- Introduced Freddie Mac **SafeStep MortgagesSM** to give subprime borrowers more sustainable mortgage options.
- Surpassed our \$20 billion commitment to Congress and the industry, purchasing more than \$43 billion in mortgages to families who might have used subprime financing.

Freddie Mac In Your State

- Visit **Our Role State-by-State** for the number of homeowners and renters we've served in your state; information about partnerships and initiatives; plus key housing and economic data.