



FEDERAL HOUSING FINANCE AGENCY

Office of the Director

December 19, 2016

Mr. Donald H. Layton
Chief Executive Officer
Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22103-3107

Re: Final Determination of Freddie Mac's 2015 Housing Goals Performance

Dear Mr. Layton:

Thank you for the November 11, 2016 response to the Federal Housing Finance Agency's (FHFA) preliminary determinations of Freddie Mac's performance on the housing goals for 2015.

FHFA has completed its review of Freddie Mac's performance under the Enterprise housing goals for 2015, 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 2015 Freddie Mac achieved the single-family low-income areas home purchase goal, low-income areas home purchase subgoal, and low-income refinance goal. FHFA has also determined that Freddie Mac met all the multifamily housing goals for 2015.

However, FHFA has also determined that Freddie Mac failed to meet the single-family low-income and very low-income home purchase goals for 2015. FHFA has further determined that achievement of these 2015 goals by Freddie Mac was feasible. In making these determinations, FHFA analyzed the size and composition of the conventional conforming primary mortgage market, as measured using Home Mortgage Disclosure Act (HMDA) data for 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 2015. 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 2015 are set forth below:

| Single-Family Housing Goals | Goal Benchmark – 2015 | Market Level – 2015 | FHFA Final Determination of Freddie Mac’s 2015 Performance |
|--|------------------------------|----------------------------|---|
| Low-Income Home Purchase Goal | 24% | 23.6% | 22.3%* |
| Very Low-Income Home Purchase Goal | 6% | 5.8% | 5.4%* |
| Low-Income Areas Home Purchase Goal | 19% | 19.8% | 19.0% |
| Low-Income Areas Home Purchase Subgoal | 14% | 15.2% | 14.5% |
| Low-Income Refinance Goal | 21% | 22.5% | 22.8% |

* Reflects goal not met.

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. 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 and Home Affordable Modification Program (HAMP) loan modifications.

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 2015 are set forth below:

| Multifamily Housing Goals | Goal Benchmark – 2015 | FHFA Final Determination of Freddie Mac’s 2015 Performance |
|--|------------------------------|---|
| Low-Income Multifamily Goal | 300,000 | 379,042 |
| Very Low-Income Multifamily Subgoal | 60,000 | 76,935 |
| Small Multifamily (5-50 unit) Low-Income Subgoal | 6,000 | 12,801 |

Under the Safety and Soundness Act, FHFA may require an Enterprise to submit a housing plan if the Enterprise has failed to meet any of its goals and FFHA determines that the achievement of the goals was feasible. On December 17, 2015 FHFA required Freddie Mac to submit a housing plan based on Freddie Mac’s performance on the single-family low-income home purchase goal and very low-income home purchase goal for 2014. Freddie Mac submitted its “Affordable Housing Plan 2016-2017” to FHFA, and the plan was approved by FHFA on March 31, 2016.

Based on FHFA’s final determinations on Freddie Mac’s performance on the low-income and very low-income home purchase goals for 2015, FHFA is requiring Freddie Mac to extend the duration of its Affordable Housing Plan for an additional year, through 2018. Freddie Mac must

submit a revised Housing Plan within 45 days of the date of this letter to incorporate that additional year and to make other changes reflecting Freddie Mac's experience under the existing Plan.

If you have any questions, please contact Ted Wartell, Manager, Office of Housing & Community Investment, Division of Housing Mission and Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

A handwritten signature in black ink, appearing to read "Melvin L. Watt". The signature is written in a cursive style with a large initial "M".

Melvin L. Watt