

**ANNUAL HOUSING ACTIVITIES REPORT FOR 2011**

**FEDERAL HOME LOAN MORTGAGE CORPORATION**

**MARCH 12, 2012**

## Introduction

Pursuant to section 307(f) of the Federal Home Loan Mortgage Corporation Act, as amended, 12 U.S.C. § 1456(f), the Federal Home Loan Mortgage Corporation (Freddie Mac) must submit annually to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives and the Federal Housing Finance Agency (FHFA) a report on its activities under subpart B of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, 12 U.S.C. §§ 4561 et seq.

The following constitutes Freddie Mac's 2011 Annual Housing Activities Report to Congress and FHFA under section 307(f) and the regulation at 24 C.F.R. 1282.63.<sup>1</sup>

### A. Information Required Under § 307(f)(2)(A)

*§ 307(f)(2)(A) requires that this report include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals established under such subpart.*

In 2011, Freddie Mac purchased more than 1.4 million mortgages on single-family owner-occupied properties, and approximately 1,100 mortgages on multifamily properties.<sup>2</sup>

Exhibit A-1 summarizes our performance for the single-family affordable housing goals, listing for each affordable housing goal the regulatory benchmark, our performance against the benchmark in 2011, the dollar volume of goal-qualifying mortgages that Freddie Mac purchased in 2011, and the number of goal-qualifying mortgages. Exhibit A-2 summarizes our performance for the multifamily affordable housing goals, listing for the multifamily goal and subgoal, the regulatory targets, our performance against the targets in 2011, and the dollar volume of goal-qualifying units that Freddie Mac financed in 2011.

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<sup>1</sup> The statistical and financial information included in this report and in the tables referenced in this report may not be comparable to information provided in Freddie Mac's public disclosure documents, including Monthly Volume Summaries and reports filed with the U.S. Securities and Exchange Commission, as the statistical and financial information included in this report and in the tables has been compiled and aggregated in accordance with specific regulatory guidelines. The information presented in the exhibits (and described in the related discussion) is derived from certain tables included in Freddie Mac's 2011 Annual Mortgage Report (2011 AMR). The 2011 AMR is being delivered to FHFA with this report.

<sup>2</sup> The vast majority of these single-family and multifamily mortgages funded "eligible housing units" for purposes of the housing goals, and thus was used as the basis for calculating our performance under the housing goals.

**Exhibit A-1:  
Freddie Mac's 2011 Single-Family Affordable Housing Goals Performance<sup>3</sup>**

	2011 Benchmark	2011 Performance	Volume (\$ Millions)	Owner- Occupied Mortgages Financed
Single-Family				
Low-Income Purchase Goal	27%	23.18%	\$7,834	60,363
Very Low-Income Purchase Goal	8%	6.59%	\$1,658	17,155
Low-Income Areas Purchase Goal	24%	19.18%	\$8,307	49,964
Low-Income Areas Subgoal	13%	9.15%	\$4,470	23,836
Low-Income Refinance Goal	21%	23.35%	\$38,063	267,582

**Exhibit A-2:  
Freddie Mac's 2011 Multifamily Affordable Housing Goals Performance<sup>4</sup>**

	2011 Benchmark (Units)	2011 Performance (Units)	Volume (\$ Millions)
Multifamily			
Low-Income Goal	161,250	229,001	\$12,494
Very Low-Income Subgoal	21,000	35,471	\$1,197

Pursuant to FHFA regulations<sup>5</sup> promulgated under section 1336(b)(2) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (FHEFSSA), as amended by the Federal Housing Finance Regulatory Reform Act of 2008 (enacted as part of the Housing and Economic Recovery Act of 2008), Freddie Mac may achieve a single-family housing goal or subgoal by meeting or exceeding either the FHFA benchmark or the share of qualifying loans originated by the market, as defined by Home Mortgage Disclosure Act (HMDA) data. When HMDA data for 2011 are released in September 2012, FHFA will determine whether Freddie Mac achieved the single-family affordable housing goals for 2011.

In 2011, Freddie Mac also financed 9,625 low-income rental units in single-family 2-4 unit properties in which an owner-occupant resides in the first unit.

<sup>3</sup> Figures calculated by Freddie Mac. Final performance will be calculated and published by FHFA.

<sup>4</sup> Id.

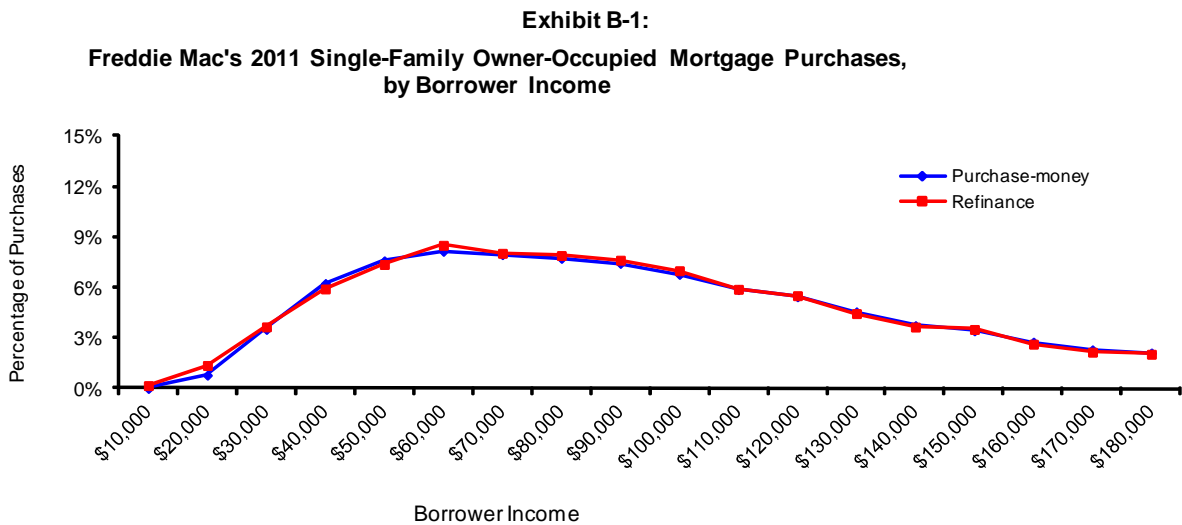
<sup>5</sup> 24 CFR 1282.12.

**B. Information Required Under § 307(f)(2)(B)**

§ 307(f)(2)(B) requires that this report include, in aggregate form and by appropriate category, statements of the number of families served by the Corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed.

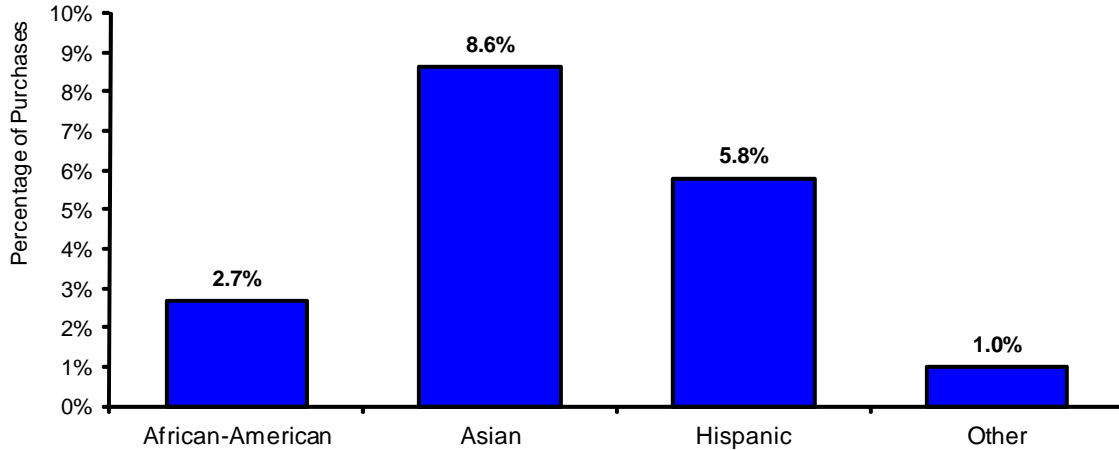
In 2011, Freddie Mac financed housing for more than 1.8 million families, including more than 1.5 million single-family owner-occupied and rental units and more than 300,000 multifamily rental units.

The following exhibits provide the information required under § 307(f)(2)(B).



Source: Freddie Mac internal data.

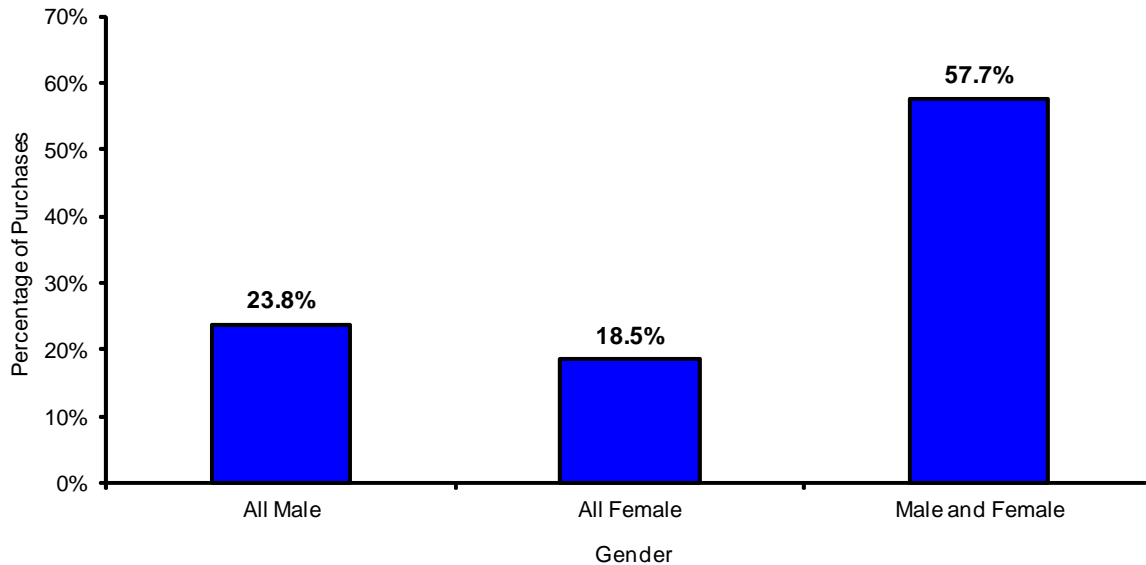
**Exhibit B-2:  
Freddie Mac's 2011 Single-Family Owner-Occupied Mortgage Purchases,  
by Race/Ethnicity of Minority Borrowers**



Race/Ethnicity on Mortgage Application

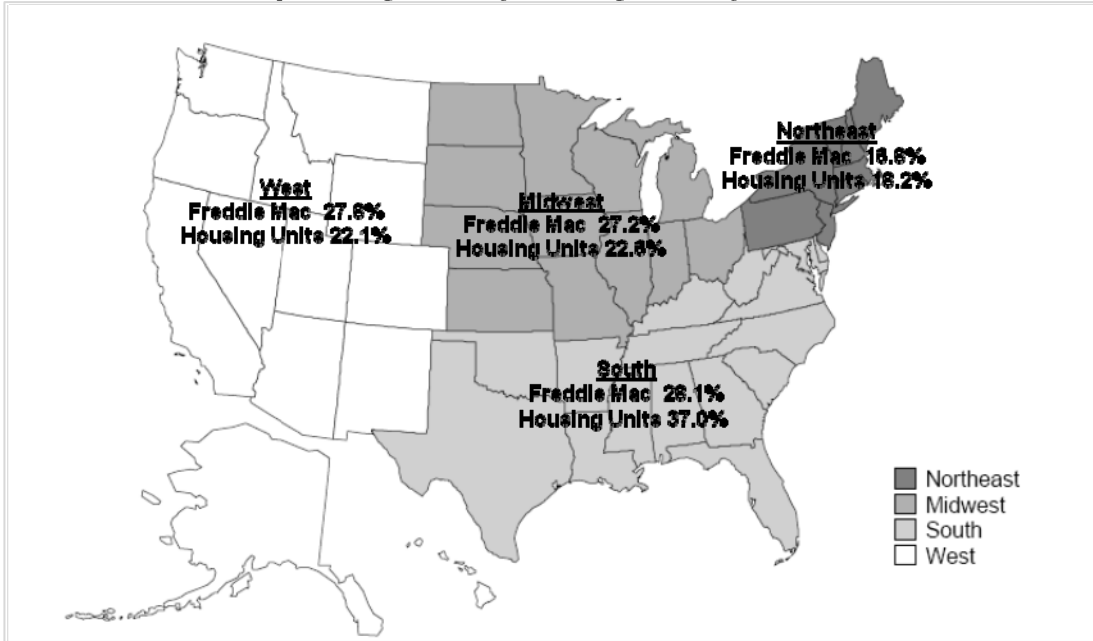
Note: The "Other" category includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, mortgages that have White and minority co-borrowers, and mortgages where a borrower defines him or herself to be of two or more races. The Hispanic borrower category overlaps with other minority categories, since borrowers may define themselves to be of Hispanic ethnicity and also belong to one or more racial classifications. Minority shares exclude mortgages where (a) ethnicity is non-Hispanic and race is missing, (b) race is White and ethnicity is missing, or (c) both race and ethnicity are missing.

**Exhibit B-3:  
Freddie Mac's 2011 Single-Family Owner-Occupied Mortgage Purchases,  
by Borrower Gender**

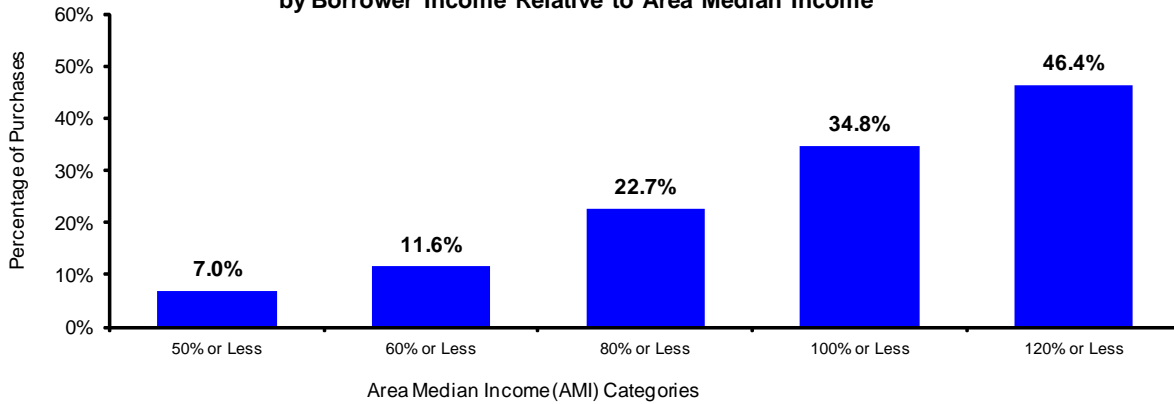


Note: These calculations exclude those mortgages for which we do not have borrower gender information.

**Exhibit B-4:  
Freddie Mac's 2011 Single-Family Units Compared to  
2010 Occupied Single-Family Housing Units, by Census Region**

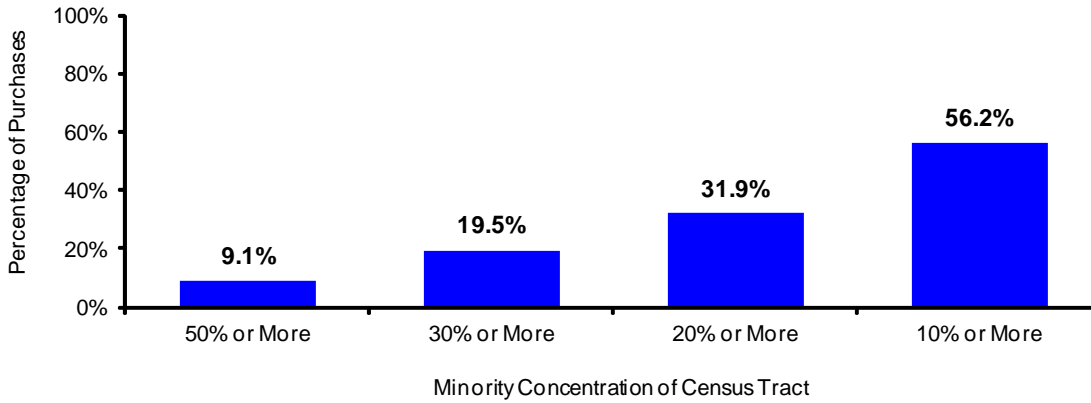


**Exhibit B-5:  
Freddie Mac's 2011 Single-Family Owner-Occupied Mortgage Purchases,  
by Borrower Income Relative to Area Median Income**

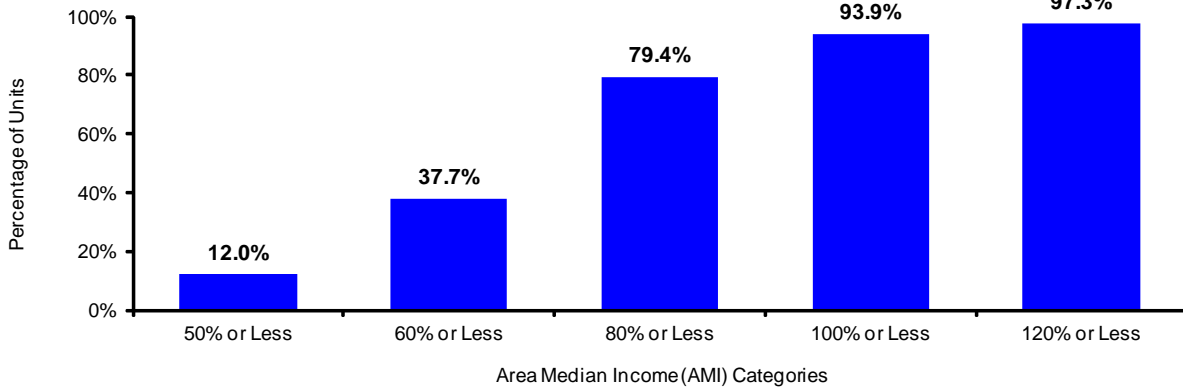


Note: These calculations exclude those mortgages for which we do not have borrower income information.

**Exhibit B-6:  
Freddie Mac's 2011 Single-Family Owner-Occupied Mortgage Purchases,  
by Minority Concentration of Census Tract**

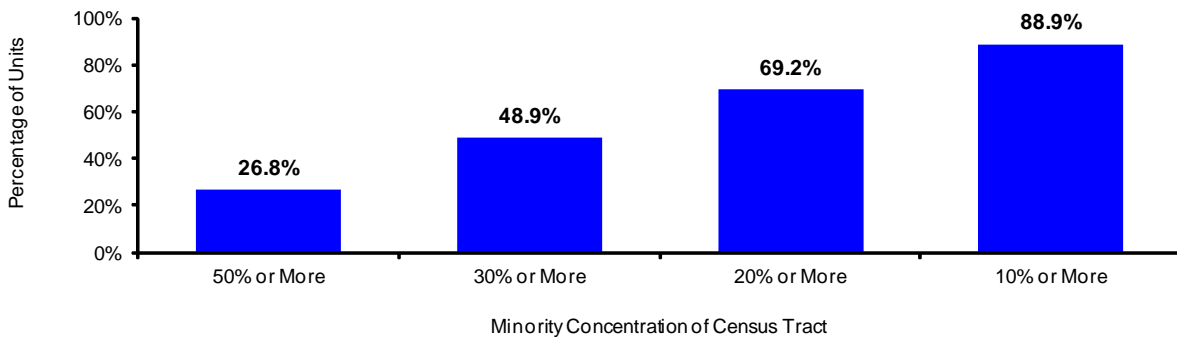


**Exhibit B-7:  
Freddie Mac's 2011 Multifamily Rental Units,  
by Affordability Relative to Area Median Income**



Note: These calculations exclude those rental units for which we do not have rent information.

**Exhibit B-8:  
Freddie Mac's 2011 Multifamily Rental Units,  
by Minority Concentration of Census Tract**



**C. Information Required Under § 307(f)(2)(C)**

*§ 307(f)(2)(C) requires that this report include a statement of the extent to which the mortgages purchased by the Corporation have been used in conjunction with public subsidy programs under federal law.*

In 2011, Freddie Mac purchased or guaranteed an aggregate of \$442 million in single-family mortgages (financing approximately 3,900 mortgages) and \$923 million in multifamily mortgages (financing approximately 12,800 units) that had been used in conjunction with various federal public subsidy programs including the following:

- the Federal Housing Administration (FHA) program;
- the Veteran Administration (VA) program;
- the U.S. Department of Agriculture's Guaranteed Rural Housing program;
- Mortgage Revenue Bonds (MRBs) issued by various state and local housing finance agencies (HFAs)<sup>6</sup>; and
- Section 8 and Section 236 programs.

In addition, Freddie Mac securitizes pools of multifamily mortgage revenue bonds under its Tax-Exempt Bond Securitization (TEBS) execution and credit enhances tax-exempt multifamily mortgage revenue bonds through its bond credit enhancement program. These transactions totaled \$1.1 billion in 2011, financing approximately 21,800 units for low-income families.

**D. Information Required Under § 307(f)(2)(D)**

*§ 307(f)(2)(D) requires that this report include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the Corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers.*

In 2011, Freddie Mac purchased more than 94,000 mortgages of first-time homebuyers, representing 35.9 percent of the owner-occupied, purchase money mortgages for which information on the borrower's ownership history is available.<sup>7</sup>

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<sup>6</sup> This figure does not include loans facilitated through Freddie Mac's guarantee of mortgage revenue bonds through the Housing Finance Agency Initiative. For more information on this initiative, see Section K.

<sup>7</sup> We do not have information on the borrower's ownership history for 0.33 percent (866) of the single-family, owner-occupied, purchase money mortgages we purchased in 2011. Therefore, we excluded those mortgages from the calculations underlying the information presented in this section.

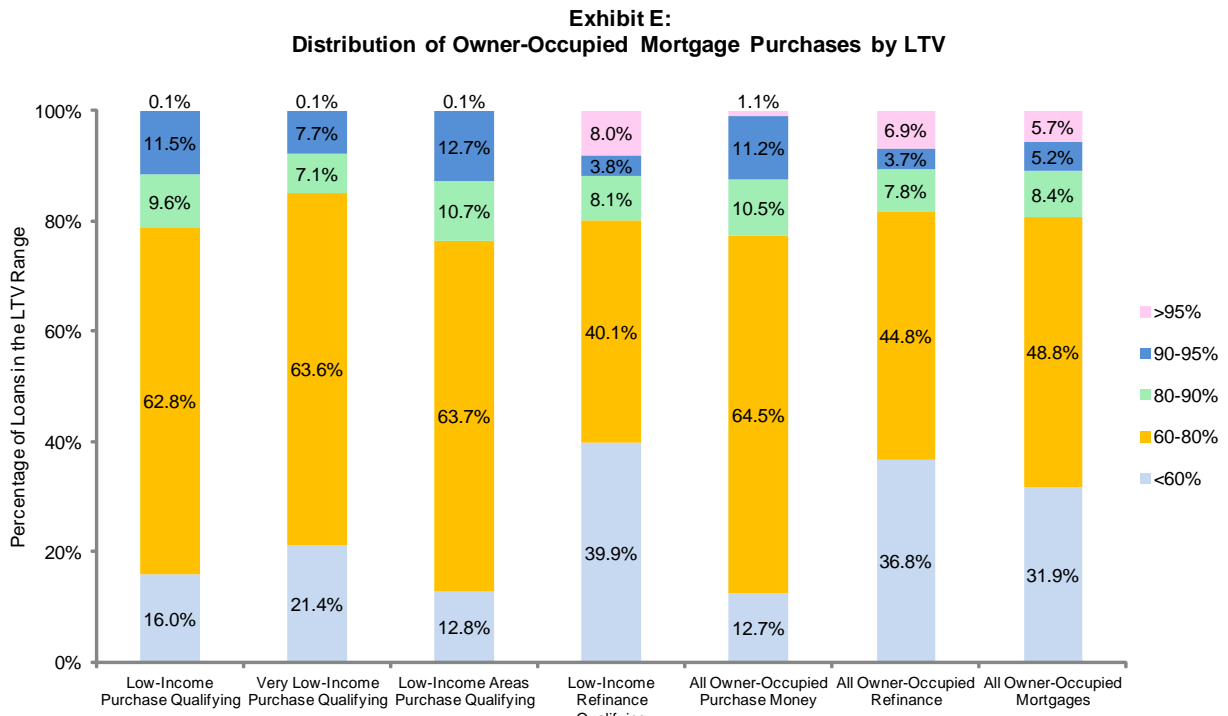


Freddie Mac also facilitated homeownership opportunities for first-time homebuyers through its support of housing finance agencies under the Housing Finance Agency (HFA) Initiative. Freddie Mac is one of the lead organizations administering the HFA Initiative. Freddie Mac helped develop a securitization execution whereby Treasury purchased partially guaranteed GSE securities backed by tax-exempt (and certain taxable) bonds issued by the HFAs that enables the HFAs to originate mortgages to low- and moderate-income borrowers at affordable rates. Freddie Mac and Fannie Mae also provided substitute credit and liquidity facilities to HFAs to replace their existing liquidity facilities. For more information on the HFA Initiative see Section K.

**E. Information Required Under § 307(f)(2)(E)**

*§ 307(f)(2)(E) requires that this report include, in aggregate form and by appropriate category, the data provided to the Director of FHFA under subsection (e)(1)(B) [loan-to-value ratios of purchased mortgages at the time of origination].*

Exhibit E compares the LTV distribution on the goal-qualifying, single-family owner-occupied mortgages acquired by Freddie Mac in 2011 to the LTV distribution on all single-family owner-occupied mortgages acquired by Freddie Mac in 2011, as measured at the time of origination.



Note: These calculations exclude those mortgages for which we do not have LTV information.

**F. Information Required Under § 307(f)(2)(F)**

*§ 307(f)(2)(F) requires that this report compare the level of securitization versus portfolio activity.*

In 2011, Freddie Mac securitized \$312 billion in single-family and multifamily mortgages and purchased \$44 billion of single-family and multifamily mortgages for its portfolio, net of mortgage loans securitized during the year.

**G. Information Required Under § 307(f)(2)(G)**

*§ 307(f)(2)(G) requires that this report assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending.<sup>8</sup>*

Freddie Mac continues to make mortgage financing available for sustainable homeownership opportunities for low- and moderate-income families. To that end, Freddie Mac regularly evaluates market conditions, the credit environment, and the performance of our mortgage purchases in an effort to ensure that our underwriting standards, business practices, repurchase requirements, pricing, fees and procedures serve our mission to provide liquidity and stability to the conforming mortgage market, and promote affordable housing and fair lending.

During 2011, Freddie Mac continued to take steps consistent with prudent risk management to manage the risk of our credit terms, provide mortgage credit risk leadership in the marketplace, and help lenders make mortgage financing available for homeowners on terms intended to sustain successful homeownership.

In 2011, Freddie Mac made significant credit changes to:

- enhance the benefits of our Home Affordable Refinance Program offering to increase lender participation and attract more borrowers who can benefit from refinancing their mortgage;
- permit qualified borrowers to use certain assets as a basis for qualifying for a mortgage;
- reduce the maximum LTV on any mortgage other than a Relief Refinance Mortgage to 95%; and
- clarify underwriting requirements for rural and manufactured home mortgages.

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<sup>8</sup> As implemented by § 81.43(a) of the U.S. Department of Housing and Urban Development's regulations, 24 C.F.R. § 81.43(a) (2005).

## **H. Information Required Under § 307(f)(2)(H)**

*§ 307(f)(2)(H) requires that this report describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing.*

### **National Trends in the Primary and Secondary Multifamily Mortgage Markets**

Multifamily market fundamentals continued to improve on a national level during 2011. This improvement continues a trend of favorable movements in key indicators such as vacancy rates and effective rents that generally began in early 2010. Vacancy rates and effective rents are important to loan performance because multifamily loans are generally repaid from the cash flows generated by the underlying property and these factors significantly influence those cash flows. These improving fundamentals and perceived optimism about demand for multifamily housing have contributed to lower capitalization rates, which has improved property values in most markets. However, the broader economy continues to be challenged by persistently high unemployment, which has prevented a more comprehensive recovery of the multifamily housing market.

The credit quality of the multifamily mortgage portfolio remains strong, as evidenced by low delinquency rates and credit losses, and we believe reflects prudent underwriting practices. The delinquency rate for loans in the multifamily mortgage portfolio was 0.22% as of December 31, 2011 and we expect our multifamily delinquency rate to remain relatively stable in 2012.

### **Freddie Mac Multifamily Financing and Initiatives**

Freddie Mac helps meet the need for affordable rental housing by credit enhancing or purchasing multifamily mortgages originated by numerous financial institutions. Working through our networks, Freddie Mac supports the financing of affordable apartment communities across America through a variety of products and services.

We remain a constant source of liquidity in the multifamily market. Excluding CMBS and other non-agency securities, we estimate that we owned or guaranteed approximately 12.2% of outstanding mortgage loans in the market as of September 30, 2011 (the latest date for which information was available), compared to 11.8% as of December 31, 2010. In 2011, Freddie Mac had \$20.3 billion in volume for its multifamily purchases and credit enhancements, compared to \$15.4 billion in 2010,<sup>9</sup> a 32 percent increase. Based on the most recent market data, we estimate Freddie Mac financed approximately 25 percent of the overall multifamily market, compared to 22 percent in 2010.

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<sup>9</sup> See Section K for information on the HFA Initiative.

## Standardization and Securitization

In 2011, Freddie Mac issued twelve securitizations of multifamily loans originated through its Capital Markets Execution<sup>SM</sup> (CME) program, which now includes our targeted affordable housing, seniors housing and variable rate products. The CME program is designed for securitization and allows Freddie Mac to access more potential capital sources and provides Freddie Mac with additional opportunities to finance multifamily properties at competitive rates, while providing greater liquidity and stability to the multifamily marketplace.

For a loan to be eligible for the CME program, it must be more standardized than has been the historic norm for Freddie Mac loans. This is required because the senior and B-piece investors expect to be able to understand the performance of the underlying loans of the security they purchase. To be able to do this they must be able to readily understand the terms of those loans, and therefore the loans need to be homogenous.

Freddie Mac purchased a total of \$16.5 billion of CME loans and settled \$13.7 billion in multifamily mortgage-backed securities through the twelve offerings. By investing in securitizations of multifamily loans, Freddie Mac is extending liquidity to a sector of the apartment market that would not otherwise be served under current market conditions.

### I. Information Required Under § 307(f)(2)(I)

*§ 307(f)(2)(I) requires that this report describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the Corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the Corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families.*

Two measures contrast the delinquency and default performance of mortgages serving low- and moderate-income (LMI) borrowers to the performance of mortgages serving borrowers who are above the area median income (non-LMI). In Exhibit I, the second column presents the ratio of early payment delinquency rates for LMI borrowers to that of non-LMI borrowers by acquisition year. The third column in Exhibit I present the ratio of cumulative lifetime default rates for the two groups of borrowers.<sup>10</sup>

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<sup>10</sup> The information presented in this section and in Exhibit I is based upon an analysis of a sample of unseasoned, conforming, conventional, forward amortizing, first liens, non Graduated Equity Mortgages/Graduated Payment Mortgages. The delinquency (default) rates presented in Exhibit I were determined by dividing mortgages serving low- and moderate-income families by the delinquency (default) rates for mortgages serving households with incomes above the median level. Delinquency is defined as the borrower ever being 90 or more days delinquent on the mortgage within 12 months of Freddie Mac's acquisition. Default is defined as a foreclosure, deed-in-lieu of foreclosure, or third party sale occurring at any point since Freddie Mac acquired the mortgage. With respect to the delinquency

## Exhibit I

### Delinquency and Default Rate of LMI Borrowers Relative to the Delinquency and Default Rate of Higher Income Borrowers

Year of Acquisition	Relative Serious Early Delinquency Performance	Relative Ever Default Performance
1996	1.5	1.7
1997	1.7	1.8
1998	1.5	1.9
1999	1.7	1.9
2000	1.9	2.6
2001	1.9	2.7
2002	2.8	3.6
2003	2.7	3.2
2004	2.3	2.4
2005	1.7	1.5
2006	1.2	1.0
2007	1.1	1.0
2008	1.4	1.6
2009	1.9	2.1
2010	2.1	2.5
Average	1.6	1.6

Source: Internal Freddie Mac delinquency study.

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rate, we analyzed only the performance during the first year so that we could present a trend over time that avoided commingling mortgages of different ages. The analysis presented here does not control for other risk factors, such as LTV or credit history.

## **J. Information Required Under § 307(f)(2)(J)**

*§ 307(f)(2)(J) requires that this report describe in the aggregate the seller and servicer network of the Corporation, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders.*

Freddie Mac purchases mortgages from a network of 2,000 lenders, benefiting borrowers across the U.S. and its territories. Freddie Mac purchases mortgages from all major lender types. Some of these firms sell mortgages to Freddie Mac on a regular basis, while others sell to Freddie Mac only occasionally. Of the total seller network, more than 1,100 lenders sold mortgages to Freddie Mac in 2011. Approximately 92 percent of our lenders are considered community-oriented lenders. In 2011, Freddie Mac purchased approximately \$38.1 billion of mortgages from community-oriented lenders and approximately \$30.6 billion of mortgages from regional lenders.

Freddie Mac's ongoing efforts to facilitate relationships with community-oriented lenders supported our ability to source mortgages from these institutions. We renewed our Community Lending Alliance with the American Bankers Association and continued the alliance relationships with the Capital Markets Cooperative, Independent Community Bankers of America and the Credit Union National Association. Close to 400 lenders are currently taking advantage of the alliance offerings provided by Freddie Mac. In 2011, approximately 28.7 percent of the dollar volume of mortgages that Freddie Mac purchased from community and regional lenders came from participants in the Community Lending Alliances.

Minority-owned lenders and women-owned lenders represented a total of four percent of Freddie Mac's lender base in 2011. Freddie Mac purchased approximately \$1.6 billion in mortgages from minority-owned lenders and women-owned lenders in 2011.

## **K. Information Required Under § 307(f)(2)(K)**

*§ 307(f)(2)(K) requires that this report describe the activities undertaken by the Corporation with non-profit and for-profit organizations and with State and local governments and housing finance agencies, including how the Corporation's activities support the objective of comprehensive housing affordability strategies under section 12705 of Title 42.*

Freddie Mac undertakes numerous activities in support of affordable housing, with state and local governments, housing finance agencies, our lender customers, and a wide variety of non-profit and for-profit organizations. The following section describes some of the affordable housing initiatives Freddie Mac undertook in 2011 that also should support the objectives of the Cranston-Gonzalez National Affordable Housing Act.

### **Housing Finance Agency Initiative**

Since 2010, on behalf of the U.S. Department of the Treasury, Freddie Mac along with Fannie Mae and State Street Global Advisors served as the lead organizations managing the implementation and administration of the Housing Finance Agency (HFA) Initiative – New Issue Bond Program (NIBP) and Temporary Credit and Liquidity Program (TCLP). Freddie Mac also worked closely with FHFA and US Bank Corporate Trust.

As part of the Obama Administration's *Homeowner Affordability and Stability Plan*, the HFA Initiative is an interim solution designed to assist state and local HFAs' lending programs and support their infrastructure.

Throughout all of 2011, Freddie Mac dedicated significant corporate resources to manage both the NIBP and TCLP. Specifically, staffs from Mission, Legal, Counterparty Credit Risk, Single-Family Sourcing, Multifamily, and Finance were involved the entire year to ensure effective and proper implementation and governance of the program.

The HFA Initiative consists of two main components:

- New Issue Bond Program (NIBP) – To enable the HFAs to originate mortgages to low- and moderate-income borrowers at affordable rates, Freddie Mac and Fannie Mae developed a securitization execution whereby Treasury purchased partially guaranteed GSE securities backed by tax-exempt (and certain taxable) bonds issued by the HFAs. The HFAs used the proceeds from bond issuances to originate new single-family and multifamily mortgages. Total completed issuance through 2011, including simultaneous and drawn funds from escrow, totaled \$11,828,340,000 representing over 77 percent of allocated funds. Single-family program bond issuance totaled \$9,152,960,000 (approximately 74 percent of total allocations) and multifamily program bond issuance totaled \$2,675,380,000 (approximately 95 percent of total allocations). Release of the above funds required 163 individual transactions

(single-family and multifamily) to be executed in 2011, on top of the 106 transactions in 2010 previously reported. All transactions were executed on the dates requested by the HFAs with no errors or failed conversions.

- Temporary Credit and Liquidity Program (TCLP) – Under the TCLP, Freddie Mac and Fannie Mae provided substitute credit and liquidity facilities to HFAs to replace their existing liquidity facilities. For a three-year period, Freddie Mac, together with Fannie Mae, will provide, on a standby basis, credit support and liquidity guarantees for certain variable rate single-family and multifamily housing revenue bonds. HFAs are required to convert to private liquidity providers as competitive facilities become available to them. Three state HFAs have successfully exited the TCLP. Indiana and Massachusetts exited the program in 2010 and Southern California exited in 2011. Effective December 31, 2011, ten HFAs remain in the TCLP. Total TCLP balance outstanding as of December 31, 2011 was \$5,873,986,210, including single-family and multifamily.

Freddie Mac worked collaboratively with Treasury and all of the named participants to successfully extend the NIBP program through December 31, 2012. Thirty-seven HFAs have opted into the 2012 extension. This extension will provide an opportunity for HFAs to use their remaining funds.

Additionally, in November 2011, Treasury extended the TCLP portion of the HFA Initiative through December 2015. In so doing, Treasury is requiring participating agencies to provide a detailed plan of how and when they will reduce their exposure to Variable Rate Debt Obligations. Four HFAs have indicated their intent to exit the TCLP in 2012.

### **Making Home Affordable and Other Foreclosure Prevention Activities**

In 2011, Freddie Mac continued to support the Making Home Affordable (MHA) program through outreach initiatives, events, and activities with housing professionals. Staff participated in 136 events, which included Treasury, HOPE NOW Alliance, congressional, servicer, non-profit and industry events. In support of foreclosure prevention efforts, Freddie Mac also conducted training sessions for housing counselors on the Servicing Alignment Initiative and MHA program updates, which were attended by 2,700 participants.

### **Borrower Help Centers/ Borrower Help Network**

In order to provide more assistance to delinquent borrowers to help avoid foreclosure, Freddie Mac established "Borrower Help Centers" with selected non-profit organizations in several metropolitan areas. In these centers, delinquent borrowers receive free, in-person, face-to-face financial reviews and counseling assistance through a trusted intermediary. Freddie Mac also initiated "The Borrower Help Network" with national non-profit organizations to provide free, phone-based financial reviews and counseling assistance to a targeted group of pre-identified



delinquent borrowers nationwide who have not responded to previous contact attempts from their mortgage servicer.

The initiative is designed to encourage delinquent borrowers to pursue mortgage workouts whenever possible. In 2011, the Community Outreach Expansion Initiative's Borrower Help Centers and Borrower Help Network solicited more than 58,000 delinquent Freddie Mac borrowers, counseled more than 2,500 of them, and submitted hundreds of workout packages to Freddie Mac servicers participating in the program on behalf of borrowers.

### **Other Initiatives with Non-Profits**

Freddie Mac continues to engage non-profit organizations, lenders, and real estate professionals in educational and outreach initiatives designed to inform and prepare homebuyers and homeowners on how to build and maintain better credit, make sound financial decisions and understand the steps to successful long-term homeownership. The educational tools used to support these initiatives include, CreditSmart, a multilingual financial education curriculum, *Your Step-By-Step Mortgage Guide* and *Get the Facts On Homeownership*.

In 2011, Freddie Mac also engaged with non-profit organizations, lenders and other housing professionals on a neighborhood stabilization initiative called Take Root. The initiative combines homeownership preservation with homeownership creation in targeted cities by providing trustworthy assistance to help homeowners access resources to avoid foreclosure and/or manage alternatives to foreclosure. Take Root also helps prospective homeowners with free or low-cost confidential housing counseling to help prepare consumers for sustainable homeownership.

### **State and Local Lending Initiatives**

In collaboration with our lender customers, state and local governments, and other organizations, Freddie Mac undertakes numerous initiatives designed to expand homeownership opportunities in minority and underserved communities in states and localities across the country.

### **Affordable Housing Advisory Council**

Seventy-five attendees from all aspects of the housing industry and government discussed "The Emerging Housing Finance System and Its Impact on Affordable Housing" at Freddie Mac's 2011 Affordable Housing Advisory Council meeting. A highlight of the Council was two expert panels—one of mayors and one of industry leaders—that led a conversation on how best to balance the requirements of responsible lending with the ongoing need for affordable housing.