



# Federal Housing Finance Agency

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October 28, 2013

Mr. Donald Layton  
Chief Executive Officer  
Freddie Mac  
8200 Jones Branch Drive  
McLean, VA 22103-3107

Re: Freddie Mac's Housing Goals Performance for 2012

Dear Mr. Layton:

The Federal Housing Finance Agency has reviewed Freddie Mac's performance under the Enterprise housing goals for 2012 and is providing this notice pursuant to section 1336 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008.

As specified in 12 C.F.R. § 1282.12, the single-family housing goals include both a benchmark level established in advance by FHFA and a market level determined by FHFA based on its analysis of Home Mortgage Disclosure Act data for 2012. Freddie Mac meets a single-family housing goal if its official performance exceeds either the benchmark level or the market level as determined by FHFA. FHFA evaluated Freddie Mac's performance on the single-family housing goals based on the official performance figures shown below.

<b>Single-Family Housing Goals</b>	<b>Benchmark level-- 2012</b>	<b>Market level--2012</b>	<b>Freddie Mac Official Performance Results-- 2012</b>
Low-Income Home Purchase Goal	23%	26.6%	24.4%
Very Low-Income Home Purchase Goal	7%	7.7%	7.1%
Low-Income Areas Home Purchase Goal	20%	20.5%	20.6%
Low-Income Areas Home Purchase Subgoal	11%	13.6%	11.4%
Low-Income Refinance Goal	20%	22.3%	22.4%

For each housing goal, the percentages shown above reflect the proportion of mortgages that met the criteria for that goal. A housing unit may count towards more than one goal or subgoal in the performance year. 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 loan modifications, where applicable.

Based on the above information, FHFA has determined that Freddie Mac achieved all of the single-family housing goals for 2012. However, FHFA notes that Freddie Mac's performance on several of the single-family housing goals lagged market performance. The market-based measure was added to the housing goals to provide more flexibility to the Enterprises in years where the market ends up trailing the benchmark levels. But as indicated in the Preamble to the September 14, 2010 final housing goals rule, FHFA still views the market level as a relevant measure for evaluating Enterprise performance in years when the market levels are higher than the benchmark levels.

Unlike the single-family goals, the multifamily goals are based solely on benchmark levels established in advance by FHFA in 12 C.F.R. § 1282.13. For 2012, those benchmark levels and Freddie Mac's official performance were as follows:

<b>Multifamily Housing Goals</b>	<b>Goal target-- 2012</b>	<b>Freddie Mac Official Performance Results--2012</b>
Low-Income Multifamily Goal (units financed)	225,000	298,529
Very Low-Income Multifamily Goal (units financed)	59,000	60,084

Based on this information, FHFA has determined that Freddie Mac achieved each of the multifamily housing goals for 2012.

If you have any questions, please contact me or Paul Manchester, Principal Economist, Office of Housing and Regulatory Policy, at 202-649-3115.

Sincerely,



Sandra Thompson  
Deputy Director, Housing Mission and Goals