

2007 HOUSING GOAL PERFORMANCE FOR FANNIE MAE AND FREDDIE MAC

In 2007, both Fannie Mae and Freddie Mac (the Enterprises) met or exceeded the overall housing goals, the underserved areas home purchase subgoal and the special affordable multifamily subgoal. Both Enterprises fell short on the 2007 home purchase subgoals for low- and moderate-income families and for special affordable families (very low-income families and low-income families in low-income areas). However, in April 2008 the Department of Housing and Urban Development (HUD), the previous mission regulator for Fannie Mae and Freddie Mac, determined that the two income-based home purchase subgoals were infeasible. FHFA's official 2007 housing goals and special affordable multifamily subgoal performance figures for Fannie Mae and Freddie Mac are:

HOUSING GOALS	GOAL TARGETS	FANNIE MAE RESULTS	FREDDIE MAC RESULTS
Low- and Moderate-Income	55%	55.5%	56.1%
Underserved Areas	38%	43.4%	43.1%
Special Affordable	25%	26.8%	25.8%
Special Affordable MF Subgoals	\$5.49 Billion	\$19.84 Billion	\$15.12 Billion
Fannie Mae:	\$3.92 Billion		
Freddie Mac:			

HUD's 2004 regulation created home purchase subgoals under each of the housing goals. The home purchase subgoals were intended to encourage the GSEs to facilitate greater financing and homeownership opportunities for families, including first-time homebuyers, and underserved communities targeted by the housing goals. FHFA's official 2007 home purchase subgoal performance figures for Fannie Mae and Freddie Mac are:

HOME PURCHASE SUBGOALS	SUBGOAL TARGETS	FANNIE MAE RESULTS	FREDDIE MAC RESULTS
Low- and Moderate-Income	47%	42.1%	43.5%
Underserved Areas	33%	33.4%	33.8%
Special Affordable	18%	15.5%	15.9%

Performance under the housing goals is measured as the percentage of dwelling units financed by mortgages acquired by each Enterprise that meet goal eligibility requirements relative to all

dwelling units financed by acquired mortgages during the year. Regulations provide that a housing unit may count towards more than one goal or subgoal in the performance year. Home purchase subgoals are expressed as percentages of the total **number of mortgages** acquired by the Enterprises that finance the purchase (not refinance) of single-family, owner-occupied properties located in metropolitan areas. The restriction of the home purchase subgoals to properties located in metropolitan areas was designed to facilitate comparability between loan-level data submitted to by the GSEs with data submitted by primary market mortgage originators to their regulators in accordance with the Home Mortgage Disclosure Act (HMDA).