

A **Better** Freddie Mac

...and a **better** housing finance system

For families

...innovating to improve the liquidity, stability and affordability of mortgage markets

For customers

...competing to earn their business

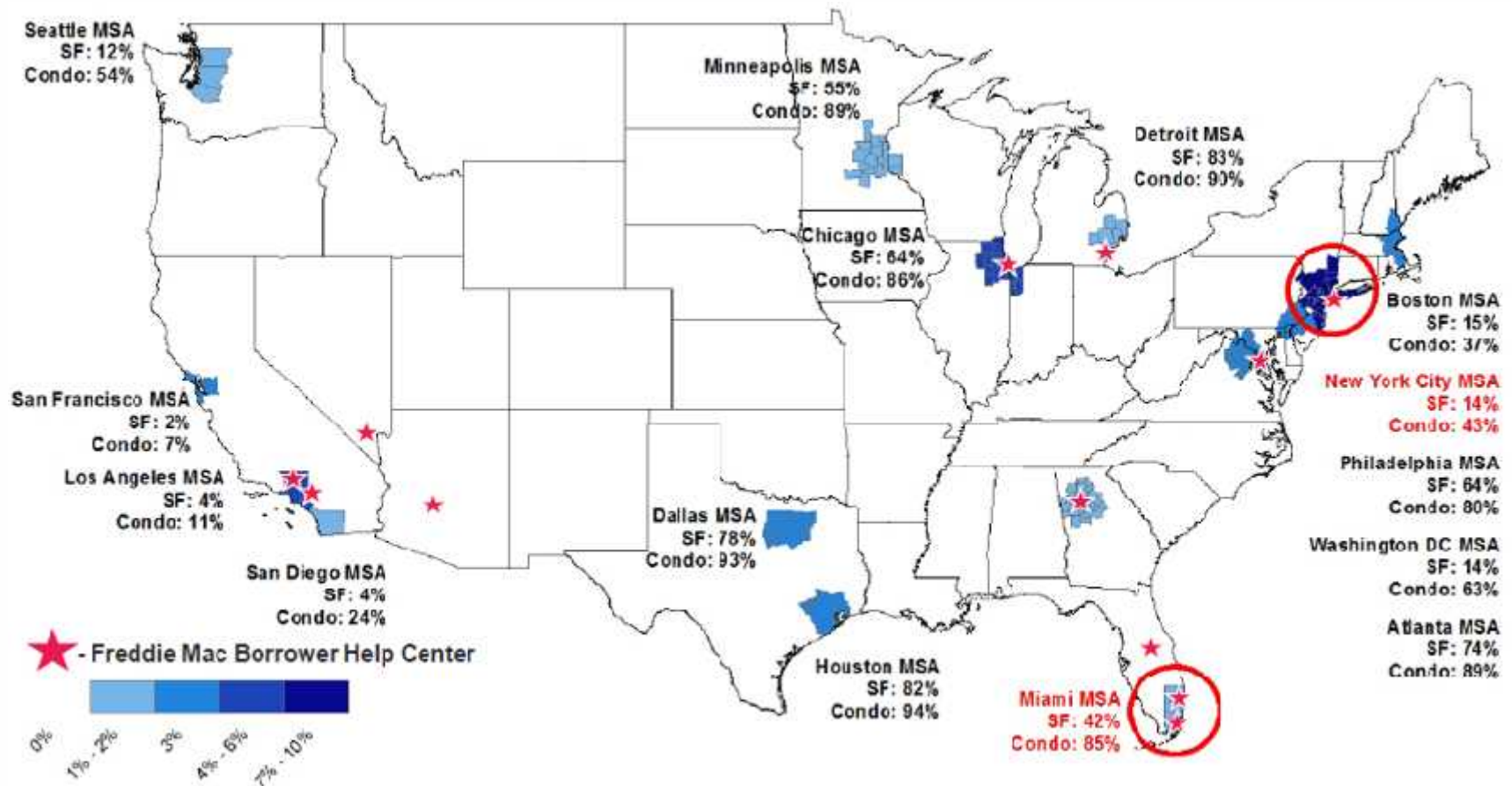
For taxpayers

...reducing their exposure to mortgage risks

The Housing Market Presents Challenges, but Also Opportunities for Many Households



Where Millennials Live and What They Can Afford

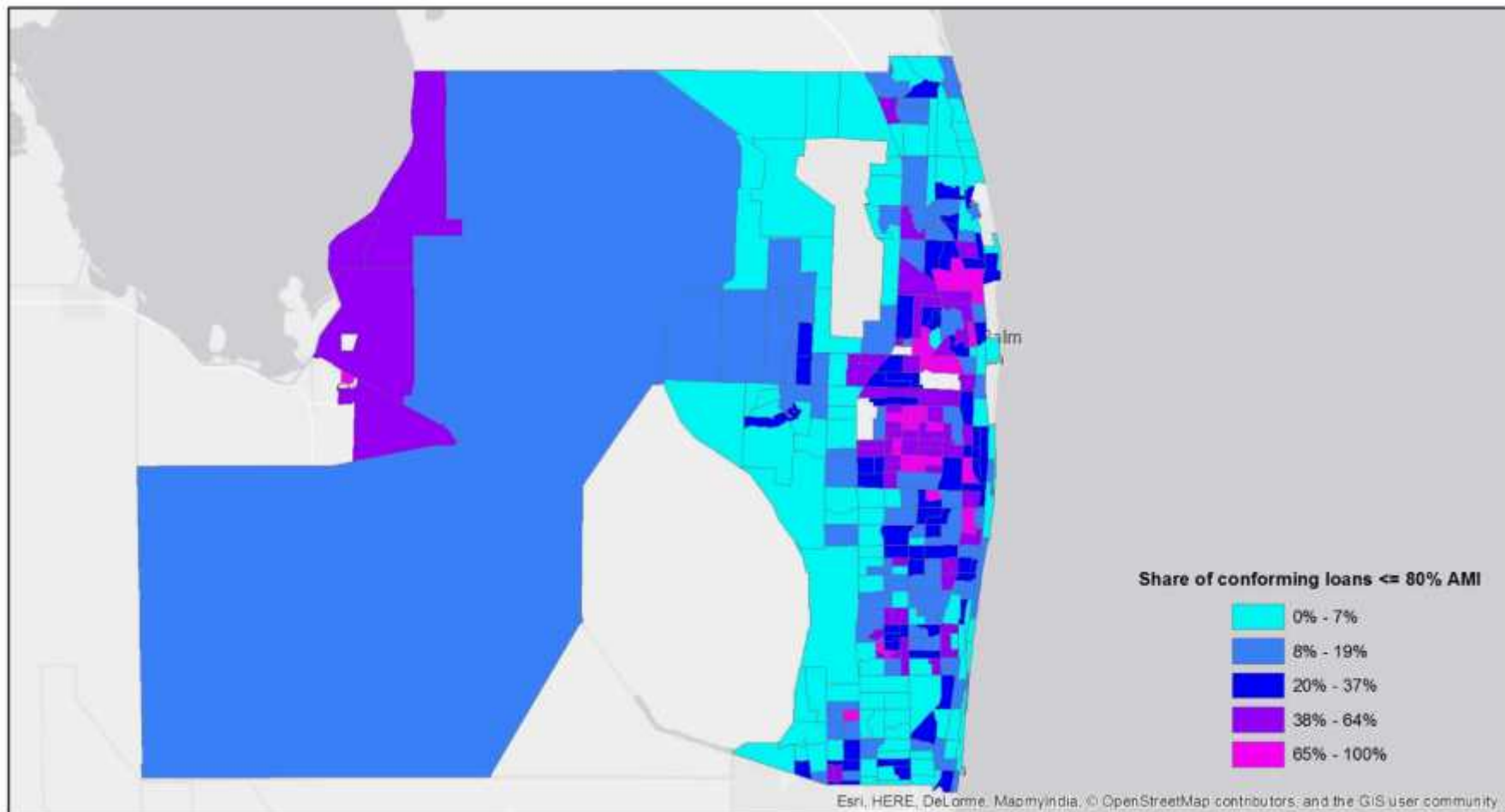


Sources: Experian data, Freddie Mac analysis

Busting Myths Could Help Prompt More Low- and Moderate-income Households to Buy Homes



Share of Conforming Loan Volume at 80% Area Median Income



HMDA 2015 data on conforming loans for owner-occupied single family and manufactured housing properties, excluding redundant loans bought by commercial banks, savings banks, savings associations, and affiliate institutions. Figures also exclude jumbo loans, loans with a reported rate spread, HOEPA loans, second liens, and unsecured loans. Minority shares may not add up to 100% due to double counting and non-reporting entities.

With Home Possible®, Down Payment May Come from Many Sources



Flexible sources of funding:

- Financing concessions
 - » 3% LTV/TLTV ratio > 90%
 - » 6% LTV/TLTV ratio > 75% < 90%
 - » 9% LTV/TLTV ratio < 75%
- Premium financing
- Unsecured loan: Originating lender

Borrower personal funds

(borrower minimum contribution*, if applicable):

- Depository accounts
- Loan secured by financial asset
- Sale of borrower asset
- Cash on hand
- Pooled funds
- Credit card charges, cash advances, unsecured line of credit for fees related to application process
- IDA (matching funds if not subject to recapture tax)
- Community savings deposited by borrower
- Rent credits
- Trust disbursement
- Trade equity

* Home Possible only:
LTV/TLTV/HTLTV > 80% < 95%:
2-4 unit 3% of value and
manufactured homes:
5% of value

Other borrower funds:

- Gifts from relative
- Gift/Grant from agency or seller
- Affordable Seconds®
- Secondary financing (Home Possible only)
- Employer-assisted homeownership benefit
- IDA (matching funds subject to recapture tax)
- Unsecured loan from agency, relative or community savings systems
- Sweat equity after 5% down from personal funds

*Go to our
Seller/Service
Guide for details*

We Commit Every Day to Making Home Possible



- Home Possible® suite, including HFA Advantage®
- Funding for
 - » condos
 - » rural and manufactured housing
 - » energy-efficiency improvements
- Test & Learn pilots
- HomeSteps® First Look Initiative
- Technology and tools
- Resources and education

