



**2009 Commonwealth Housing Forum
Pennsylvania Housing Finance Agency**

**Edward J. Demarco
Chief Operating Officer and Senior Deputy Director for Housing
Mission and Goals
May 18, 2009**

Federal Housing Finance Agency



- Created by the Housing and Economic Recovery Act of 2008, which amended the Federal Housing Enterprises Safety and Soundness Act of 1992 and the FHLBank Act of 1932

- Broader, stronger regulatory powers

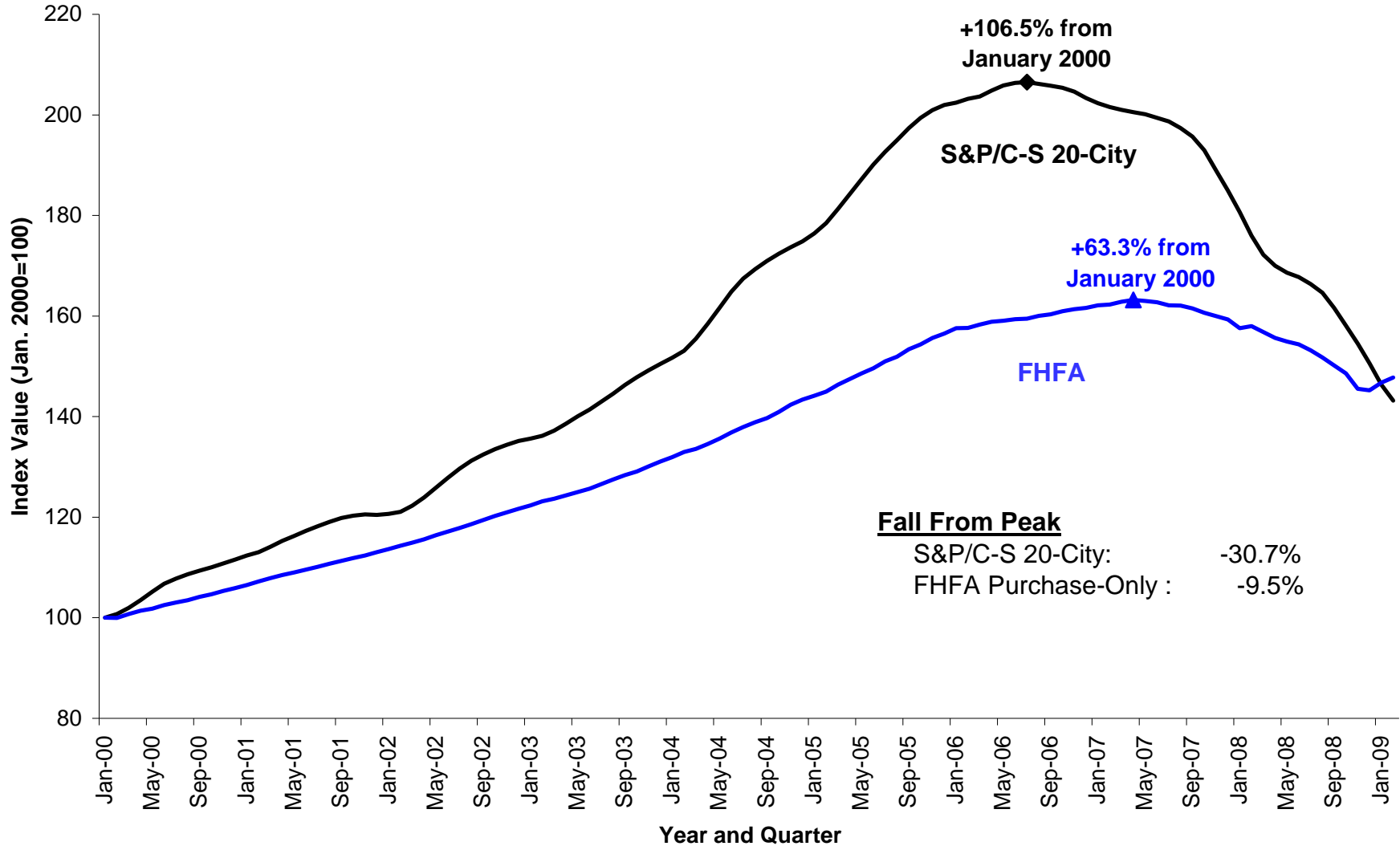
- Safety and Soundness and Mission oversight

- Formed by merging
 - Office of Federal Housing Enterprise Oversight
 - Federal Housing Finance Board
 - Housing mission team of the Department of Housing and Urban Development

House Prices Continue to Fall



FHFA and S&P/Case-Shiller House Price Indexes
January 2000 - February 2009

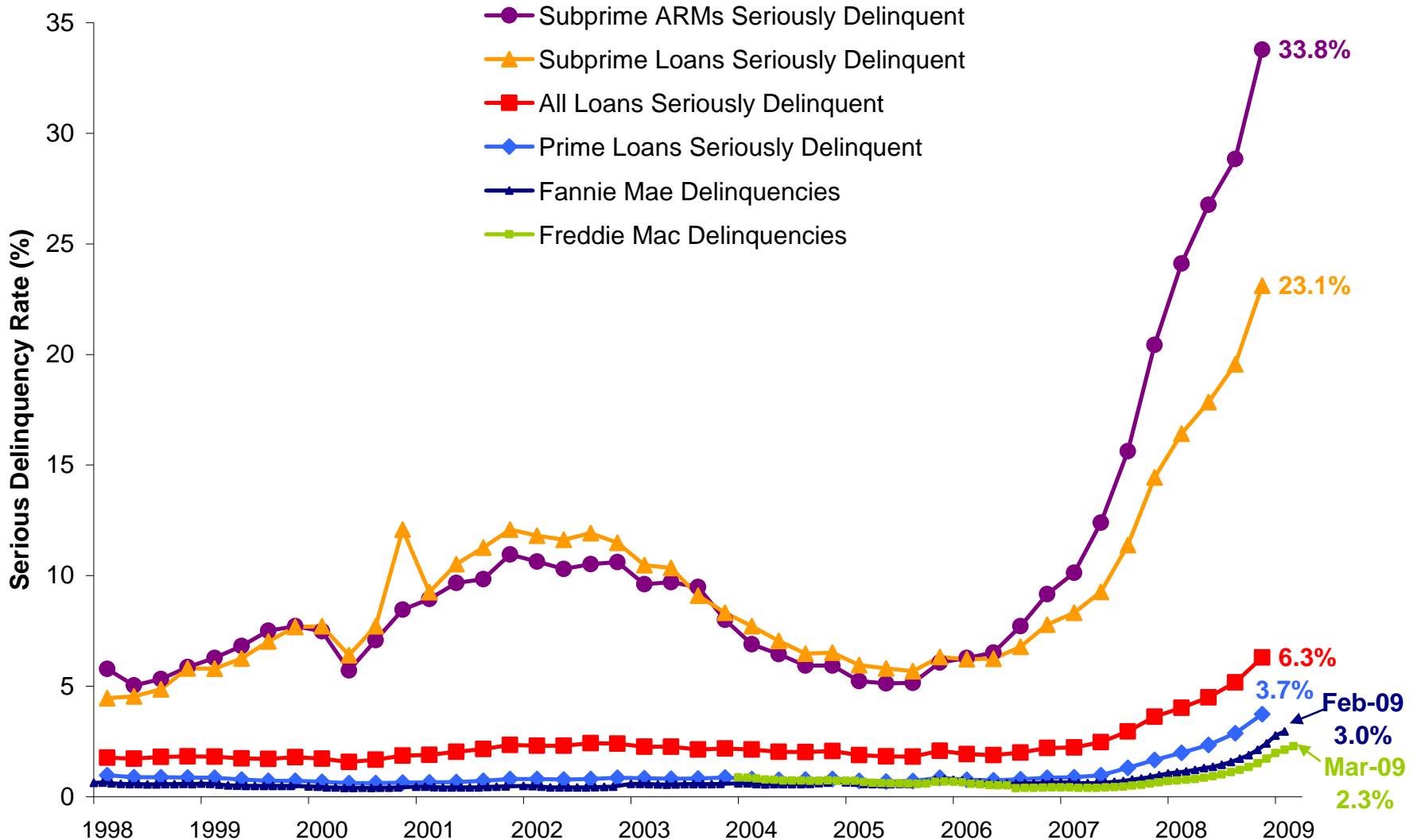


Note: For purposes of comparison, the FHFA purchase-only index has been re-based to January 2000=100 (the standard series is set so that January 1991=100)

Serious Delinquencies Rising Rapidly



Single-Family Mortgages

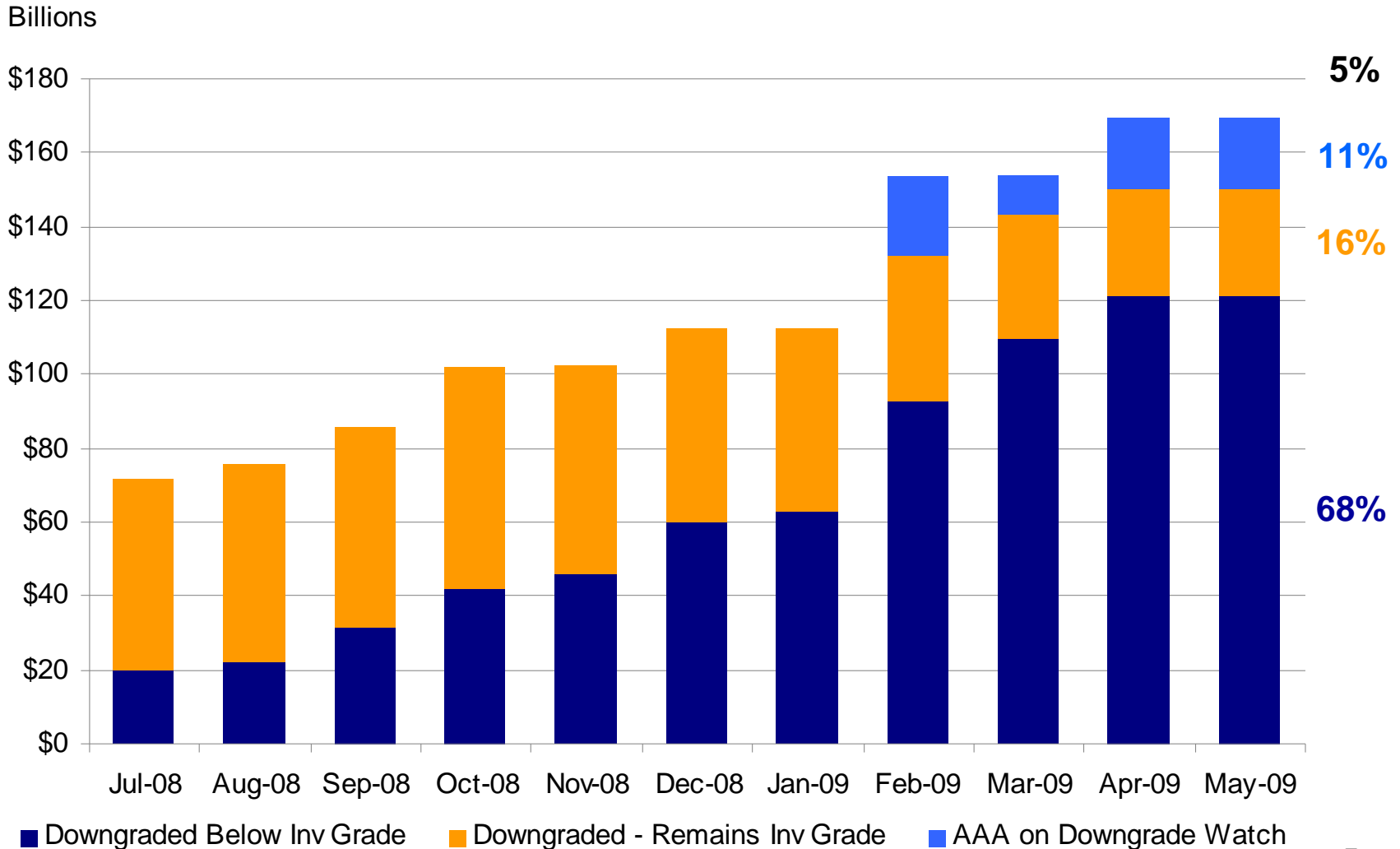


Private-Label Securities Downgrades Growing Rapidly



Total Holdings: \$178 Billion
as of December 2008

Fannie Mae and Freddie Mac Private-Label Securities



Treasury and Fed Support Is Strong



(in Billions)

	Available	Used
Treasury:		
Senior Preferred	\$400	\$85
Enterprise MBS	no limit	136 *
GSE Liquidity Facility	no limit	0
Federal Reserve:		
Enterprise Credit Facility	no limit	\$0
Agency MBS	\$1,250	\$430
GSE Debt	200	76
Total:	\$1,986+	\$726

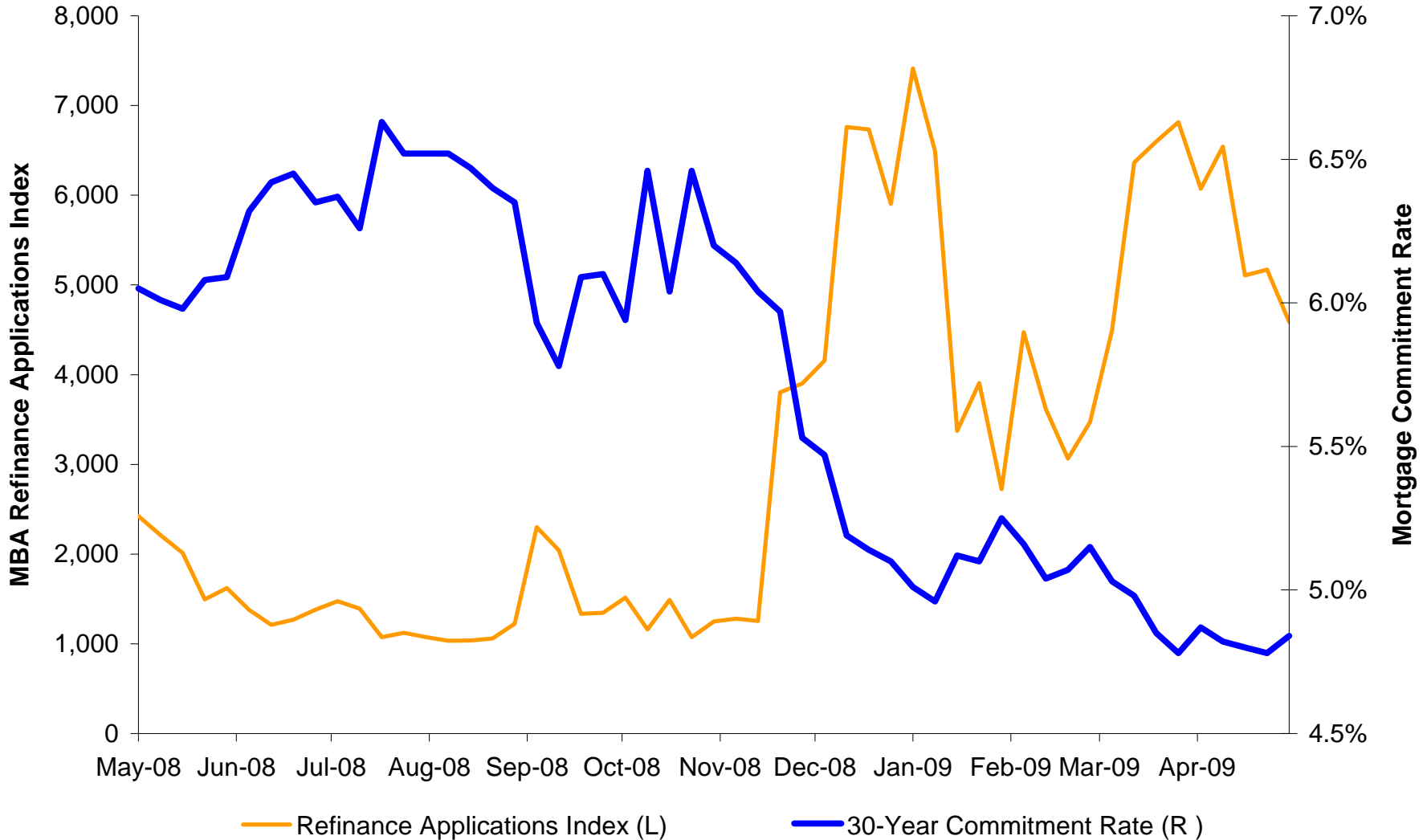
data as of 5/15/09

* included in available

Applications Surge on Low Mortgage Rates



Applications for Refinance Mortgages and Long-Term Mortgage Rates May 2008 - May 2009





Home Affordable Modification

- \$75 billion Aggressive Loan Modification Program — 3 to 4 million

Home Affordable Refinance

- Fannie Mae and Freddie Mac refinance responsible homeowners — 4 to 5 million

Support Low Mortgage Rates

- Strengthen confidence in Fannie Mae and Freddie Mac

Enterprise Affordable Housing Goals



Housing Goals	Target		2008 Actual (as reported)		2009 Proposed
	2004	2008	FNM	FRE	
Low and Moderate Income	50%	56%	53.6%	51.5%	51%
Underserved Areas	31%	39%	39.4%	37.7%	37%
Special Affordable	20%	27%	26.0%	23.0%	23%

FHLBanks Affordable Housing Program



- Each FHLBank operates its own AHP within FHFA regulation
- Funded by 10 percent of each FHLBank's previous year net earnings
- \$200 million in AHP subsidies available this year
- FHFA will have AHP goals for FHLBanks fully implemented by 2011

FHLBanks AHP and CIP Rental Assistance



From 1990 to 2008:

- AHP funding has provided \$2.2 billion in subsidies to urban housing projects
 - This includes 9,900 urban housing projects, which included more than 333,000 rental and 88,500 homeownership units

- Two-thirds of units assisted by the FHLBanks' affordable housing programs have been rental

- FHLBank affordable housing programs have assisted more than 4,600 federal Low Income Housing Tax Credit projects

- Community Investment Program funding has financed 223,000 rental units



WWW.FHFA.GOV