



April 23, 2008

Richard F. Syron  
Chairman and Chief Executive Officer  
Freddie Mac  
8200 Jones Branch Drive  
McLean, VA 22102

Dear Mr. Syron:

On behalf of the members of the Asian Real Estate Association of America (AREAA), the National Association of Real Estate Brokers/REALTISTS<sup>®</sup> (NAREB), the National Association of Hispanic Real Estate Professionals (NAHREP) and the National Association of REALTORS<sup>®</sup> (NAR), we are asking that you take steps to protect and sustain homeownership gains that have been achieved within the minority, immigrant, and low- and moderate-income communities over the past decade. Collectively, our four organizations have worked tirelessly to promote fair and sustainable homeownership opportunities in all communities throughout the country.

As you know well, minorities and low- and moderate-income families have been disproportionately affected by the downturn in the housing industry due to the widespread use of subprime and Alt-A loans. Wall Street's significant appetite for these products led to and perpetuated the use—as well as the abuse—of these products. In many cases, these communities do not have the built up equity or the access to traditionally available mortgage products to refinance out of their current mortgage and financial obligations. Additionally, the foreclosure rate of subprime loans have had a disproportionate impact on minority and low- and moderate-income borrowers and have put these communities at great risk of losing their homes and damaging our neighborhoods. Finally, new restrictions affecting affordable mortgage products, such as Freddie Mac's Home Possible Program, have significantly reduced mortgage options for minority and low- and moderate-income families. These important products clearly were not the reason for the current mortgage crisis; however, these products have undergone significant curtailment since last fall in response to the current mortgage crisis.

Our members believe strongly that the combination of policy and underwriting changes Freddie Mac has recently made to minimize your risk exposure has hurt consumers' ability to access affordable credit and has negatively affected our communities. We ask that Freddie Mac undertake a careful review of its current policies and ease them to the maximum extent possible.

Our four organizations believe strongly in the role and mission of the GSEs and have fought hard to protect your important charter. We have worked to support a balanced and strong GSE regulatory oversight regime, opposed overly restrictive capital requirements that limit your lending activities, and worked to curtail a proposed cumbersome program approval process that would hamper your ability to support future homebuyers. We fought hard on these issues because your institution's mission of providing liquidity, stability, and affordability to the housing market in good times and bad is absolutely central to a strong housing finance system, and we need your leadership now more than ever.

It is with this shared goal in mind that we expect even more in the way of market leadership in times of market instability from Freddie Mac. Your policies are the benchmark for the entire housing industry and are the basis for actions taken by your lending partners and other industry participants. We are concerned that your policies have had the unintended consequence of perpetuating similar policies from other industry participants that will result in significant curtailment of mortgage capital for many low- to moderate-income and minority home buyers. While we understand that many in the mortgage lending industry and mortgage insurance firms have also pulled back and have significantly curtailed credit, we believe that your unique role and responsibilities set out by the Congress create an explicit obligation to go beyond other market players. This is not a time for the GSEs to behave just as other market players do, but a time for true leadership to help stabilize the market.

Freddie Mac's policy response to the "risk layering" concerns in your book of business has led to the mortgage industry now adopting "safety layering" policies to avoid possible credit exposure and repurchase requirements. This situation further limits credit availability and contributes to the increased deterioration of the housing market. This is a path that hurts homebuyers, communities, and the housing finance industry alike.

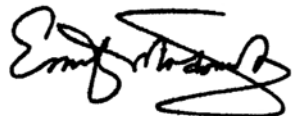
Many of our specific concerns are well represented in the recent letter from NAR to you, dated April 11, 2008. We do want to acknowledge that your team has reached out to us regarding some of these policy changes and have worked to keep us informed throughout the process. Our central concerns are:

- New policy and pricing changes that have created higher fees and underwriting restrictions that will diminish your ability to meet your affordable housing goals, and make mortgages much less affordable to borrowers.
- Policies reducing maximum loan-to-value ratios (LTVs) by five percentage points for homes in declining markets hurt our communities and further erode home values.
- Extremely tight underwriting standards and higher pricing structure for jumbo conforming loans authorized by the Economic Stimulus Act is counter to Congressional intent of creating greater credit availability.

As organizations representing a diverse group of real estate professionals throughout the country, we ask that you reconsider your policy and pricing positions so that we can make mortgage credit more widely available to needy homebuyers and help to restore market confidence in the

real estate market. We look forward to working with you and Freddie Mac to resolve these issues that are of such importance to our members and our nation.

Sincerely yours,



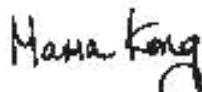
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