

**Shareholder Resolution for Freddie Mac:
Leading the Housing Market through Conforming to the Community Reinvestment Act.**

Whereas many institutions that invest in the equities of Freddie Mac and Fannie Mae, which serve the secondary mortgage market, are also invested in corporations originating mortgages in the primary market;

Whereas we believe that affordable housing would be better served by a more seamless relation between these markets and their affordable housing goals;

Whereas the affordable housing goals are currently set for Freddie Mac and Fannie Mae, the Government Sponsored Enterprises (GSEs), by the Department of Housing and Urban Development (HUD) for a four-year period and these goals are based upon HUD's projections of the economy and interest rates for that period;

Whereas the volumes of GSE purchases vary several fold as refinance volumes vary with the interest rates, and the ability to lend to lower income households varies with interest rates since fewer households can afford the higher monthly mortgage payments as interest rates rise.

Whereas in order to meet these goals, the GSEs often must purchase seasoned loans from previous years and may purchase a mixture of types of loans, which do not correspond to current-year conditions and needs.

Whereas the federal Community Reinvestment Act Performance Evaluations of depository lenders, which originate housing loans, are based upon the volume of the primary market of housing originations as reported under the Home Mortgage Disclosure Act (HMDA) for the year being examined, and these evaluations are not dependent upon projections of economic trends into the future;

Whereas Freddie Mac purchases large proportions of its loans from corporations with depository subsidiaries that are subject to the Community Reinvestment Act (CRA) regulations and these purchases of loans assist the depositories in meeting their requirements under the Community Reinvestment Act;

Whereas the HUD goals do not conform to the CRA regulatory definitions upon which the CRA Performance Evaluations of the loan originators with their affiliates are made by their federal regulators;

Whereas we believe that Freddie Mac should develop procedures to track its purchase of current loans and compare their purchases with the loan originations provided by the lenders under the Home Mortgage Disclosure Act (HMDA) and set goals that lead the market in lending to low- and moderate income households as defined under CRA.

Whereas we believe that there should be separate goals for single-family purchase loans, single family refinance loans and multifamily housing loans, which include only the loans originated in the year of the performance evaluation in order to obviate the purchase of a mixture of types of loans, which do not correspond to current year conditions and needs.

Be it therefore resolved that the Board of Directors set a policy to develop a set of affordable housing goals that conform to the Community Reinvestment Act definitions and report Freddie Mac's progress in their attainment to the shareholders on a regular basis.