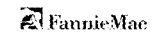


2007 Housing Goal Plan

Board Review

January 18, 2007

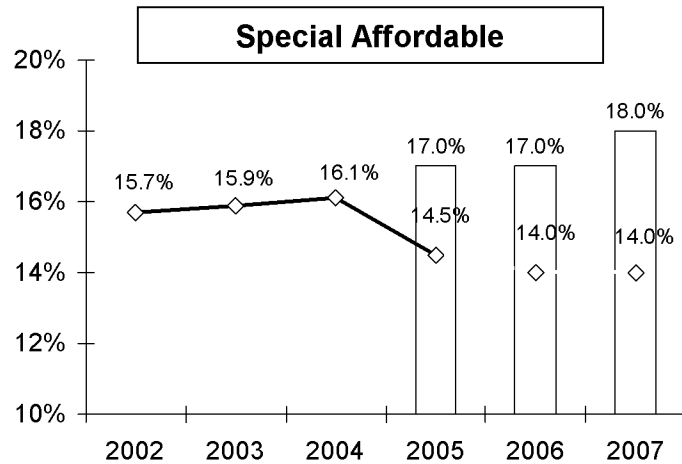
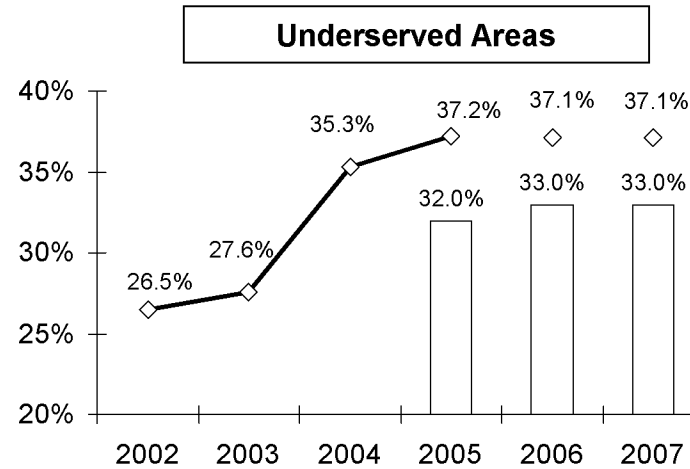
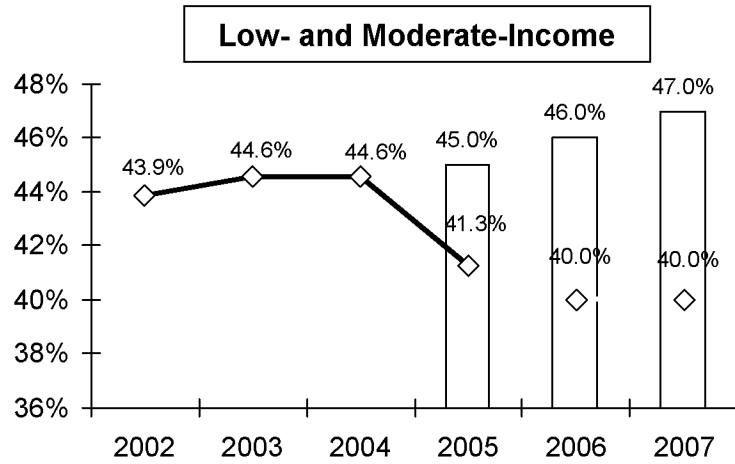
Confidential – Highly Restricted



HUD Housing Goals Percents

Goal	2005	2006	2007	Forecast 2007
Low Mod	52%	53%	55%	56.2%
Underserved	37%	38%	38%	44.0%
Special Affordable	22%	23%	25%	28.4%
MF Subgoal Special Affordable UPB	\$5.49B	\$5.49B	\$5.49B	\$10.0B
PMM Low Mod	45%	46%	47%	46.7%
PMM Underserved	32%	33%	33%	33.9%
PMM Special Affordable	17%	17%	18%	17.8%

Market Trends Compared to Subgoal Levels



HMDA Market Measures:
 Conventional Conforming, Owner-Occupied,
 Home Purchase Mortgages, in MSAs,
 includes 50% of subprime market

**Internal Estimate of 2006
 Market**

Home Purchase Subgoals

Strategies and Costs of Meeting 2007 PMM Subgoals : VERSION 1

Category	Total Volumes (\$B)	Opportunity Cost (\$M)	Cash Flow Cost (\$M)	PMM LMI (Target=47%, HMDA 2006 Estimate=40%) Incrementals	PMM SA (Target=18%, HMDA 2006 Estimate=14%) Incrementals	PMM USA (Target=33%, HMDA 2006 Estimate=37.1%) Incrementals
SF Business w/o Initiatives	\$ 516.0	\$ -	\$ -	(108,720)	(61,385)	(35,531)
Private Label Securities	\$ 40.0	\$ (8.0)	\$ -	31,554	10,735	21,465
Housing Finance Authority	\$ 4.0	\$ (80.8)	\$ (24.9)	13,561	9,650	3,178
My Community Mortgage	\$ 9.0	\$ (207.2)	\$ (37.8)	26,076	16,970	9,736
DU	\$ 5.0	\$ (48.0)	\$ (28.4)	17,716	10,050	5,582
Manufactured Housing	\$ 0.5	\$ (15.8)	\$ (10.2)	5,500	6,125	2,251
Goals Rich Deals	\$ 4.5	\$ (108.0)	\$ (23.0)	10,877	6,191	5,300
Shortage/Plus	\$ 579.0	\$ (467.8)	\$ (124.2)	(3,436)	(1,665)	11,981

Strategies and Costs of Meeting 2007 PMM Subgoals : VERSION 2

Category	Total Volumes (\$B)	Opportunity Cost (\$M)	Cash Flow Cost (\$M)	PMM LMI (Target=47%, HMDA 2006 Estimate=40%) Incrementals	PMM SA (Target=18%, HMDA 2006 Estimate=14%) Incrementals	PMM USA (Target=33%, HMDA 2006 Estimate=37.1%) Incrementals
SF Business w/o Initiatives	\$ 516.0	\$ -	\$ -	(117,656)	(68,525)	(41,730)
Private Label Securities	\$ 40.0	\$ (8.0)	\$ -	29,640	12,480	21,060
Housing Finance Authority	\$ 4.0	\$ (80.8)	\$ (24.9)	12,600	8,960	3,080
My Community Mortgage	\$ 9.0	\$ (207.2)	\$ (37.8)	26,550	18,290	8,260
DU	\$ 5.0	\$ (48.0)	\$ (28.4)	17,340	9,860	5,440
Manufactured Housing	\$ 0.5	\$ (15.8)	\$ (10.2)	5,500	6,125	2,251
Goals Rich Deals	\$ 4.5	\$ (108.0)	\$ (23.0)	10,877	6,191	5,300
Shortage/Plus	\$ 579.0	\$ (467.8)	\$ (124.2)	(15,149)	(6,620)	3,661

Strategies and Costs of Meeting 2007 PMM Subgoals : VERSION 3

Category	Total Volumes (\$B)	Opportunity Cost (\$M)	Cash Flow Cost (\$M)	(Target=47%, HMDA 2006 Estimate=40%) Incrementals	(Target=18%, HMDA 2006 Estimate=14%) Incrementals	(Target=33%, HMDA 2006 Estimate=37.1%) Incrementals
SF Business w/o Initiatives	\$ 516.0	\$ -	\$ -	(108,720)	(61,385)	(35,531)
Private Label Securities	\$ 43.0	\$ (8.0)	\$ -	33,921	11,540	23,075
Housing Finance Authority	\$ 4.0	\$ (80.8)	\$ (24.9)	16,952	12,063	3,972
My Community Mortgage	\$ 9.0	\$ (207.2)	\$ (37.8)	26,076	16,970	9,736
DU	\$ 5.0	\$ (48.0)	\$ (28.4)	17,716	10,050	5,582
Manufactured Housing	\$ 0.5	\$ (15.8)	\$ (10.2)	5,500	6,125	2,251
Goals Rich Deals	\$ 4.5	\$ (108.0)	\$ (23.0)	13,893	8,210	5,368
Shortage/Plus	\$ 582.0	\$ (467.8)	\$ (124.2)	5,338	3,573	14,453

Potential Issues to Goal Attainment

- Shifts in Market Richness
- Interagency Guidance on 2-28s
- Lack of Seasoned Portfolio Business
- Competitive Pressures from Freddie Mac
- Lenders Defer Business for Competitive Year-end Bids
- Changes to Counting Rules
- Increase in Fannie Mae's Goal Dilutive Business (e.g. Alt A)
- Multifamily Unable to Produce Volumes Required to Meet Base Goals