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State Treasury, Public, Private Organizations Team Up to Help Housing Authority Residents Attain Home Ownership

CreditSmart[®] Initiative Teaches Participants to Make Good Financial Choices

Hartford, CT – Several public and private organizations are joining forces for a new one-year financial outreach and education initiative to help residents in Connecticut improve their financial decision-making skills.

The Office of the Connecticut State Treasurer Denise L. Nappier, Connecticut Housing Coalition, Freddie Mac (NYSE: FRE), Bank of America, Citizens Bank, Vision Financial Services, and the housing authorities in **Hartford, Meriden, Stamford, New Haven and Bridgeport** have teamed together to bring *CreditSmart[®]* and *CreditSmart[®] Español*—Freddie Mac’s signature instructor-led financial literacy workshops in English and Spanish—to housing authority residents in those communities. The initiative also will bring one-on-one counseling and follow-up mentoring to housing authority residents.

A recent Commerce Department report found that American consumers are spending 5 percent more than they earn, and are using their savings or credit to make ends meet. Connecticut families are no different. They struggle with the financial challenges of better managing credit and buying a home.

Vision Financial Services will conduct *CreditSmart* and *CreditSmart Español* workshops for residents and housing authority staff in Hartford, Meriden, Stamford, New Haven and Bridgeport, and will train selected Housing Authority staff to become certified instructors. The six-hour workshops will be offered free of charge in the community.

During the workshops, instructors provide information about credit and credit management, insight into how lenders assess credit histories, and details on how credit plays a profound role in achieving financial goals, such as renting an apartment, buying a car or home, or getting a job.

Once participants are ready to apply for a mortgage, they are welcome to visit lenders, such as Bank of America and Citizens Bank, that offer mortgages for individuals with credit-challenges as well as low down-payment mortgages.

“Credit can be a two-edged sword. It can open doors of financial opportunity and economic self-sufficiency, but managed poorly can also result in doors closing,” said Denise L. Nappier,

Connecticut State Treasurer. “That is why *CreditSmart* is absolutely critical, providing essential information to help individuals successfully pursue their financial dreams while avoiding unintended and adverse consequences along the way.”

“This financial literacy and education initiative has the potential to help a lot of people across the state,” said Sen. Joseph Lieberman (D-CT). “The workshops will provide an opportunity for Connecticut residents to become better educated on the important and challenging issues of spending, saving and managing credit so that they may make careful and informed financial decisions.”

Congresswoman Rosa DeLauro (D-CT) said, “Education creates opportunity for all individuals, and knowing how to use credit wisely is the key to home ownership and advancement. Through the *CreditSmart* and *CreditSmart Español* workshops, countless public housing residents will learn the benefits of good credit. I am delighted that these programs will soon be available in New Haven.”

“Teaming up with these respected organizations to make *CreditSmart* and *CreditSmart Español* classes available will help more people understand the important role credit has in achieving home ownership,” said Craig Nickerson, vice president of Expanding Markets for Freddie Mac. “The payoff to financial literacy is an improved standard of living and a sense of confidence about the future. “Financially savvy individuals are more likely to plan for retirement, fund the education of their children and accumulate more assets.”

Jeffrey Freiser, executive director of the Connecticut Housing Coalition, added, “Most public housing residents – despite the stereotypes – are working hard, incredibly hard, in low-wage jobs, struggling to support their families and make ends meet. Financial literacy training helps them reap the benefits of that hard work.”

Freddie Mac believes that by educating consumers about smart credit habits and helping them understand the importance of obtaining and maintaining good credit, then they are helping them take the first steps toward home ownership. More than 57,000 people have attended *CreditSmart* classes since it was launched in 2000.

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Additional Quotes from Participants

Susan Rottner, Connecticut’s president of Bank of America:

“During the past five years, Bank of America has worked with the Connecticut State Treasurer on various financial literacy and education programs that support people who want to effectively manage their finances. CreditSmart is a chance to engage in a broader partnership to help more Connecticut residents set and achieve financial goals.”

Richard M. Barry, president and CEO of Citizens Bank of Connecticut:

“We are delighted to be a part of this comprehensive financial literacy initiative and are excited about the potential this creates toward the common goal of economic self-sufficiency.”

Richard Fox, executive director, Stamford Housing Authority:

“The CreditSmart program is the essence of upward mobility in America. We believe this is the next step for our residents who wish to gain equity and home ownership in the American system. This program enables people of low- and moderate-income to move up the economic ladder.”

Bridgette Russel, director, Homeownership Training and Empowerment, Vision Financial Services:

“With consumer debt, mortgage foreclosures and financial mismanagement on the rise, Freddie Mac’s CreditSmart curriculum fulfills a critical national need in addressing these issues through empowering individuals and families with the information and education necessary to encourage better choices in the financial arena - ultimately improving overall financial health.”

Andre Trudelle, executive director of the Housing Authority of the City of Meriden:

“In order to adequately prepare for Homeownership, it is important for public housing residents to understand and be in control of their credit. Improving credit benefits residents by enabling them to qualify for lower rate mortgages, with which they can save thousands of dollars over the course of a thirty-year loan. Through the CreditSmart workshops and our relationship with Freddie Mac, The Connecticut State Treasurer’s Office and Bank of America, our staff is better able to meet the diverse needs of the population we serve.”

State Treasurer Denise L. Nappier is the only woman to be elected Treasurer in Connecticut history. Responsible for \$50 billion in state funds as Connecticut’s chief elected financial officer, Treasurer Nappier has made improving financial literacy in Connecticut a hallmark of her administration, working with the public and private sector to advance efforts to improve financial self-sufficiency, empowerment and personal financial management. She has also revamped CHET, the state’s college savings program, making it more affordable and accessible for Connecticut families, and led efforts to establish Connecticut’s Individual Development Account initiative to assist families in building assets to advance economically and the new Housing Trust Fund to increase the availability and affordability of housing for Connecticut’s hard-working families. For more about the Treasury’s work, visit www.state.ct.us/ott

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage pass through securities and debt instruments in the capital markets. Over the years, Freddie Mac has made home ownership possible for one in six homebuyers and nearly four million renters. For additional information about Freddie Mac, visit: www.freddiemac.com.