With Promise Homes, Freddie Mac Delivers Affordability and Community Support

August 6, 2018

Freddie Mac, CBRE Announce Transaction to Bring Affordability to Atlanta, Orlando and Tallahassee

MCLEAN, Va., Aug. 06, 2018 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced a new financing as part of its affordable single-family rental pilot that supports both affordable housing and the surrounding community. In a new transaction with CBRE, Freddie Mac Multifamily has provided $7.8 million in funding for the acquisition of 117 single-family rental (SFR) units by The Promise Homes Company, an owner/operator of SFR properties focused on affordable housing for low-income and working families.

Promise Homes' mission is to offer affordable housing to families that choose to live in single family homes, but were unable to buy their home due to financial and credit history. As part of the company's innovative business model, Promise Homes residents have access to free financial literacy and economic support services through Promise Homes' contract with Operation HOPE—the leading non-profit, global provider of financial dignity education and economic empowerment programs. Promise Homes and its property management providers place a priority on contracting with local, minority- or women-owned small businesses to provide property maintenance services for its homes, thereby supporting local job creation. Tenants are also provided incentives for improving their credit scores.

"This transaction represents a true win-win for the families renting these properties and the broader community," said David Leopold, vice president of Targeted Affordable Sales and Investments at Freddie Mac Multifamily. "Promise Homes does more than provide affordable housing to its residents – it brings financial literacy and economic growth in the form of sustainable employment. This is exactly the type of transaction we're looking for with our single-family rental pilot, and we thank our friends at CBRE for helping to make this transaction happen."

"We would like to thank David and his entire team at Freddie Mac for this investment, one we hope to be the first of many, and CBRE for its efforts to close this transaction. This portfolio addition will enhance the lives for more than 100 working middle-class families, both in terms of the quality of homes they live in as well as financial literacy and credit score resources through our partnership with Operation HOPE," said John Hope Bryant, Founder, Chairman, & CEO of The Promise Homes Company. "The Promise Homes Company has a double bottom-line, and we appreciate the opportunity to work with two leading companies to help the strength of our communities and working middle-class families."

Introduced in 2017, this represents the latest transaction in Freddie Mac's $1.3 billion limit for its affordable single family rental pilot. Of the 117 properties in the transaction, 96 percent qualify as "affordable housing," based on 80 percent of the area median income. Six percent will be rented to market-rate tenants or tenants with Section 8 vouchers. The units are located in the Atlanta, Orlando and Tallahassee markets.

About Freddie Mac
Freddie Mac Multifamily is the nation's multifamily housing finance leader. Historically, nearly 90 percent of the eligible rental homes we fund are affordable to families with low to moderate incomes. Freddie Mac's Duty to Serve plan aims to expand affordability and address America's most persistent housing problems.

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog FreddieMac.com/blog.

About Promise Homes
Launched in May 2017, the Promise Homes Company is one of the largest minority-led owners of institutional-quality, single-family residential rental property in the United States, with a focus on working class and middle class communities. Promise Homes offers its residents quality housing at affordable prices as well as financial empowerment and assistance that would position them financially to eventually own a home. Promise Homes also contracts with local, minority-owned businesses for property maintenance services, thereby creating local, sustainable jobs in the communities where it invests. Promise Homes is led by Chief Executive Officer John Hope Bryant, an entrepreneur, author, philanthropist, and prominent thought leader on financial inclusion, economic empowerment and financial dignity. He is also the Founder, Chairman, and Chief Executive Officer of Operation HOPE, Inc.; Chairman and Chief Executive Officer of Bryant Group Ventures, and Co-Founder of Global Dignity. Chief Operating and Investment Officer Jason Stewart, who has more than 17 years of experience overseeing portfolios of real estate, fixed income, equities and derivatives, leads the day-to-day management and operations of the company. For more information, please visit http://www.thepromisehomescompany.com.

Christopher Spina
703-388-7031
Christopher_Spina@freddiemac.com

For Promise Homes
Bill Mendel
212 397-1030
bill@mendelcommunications.com