Freddie Mac Reenters Low-Income Housing Tax Credit Market Via Fund with Enterprise

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WASHINGTON, Oct. 04, 2018 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB:FMCC) announced today it has closed its first Low-Income Housing Tax Credit (LIHTC) Fund with Enterprise Community Investment, Inc. and its first equity investment within that fund. The closing marks Freddie's re-entry to the LIHTC (or Housing Credit) market, which finances the overwhelming majority of the country's affordable rental housing.

The fund will invest nationwide to create and preserve affordable homes. It will focus on areas and transactions that have been underserved over the past decade, such as rural communities, four percent LIHTC financing, and developments that provide intensive supportive services to their residents, such as health care and job training. The fund will provide as much as $100 million in targeted affordable housing investments, with more investments possible as additional transactions are closed.

Freddie Mac partnered with Enterprise because of its deep expertise with the Housing Credit program and commitment to serving communities in need. Since 1982, Enterprise has invested $12.8 billion in LIHTC equity to finance more than 150,000 homes.

"We are pleased to announce our first Low-Income Housing Tax Credit fund in nearly a decade, and the first transaction as part of that fund," said David Leopold, vice president for Targeted Affordable Sales & Investments. "This transaction with Enterprise is the first of many investments that will provide highly targeted affordable housing to some of the most underserved communities in the country."

The Fund has already begun to finance much-needed affordable housing. Today Freddie Mac and Enterprise also announced an $8.2 million investment in Wintergreen West, which will provide 40 apartment homes for residents of Summit County, Colorado, a rural area 75 miles west of Denver. The units will range from one- to three-bedrooms and offer homes to people making between 30 and 60 percent of the area's median income. Currently, it is difficult for low- and moderate-income residents to find affordable homes in the area, and short-term rentals have exacerbated the challenge. This new construction will be part of a larger, mixed-income community.

"This fund restarts a crucial partnership for producing well-designed, affordable homes," said Charlie Werhane, president and CEO, Enterprise Community Investment. "We look forward to working with Freddie Mac to provide homes that create opportunity for low- and moderate-income people in diverse, thriving communities."

Leopold added, "Wintergreen will provide 40 units of quality, affordable housing that will have a significant positive impact on this community and its workforce. We look forward to continuing to work with Enterprise to provide better access to investment capital for developers, particularly those operating in areas that are often overlooked."

More than 19 million households across the country are cost-burdened, meaning they pay more than 30 percent of their income for housing. Eleven million are severely cost-burdened, paying more than 50 percent of their income for housing. Freddie Mac and Enterprise are proud to be working together to address this vast and growing need through the Low-Income Housing Tax Credit.

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, investors and taxpayers. Learn more at FreddieMac.com, @FreddieMac and Freddie Mac's blog.

Enterprise is a proven and powerful nonprofit that improves communities and people's lives by making well-designed homes affordable. We bring together the nationwide know-how, partners, policy leadership and investments to multiply the impact of local affordable housing development. Over 35 years, Enterprise has created nearly 529,000 homes, invested $36 billion and touched millions of lives. Join us at www.EnterpriseCommunity.org.

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