



New Freddie Mac Security Provides Affordable Housing Liquidity for Small Financial Institutions

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First PPP Transaction with IMPACT Community Capital Finances Thousands of Affordable Housing Units

MCLEAN, Va., May 08, 2019 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced a new effort to help financial institutions with less than \$10 billion in assets access additional liquidity for the financing of affordable housing. The newly created Private Placement PC Swap execution (PPP) enables a lender to swap a pool of loans backed by affordable properties for Freddie Mac Multifamily PCs backed by the loans. The Multi PCs, which are guaranteed by Freddie Mac, can then be sold to investors, returning liquidity to the financial institution. The new structure is a variant of Freddie Mac's 55-Day Multifamily PC Swap.

"The Private Placement PC Swap allows small financial institutions to access additional liquidity," said Robert Koontz, senior vice president of Freddie Mac Multifamily Capital Markets. "These affordable housing lenders generally lack the scale to access capital markets in a cost-effective manner. By swapping Freddie Mac PCs through a low-cost execution, we can provide more liquidity for affordable housing. It's right in line with our mission."

Freddie Mac also announced its first execution using the new structure with San Francisco-based IMPACT Community Capital, which is a leading impact investment manager investing in underserved communities. IMPACT swapped 77 loans, totaling nearly \$141 million, for Freddie Mac guaranteed Multi PCs. All the properties involved in the transaction received financing through 9% Low-Income Housing Tax Credits, and approximately 3,400 of the units financed are affordable to low-income residents, earning 50 percent or less of area median income (AMI). IMPACT can now sell the Multi PCs to investors to acquire additional liquidity for future affordable housing investments.

"Freddie Mac's execution with IMPACT Community Capital is a unique way to provide more efficient access to capital for the affordable housing space," said David Leopold, vice president of Targeted Affordable Sales & Investments at Freddie Mac. "This transaction will not only help thousands of residents in the 77 properties financed, but also ensures that IMPACT has the additional funding it needs to make even more mission-driven investments. Freddie Mac is pioneering efforts to encourage investment in underserved markets, and this is yet another example."

"IMPACT is excited to be one of the first to partner with Freddie Mac on the Private Placement PC Swap execution. It allows us greater flexibility to raise funding from new investors in support of our mission to provide positive impact in underserved communities," said Michael Lohmeier, chief investment officer at IMPACT Community Capital. "The transaction continues a long history of innovation between IMPACT and Freddie Mac that included partnering on the first two Q-Series transactions in 2014 and 2015."

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Historically, more than 90 percent of the eligible rental units we fund are affordable to families with low-to-moderate incomes earning up to 120 percent of area median income.

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](#).

IMPACT Community Capital is a leading investment manager providing investment opportunities for institutional investors looking for stable income, long-duration exposure and portfolio diversification. IMPACT was formed over 20 years ago by several large U.S.-based insurance companies for the sole purpose of creating investments that benefit low-income communities without compromising returns or quality for investors. IMPACT is known to be a pioneer of impact investing bringing capital in scale to affordable housing. To date, IMPACT has created 12 funds with 6 exits and originated nearly \$2 billion of impact investments for institutional investors. Find us at [impactcapital.net](#) or [info@impactcapital.net](#)

MEDIA CONTACT: Mike Morosi
(703) 918-5851
Michael_Morosi@FreddieMac.com