



Freddie Mac: LIHTC Program Critical to Affordable Housing in Rural Lower Mississippi Delta

October 25, 2019

Federal Affordable Housing Tax Credit Program Funds Nearly 40% of Region's Multifamily Rental Housing

MCLEAN, Va., Oct. 25, 2019 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today released a [white paper](#) highlighting the role that the Low-Income Housing Tax Credit (LIHTC) program serves in rural Lower Mississippi Delta. The report shows that the LIHTC program supports a substantial percentage (39.2%) of multifamily rental housing in the region, more than three times the national average.

The white paper, titled "[LIHTC in Rural Lower Mississippi Delta](#)", is part of Freddie Mac's three-year [Duty to Serve](#) plan to increase rental and homeownership opportunities in historically underserved markets throughout the nation. This is the first of seven papers the Multifamily line of business will release over the next several months.

"LIHTC is absolutely critical to regions like rural Lower Mississippi Delta," said Steve Guggenmos, vice president of Multifamily Research & Modeling at Freddie Mac. "These areas are experiencing high poverty, low population density and subpar employment opportunities. Our research shows that the most effective tool we have to channel housing investments to these areas is the federal tax credit program. Without these investments, it would be far more challenging for the region's residents to find quality, affordable housing."

Key Findings:

- **LIHTC supports 39.2% of the region's multifamily rental housing market** – a rate that is more than three times greater than the national average and one and a half times greater than all rural areas.
- **The overall poverty rate for the region (22%) is substantially higher than the national average (14.6%).** Average household income is 37% lower than the national average and 21% lower than the rural average.
- **Rental housing is rare in rural Lower Mississippi Delta:** Only 29.2% of households are renters (compared with 36.2% nationally). Of these renters, only 14.2% rent multifamily units (compared with 42.9% nationally).
- **The relative abundance of LIHTC in the region does not indicate oversupply** – it's a symptom of a market where unsubsidized properties cannot operate because of the relatively low income and low population density.
- **Single-family rentals make up 69.5% of all renters in the region.** Both renters and homeowners in rural parts of the Lower Mississippi Delta prefer single-family structures. As a result, single-family communities and scattered site developments are common forms of LIHTC housing.

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

MEDIA CONTACT:

Mike Morosi

(703) 918-5851

Michael_Morosi@FreddieMac.com