Freddie Mac Multifamily Adds Another Impact Offering with Sustainability Bonds

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MCLEAN, Va., Sept. 29, 2020 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily today announced it will soon go to market with a new impact series – Sustainability Bonds. The offering, dubbed K-SG, is aimed at attracting capital to support economic mobility for residents and economic growth for communities, bolstering Multifamily's long history of supporting sustainable communities through its financing for affordable and workforce housing.

"The new Sustainability Bonds offering rounds out our Impact Bonds lineup, joining the Social Bonds series that launched earlier this month and the K-G series that launched in 2019," said Robert Koontz, the head of Capital Markets for Freddie Mac Multifamily. "We've long had a focus on affordable and workforce properties and a consistent track record of over 85% of the units we finance being affordable to residents making 100% or less of the area median income. These offerings further demonstrate our strong commitment to promoting sustainable communities through affordable housing."

According to the company's Sustainability Bonds Framework, the proceeds of Freddie Mac's Sustainability Bonds will be used to finance multifamily properties that (a) finance affordable housing to low-to-moderate-income families, (b) may have features, or are located in areas, that further economic opportunity for residents and (c) may include certain environmental impact features.

The Sustainability Bonds Framework integrates the International Capital Market Association's High-Level Mapping to the Sustainable Development Goals. As a result, Freddie Mac Multifamily's Sustainability Bonds program is consistent with several United Nations Sustainable Development Goals (SDGs): goal 1 – no poverty; goal 7 – affordable and clean energy; goal 10 – reduced inequities; and goal 11 – sustainable cities and communities.

The inaugural FREMF K-SG01 transaction will be backed by eligible 10-year, fixed-rate loans selected in accordance with Freddie Mac Sustainability Bonds Framework. Proceeds from the underlying loans are used to finance rental properties that serve low-to-moderate-income families. Certain properties have environmental features: Existing Energy/Water Efficiency Improvements, Building Standards for Energy Efficiency or Transit Oriented, and located in areas, that further economic opportunity or residential economic diversity.

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. More than 90% of the mortgages purchased support rental units for households earning 120% of area median income or below. Freddie Mac securitizes about 90% of the multifamily loans it purchases, thus transferring the majority of the expected credit risk from taxpayers to private investors.

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.

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