



Freddie Mac: LIHTC Program Essential to Affordable Housing in Rural Persistent Poverty Counties Across the Country

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MCLEAN, Va., Dec. 10, 2020 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today released a [white paper](#) highlighting the vital role the Low-Income Housing Tax Credit (LIHTC) program serves in rural Persistent Poverty Counties (PPCs) where low population density coupled with low income levels make it difficult to develop affordable housing. The LIHTC program supports 40.1% of the multifamily housing stock in these areas, bridging the gap between the need for affordable housing and the economic feasibility of providing it.

The white paper, titled "LIHTC in Rural Persistent Poverty Counties", 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 three papers the Multifamily line of business will release over the next two months.

"LIHTC provides critical support for affordable housing in rural Persistent Poverty Counties across the country," said Steve Guggenmos, vice president of Multifamily Research & Modeling at Freddie Mac. "Our research shows that these areas characterized by high rates of poverty rely on government programs, such as LIHTC, to make the creation and preservation of quality affordable housing economically viable."

Key Findings:

- LIHTC supports 40.1% of the multifamily housing market in rural PPCs – a rate that is more than three times greater than the national average and one and a half times greater than all rural areas.
- Income in rural PPCs is about 43% lower than the national average and 28% lower than the rural average. Over half of the renter population (51.8%) in rural PPCs is rent burdened compared with 45.8% in rural areas generally.
- Despite the abundance of LIHTC in the region, rental housing, particularly multifamily rental housing, is relatively uncommon. Only 32.6% of households in rural PPCs are renters, compared with 36.2% nationally.
- Single-family housing is the primary form of rental housing. Over 64% of all rentals are in properties with fewer than five units, which is substantially higher than the national rate of 52.1%.
- In rural PPCs, an average of 54 properties and 2,370 units have been supported by LIHTC annually since 2000. The rate has been in decline over the past decade, which is consistent with the national trend.

[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 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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