Freddie Mac: Confidence in Housing Market High as Concerns about Finances Linger

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MCLEAN, Va., March 22, 2021 (GLOBE NEWSWIRE) -- New Freddie Mac (OTCQB: FMCC) research shows the uncertainty renters and homeowners have about their ability to pay their rent or mortgage during the pandemic. This survey, of which two-thirds of respondents are homeowners and one-third are renters, shows that although homeowners and renters continue to feel the economic pressure of the pandemic, those figures have improved and are down from the all-time high reached in October and November of 2020.

“Freddie Mac is focused on understanding how consumers are thinking about their current and future financial situation amid a pandemic,” said Donna Corley, executive vice president and head of Single-Family Business at Freddie Mac. “While the housing market appears to be healthy and has recovered faster than the rest of the economy, many segments of the population are still struggling. To date, we have helped hundreds of thousands of borrowers get and stay current on their mortgage, and we continue to work with our conservator and industry partners to offer ongoing support.”

“The pandemic has been economically devastating for millions of Americans, and those who rent have been hit the hardest,” said Debby Jenkins, executive vice president and head of Multifamily Business at Freddie Mac. “In the early days of the pandemic, we acted quickly to help remove the threat of eviction for residents of the more than 4.2 million multifamily units we helped finance, and that protection is ongoing for nearly 100,000 families as a result of our Multifamily forbearance program.”

Key points within the survey include the following:

Concern About Housing Payment
Throughout 2020, more than half of surveyed renters remained concerned about their ability to make housing payments, fluctuating between 54% (April) and 71% (November) during the year. In December, renter concern showed a slight improvement at 67% and dropped to 63% in February 2021. Meanwhile, over the course of 2020, homeowner concern about making payments fluctuated between 33% (June) and 55% (October), ending the year at 45%. Those numbers have further improved to 41% in February 2021. As of December 2020, 27% of homeowners and 35% of renters had asked for a housing payment postponement, most commonly due to uncertainty over making payments beyond the next one. By February of this year, those numbers dropped to 19% of homeowners and 28% of renters.

Confidence in the Housing Market is High
Confidence in the housing market fluctuated between 48% (April) and 69% (October) but remained high overall, averaging 60% in all of 2020. As of February 2021, confidence has improved to 66%. During 2020, renters were more likely than existing homeowners to buy homes, with many shifting into homeownership through the late summer and early fall. The likelihood of homeowners to sell their homes (18%) and renters looking to purchase a home (34%) has held steady since the beginning of 2021. Likewise, refinance activity remains strong, with nearly a third of homeowners indicating they were likely to refinance their home within the first six months of this year.

A Challenging Economy Presents Personal Finance Issues
While many homeowners and renters are struggling financially, 72% of currently employed respondents were confident they will maintain the same level of income through the first half of this year. As of February 2021, 43% of respondents were living payday-to-payday and had just enough to get by, while 17% didn’t have enough for the basics until the next payday. Forty percent cited that they had enough to go beyond payday.

Since the beginning of the crisis, Freddie Mac has taken numerous actions to help struggling homeowners and renters with financial hardships related to COVID-19. Most recently, foreclosures and evictions have been suspended until June 30, 2021, and forbearance programs are now available for a period of up to eighteen months. For more information, visit the Freddie Mac consumer education website, My Home® by Freddie Mac.

To assist the industry at large, the company announced #HelpStartsHere, a campaign that offers clear, direct access to important resources for borrowers and servicers who need options in the current environment.

Freddie Mac also leverages its Borrower Help Centers and a national Borrower Help Network, which are trusted nonprofit intermediaries that offer free assistance, including a full suite of financial education and mortgage help services. For renters who are struggling to pay their rent, the company also launched a renter helpline where HUD-certified housing counselors provide free counseling.

Partnering with Heart+Mind Strategies, this COVID-19 Tracking Poll has been fielded on a biweekly or monthly basis, depending on market conditions since March of 2020 where 1,000-1,035 individuals responded to the questions based on what they have been experiencing during this uncertain time.

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, Twitter @FreddieMac, and Freddie Mac’s blog FreddieMac.com/blog.

MEDIA CONTACT:
Angela Waugaman
703-714-0644
Angela_Waugaman@FreddieMac.com