Freddie Mac Refi Possible Available this Summer to Help Lower-Income Homeowners Benefit from Refinancing

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MCLEAN, Va., May 05, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) today announced that Refi Possible, a new refinancing option aimed at helping lower-income homeowners, will be available in August. The Freddie Mac Refi Possible℠ mortgage will help borrowers who make at or below 80% of the area median income refinance their mortgage. Eligible borrowers with a Freddie Mac-owned single-family mortgage will benefit from a reduced interest rate and lower monthly mortgage payment, helping save an estimated $100 to $250 a month.

“Refi Possible will help reach those families who would benefit most from lowering their monthly mortgage payment,” said Donna Corley, executive vice president and head of Single-Family at Freddie Mac. “Just as we are committed to a product that makes a difference, we are focused on a seamless integration, so our clients and partners feel confident in promoting and originating Refi Possible when it’s available this summer.”

With Refi Possible, homeowners will see their mortgage rate reduced by at least half of a percentage point and will save at least $50 on their monthly mortgage payment. Homeowners can also receive a $500 credit for an appraisal if one is obtained. And, they’ll also be able to roll up to $5,000 in closing costs into their mortgage; providing a solution for those with limited cash to close.

When comparing 2020 to prior refinancing waves, Freddie Mac research shows a significant difference in refinance activity and savings between low- and high-income homeowners. High-income households saved ten times more than those with lower incomes by refinancing more frequently. And while many Black and Hispanic homeowners have a financial incentive to refinance their mortgage, they do so at substantially lower levels than White homeowners.

“Refi Possible could help over a million homeowners with a Freddie Mac-backed mortgage by making it easier for them to refinance,” said Pamela Perry, Single-Family Vice President of Equitable Housing at Freddie Mac. “We are continuing communications and outreach to a broad group of organizations and community groups so that those eligible can take advantage of this program to realize the savings and wealth-building benefits of refinancing.”

To qualify for a Refi Possible mortgage, eligible homeowners must have:

- A Freddie Mac-owned mortgage secured by a 1-unit single-family residence that is their primary residence;
- Income at or below 80% of the area median income;
- No missed payments in the past six months, and not more than one missed payment in the past 12 months; and
- A loan-to-value ratio at or below 97%, a debt payment-to-income ratio below 65%, and a minimum Indicator Score of 620 or higher.

For a complete list of Refi Possible options and requirements visit: https://guide.freddiemac.com/app/guide/bulletin/2021-17

Freddie Mac has a longstanding commitment to providing consumer education to help borrowers understand every stage of their home journey. Homeowners can review resources around refinancing at My Home by Freddie Mac®.

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

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