Freddie Mac Announces CHOICEReno eXPress for Financing Small-Scale Home Renovations

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Updates Flagship CHOICERenovation Offering, Allows More Lenders to Reach More Borrowers

MCLEAN, Va., Aug. 05, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB:FMCC) today announced its new CHOICEReno eXPress℠ mortgage, enabling homebuyers and homeowners to finance the cost of small-scale renovations with a single-close mortgage, saving them both time and money. CHOICEReno eXPress fills a need for a streamlined, affordable financing option, allowing homebuyers to make cosmetic renovations, such as replacing windows and doors, roof repairs, minor remodeling and interior or exterior painting.

"CHOICEReno eXPress expands upon the Freddie Mac CHOICERenovation mortgages, which were designed to help address the nation's aging housing supply, support the need for affordable housing, and offer renovation, repair, improvement, or refinance options to support the increasing demand for cost-effective financing solutions," said Danny Gardner, senior vice president of client and community engagement for Freddie Mac's Single-Family business. "CHOICEReno eXPress will help homebuyers and homeowners reduce their out-of-pocket costs by offering more affordable loan terms than using credit cards or unsecured financing when making small-scale renovations."

Lenders can sell CHOICEReno eXPress mortgages to Freddie Mac when the loan proceeds are used to pay for renovations of up to 10 percent of the home's as-completed value (up to 15 percent in rural regions with high needs classification) without requiring special lender pre-approval or lender recourse depending on the purchase price. A completed inspection is required to verify that the planned renovations were in fact done.

"Lenders with an interest in providing a renovation mortgage to their clients, but have limited experience in renovation and construction lending, will also find CHOICEReno eXPress is an attractive offering because of its streamlined operational requirements," added Gardner.

Freddie Mac also announced that it has updated its requirements to provide lenders greater flexibility when offering its flagship CHOICERenovation® mortgage. This includes:

- allowing 100 percent of the cost of materials to be advanced and renovation costs to be paid directly to a home improvement store,
- the ability to use proceeds to pay off short-term financing for prior renovations of an existing home, and
- allowing a borrower to not occupy a primary residence while renovations are ongoing.

These updates are designed to make CHOICERenovation mortgages easier for lenders to implement and help them offer these mortgages to more borrowers.

Launched in 2019, the CHOICERenovation offering is unique in that the program proceeds may also be used to renovate a property that has been damaged in a natural disaster or for renovations that will help the borrower prevent damage from a future disaster.

Financing options are available through Freddie Mac's Home Possible ® and other conventional, low down-payment mortgage offerings. The CHOICERenovation updates and the new CHOICEReno eXPress will be available for mortgages with settlement dates on and after November 1, 2021. More information and selling requirements for CHOICEReno eXPress are available online. Interested borrowers should contact their lenders for additional details.

About 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, investors and taxpayers. Learn more at FreddieMac.com, Twitter @FreddieMac and Freddie Mac's blog FreddieMac.com/blog.

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