Low-Income Housing Investments Ramping Up at Freddie Mac as FHFA Increases LIHTC Equity Cap to $850 Million

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Move will Support Thousands of Affordable Multifamily Housing Units in Nation's Most Underserved Communities

MCLEAN, Va., Sept. 01, 2021 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) will begin ramping up its Low-Income Housing Tax Credit (LIHTC) equity investments, which support affordable housing throughout the United States. The move comes in response to the Federal Housing Finance Agency's (FHFA) announcement that it has increased the annual cap on Freddie Mac's LIHTC Equity investments from $500 million to $850 million. Freddie Mac has provided approximately $500 million in LIHTC Equity investments each year since reentering the market in 2018.

"Freddie Mac has built a robust LIHTC Equity investment program, with more than 120 investments in 26 states and Puerto Rico and Guam since 2018," said Debby Jenkins, executive vice president and head of multifamily for Freddie Mac. "This work has supported the preservation or creation of thousands of units of rental housing, meeting the needs of underserved communities throughout the country. FHFA's announcement today will allow us to build on this work in the years to come and do so much more to meet the tremendous need for additional safe and affordable housing."

Freddie Mac's LIHTC Equity investments already support affordable housing throughout the United States. A few recent examples include:

Addressing Persistent Poverty in Madison, Florida
Freddie Mac's investment in Hilltop Apartments will support the occupied-rehab of an existing 72-unit multifamily property located in Madison, Florida. The property is comprised of 15, one-story residential buildings and one community building. All 72 units will be set aside for households with incomes at or below 40% and 60% of Area Median Income (AMI). Four units are set aside for special needs households targeting a homeless person, a survivor of domestic violence, a person with a disability, and a youth aging out of foster care. Supportive services will be provided by Royal American Management, Inc., the project's sponsor.

Developing Supportive Housing Project in Philadelphia
Freddie Mac's investment in Mamie Nichols Townhomes supports the new construction of a scattered-site multifamily development in the Point Breeze neighborhood of South Philadelphia. Eleven efficiency and one-bedroom units will be available for veterans with special needs, while 22 two- and three-bedroom units will be available to low-income families. All 33 units are rent restricted to households at or below 20% to 60% of AMI. Supportive services will be provided by the project's sponsor, Women's Community Revitalization Program, a not-for-profit organization headquartered in Philadelphia, PA.

Building Tribal Housing in Arcata, California
Freddie Mac's investment in Yurok Homes #3 supports the new construction of 36 units of multifamily housing located 10 miles from Eureka, California on land owned by the Yurok Indian Housing Authority (YIHA). The development will include 12 two-story structures featuring flats, townhomes and rental homes. The property will target families earning no more than 30% to 50% of AMI. All 36 units will benefit from a tribal subsidy allowing tenants to pay 25% of their income toward rent. Social services will be provided at no cost to tenants.

Freddie Mac created an interactive map that details each of its LIHTC equity investments, including property names, locations, the number of units financed and other key facts.

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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