



Freddie Mac Multifamily Purchases \$4.6 Million Manufactured Housing Resident-Owned Community Loan in Southern California

October 7, 2021

MCLEAN, Va., Oct. 07, 2021 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced it has purchased a loan to finance Seal Beach Shores MHC, a Manufactured Housing Resident-Owned Community (MHROC) in Seal Beach, California. The loan will support 125 affordable housing units. Capital One, an Optigo® lender, arranged the \$4.6 million, 20-year fixed-rate loan for the community located 30 miles south of Los Angeles.

Freddie Mac introduced its [MHROC loan program](#) in 2018, establishing a loan program for manufactured housing co-op communities that are owned by their residents. In this model, the residents are shareholders in a cooperative, not-for-profit corporation that owns the entire community, except for the homes. Each shareholder owns their own home and the ownership of a share allows the use of a pad site. There are presently just over 1,000 MHROCs nationwide, according to a [white paper](#) released by Freddie Mac in 2019.

"The MHROC offering reflects Freddie Mac's commitment to financing a broad array of affordable housing options for underserved populations," said Richard Martinez, senior vice president of Multifamily Production & Sales at Freddie Mac. "By working with Optigo lenders like Capital One, we are able to support residents' efforts to finance their own communities, providing rent setting and other decision-making authorities directly to manufactured homeowners."

Damon Reed, senior vice president of Capital One Agency Finance, said, "Capital One was proud to work with Freddie Mac to help finance Seal Beach Shores and the community's 125 affordable housing units. MHROCs are one of many ways that much needed affordable housing is provided in the United States and we look forward to seeing this particular community thrive."

The Seal Beach Shores MHC community was established as a MHROC in 2009. The community features a newly renovated clubhouse, laundry room, picnic area and on-site leasing office. Seal Beach Shores MHC is located less than 1 mile from the Pacific Coast Highway and Seal Beach, providing the community with access to nearby beaches, restaurants and shopping, as well as convenient access to employment centers in Long Beach, Anaheim and Los Angeles.

Freddie Mac entered the manufactured housing community (MHC) market in 2014 to provide liquidity for affordable housing as rents at MHCs are often the most affordable available in many communities throughout the United States. FHFA has incentivized financing for MHCs by exempting MHC loans from the company's volume cap prior to 2019 and treating them as mission-driven loans in 2019 and 2020. In 2021, FHFA narrowed mission-driven credit to MHCs with Duty to Serve tenant protections. Freddie Mac [announced in September](#) that all its future MHC transactions would include the protections. Transactions where the borrower is a nonprofit or resident-owned community also receive mission credit.

[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](#).

MEDIA CONTACT: Mike Morosi
(703) 918-5851
Michael_Morosi@FreddieMac.com
Erin Mancini
(703) 903-1530
Erin_Mancini@FreddieMac.com