Freddie Mac Multifamily Adds Berkadia Affordable Tax Credit Solutions as LIHTC Equity Syndicator

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MCLEAN, Va., Sept. 14, 2022 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily today announced the creation of a Low-Income Housing Tax Credit (LIHTC) Syndicator Fund with Berkadia Affordable Tax Credit Solutions, aiding the agency's effort to invest up to $850 million in equity annually to create and preserve affordable housing across the country. The Freddie Mac-Berkadia fund will make investments in underserved communities, including those in rural areas, and will prioritize housing that provides intensive supportive services for residents.

"We are thrilled to announce Berkadia Affordable Tax Credit Solutions as a LIHTC Syndicator and look forward to working together to create and preserve affordable housing in underserved communities," said Steve Johnson, interim vice president of production & sales for Freddie Mac Multifamily. "These investments benefit those who are hit hardest by the affordable housing crisis and reflect our commitment to helping Americans access safe and affordable housing."

"Freddie Mac has been a valued partner to Berkadia for years and we are thrilled to be at the forefront of their growing LIHTC equity investment platform," said David Leopold, SVP and Head of Berkadia Affordable Housing. "Given our strong relationship and ongoing collaboration, we are confident in our ability to successfully deploy capital that will help residents across the country access quality affordable housing."

With more than $10.5 billion in loan volume with Freddie Mac in 2021, Berkadia was ranked Freddie Mac's No. 1 Targeted Affordable Housing lender and No. 1 Conventional lender.

Freddie Mac set a record pace for LIHTC equity in 2021 with $675 million in investments that supported over 4,800 affordable rental units. The Federal Housing Finance Agency (FHFA) raised the annual LIHTC equity investment cap from $500 million to $850 million in September 2021, prompting Freddie Mac to further scale its program. The unused balance of $175 million from 2021 rolled over into 2022, allowing Freddie Mac to further grow its LIHTC equity investments this year.

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 homes 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.

Berkadia, a joint venture of Berkshire Hathaway and Jefferies Financial Group, is a leader in the commercial real estate industry, offering a robust suite of services to our multifamily and commercial property clients. Through our integrated mortgage banking, investment sales and servicing platform, Berkadia delivers comprehensive real estate solutions for the entire life cycle of our clients' assets. With over $1 billion of LIHTC equity investments currently in our portfolio, Berkadia's LIHTC syndication team has helped finance the development of more than 9,470 units of affordable housing across 97 properties. In 2021, Berkadia had over $5.1 billion in affordable housing transaction volume across its three business lines comprised of mortgage banking, investment sales, and tax credit syndication.

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