Freddie Mac Multifamily Impact Bonds Surpass $15 Billion Mark

April 20, 2023

New Report Shows Impact of Green, Social and Sustainability Bonds

MCLEAN, Va., April 20, 2023 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily released its annual Impact Bonds Report detailing the company's successful efforts to issue more than $15 billion in Green, Social and Sustainability Bonds since 2019. The annual report showcases how Freddie Mac's Impact Bonds continue to support multifamily properties that address persistent housing challenges, particularly environmental and social issues, and provide additional transparency to investors.

"Transparency is a foundational component to our Impact Bonds program," said Robert Koontz, the head of Capital Markets for Freddie Mac Multifamily. "Through Freddie Mac's annual Impact Bonds Report, we reiterate our commitment to reporting and summarize how we support rental housing that is green and affordable in communities that need it most. Each year, this report highlights our most impactful deals and how we are providing investors with innovative ways to support efficient and affordable housing."

The Impact Bonds Report highlights properties and impacts across Green, Social and Sustainability Bonds.

$5 billion in Green Bonds since 2019: Green Bonds are backed by Multifamily loans that incentivize energy- and water-efficiency improvements at workforce housing properties. Tenants in these properties are projected to save an average of $255 per unit annually through lower utility costs as a direct result of the green improvements. In 2022, the environmental impact included water improvements projected to save over 41 million gallons of water per year — the equivalent of filling the Lincoln Memorial Reflecting Pool in Washington, D.C., six times or the annual water usage for over 453 households across America. In addition, 94% of units supported by Green Bonds are affordable to families earning at or below 80% area median income.

$4.6 billion in Social Bonds since 2020: Social Bonds focus on supporting affordable housing by providing liquidity to financial institutions with a distinct mission of addressing affordable housing challenges or providing financing targeted toward underserved populations. Of the units financed with Social Bonds proceeds in 2022, 51.7% of the units are affordable to families earning at or below 50% AMI. Over 150 of the loans underlying Freddie Mac's Social Bond issuances since 2020 have supported underserved populations including people with disabilities, senior citizens, farmworkers, veterans and homeless persons through transitional housing. Freddie Mac was recognized by Environmental Finance for Social Bond of the Year for a 2022 transaction of $92.8 million in social bonds, supporting affordable housing for over 1,500 senior citizens across four housing properties in Arizona.

$5.4 billion in Sustainability Bonds since 2020: Sustainability Bonds attract capital to support residents' economic mobility and, more broadly, generate community economic growth and sustainability. Nearly 90% of units at properties with financing supported by the bonds are affordable to families earning 60% of AMI or less. In 2022, Sustainability Bonds proceeds financed eight mixed-income properties, or 5.6% of all properties backing the Sustainability Bonds, with units affordable to tenants earning at or below 50% AMI and above 80% AMI. One of these properties is located in an Area of Concentrated Poverty, helping improve residential economic diversity, which leads to greater economic and social mobility within a community.

The full text of the report is available on Freddie Mac's website at this link. 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's mission is to make home possible for families across the nation. We promote liquidity, stability, affordability and equity in the housing market throughout all economic cycles. Since 1970, we have helped tens of millions of families buy, rent or keep their home. Learn More: Website | Consumers | Twitter | LinkedIn | Facebook | Instagram | YouTube

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