



Freddie Mac Announces Action to Make Down Payment Assistance Programs More Accessible for Individuals and Families Across the Nation

December 4, 2023

Multi-pronged approach removes industry-wide barriers to DPA programs

MCLEAN, Va., Dec. 04, 2023 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today announced new, standardized mortgage documents that increase clarity, consistency and accessibility of down payment assistance (DPA) programs nationwide. These documents can be used by lenders working with housing finance agencies (HFAs) at the state, city, county and local levels to eliminate confusion and misinterpretation of DPA programs. Currently, these forms vary greatly.

"Saving for a down payment continues to be the largest barrier to homeownership for lower-income and first-time homebuyers," said Danny Gardner, Single-Family Senior Vice President of Mission and Community Engagement at Freddie Mac. "We know that standardization has increased efficiency, lowered costs and improved many areas of the mortgage industry. By embracing standardization and creating a set of industry-wide documents, we are providing clarity and consistency that will enable more lenders to help more individuals and families leverage down payment assistance programs across the country."

Historically, subordinate lien documents for various DPA programs have been HFA-specific and worded differently, leaving room for confusion when interpreting terms and payment plans. Through standardization, Freddie Mac is helping to bring efficiency to the loan manufacturing process, creating time and cost saving opportunities across the industry. This greater visibility will also help increase the number of lenders interested in participating in DPA programs as well as the number of individuals and families able to access them.

"This effort by Freddie Mac compliments NCSHA's HFA1 Affordable Homeownership Lender Toolkit [online](#) resource, which enables home mortgage lenders to partner more efficiently with state housing finance agencies in providing mortgage loans and down payment assistance to lower-income home buyers," said Stockton Williams, Executive Director, National Council of State Housing Agencies.

To construct the standardized subordinate lien documents, Freddie Mac partnered with Fannie Mae and state HFAs as co-creators and early adopters. By the end of this year, standardized lien documents will be available for at least nineteen states followed by the remaining states and the District of Columbia. Current versions of the state standardized lien documents are available on Freddie Mac's [website](#) for the following states:

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|---------------|-----------------|
| • Alabama | • Iowa |
| • Arkansas | • Massachusetts |
| • Arizona | • Minnesota |
| • California | • New Mexico |
| • Colorado | • South Dakota |
| • Connecticut | • Tennessee |
| • Idaho | • Virginia |
| • Illinois | • Washington |

The effort is part of Freddie Mac's multipronged approach to create more standardization and awareness around down payment assistance programs. Last month, Freddie Mac announced [DPA One®](#), an innovative new tool that aggregates and showcases down payment assistance programs on a single, insights-rich platform so lenders can easily access and compare programs while providers can have less submission errors, make real-time updates, and receive more visibility for their programs.

DPA One is available at no cost to lenders, housing counselors and down payment assistance program providers. DPA One currently has the down payment assistance programs available for 48 of the 50 state housing finance agencies, including local and municipal programs for the Texas, Minnesota, Florida, California, Virginia and Kentucky markets. The remaining local and state assistance programs will come online throughout 2024.

About Freddie Mac

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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