Freddie Mac Expands Assistance for Very Low-Income Purchase Borrowers

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Announces $2,500 credit to help with down payment and other closing costs

MCLEAN, Va., Feb. 05, 2024 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) continued its longstanding support for low-income families, announcing today that potential homebuyers earning 50% of area median income or less are eligible for a $2,500 credit that may help with down payment and other costs at closing. The initiative will extend more broadly to very low-income families who qualify for the company's Home Possible ® and HFA Advantage® products.

"Today's announcement is a vital lifeline for would-be homeowners, as studies show that down payment and closing costs are among the largest barriers to homeownership for very low-income homebuyers," said Sonu Mittal, SVP and head of Single-Family Acquisitions at Freddie Mac. "Our commitment to supporting these families runs deep, as we have provided assistance to this population through various programs since 2018. We are pleased to now make this assistance more broadly available to borrowers through our Home Possible program."

Effective March 1, 2024, the credit will be available for very low-income borrowers earning 50% of area median income or less who are purchasing a home, provided certain requirements are met. Funds can be used in several ways, including down payment, closing costs, escrow and mortgage insurance premiums. It will be available across Freddie Mac's Home Possible ® and HFA Advantage® mortgage products.

The announcement comes after a strong 2023 for Freddie Mac, with the company financing approximately 800,000 home purchases. First-time homebuyers represented approximately 51% of those purchases, the highest percentage since the company started tracking that statistic three decades ago. In addition, the company expects it will achieve all of its 2023 affordable housing goals set by the Federal Housing Finance Agency.

Mittal added, "This new effort continues the progress we made in 2023 and is particularly important in today's housing market, where elevated rates and low supply have created affordability challenges for many families. We look forward to announcing additional ways to support low-income borrowers in the months ahead."

The credit will be available through Freddie Mac's Home Possible mortgage product, which offers options and credit flexibilities to help very low- to low-income borrowers attain homeownership with a downpayment as little as 3%. It also will be available through Freddie Mac's HFA Advantage® mortgage product, which is available exclusively to housing finance agencies (HFAs) seeking strategic solutions to expand homeownership responsibly.

The initiative is part of Freddie Mac's longstanding efforts to make homeownership more accessible for low-income families. Recently, Freddie Mac announced DPA One®, a free, innovative tool that aggregates and showcases down payment assistance programs on a single, insights-rich platform. This allows lenders to easily access and compare programs while providers can have less submission errors, make real-time updates, and receive more visibility for their programs.

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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