



## Freddie Mac Delivers 2024 Equitable Housing Finance Plan

April 29, 2024

### Update to three-year Plan continues progress on equitable and sustainable housing

MCLEAN, Va., April 29, 2024 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today published its Equitable Housing Finance Plan and Performance Report for 2023 along with revisions to its 2024 objectives and actions within its three-year Equitable Housing Finance Plan. The Plan is the company's roadmap to promote sustainable homeownership and rental opportunities for traditionally underserved communities across the nation. Since 2022, Freddie Mac has helped more than 764,000 minority borrowers purchase or refinance a home, accounting for approximately 33 percent of the company's Single-Family acquisitions.

"Our Equitable Housing Finance Plan is an important component of Freddie Mac's mission-driven efforts to expand homeownership and improve outcomes for underserved families," said Pam Perry, Single-Family Vice President of Equitable Housing at Freddie Mac. "In our Single-Family business, our Plan builds on the initiatives that are proven to work – down payment assistance, Special Purpose Credit Programs and consumer education, among other initiatives. While there is more work to be done, we are making steady progress."

"Freddie Mac's multifamily efforts are focused on creating and preserving affordable rental housing, driving meaningful advancements for renters and building a more diverse and equitable multifamily finance industry," said Corey Aber, Multifamily Vice President of Mission, Policy & Strategy at Freddie Mac. "Through this work, we are helping address supply and affordability challenges that acutely impact underserved communities, as well as advance resident-centered practices and increase opportunities for diverse and emerging borrowers and lenders."

The company today also published a progress [report](#) highlighting its accomplishments against the 2023 Plan.

Updates found within this year's Plan include the following:

- **Expanding Access to Down Payment Assistance** to help first-time homebuyers. In 2023, Freddie Mac launched [DPA One®](#), a free, one-stop shop that helps lenders and loan officers quickly find and match borrowers to down payment assistance programs nationwide. Since its release, over 3,600 loan officers have registered for DPA One, which includes nearly 700 DPA programs covering 49 states and the District of Columbia. Throughout 2024, Freddie Mac will continue to enhance the tool and promote DPA One to industry partners focusing on underserved communities.
- **Using Special Purpose Credit Programs (SPCP)** to make homeownership possible for underserved communities. Under the Plan, Freddie Mac will continue purchasing loans originated through both lender [SPCPs](#) and its own SPCP, BorrowSmart Access<sup>SM</sup>. BorrowSmart Access provides down payment assistance and financial education to eligible families. In 2023, Freddie Mac purchased more than 9,300 SPCP loans, the majority of which supported homeownership for families of color. In its new Plan, the company committed to purchasing another 10,000 loans originated in 2024.
- **Expanding initiatives to help renters build credit and achieve homeownership.** The company is doing this in two ways: establishing and improving credit scores and considering a history of on-time rent payments in loan purchase decisions. To date, approximately 500,000 renters have enrolled in Freddie Mac's [renter credit building initiative](#), with more than 300,000 of them increasing their credit score and more than 55,000 participants establishing credit scores for the first time. In 2024, the company will continue to expand this initiative to additional multifamily properties, with a goal of making on-time rent reporting an industry standard.

Freddie Mac also took steps to expand access to credit for historically underserved borrowers by using alternative credit data — including rent payment history — as part of the company's loan purchase decisions. The company will continue this work in 2024 by exploring additional product enhancements and continuing outreach to borrowers and lenders to increase awareness and increase lender adoption of our digital tools.

- **Expanding Opportunities for Diverse and Emerging Lenders and Market Participants.** To increase diversity across housing finance, Freddie Mac Multifamily launched an emerging correspondent program to help small financial institutions access Freddie Mac capital, including minority depository institutions and Community Development Financial Institutions. In 2023, the company set a new requirement for multifamily lenders to execute at least one correspondent agreement.

To increase opportunities for diverse and emerging multifamily borrowers, Freddie Mac is bridging the relationship and information gaps that can hold emerging industry players back as they seek to grow and access capital. Through a cohort

of [Diverse and Emerging Sponsors](#), Freddie Mac Multifamily helps build connections to expand the industry, create relationships and impact the market for years to come.

The company also expanded its [Develop the Developer<sup>SM</sup> Academy](#), a program designed to increase the number of woman and minority-owned developers in underserved areas. In 2023, Freddie Mac trained more than 119 developers who account for 197 new single-family units and 485 new multifamily units currently in development.

- **Supporting the creation, preservation and rehabilitation of affordable housing** by further expanding its use of multifamily Forward Commitments, which are commitments to provide permanent financing for new rental units or substantial rehabilitation of a multifamily property. In 2023, the company committed to funding more than 22,000 units through Forward Commitments, exceeding its goal for the year. In 2024, Freddie Mac will fund an additional 20,000 units through Forward Commitments.

Freddie Mac is also committed to preserving rent levels by providing incentives for multifamily borrowers in exchange for a commitment in the loan agreement to keep rents for a percentage of units affordable over time. This is critically important for working families to ensure rents remain predictable and affordable. In 2023, the company exceeded its goal for preservation with more than 3,200 units. In year three of the Plan, the company has committed to preserving rents for an additional 5,000 units.

To help maintain existing stock of affordable rental housing, Freddie Mac is using its multifamily loan offerings to support the rehabilitation of affordable and workforce rental housing. The company exceeded its goal of 10,000 rehabilitated units and has committed to funding an additional 10,000 units in the 2024 Plan.

- **Educating the industry and consumers** by providing outreach, resources and research to expand housing opportunities, particularly for diverse homebuyers. Efforts in 2023 resulted in more than 500,000 consumers being reached through education and counseling, 70% of whom self-identified as people of color. The company also launched the new Spanish-language version of [CreditSmart<sup>®</sup> Essentials](#), its comprehensive financial capability curriculum for consumers.

Freddie Mac's Equitable Housing Finance Plan includes a series of actions to advance equity in both the single-family and multifamily housing markets. The ambitious set of initiatives focuses on five core areas: addressing the homeownership gap, strengthening investment within formerly redlined areas, financing the creation and preservation of affordable housing, increasing opportunities for renters and helping to eliminate disparities among underserved communities. The Plan sets goals, outlines actions to achieve those goals and includes an annual progress report.

For additional information, read the [2024 Plan](#), [2023 Progress Report](#), and the company's [fact sheet](#). [Learn more](#) about Freddie Mac's diversity, equity and inclusion efforts.

#### **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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