



Freddie Mac Study Finds Cost Barriers May Prevent Usage of Housing Choice Vouchers

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MCLEAN, Va., Dec. 04, 2024 (GLOBE NEWSWIRE) -- Freddie Mac (OTCQB: FMCC) Multifamily today published the results of an analysis that examined challenges facing low-income renters as they seek to use Housing Choice Vouchers (HCVs). The report examined challenges to voucher usage, including the role of affordability and the efficacy of HCV usage based on geography. Although there are significant variations by market, voucher use in high opportunity areas remains limited when compared with areas of concentrated poverty. Additionally, markets with high rents tend to have lower rate of voucher usage compared with markets with low rents. Freddie Mac's analysis indicates that even if voucher amounts increased, renting in expensive neighborhoods may still be cost prohibitive for voucher holders due to high market rents.

"Freddie Mac's findings demonstrate that voucher usage is generally lower among areas that provide greater access to opportunity," said Sara Hoffmann, senior director of Multifamily Research at Freddie Mac. "Our analysis found that high opportunity areas and higher rent areas have both lower voucher usage and a relatively low level of affordable units based on voucher limits."

The study includes case studies from three metro areas (Providence, Rhode Island; Santa Cruz, California; Jackson, Mississippi) to examine scenarios under which different voucher levels could alter the affordability profile of a metro area. The study also outlines additional barriers to HCV usage in areas of high opportunity, including administrative, acceptance and process challenges.

As outlined in its current [Equitable Housing Finance Plan](#), Freddie Mac sought to use housing choice voucher data from the U.S. Department of Housing and Urban Development for a study focused on voucher usage as it relates to neighborhood affordability and opportunity. Freddie Mac also sought to analyze factors that inhibit use of HCVs, especially in high opportunity areas.

Read the [full report here](#).

[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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