



Freddie Mac May 2017 Outlook

May 24, 2017

Housing Gets Off to a Good Start

MCLEAN, VA--(Marketwired - May 24, 2017) - [Freddie Mac](#) (OTCQB: FMCC) today released its monthly [Outlook](#) for May, which analyzes why the U.S. housing market is on track to eclipse last year despite weak economic growth.

Outlook Highlights

- Since March, mortgage rates have declined about a quarter of a percentage point to about four percent with little change. Expect rates to head only slightly higher by the end of the year.
- Existing home sales in March were the highest since 2007 and new home sales beat expectations as well. Total home sales for the first quarter were the highest since 2007. Based on recent data and our revised outlook for mortgage rates, expect a slight increase in home sales in 2017 to just above 6 million home sales.
- Recent data indicate first quarter mortgage originations were about \$60 billion higher than expected primarily due to resilience in refinances. Expect 2017 mortgage originations to increase over \$200 billion.
- In the first quarter of 2017, 49 percent of refinance borrowers took cash out, up from 44 percent in the fourth quarter of 2016. This is the highest share since the fourth quarter of 2008, but still below the peak of 89 percent in the third quarter of 2006.

Quote: Attributed to Sean Beckett, Chief Economist, Freddie Mac.

"Despite weak economic growth, housing got off to a good start in 2017 because low mortgage rates have given the spring homebuying season a pleasant surprise. Mortgage rates started March just above four percent and have mostly drifted lower since then, even falling below 4 percent. With home sales, housing starts and home values up, 2017 is shaping up to be the best year for housing in over a decade."

Freddie Mac makes home possible for millions of families and individuals by providing mortgage capital to lenders. Since our creation by Congress in 1970, we've made housing more accessible and affordable for homebuyers and renters in communities nationwide. We are building a better housing finance system for homebuyers, renters, lenders and taxpayers. Learn more at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

CONTACT:

Chad Wandler

703.903.2446

Chad_Wandler@FreddieMac.com

The financial and other information contained in the documents that may be accessed on this page speaks only as of the date of those documents. The information could be out of date and no longer accurate. Freddie Mac does not undertake an obligation, and disclaims any duty, to update any of the information in those documents. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties that could cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in our reports filed with the SEC.