



Freddie Mac's Fact Sheet: Equitable Housing Finance Plan

ABOUT THE PLAN

Freddie Mac's Equitable Housing Finance Plan includes an ambitious set of initiatives designed to help advance equity, affordability and sustainability for families in traditionally underserved communities. The 2023 Equitable Housing Finance Plan builds on the work the company started over the course of last year to create opportunities for all families to access quality affordable housing.

SUMMARY OF FREDDIE MAC'S 2023 PLAN AND SELECT 2022 ACCOMPLISHMENTS



1. Purchasing Mortgages Through Special Purpose Credit Programs (SPCPs)

Freddie Mac has purchased loans through lender **SPCPs** and has also developed its own SPCP, BorrowSmart AccessSM, which helps borrowers overcome one of the largest barriers to homeownership: down payment assistance. BorrowSmart Access also provides financial education to Black and Latino first-time homebuyers. The program is available for first-time homebuyers across 10 major cities: Atlanta, Chicago, Detroit,



Memphis, Miami, Philadelphia, St. Louis, Houston, El Paso and McAllen.

In 2023, the company will continue to help provide down payment assistance (DPA) to borrowers by making **DPA OneSM**, the company's digital DPA platform, broadly available. DPA One leverages local housing finance agencies' DPA programs and seamlessly matches potential homebuyers with loan officers and housing counseling agencies in underserved communities. DPA One includes 395 DPA programs from 227 DPA providers covering 49 states, plus the District of Columbia.



2. Helping Renters Build Credit and Improving Fairness in Underwriting

More than 184,000 renter households have enrolled in Freddie Mac's **credit building initiative**, with more than 27,000 participants establish credit scores for the first time. In 2023, the company will expand this initiative to additional credit reporting vendors, with a goal of making on-time rent reporting an industry standard.

Freddie Mac has also taken 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 2023, making meaningful enhancements to its automated underwriting system to help identify more creditworthy borrowers. To do so, the company will leverage detailed credit attributes, including trended data to replace third-party credit scores. These updates should result in approximately 17,000 additional Black and Latino borrowers accepted per year, relative to the previous LPA production model.



3. Supporting the Creation, Preservation, and Rehabilitation of Affordable and Workforce Housing

In 2022, Freddie Mac took a number of steps to help address the shortage of both Single- and Multifamily housing. In Single-Family, the company enhanced its policies to help increase the availability of accessory dwelling units. It also



expanded loan purchases from housing finance agencies to include manufactured homes and 2–4-unit properties. Further, the company enhanced its community land trust mortgage offerings, which helps preserve long-term affordable housing.

Also in 2022, Freddie Mac further expanded its use of multifamily forward commitments, which provide permanent financing for new construction or substantial rehabilitation of a multifamily property. In 2022, the company committed to funding more than 20,000 units through forward commitments, exceeding the year one goal of 15,000 units. In years two and three of the Plan, Freddie Mac has committed to funding an additional 60,000 units through forward commitments.

Freddie Mac has also committed to preserving rents through Freddie Mac loan documents or suitable equivalents. In 2022, the company exceeded its 1,000-unit goal for preservation with more than 4,200 units. In years two and three of the Plan, the company has committed to preserving rents for an additional 8,000 units.

To help maintain the existing affordable housing stock, Freddie Mac is using its multifamily loan offerings to support the rehabilitation of affordable and workforce rental housing. The company more than doubled its 2022 goal of 5,000 rehabilitated units and has committed to funding an additional 10,000 units of rehabilitated housing in year two and another 20,000 units in year three of the Plan.



4. Increasing Opportunities for Diverse, Emerging Lenders and Market Participants

With a focus on increasing diversity across the housing finance industry, in 2022, Freddie Mac launched a targeted correspondent lending program to help small community lenders access financing, including minority depository institutions and Community Development Financial Institutions (CDFIs). The Plan calls for all Freddie Mac multifamily lenders to pursue an agreement with at least one correspondent in 2023.

The company also rolled out Develop the DeveloperSM, a single- and multifamily program designed to increase the number of minority-owned businesses in underserved areas. To date, Freddie Mac has trained more than 70 developers, and will expand the program to additional markets and enroll more developers in the coming year.

Freddie Mac also continues its support for diverse-owned capital markets firms, which have acquired credit protection of approximately \$833 million on more than \$50 billion in unpaid principal balance of mortgage loans.



5. Promoting Financial Empowerment Through Targeted Outreach and Education

In 2023, the Freddie Mac Single-Family Mission and Community team expects to take part in 350 events, training over 30,000 industry professionals on resources to expand housing opportunities, particularly for diverse homebuyers. Last year, similar efforts resulted in over 300,000 consumers reached through education and counseling, with 79% self-identifying as people of color. Freddie Mac will continue to engage with borrower help centers and renter resource organizations to provide housing assistance, financial counseling and legal aid, including training for more than 350,000 consumers. These efforts will focus on people of color, through in-person workshops and interactive one-on-one coaching.

In the coming year, Freddie Mac’s consumer outreach will also include a new [CreditSmart](#) Essentials Spanish language curriculum as part of its free online financial literacy resource. Freddie Mac HomeCoach will also be available to client management system providers this year so more housing counselors can quickly deliver a mortgage-readiness evaluation and better prepare borrowers for homeownership. Additional 2023 efforts will focus on expanding “[The Building Blocks to Wealth](#),” the company’s wealth building series and extending the Block-by-Block initiative to Baltimore and Chicago. The company will also conduct outreach to more Historically Black Colleges and Universities beyond the 20 already being served.

IMPLEMENTATION

While we have made important progress, we know there is much more to do. Through our 2023 Equitable Housing Finance Plan actions, we seek to build upon the work we started last year to give families in all communities the chance to have a quality, affordable and sustainable place to call “home.”

Read Freddie Mac’s [Plan](#) and [learn more](#) about the company’s diversity, equity and inclusion efforts.