

Freddie Mac's Fact Sheet: Equitable Housing Finance Plan

ABOUT THE PLAN

Freddie Mac's 2022-2024 Equitable Housing Finance Plan includes an ambitious set of initiatives designed to help advance equity, affordability and sustainability for families in traditionally underserved communities. Each year, we report our progress and publish an updated Plan. Our revised Equitable Housing Finance Plan for 2024 builds on progress made over the last two years to create opportunities for all families to access quality, affordable housing.

SUMMARY OF FREDDIE MAC'S 2024 PLAN AND SELECT 2023 ACCOMPLISHMENTS



1. Expanding Access to Down Payment Assistance

In 2023, Freddie Mac launched [DPA One](#)[®], a free one-stop shop that helps our network of lenders and loan officers quickly find and match borrowers to down payment assistance programs nationwide. DPA One leverages state and local housing finance agencies' DPA programs as well as other municipal provider programs to seamlessly match potential homebuyers with loan officers and housing counseling agencies in underserved communities.

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, we will continue to enhance the tool and promote DPA One to industry partners focusing on underserved communities.



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

In addition to purchasing thousands of loans through several dozen lenders offering their own SPCPs, Freddie Mac expanded access to its own SPCP, BorrowSmart AccessSM. BorrowSmart AccessSM provides down payment assistance and financial education to eligible families. We also launched a new SPCP, the [HeritageOneSM Mortgage](#), which provides access to

home financing for members of federally recognized American Indian and Alaska Native tribes living in tribal areas.

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.

In addition, we continue to enhance our focus to better serve borrowers in underserved communities. Our 2024 Plan outlines a goal of exploring products and opportunities to provide access to credit for "first-generation homebuyers." To that end, our Plan includes a standardized definition of first-generation homebuyer that can be used industry-wide to help do so.



3. Helping Renters Build Credit

Enrollment in Freddie Mac's multifamily [credit building initiative](#) has reached approximately 500,000 renter households, with more than 300,000 participants 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, with a goal of making on-time rent reporting an industry standard. This follows our success in 2023, when we added additional vendors to the initiative, bringing the total to seven.



4. Improving Fairness in Underwriting

Freddie Mac has 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. These efforts are made possible for loans purchased through our automated underwriting system, [Loan Product Advisor](#)[®] (LPA). 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 LPA adoption. We also plan to introduce a real-time reporting tool and feedback mechanisms that will notify lenders when their submitted loans could benefit from our digital tools.



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

Freddie Mac further expanded 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 our goal for the year. In year three of the Plan, Freddie Mac has committed to funding an additional 20,000 units through Forward Commitments.

Freddie Mac also is 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.



6. Expanding Opportunities for Diverse, Emerging Lenders and Market Participants

With a focus on increasing diversity across the housing finance industry, 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 (CDFIs). In 2023, we 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 DeveloperSM Academy](#), program designed to increase the number of women and minority-owned developers in underserved

areas. As of December 2023, Freddie Mac trained more than 119 developers who account for 197 new single-family units and 485 new multifamily units currently in development. The program also opened a new Academy in Milwaukee, Wisconsin, with plans to open an additional market and enroll more developers in the coming year.



7. Promoting Financial Empowerment Through Targeted Outreach and Education

Freddie Mac continued its targeted outreach and education efforts in 2023, resulting in more than 500,000 consumers reached through education and counseling, 70% of whom self-identified as people of color. We also launched the new Spanish-language version of [CreditSmart[®] Essentials](#), our comprehensive financial capability curriculum for consumers, which generated more than 165 million views in Latino markets and drove a 76% increase in traffic to the program's website.

Last year, we also launched [A Seat at the Closing Table](#), an educational program to help mortgage loan officers and other housing professionals expand their businesses and close the homeownership gap for underserved borrowers. Using a multi-channel approach, we were able to reach 12.7 million mortgage professionals and garner 189,000 clicks to the training content.

We will continue building on this momentum in 2024 in alignment with key focus areas.

IMPLEMENTATION

While we have made important progress, we know there is much more to do. Through our 2024 Equitable Housing Finance Plan actions, we seek to build upon the work we started two years ago 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.