2022

Annual Housing Activities Report

Federal Home Loan Mortgage Corporation

March 16, 2023

Freddie Mac
We make home possible®

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Executive Summary

About Freddie Mac

Freddie Mac's mission is to make home possible for families across the nation. Since 1970, we have helped tens of millions of families buy, rent or keep their home.

What We Do

We are a congressionally chartered corporation with a public mission to promote liquidity, stability and affordability in the housing market throughout all economic cycles.

- **Liquidity**: We keep mortgage money flowing through the housing market in communities from coast to coast, including cities, rural areas and underserved areas.
- **Stability**: Our support for the housing market in all economic environments helps families rent, buy and keep homes they can afford.
- **Affordability**: We are committed to creating a more affordable, sustainable and equitable housing finance system. We are also working on ways to address the lack of affordable housing supply through creation, preservation and rehabilitation.

Freddie Mac operates in the U.S. secondary mortgage market, buying responsible, sustainable loans from approved single-family and multifamily lenders. We then pool the mortgages into securities and sell them to a diverse set of investors from all over the world. This process enables us to buy more loans from lenders who can in turn help more families buy or rent a home. We serve this role throughout the cycle, in good times and bad.

Our Mission and Strategic Priorities

Freddie Mac has four strategic priorities, each of which was created to ensure we fully serve our mission:

- Deliver on affordable housing.
- Identify, assess and manage our risks.
- Grow, develop and empower talent – for today and tomorrow.
- Build financial strength to serve our mission.

These strategic priorities help us create a more liquid, stable, affordable and equitable housing finance system that serves lenders, families and the housing market. And, as with any mission-driven company, our people are at the center of all we do.

Our 2022 Impact

In a year with significant volatility and a challenging macroeconomic environment, Freddie Mac made home possible for 2.5 million families, while delivering solid financial results. Looking ahead, we will implement our affordable, sustainable and equitable housing plans without compromising safety and soundness. Specifically, Freddie Mac:

- Provided $614 billion in liquidity to the housing market through more than 1,000 lenders.
- Financed approximately one million home purchases, with more than half of the owner-occupied homes affordable to low- and moderate-income families.
- Financed 695,000 rental units, 96 percent of which were affordable to families earning no more than 120 percent of area median income (AMI).

Freddie Mac made home possible for 440,000 first-time homebuyers, representing nearly half of our primary residence purchases. We also purchased tens of thousands of loans through Freddie Mac Home Possible®, our flagship mortgage product that helps low-income homebuyers by offering a down payment as low as three percent. Nearly 40 percent of Home Possible loans purchased last year supported majority-minority communities.

Our Multifamily Targeted Affordable Housing business provides financing to properties subject to government programs with rent or income restrictions. In 2022, this business line provided a record $15 billion to finance nearly 139,000 affordable units. This milestone represents nearly 60 percent growth over 2021. Freddie Mac also enabled approximately 20,000 residents of manufactured housing communities to benefit from a series of tenant protections that go beyond current state and local requirements.

Freddie Mac also began implementing its first [Equitable Housing and Finance Plan](#) in 2022 and executed on its [Duty to Serve Plan](#) to support underserved markets. Along with other actions to advance affordable housing, the efforts within these plans are improving outcomes for renters and borrowers, particularly for traditionally underserved borrowers and communities.

Helping Renters and Borrowers

Freddie Mac launched a company-wide effort to help more renters improve their credit scores and achieve homeownership through a program that encourages multifamily property owners to report on-time rent payments to the major credit bureaus. Since it launched in late 2021, more than 150,000 families have enrolled in the program, with over 21,000 renters establishing credit scores for the first time. In our Single-Family Division, we now consider on-time rent payments as part of our loan purchase decisions as well, representing our multifaceted approach to providing equitable opportunities for renters and borrowers.

We also introduced innovations that allow us to review a borrower's bank account data to quickly identify assets, income, employment and a history of positive monthly cash flow activity. This simplifies the underwriting process and helps make ownership more accessible to those who may not have qualified with traditional underwriting, such as first-time homebuyers and families in underserved communities.

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

America's affordability crisis cannot be addressed on the financing side alone. That's why we are also looking for ways to increase the supply of affordable housing. For example, last year, we updated our credit requirements to help grow the accessory dwelling unit (ADU) market. Freddie Mac now allows an ADU on 2- and 3-unit properties. In addition, our CHOICERenovation® mortgage offering allows borrowers to include renovation costs in the mortgage financing to address the aging housing supply, the need for affordable housing and the increased demand for aging-in-place housing solutions. Further, we expanded the types of loans Freddie Mac will purchase from housing finance agencies to include manufactured homes and 2- to 4-unit properties.

Our Multifamily Division also ramped up its work to support supply, providing a record $1.9 billion in forward commitments, supporting 20,000 future new or rehabilitated affordable housing units. We expect to support 74,000 future new or rehabilitated affordable housing units through forward commitments by 2025. These agreements provide construction lenders and housing developers with greater certainty around permanent financing, thereby limiting risks they face when executing complex multifamily deals in volatile markets.

Increasing Opportunities for Diverse and Emerging Lenders and Market Participants

In 2022, Freddie Mac continued to increase diversity across the housing finance industry. We expanded the Develop the Developer℠ Academy (DTDA), which previously focused on single-family developers, to include multifamily developers with properties of five or more units. The program provides training and technical assistance to diverse real estate developers to reinvest in and improve historically underserved areas. To date, the program has graduated 72 developers across five cohorts and educated over 400 developers and housing intermediaries through our supplemental deep dive sessions.

We also developed and implemented a program that bridges the gap between small financial institutions and Freddie Mac by leveraging our existing multifamily lender network as intermediaries. Our correspondent lender program aims to support smaller lenders' efforts to scale their impact.

In addition, Freddie Mac continued our support for diverse-owned capital markets firms, acquiring the credit protection of approximately $833 million on more than $50 billion in unpaid principal balance of mortgage loans sub-brokered by certified minority business enterprises (MBEs) during the year.

As part of our commitment to green and sustainable housing, in 2022, we issued more than $4.3 billion in Single-Family Green Mortgage-Backed Securities (MBS) and Multifamily Impact Bonds and offered more than $3 billion in Single-Family affordable housing bonds. We also expanded our offerings through the launch of our Single-Family Green and Social Bond Frameworks, which broaden the criteria of eligible mortgages available for securitization.

At Freddie Mac, we know our work to support affordable, sustainable and equitable housing for families and communities nationwide is never done. Our efforts in 2022 represent progress we will continue to build on to make home possible for all.

Introduction

Pursuant to section 307(f) of the Federal Home Loan Mortgage Corporation Act, as amended, 12 U.S.C. § 1456(f), the Federal Home Loan Mortgage Corporation (Freddie Mac) must submit annually to the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Financial Services of the House of Representatives and the Federal Housing Finance Agency (FHFA) a report on its activities under subpart B of part 2 of subtitle A of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, 12 U.S.C. §§ 4561 et seq.

The following constitutes Freddie Mac's 2022 Annual Housing Activities Report to Congress and the FHFA under section 307(f) and FHFA regulations at 12 C.F.R. 1282.63.2[1]

[1] The statistical and financial information included in this Report and in the tables referenced in this Report may not be comparable to information provided in Freddie Mac's public disclosure documents, including Monthly Volume Summaries and reports filed with the U.S. Securities and Exchange Commission, as the statistical and financial information included in this report and in the tables has been compiled and aggregated in accordance with specific regulatory guidelines. The information presented in the exhibits (and described in the related discussion) is derived from certain tables included in Freddie Mac's 2022 Annual Mortgage Report (2021 AMR). The 2022 AMR is being delivered to the FHFA with this report.

How Freddie Mac Supports Homeownership and Rental Markets.[2]

In 2022, Freddie Mac purchased more than 1.6 million mortgages on single-family owner-occupied properties, and more than 4,400 mortgages on multifamily properties.[3]

Exhibit A-1 summarizes our performance for the single-family affordable housing goals, listing for each affordable housing goal the regulatory benchmark, our performance against the benchmark in 2022, the dollar volume of goal-qualifying mortgages that Freddie Mac purchased in 2022 and the number of goal-qualifying mortgages.

	2022 Benchmark	2022 Performance	Volume ($Millions)	Owner-Occupied Mortgages Financed
Low-Income Purchase Goal	28%	29.0%	$57,219	264,118
Very Low-Income Purchase Goal	7%	7.1%	$10,063	64,850
Low-Income Areas Purchase Goal	20%	28.7%	$70,655	261,537
Low-Income Census Tracts Subgoal	4%	9.1%	$25,990	82,883
Minority Census Tracts Subgoal	10%	12.8%	$28,825	116,223
Low-Income Refinance Goal	26%	37.1%	$47,249	254,332

[2] § 307(f)(2)(A) requires that this report include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals established under such subpart.
[3] The vast majority of these single-family and multifamily mortgages funded "eligible housing units" for purposes of the housing goals, and thus was used as the basis for calculating our performance under the housing goals.

Exhibit A-2 summarizes our performance for the multifamily affordable housing goals, listing for the multifamily goal and subgoals, the regulatory targets, our performance against the targets in 2022 and the dollar volume of goal-qualifying units that Freddie Mac financed in 2022.

Exhibit A-2: Freddie Mac's 2022 Multifamily Affordable Housing Goals Performance

	2022 Benchmark (Units)	2022 Performance (Units)	Volume[4] ($Millions)
Low-Income Goal	415,000	420,106	$43,786
Very Low-Income Subgoal	88,000	127,733	$10,586
Low-Income Subgoal (5 – 50 Unit Properties)	23,000	27,103	$2,559

Pursuant to FHFA regulations,[5] Freddie Mac may achieve a single-family housing goal or subgoal by meeting or exceeding either the FHFA benchmark or the share of qualifying loans originated by the market, as calculated from Home Mortgage Disclosure Act (HMDA) data. Freddie Mac may achieve a multifamily housing goal or subgoal by meeting or exceeding the FHFA benchmark.

Based upon our preliminary single-family results, we believe we achieved all six of the single-family housing goals and subgoals by exceeding the FHFA benchmarks in 2022. The above table includes the FHFA benchmark level for each single-family housing goal and subgoal. The FHFA will calculate the market levels based on data collected under the HMDA and uses that to determine and publish our official performance.

In 2022, Freddie Mac also financed 17,230 low-income rental units in single-family 2- to 4-unit properties in which an owner-occupant resides in one unit.

Based upon our preliminary single-family and multifamily results, we believe we achieved all housing goals and subgoals by exceeding the FHFA benchmarks in 2022. Our official performance will be determined and published by the FHFA.

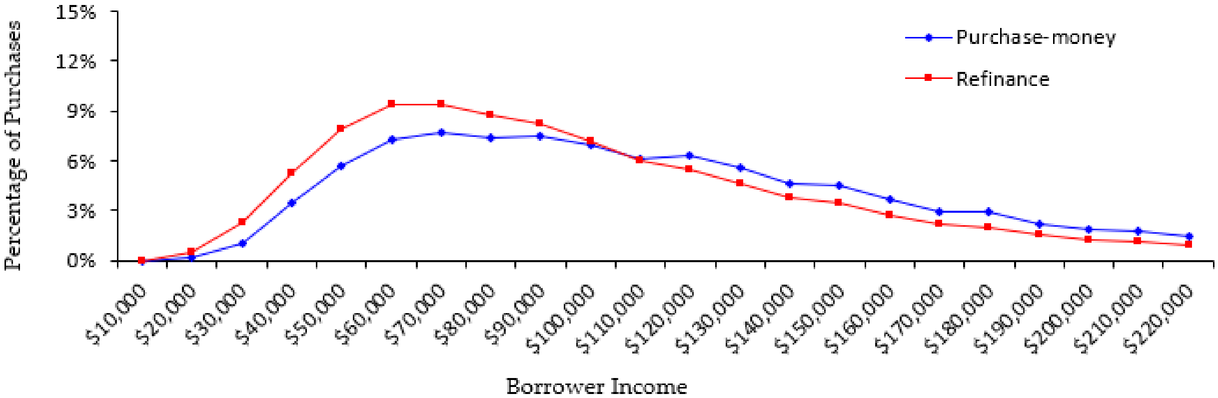
[4] Volume includes UPB amounts related to underlying Multifamily units with and without rental information, as reflected on Table 3A of the 2021 AMR.
[5] 12 CFR §1282.12.

How Freddie Mac Serves a Broad Range of Families.[6]

In 2022, Freddie Mac financed housing for over 2.5 million families, including more than 1.8 million single-family units and 693,000[7] multifamily rental units.

The following exhibits provide the information required under § 307(f)(2)(B).

Exhibit B-1:
Freddie Mac's 2022 Single-Family Owner-Occupied Mortgage Purchases, by Borrower Income



Source: Freddie Mac internal data. Exhibit B-1 represents the vast majority of Freddie Mac's Single-Family purchase-money and refinance mortgage purchase activity by income.

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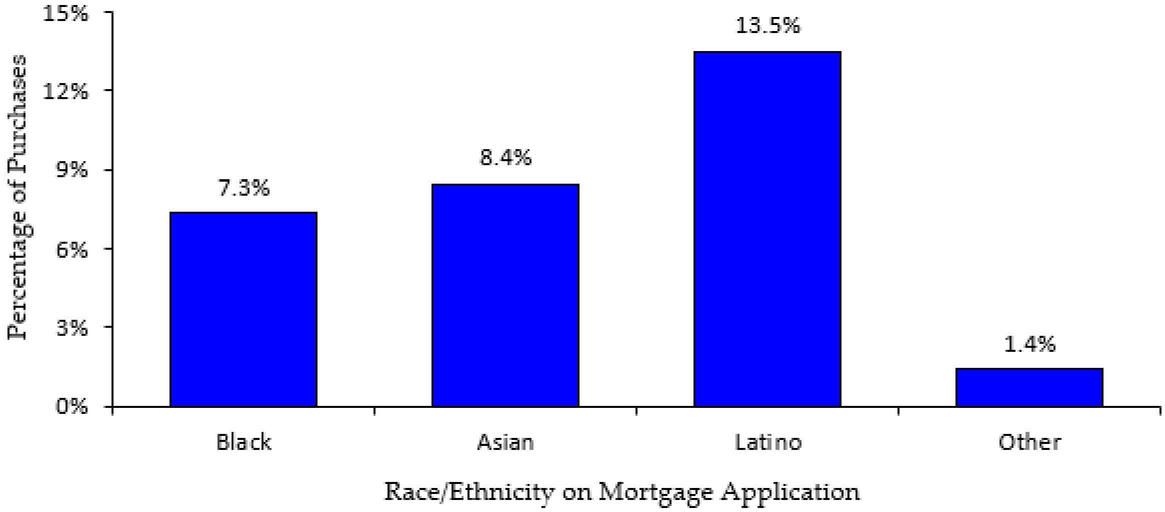
[6] § 307(f)(2)(B) requires that this report include, in aggregate form and by appropriate category, statements of the number of families served by the Corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed.

[7] Additionally, Freddie Mac provided financing for approximately 2,400 multifamily cooperative units.

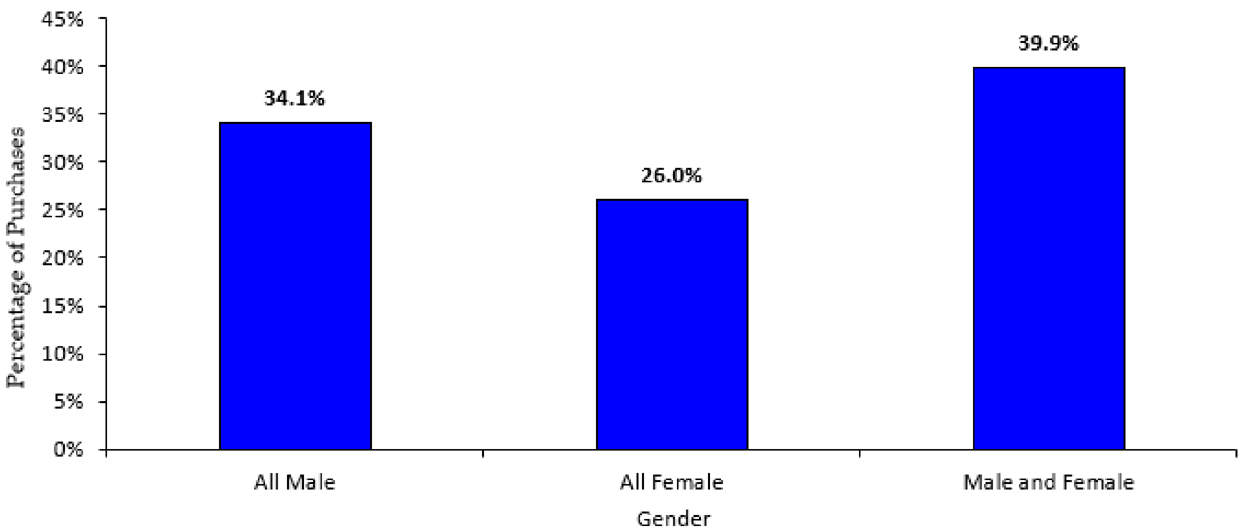
Exhibit B-2:
Freddie Mac's 2022 Single-Family Owner-Occupied Mortgage Purchases, by Race/Ethnicity of Minority Borrowers



Note: The “Other” category includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, mortgages that have White and minority co-borrowers, and mortgages where a borrower defines him or herself to be of two or more races. The Latino borrower category overlaps with other minority categories since borrowers may define themselves to be of Hispanic/Latino ethnicity and also belong to one or more racial classifications. Minority shares exclude mortgages where (a) ethnicity is non-Hispanic/Latino and race is missing, (b) race is White and ethnicity is missing, or (c) both race and ethnicity are missing.

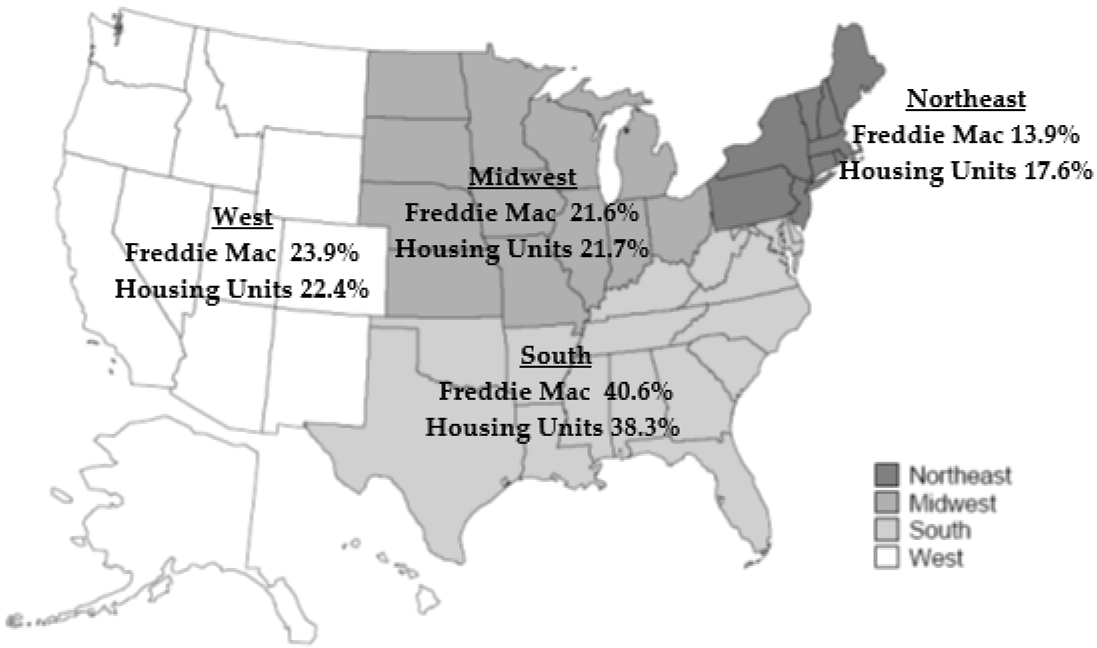
Source: Table 5A & 5B of the 2022 AMR.

Exhibit B-3:
Freddie Mac's 2022 Single-Family Owner-Occupied Mortgage Purchases, by Borrower Gender



Note: These calculations exclude those mortgages for which we do not have borrower gender information.
Source: Table 6 of the 2022 AMR.

Exhibit B-4:
Freddie Mac's 2022 Single-Family Units Compared to
2021 Occupied Single-Family Housing Units, by Census Region



Note: Housing Unit data from 2021 American Community Survey.
Does not include Puerto Rico, Guam or U.S. Virgin Islands.

Exhibit B-5:
Freddie Mac's 2022 Single-Family Owner-Occupied Mortgage Purchases,
by Borrower Income Relative to Area Median Income

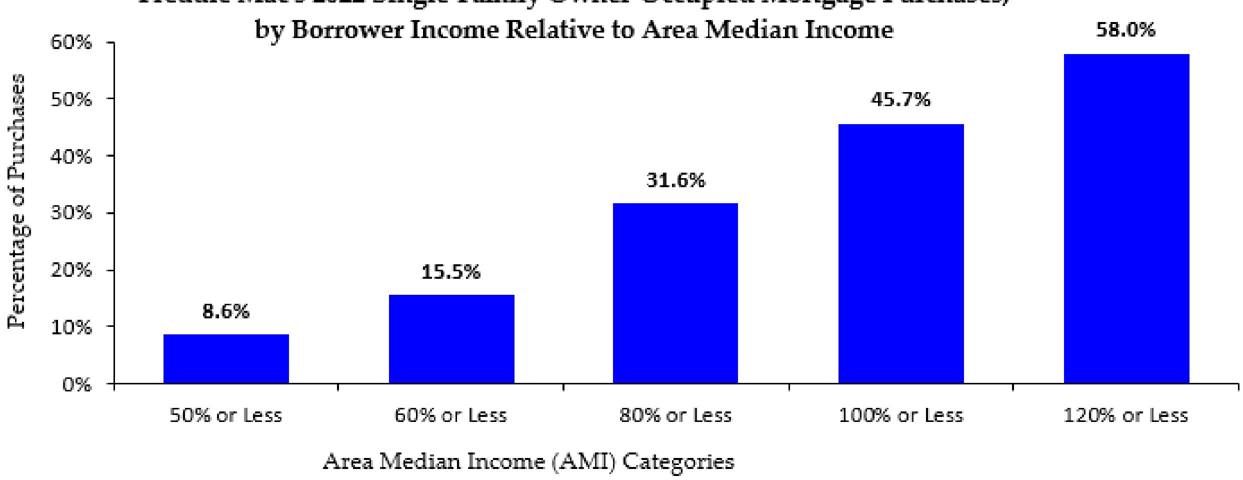
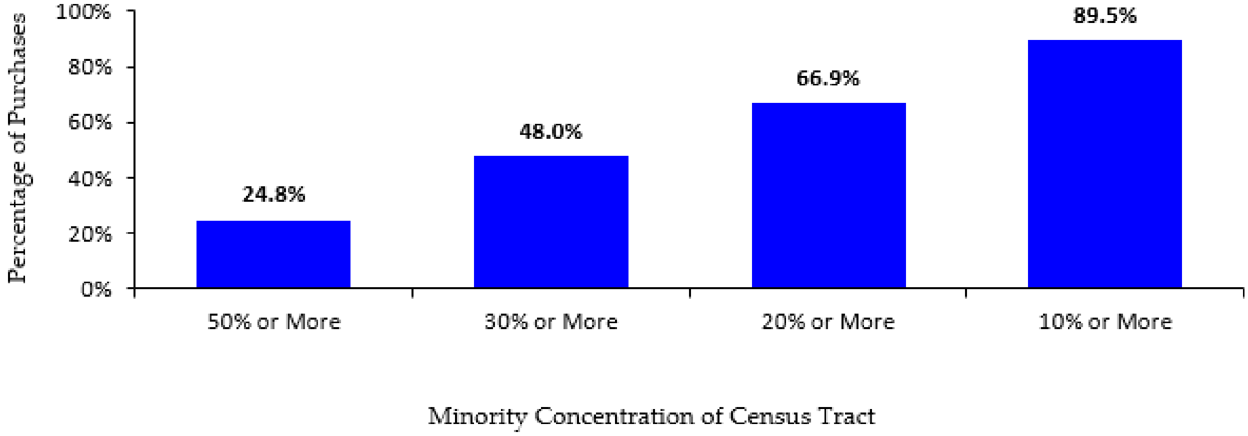
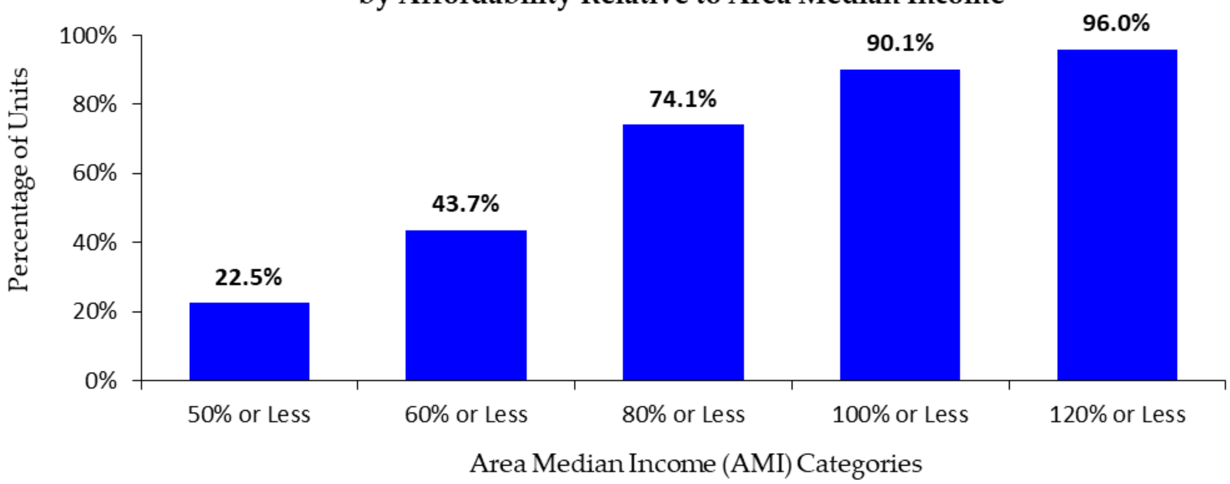


Exhibit B-6:
Freddie Mac's 2022 Single-Family Owner-Occupied Mortgage Purchases, by Minority Concentration of Census Tract



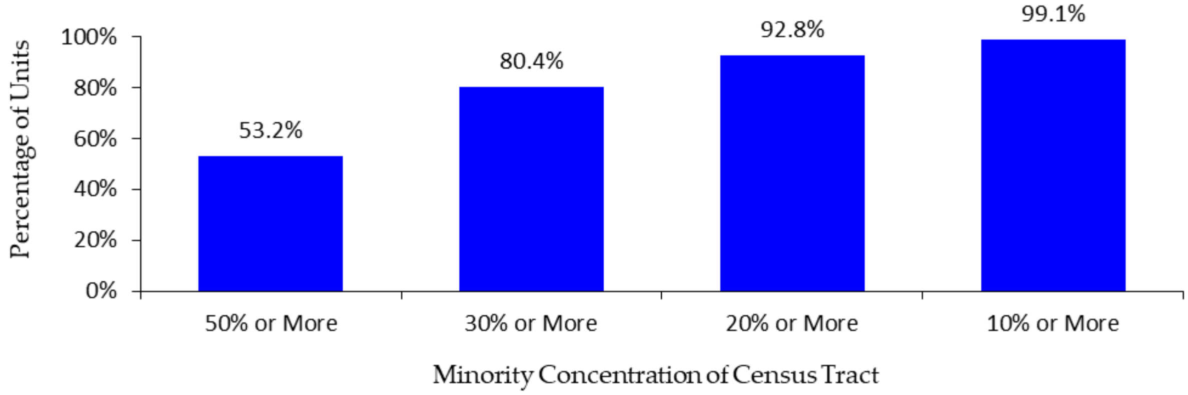
Source: Table 7 of the 2022 AMR.

Exhibit B-7:
Freddie Mac's 2022 Multifamily Rental Units, by Affordability Relative to Area Median Income



Source: Table 3A of the 2022 AMR.

Exhibit: B-8:
Freddie Mac's 2022 Multifamily Rental Units,
by Minority Concentration of Census Tract



Source: Table 8A of the 2022 AMR.

SF- Sections A-E, Section I

How Freddie Mac Leverages Investments made by Other Federal Housing Programs[8].

In 2022, Freddie Mac purchased or guaranteed almost $73 million in single-family mortgages (financing approximately 360 mortgages) and approximately $19.92 billion in multifamily mortgages (financing approximately 200,300 units)[9] that had been used in conjunction with various federal public subsidy programs including the following:

- The Federal Housing Administration (FHA) program
- The Department of Veterans Affairs (VA) program
- The U.S. Department of Agriculture's (USDA) Guaranteed Rural Housing program
- Mortgage Revenue Bonds (MRBs) issued by various state and local housing finance agencies (HFAs)
- Low-Income Housing Tax Credits (LIHTC)
- Section 8 and Section 236 programs

In addition, Freddie Mac securitizes pools of multifamily mortgage revenue bonds under its Tax-Exempt Bond Securitization (TEBS) execution and credit enhances tax-exempt multifamily mortgage revenue bonds through its bond credit enhancement program. These multifamily transactions totaled almost $1.1 billion in 2022, financing approximately 7,000 units. Freddie Mac also purchases tax-exempt loans (TELs) from HFAs. In 2022, these TEL multifamily transactions totaled roughly $2.8 billion, financing approximately 22,000 units.

[8] § 307(f)(2)(C) requires that this report include a statement of the extent to which the mortgages purchased by the Corporation have been used in conjunction with public subsidy programs under federal law.

[9] Approximately 86,250 of these units were Section 8, LIHTC and Section 236 supported units

SF- Sections A-E, Section I

How Freddie Mac Expanded Access to Credit for First-Time and Underserved Families.[10]

In 2022, Freddie Mac purchased over 444,000 mortgages of first-time homebuyers, representing 49 percent of our owner-occupied, purchase money mortgages for which information on the borrower's ownership history is available.[11]

Freddie Mac facilitated homeownership opportunities for first-time homebuyers through its Single-Family products, programs and services. In particular, Single-Family continues to focus its efforts on meeting the needs of first-time and underserved homebuyers through responsible offerings, the development of strong relationships and a heightened focus on broadening access to credit. For example, Freddie Mac's affordable Home Possible® and HFA Advantage® mortgage products are well established, providing financing for first-time homebuyers. In 2022, approximately 80.3 percent of Home Possible and HFA Advantage mortgages were attributable to first-time homebuyers. Additionally, Freddie Mac continues to engage nonprofit organizations, lenders and housing professionals in educational and outreach initiatives designed to inform and prepare homebuyers and homeowners on how to build and maintain better credit, make sound financial decisions and understand the steps to successful long-term homeownership.

These actions complement the outreach and business-related activities Freddie Mac is continuously engaged in with our Single-Family lenders and state and local housing finance agencies (HFAs). For more information on these and other areas in which Freddie Mac is engaged in support of affordable housing, please see Section K.

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[10] § 307(f)(2)(D) requires that this report include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the Corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers.

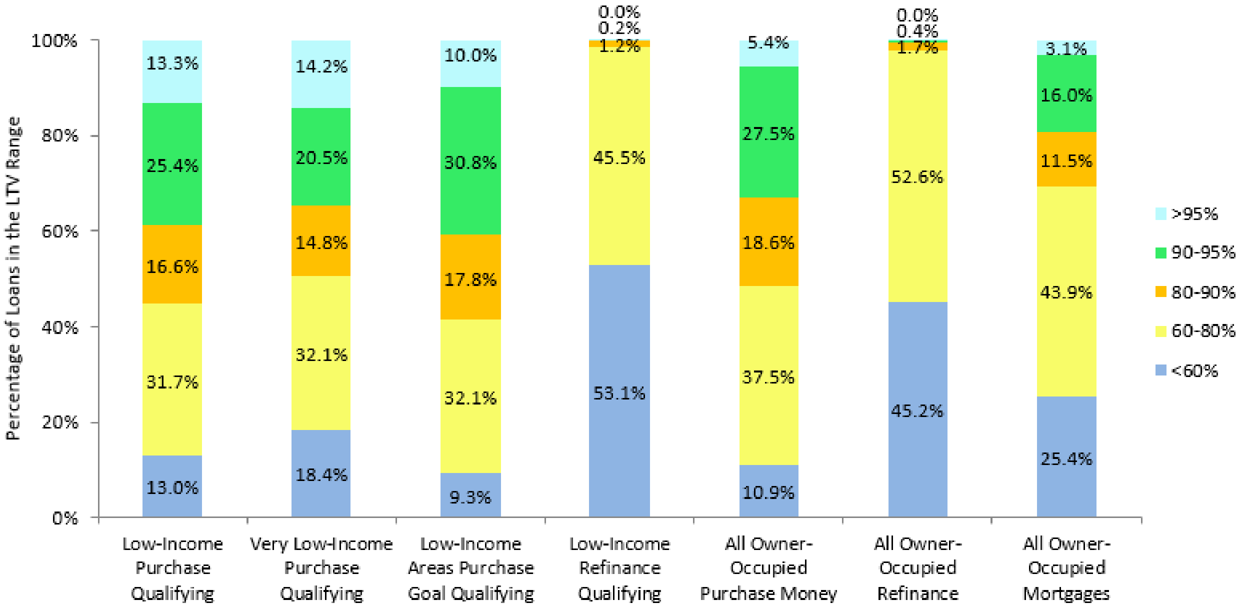
[11] We do not have information on the borrower's ownership history for 0.0001 percent (1) of the single-family, owner-occupied, purchase money mortgages we purchased in 2022. Therefore, we excluded the mortgage from the calculations underlying the information presented in this section.

SF- Sections A-E, Section II

How Freddie Mac Serves Families with a Range of Incomes.[12]

Exhibit E compares the loan-to-value (LTV) distribution on the goal-qualifying, single-family owner-occupied mortgages acquired by Freddie Mac in 2022 to the LTV distribution on all single-family owner-occupied mortgages acquired by Freddie Mac in 2022, as measured at the time of origination.

Exhibit E:
Distribution of Freddie Mac Single-Family Owner-Occupied Mortgage Purchases by LTV



Note: These calculations exclude those mortgages for which we do not have LTV information.
Source: Table 11 of the 2022 AMR

[12] § 307(f)(2)(E) requires that this report include, in aggregate form and by appropriate category, the data provided to the Director of FHFA under subsection (e)(1)(B) [loan-to-value ratios of purchased mortgages at the time of origination].

SF- Section F

How Freddie Mac Ensures Access to Credit for all Market Segments[13]

During 2022, Freddie Mac securitized approximately $614 billion in single-family and multifamily mortgage loans. We had total portfolio acquisitions of $409 billion. In 2022, Freddie Mac's portfolio decreased by $18 billion.

[13] § 307(f)(2)(F) requires that this report compare the level of securitization versus portfolio activity.

SF- Section G

How Freddie Mac Promotes Sustainable Homeownership.[14]

Freddie Mac regularly evaluates market conditions, the credit environment and the performance of our mortgage purchases to help align our underwriting standards, business practices, repurchase requirements, pricing, fees and procedures with our mission to provide liquidity, stability and affordability to the conforming mortgage market and to promote affordable housing, access to credit and fair lending.

During 2022, Freddie Mac continued to take steps consistent with prudent risk management to manage the risk of our credit terms, provide mortgage leadership in the marketplace and help lenders make mortgage financing available for homeowners on terms intended to sustain successful homeownership. In doing so, Freddie Mac made credit policy changes and enhancements in 2022 to help serve very low-, low- and moderate-income households, including the following:

Accessory Dwelling Unit (ADU) expansion

ADUs offer many benefits, particularly in geographic areas experiencing housing shortages. ADUs may provide more space for a homeowner or extended family or serve as a source of rental income. To support the growing popularity of ADUs and their role in increasing housing affordability, we have updated our requirements to provide more flexibility for mortgages secured by properties with ADUs.

We enhanced features by:

- Updating the Single-Family Seller/Servicer Guide (Guide) to expand our ADU eligibility requirements, in response to recent zoning and ordinance changes in many geographic areas. Now, we allow one ADU on 2- and 3-unit properties, where previously a mortgage secured by a property with an ADU was eligible for sale to Freddie Mac only if the property was a 1-unit dwelling. Additionally, we have added “ADU” to our Glossary and updated references from “accessory unit” to “ADU” throughout the Guide.
- Updating the Guide to allow rental income generated from an ADU on a subject 1-unit primary residence. Previously, rental income generated from an ADU on a 1-unit primary residence could be considered for mortgage qualification only when the borrower had a disability and the rental income was from a live-in aide, or when the mortgage was a Home Possible mortgage. We have updated our requirements to allow rental income generated from an ADU on a subject 1-unit primary residence to be considered when qualifying the borrower for a purchase or a “no cash-out” refinance mortgage, provided that certain requirements are met.
- Clarifying the Guide on the allowance of a “no cash-out” refinance mortgage to help finance ADU construction or renovation. We are specifying that our existing CHOICERenovation mortgage offering provides an option to use a “no cash-out” refinance mortgage to pay off short-term

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[14] § 307(f)(2)(G) requires that this report assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending. As implemented by § 81.43(a) of the U.S. Department of Housing and Urban Development’s regulations, 24 C.F.R. § 81.43(a) (2005).

financing that financed ADU renovations, including the addition or renovation of an ADU, that is completed prior to the note date.

Refi Possible℠ Mortgage Enhancement

The Freddie Mac Refi Possible℠ mortgage offers more options and greater credit flexibility to assist very low-, low- and moderate-income borrowers refinance their home.

We enhanced the offering by:

- Updating the Guide to remove the minimum Indicator Score requirement for Refi Possible mortgages. We no longer require a minimum score; however, an Indicator Score must still be identified and delivered for a Refi Possible mortgage.

Home Possible Mortgage Enhancements and Adjustments

Home Possible offers more options and credit flexibility to help very low- to low-income borrowers attain the dream of owning a home, with a down payment requirement of as little as three percent.

We enhanced the offering by:

- Clarifying in the Guide that, for condominium unit mortgages that are Home Possible mortgages, Sellers must comply with all of the requirements for streamlined condominium reviews, including the maximum loan-to-value (LTV)/total LTV (TLTV)/Home Equity Line of Credit (HELOC) (HTLTV) ratios, to be eligible for the streamlined project review type.

Manufactured Housing Mortgage Enhancements

Manufactured housing mortgages expand homeownership opportunities to more borrowers with mortgages secured by manufactured homes.

We enhanced features by:

- Clarifying in the Guide the requirement that the mortgage file must contain evidence that the installation was completed in compliance with HUD Codes for manufactured homes applies only to newly installed manufactured homes. An appraisal report completed on an existing manufactured home can serve as evidence the installation was in compliance with HUD Codes and the foundation was designed for the site conditions and home design features and meets local, state and federal codes, as applicable.
- Clarifying the Guide where it did not specifically address the eligibility of manufactured homes with Freddie Mac Affordable Seconds®. To provide clarification regarding requirements for these mortgages and ease of reference, we consolidated the following existing requirements for manufactured homes with Affordable Seconds in Section 5703.3: The manufactured home must be a 1-unit primary residence. The mortgage must be a Home Possible mortgage and, if the manufactured home is in a condominium project, the applicable Guide requirements in Section 5701.5(f)(1) through (f)(5) must be met.
- Updating the Guide to allow the sale of manufactured homes on leasehold estates to Freddie Mac when there is demonstrated market acceptance and written approval is obtained. Requirements for a mortgage secured by a manufactured home on a leasehold estate are provided in the new Guide Chapter 5706.

- Updating the Guide requirement for CHOICEHome®. Previously, Sellers needed special approval to sell CHOICEHome mortgages to Freddie Mac; now, they don't need the special approval.

Resale Restriction Enhancements – Community Land Trusts and Income-Based Resale-Restricted Properties

Resale-restricted mortgages can provide permanently affordable homeownership opportunities for households with very low, low and moderate incomes through a shared equity model. These are typically established and managed by nonprofits, or by state or local governments, and help improve communities through investment, empowerment and lasting affordability.

We enhanced features by:

- Updating the Guide where Freddie Mac requires Sellers of Community Land Trust (CLT) mortgages to review the ground lease for each mortgage submitted to us for purchase, to ensure conformity with one of the two approved model ground leases. With this update, and with prior written approval, Sellers who submit mortgages from CLTs that are certified under a Freddie Mac-approved program may be exempt from Seller review of the CLT's ground lease. We also updated the Guide to allow a 2-unit property as a CLT mortgage.

- Updating the Guide for income-based resale-restricted properties to provide Sellers the option to use the Model Declaration of Affordability and Covenants with Refinance and Resale Restriction and Purchase Option, the Commentary to the Model Document and the Model Subordinate Mortgage for income-based/deed-restricted shared equity programs. We collectively refer to this as the "Model Declaration." These documents were developed to promote best practices and standardization of documentation for income-based/deed-restricted affordable housing programs, while also allowing flexibility in the programs' design. Use of these documents is not required; they are intended to help provide ease of market entry for these programs and provide standardized documents for affordable housing programs that use deed covenants or deed restrictions in lieu of a ground lease.

How Freddie Mac Promotes Fair Lending

The Annual Assessment

The principal federal fair lending laws applicable to Freddie Mac include the Fair Housing Act, the Equal Credit Opportunity Act and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended, and their implementing regulations. Under the Safety and Soundness Act, as part of this report, the company must provide an annual assessment of its standards, business practices and requirements that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on a protected class to promote affordable housing or fair lending. The sections that follow satisfy this requirement.

Freddie Mac's Fair Lending Program

- Developed an enterprise-wide fair lending program to effectively identify, assess, monitor and mitigate fair lending risk and prevent the occurrence of fair lending violations.

- Designed, and continue to implement, a Fair Lending Program plan for the company and each division.
- Assigned mandatory fair lending training to all divisions that engage in fair lending business activities.
- Published enterprise and divisional Fair Lending Policies.
- Enhanced the enterprise Fair Lending Risk Assessment methodology to prioritize fair lending reviews of identified policies, models, practices and procedures.

Expanding Access through Loan Product Advisor® (LPA℠)

Freddie Mac updated LPA, our automated underwriting system (AUS), to further promote affordability, fair lending and equity.

- **Less Discriminatory Alternatives:** The company incorporated upgrades to LPA that employ state-of-the-art techniques, such as generative adversarial networks (GANs), to search for less discriminatory alternatives in the data and increase fairness in credit decisions. These techniques mitigate fair lending risk by attempting to reduce disparities in accept-rate ratios while maintaining responsible risk parameters.
- **Rental Payment History:** The company modified LPA in July to consider bank data to ensure that on-time rent payments are factored into its loan purchase decisions. Incorporating consideration of rent payment history into LPA enabled Freddie Mac, through its Sellers, to upgrade more than an estimated 250 loan applications that initially received a Caution rating to an Accept rating.
- **Loan Purchase Eligibility Criteria:** The company expanded its credit decision parameters in November to include the review, through its Sellers, of a borrower's bank transaction data to look for a history of positive cash flow in their bank account month-over-month. The addition of this capability resulted in Freddie Mac upgrading more than an estimated 500 loan applications that initially received a Caution rating to an Accept rating.
- **LPA Stakeholder Community:** All proposed modifications to Freddie Mac's LPA that implicate fair lending matters are reviewed by key internal stakeholders, including affordable, fair lending and equity subject matter experts.

Additionally, the company is continuing to explore incorporating additional alternative credit information within LPA.

Freddie Mac Efforts to Manage Risks Associated with Potential Appraisal Bias

Freddie Mac implemented several strategies to address potential undervaluation of properties in traditionally underserved minority communities and the potential for implicit bias in appraisals. They included:

- Creating and staffing a new Appraisal Quality Monitoring team.
- Deploying an enhanced undervaluation rule within Loan Collateral Advisor®, Freddie Mac's automated tool that analyzes appraisal reports and provides lenders with feedback on appraisal quality and valuation risk.
- Designing text detection capabilities to identify potentially discriminatory or otherwise inappropriate language in appraisal reports.

- Updating the Single-Family Seller/Servicer Guide to clarify seller responsibilities for appraisals and establish new requirements for Servicers to maintain certain fair lending data elements. The requirements are effective for all mortgages originated after March 1, 2023. In addition, the company updated its Multifamily Seller/Servicer Guide in June 2022 to define prohibited factors and potential code words that could indicate bias in appraisals and added a requirement that the appraiser's certification include a statement that the appraisal was conducted in compliance with all relevant laws, including the Fair Housing Act and Equal Credit Opportunity Act.

Pricing/Fees

To advance sustainable and equitable access to affordable housing, the FHFA announced a new pricing framework on October 24, 2022, that was developed in partnership with Fannie Mae and Freddie Mac. The new pricing framework eliminates upfront fees for certain first-time homebuyers, low-income borrowers and mission-related loan programs.

Repurchase Requirements

Freddie Mac promotes fair lending compliance among its business counterparties by requiring Sellers/Servicers to comply with all applicable federal, state and local laws, including the Fair Housing Act and the Equal Credit Opportunity Act, as further described in the Single-Family Seller/Servicer Guide and the Multifamily Seller/Servicer Guide. Freddie Mac has the right to issue a repurchase request to any Seller who fails to comply with applicable laws.

How Freddie Mac Supports the Affordable Housing Rental Market[15]

Our Multifamily segment provides liquidity and support to the multifamily mortgage market through a variety of activities that include the purchase, securitization and guarantee of multifamily loans originated by our Optigo® network of approved lenders. Our support of the multifamily mortgage market occurs through all economic cycles and is especially important during periods of economic stress. During these periods, we serve a critical countercyclical role by providing liquidity when many other capital providers exit the market. Central to our mission is our commitment to support greater access to quality, affordable and sustainable rental housing, particularly in underserved markets.

National Trends in the Primary and Secondary Multifamily Mortgage Markets

Effective rent growth (i.e., the average rent paid by the renter over the term of the lease, adjusted for concessions by the landlord and costs borne by the renter) was elevated in 2022, averaging 9.7 percent at the national level, nearly triple the long-term average of 3.3 percent.

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[15] § 307(f)(2)(H) requires that this report describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress, toward standardization and securitization of mortgage products for multifamily housing.

Net absorption in 2022 exceed completions for the year, but demand for rental units moderated during the second half of the year due to increased economic uncertainty. Throughout 2022, the vacancy rate remained relatively stable; vacancies at year end 2022 averaged 4.5 percent, which is lower than the long-term average (between 2000 and 2022) of 5.3 percent.

Multifamily property prices declined about 5 percent during the second half of the year, which was the first decline since 2010. Prices were up for all of 2022, but modestly at just 1.8 percent. The decline in property prices during the fourth quarter was attributable to higher interest rates slowing transaction activity.

Our multifamily delinquency rate was 12 basis points as of December 31, 2022, up from 8 basis points at December 31, 2021.

Freddie Mac Multifamily Financing and Initiatives

The amount and type of multifamily loans that we purchase are significantly influenced by current market conditions, along with the Multifamily loan purchase cap and the Multifamily Affordable Housing goals established by the FHFA. As of December 31, 2022, the total Multifamily new business activity subject to the FHFA 2022 loan purchase cap of $78 billion was $72.8 billion. Approximately 69 percent of this activity, based on unpaid principal balance (UPB), was mission-driven, affordable housing, with approximately 33 percent being affordable to renters at or below 60 percent of AMI, both exceeding the FHFA’s minimum requirements (50 percent and 25 percent, respectively).

Our new business activity was slightly higher in 2022 compared to 2021 due to a larger FHFA loan purchase cap in 2022.

Our index lock agreements and outstanding commitments to purchase or guarantee multifamily assets were $14.8 billion and $19.5 billion as of December 31, 2022, and December 31, 2021, respectively.

Standardization and Securitization

Our primary business model is to acquire loans that lenders originate and then pool those loans into mortgage-related securities that transfer interest rate and liquidity risk to investors and can be sold in the capital markets. We guarantee some or all of the issued mortgage-related securities in exchange for guarantee fees. To reduce our exposure under our guarantees, we transfer credit risk to third-party investors, either through the issuance of subordinate securities as part of the securitization transaction or by entering into a freestanding credit risk transfer (CRT) transaction.

Our Optigo network allows lenders to offer borrowers a variety of loan products for the acquisition, refinance and/or rehabilitation of multifamily properties. While our Optigo lenders originate the loans that we purchase, we use a prior approval underwriting approach. Under this approach, we maintain credit discipline by completing our own underwriting, credit review and legal review for each loan prior to issuing a loan purchase commitment, including reviewing third-party appraisals and performing cash flow analysis. This helps us maintain credit discipline throughout the process.

We continue to support the multifamily mortgage market's LIBOR transition efforts as we quote, purchase and securitize new floating rate loans indexed to SOFR, thereby adding liquidity to the market and facilitating the transition to SOFR.

We securitize substantially all the loans we purchase after a short holding period as we aggregate sufficient loans with similar terms and risk characteristics. We offer two main types of securitization products: K Certificates, which typically involve the issuance of subordinate securities that transfer credit risk to third-party investors, and Multifamily PCs, which are fully guaranteed securities where we retain the credit risk of the underlying mortgage loans. Certain of our securitization product issuances are focused on addressing affordable housing challenges and supporting broader environmental, social and sustainability goals.

During 2022, we issued $46.5 billion of K Certificates and $11.6 billion of Multifamily PCs.

While we primarily transfer credit risk through our K Certificate transactions, we may also enter into other types of CRT transactions to transfer to third parties a portion of the credit risk of certain loans that are not covered by subordination, such as our Multifamily PCs.

As of December 31, 2022, we had cumulatively transferred a substantial amount of the expected and stressed credit risk on the Multifamily mortgage portfolio, primarily through subordination in our securitizations. In addition, our securitization activities shifted interest rate and liquidity risk associated with the underlying collateral away from Freddie Mac to third-party investors.

Trends in Delinquency and Default Rates for Low- and Moderate-Income Families[16]

Two measures contrast the delinquency and default performance of mortgages serving low- and moderate-income (LMI) borrowers to the performance of mortgages serving borrowers who are above the area median income (non-LMI). In Exhibit I, the chart compares Early 90-day delinquencies (occurring within the first 12 months of acquisition) and defaults.[17]

[16] § 307(f)(2)(I) requires that this report describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the Corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the Corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families.

[17] The information presented in this section and in Exhibit I is based upon an analysis of unseasoned, conforming, conventional, owner-occupied primary residences, forward amortizing, first lien, non-Graduated Equity Mortgages/Graduated Payment Mortgages, excluding Relief Refinance mortgages and HAMP modifications. Delinquency is defined as the borrower ever being 90 or more days delinquent on the mortgage within 12 months of Freddie Mac's acquisition. Default is defined as a foreclosure, deed-in-lieu of foreclosure, or third-party sale occurring at any point since Freddie Mac acquired the mortgage. With respect to the delinquency rate, we analyzed only the performance during the first year so that we could present a trend over time that avoided commingling mortgages of different ages. The analysis presented here does not control for other risk factors, such as LTV or credit history.

Exhibit I: Relative Early 90-Day Delinquency and Default Rates between Single-Family Loans Serving Low- and Moderate-Income Families and Loans Serving Families with Income above the Median Level, by Year

Acquisition Year	Income Group	Average Rate of 90-day Delinquency	Percent Difference	Average Rate of Default	Percent Difference
2004	Above Median Income	0.17%		3.51%	
	Low-Mod Income	0.39%	130%	6.83%	95%
2005	Above Median Income	0.29%		7.23%	
	Low-Mod Income	0.50%	72%	10.59%	46%
2006	Above Median Income	0.60%		13.03%	
	Low-Mod Income	0.77%	28%	14.82%	14%
2007	Above Median Income	1.93%		17.45%	
	Low-Mod Income	2.20%	14%	20.59%	18%
2008	Above Median Income	1.40%		7.42%	
	Low-Mod Income	1.93%	38%	11.81%	59%
2009	Above Median Income	0.11%		0.84%	
	Low-Mod Income	0.23%	112%	2.25%	167%

2010	Above Median Income	0.04%		0.47%	
	Low-Mod Income	0.11%	145%	1.54%	227%
2011	Above Median Income	0.03%		0.30%	
	Low-Mod Income	0.10%	226%	1.07%	257%
2012	Above Median Income	0.03%		0.18%	
	Low-Mod Income	0.07%	159%	0.61%	238%
2013	Above Median Income	0.03%		0.22%	
	Low-Mod Income	0.08%	165%	0.65%	201%
2014	Above Median Income	0.06%		0.35%	
	Low-Mod Income	0.13%	124%	0.83%	136%
2015	Above Median Income	0.05%		0.27%	
	Low-Mod Income	0.11%	103%	0.62%	125%
2016	Above Median Income	0.08%		0.25%	
	Low-Mod Income	0.14%	78%	0.57%	127%
2017	Above Median Income	0.36%		0.23%	

	Low-Mod Income	0.38%	8%	0.56%	139%
2018	Above Median Income	0.14%		0.18%	
	Low-Mod Income	0.26%	89%	0.46%	161%
2019	Above Median Income	1.90%		0.07%	
	Low-Mod Income	2.07%	9%	0.23%	213%
2020	Above Median Income	0.97%		0.02%	
	Low-Mod Income	1.29%	33%	0.07%	258%
2021	Above Median Income	0.31%		0.01%	
	Low-Mod Income	0.45%	45%	0.04%	193%

Source: Internal Freddie Mac delinquency study.

Freddie Mac's Broad and Diverse Partnership Network[18]

Freddie Mac purchases mortgages from a network of over 1,606 Single-Family lenders, benefiting borrowers across the U.S. and its territories. Some of these firms sell mortgages to Freddie Mac on a regular basis, while others sell to Freddie Mac only occasionally.

Of the total Single-Family Seller network, 1,082 Single-Family lenders sold mortgages to Freddie Mac in 2022, and approximately 80 percent of the total Single-Family lender network are considered community-oriented lenders. In 2022, Freddie Mac purchased approximately $26.83 billion in Single-Family mortgages from community-oriented lenders, approximately $91.70 billion in Single-Family mortgages from regional lenders, and approximately $22.34 billion and $5.71 billion in Single-Family mortgages from lenders which identified themselves as minority-owned and or women-owned, respectively, for a total volume of $28.04 billion collectively.

Beginning in 2023, Freddie Mac has implemented an account support model which increases our dedication to support minority-owned, women-owned and community-oriented lenders.

Freddie Mac purchases mortgages from a network of 55 Multifamily lenders. In 2022, of the total active Multifamily lender network, 26 lenders sold the majority of Multifamily mortgages to Freddie Mac[19] and six lenders participated in one-time structured transactions. The remaining 23 Multifamily lenders participated in one-time structured transactions, were approved as a new lender and had no production volume at year end or sold mortgages pursuant to the Single-Family Rental pilot program (such pilot program has concluded as directed by the FHFA)[20] in previous years. Of the total Multifamily lender network, seven such lenders identified themselves as community-oriented lenders and one such lender identified themselves as a woman-owned lender.

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[18] § 307(f)(2)(J) requires that this report describe in the aggregate the Seller and Servicer network of the Corporation, including the volume of mortgages purchased from minority-owned, women-owned and community-oriented lenders, and any efforts to facilitate relationships with such lenders.

[19] These lenders included our Conventional, Targeted Affordable Housing, Seniors Housing and Small Balance Loan lenders. This list is available at https://mf.freddiemac.com/borrowers#toolbar-bar

[20] https://www.fhfa.gov/Media/PublicAffairs/PublicAffairsDocuments/SFR-Decision-8212018.pdf

Section K

Freddie Mac's Partnership with Nonprofit and Not-for-Profit Organizations with State and Local Governments and Housing Finance Agencies[21]

Freddie Mac undertakes numerous activities in support of affordable housing with state and local governments, housing finance agencies (HFAs), our lender clients and a wide variety of nonprofit and for-profit organizations. The following sections describe some of these affordable activities Freddie Mac continued to take in 2022 that should also support the objectives of the Cranston-Gonzalez National Affordable Housing Act.

HFA Activities

Freddie Mac recognizes the vital role HFAs play in providing financing and programs that create housing opportunities for low- to moderate-income borrowers and believes working collaboratively with HFAs is critical to advancing affordable, sustainable homeownership. To that end, Freddie Mac continues to explore and identify opportunities to partner with HFAs.

Consistent and Sustainable Liquidity Source: Our HFA Advantage® mortgage product was specifically created to support state and local HFAs' affordable lending efforts. HFA Advantage allows 97 percent LTV and 105 percent maximum total LTV ratios, enables HFAs to apply their own mission-driven income limits, and allows their preferred homebuyer education programs. In 2022, 87.6 percent of HFA Advantage mortgages were made to first-time homebuyers, and 87.2 percent of the HFA loans delivered to Freddie Mac qualified for at least one single-family affordable housing goal. Freddie Mac funded loans from state and local HFAs in 36 states and the District of Columbia. In December 2022, we eliminated delivery fees for all HFA Advantage loans delivered to Freddie Mac, regardless of borrower AMI.

Outreach and Training: In 2022, approximately 5,900 housing industry professionals, including key personnel from HFA-approved participating lenders and realtor partners, participated in 120 Freddie Mac-hosted HFA Advantage training sessions nationwide. These educational sessions provided operational and technological support, consultation on Freddie Mac loan products and program design and discussion of housing market trends. Freddie Mac's numerous touchpoints with HFAs help us understand the evolving needs of our HFA clients.

Collaboration, Input and Thought Leadership: Freddie Mac's dedicated internal HFA teams focus on enhancing our relationships with state and local HFAs. We seek HFAs' insight on certain innovative affordable housing activities in which they regularly engage. Additionally, our HFA partners actively participate in key corporate advisory groups and initiatives. In 2022, Freddie Mac continued to pursue two HFA-related initiatives: 1) developing DPA One℠, an industry standard database and user interface to capture, retain and provide information for affordable down payment assistance (DPA) programs

[21] § 307(f)(2)(K) requires that this report describe the activities undertaken by the Corporation with nonprofit and for-profit organizations and with state and local governments and housing finance agencies, including how the Corporation's activities support the objective of comprehensive housing affordability strategies under section 12705 of Title 42.

nationwide; and 2) developing a standardized subordinate note and security instrument for affordable DPA programs. Both initiatives focus on broader access to DPA programs, reducing production costs and potential errors related to originating, documenting and delivering loans and improving the borrower's experience and understanding of their second loan obligations.

Housing Finance Agency Initiative

On behalf of the U.S. Department of the Treasury, Freddie Mac continues to effectively manage the administration of the HFA Initiative – New Issue Bond Program (NIBP). As part of the Homeowner Affordability and Stability Plan, the HFA Initiative was an interim solution designed in 2009 to assist state and local HFAs' lending programs and support their infrastructure. To ensure effective and proper governance of the NIBP program, Freddie Mac employees from the Single-Family, Multifamily, Counterparty Credit Risk and Legal divisions continue to support Freddie Mac's administration of the NIBP jointly with Fannie Mae. The Temporary Credit and Liquidity Program (TCLP), another component of the HFA Initiative, was successfully closed on December 31, 2015.

Neighborhood Stabilization

In support of the FHFA's Neighborhood Stabilization Initiative (NSI),[22] an effort to stabilize communities that had been hardest hit by the housing crisis, Freddie Mac continued its Block-by-Block Initiative (BbB) designed to revitalize struggling urban neighborhoods. Through collaboration with neighborhood organizations, local residents and key stakeholders, BbB is intended to help facilitate sustainable neighborhood growth.

Chicago's Block-by-Block Initiative was impacted significantly by the coronavirus pandemic. While priorities continued to shift in 2021, the program began transitioning to its new normal in 2022. The lead agency started to review its approach to resident stabilization and identified community support gaps that extended beyond the traditional view of homeowner stability. With continued support of mortgage and rental assistance programs, the agency expanded its stabilization effort to include safety, health and wellness.

Home sales in the target area continue at a faster pace than adjacent neighborhoods, with 26 new homeowners in 2022. Residents continue to be proactive in reaching out to the BbB lead organization, Neighborhood Housing Services of Chicago. More than 140 residents received education and mortgage assistance grants which helped them avoid losing their homes.

The BbB homeownership and financial webinars are continuing in a virtual environment but are also being done face to face once again. These workshops are being held in all BbB neighborhoods at several community venues including libraries, schools and churches. Resident engagement remains high and popular workshops include rehabilitation, property taxes, wealth building and estate planning, and mortgage assistance programs (e.g., down payment and closing cost assistance, foreclosure prevention). Overall, approximately 3,700 consumers received pre- and post-purchase counseling and education, and approximately 140 consumer events were held.

[22] https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Neighborhood-Stabilization-Initiative.aspx.

Similar to Chicago, the Block-by-Block initiative in Baltimore was significantly impacted by the pandemic. In 2022, the lead nonprofit took the opportunity to reimagine this initiative post-pandemic by re-branding and marketing to the community. The marketing campaign showcased the revitalization efforts undertaken on the Fayette Street corridor, as well as complimentary efforts of other nonprofit organizations. They began leveraging social media, local advertising and the voices of local influencers to create a community conversation about the benefits of homeownership, and the opportunities for homeownership in Baltimore City.

Since the pandemic was still a concern, the lead nonprofit continued to do most education workshops virtually. More than 150 potential homebuyers from Baltimore received homebuyer education and more than 60 received one-on-one counseling. Although homebuyer volumes were down due to rising interest rates, the shortage of inventory and increasing home prices, the lead nonprofit successfully renovated and sold four properties. Moving into 2023, they have two properties currently on the market for sale, two under construction and four additional homes that are awaiting permits to begin work.

Borrower Help Centers/Borrower Help Network

Freddie Mac continues to maintain its Borrower Help Centers & Borrower Help Network (BHC/N)[23] with selected HUD-approved nonprofit organizations in several metropolitan areas, as a single source of mortgage-related help with professional and tenured housing counselors. Along with the BHC/N, we work with more than 50 local and national nonprofit intermediaries to support Freddie Mac's ongoing commitment of preparing prospective buyers for responsible homeownership and helping struggling borrowers avoid foreclosure. Given the impact of the pandemic, the BHC/N has been working with many clients needing to take advantage of a forbearance in order to temporarily reduce their monthly mortgage payment. Although the need for foreclosure prevention counseling has begun to increase, the demand for front-end homebuyer education remains high as well.

In 2022, the BHC/N and other partners provided approximately 40,000 individuals with one-on-one pre-purchase counseling, homebuyer education to more than 104,000 consumers, financial capability education to approximately 161,000 individuals; referred more than 13,000 potential homebuyers to lenders for homeownership opportunities; and provided foreclosure avoidance education and counseling to more than 41,000 households.

Other Initiatives with Nonprofits

Freddie Mac continues to engage nonprofit organizations, lenders and housing professionals in education and outreach initiatives designed to inform and prepare homebuyers and homeowners on how to build and maintain better credit, make sound financial decisions and understand the steps to sustainable homeownership. The educational tools used to support these initiatives include the Freddie Mac CreditSmart® suite of products[24] comprised of educational resources designed to empower consumers with the skills and knowledge to assist them through every stage of their financial capability and homeownership journey.

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[23] http://www.freddiemac.com/singlefamily/housingpros/help_centers.html
[24] http://www.freddiemac.com/creditsmart/

The suite includes:

- **CreditSmart® Essentials:** a financial capability curriculum for consumers. Since its 2020 launch, CreditSmart Essentials usage has continued to increase, with more than 7,000 users in 2022. It will be available in Spanish by end of Q2 2023.

- **CreditSmart® Coach**: an interactive financial capability train-the-trainer program.

- **CreditSmart® Homebuyer U**: a comprehensive homeownership education course to help guide first-time homebuyers. Completion of Homebuyer U satisfies the homebuyer education requirement for our low down payment products and is available in English and Spanish. Approximately 74,000 potential homebuyers completed CreditSmart Homebuyer U in 2022.

Regional and Local Initiatives

Freddie Mac also undertakes numerous outreach initiatives in support of affordable, sustainable and equitable homeownership, designed to expand homeownership opportunities specifically in minority and underserved communities in states and localities across the country. These initiatives include:

- Financial capability
- Homebuyer education and counseling
- Wealth building and estate planning
- Access to bilingual homeownership information and counseling
- Outreach to military service members
- Outreach to individuals and families with disabilities

Due to the lingering effects of the pandemic, we hosted local housing industry workshops virtually but anticipate re-establishing face-to-face workshops in 2023.

Affordable Housing Advisory Council (AHAC)

The AHAC is a group of affordable housing representatives that Freddie Mac convenes to discuss, review and confirm various aspects of our affordable housing approach, policies and initiatives. The group met virtually two times in 2022. We did not host an in-person event for 2022.

In our efforts to expand membership, we added 15 members, representing lenders and community development financial institutions. At our meeting in June 2022, we highlighted the 2022-2024 Equitable Housing Financial Plan. The plan is designed to promote equity and increase sustainable homeownership and rental opportunities for traditionally underserved Black and Latino communities across the nation. Additionally, we discussed the 2022-2024 Duty to Serve Underserved Markets Plan. The Duty to Serve plan details how we are supporting affordable housing in historically underserved markets nationwide by increasing loan purchases, implementing product enhancements and new offerings, conducting industry-leading research and delivering technical assistance for lenders and education for borrowers.

Our meeting in October 2022 focused on first-time homebuyers and their critical role in sustaining the housing ecosystem. At the meeting, we shared the Freddie Mac First-Time Homebuyer Affordability Map℠ (FFTHAM). This map was developed using uniquely constructed anonymized administrative datasets that measure how many creditworthy renters have enough income to purchase a home that was bought by a recent first-time homebuyer with a comparable credit profile in the area. The map provides insights to researchers, policy makers and practitioners on what areas are best suited for expanding access to credit to low-income families or for closing minority homeownership gaps.

Down payment is one of the largest barriers to homeownership and we provided the AHAC with a product overview and a demonstration of DPA One, Freddie Mac's one-stop shop that maximizes down payment assistance (DPA) program utilization nationwide. It works by seamlessly connecting and matching DPA programs and lenders.

As an integral part of this meeting, a council member was represented in the discussion and shared the benefit of participating in the development of DPA One and an overview of their innovative strategies to support first-time homebuyers and affordable housing supply.

These meetings were designed to educate and inspire action, collaboration and partnership among council members.