



Freddie Mac Fact Sheet: Equitable Housing Finance Plan

ABOUT THE PLAN

In 2021, the Federal Housing Finance Agency’s (FHFA) directed Freddie Mac and Fannie Mae to prepare and implement three-year Equitable Housing Finance Plans to advance equity in housing finance. Freddie Mac’s ambitious Plan is designed to promote sustainable homeownership and rental opportunities for traditionally underserved Black and Latino communities nationwide. It sets ambitious goals, identifies specific potential actions to achieve those goals and requires regular progress reports.

The company’s Plan is an important component of Freddie Mac’s expansive, mission-driven work to provide liquidity, stability and affordability across all market cycles and in all communities nationwide.



CORE ELEMENTS

The Plan formalizes Freddie Mac’s commitment to work across the industry to create opportunities for families who have historically lacked equitable access to sustainable and affordable housing. The Plan outlines actions taken over three years that are meant to advance equity in both the single-family and multifamily housing markets. These actions were carefully developed to facilitate homeownership sustainably and responsibly, in keeping with the company’s commitment to safety and soundness.

The company is exploring action in five key areas:



1. Address the Homeownership Gap

Freddie Mac will introduce new responsible and impactful initiatives that are designed to expand access to credit and lower costs. Among the many initiatives is a commitment to fully explore the use of the Special Purpose Credit Program framework to expand access to mortgage funding for traditionally underserved minority communities. Under federal law, lenders may offer special underwriting or pricing for such groups as part of a SPCP.

Freddie Mac will explore SPCPs to help expand homeownership for underserved communities, including by lowering the cost of mortgage and title insurance. The company will also expand its Automated Collateral Evaluation appraisal alternative to help mitigate disparities and reduce costs for borrowers. The company will also evaluate its servicing policies to help improve borrower outcomes for traditionally underserved Black and Latino homeowners.



2. Strengthening Investment within Formerly Redlined Areas

Freddie Mac’s Plan seeks to strengthen support for underserved renters and multifamily borrowers, expand financing for affordable rental housing developers, and help Community Development Financial Institutions, minority depository



institutions and smaller banks with improved access to capital.

Among other activities, the Plan maps out an approach to build a Single-Family Social Bond framework that will create new securities offerings to support underserved borrowers. It also maps out actions to address appraisal and valuation equity concerns in both residential and multifamily appraisals. For the multifamily market, the Plan outlines actions to support emerging developers by financing noncontiguous 2–4-unit rental properties in historically underinvested communities.



3. Financing the Creation and Preservation of Affordable Housing

Freddie Mac is already leveraging public and private investments to create and preserve vital, affordable multifamily housing, with a focus on communities. The company also plans to expand utilization of its renovation products to preserve the aging stock of affordable single-family homes, which is particularly prevalent in communities of color.

Among other actions outlined in the Plan, Freddie Mac will look to enhance existing products and develop offerings designed to encourage new construction of multifamily rental housing. This will include expanding the use of our forward commitment construction take-out financing offerings. The company will also analyze the feasibility of supporting the construction lending market through either sponsoring the securitization of third-party, ground-up construction-to-permanent financing on multifamily properties or through developing the capability to purchase construction-to-permanent loans. Freddie Mac will also implement additional actions to encourage the rehabilitation of existing affordable multifamily units in formerly redlined areas and other geographic areas of underinvestment.



4. Increasing Opportunities for Renters

Under the Plan, Freddie Mac will expand on the company’s Multifamily [credit-building](#) initiative with new tools aimed at encouraging financial empowerment, wealth-building, tenant protections and resident services. These efforts seek to improve the gaps in social and economic mobility that often impact renters, particularly traditionally underserved Black and Latino households.

Among other actions, Freddie Mac will conduct a nationwide analysis of existing tenant protections and work with market stakeholders, including tenants’ rights advocates and multifamily developers, owners and property managers, to develop a set of baseline tenant protections that could be applied to future Freddie Mac-financed properties. The

company will also examine the accessibility and efficacy of Housing Choice Vouchers and develop strategies that Freddie Mac can implement to increase their acceptance.



5. Helping to Address Disparities Among Black and Latino Communities

The Plan introduces several new efforts aimed at improving access to capital for emerging diverse multifamily developers to increase wealth-building and enhance the ability for people to invest in and grow their communities. Additionally, the company will expand its “Develop the Developer” education and financing opportunities for emerging minority and female developers whose focus is on developing and redeveloping their own communities.

IMPLEMENTATION

Freddie Mac has already begun implementation of the Plan. For each of the actions discussed in the Plan, the company has laid out specific and measurable goals with an accompanying timeline from 2022-2024.

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