



Freddie Mac Announces Reentry into Low-Income Housing Tax Credit Market

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Initiative Will Provide up to \$500 Million for Affordable Housing

MCLEAN, VA--(Marketwired - Nov 16, 2017) - [Freddie Mac](#) (OTCQB: FMCC) today announced its re-entry into the Low-Income Housing Tax Credit (LIHTC) market. LIHTC, the leading federal program for encouraging the investment of equity in affordable rental housing, will support the creation and preservation of affordable rental housing for low- and very low-income households.

Freddie Mac's LIHTC investment initiative is designed to provide liquidity and stability to the market. It expects to close its first investment in January, 2018.

"We are excited to resume investing in Low-Income Housing Tax Credits, which will expand our affordable housing efforts and help provide stability to this market," said David Brickman, executive vice president and head of Freddie Mac Multifamily. "Few programs are as mutually beneficial as LIHTC. It incentivizes private investment in affordable housing, delivers much-needed cash equity to owners of affordable properties and, most importantly, encourages the development and preservation of critical affordable housing in underserved areas throughout the country."

The LIHTC program was created to provide multifamily property owners and investors with an incentive to create and maintain quality affordable housing. Under the program, qualified properties are allocated federal tax credits and investors are able to invest in those properties in order to take advantage of the tax credit. The LIHTC program infuses cash equity into low-income housing properties, which reduces the debt burden for the development of new, or the rehabilitation of existing, affordable properties. As a result, private investors take the risk so U.S. taxpayers do not.

"Our LIHTC investment initiative will focus on affordable housing preservation, rural housing, markets with uneven or unpredictable liquidity, and other underserved areas that have been identified in our Duty to Serve plan. Doing so will have a significant positive impact on communities with some of the most serious affordable housing needs," said David Leopold, vice president of Targeted Affordable Sales & Investments at Freddie Mac Multifamily. "Ultimately, we seek to provide better access to investment capital for developers, particularly those operating in underserved areas that are overlooked by other investors."

The Federal Housing Finance Agency has authorized Freddie Mac to invest in LIHTC equity up to an annual cap of \$500 million, subject to certain conditions. Freddie Mac intends to partner with experienced LIHTC syndicators, through which it will invest. The company will focus on markets and property types underserved by other investors.

Freddie Mac's LIHTC investment initiative has been developed as part of Freddie Mac's Duty to Serve (DTS) plan, which is intended to address some of the country's most persistent affordable housing problems. Freddie Mac's DTS plan goes into effect in January, 2018. For more information, visit FreddieMac.com/About/DutyToServe.

[Freddie Mac Multifamily](#) is the nation's multifamily housing finance leader. Nearly 90 percent of the rental homes we fund are affordable to families with low-to-moderate incomes.

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.

MEDIA CONTACT:

Christopher Spina

703-388-7031

Christopher.Spina@FreddieMac.com

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