

# Leading the Future of Home

MassHousing Symposium – “The State of the Housing Market in Massachusetts”

June 15, 2021

**ALL FOR HOME**

Freddie Mac  
Single-Family

# Speaker Introduction



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**James Hall**

Affordable Lending Manager

James manages relationships with lenders, housing finance agencies, housing intermediaries and other key stakeholders on behalf of Freddie Mac, to educate and better serve, well deserving families.

# Making Home Possible for 50 Years

- Freddie Mac was [chartered by Congress in 1970](#) and operates in the Secondary Mortgage Market
- [Mission](#) to promote liquidity, stability, and affordability in housing – nationwide, in all economic conditions
- [Community mission](#)
  - Stabilize communities
  - Prevent foreclosures
  - Expand credit responsibly
  - Educate future homebuyers and counsel homeowners
  - Support affordable rental housing
- [Three main business lines](#)
  - Single-Family (1- to 4-unit for-sale properties)
  - Multifamily (5+-unit for-rent properties)
  - Capital Markets



# Leading the Future of Home

## Insights



Insights through research studies, thought leadership, speaking opportunities, expert contributions and data to position our clients and partners for success.

## Education



Events, training and financial literacy curricula to help better prepare borrowers for homeownership and to promote responsible and sustainable behaviors.

## Mortgage Products

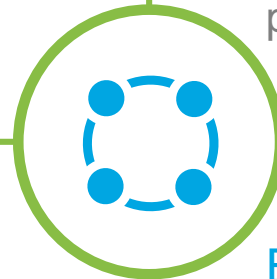


Mortgage offerings that meet borrower needs and opportunities, now and in the future, to include: low down payment options, energy-efficient properties, factory-built housing and renovation mortgages.

## Business Solutions



Services, resources, tools and technologies that enable ecosystem professionals to serve as trusted advisors and to select the best possible option for their borrower.



# The Affordable Ecosystem

**It takes many hands to make home possible.**

Partnership and collaboration across the affordable ecosystem are critical to drive business opportunities and make the dream of home a reality for families.



# Working with HFAs

- Freddie Mac provides HFAs with a source of liquidity and supports their service to low- and moderate-income borrowers
- Launched HFA Advantage<sup>®</sup> mortgage, our enhanced product for housing finance agencies, which includes:
  - 97% LTV, 105% TLTV (1-unit)
  - HFA income limits in lieu of Home Possible<sup>®</sup> Area Median Income limits
  - HFA determines homebuyer education requirements
  - Credit enhancement options including Charter-level mortgage insurance coverage
- Engage with master servicers who have relationships with smaller state and local HFAs
- Contact your state or local HFA for program details

# HFA Role and Impact

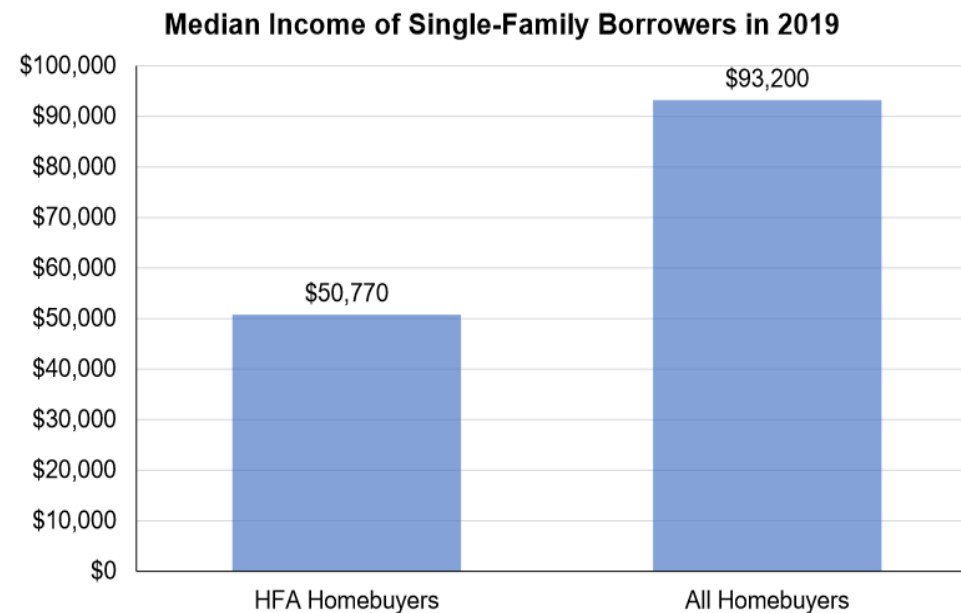
- For over 50 years, housing finance agencies (HFAs) have played a key role in the nation's affordable housing ecosystem
- HFAs serve low- and middle-income households, first time homebuyers, and other specialty segments
- HFAs have delivered more than \$450 billion in financing for the purchase, development, and rehabilitation of more than 7 million affordable homes and rental apartments

# HFAs Reach Underserved Borrowers and Markets

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## State HFAs Reach Underserved Borrowers and Markets



Sources: NCSHA, HUD, National Association of Realtors, Center on Budget and Policy Priorities



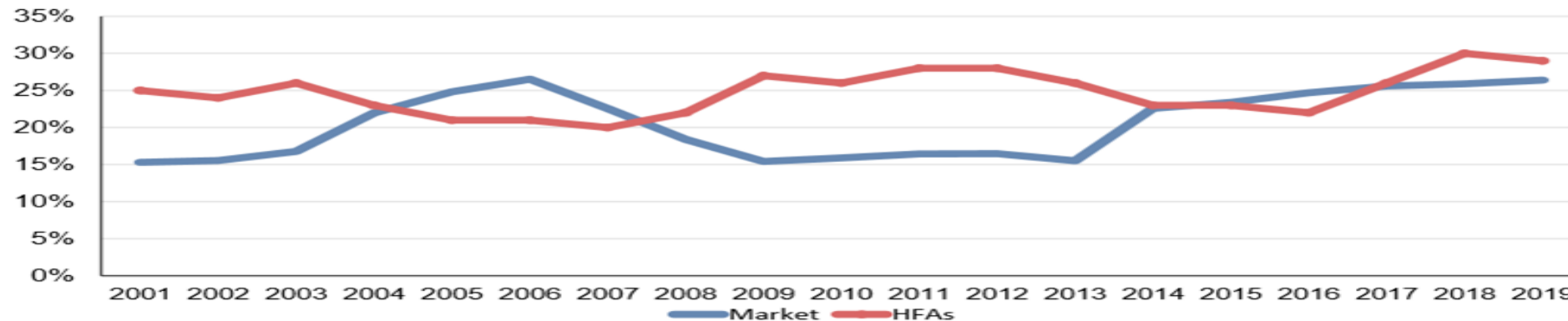
# HFAs Often Lead in Serving Borrowers of Color

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## State HFAs Often Lead in Serving Borrowers of Color

Percentage of Mortgage Loans to Borrowers of Color



State HFAs are drivers of homeownership for borrowers of color, as reflected in the minority borrowers' shares of HFA homeownership financing in states such as:

- CA – 65 percent;
- DC – 79 percent;
- GA – 61 percent;
- LA – 56 percent; and
- TX – 77 percent.

Sources: Home Mortgage Disclosure Act Data from Consumer Financial Protection Bureau, NCSHA

# HFA Advantage<sup>®</sup> Mortgage

One-unit primary residence

Purchase and no cash-out refinancing

Maximum 97% LTV and 105% total loan-to-value (TLTV ratios)

Loan Product Advisor<sup>®</sup> manual UW or alternative UW process subject to prior approval

No reserves required

High loan- to-value (LTV) conventional offering that's **an excellent alternative to FHA** lending requirements and mortgage premiums.

Adopts the requirements of Home Possible<sup>®</sup> but with **added flexibilities for HFAs.**

Income limits established by the HFA

Available to first-time homebuyers, repeat buyers, & borrowers seeking no cash-out refinances

Flexible funding options for down payment and closing costs

Flexible MI options available

# HFA Advantage<sup>®</sup> Mortgage – Mortgage Insurance

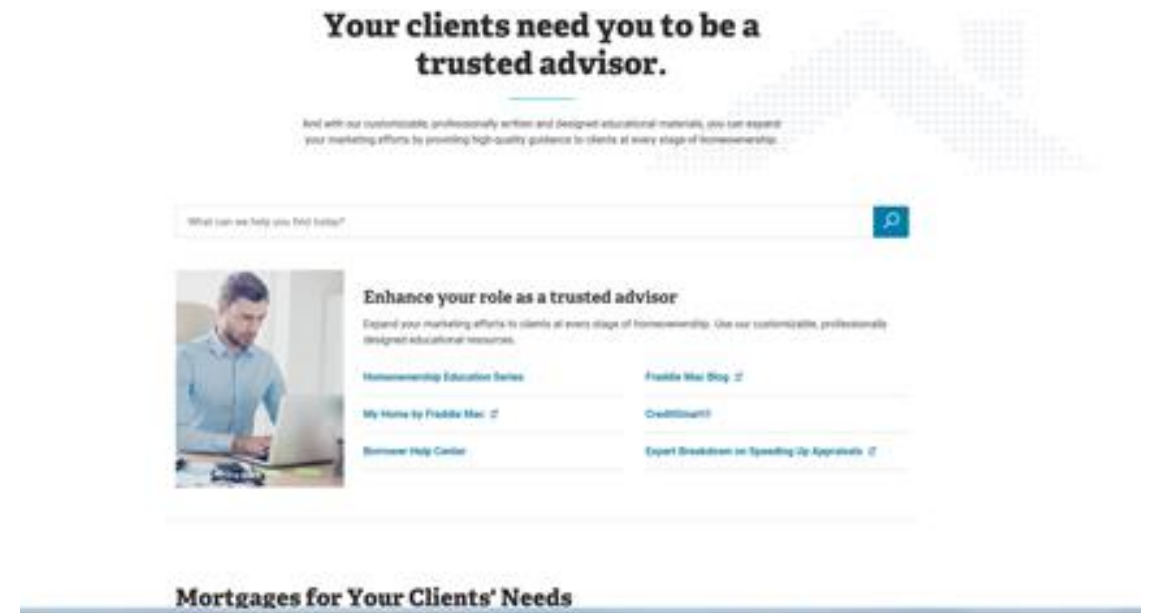
LTV Ratio	HFA Advantage Mortgage Insurance Coverage (Fixed rate only)	Standard Mortgage Insurance Coverage (Fixed rate, term >20 years)
Greater than 80% up to 85%	6%	12%
Greater than 85% up to 90%	12%	25%
Greater than 90% up to 95%	16%	30%
Greater than 95% up to 97%	<b>18%</b>	35%

# Supporting Your Business with Freddie Mac Resources



# Real Estate Professional Resource Center

- Online resource center to help Real Estate Professionals grow their business with first-time homebuyers, low to moderate income buyers and within growing diverse communities
- Learn industry trends, inform on key topics that drive business and empower their clients
- Subscribe for news, events, thought leadership and resources



**Visit:** [SF.FreddieMac.com/working-with-us/real-estate-professionals/overview](https://SF.FreddieMac.com/working-with-us/real-estate-professionals/overview)

# CreditSmart® Financial Education

The CreditSmart® curriculum offers financial education modules to meet the diverse homeownership needs of consumers. It features topics such as credit, money management, homeownership, foreclosure avoidance and more.

- Free, online program on a flexible, interactive platform designed to be accessible from multiple access points
- Multi-lingual options available
- Also offered through webinars and in-person workshops (where available)



**Prepare future borrowers for sustainable homeownership**

**Use CreditSmart workshops to gain entre to community partners and future homebuyers**

**VISIT:** [SF.FreddieMac.com/working-with-us/creditsmart/overview/](https://SF.FreddieMac.com/working-with-us/creditsmart/overview/)

# CreditSmart® Homebuyer U

Homebuyer U is a part of the CreditSmart® suite that focuses on homebuyer education:

- Available as a self-paced, online program that fulfills first-time homebuyer education requirements for obtaining a Home Possible® or HomeOne<sup>SM</sup> mortgage
- Six modules, each focused on a learning principle including credit, money management, and how to sustain and preserve your home purchase investment
- Interactive presentation of material including knowledge checks, ability to start/stop, videos, and voiceovers to provide a user-friendly experience
- Offered in English and Spanish only

The image displays three overlapping screenshots of video content from the CreditSmart Homebuyer U program. The top-left screenshot is titled "Introduction to the Homebuying Process" and shows a video player with a progress bar at 0:00:03. Below the player is a text block: "Homeownership is a key component of the American dream, however the process of buying a home can be complicated and challenging. First-time buyers may face obstacles, including insufficient savings or difficulty getting a mortgage loan because of student loans or other debt. This course will cover everything you need to know to buy a home and will help you overcome barriers in addition to preparing you for the journey of homeownership." The top-right screenshot is titled "Message from Freddie Mac" and features a video of a man in a suit. The bottom screenshot is titled "A Quick View of Your Homebuying Team" and shows a video player with a progress bar at -30s and an "AUTOPLAY" button. Below the player is a graphic of a team of professionals around a table. The bottom-right corner of the bottom screenshot shows the "CreditSmart® Homebuyer U Tutorial" logo.

VISIT: <http://www.freddiemac.com/CreditSmart/HomebuyerU>

An aerial, black and white photograph of a suburban neighborhood. The houses are densely packed, with many trees interspersed among them. A road or driveway runs through the center of the image. The overall scene is peaceful and residential.

# Thank You