



FREDDIE MAC

Equitable Housing Finance Plan

2022 Performance Report

April 2023


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Our Commitment to Advancing Equity in Housing Finance

In Freddie Mac's 2022-2024 [Equitable Housing Finance Plan](#) (Plan), we laid out a comprehensive strategy to advance equitable homeownership and rental opportunities, particularly for underserved communities of color. Throughout 2022, we undertook concrete, meaningful actions—working alongside industry partners, trade organizations and community stakeholders—to begin executing on the Plan's tactics.

In this performance report, we will review the actions taken and results attained through our Equitable Housing Finance Plan initiatives, which seek to improve equitable and sustainable housing outcomes for renters and potential homeowners throughout the country. It is our intention that, through concerted efforts over the long term, we will help close the homeownership divide that has persisted in this country for decades.





Freddie Mac Loan Acquisitions for Families of Color

Freddie Mac’s loan acquisitions will serve as critical metrics in assessing our commitment and progress over time in serving families of color. Our loan acquisitions in 2022 – our baseline – follow. Table 1 includes all 2022 Freddie Mac acquisitions.

Table 1

Families Served ^{1,2,3}				
	Purchase	Purchase	Refinance	Refinance
Group	Loans	%	Loans	%
All	1,039,305	-	763,198	-
White – Non-Hispanic	605,448	67.2%	431,153	69.1%
Overall Minority	295,126	32.8%	193,234	30.9%
Black (African American)	57,889	6.4%	56,283	9.1%
Latino (Hispanic)	125,682	13.8%	95,002	15.0%
Asian	115,728	12.8%	41,848	6.7%
American Indian	8,156	0.9%	6,710	1.1%
Pacific Islander	3,520	0.4%	2,920	0.5%



Progress in Support of the Equitable Housing Finance Plan

ADDRESSING THE HOMEOWNERSHIP GAP

Freddie Mac is working to help close the homeownership gap between Black/Latino borrowers and white borrowers. This work includes implementing a Special Purpose Credit Program (SPCP) framework to expand access to mortgage funding, as well as offerings that may be delivered through an SPCP or offered separately on mortgages originated for underserved borrowers.

Special Purpose Credit Programs

A core component of our Plan is the use of SPCPs to expand access to mortgage funding for underserved groups, both in creating new Freddie Mac SPCPs and in purchasing loans originated through approved lender SPCPs. In 2022, we made strides in both areas, working to review and approve lender programs and launching a Freddie Mac designed SPCP.

Freddie Mac Designed SPCP – We launched our first SPCP, Freddie Mac BorrowSmart AccessSM, to address the greatest barrier to homeownership: gathering sufficient funds to close a mortgage transaction. BorrowSmart Access is a 97% loan-to-value (LTV) mortgage that provides funding support for first-time homebuyers up to 140% of area median income through cash-to-close contributions from both Freddie Mac and the originating lender, totaling at least \$3,000 in benefit to the borrower. This offering is targeted to 10 geographic markets that have a high number of mortgage-ready potential borrowers from underserved groups, as well as an adequate supply of affordable housing.

We offered this limited opportunity to a cross-section of regional to national lenders who have a strong market presence in the targeted geographies: Atlanta, Chicago, Detroit, El Paso, Houston, McAllen (TX), Memphis, Miami, Philadelphia and St. Louis.

Lender SPCPs – Many Freddie Mac Sellers have developed SPCPs through which they originate mortgages for borrowers in traditionally underserved communities. For example, in 2022, Freddie Mac purchased approximately 1,400 loans originated under one lender's SPCP. In an effort to provide additional liquidity for lender SPCPs, Freddie Mac has developed an expedited review framework to analyze and approve programs submitted to us by our clients, to ensure that mortgages originated through lenders' programs and purchased by Freddie Mac meet our established credit standards. An additional benefit of this review process is that it gives us insights into our clients' diverse perspectives that can inform our own SPCP-related work.





Complementary to SPCP Offerings – We are also developing and/or enhancing several capabilities that can help underserved borrowers attain and preserve homeownership.

- **Special Servicing Framework:** We developed our Special Servicing Framework, a strategy that applies a high-touch servicing and monitoring approach to loans within the portfolio. It includes oversight of loan servicing, collections, call center and default management operations, all designed to help borrowers successfully meet their loan obligations and sustain homeownership. This framework was developed for use with future offerings, including SPCPs, to optimize homeownership retention. We have selected and engaged a special servicer for launch and have begun to develop the infrastructure and special servicing plan to engage them in a manner above and beyond existing practice. We also hired a dedicated team of Freddie Mac employees to provide an additional level of oversight for this effort. In late 2022, we moved 490 loans under the framework to test and refine the process and to identify opportunities to improve loan performance.



Table 2

Homeowners Served – Foreclosure Alternatives ^{1,2,3}			
Group	Alternatives to Foreclosure		Total Purchase Acquisitions
	Homeowners	%	Homeowners (%)
All	490	-	-
White – Non-Hispanic	252	59.3%	67.2%
Overall Minority	173	40.7%	32.8%
Black (African American)	75	17.9%	6.4%
Latino (Hispanic)	81	18.8%	13.8%
Asian	19	4.5%	12.8%
American Indian	5	1.2%	0.9%
Pacific Islander	1	0.2%	0.4%



- **Cost Reduction Efforts:** In 2022 we assessed loan-level price adjustments (LLPAs) for opportunities to reduce costs for underserved borrowers. [As announced](#) by FHFA in October 2022, we eliminated LLPAs for certain first-time homebuyers, low-income borrowers and underserved communities to promote sustainable and equitable access to affordable housing.
- **Research & Insights:** Freddie Mac research has informed our SPCP framework and program development, providing valuable insight into the distinct needs of Black and Latino consumers.
 - **Freddie Mac First-Time Homebuyer Affordability MapSM** – A Freddie Mac [research brief](#) on first-time homebuyers’ critical role in sustaining the housing system prompted the creation of the [Freddie Mac First-Time Homebuyer Affordability Map](#). The map allows users to investigate local housing affordability by race and income, measure affordability over the last decade and track the extent to which economic shocks impacted local housing affordability, especially for low-income and minority families. We expect this map to assist with increasing

homeownership rates among underserved populations by providing greater insights into affordability and opportunity.

- **How Skills Acquired During Youth Affect Later Racial and Ethnic Homeownership Gaps** – This [research piece](#) explores the extent to which educational disparities can be highly predictive of homeownership outcomes, explaining roughly one-quarter to one-third of the disparate outcomes between white, Black and Latino households.
- **Housing and Wealth Inequalities and Insights Among Aging Americans** – [This survey](#) explores sentiment on several facets of housing from the lens of aging Americans, enabling an exploration of racial differences. Results reveal that Black and Latino borrowers are less likely than white borrowers to have enough money to last beyond each payday and to provide them a financially comfortable retirement. It also highlights disparities in how borrowers of differing race and ethnicity view the importance of generational wealth, including the ability to contribute funds to their children’s pursuit of homeownership.

Goal	Performance
Stand up a framework for SPCPs that will include policy development, analytics, market outreach, internal and external governance and publication of <i>Single-Family Seller/Service Guide</i> (Guide) updates, if necessary.	<ul style="list-style-type: none"> • Launched a Freddie Mac-designed SPCP in 10 markets. • Released several research findings to inform current and future SPCP approaches, including the First-Time Homebuyer Affordability brief and map, How Skills Acquired During Youth Affect Later Racial and Ethnic Homeownership Gaps and Housing and Wealth Inequalities and Insights Among Aging Americans Survey.
Develop (and launch) robust marketing plan to support any Guide updates for the SPCP in 2022.	<ul style="list-style-type: none"> • Targeted marketing efforts to assist participating lenders in the selected geographic areas through events, outreach and marketing resources. • Developed training materials for participating lenders offering the Freddie Mac-designed SPCP.



Goal	Performance
Develop robust training resources for Sellers to support Guide updates for the SPCP in 2022.	<ul style="list-style-type: none">• Published training resources for BorrowSmart Access, with training dates set for 2023.• The training and marketing materials include instructional information for loan officers and industry professionals.• Developed FAQs, talking points and flyers for external events in selected markets.
Develop draft program parameters and evaluate potential effectiveness to determine whether to pursue a Special Servicing Framework.	<ul style="list-style-type: none">• Developed a Special Servicing Framework.• Formally engaged first special servicer and launched the framework.• Moved 490 loans under the framework to test the plan and infrastructure and begin to evolve the model.• Hired dedicated portfolio management team to provide additional servicer oversight.



Promoting Down Payment Assistance Tools

To help underserved borrowers with the widespread need for down payment assistance (DPA), Freddie Mac built DPA OneSM, a digital portal that aggregates DPA program information and makes it easier for loan officers to quickly find, understand and match programs to their borrowers. DPA One is a single, standardized repository for all DPA program information, helping DPA program providers reduce errors and questions from lenders.

Following a small 2021 launch for lenders, Freddie Mac enhanced the digital platform throughout 2022 by rapidly multiplying the numbers of DPA providers (from 47 to 198) and programs (from 130 to 346) available in DPA One.

DPA One will grow DPA utilization nationwide and increase incremental originations for borrowers who require closing-cost assistance by seamlessly connecting them with DPA programs that match their needs.

Goal	Performance
Incorporate 45 state Housing Finance Agencies' (HFA) down payment assistance programs into the tool.	Incorporated 49 state HFA DPA programs plus the District of Columbia into DPA One by the end of 2022.
Incorporate 20 select high-volume local and municipal down payment assistance provider programs into the tool.	Incorporated 148 local and municipal DPA providers, consisting of an additional 208 DPA programs.
Launch loan officer and down payment assistance provider functionality in market by year-end 2022.	<p>Enhanced tool functionality for:</p> <p>Loan officers</p> <ul style="list-style-type: none"> • Ability to easily find/match DPA programs by entering borrower eligibility parameters. • Functionality to download PDF documents of DPA program matches based on search criteria. • Comparison functionality allowing user to review up to three DPA programs and highlight their differences. <p>DPA program providers</p> <ul style="list-style-type: none"> • New module to view the status of programs, which includes moving programs from Published - Scheduled - Draft - Archive statuses. • Functionality allowing providers to view and update programs on demand.
Raise awareness of the tool to 15 national organizations that serve Black and Latino communities.	Raised awareness to 17 national organizations that serve Black and Latino communities.



ADDRESSING SYSTEMIC UNDERINVESTMENT WITHIN FORMERLY REDLINED AREAS

Freddie Mac’s Plan seeks to strengthen support for underserved renters and borrowers in communities historically lacking investment. Through our work in 2022, we have increased support of affordable housing development, working toward greater appraisal equity and improving access to capital for community and minority financial institutions.

Social Bond Updates

Freddie Mac seeks to meet rising market demand for mortgage-backed securities (MBS) that meet investor mandates for social investing, particularly in underserved markets.

In our Plan, we announced our intention to issue social MBS that we believe will encourage further supply of mortgages meeting social characteristics, including those delivered through our SPCPs. As the next step toward this goal, Freddie Mac published our Single-Family Social MBS and Corporate Social Debt Bonds Framework and associated

Sustainalytics Second Party Opinion. Our framework focuses on advancing the International Capital Market Association’s social project categories of affordable housing, access to finance and socioeconomic advancement and empowerment, and is the basis upon which we intend to develop a strategy for social MBS issuance in 2023.

In parallel with our social MBS progress, we published a one-time historical file of social index disclosures on our MBS book dating back to 2010 and continuing with all new issuances. This data includes Social Criteria Share and Social Density Scores to give the market more information about the underlying social characteristics of the pools at issuance, while protecting the privacy of the borrowers.

In late 2021, we announced a goal to issue \$3 billion in affordable housing bonds within a year, a measure we exceeded by \$400 million by the end of 2022. We are committed to increasing equitable access to affordable and sustainable housing, and we believe issuance of social MBS can help expand this access in 2023.

Goal	Performance
Transition from issuing affordable housing bonds to issuing social bonds.	We developed and published a Single-Family Social MBS and Corporate Social Debt Bonds Framework and Sustainalytics Second Party Opinion in preparation for the transition from affordable housing bonds to social bonds in 2023.
Issue \$3 billion in affordable housing bonds.	Freddie Mac issued \$3.4 billion in affordable housing bonds.



Delivering Solutions to Foster Appraisal Equity

We furthered our work to foster greater equity in real estate appraisals this year, providing leadership and resources to key industry initiatives in this space.

In the Office of the Comptroller of the Currency's (OCC's) Project REACH, Freddie Mac works collaboratively with OCC and other industry participants on appraisal process improvements. In 2022, we contributed to the development of updated lender appraisal disclosure language, giving borrowers clearer information about the appraisal process and the proper avenue for disputes. We also actively engaged with the development and revision of appraisal support materials that will be used by the industry. We co-led subgroups to develop and socialize best practices for property reconsideration of value and to develop strategies to improve appraiser diversity.

Freddie Mac is also a title sponsor of The Appraiser Diversity Initiative (ADI), which works to attract diverse entrants to the appraiser profession. ADI helps these candidates overcome barriers to entry, such as obtaining training, mentoring and experience, and provides scholarships for appraiser education. In 2022, ADI exceeded its goal by awarding 330 scholarships (goal of 200), securing 81 advisors, hosting seven workshops nationwide, engaging 11 industry sponsors and recruiting at eight college campus events. Freddie Mac provides multiple team resources to lead project workstreams, conduct marketing efforts, select scholarship recipients and act as mentors to appraisers in training.

To address possible appraisal gaps on mortgages we purchase, we enhanced Loan Collateral Advisor[®] with new rules to detect potential undervaluation, and we finalized a 2023 implementation plan to add text detection features that will help prevent undervaluation due to inappropriate biased appraisal wording. To execute on this plan, we hired a new team of appraisers and developed enhanced policies and procedures to guide our Appraisal Quality Monitoring (AQM) work.





Delivering Solutions to Foster Appraisal Equity

Goal	Performance
Continued leadership in ADI, Project REACH, ASB and AQB.	<p>Freddie Mac has continued participation and leadership within each of these groups:</p> <ul style="list-style-type: none"> • Provided three employees to support the Project REACH appraisal workstream. • Led two of three subgroups for the Project REACH appraisal workstream. • Provided 10 employees to serve as mentors supporting 15 ADI scholarship recipients. • Provided five employees to support the execution of ADI (two on leadership team, three on scholarship review team). • Engaged with the Appraisal Standards Board and Appraisal Qualification Board through our work with The Appraisal Foundation Advisory Council.
Identify and expedite implementation of prioritized valuation equity proposals.	Engaged in ongoing discussions related to prioritized valuation equity proposals in the Action Plan to Advance Property Appraisal and Valuation Equity (PAVE) .
Identify additional research topics related to valuation equity and publish and broadly distribute such research.	<ul style="list-style-type: none"> • In May 2022, we published a research note, Racial & Ethnic Valuation Gaps in Home Purchase Appraisals – A Modeling Approach, to analyze whether appraisal outcomes still differ for properties in predominantly Black and Latino tracts relative to those in predominantly white tracts. • Working with FHFA to identify research opportunities to inform our business and the market.
Define AQM framework, staffing and technology needs.	Hired new AQM team and established enhanced policies and procedures for appraisal monitoring.
Deploy undervaluation rule in Loan Collateral Advisor.	<ul style="list-style-type: none"> • Implemented improved Loan Collateral Advisor rules in September to detect potential undervaluation in appraisals. • Finalized implementation plan for the addition of text detection features in Loan Collateral Advisor in 2023.



SUPPORT THE CREATION, PRESERVATION AND REHABILITATION OF MULTIFAMILY AFFORDABLE AND WORKFORCE HOUSING

The prolonged shortage of multifamily housing and the aging nature of the current multifamily housing stock disproportionately harms racially or ethnically concentrated areas of poverty, formerly redlined areas and other geographic areas of underinvestment. To address this problem, Freddie Mac is using its position in the housing market to deliver financing that supports the creation, preservation and rehabilitation of new affordable and workforce rental housing.

In 2022, we supported the creation of more than 20,000 new workforce and affordable housing units, preserved affordability through our loan terms for more than 4,000 housing units—absent government support—and funded the rehabilitation of nearly 11,000 workforce and affordable housing units.

Freddie Mac also conducted research examining the risk and impact properties face as they exit the Low-Income Housing Tax Credit (LIHTC) program.

Leverage Forward Commitments to Facilitate the Creation of Affordable and Workforce Rental Housing for Individuals and Families

In October 2022, Freddie Mac [announced](#) an expanded forward commitment program. Freddie Mac has executed forward commitments since the early 2000s to provide greater certainty around permanent financing for both developers and construction lenders, making construction lending more feasible. These commitments are agreements to purchase loans in the future with certain financing terms locked in today.

Freddie Mac’s enhanced use of forwards build on our history of supporting properties with governmental agreements that preserve affordability to now also include properties where affordability is required for a meaningful percentage of units through a Freddie Mac loan agreement or through another acceptable private (non-governmental) agreement.

In 2022, we executed forward commitments in support of 20,327 units, exceeding our goal of 15,000 units. These units are scheduled to enter the housing supply in the next several years. Freddie Mac expects to support the addition of more than 74,000 units of affordable and workforce housing by 2025 as additional forward commitments convert.

Goal	Performance
Formalize underwriting flexibilities for forward commitments.	Expanded eligibility criteria for forward commitments, including those where rents are preserved through the terms of a Freddie Mac loan agreement.
Commit to funding 15,000 units across these initiatives.	Committed to funding 20,327 units through forwards.



Explore and Implement Methods to Preserve At-Risk Affordable Housing through Freddie Mac Affordability Restrictions

Freddie Mac aims to preserve at-risk affordable housing through two strategies—preserving affordable and workforce housing without government support and preserving LIHTC properties at risk of lost affordability. These strategies work in conjunction with our efforts to create new affordable and workforce housing and rehabilitate existing properties and complement efforts in our Duty to Serve Plan.

By leveraging existing loan offerings and exploring new loan offerings that enforce affordability restrictions through Freddie Mac’s loan documents or suitable equivalent, we have preserved 4,281 affordable and workforce housing units without government support, exceeding our goal.

We are establishing standards of preservation and making them available across applicable loan offerings. This approach allows private investment capital to be directed to preserve affordability and enable limited public subsidy to be applied where it is most needed and most effective.

Goal	Performance
Support the preservation of 1,000 at-risk housing units, subject to affordability requirements in Freddie Mac loan documents or suitable equivalent.	Preserved 4,281 units subject to Freddie Mac loan documents or suitable equivalent in 2022, exceeding our goal.

Rehabilitate Affordable Rental Housing

Freddie Mac is providing financing through rehabilitation loans to improve the quality of affordable, safe and sanitary housing, including properties available in Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs), formerly redlined areas and other geographic areas of underinvestment.

To support rehabilitation, in 2022 we expanded our Preservation Rehabilitation loan offering eligibility criteria beyond properties with new LIHTCs, including a requirement to preserve affordability either through a regulatory agreement or through affordability restrictions in the Freddie Mac loan agreement.

We developed offering terms for a Bridge to Rehab loan that would allow a new owner to acquire a property, preserve its affordability and commit to rehabilitation under our Preservation Rehabilitation offering.

Freddie Mac also provided greater flexibility for pooled loan transactions to accommodate properties undergoing rehabilitation.

In 2022, we focused on rehabilitating affordable rental housing and funded 10,898 units—more than double our target of 5,000 units. Of these units, 5,038 were located in a R/ECAP, a Qualified Census Tract, or a formerly redlined area.

Goal	Performance
Fund 5,000 units of rehabilitated properties.	Funded 10,898 units—more than double our target.
Liquidity to Institutions Providing Rehabilitation Loans <ul style="list-style-type: none"> Update pool transaction term sheet to include rehab loan eligibility. 	Updated our pool transaction term sheet to include rehab loan eligibility.
Preservation Rehabilitation Loan Offering <ul style="list-style-type: none"> Update term sheet. 	Updated preservation rehabilitation loan term sheet.
Bridge to Rehab <ul style="list-style-type: none"> Publish term sheet. 	Developed terms for Bridge to Rehab Loan.



Provide Technical Assistance on Renovation Financing for Single-Family Homes in Traditionally Underserved Black and Latino Communities

With 25% of affordable single-family homes, especially in communities of color, requiring moderate or significant rehabilitation, Freddie Mac undertook analysis to determine what solutions we might implement to improve this housing stock for underserved borrowers.

Through industry stakeholder interviews and extensive market research, we developed a Qualitative Housing Stock Assessment for redeveloping vacant property as affordable housing. The key insights learned from the investigation of this topic determined that options exist, however additional solution development is needed to address these challenges:

- Buyers in underserved communities, on the whole, do not feel comfortable acquiring a home needing significant rehabilitation. Providing support to property stewards, such as land banks, to redevelop vacant properties can be a path toward revitalizing affected neighborhoods.
- Community Development Corporations, land banks engaged in development and other mission-based developers can be leveraged as intermediaries in redeveloping vacant properties for affordable homeownership. This can shift the work of major renovations away from individual borrowers, as well as enable conversion of vacant lots into for-sale affordable housing.
- Financing mechanisms that can help offset the cost of redeveloping vacant property are needed, since the cost of development typically exceeds revenue generated from an affordable purchase price or rental income.

Goal	Performance
Complete a qualitative housing stock assessment and identify renovation needs and types of property improvements that can help improve the quality of housing in historically underserved Black and Latino communities.	Our Qualitative Housing Stock Assessment was developed to identify potential solutions to the challenge of rehabilitating vacant structures and land for affordable housing.
Establish new partnership with two to five landbanks.	Following our stakeholder engagement and interviews, we identified four stakeholders who could serve as strong collaborators in both concept development and implementation.
Develop product enhancement recommendations based on the qualitative housing stock assessment.	Leveraging the key insights and learnings from the Qualitative Housing Stock Assessment, we developed and secured prioritization from senior management to advance one solution to assess feasibility and further develop in Year 2 (2023).



Analyze Low-Income Housing Tax Credit Properties at Risk of Lost Affordability

Freddie Mac [researched](#) LIHTC properties at risk of becoming market-rate rental units at the end of their compliance period. Due to the growing concern that LIHTC properties reaching the end of their compliance period will significantly increase rent, we studied property-level LIHTC data compiled by HUD and the National Housing Preservation Database to determine if this was the case. Our research found that these properties generally continue to rent at levels lower than those charged in the broader market and serve as a valuable source of workforce housing.

Goal	Performance
Publish paper.	Published research in July 2022.

INCREASING OPPORTUNITIES FOR RENTERS

Within the multifamily housing industry, Freddie Mac is providing renters opportunities to increase social and economic mobility.

In 2022, we supported the enrollment of more than 184,000 renters in our credit building initiative, helping more than 27,000 of those enrolled establish credit scores for the first time. We provided direct support to four Renter Resource Organizations, aiding their efforts to provide support to renters. We also provided financing for an innovative housing development to support persons with disabilities.

Freddie Mac also conducted a first-of-its-kind [comparative analysis](#) of state-based tenant protections. We also researched how we can support housing for persons who are experiencing homelessness and the feasibility of re-entering the Single-Family Rental Market with a focus on equity, affordability and sustainability.





Financial Empowerment for Renters: Credit Building, CreditSmart® and Opportunity Building Features

In 2022, Freddie Mac expanded its novel credit-building program, which helps renters build credit by encouraging multifamily operators to leverage third-party technologies that can report on-time rent payments to the three major credit bureaus.

We set a target to make on-time rent payment reporting available to 100,000 new units and scale rental data submitted to the credit bureaus. We exceeded our goal with the program being made available to more than 240,000 resident households. As of

December 2022, more than 184,000 renter households across 1,449 properties are enrolled. More than 27,000 of those enrolled have established credit scores for the first time and two-thirds of renters have seen an increase in their credit score. This initiative has inspired other market participants to provide similar incentives and has generated innovation among credit reporting firms that will enable an expansion of credit reporting across the market.

Table 3

Credit Building ⁴			
Investment Type	Enterprise Total (Properties)	Average Units per Property	Total Units Enrolled
Rent Payment Reporting	1,449	166	184,176

We also focused on promoting the adoption of Freddie Mac CreditSmart®, our financial capability education resource, to help financially empower renters. We conducted targeted outreach to promote the CreditSmart curriculum and enrolled five partner corporations to the CreditSmart Coach training program, providing multifamily

borrowers with resources to support tenants. Through this effort, we have provided renters additional access to financial capability tools tailored to their housing situations and needs.

Goal	Performance
Credit Building Make credit building available to 100,000 new units.	Enrolled over 184,000 resident households in our credit building program.
CreditSmart <ul style="list-style-type: none"> Implement strategy to market CreditSmart at multifamily properties. Enroll at least five partner corporations in CreditSmart Coach training. 	Proactively marketed CreditSmart to renters at multifamily properties and enrolled five partner corporations in CreditSmart Coach training.
Opportunity Building Identify a core set of opportunity-building features for renters that borrowers are currently using.	Identified core opportunity-building features to explore in 2023, including those related to alternative security deposits, overall financial health and security, homeownership pathways and the moving and application processes.

In addition to the targeted activities enumerated above, Freddie Mac continued to serve approximately 139,970 consumers through its CreditSmart curriculum in 2022.



Support Renter Resource Organizations

Renter Resource Organizations (RROs) provide consistent and straightforward access to tenant supportive services that can help tenants stay in their homes and ensure rental units are kept in good repair. Stable housing for renters can also foster greater community stability, which can be a crucial factor in measuring quality of life, increasing investment and helping address undervaluation in formerly redlined areas, racially or R/ECAPs and other underinvested communities.

In 2022, Freddie Mac established our RRO program and provided direct support for the efforts of four separate RROs servicing: St. Louis, Missouri and St. Clair County, Illinois; Philadelphia, Pennsylvania; Phoenix, Arizona; and Houston, Texas. To inform the public about the resources these organizations provide, we also launched a new [renter resource organization portal](#) on our MyHome® website.

To measure our impact, our engaged RROs are providing periodic reporting and supporting Freddie Mac’s efforts to gauge renter and community sentiments through polling. Our initial consumer sentiment surveys were distributed in 2022. We will leverage our learnings from this reporting to better understand the challenges renters in underserved communities face. This could allow us to more effectively address renters’ needs through tailored loan offerings.

Goal	Performance
<ul style="list-style-type: none"> Support at least four community organizations in varying underserved markets. Launch website resource portal. Poll renters and borrowers in at least four distinct communities. 	<ul style="list-style-type: none"> Support for the efforts of four separate RROs, servicing: St. Louis, Missouri and St. Clair County, Illinois; Philadelphia, Pennsylvania; Phoenix Arizona; and Houston, Texas. Launched a RRO Portal on Freddie Mac’s MyHome website. Began gathering feedback through consumer sentiment surveys.





Identify Opportunities to Support Market Adoption of Enhanced Baseline Tenant Protections

Federal, state and local governments have sought to establish standards in landlord-tenant relations and practices through a range of laws that provide various tenant protections, balancing the interests of landlords and tenants while maintaining a stable rental housing system.

In 2022, Freddie Mac conducted a first-of-its-kind [comparative analysis](#) of how states, the District of Columbia and identified territories address 18 tenant protection topics in five categories, including: tenant screening; rent, late payments and security deposits; habitability and retaliation; pre-eviction protections including notice and opportunity to cure lease violations; and, eviction fees, right to counsel and eviction diversion programs.

Goal	Performance
Publish paper.	Research completed in 2022; publication took place February 2023.

Finance Housing for Persons with Disabilities

Freddie Mac has a history of providing liquidity to support housing for persons with disabilities, including a focus on community-based, small-group living environments called HIDD (Housing for IDD). Freddie Mac is providing additional liquidity to support housing access for persons with disabilities. In 2022, we completed our tenth HIDD transaction to date, financing 106 single-family and 2- to 4-unit homes across eleven states (Arizona, Florida, Illinois, Indiana, Maryland, Minnesota, North Carolina, Pennsylvania, South Carolina, Texas and Wisconsin).

The homes are leased to care providers that provide housing to persons with developmental disabilities, cognitive or mental issues or traumatic brain injuries. Care providers offer services including supportive therapy, life skills training, money management, 24-hour emergency assistance and employment services. Residents typically derive their rent payments from SSI, Medicare and other government programs.

Goal	Performance
Complete at least one transaction.	Completed one transaction supporting 106 homes, meeting our loan purchase goal.





Provide Liquidity to Permanent Supportive Housing for Persons Who Formerly Experienced Homelessness

Through its past work to provide permanent supportive housing, Freddie Mac determined that nonprofits are well suited to support persons who formerly experienced homelessness. Housing focused nonprofits offer direct community connections and experience working with affordable housing developers.

In 2022, Freddie Mac conducted research that will serve as a foundation for our phased approach to scale nonprofit-based models that provide supportive affordable and workforce housing for persons who formerly experienced homelessness. Our research identified ten nonprofit organizations with innovative programs and key markets with need for additional permanent supportive housing units. These nonprofits are positioned throughout the country, including in California, Texas, New York, Washington and Florida. Each offers a different model that integrates housing with supportive services for target populations leveraging a combination of public and private funding sources.

In years 2 and 3 of the Plan, we will work to craft market adoptable engagement parameters that can be combined with loan offerings to provide additional liquidity for permanent supportive housing.

Goal	Performance
Conduct market research to identify collaboration opportunities.	Our research identified several nonprofit organizations with innovative programs and key markets with need for additional permanent supportive housing units.





Reform the Single-Family Rental Market with a Focus on Equity, Affordability and Sustainability

Single-Family Rental (SFR) homes offer an important alternative to access high-opportunity areas and provide families with more living space and lower rent than apartments on a square-foot basis. However, the SFR market still presents difficulties for minority and other underserved renters.

In 2022, Freddie Mac conducted an internal analysis of market needs and the feasibility and impact of re-entering this market with a focus on reform. We determined that there is an opportunity to provide liquidity to small and medium size operators through structured transactions with existing SFR lenders or on an individual loan basis. We will use this analysis in 2023 as we consider how to approach and set parameters for a potential program.

Goal	Performance
Complete market, feasibility and impact analysis.	Analysis completed.



Increase Opportunities For Emerging And Diverse Multifamily Borrowers And Lenders

Through intentional outreach, including surveys and targeted conversations, Freddie Mac has identified three key problems that limit opportunities for diverse and emerging multifamily borrowers: the knowledge gap, the relationship gap and the financing gap.

Freddie Mac has launched a three-pronged approach to address these challenges.

Closing the Knowledge Gap:

In 2022, Freddie Mac enhanced the [borrower-facing section](#) of its website to provide content useful for emerging borrowers, including which lender(s) support different financing offerings, how to engage with lenders and standard loan requirements. The ready availability of this information addresses a key hurdle faced by even seasoned borrowers.

Another way we're closing the knowledge gap is through the expanded Freddie Mac Develop the DeveloperSM program. In 2022, Freddie Mac extended its Develop the Developer Academy (DTDA) curriculum to 5+-unit buildings in traditionally underserved and minority communities. Initially launched in 2020 for 1- to 4-unit properties, DTDA provides education and financing opportunities for emerging and traditionally underserved developers, including Black, Indigenous, people of color and female developers whose focus is on building wealth in their home communities.

Since its 2020 launch, DTDA has supported developers with 16 active development projects, yielding 70 new single-family units and three development projects, which will result in 485 new multifamily units. In 2022, we successfully launched the first Multifamily cohort and graduated 19 emerging borrowers from the program. The program has now graduated 72 developers across five cohorts.

Closing the Relationship Gap:

In 2022, Freddie Mac planned and co-hosted a virtual event for emerging and diverse borrowers and community organizations. In addition, we convened a Diverse and Emerging Borrower Steering Committee to inform how our business can advance inclusivity within the multifamily industry. We are forging new relationships among industry participants and learning through experience about how best to strengthen these ties in the years ahead.





Closing the Financing Gap:

In 2022, Freddie Mac expanded its parameters for a Small Balance Loan (SBL) Linked Loan to include 2- to 4-unit non-contiguous properties. By extending financing to this corner of the market, we are increasing opportunities for smaller borrowers to grow their portfolios, support underserved communities and provide more affordable housing options for renters, while also maintaining consistent property management.

Freddie Mac also launched in 2022 a new correspondent relationship program that leverages our existing multifamily lender network to support small financial institutions, including minority depository institutions and Community Development Financial Institutions (CDFIs).

These lending institutions are vital to low-income areas and are an important source of financing for diverse and emerging borrowers. Smaller lenders are often constrained by the size of their balance sheets or by borrower and geographic concentration challenges. Our correspondent program can help address these limitations by bridging the gap between these institutions and Freddie Mac.

To support this objective, we first identified lenders from our Optigo® network who were willing and able to support smaller lending institutions. We then developed a framework of guidelines and standards that our Optigo lenders can use when interfacing with and supporting smaller lending institutions. Freddie Mac has completed two agreements through our correspondent lender program since its launch. In 2023, we will expect all Optigo lenders to pursue an agreement with at least one correspondent.

Goal	Performance
<p>Closing the Knowledge Gap:</p> <ul style="list-style-type: none"> Enhance our website to improve guidance for borrowers (particularly emerging and diverse borrowers) on how to best engage with Freddie Mac and its lenders. Expand DTDA curriculum to include 5- or more-unit properties and identify initial market to roll out expanded multifamily program. 	<p>Closing the Knowledge Gap:</p> <ul style="list-style-type: none"> Refreshed website content to provide added clarity for how to engage with Freddie Mac. Added support for developers with 5+ unit properties through DTDA. Freddie Mac will launch in its newly identified market in 2023.
<p>Closing the Relationship Gap:</p> <ul style="list-style-type: none"> Host at least two networking events to promote partnership and connections. 	<p>Closing the Relationship Gap:</p> <ul style="list-style-type: none"> Hosted virtual networking event and launched a Diverse and Emerging Borrower Steering Committee.
<p>Closing the Financing Gap:</p> <ul style="list-style-type: none"> Publish updated linked loan program parameters. Leverage Optigo lenders to conduct research and outreach to potential correspondent lenders; Identify and engage at least one correspondent lender; Develop a framework for the correspondent lender program. 	<p>Closing the Financing Gap:</p> <ul style="list-style-type: none"> Published expanded Linked Loan parameters to include non-contiguous properties. Conducted outreach, developed framework and launched correspondent lender program, completing two agreements in year 1. Set a requirement that all Optigo lenders pursue a correspondent relationship in 2023.



Affirmative Outreach and Insights

Through a variety of communications activities and events, Freddie Mac is promoting our equity-based solutions to industry partners, engaging and educating consumers and leveraging thought leadership to expand knowledge of the housing landscape. We're also raising awareness and reaching key constituencies with equity-related information, education and resources to key external stakeholders.

We devoted much of 2022 to the consumer aspect of this work, using media outreach, industry events and digital strategy to reach approximately 40 million Black, Latino and Native American consumers with tools, resources and educational campaigns. All our consumer advertising was targeted to these consumer groups in eight underserved markets (Arizona, California, Georgia, Florida, Maryland, North Carolina, Texas, Virginia) and was delivered with high frequency, as consumers need to be exposed to messages multiple times before taking action.

Using engaging videos, we told human stories of how our products help make home possible and encouraged consumers to learn more through CreditSmart, our [MyHome](#) education website and other resources. Through our social media and digital communications, we targeted these videos to underserved markets, industry leaders, influencers and members of the media. These videos have been viewed over 24 million times across our channels:

- A [first-time homebuyer](#) in an underserved community who benefitted from multiple Freddie Mac products
- The [Block-by-Block](#) initiative in Baltimore
- The financing of [affordable rental housing](#) in Los Angeles
- Our work providing financial education to [veterans](#)
- Our [Borrower Help Centers](#)

We served over 300,000 consumers, nearly 80% of whom were people of color, through education and counseling. More specifically, 182,578 consumers completed housing education and financial capability courses, and 122,685 received one-on-one housing counseling as of the end of Q3 2022. Further, over 90 webinars on topics such as refinance, credit and wealth building were presented to more than 8,500 consumers and industry professionals.

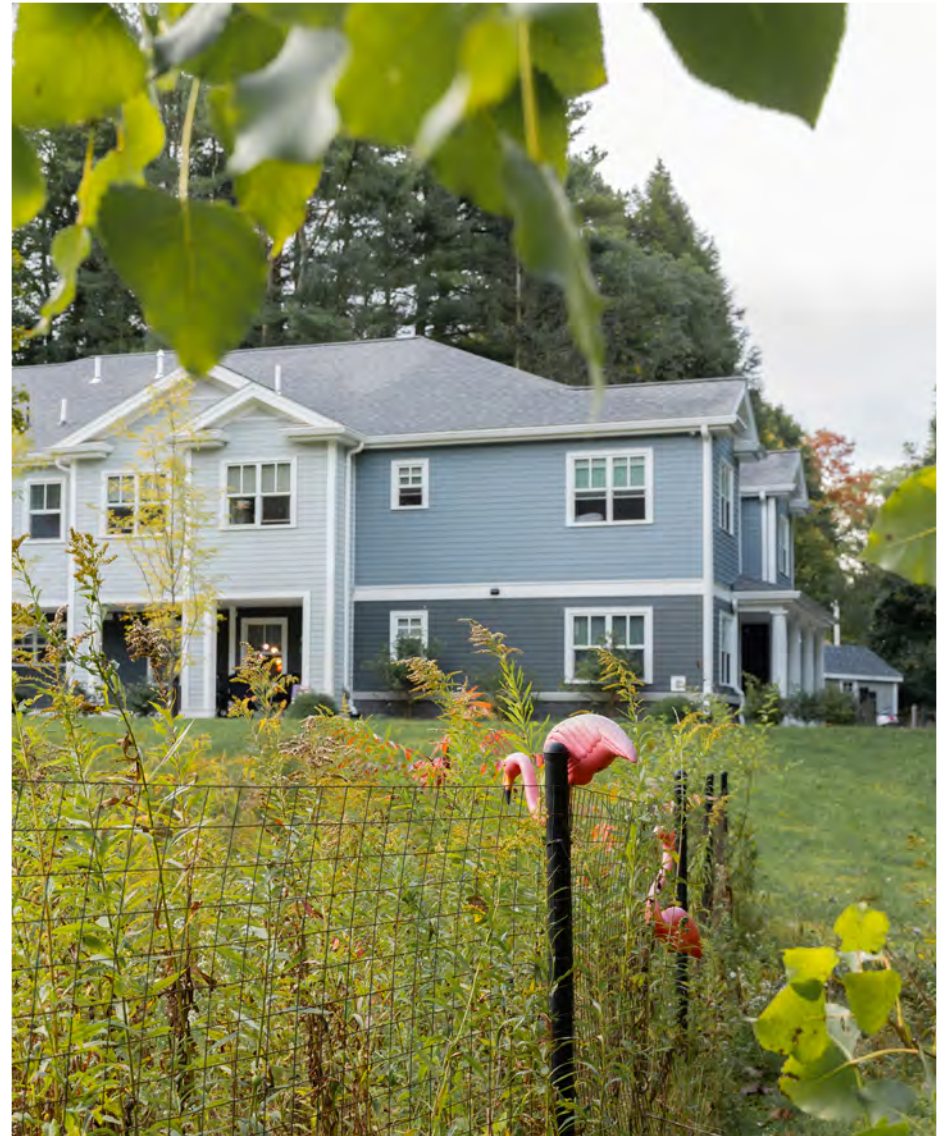




Table 4

Counseling and Education Activity ^{5,6}			
Consumers Served Through Counseling and Education			Total Purchase Acquisitions
Group	Consumers	%	Homeowners (%)
All	402,120	-	-
White – Non-Hispanic	28,379	19.7%	67.2%
Overall Minority	115,507	80.3%	32.8%
Black (African American)	65,858	45.8%	6.4%
Latino (Hispanic)	34,980	24.3%	13.8%
Asian	6,103	4.2%	12.8%
American Indian	2,088	1.5%	0.9%
Pacific Islander	606	.4%	0.4%
Other	5,872	4.1%	-





Goal	Performance
Launch outreach campaigns on housing equity.	<ul style="list-style-type: none">• Conducted over 30 interviews, authored six Executive Perspectives articles, and issued more than a dozen press releases highlighting Single-Family and Multifamily work on equitable and/or affordable housing.• Partnered with 40+ housing counseling agencies, including 15 Borrower Help Centers nationwide to provide outreach and education in communities of color.• Established a national rental helpline to supplement our promotion of four Rental Resource Organizations to support those in need of tenant support services.• Reached limited English-proficiency households with Spanish/English homeownership content that reached 96 million consumers.
Launch consumer engagement and education programs, events and resources.	<ul style="list-style-type: none">• Reached approximately 40 million Black and Latino consumers with tools, resources and educational information through communications campaigns in 2022.• Worked with faith-based organizations, Historically Black Colleges and Universities (HBCUs) and Black fraternities and sororities to educate on financial capability and building generational wealth.• Created wealth building educational presentation, accompanied by 15 webinars for lenders, housing counselors and faith-based and Black Greek organizations.• Targeting underserved markets, we drove a 53% year-over-year increase in registrations to CreditSmart Essentials to help consumers prepare for homeownership.
Measure campaigns via uniform reporting.	<ul style="list-style-type: none">• Provided monthly, quarterly annual and campaign reporting on all marketing and public relations tactics, many targeted at equity audiences or covering equity-related initiatives and impact.



Automated Underwriting System (AUS) Innovations

Our AUS assesses neutral risk factors such as (but not limited to) a prospective borrower's income, credit history, loan-to-value ratio and debt-to-income ratio. The AUS does not consider race, ethnicity or any other protected class characteristic. As detailed in Section 2 in the first edition of our [Plan](#), due to persistent wealth and income inequity, minority borrowers' credit profiles, on average, are deemed less creditworthy than those of non-Hispanic white borrowers when assessed by our AUS.

In 2022, Freddie Mac made meaningful enhancements to our AUS, Loan Product Advisor® (LPASM), to further equitable housing. We are focused on offering more predictive LPA model versions to help identify more creditworthy borrowers that prior model versions might have missed. We believe that better, more sophisticated AUS models are central to a successful equitable housing finance strategy.

Freddie Mac monitors the impact of changes to our AUS by assessing Accept rates by race and ethnicity. The Freddie Mac Accept rate is the percent of incoming loan applications that receive an Accept risk class from LPA. Differences in how eligibility, business adjustments and scorability are handled would affect how the Accept rate is calculated at various institutions. The tables below offer a baseline set of data from 2018 to 2022 (including application and Freddie Mac funded loans).

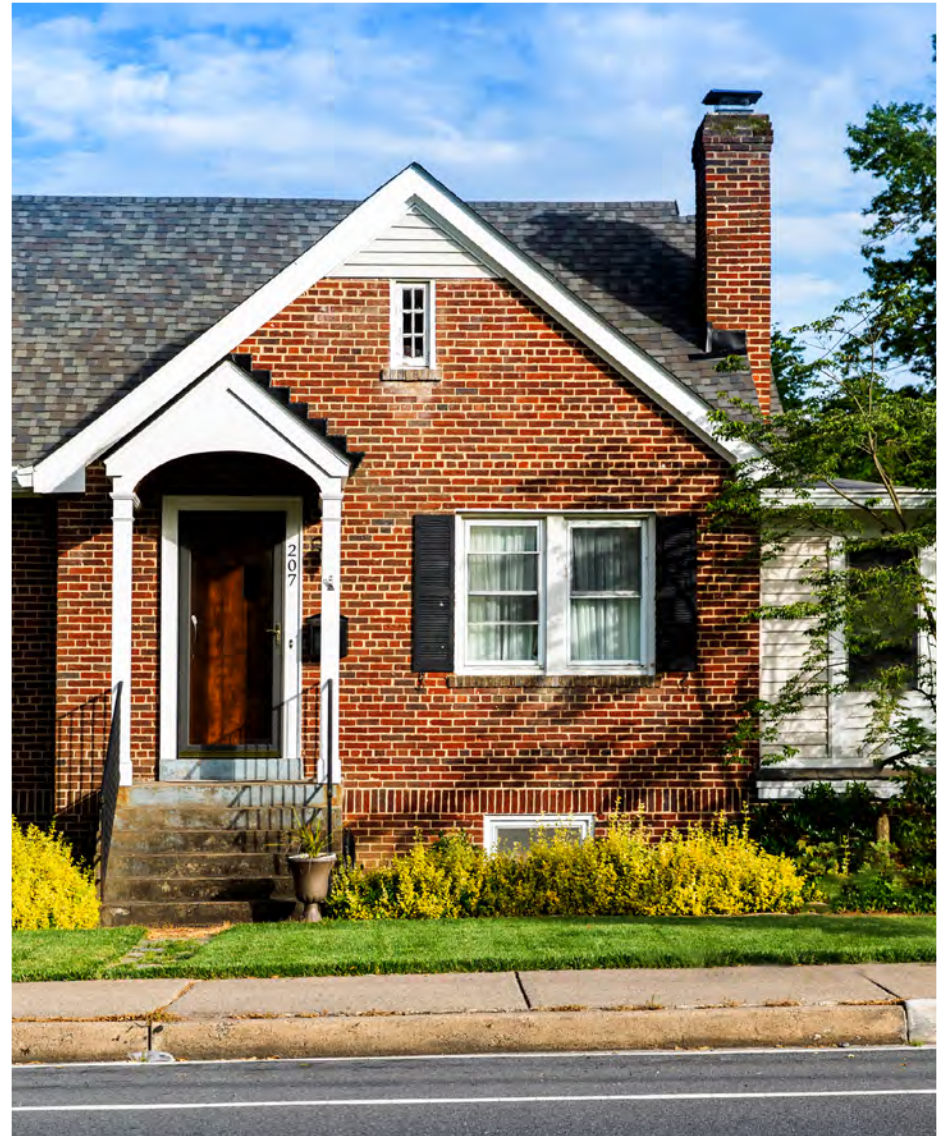




Table 5a

LPA Protected Class Counts, Shares, and Accept Rate 2022 Applications Total, Purchase, and Refinance ^{1,2,3,7,8,9,10}																		
Group	Total						Purchase						Refinance					
	Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate	
	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap
All	6,749,737	-	5,393,022	-	79.9%	-	3,942,161	-	3,158,999	-	80.1%	-	2,807,576	-	2,234,023	-	79.6%	-
Total Non-Missing Minority	4,563,317	100.0%	3,715,828	100.0%	81.4%	-	2,865,258	100.0%	2,333,294	100.0%	81.4%	-	1,698,059	100.0%	1,382,534	100.0%	81.4%	-
White	2,817,411	61.7%	2,396,941	64.5%	85.1%	0.0%	1,735,822	60.6%	1,483,366	63.6%	85.5%	0.0%	1,081,589	63.7%	913,575	66.1%	84.5%	0.0%
Overall Minority	1,745,906	38.3%	1,318,887	35.5%	75.5%	9.5%	1,129,436	39.4%	849,928	36.4%	75.3%	10.2%	616,470	36.3%	468,959	33.9%	76.1%	8.4%
Total Non-Missing Ethnicity	4,722,582	100.0%	3,847,034	100.0%	81.5%	-	2,973,812	100.0%	2,423,478	100.0%	81.5%	-	1,748,770	100.0%	1,423,556	100.0%	81.4%	-
Latino	819,151	17.3%	600,859	15.6%	73.4%	11.7%	501,178	16.9%	361,252	14.9%	72.1%	13.4%	317,973	18.2%	239,607	16.8%	75.4%	9.1%
Total Non-Missing Race	4,464,343	100.0%	3,656,054	100.0%	81.9%	-	2,827,142	100.0%	2,314,339	100.0%	81.9%	-	1,637,201	100.0%	1,341,715	100.0%	82.0%	-
Black	462,971	10.4%	318,541	8.7%	68.8%	16.3%	269,620	9.5%	176,798	7.6%	65.6%	19.9%	193,351	11.8%	141,743	10.6%	73.3%	11.2%
Asian	489,140	11.0%	416,154	11.4%	85.1%	0.0%	384,013	13.6%	329,265	14.2%	85.7%	-0.3%	105,127	6.4%	86,889	6.5%	82.7%	1.8%
American Indian	58,498	1.3%	43,791	1.2%	74.9%	10.2%	36,076	1.3%	26,172	1.1%	72.5%	12.9%	22,422	1.4%	17,619	1.3%	78.6%	5.9%
Pacific Islander	16,904	0.4%	12,546	0.3%	74.2%	10.9%	10,644	0.4%	7,698	0.3%	72.3%	13.1%	6,260	0.4%	4,848	0.4%	77.4%	7.0%



Table 5b

LPA Protected Class Counts, Shares, and Accept Rate 2021 Applications Total, Purchase, and Refinance ^{1,2,3,7,8,9,10}																		
Group	Total						Purchase						Refinance					
	Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate	
	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap
All	12,622,093	-	10,925,978	-	86.6%	-	4,452,922	-	3,614,615	-	81.2%	-	8,169,163	-	7,311,357	-	89.5%	-
Total Non-Missing Minority	8,821,380	100.0%	7,656,336	100.0%	86.8%	-	3,256,429	100.0%	2,649,426	100.0%	81.4%	-	5,564,951	100.0%	5,006,910	100.0%	90.0%	-
White	5,800,074	65.8%	5,186,019	67.7%	89.4%	0.0%	2,039,734	62.6%	1,738,498	65.6%	85.2%	0.0%	3,760,340	67.6%	3,447,521	68.9%	91.7%	0.0%
Overall Minority	3,021,306	34.2%	2,470,317	32.3%	81.8%	7.6%	1,216,695	37.4%	910,928	34.4%	74.9%	10.4%	1,804,611	32.4%	1,559,389	31.1%	86.4%	5.3%
Total Non-Missing Ethnicity	9,085,809	100.0%	7,889,509	100.0%	86.8%	-	3,364,136	100.0%	2,741,725	100.0%	81.5%	-	5,721,673	100.0%	5,147,784	100.0%	90.0%	-
Latino	1,353,553	14.9%	1,071,811	13.6%	79.2%	10.2%	523,886	15.6%	371,321	13.5%	70.9%	14.4%	829,667	14.5%	700,490	13.6%	84.4%	7.3%
Total Non-Missing Race	8,757,643	100.0%	7,633,588	100.0%	87.2%	-	3,246,609	100.0%	2,657,505	100.0%	81.9%	-	5,511,034	100.0%	4,976,083	100.0%	90.3%	-
Black	692,797	7.9%	509,142	6.7%	73.5%	15.9%	286,060	8.8%	176,692	6.6%	61.8%	23.5%	406,737	7.4%	332,450	6.7%	81.7%	9.9%
Asian	1,000,440	11.4%	906,171	11.9%	90.6%	-1.2%	429,885	13.2%	378,433	14.2%	88.0%	-2.8%	570,555	10.4%	527,738	10.6%	92.5%	0.8%
American Indian	98,539	1.1%	79,337	1.0%	80.5%	8.9%	39,300	1.2%	27,949	1.1%	71.1%	14.1%	59,239	1.1%	51,388	1.0%	86.7%	4.9%
Pacific Islander	34,183	0.4%	27,880	0.4%	81.6%	7.9%	12,989	0.4%	9,466	0.4%	72.9%	12.4%	21,194	0.4%	18,414	0.4%	86.9%	4.8%



Table 5c

LPA Protected Class Counts, Shares, and Accept Rate 2020 Applications Total, Purchase, and Refinance ^{1,2,3,7,8,9,10}																		
Group	Total						Purchase						Refinance					
	Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate	
	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap
All	11,402,178	-	10,262,931	-	90.0%	-	3,317,541	-	2,763,147	-	83.3%	-	8,084,568	-	7,499,720	-	92.8%	-
Total Non-Missing Minority	7,676,995	100.0%	6,920,305	100.0%	90.1%	-	2,307,676	100.0%	1,920,971	100.0%	83.2%	-	5,369,319	100.0%	4,999,334	100.0%	93.1%	-
White	5,339,076	69.5%	4,913,227	71.0%	92.0%	0.0%	1,548,832	67.1%	1,347,018	70.1%	87.0%	0.0%	3,790,244	70.6%	3,566,209	71.3%	94.1%	0.0%
Overall Minority	2,337,919	30.5%	2,007,078	29.0%	85.8%	6.2%	758,844	32.9%	573,953	29.9%	75.6%	11.3%	1,579,075	29.4%	1,433,125	28.7%	90.8%	3.3%
Total Non-Missing Ethnicity	7,786,442	100.0%	7,026,456	100.0%	90.2%	-	2,318,152	100.0%	1,935,553	100.0%	83.5%	-	5,468,290	100.0%	5,090,903	100.0%	93.1%	-
Latino	952,740	12.2%	788,486	11.2%	82.8%	9.3%	328,035	14.2%	236,695	12.2%	72.2%	14.8%	624,705	11.4%	551,791	10.8%	88.3%	5.8%
Total Non-Missing Race	7,880,115	100.0%	7,114,144	100.0%	90.3%	-	2,382,630	100.0%	1,988,953	100.0%	83.5%	-	5,497,485	100.0%	5,125,191	100.0%	93.2%	-
Black	440,893	5.6%	338,990	4.8%	76.9%	15.1%	177,904	7.5%	113,891	5.7%	64.0%	23.0%	262,989	4.8%	225,099	4.4%	85.6%	8.5%
Asian	956,987	12.1%	887,750	12.5%	92.8%	-0.7%	265,276	11.1%	231,281	11.6%	87.2%	-0.2%	691,711	12.6%	656,469	12.8%	94.9%	-0.8%
American Indian	66,972	0.8%	56,695	0.8%	84.7%	7.4%	23,160	1.0%	17,270	0.9%	74.6%	12.4%	43,812	0.8%	39,425	0.8%	90.0%	4.1%
Pacific Islander	35,496	0.5%	30,913	0.4%	87.1%	4.9%	9,464	0.4%	7,218	0.4%	76.3%	10.7%	26,032	0.5%	23,695	0.5%	91.0%	3.1%



Table 5d

LPA Protected Class Counts, Shares, and Accept Rate 2019 Applications Total, Purchase, and Refinance ^{1,2,3,7,8,9,10}																		
Group	Total						Purchase						Refinance					
	Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate	
	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap
All	4,960,567	-	4,229,654	-	85.3%	-	2,383,932	-	1,984,327	-	83.2%	-	2,576,635	-	2,245,327	-	87.1%	-
Total Non-Missing Minority	3,129,892	100.0%	2,659,001	100.0%	85.0%	-	1,597,802	100.0%	1,327,904	100.0%	83.1%	-	1,532,090	100.0%	1,331,097	100.0%	86.9%	-
White	2,181,899	69.7%	1,911,835	71.9%	87.6%	0.0%	1,089,937	68.2%	944,306	71.1%	86.6%	0.0%	1,091,962	71.3%	967,529	72.7%	88.6%	0.0%
Overall Minority	947,993	30.3%	747,166	28.1%	78.8%	8.8%	507,865	31.8%	383,598	28.9%	75.5%	11.1%	440,128	28.7%	363,568	27.3%	82.6%	6.0%
Total Non-Missing Ethnicity	3,206,680	100.0%	2,728,603	100.0%	85.1%	-	1,630,291	100.0%	1,358,517	100.0%	83.3%	-	1,576,389	100.0%	1,370,086	100.0%	86.9%	-
Latino	414,963	12.9%	314,279	11.5%	75.7%	11.9%	219,319	13.5%	157,006	11.6%	71.6%	15.1%	195,644	12.4%	157,273	11.5%	80.4%	8.2%
Total Non-Missing Race	3,182,364	100.0%	2,707,394	100.0%	85.1%	-	1,634,849	100.0%	1,361,038	100.0%	83.3%	-	1,547,515	100.0%	1,346,356	100.0%	87.0%	-
Black	206,263	6.5%	143,788	5.3%	69.7%	17.9%	111,188	6.8%	71,653	5.3%	64.4%	22.2%	95,075	6.1%	72,135	5.4%	75.9%	12.7%
Asian	328,469	10.3%	289,195	10.7%	88.0%	-0.4%	182,993	11.2%	158,255	11.6%	86.5%	0.2%	145,476	9.4%	130,940	9.7%	90.0%	-1.4%
American Indian	28,761	0.9%	22,692	0.8%	78.9%	8.7%	14,273	0.9%	10,754	0.8%	75.3%	11.3%	14,488	0.9%	11,938	0.9%	82.4%	6.2%
Pacific Islander	14,721	0.5%	11,958	0.4%	81.2%	6.4%	6,399	0.4%	5,040	0.4%	78.8%	7.9%	8,322	0.5%	6,918	0.5%	83.1%	5.5%



Table 5e

LPA Protected Class Counts, Shares, and Accept Rate 2018 Applications Total, Purchase, and Refinance ^{1,2,3,7,8,9,10}																		
Group	Total						Purchase						Refinance					
	Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate		Applications		Accepts		Accept Rate	
	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap	Count	Share	Count	Share	Rate	Gap
All	3,430,344	-	2,714,446	-	79.1%	-	2,165,066	-	1,764,433	-	81.5%	-	1,265,278	-	950,013	-	75.1%	-
Total Non-Missing Minority	2,169,298	100.0%	1,719,809	100.0%	79.3%	-	1,440,847	100.0%	1,175,002	100.0%	81.5%	-	728,451	100.0%	544,807	100.0%	74.8%	-
White	1,532,903	70.7%	1,261,594	73.4%	82.3%	0.0%	1,006,141	69.8%	852,820	72.6%	84.8%	0.0%	526,762	72.3%	408,774	75.0%	77.6%	0.0%
Overall Minority	636,395	29.3%	458,215	26.6%	72.0%	10.3%	434,706	30.2%	322,182	27.4%	74.1%	10.6%	201,689	27.7%	136,033	25.0%	67.4%	10.2%
Total Non-Missing Ethnicity	2,689,459	100.0%	2,135,851	100.0%	79.4%	-	1,779,821	100.0%	1,454,301	100.0%	81.7%	-	909,638	100.0%	681,550	100.0%	74.9%	-
Latino	282,005	10.5%	193,619	9.1%	68.7%	13.6%	186,093	10.5%	130,194	9.0%	70.0%	14.8%	95,912	10.5%	63,425	9.3%	66.1%	11.5%
Total Non-Missing Race	2,170,401	100.0%	1,725,334	100.0%	79.5%	-	1,444,766	100.0%	1,180,937	100.0%	81.7%	-	725,635	100.0%	544,397	100.0%	75.0%	-
Black	151,464	7.0%	93,590	5.4%	61.8%	20.5%	96,301	6.7%	59,899	5.1%	62.2%	22.6%	55,163	7.6%	33,691	6.2%	61.1%	16.5%
Asian	199,727	9.2%	168,393	9.8%	84.3%	-2.0%	152,849	10.6%	132,115	11.2%	86.4%	-1.7%	46,878	6.5%	36,278	6.7%	77.4%	0.2%
American Indian	22,753	1.0%	16,918	1.0%	74.4%	7.9%	13,895	1.0%	10,600	0.9%	76.3%	8.5%	8,858	1.2%	6,318	1.2%	71.3%	6.3%
Pacific Islander	12,554	0.6%	9,600	0.6%	76.5%	5.8%	8,432	0.6%	6,713	0.6%	79.6%	5.1%	4,122	0.6%	2,887	0.5%	70.0%	7.6%



Table 6a

Protected Class Counts and Shares Freddie Mac Total Acquisitions ^{1,2,3}										
Group	2018		2019		2020		2021		2022	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
All	1,324,210	-	1,760,460	-	3,782,046	-	4,218,889	-	1,802,503	-
Total Non-Missing Minority	1,133,664	100.0%	1,498,739	100.0%	3,172,540	100.0%	3,520,457	100.0%	1,524,960	100.0%
White	856,878	75.6%	1,126,980	75.2%	2,361,504	74.4%	2,514,322	71.4%	1,036,600	68.0%
Overall Minority	276,786	24.4%	371,759	24.8%	811,036	25.6%	1,006,135	28.6%	488,360	32.0%
Total Non-Missing Ethnicity	1,143,123	100.0%	1,513,353	100.0%	3,202,801	100.0%	3,565,384	100.0%	1,543,782	100.0%
Latino	121,144	10.6%	164,706	10.9%	339,560	10.6%	444,514	12.5%	220,684	14.3%
Total Non-Missing Race	1,160,998	100.0%	1,514,185	100.0%	3,208,661	100.0%	3,536,764	100.0%	1,523,737	100.0%
Black	53,602	4.6%	67,145	4.4%	129,657	4.0%	197,222	5.6%	114,172	7.5%
Asian	99,152	8.5%	137,919	9.1%	342,333	10.7%	369,681	10.5%	157,576	10.3%
American Indian	8,361	0.7%	10,565	0.7%	22,697	0.7%	30,054	0.8%	14,866	1.0%
Pacific Islander	5,003	0.4%	6,333	0.4%	13,657	0.4%	15,491	0.4%	6,440	0.4%



Table 6b

Protected Class Counts and Shares Freddie Mac Purchase Acquisitions ^{1,2,3}										
Group	2018		2019		2020		2021		2022	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
All	882,870	-	982,595	-	1,128,840	-	1,376,812	-	1,039,305	-
Total Non-Missing Minority	763,931	100.0%	851,689	100.0%	982,800	100.0%	1,193,963	100.0%	900,573	100.0%
White	575,256	75.3%	635,944	74.7%	727,481	74.0%	837,331	70.1%	605,447	67.2%
Overall Minority	188,675	24.7%	215,745	25.3%	255,319	26.0%	356,632	29.9%	295,126	32.8%
Total Non-Missing Ethnicity	770,080	100.0%	859,588	100.0%	990,437	100.0%	1,206,094	100.0%	910,113	100.0%
Latino	78,377	10.2%	93,833	10.9%	111,861	11.3%	151,947	12.6%	125,682	13.8%
Total Non-Missing Race	783,977	100.0%	861,389	100.0%	994,358	100.0%	1,201,584	100.0%	902,323	100.0%
Black	32,837	4.2%	37,254	4.3%	46,708	4.7%	66,761	5.6%	57,889	6.4%
Asian	76,424	9.7%	84,498	9.8%	98,343	9.9%	141,860	11.8%	115,728	12.8%
American Indian	4,895	0.6%	5,678	0.7%	7,316	0.7%	10,221	0.9%	8,156	0.9%
Pacific Islander	3,051	0.4%	3,108	0.4%	3,797	0.4%	4,850	0.4%	3,520	0.4%



Table 6c

Protected Class Counts and Shares Freddie Mac Refinance Acquisitions ^{1,2,3}										
Group	2018		2019		2020		2021		2022	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
All	441,340	-	777,865	-	2,653,206	-	2,842,077	-	763,198	-
Total Non-Missing Minority	369,733	100.0%	647,050	100.0%	2,189,740	100.0%	2,326,494	100.0%	624,387	100.0%
White	281,622	76.2%	491,036	75.9%	1,634,023	74.6%	1,676,991	72.1%	431,153	69.1%
Overall Minority	88,111	23.8%	156,014	24.1%	555,717	25.4%	649,503	27.9%	193,234	30.9%
Total Non-Missing Ethnicity	373,043	100.0%	653,765	100.0%	2,212,364	100.0%	2,359,290	100.0%	633,669	100.0%
Latino	42,767	11.5%	70,873	10.8%	227,699	10.3%	292,567	12.4%	95,002	15.0%
Total Non-Missing Race	377,021	100.0%	652,796	100.0%	2,214,303	100.0%	2,335,180	100.0%	621,414	100.0%
Black	20,765	5.5%	29,891	4.6%	82,949	3.7%	130,461	5.6%	56,283	9.1%
Asian	22,728	6.0%	53,421	8.2%	243,990	11.0%	227,821	9.8%	41,848	6.7%
American Indian	3,466	0.9%	4,887	0.7%	15,381	0.7%	19,833	0.8%	6,710	1.1%
Pacific Islander	1,952	0.5%	3,225	0.5%	9,860	0.4%	10,641	0.5%	2,920	0.5%



In 2022, Freddie Mac announced two enhancements to our LPA related to our Equitable Housing Finance Plan commitments.

Borrower Cash Flow Considered for Loan Purchase Eligibility

In November 2022, we announced that LPA can now review a borrower’s bank transaction data to look for a history of positive cash flow in their bank account month over month. Cash flow is an excellent indicator of creditworthiness and helps us better reach mortgage-ready borrowers in underserved communities.

From November through the end of the year, there were more than 22,000 LPA applications in which a cash flow evaluation from bank account data could have benefited the credit decision. Adoption from lenders will increase over time, but even initially, Freddie Mac was able to upgrade nearly 500 loan applications that initially received a Caution rating to an Accept rating by considering the applicant’s positive cash flow as part of the credit decision.





Table 7

Borrower Cash Flow Considered in Credit Decision ^{1,2,3,7}									
Group	Applications		Account Data Provided		Accepts		Funded		Total 2022 Purchase Acquisitions
	# of Applicants Notified	%	# of Applicants	%	# of Applicants	%	# of Applicants	%	Homeowners (%)
All	23,685	-	1,659	-	486	-	31	-	
White – Non-Hispanic	7,436	47.0%	573	45.3%	155	39.6%	15	55.6%	67.2%
Overall Minority	8,386	53.0%	691	54.7%	236	60.4%	12	44.4%	32.8%
Black (African American)	2,711	17.8%	192	15.9%	52	13.7%	7	25.0%	6.4%
Latino (Hispanic)	4,246	25.9%	385	29.2%	135	33.7%	3	11.1%	13.8%
Asian	1,616	10.6%	154	12.7%	58	15.3%	4	14.3%	12.8%
American Indian	277	1.8%	25	2.1%	7	1.8%	0	0.0%	0.9%
Pacific Islander	65	0.4%	7	0.6%	1	0.3%	0	0.0%	0.4%



Rent Payment History Considered in Credit Assessment

As of July 2022, LPA now considers renters' bank data to ensure on-time rent payments are factored into our loan purchase decisions. This capability gives loan originators an opportunity for more Accept decisions for qualified borrowers who have a verified history of managing rent obligations responsibly.

From July through the end of the year, there were nearly 11,000 LPA applications for which rent payment identification from bank account data could have benefited the credit decision. Adoption from lenders will increase over time, but even initially, Freddie Mac was able to upgrade almost 250 loan applications that had received a Caution rating to an Accept rating by considering the applicant's consistent rent payment history as part of the credit decision.

Table 8

Rent Payment Innovation ^{1,2,3,7}									
Group	Applications		Account Data Provided		Accepts		Funded		Total 2022 Purchase Acquisitions
	# of Applicants Notified	%	# of Applicants	%	# of Applicants	%	# of Applicants	%	Homeowners (%)
All	10,829	-	823	-	238	-	30	-	-
White – Non-Hispanic	3,332	44.0%	292	46.1%	94	50.0%	16	61.5%	67.2%
Overall Minority	4,238	56.0%	342	53.9%	94	50.0%	10	38.5%	32.8%
Black (African American)	1,355	18.8%	104	17.2%	25	14.2%	4	16.0%	6.4%
Latino (Hispanic)	2,083	26.5%	162	23.9%	45	22.5%	5	19.2%	13.8%
Asian	934	13.0%	93	15.4%	30	17.0%	1	4.0%	12.8%
American Indian	133	1.8%	7	1.2%	3	1.7%	0	0.0%	0.9%
Pacific Islander	45	0.6%	2	0.3%	0	0.0%	0	0.0%	0.4%

In concert with these efforts, we continue to evaluate leveraging detailed credit in lieu of reliance on third-party credit scoring within LPA, and we expect to report demonstrably improved LPA fairness as we adopt these AUS innovations.



Working Toward an Equitable Future

As we work with our clients, the housing industry and community partners to execute on our three-year Equitable Housing Finance Plan, we look forward to creating positive housing outcomes for many more borrowers and renters of color. This work complements our core mission of maintaining liquidity, stability and affordability in the market, and, along with our Duty to Serve plan and affordable housing goals, there is no higher priority for Freddie Mac.

We look forward in the coming years to sharing our progress on progressively narrowing homeownership gaps and realizing fairer, more equitable housing and rental markets. We know this is a long-term endeavor and there is much more work to be done. We stand committed to bringing our best thinking and sustained action to solutions that are fair and complete for all who deserve a place to call home.



Summary of Outcomes

In the preceding sections, we reported on outcomes from our business activities that support the expansion of equitable homeownership and rental opportunities for historically underserved communities. The data tables below summarize outcomes specifically resulting from the actions to which we committed in our Equitable Housing Finance Plan.

Families Served by the Equitable Housing Finance Plan

Table 9

Number of Families Served Through the Equitable Housing Finance Plan – 2022 ^{10,11}	
Equitable Housing Finance Plan Action	Families Served
Special Purpose Credit Programs	
Lender SPCPs (1,470 families)	1,470
Freddie Mac SPCP (0 families)	
Underwriting Innovations (Table 11)	
Positive Rent Payment in AUS (30 families)	56
Cash Flow Assessment in AUS (31 families)	
Education & Counseling (Table 13)	
Affirmative Outreach	402,120
Foreclosure Alternatives (Table 12)	
Special Servicing Framework	490
Multifamily Tenant Credit Building (Table 14)	184,176
TOTAL	588,312





Loans Acquired Through the Equitable Housing Finance Plan

Table 10

Number of Loans Acquired for the Year Ended December 31, 2022 ^{1,2,3,12,13}						
Group	Loans					
	Total Acquisitions	% of Total Acquisitions	Purchase	% of Purchase Loans	Refinance	% of Refi Loans
All	1,526	-	1,515	-	11	-
White – Non-Hispanic	414	28.9%	412	29.0%	2	22.2%
Overall Minority	1,017	71.1%	1,010	71.0%	7	77.8%
Black	524	37.3%	524	37.5%	-	0.0%
Latino	397	27.4%	390	27.1%	7	77.8%
Asian	151	10.7%	151	10.8%	-	0.0%
American Indian	21	1.5%	21	1.5%	0	0.0%
Pacific Islander	8	0.6%	8	0.6%	0	0.0%



Underwriting Outcomes from the Equitable Housing Finance Plans

As noted earlier, our progress as it relates to cash flow assessments and rental payment innovations resulted in the outcomes below

Table 11

Underwriting Innovations (Cash Flow and Rent Payment) ^{1,2,3,7,12}									
	Applications		Account Data Provided		Accepts		Funded		Total 2022 Purchase Acquisitions
Group	# of Applicants Notified	%	# of Applicants	%	# of Applicants	%	# of Applicants	%	Homeowners (%)
All	31,513	-	2,279	-	704	-	56	-	-
White – Non-Hispanic	9,821	46.3%	791	45.7%	241	42.7%	29	59.2%	67.2%
Overall Minority	11,399	53.7%	940	54.3%	324	57.3%	20	40.8%	32.8%
Black (African American)	3,642	17.9%	270	16.3%	76	14.0%	10	20.4%	6.4%
Latino (Hispanic)	5,729	26.0%	497	27.2%	177	30.2%	8	16.3%	13.8%
Asian	2,303	11.3%	223	13.5%	86	15.9%	4	8.2%	12.8%
American Indian	370	1.8%	30	1.8%	9	1.7%	0	0.0%	0.9%
Pacific Islander	101	0.5%	9	0.5%	1	0.2%	0	0.0%	0.4%



Homeowners Served by Foreclosure Alternatives from the Equitable Housing Finance Plan

As noted earlier, our progress in developing and launching a special servicing framework resulted in the outcomes below.

Table 12

Foreclosure Alternatives from Our Special Servicing Framework ^{1,2,3}			
Group	Alternatives to Foreclosure		Total Purchase Acquisitions
	Homeowners	%	Homeowners (%)
Total	490	-	-
White – Non-Hispanic	252	59.3%	67.2%
Overall Minority	173	40.7%	32.8%
Black (African American)	75	17.9%	6.4%
Latino (Hispanic)	81	18.8%	13.8%
Asian	19	4.5%	12.8%
American Indian	5	1.2%	0.9%
Pacific Islander	1	0.2%	0.4%



Consumers Served through Counseling and Education from the Equitable Housing Finance Plan

Table 13

Counseling and Education Activities from the Equitable Housing Finance Plan ^{5,6}			
Group	Counseling and Education		Total Purchase Acquisitions
	Consumers	%	Homeowners (%)
Total	402,120	-	-
White – Non-Hispanic	28,379	19.7%	67.2%
Overall Minority	115,507	80.3%	32.8%
Black (African American)	65,858	45.8%	6.4%
Latino (Hispanic)	34,980	24.3%	13.8%
Asian	6,103	4.2%	12.8%
American Indian	2,088	1.5%	0.9%
Pacific Islander	606	.4%	0.4%
Other	5,872	4.1%	-



Credit Building Activities Through the Equitable Housing Finance Plan

Table 14

Credit Building ⁴			
Investment Type	Enterprise Total (Properties)	Average Units per Property	Total Units Enrolled
Rent Payment Reporting	1,449	166	184,176





End Notes

- ¹ For all protected class groups, in cases where there are more than 2 borrowers, only the first 2 borrowers are considered.
- ² Each borrower can list up to 5 races, an ethnicity and multiple subcategories under each. An application or loan is considered Latino if either borrower is Latino or lists a Latino origin subcategory. Similarly, an application or loan is considered Black, Asian, American Indian, or Pacific Islander if either borrower lists one of those races or their subcategories. As such, the individual race/ethnicity categories do not form a partition, so the same application or loan can be counted as multiple races and Latino at the same time. An application or loan is flagged as Overall Minority if either borrower lists any non-white race or Latino ethnicity. An application or loan is considered white only when borrower(s) list race as white and ethnicity as non-Latino. The Overall Minority and White categories are mutually exclusive.
- ³ For each protected class group, the percent is calculated as the number of applications or loans that belong to that group divided by the total number of non-missing loans in the broader protected class category (minority, race, ethnicity, gender, or age). Because the non-missing populations for each protected class category are different (resulting in different denominators for the share calculations), a higher share does not necessarily indicate a higher application or loan count when comparing across the protected class categories.
- ⁴ Figures are cumulative from program inception through December 2022.
- ⁵ Race results are not based on the fair lending method. Race/ethnicity breakouts based on individual households' self-identification or organization's reporting of composition of event participants. Individual households self-identify by race category. Data is reported and aggregated through Salesforce. The Other category reflects consumers or organizations using the Other/Multiple Race category.
- ⁶ A total of 258,234 consumers did not report race/ethnicity which include CreditSmart. Households that select Chose Not to Respond and education activities (including CreditSmart) that do not collect demographic information are not included in this table.
- ⁷ In cases where an application involves multiple submissions linked to the same application key (Auskey), only the last transaction is kept. Because applications counted in previous time periods may receive new submissions in later time periods, previous time period data may be revised over time.
- ⁸ For each group, the Accept rate is calculated as the number of applications that received an Accept purchase decision, divided by the total number of applications in that group, using the actual purchase decision delivered in production LPA, conveying that the application meets Freddie Mac's purchase standards.
- ⁹ For each group, the Accept rate gap is calculated as the difference between the respective reference group's rate and that protected class group's rate.
- ¹⁰ This represents identified lender SPCP loans but not unidentified Guide-compliant lender SPCP loans. Therefore, 1,470 may be an incomplete sum of all lender SPCP loans acquired in 2022.
- ¹¹ Positive rent payment and cash flow assessment are not mutually exclusive; together, they account for 56 families served.
- ¹² In cases where a single application is relevant to a population under both cash flow and rent payment offerings, only one application is counted.
- ¹³ Represents 56 acquired loans through cash flow assessment and rent payment innovation, and 1,470 loans acquired through lender SPCP.



