



Serving the Diverse Markets of Today

ALL FOR HOME

 **Freddie Mac**
Single-Family

Speaker Introduction



Monica La Crue

Affordable Lending Manager

Single-Family Mission & Community Engagement

Monica is an Affordable Lending Manager at Freddie Mac and part of the Single-Family Client and Community Engagement team. She joined Freddie Mac in 2019 as part of the Real Estate Engagement outreach team. She works closely with industry diverse trade associations, real estate companies and local and State REALTOR associations.

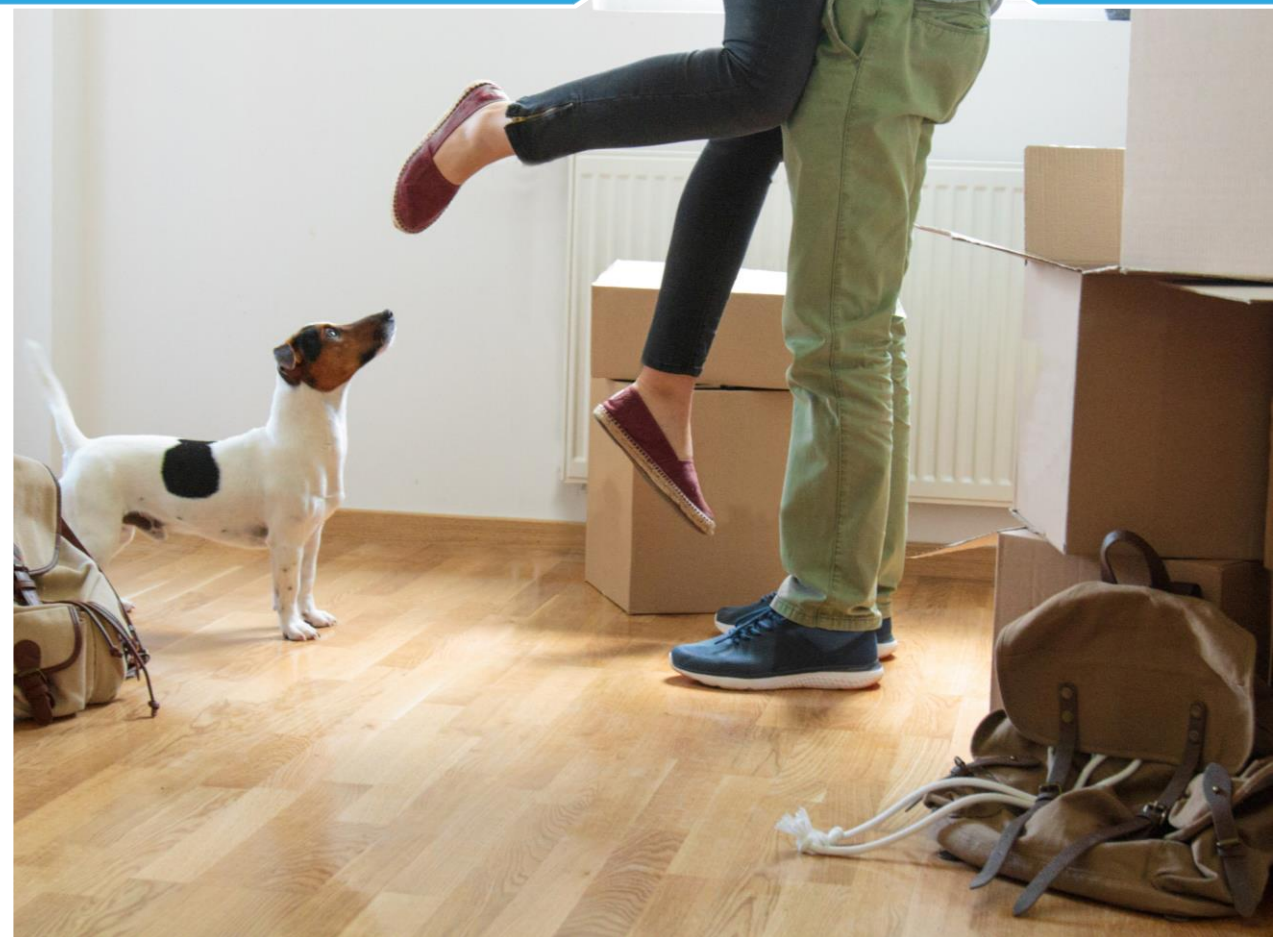


About Freddie Mac



Making Home Possible for 52 Years

- Freddie Mac was [chartered by Congress in 1970](#) and operates in the Secondary Mortgage Market
- [Mission](#) to promote liquidity, stability, affordability and equality 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 scenarios to include: low down payments, refinances, first-time homebuyer, energy-efficient properties, factory-built housing and renovation mortgages.

Business Solutions



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



Future Borrowers: Challenges and Opportunities



Challenges to Homeownership



13%

of All Buyers



27%

of Gen Z/Millennials
23 to 31



21%

of Millennials
32 to 41

**Saving for down payment a difficult
step in home buying process**



61%

of Buyers' down payment
came from their savings



38%

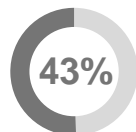
of Buyers' down
payment came from the
sale of a primary

Sources of down payment

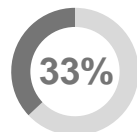
*Access to a down payment
for a mortgage remains one
of the most common hurdles
for today's borrower.*

*With housing prices rising,
incomes remaining stagnant
and limited housing stock, it
creates a highly competitive
market for very-low and low-
income borrowers who
increasingly struggle to save
for their initial down
payment.*

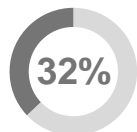
Top Expenses that Delayed Saving for Down Payment



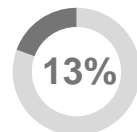
Student Loans



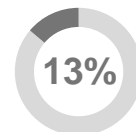
Credit Card



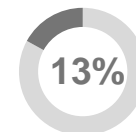
Car Loan



Child Care



Health Care



Other

Source: 2022 National Association of Realtors Home Buyer and Seller Generational Trends Report

Defining “Mortgage Ready”

- We define “Mortgage Ready” as a status for potential future borrowers ages 45 and younger, who exhibit certain credit characteristics that could qualify them for a mortgage.
 - These definitions are research-based assessments and does not relate to our Guide or underwriting criteria.
- We define “Near Mortgage Ready” as a likely status of potential future borrowers ages 45 and younger, who are reasonably close in time to being “Mortgage Ready”.

Non-Mortgage Owner (Age ≤ 45)

“Mortgage Ready”

(all of the following)

- Credit Score ≥ 661
- DTI ≤ 25
- No foreclosures in 84 months
- No bankruptcies in 84 months
- No severe delinquencies in 12 months

“Near Mortgage Ready”

(all of the following)

- Credit Score ≥ 600 and < 661
- DTI ≤ 25
- No foreclosures in 84 months
- No bankruptcies in 84 months
- No severe delinquencies in 12 months

“Not Currently Mortgage Ready”

(any of the following)

- Credit Score < 600
- DTI > 25
- Foreclosures in 84 months
- Bankruptcies in 84 months
- Severe delinquencies in 12 months

Time to Save for “Mortgage Ready” Population by Race/Ethnicity

Race / Ethnicity	"Time to Save" (year)			Monthly Net Income	Median House Price (SFH)
	20% down	5% down	3% down		
Non-hispanic Whites	18.8	4.7	2.8	\$4,141	\$344,423
Black Americans	20.4	5.1	3.1	\$3,503	\$310,579
Hispanic	27.8	7.0	4.2	\$3,528	\$428,744
Asian	27.0	6.8	4.1	\$4,233	\$537,329

Source: Freddie Mac calculations using anonymized credit bureau data for Feb 2022. Time to Save is calculated by dividing down payment requirements by monthly savings. According to Bureau of Economic Analysis, average personal savings rate is 7.5% of net income in 2019. We estimate net income by subtracting both federal and state taxes from gross income at the individual-level.

- » On average, Non-Hispanic White and Black “Mortgage Ready” households had a shorter time to save compared to Hispanic and Asian households.
 - Hispanic and Asian “Mortgage Ready” households are more likely to live in high-cost areas.

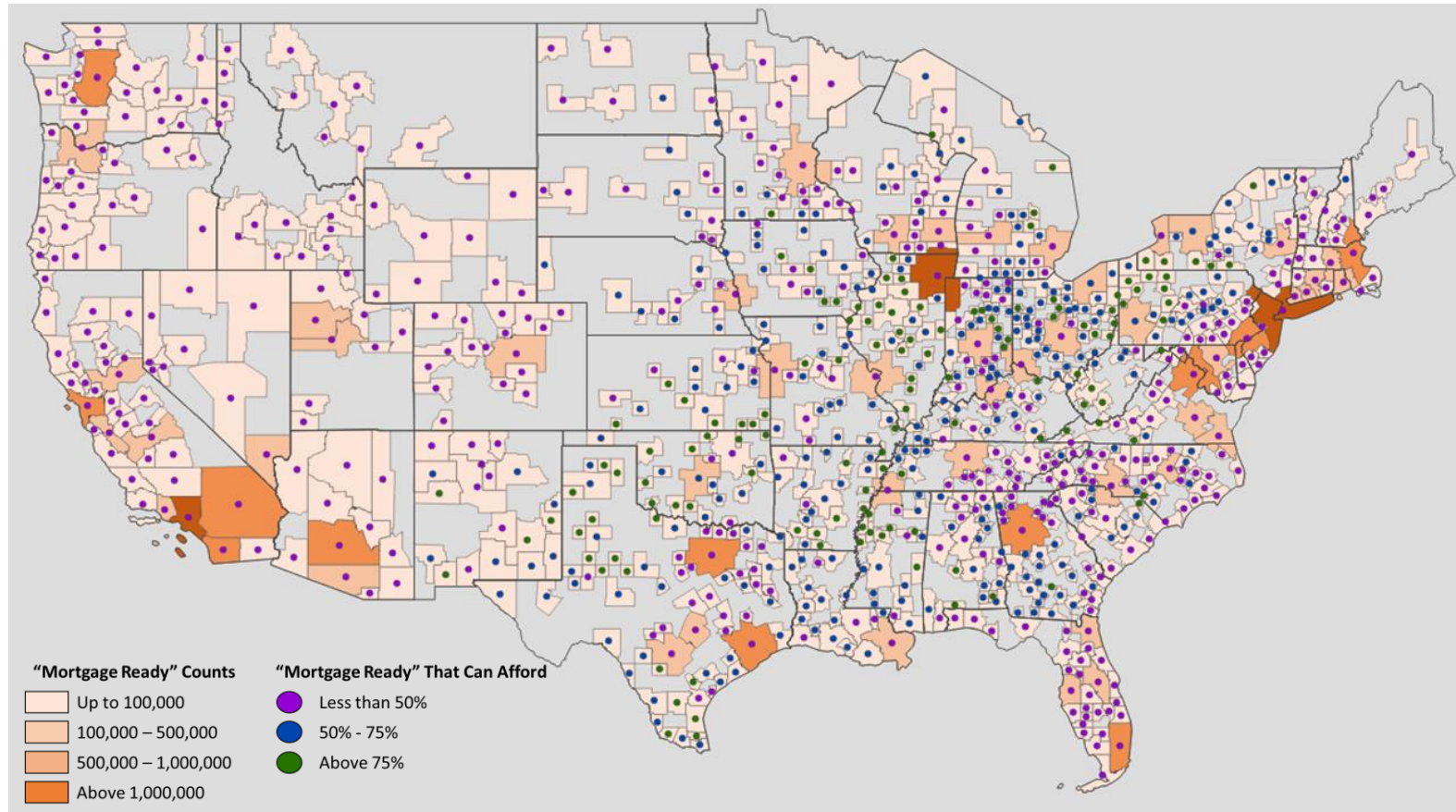
Time to Save for “Mortgage Ready” Population by Age

Race / Ethnicity	"Time to Save" (year)			Monthly Net Income	Median House Price (SFH)
	20% down	5% down	3% down		
Gen Z	27.5	6.9	4.1	\$2,874	\$349,004
Old Millennials	18.9	4.7	2.8	\$4,594	\$383,593
Young Millennials	22.3	5.6	3.3	\$3,771	\$374,178
Gen X	17.4	4.4	2.6	\$4,778	\$377,889

Source: Freddie Mac calculations using anonymized credit bureau data for Feb 2022. Time to Save is calculated by dividing down payment requirements by monthly savings. According to Bureau of Economic Analysis, average personal savings rate is 7.5% of net income in 2019. We estimate net income by subtracting both federal and state taxes from gross income at the individual-level. As of 2022, Gen Z is age of 19-24 years, Millennials are 25-41 years old. Older millennials are 32-41 years old. Younger millennials are 25-31 years old. Gen X is 42-60 years old Senior is 60+ years old.

- » Time to save is shorter for older generations compared to younger as average monthly income increases.
 - Old millennials and Gen X need on average less than 3 years to save for 3 percent down.

Where Are the “Mortgage Ready” – Are Those Locations Affordable?

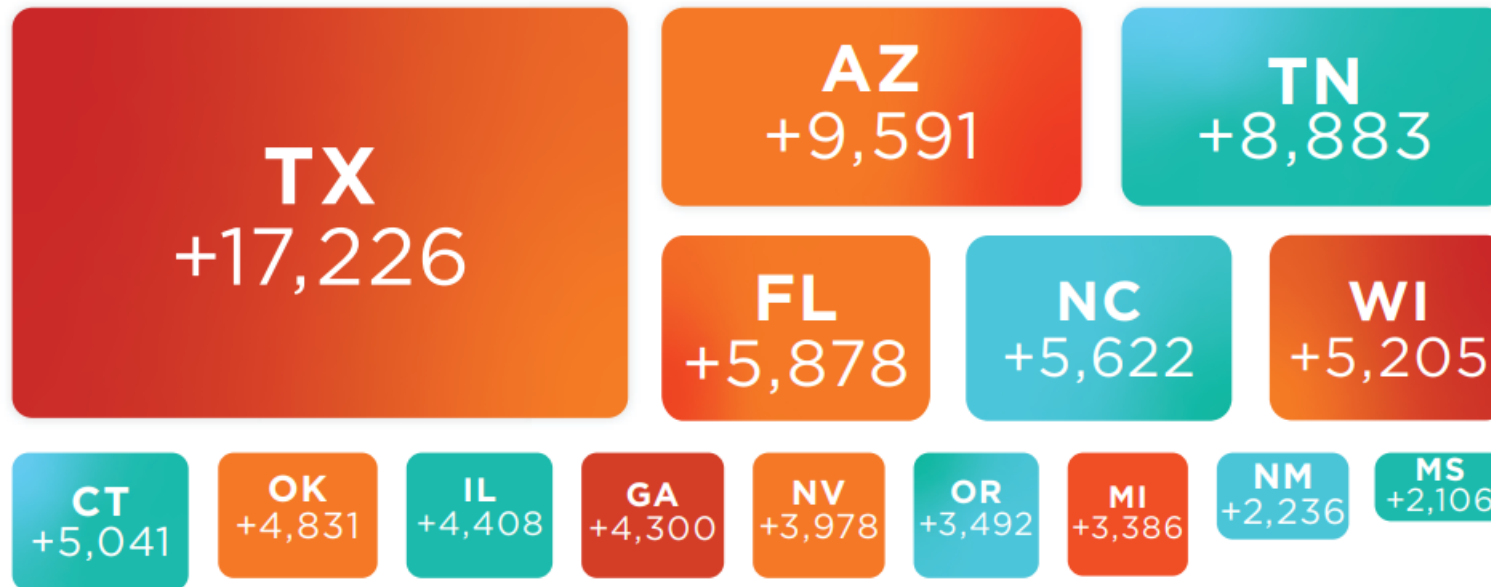


- » Coastal cities have the highest share of “Mortgage Ready”, but affordability is threatened in those areas.

Source: Freddie Mac calculations at the CBSA-level using anonymized credit bureau data and Freddie Mac Home Value Explorer data for 2022. Note: According to NAR’s methodology, if a consumer’s quarterly household income is greater than or equal to the annual mortgage payment on a median priced house (under the assumption of 3% down payment, 5.2% mortgage rate, 30-year contract), then that house is affordable for him/her/them.

2021 Net Household Migration by State

WHERE ARE **LATINOS MOVING** TO IN 2021? NET HOUSEHOLD MIGRATION BY STATE



SOURCE: U.S. CENSUS BUREAU

- Amid a housing supply and affordability crisis, Texas, Arizona, and Tennessee saw the greatest net influx of Latinos in 2021.
- California, one of the most expensive housing markets in the country and most acute housing shortages, overwhelmingly saw the greatest decrease in Latino net migration in 2021, at a loss of 22,029 Latino households, followed by New York (-16,260) and Virginia (-11,532).

Emerging AAPI MSAs in the South

VIRGINIA BEACH-NORFOLK, VA-NC

Median Listing Price
\$295,000

Median YoY %Chg
5.40%

%AAPI
7.10%

AAPI Population
32,622



OKLAHOMA CITY, OK

Median Listing Price
\$229,900

Median YoY %Chg
4.50%

%AAPI
4.40%

AAPI Population
29,966



NASHVILLE-DAVIDSON-MURFREESBORO, TN

Median Listing Price
\$389,900

Median YoY %Chg
14.70%

%AAPI
4.00%

AAPI Population
28,635



RALEIGH, NC

Median Listing Price
\$369,900

Median YoY %Chg
15.40%

%AAPI
4.80%

AAPI Population
22,447



NEW ORLEANS, LA

Median Listing Price
\$279,900

Median YoY %Chg
7.70%

%AAPI
2.90%

AAPI Population
11,135

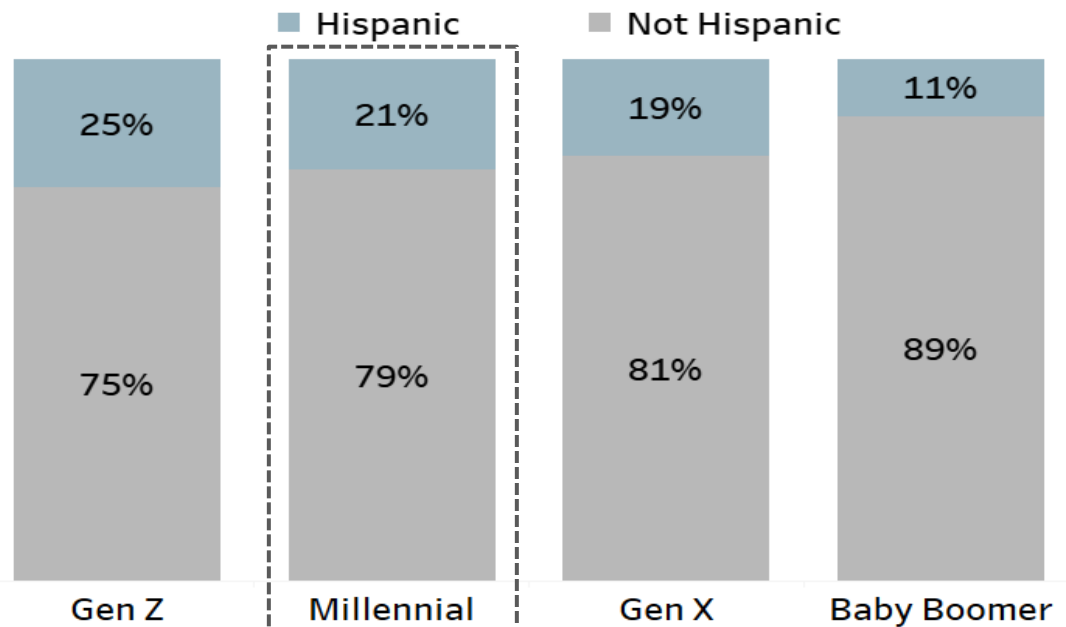


- Texas dominates when it comes to Southern Asian Americans, it has the second highest net AAPI in-migration (behind California) and two of the top regional MSAs
- High levels of Indian Americans can be found in Florida and Virginia, many Koreans reside in Nashville, and Texas has a high proportion of Vietnamese Americans.
- Some reasons for this migration include work opportunities, religion, education, and refugee status.

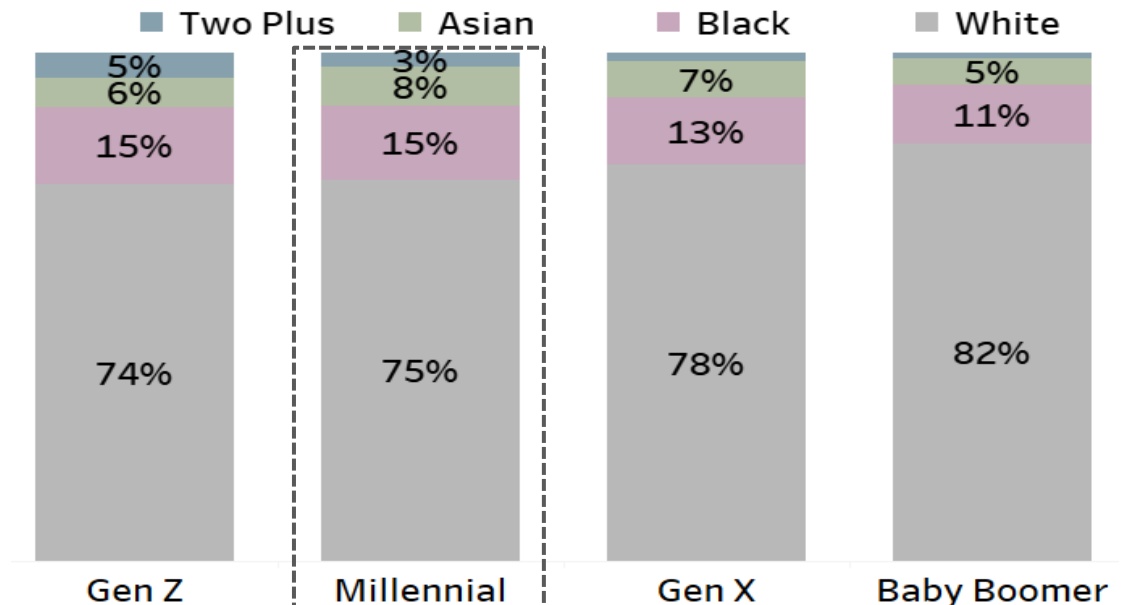
Millennials make up the most racially and ethnically diverse adult generation

- Minorities make up 45% of the millennial population.
- The share of Hispanic millennials (21%) is almost double the share of Hispanic baby boomers (11%). Millennials also hold the highest share of the Asian population at 8%.

Ethnicity

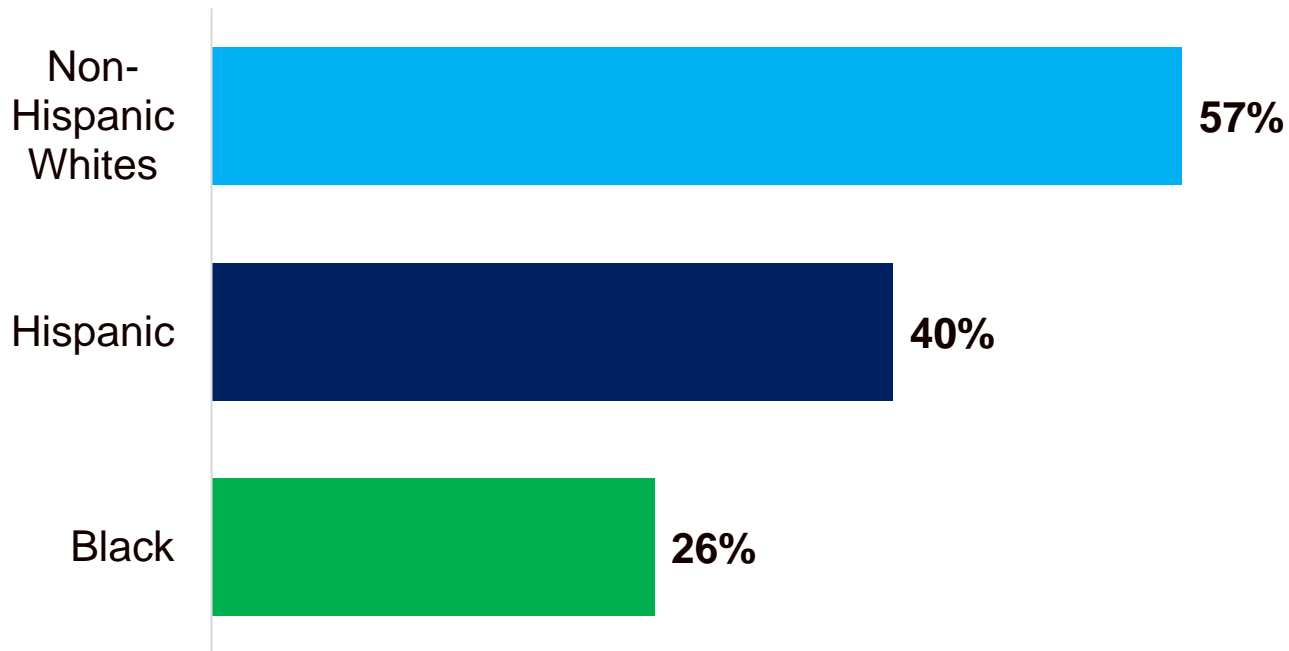


Race



Historically persistent gap in homeownership across races/ethnicities is one of the drivers of lower overall millennial homeownership rate

Millennial Homeownership (%)



Millennial generation's Hispanic/Latino and African American/Black homeownership rates are substantially below those of non-Hispanic Whites' rate of 57%.



Considering the historical variation in homeownership rates by race and ethnicity combined with higher share of Hispanic/Latino and African American/black populations, the result could be lower overall millennial homeownership rate.

The Changing Face of the Borrower



Client Profiles: Hispanics

Top professional / homebuyer challenges

Total:

83% **84%** Not enough homes available in price range

66% **65%** Demand and supply in any market

55% **56%** Multiple offers

52% **48%** Attracting potential sellers

36% **45%** Clients not having enough for a down payment
• 2nd highest of the groups

Notable audience differences

- Though not in the top-5, professionals working with this audience struggle more than others with:
 - Lack of down payment assistance programs (28%)
 - A lack of mortgage options for LMI borrowers (21%)
- 20% have partnered with housing counseling or financial coaching agencies
- Roughly 1 in 7 leverage the Freddie Mac Real Estate Professionals Resource Center (15%) and Fannie Mae's HomePath.com website (14%) to stay up to date
- **36% have used language resources to help limited English proficiency clients**

Total:

20%

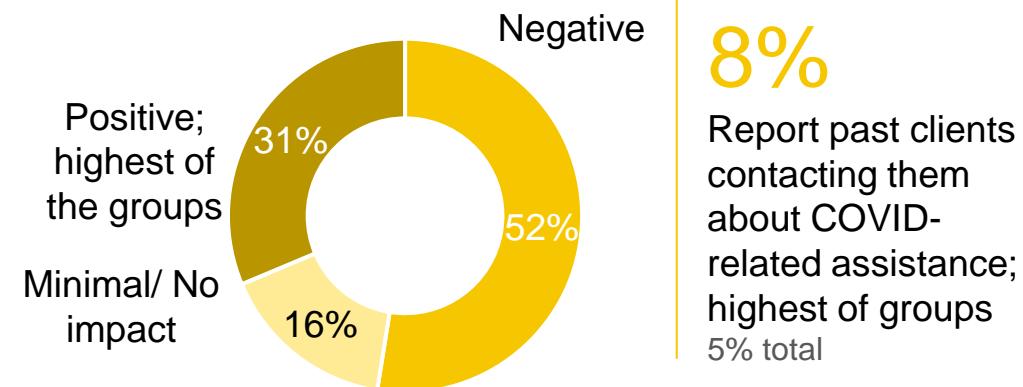
14%

12%

9%

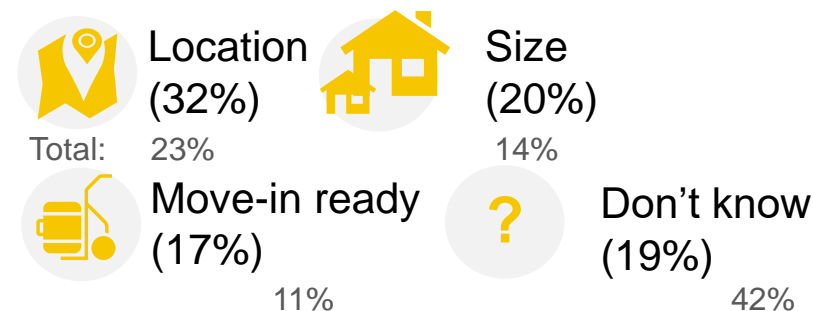
25%

Impact of COVID-19 on business



Total: Positive. 27%, Minimal/No impact 19%, Negative 54%

Borrower Type of Property preferences...



Base: Those who work more than 10% with Hispanics (N=488)

Client Profiles: African Americans

Top professional / homebuyer challenges

Total:		
83%	84%	Not enough homes available in price range
66%	65%	Demand and supply in any market
55%	57%	Multiple offers
52%	51%	Attracting potential sellers <ul style="list-style-type: none">• Significantly higher than those working with Hispanics
43%	48%	Clients' unrealistic expectations

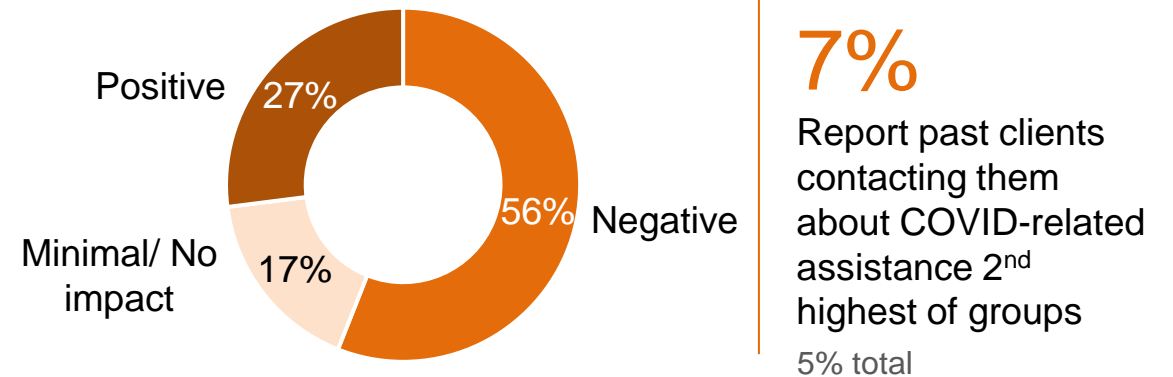
Notable audience differences

- Though not in the top-5, professionals working with this audience struggle more than others with

- **Clients not having enough for a down payment (47%)**
- Problems qualifying for a mortgage due to poor credit (37%)
- Lack of down payment assistance programs (28%)
- A lack of mortgage options for LMI borrowers (21%)
- **20% have partnered with a housing counseling or financial coaching agencies**
- 14% leverage the Freddie Mac Real Estate Professionals Resource Center to stay up to date on the industry

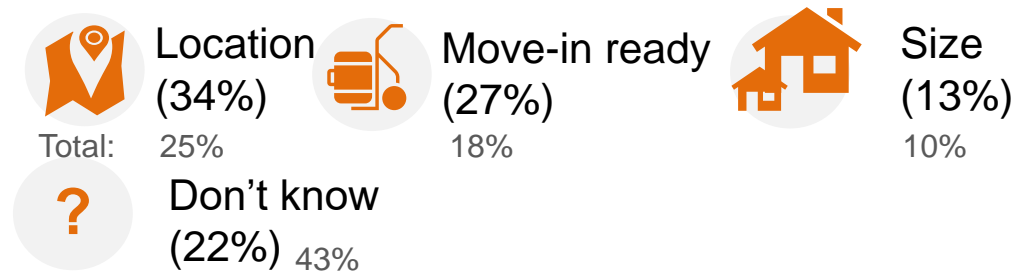
Total:
36%
28%
20%
14%
12%
9%

Impact of COVID-19 on business



Total: Positive. 27%, Minimal/No impact 19%, Negative 54%

Property preferences...



Base: Those who work more than 10% with African Americans (N=429)

Client Profiles: Asian Americans

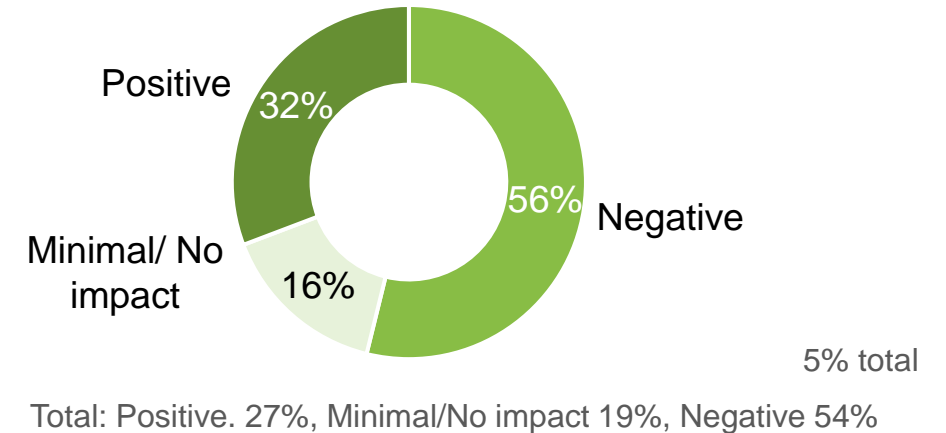
Top professional / homebuyer challenges

Total:		
83%	80%	Not enough homes available in price range
		• Lowest among all groups
66%	65%	Demand and supply in any market
55%	58%	Multiple offers
52%	50%	Attracting potential sellers
43%	44%	Clients' unrealistic expectations

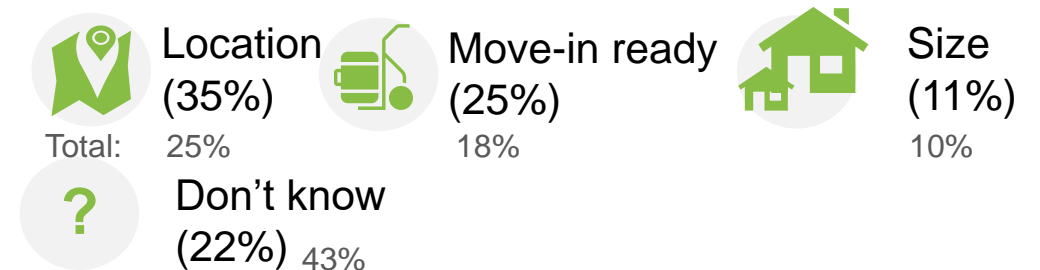
Notable audience differences

- Though not in the top-5, professionals working with this audience	Total:
• Least likely to use social media industry information (47%)	56%
• If they do use social media, more likely to use Instagram (52%)	42%
• More likely to use new media (57%)	52%
• Least likely to prefer in-person professional workshops (40%)	45%
• More likely to prefer self-guided online training (42%)	37%
• Shows the least interest in participating in a Freddie Mac continuing education course focused on affordable lending products and resources (58%)	61%

Impact of COVID-19 on business



Property preferences...



Base: Those who work more than 10% with Asian Americans (N=267)

Type and Size of Community

- Participants in this research reside in many types of communities across America.

How would you best describe the community in which you live?



**Big or medium size
city / urban area**

35%

of all LGBT participants



**Suburb of a big or
medium size city**

30%

of all LGBT participants



Small Communities*

35%

of all LGBT participants

	Renters	Homeowners
Big or medium size city / urban area	44%	28%
Suburb of a big or medium size city	25%	35%
Small communities*	31%	37%

Bases: All LGBT n=2,313; Homeowners n=1,105; Renters n=1,041

*Small communities include: Rural areas, small towns and small cities.

LGBT Homeownership Rate



- This study found the overall LGBT homeownership to be 49% for participants age 22 to 72, which is much less than the overall U.S. general population homeownership rate of 64% (from U.S. Census).
- Gay men and lesbians had a homeownership rate of 52%, while gender-expansive community members had the lowest real estate ownership rate.
- White, Black, Latino and Asian real estate ownership rates are all lower than expected compared to the general population census data.

United States General Population Homeownership Rate: 64% (White Non-Hispanic 72%, Hispanic/Latino, 48%, Black/African American 42%)

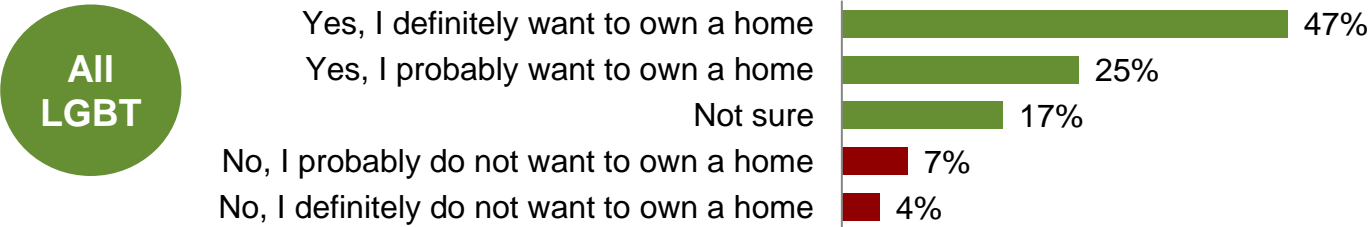
LGBT Community: I own my home or primary living space.

49%	52%	52%	48%	33%	23%	56%	73%	58%	35%	30%
All LGBT	Lesbians	Gay Men	Bisexual	Gender-Expansive	Millennial	Gen x	Boomers	White / Non-Hispanic	Latino	Black
N=2,313	714	802	583	366	846	760	707	1,441	354	263

Bases: All LGBT n=2,313; other bases vary by group
General population source: Source: U.S. Census Bureau, Quarterly Residential Vacancies and Homeownership, First Quarter 2018

- Among all LGBT renters, 72% want to own a homes in the future.
- 11% said that they do not want to own a home in the future.

You said that you rent your primary home. Do you want to own a home in the future?



% by Identity: I definitely want to own a home + I probably want to own a home

74%	73%	68%	66%
Lesbians	Gay Men	Bisexual	Gender-Expansive

Base: LGBT community members who rent their home n=1,041; This question helped determine renter section questions of the survey.

Affordable Products Solutions



Home Possible[®] Mortgage Highlights

3%

Down Payment

Flexible

Sources of Funds

105%

TLTV with
Affordable Seconds[®]

Repeat

Homebuyers
Allowed

Home Possible Income & Property Eligibility Tool

Affordable Lending Overview All For HomeSM Home Possible[®] Solutions Reaching Borrowers Resources & Learning News & Insights

Home Possible[®] Income and Property Eligibility Tool

SF.FreddieMac.com/working-with-us/affordable-lending/home-possible-eligibility-map

Copy Link Email Print LinkedIn Twitter Facebook

Use this tool to verify if a borrower can qualify for a Freddie Mac Home Possible[®] mortgage based on the property location and the borrowers' qualifying income. For best results, enter the complete property street address.



Use this tool to verify if a borrower can qualify for a Freddie Mac Home Possible[®] mortgage based on the property location and the borrowers' qualifying income.

Home Possible Income & Property Eligibility Tool

Use this tool to verify if a borrower can qualify for a Freddie Mac Home Possible® mortgage based on the property location and the borrowers' qualifying income. For best results, enter the complete property street address.

2230 N Holly Avenue Avon Park, FL 33825

Home Possible Income Limits by Census Tract

2230 N Holly Avenue Avon Park, FL 33825

See if this property qualifies for [Down Payment Assistance](#)

County: Highlands County
FIPS Code 12055960401
Home Possible Income Limit: \$50,800
100% Median Income: \$63,500
80% Area Median Income: \$50,800
50% Area Median Income: \$31,750
High Needs Rural Tract: No

[Zoom to](#)

Allows you to check for available down payment assistance on the [Down Payment Resource](#) website

Provides Home Possible® income limits based on property location

Why Choose Home Possible[®] Over FHA?

Home Possible Mortgage



MI for 1-units ends when LTV < 80%



Conventional MI: monthly premium



MI only required if the LTV is >80%



No upfront MIP

OR

OR

OR

OR

FHA

MI stays for the life of the loan



FHA: Upfront AND monthly premiums



MI required regardless of the LTV



Upfront MIP added to principal AND amortized



WHAT THIS MEANS:

With more funds applied toward the principal up front, a Home Possible mortgage with PMI lets the borrower build equity faster

Mortgage Insurance (MI)

HomeOneSM Mortgage

This conventional mortgage offers qualified first-time homebuyers...

3%
down payment
option

&

NO
geographic or income
limitations

Fireside Chat

Brandy Novak
Preferred Lending Services, LLC
NMLS#: 300439
bnovak@flpls.com

ALL FOR HOME

Freddie Mac
Single-Family

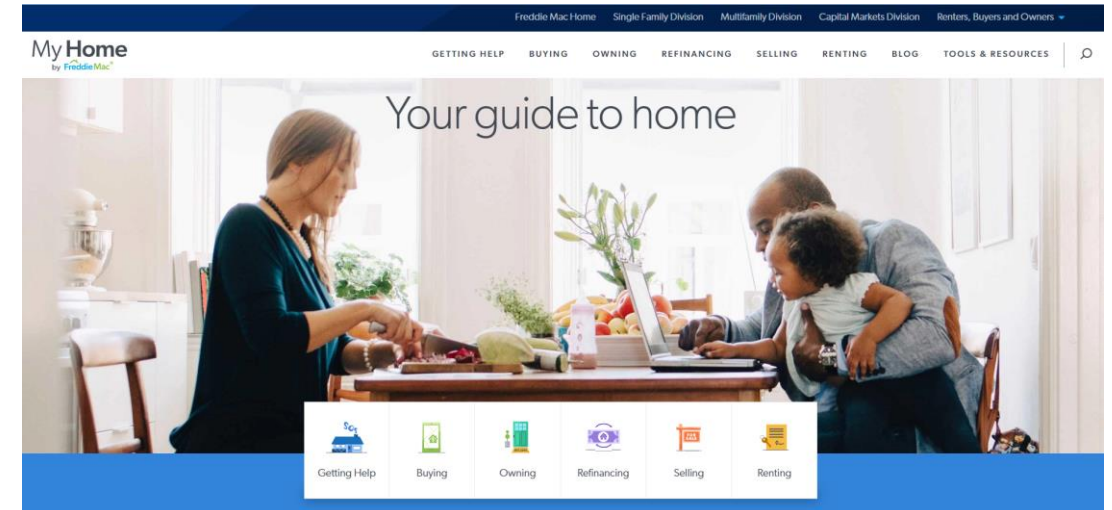
Supporting Your Business with Freddie Mac Resources



My Home by Freddie Mac®

Multi-Lingual Resources for Homeowners and Renters on:

- Renting
- The Homebuying and Mortgage Process
- Sustaining Homeownership



Explore the resources: myhome.freddiemac.com

CreditSmart®

[CreditSmart](#) is a suite of free financial capability and homeownership educational resources designed to empower consumers with the skills and knowledge to assist them through every stage of their homeownership journey.

Education Delivered with Key Functionality That is:

- ADA accessible.
- Mobile-optimized.
- Interactive videos and quizzes to keep users on track and engaged.
- Ability to start/pause/resume allowing for better time management and convenience.
- Multi-lingual.

A blue rectangular graphic with a yellow banner at the top that reads "CELEBRATING 20 YEARS OF CREDITSMART®". Below the banner, the text "on your terms" is written in large, white, lowercase letters. Underneath this, in smaller white text, it says: "Education has power, and it's in your hands with the CreditSmart® suite of financial and homeownership education resources. Whether you're renting a home, are on the path to homeownership or saving for the future, CreditSmart has something for you."/>

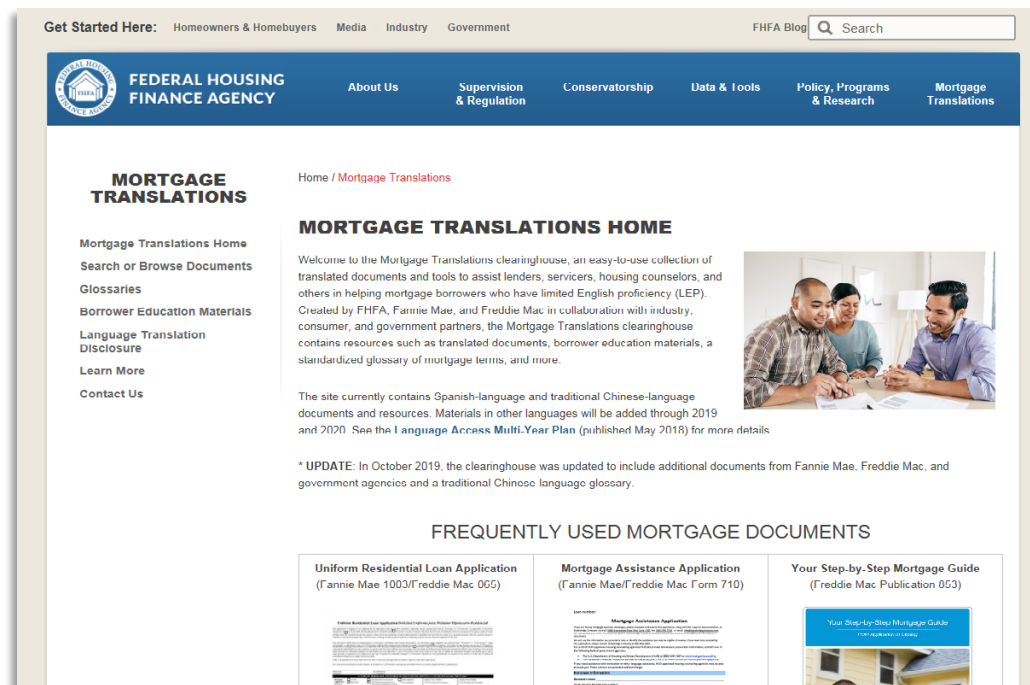
CELEBRATING 20 YEARS OF CREDITSMART®

on your terms

Education has power, and it's in your hands with the CreditSmart® suite of financial and homeownership education resources. Whether you're renting a home, are on the path to homeownership or saving for the future, CreditSmart has something for you.

Visit page: creditsmart.freddiemac.com

Translated Mortgage and Homebuyer Education Documents



VISIT: www.fhfa.gov/mortgagetranslations

FHFA, Freddie Mac and Fannie Mae created an online, industry-standard clearinghouse of translated mortgage and homebuyer education documents for housing professionals and their clients.

- **Digital repository** of in-language tools to empower growing limited English proficiency (LEP) borrower populations
- Featuring documents translated in **Spanish, traditional Chinese, Vietnamese, Korean, and Tagalog** languages
- Addresses language barriers with clients to help navigate all aspects of the **mortgage life cycle**
- **Free-to-use interpretive services** that provide **live translations** in preferred languages about the mortgage process, mortgage documents, loan payments, or avoiding scams or fraud

Real Estate Professional Resource Center: New and Expanded

Strengthen Your Role as a Trusted Advisor With Your One-Stop Access to:

-  • Industry Insights
-  • Enhanced Business Growth Strategies and Tools
-  • Resources to Share with Clients
-  • Connections to Expand Professional Networks
-  • Latest News, Market Insights and Updates



Take a tour: sf.freddiemac.com/realestatepros

Your Feedback is Important

Please take our brief survey about this information session -

1. **Scan the QR code**
2. **Begin survey**
3. **Share your anonymous feedback**

To continue serving as a valuable and trusted housing industry partner, it is important for us to understand how our sessions, affordable lending solutions and resources impact you and your customers to make home possible.



Thank You!

