

# Employer-Enabled Permanent Supportive Housing



## Addressing Homelessness through Employment at Properties with Supportive Housing

According to the U.S. Department of Housing and Urban Development, there are over half a million people who experience homelessness throughout the United States. A disproportionate share of those facing homelessness identify as Black, Native Americans and Pacific Islanders.

Through our Equitable Housing Finance Plan work, Freddie Mac Multifamily has made addressing homelessness a priority. As part of these efforts, Freddie Mac has paved the way to finance properties with sponsors that offer Employer-Enabled Permanent Supportive Housing (EPSH).

Through this initiative, nonprofit organizations and multifamily borrowers are working together to train, employ and provide housing for unhoused individuals.

## How EPSH Works

- **Job Training.** Borrowers engage external or affiliate nonprofits that train individuals at risk of homelessness for employment opportunities at multifamily properties.
- **Employment.** Borrowers select candidates via a standard interview process.
- **Housing.** Borrowers provide a discounted unit to hired individuals.
- **GPR Consideration.** Freddie Mac will underwrite up to two discounted employee units per property to average in-place gross potential rent (GPR) without an associated expense, mitigating any reduction in proceeds to the borrower.
- **Eligible Products.** EPSH can be applied across all Freddie Mac financing, except: <50-unit properties, Value-Add, Lease-Up, Seniors, MHC, SBL and Non-LIHTC Preservation Rehab

## Benefits for Individuals

- Ability to earn market wages as well as a potentially discounted employee unit.
- The combination of stable employment and a 12-month lease can aid homeless individuals in their efforts to return to self-sufficiency.
- Nonprofits with EPSH programs offer professional development beyond the on-the-job experience selected candidates would gain.

## Benefits for Borrowers

- For eligible products, the relevant employee unit may be underwritten to average in-place GPR without an associated expense.
- Helps borrowers find well-trained and suitable employees, especially during property management labor shortages.

## Documentation Requirements

- Borrower must provide Partnership Agreement with nonprofit and EPSH Borrower Certification during origination underwriting to qualify.

## Borrowers Who Want to Know More

Reach out to an Optigo® lender to learn more about the EPSH initiative and potential financing for your loan at [mf.freddie.com/borrowers](https://mf.freddie.com/borrowers)