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Targeted Affordable Housing: A Record Year in Review

In a year unlike any other, we couldn't be prouder of what we achieved **together** to fuel affordable housing — at a time when our mission business is so vital for our nation's renters.

We grappled with uncertainty and rapid change, yet by year-end TAH reached \$10 billion, our highest volume ever by more than \$2 billion. That's more than 100,000 units of affordable housing. You just can't achieve that without solid relationships, the ability to shift gears efficiently, trust and a lot of hard work.

On the retail side, we financed more than 78,000 units with a record \$7.7 billion in funding volume. But UPB tells only part of the story. Working with our Optigo® network, Production and Underwriting delivered big with more than 500 loans, providing the certainty of execution that's our hallmark. In terms of rate-locks, in December alone our Underwriting team rate locked more than 100 loans.

Nearly half the units financed — 35,000 — were for very low-income households making 50% of area median income or less. We also looked at the road ahead by rate locking 195 forwards, providing long-term financing for new construction and properties to undergo rehab — to create and preserve affordable units in the future.

There were so many great retail deals in 2020, but here are a few landmarks:

- The “Megabundle” deal provided critical capital investment to transform more than 2,600 units of NYC’s aging public housing.
- We made our first [Tax-Exempt Loan in Michigan](#): 32 states and D.C. have now benefited from the cost-efficient Tax-Exempt Loan program we created seven years ago.

We can’t say it enough: We couldn’t do this without all of you. Let’s give a special shout-out to our top three TAH lenders (based on funded volume): JLL, CBRE and Wells Fargo.

Affordable Capital and Liquidity

Our TAH Structured team provided a key supply of affordable capital to the market in 2020 — with nine deals totaling more than \$2.3 billion. The deals included more than 400 loans and 16,000 very low-income units. By providing balance sheet relief to these originators, we helped them continue their affordable lending. We ended the year with our [first Social Impact M-DealSM](#), backed by 27 mission-focused properties for low-income residents, many of whom are disabled, seniors with disabilities or homeless veterans.

In Underserved Communities: Making an Impact

We showed our commitment and expertise in supporting underserved communities across the nation — through our Low-Income Housing Tax Credit (LIHTC) equity investments. Since restarting the program in 2018, we’ve invested more than \$1.5 billion to create homes for farmworkers, homeless veterans, families in urban neighborhoods...and thousands of other renters in need of a safe, decent home they can afford. See our [interactive LIHTC map](#).

We've just invested \$12 million in Washington state's rural Yakima Valley for the Tieton Farmworker Housing Apartments — a deal that meets the FHFA High Needs Region Goal. And in Sistersville, West Virginia, we invested in a smaller deal that shows we make it happen with deals of all sizes — helping to rehabilitate apartments subsidized by the USDA Rural Development rental assistance programs.

Despite headwinds from the pandemic and economic slowdown, we closed out 2020 with \$500 million in these critical LIHTC equity investments.

The Road Ahead: A New Course

Moving forward, we'll be navigating a new course. With our new definition for [mission-driven business](#), we'll be making some adjustments to make sure we're meeting our goals. Look for more to come: We'll keep you informed throughout the year in our TAH Update emails and calls.

As we continue to hunker down in the face of the pandemic, and as the economy impacts many workers, I think we're all reminded of just how important home is. It's a privilege to work with you and to make our affordable housing mission possible.

