

TAH Update



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Targeted Affordable Housing Production & Sales

Targeted Affordable Housing: Making Our Mark

In a year where volume was down a dramatic 46% in the overall multifamily market, our Targeted Affordable Housing (TAH) team had its second biggest year on record — a remarkable achievement in 2023. And despite the challenges, with your partnership we exceeded our most ambitious affordable housing goals ever.

Our impact on housing — and in the lives of renters and their families — was felt far and wide, where it's needed most. In Staten Island, New York, that meant financing housing with critical supportive services for those who were homeless. In California, our first Low-Income Housing Tax Credit (LIHTC) equity investment in a 'Colonia' community is helping build homes for farmworkers. Coast to coast, and in so many places in between ... from rural communities to large cities: We helped make home possible for our nation's renters.

Through our TAH debt [products](#), as well as our Facility and Structured products, we financed more than 600 loans totaling close to \$11 billion — supporting over 90,000 units. We financed deals in 40 states along with Washington, D.C., and Puerto Rico.

A Record in Forward Conversions

We helped create and preserve affordable rental housing by funding a record \$2.6 billion in forward conversions, which supported more than 21,000 newly constructed or rehabilitated affordable units. We also issued new commitments to fund \$2.3 billion in future years, supporting over 22,000 units that will be built or rehabilitated. The forward program boosts the supply of new and rehabilitated affordable housing by providing certainty of permanent financing, even in volatile markets.

LIHTC Equity Investments

With more than \$883 million in LIHTC equity investments last year, we achieved or exceeded all LIHTC equity Duty to Serve targets, aligning with the Federal Housing Finance Agency's decision to increase the LIHTC equity cap for 2024 to \$1 billion. We made 50 investments in 2023 — with a number of them aimed at helping rural communities, farmworkers, tribal nations, veterans and those who are homeless.

Since 2018, Freddie Mac Multifamily has committed over \$4 billion in LIHTC equity through 240 investments, helping to create or preserve nearly 30,000 units of affordable housing.



An architectural rendering of Heber del Sol, a LIHTC equity investment in Herber, California that will help build housing for farmworkers in a 'Colonia' community.

Send Date: February 22, 2024

I'd like to recognize our TAH Production and Underwriting leads and their teams:

Production — Curtis Melvin for TAH retail and Facility Products; Chris Weber for LIHTC equity; and Cindy Schwartz for Structured Products.

Underwriting, headed by Catherine Evans, vice president of Underwriting & Credit — with Elizabeth Lawson and Michael Roberts for TAH retail; Nikki Harvey for LIHTC equity; and for Structured Products and Facility Products, Caitlin Myhre, vice president of Underwriting & Credit, with Lawrence Washington.

And of course, we're grateful for our partnership with all our Optigo® lenders and LIHTC equity syndicators.

Thank you for your extraordinary efforts in 2023 to help us fulfill our affordable housing mission. We look forward to all we can achieve together in 2024!

Property Conditions

Property condition is always a priority for us, and we need to be aware of the potential for issues on properties awaiting resyndication that are not yet able to receive new LIHTC. Please work with your borrowers and pay close attention to these deals — and flag any issues with your relationship manager as early as possible.

Rural Housing — USDA Section 515 *Making an Impact in Rural Communities*

We're here to support your rural deals.

Affordable housing, along with economic opportunity, is key to the future of rural communities. We help finance [Department of Agriculture Section](#)

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[515](#) rental properties in rural areas — for very low to moderate-income families, the elderly and people with disabilities.

Many of these properties are in need of recapitalization and preservation — with new first mortgage debt in front of USDA 515 loans.

Our [Tax-Exempt Loan](#) and [Cash Loan for Affordable Housing Preservation](#) can help preserve this vital, at-risk housing stock. Nearly one-third of rural and small-town renters live below the poverty level. And one in four rural renters spends more than 50% of their income on housing.

Optigo Essentials: TAH Workshop

Don't forget to **save the date** for our TAH workshop May 22 at our headquarters in McLean, Virginia. It's for all levels of TAH lenders and underwriters.

Unfunded Forward Conversions – Conversion Acceptance Letter

As a reminder, when uploading the fully executed Conversion Acceptance Letter, please use that specific Document Type in the Document Management System — not the more generic “Commitment Letter” option.



Using the “Conversion Acceptance Letter” Document Type provides key and timely internal notifications to help expedite the funding process.

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