

Elevate Opportunities for More Borrowers

Empower Borrowers with
Solutions to Overcome Home
Purchase Challenges



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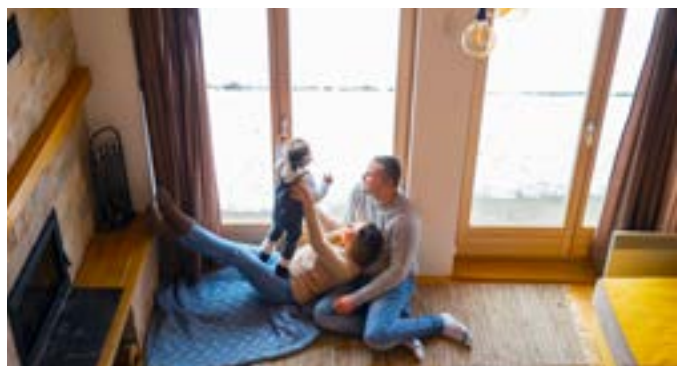


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Introduction

Empower borrowers with solutions to help bring homeownership within reach.

Purchasing a home is an exciting and monumental milestone, but it can also be a stress-inducing and hectic process, considering the multitude of steps required before homeowners can sign the deed and get the keys. Lenders, real estate professionals, housing counselors and other industry professionals are indispensable in helping to streamline the process and provide a great purchasing experience. **Freddie Mac is here to help you elevate your impact—every step of the way.**

From providing information about down payment assistance (DPA) programs and affordable mortgage products to methods for reducing the documentation burden and proactively educating new homebuyers about mortgage relief options, our relevant solutions span the entire homeownership journey.

We're here to help you boost your business, add efficiency to your efforts and help make the dream of homeownership a reality for more of your customers. And it all begins with identifying ways to make homebuying more accessible for more borrowers. Let's get started.

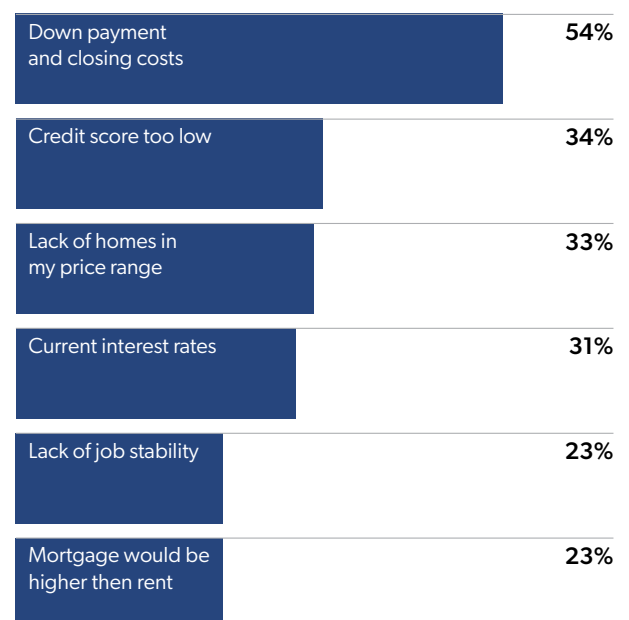


Overcome Down Payment Myths and Challenges

Perceived purchasing challenges can divert potential homebuyers from the homeownership path. Addressing these obstacles head on is the key to building trust with your customers and winning their business.

More than worries about a low credit score, lack of inventory, home prices or interest rates, assumptions about the amount required for a down payment remains one of the largest perceived barriers to achieving homeownership. A [recent survey](#) found that nearly a third of prospective homebuyers believe they need to put down at least 20% to buy a home. This longstanding myth is simply not true. Leveraging available resources can help homebuyers overcome funding challenges and source the down payment required to purchase a home.

Figure 1: Top Factors Holding First-Time Homebuyers Back



Don't Leave Money on the Table



More than 2,000 DPA programs are available in the U.S., with agencies offering funds at the local, state and national levels. Yet prospective homebuyers often have little awareness of these programs, including how to find and use them. These often-overlooked resources can be an integral piece of the financial puzzle.

Freddie Mac's [DPA One](#)[®] is a free online resource that effectively and efficiently helps lenders match home purchase borrowers to DPA programs.

Loan Officers Are Ramping Up

DPA One provides centralized access to information about DPA programs, which can take the form of grants, deferred loans, forgivable loans, tax credits from housing finance agencies (HFAs) and monetary gifts from family members.

It also reduces questions from lenders and submission errors by program providers, increasing the number of qualified borrowers and accelerating originations. Currently more than 9,000 lenders are enrolled in DPA One to access down payment programs nationwide.

DPA One provides simplicity and speed at your fingertips. Finding the right down payment resource option paired with the relevant mortgage solution can be a winning combination for borrowers.



Help the Borrower Close the Down Payment Gap

To use DPA One, simply:

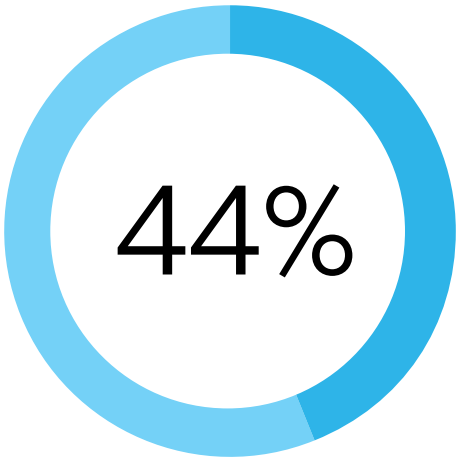
1. Register/log in to [DPA One](#)
2. Enter borrower details.
3. Receive potential DPA matches in real time.
4. View programs, with the option to compare up to three in an easy-to-read chart.
5. Review, download and share with your borrowers.

Market Opportunities Await



At almost **73 million people**, millennials are the largest segment of the population, representing nearly a quarter of U.S. consumers. In 2024, [38% of homebuyers were millennials](#), and they accounted for 49% of mortgage purchases.

More than half of millennial renters would like to become homeowners in the next two years. However, financial challenges including low income and high debt, coupled with longstanding misconceptions about the amount of money they need, often hamper millennials' homebuyer journeys.



Believe they need
a 20% down payment
for a home purchase



Arming eligible borrowers—no matter their generation—with the right solutions to ease the path to homeownership wins their confidence and ultimately grows your business.





Ease the Finance Burden with Accessible Mortgage Solutions

With lower down payment requirements than other mortgage offerings and flexibility in how down payment funds are sourced, these options present affordable solutions that can help you expand opportunities for more borrowers.

Freddie Mac's affordable mortgage offerings provide home purchase pathways for eligible low- to moderate-income borrowers. They also appeal to a wide demographic of homebuyers with varying goals and housing needs.





1 Million+

Homeownership stories
with our 3% down
payment mortgage
solution

(2005 – 2025)

Home Possible® Income and Property Eligibility Tool - Freddie Mac Single-Family

Use this tool to quickly verify if a borrower can qualify for a Home Possible mortgage based on the property location and the borrower's qualifying income.

Home Possible®

Our flagship mortgage offering includes more options and credit flexibilities than ever to help very low- to low-income borrowers attain the dream of owning a home. In addition to requiring a down payment of as little as 3% of the home sales price, Home Possible allows co-borrowers who don't live in the home to be included for a one-unit residence and permits borrowers to own another financed property.

Market Opportunity: The growing population of millennial borrowers presents a market opportunity that can be met with this flexible solution, all with competitive pricing and the ease of a conventional mortgage.

→ [Learn more about Home Possible](#)

HomeOne®

This option for first-time homebuyers also allows for a down payment as low as 3%—without any income or geographic restrictions. Homebuyer education is required for purchase transactions when all borrowers are first-time home buyers; [CreditSmart® Homebuyer U](#), a free educational course that presents key learning principles for homebuyer preparedness, fulfills this requirement.

Market Opportunity: With more flexibility for maximum financing, HomeOne provides expanded opportunity and greater certainty to bring more borrowers to the closing table.

→ [Learn more about HomeOne](#)

HFA Advantage®

This conventional mortgage offering is available exclusively to HFAs seeking strategic solutions to diversify their offerings and portfolio mix, while responsibly expanding homeownership. It's a competitive, affordable mortgage solution because it offers outstanding flexibility for maximum financing, with the requirements of Home Possible but with added enhancements only for HFAs.

Market Opportunity: HFA Advantage provides flexibility beyond traditional single-family home financing since it's applicable to 1- to 4-unit properties, manufactured homes, non-occupant co-borrowers, first-time and repeat buyers and purchase and "no cash out" refinance borrowers.

→ [Learn more about HFA Advantage](#)



89%

Say it would've been difficult
or impossible to purchase a home
without financial assistance.

82%

Feel assistance helped them to
purchase their home sooner than
they would have otherwise.

64%

Say they would have had to delay
buying a home for more than a year
without assistance.

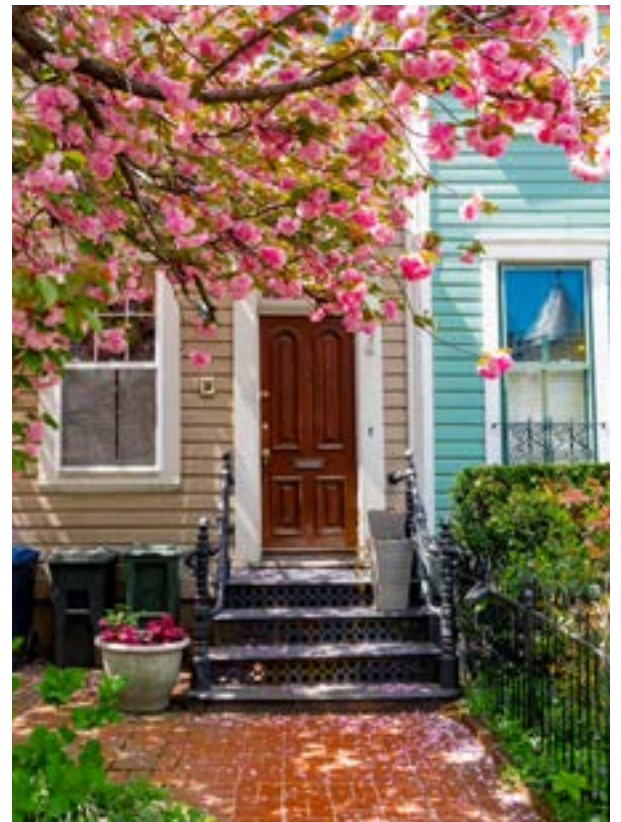
Source: 2023 Freddie Mac Financial Assistance Survey



Discover the Path Less Traveled with Alternative Housing Options

[The U.S. housing supply gap currently stands at around 4 million homes.](#) Coupled with that are rising home prices and mortgage rates that have been hovering between 6.5% and 7%. Inventory and prices continue to be two significant barriers to homeownership—but there are options to offset them.

For some homebuyers, a convention single-family home might be out of reach. Encouraging them to consider alternative housing options can help address financial challenges and allow you to expand your reach and market opportunities.



Modern Style, Affordable Solution: Redefining Manufactured Homes



Today’s manufactured homes—prefabricated dwellings largely assembled in factories and transported to the site—can offer stylish, affordable living at a wallet-friendly price point for new homeowners.

Modern manufactured housing can be:

- Designed to a customizable aesthetic that balances form and function and uses smart technology.
- Built more quickly and efficiently than site-built homes.
- Built with disaster-ready features in mind, including wind and fire resistance.
- Created to minimize construction waste and incorporate existing energy-efficient features and anticipate future ones.

This type of housing costs an average of [\\$84 per square foot compared to \\$166 per square foot for a site-built home](#); in 2023, manufactured homes comprised 11% of new construction.

[CHOICEHome®](#) is our innovative, affordable mortgage initiative, offering conventional site-built financing for real-property factory-built homes that are built to the HUD Code and have the features of a site-built home. When a factory-built home meets certain prescribed specifications, it’s granted CHOICEHome certification and is eligible for CHOICEHome financing. Home Possible and HFA Advantage can also be used to finance a manufactured home.

Market Opportunity: Manufactured housing financed by a CHOICEHome Home Possible or HFA Advantage mortgage caters to first-time and budget-minded homebuyers, retirees and downsizers.

Average Housing Build Costs
(per square feet)



Manufactured Homes

\$84
per square foot



Site-Built Homes

\$166
per square foot

Renovation-Ready Homes Offer Big Savings, Bigger Potential



Older or other homes in need of repairs, upgrades or modernization can be a savvy entryway to homeownership—not to mention the potential to increase curb appeal and value.

With a [CHOICERenovation®](#) mortgage, borrowers can purchase a home while financing the cost of large renovations like repairing the foundation, installing a new roof, upgrading a kitchen, converting unused space into an extra bedroom or finishing a basement—all in a single closing—making the process streamlined and cost-effective for lenders and buyers.

Did you know

CHOICERenovation allows for renovation costs of $\leq 75\%$ of the appraised as-completed property value.



If proposed renovations are smaller in scale, the streamlined [CHOICEReno eXPress®](#) mortgage offers an additional financing option for borrowers looking to make modifications like replacing windows or doors, repairing the roof or converting a closet into a laundry room. Lenders can sell a CHOICEReno eXPress mortgage to Freddie Mac prior to completion of the renovations without recourse if certain conditions are met.

Market Opportunity: CHOICERenovation and CHOICEReno eXPress are designed for a wide range of borrowers including new homeowners, those looking to age in place, multigenerational families and more. Lenders can combine CHOICEHome, CHOICERenovation and CHOICEReno eXPress mortgages with other low down payment solutions, including Home Possible, HomeOne, HFA Advantage and super conforming mortgages, boosting borrowers' financing.

Educate Borrowers on the ABCs of ADUs



Accessory dwelling units (ADUs) are another clever solution to overcoming inventory shortages and bridging the affordability gap. Whether your borrower refers to them as tiny homes, guest houses, in-law quarters or casitas, ADUs are in demand and can solve for many modern housing concerns. They provide independent living space for family members, an opportunity to house a tenant for rental income or simply extra living space for residents.

ADUs:

- Offer independent housing within a property's existing footprint, often requiring minimal construction without the need to purchase additional land.
- Can be a part of the main home, such as a converted basement or above-garage unit, or a detached structure on the main home's lot.
- Enable borrowers to apply rent earned from an ADU toward mortgage payments or home upkeep to help sustain homeownership.

Freddie Mac's ADU policies provide multiple options for adding an ADU to a home or financing a purchase with the intention to rent or build an ADU, including allowing the borrower to use rental income to qualify. Freddie Mac's eligibility requirements provide ADU flexibility on any Freddie Mac mortgage offering—including affordable solutions—giving your borrowers more choice in the purchase or renovation-financing process. Freddie Mac will purchase an eligible mortgage secured by a 1-, 2- or 3-unit property with one ADU.

Market Opportunity: Our ADU financing flexibility can help you reach buyers who require more space for multigenerational households, need office space for remote work or plan to age in place.

Of the baby boomer population:

66%

indicate they would like
to downsize for their
next home.



32%

of those are likely to
consider living in an ADU.

Source: [2024 Baby Boomer Consumer Research](#)



Drive Opportunities with Data

[ECO®](#) is an enlightening and powerful data and analytics tool that gives you visibility into your portfolio combined with synthetic peer data. ECO enables you to evaluate your performance, compare performance to your competitors and optimize lending strategies.

Drive invaluable insights with ECO by:

- Monitoring loan data.
- Quickly identifying trends or anomalies to make data-driven decisions.
- Accessing daily information on your loan originations.
- Using the tool's Home Possible Opportunities dashboard to identify loan level opportunities for Home Possible eligibility.



Key Takeaways



In today's market, opportunities still exist to streamline and simplify the steps needed to help more borrowers sign the deed and get the keys. And it all starts with identifying ways to make homebuying more accessible for more borrowers.

Elevate your impact by leveraging our far-reaching range of industry insights and innovative solutions. Our down payment resources and affordable loan products, including those designed for housing alternatives that appeal to a wide swath of demographics, can help you open the doors to sustainable homeownership for more borrowers.

