



NEWS RELEASE

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FREDDIE MAC CROSSES \$5 BILLION THRESHOLD IN LOW-INCOME HOUSING TAX CREDIT INVESTMENTS

Milestone Reached with Investment in The Enterprise Social Investment Corporation's Empire and Garden States Equity Fund

McLean, VA - Freddie Mac announced today that its portfolio of Low-Income Housing Tax Credit (LIHTC) investments now exceeds \$5 billion. The milestone was reached as Freddie Mac closed on its \$20 million investment in The Enterprise Social Investment Corporation (ESIC) Empire and Garden States Equity Fund.

Formed in 1986, the federal LIHTC program gives corporate investors credit against their federal taxes in exchange for providing equity to developers of housing for low-income Americans. The LIHTC program has been one of the most effective vehicles for the financing and development of affordable multifamily rental housing, attracting billions of dollars each year in private capital to underserved communities.

ESIC's Empire and Garden State Equity Fund is a \$50 million multi-investor LIHTC fund in which Freddie Mac invested \$20 million. The fund focuses investments on affordable housing projects in New York and New Jersey, including new construction, rehabilitation, and historic rehabilitation of affordable housing for families, the elderly, and people with special needs.

"The Enterprise Social Investment Corporation has been a long and valued partner of Freddie Mac. We have worked together in the creation and financing of thousands of affordable units and in the process have provided a home and a stronger community to hundreds of thousands of families and individuals across the country," said Christine Hobbs, Freddie Mac Multifamily director of the Community Development Investment Group. "We look forward to continuing this work with ESIC."

Freddie Mac is one of the largest corporate investors in tax credit housing development. Since investing its first dollar in LIHTCs in 1988, Freddie Mac's LIHTC portfolio has grown from \$500 million in 1996 to over \$5 billion in 2005, and includes 225 separate limited partnership investment funds covering over 3,900 housing developments. These investments have resulted in the production of more than 290,000 affordable homes (both new and refurbished) across the country in all 50 states, the District of Columbia, and Puerto Rico.

ESIC and Freddie Mac have a long and successful partnership in community revitalization through the Low Income Housing Tax Credit program. In addition to making \$20 million in LIHTC investments with the Empire and Garden States Equity Fund, ESIC manages Freddie Mac's two proprietary funds and the Green Initiative to which Freddie Mac recently committed. Approximately 20 percent of Freddie Mac's LIHTC investments have been with ESIC through 41 national, regional and proprietary funds. These investments are creating nearly 60,000 multifamily homes that serve families, the elderly, individuals, and people with special needs.

"Freddie Mac's constant partnership has been key to ESIC's work of providing affordable housing opportunities for some of our nation's most vulnerable residents," according to Frank Narron, senior vice president for ESIC. "We've reached numerous milestones together in the affordable housing industry. I'm pleased that ESIC is able to share in this tremendous achievement, which will help increase the supply of quality, affordable housing and benefit communities all across America."

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About Freddie Mac

Freddie Mac is a stockholder-owned corporation established by Congress in 1970 to support homeownership and rental housing. Freddie Mac purchases single-family and multifamily residential mortgages and mortgage-related securities, which it finances primarily by issuing mortgage pass-through securities and debt instruments in the capital markets. Freddie Mac invests in LIHTC funds sponsored by nonprofit and for-profit syndicators, and purchases tax credits in the secondary market. Over the years, Freddie Mac has made home possible for one in six homebuyers.

About The Enterprise Social Investment Corporation

The Enterprise Social Investment Corporation (ESIC) is one of the nation's leading providers of community development capital, tax credit equity investments, and development services for affordable housing, mixed-used, and commercial development. Founded in 1984, ESIC advocated for and took a lead role in the creation of Low Income Housing Tax Credit (LIHTC) legislation. Since the LIHTC program's inception in 1986, ESIC has raised and currently manages \$4.7 billion in equity through more than 85 investment funds, including national multi-investor funds, private label funds, and a variety of regional funds. These investments are helping to build more than 75,000 affordable homes in 45 states, the District of Columbia, and Puerto Rico.

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