



## Bank of America Launches Affordable Lending Mortgage Program to Help Low- and Moderate-Income (LMI) Homebuyers

### Partnership With Self-Help Ventures Fund and Freddie Mac Promotes Responsible Lending

On February 22, 2016, Bank of America, in partnership with Self-Help Ventures Fund and Freddie Mac (OTCQB: FMCC), announced the launch of its new Affordable Loan Solution™ mortgage, a conforming loan that provides low- and moderate-income homebuyers access to a responsible lending product with counseling at affordable entry prices.

“There is a need in today’s marketplace for more responsible mortgage products that enable creditworthy homebuyers, who meet certain income limits and other requirements, to become homeowners at an affordable entry point with comprehensive counseling,” said D. Steve Boland, Consumer Lending executive, Bank of America. “Affordable Loan Solution combines Bank of America’s wide distribution network of mortgage professionals with the borrower support expertise of Self-Help and market liquidity provided by Freddie Mac to provide a new affordable loan option.”

- The mortgage will be available through all of Bank of America mortgage sales channels, including mortgage loan officers in offices across the country, 4,700 financial centers, [bankofamerica.com](http://bankofamerica.com) and mortgage experts by phone. Bank of America mortgage loan officers, based in home loans offices and financial centers across the country, will work directly with homebuyers to originate the loans.
- The bank will sell the loans, including servicing rights, to Self-Help, which will provide post-closing counseling for any borrowers who might be experiencing payment difficulties. Loan servicing will be immediately transferred after origination to Self-Help’s designated specialty servicer, who will handle all loans regardless of future performance.
- Freddie Mac collaborated with Self-Help and Bank of America to define credit terms and recently approved Self-Help as a seller/servicer to facilitate the rollout of this offering to borrowers. Freddie Mac will purchase all of the eligible affordable mortgages originated via the Self-Help and Bank of America partnership.
- Affordable Loan Solution will allow down payments as low as 3 percent on the purchase of a primary, single-family residence, with no reserve funds required in most situations.
- Borrowers may use secondary financing, such as an affordable second loan, grants, or even cash they have on hand. The program will also consider non-traditional forms of credit to demonstrate credit history.
- Loan amounts will be within conforming loan limits (up to \$417,000), and applicants’ income cannot exceed 100 percent of the HUD area median income.

- Applicants must occupy the property, and first-time buyers will need to participate in homebuyer education through Bank of America's Connect to Own<sup>®</sup> nationwide network of counselors.
- Bank of America has a long tradition of providing information and access to homeownership opportunities to a wide variety of homebuyers. In fact, one of every three mortgages the company finances is to a low- or moderate-income homebuyer.
- In addition, 30 percent of its loans are to multicultural borrowers, according to 2014 Home Mortgage Disclosure Act data released by the Federal Reserve.
- Last March, the bank launched the [Bank of America Down Payment Resource Center](#), an online resource of more than 1,000 down payment and closing cost assistance programs. Taking a couple of minutes to answer fewer than five questions, prospective homebuyers can find out immediately which federal, state or local down payment and closing cost programs they may be eligible for.
- The Affordable Loan Solution mortgage program will include an extensive quality control routine with Freddie Mac that promotes responsible underwriting and reduces potential risks to Bank of America and Freddie Mac.
- For more information on Affordable Loan Solution or other home loans options, consumers can speak with a mortgage expert at 1.800.781.0242.

"Self-Help is excited to partner with Bank of America and Freddie Mac in expanding access to fair and affordable home loans nationwide," said Self-Help CEO and Co-founder Martin Eakes.

"Homeownership remains the best way for families of modest means to build wealth and stability. The Affordable Loan Solution partnership will help ensure that deserving borrowers can get a fair mortgage to buy a home and build their own American dream."

"The strength of the Affordable Loan Solution program is how it brings each partner's special expertise together to address the barriers faced by aspiring homebuyers with limited savings," said Danny Gardner, vice president, Affordable Lending and Access to Credit, Freddie Mac. "Freddie Mac is committed to working with industry and community leaders like Bank of America and Self-Help to find better ways for helping eligible borrowers overcome the obstacles that stand between them and successful long-term homeownership."

#### About Bank of America

Bank of America is one of the world's leading financial institutions, serving individual consumers, small and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services. The company provides unmatched convenience in the United States, serving approximately 47 million consumer

and small business relationships with approximately 4,700 retail financial centers, approximately 16,000 ATMs, and award-winning online banking with approximately 32 million active users and approximately 19 million mobile users. Bank of America is a global leader in wealth management, corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry-leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services. The company serves clients through operations in all 50 states, the District of Columbia, the U.S. Virgin Islands, Puerto Rico and more than 35 countries. Bank of America Corporation stock (NYSE: BAC) is listed on the New York Stock Exchange. [www.bankofamerica.com](http://www.bankofamerica.com)

#### About Self-Help Credit Union

Self-Help is a community development lender headquartered in Durham, N.C. Founded in 1980, Self-Help has provided over \$6.8 billion in financing to 102,000 families, individuals and businesses underserved by traditional financial institutions. It helps drive economic development and strengthen communities by financing hundreds of homebuyers each year, as well as nonprofits, child care centers, community health facilities, public charter schools, and residential and commercial real estate projects. Through its credit union network, Self-Help serves 130,000 families in North Carolina, California, Chicago and Florida and offers a full range of financial products and services.

#### About Freddie Mac

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Today Freddie Mac is making home possible for one in four home borrowers and is the largest source of financing for multifamily housing. Additional information is available at [FreddieMac.com](http://FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and [Freddie Mac's blog](#).