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New Freddie Mac job program helps homeowners in poverty areas

Announces partnership with NextJob

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Freddie Mac announced Thursday that it entered into a new partnership to help current and aspiring homeowners find jobs in persistent poverty areas.

Freddie Mac announced its partnership with re-employment solutions company **NextJob** to help provide the job search assistance.

The new initiative is part of Freddie Mac's [Duty to Serve](#) plan, which outlines its plan to help improve underserved markets.

"While some parts of the country are benefitting from low unemployment rates, many rural areas continue to see limited opportunities and flattening or declining wage growth," said Mike Dawson, Freddie Mac vice president of single-family affordable lending strategies and initiatives.

"Through our work with NextJob, and by partnering with leading local organizations on the front lines of this problem, we are capitalizing on the success of our past employment programs to help the next frontier of unmet workforce development needs," Dawson said. "This partnership will provide meaningful opportunities to create and sustain homeownership for families across rural America."

Homeowners with Freddie Mac's 3% down mortgage, the Home Possible mortgage, are eligible to utilize the assistance to help with re-employment after job loss, reduced hours or other employment changes that threaten their ability to make their mortgage payments.

Additionally, aspiring homeowners will be able to use the program to help their job search with the hopes of increasing their income to a level that will qualify them for one of Freddie Mac's affordable loan products.

"We're thrilled to expand our partnership with Freddie Mac," NextJob CEO John Courtney said. "They are on the forefront of exploring ways to help aspiring and existing homeowners who need a job to achieve or maintain homeownership."

"Many rural job seekers have fewer job opportunities, so they must excel in finding jobs that translate their prior skills into new occupations and positioning themselves to grow within an organization," Courtney said.

The initial partners of the new program include poverty areas such as CDC of Brownsville Texas, D&E in Mississippi, FAHE in Kentucky's Appalachia region and HOPE Enterprise Corporation, headquartered in Jackson, Mississippi.

In some of these areas, Freddie Mac explained, the unemployment rate is considerably higher than the national average. For example, in the Mississippi area, unemployment sat at 6.2% in April, up from the national average of 3.8%. One county in the area even had an unemployment rate as high as 11.6% in 2017.

"It can be difficult to have a direct plan of action to get you from where you are to where you want to be," said James Hunter, HOPE Enterprise Corporation senior vice president of mortgage lending. "This partnership will provide our members with that plan and get them to where they want to be faster."

“It’s not just about a job,” Hunter said. “It’s about building a career to sustain homeownership for the long run. This initiative is really groundbreaking in underserved markets and we expect it to be very successful.”

Freddie Mac will alert servicers who have Home Possible mortgages to determine if the borrowers are eligible for the program. Once approved, borrowers will have access to one-on-one job coaching, access to “Job Talk” webinars and NextJob’s online job search training program.

Partner organizations can also refer prospective borrowers to receive employment or re-employment services under the initiative.

In the pilot program Freddie Mac launched in 2015, homeowners who took part increased their job search skills by 32% and acquired jobs at nearly triple the normal rate of re-employment.



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