Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2023

PURCHASE

ACTIVITY:

Activity 1 – Low Income Housing Tax Credits (Debt): Statutory Activity

OBJECTIVE:

Objective A: Provide Liquidity and Stability through LIHTC Loan Purchases

INFEASIBILITY:

☐ Check here if the Enterprise is submitting an infeasibility request for the objective.

If applicable, provide a concise summary of the underserved market conditions or other extenuating circumstances outside of the Enterprise's control that substantially interfered with accomplishment of the objective.

SUMMARY OF RESULTS:

Provide a concise summary of the volume of loan purchases under this objective and how they compare to the Plan targets. Include the baseline in the summary.

If there are other relevant results under this objective beyond the loan purchases themselves, provide a concise summary of those results here. Include in the summary a list of any non-loan purchase actions or deliverables specified in the objective that were not completed.

The LIHTC program is the primary resource for supporting the creation and preservation of rent- and income-restricted affordable multifamily housing in the United States. For many years, Freddie Mac has been a leader in the LIHTC debt market, and we continue to provide liquidity, stability, and support affordability in this market. Our baseline for this activity is 51,496 units, which is calculated based on average volume for the three-year period from 2018-2020.

In 2023, we financed 43,127 LIHTC units, meeting our modified target of 34,100 LIHTC units. Freddie Mac modified its 2023 target down from 55,000 based on the shrinking nature of the overall originations market, as evidenced by the Mortgage Bankers Association's estimate that overall volume will fall by more than 40% from 2022 to 2023 due to the interest rate environment and other macroeconomic factors. Surpassing our modified objective took considerable effort given market conditions. Our LIHTC debt volume on a unit basis fell by just 27% year-over-year, which is substantially less than the drop in the overall originations market.

Objective's components detailed in the Plan	*Corresponding actions or deliverables*	*Any deviations from the Plan (if applicable)*
34,100 LIHTC Units	43,127 LIHTC Units	Modification

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the year.

☐ Target met

☒ Target exceeded

☐ Objective partially completed

☐ No milestones achieved

IMPACT:

Provide a self-assessment of the level of impact that actions under the objective have accomplished.

☐ 50 – Very Large Impact

☐ 40

☒ 30 – Meaningful Impact

☐ 20

☐ 10 – Minimal Impact

☐ 0 – No Impact

IMPACT EXPLANATION:

Answer the following questions.

1. How and to what extent were the actions or deliverables under this objective impactful in addressing the applicable underserved market's needs, or in laying the foundation for future impact in addressing the underserved market's needs?

Freddie Mac's longevity in the LIHTC Debt market and our pricing structure provide predictability to the LIHTC debt market. High interest rates in 2023 meant borrowers needed to close capital gaps. Freddie Mac has the ability to lock the treasury rate (index), hold spread, and essentially maintain pricing promised to borrowers even when interest rates spike. As a result, in 2023 we were able to afford a level of flexibility and certainty to borrowers as they sought out additional capital sources. The added certainty that we provide to borrowers coupled with our suite of product offerings and commitment to Targeted Affordable Housing (TAH) allows us to continue making meaningful impacts on the LIHTC debt market.

In a challenging environment, Freddie Mac undertook significant efforts to maximize our impact by meeting our revised LIHTC debt targets. This LIHTC debt goal was a constant topic of discussion from quarterly calls between Freddie Mac senior leaders and Optigo lenders to weekly pipeline calls with lender relationship managers. Through these engagements, Freddie Mac sought near constant feedback on the lending environment. This allowed us to position appropriately and responsibly lean in on target-accretive transactions.

Due to the seasonality of our business and the market stabilizing, Freddie Mac's lending volume increased in the second half of the year, including for business related to our mission targets. To accommodate increased demand on internal resources and enhance our ability to support affordable housing, in 2023 Freddie Mac cross-trained its conventional and small balance underwriters, allowing them to swing into Targeted Affordable Housing loans as needed. Through the end of December, our teams worked together to meet our LIHTC debt target. Our production and underwriting teams held daily calls to locate all loans that could close within the calendar year, prioritizing those that helped us meet this and other mission-related targets.

The more than 43,000 LIHTC units financed in 2023 provide essential, safe, decent, and affordable homes to low- and very low-income households. The following three examples demonstrate our support of high impact properties:

- **Lexington Village – Detroit, MI**: Lexington Village is a 351-unit, rent- and income- and partially age-restricted apartment complex, across six separate parcels, which consist of 150 units across twenty-two 2-story family apartment buildings and one 12-story, 201-unit senior building. The property consists of both LIHTC and Section 8 units. The loan proceeds will help support the moderate rehabilitation of the property that includes updated appliances, cabinetry, faucets, sinks, doors, repairs to exterior surfaces, lighting, and roofing, and upgraded laundry and common areas. The Lexington Village transaction was also an opportunity for Freddie Mac to work with one of our diverse and emerging borrowers, Ginosko Development. L + M Development Partners, a repeat sponsor of Freddie Mac with immense affordable experience, and Ginosko Development partnered to make the project happen.

- **Nassau Bay – Orlando, FL:** Nassau Bay is a 492-unit, age-restricted, LIHTC garden-style apartment complex. 100% of units at the property are rent- and income-restricted and the property rents, on average, are more than 55% below the area market rents. The affordability of the property has contributed to very low vacancy rates and limited turnover. This loan represents Freddie Mac's largest LIHTC-unit transaction of 2023.

- **Elliott Place Nine – Fargo, ND**: Elliott Place Nine is a newly built, 32-unit, 9% LIHTC rent- and income-restricted, Section 8, and age-restricted apartment community. The property is 100% affordable and allocates seven units to families making no more than 30% of area median income (AMI), seven units to families making no more than 40% of AMI, seven units to families making no more than 50% of AMI, nine units to families making no more than 60% of AMI, and two units to families making no more than 80% of AMI. The property benefits from a HAP contract covering 100% of the units ensuring tenants pay no more than 30% of their income towards rent. The affordability provisions are expected to limit turnover and vacancy at the property, resulting in a more stable income.

2. What did the Enterprise learn from its work about the nature of the underserved market's needs and how to address them?

In 2023, Freddie Mac found that, despite our long-term engagement in the space, substantial shifts in market environment can require adjustments and create new learning opportunities. Although Freddie Mac purposefully sets aggressive targets for our LIHTC debt purchases, we found that this year's original target was particularly challenging and relatively ambitious given market conditions. We found that the market environment can significantly impede our ability to meet our objective.

The reduction in Freddie Mac's LIHTC debt purchase volume relative to our 2023 target is attributable to several factors, primarily driven by a high interest rate environment and a reduction in the multifamily market. An analysis from the Mortgage Bankers Association projected a more than 40% contraction in the 2023 multifamily originations market. Additionally, in the first half of the year, Freddie Mac predicted a likely fall in property prices and net operating incomes (NOIs), which affected credit considerations. This approach lowered our relative transaction volume, particularly for the first half of the year, but as the fall in property prices and NOIs was realized, our approach to credit was demonstrated to be both prudent and correct.

As a result of being faced with these challenges, Freddie Mac found that experience and relationships matter greatly in our ability to generate a strong pipeline of transactions in difficult market conditions.

3. **Optional**: If applicable, why was the Enterprise unable to achieve the Plan target?

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q2: APRIL- JUNE 2023

PURCHASE

ACTIVITY:

1 – Low-Income Housing Tax Credits (Debt): Statutory Activity

OBJECTIVE:

A - Provide Liquidity and Stability Through LIHTC Loan Purchases

SUMMARY OF PROGRESS:
Freddie Mac has funded 15,188 LIHTC Debt units as of Q2 against our 55,000-unit 2023 target. This is behind our pace for 2022 where we exceeded our 54,000-unit target, funding 58,880 units. Our baseline for our 2022-2024 plan is our 2018-2020 three-year average actual volume of 51,496 units. We project that we will only partially complete our objective.

SELF-ASSESSMENT RATING OF PROGRESS:
Select the category that best describes progress on this objective for the reporting period.
☐ On track to meet or exceed the target
☒ Progress delayed and/or partial completion of the objective expected
☐ Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):
The reduction in Freddie Mac's year-over-year LIHTC debt purchase volume is due to a number of factors, including a reduction in the size of the multifamily market, which was largely driven by the interest rate environment. The Mortgage Bankers Association (MBA) projects that the origination market will contract by 38% in 2023.

It is also attributable to market conditions in the first half of the year, which required credit discipline. Early in 2023, Freddie Mac projected that property prices and net operating incomes (NOIs) were likely to fall, and those declines have materialized. Freddie Mac chose to be prudent about exceptions to credit policy based on its projections. Many of our competitors continued to offer aggressive credit terms. While we saw less relative transaction volume during this time, our initial prediction regarding the market has been correct and a prudent approach on credit was warranted.

The future months look more stable as the economy has adjusted to higher interest rates while maintaining a high level of employment. As a result, we are now better positioned to attract additional LIHTC Debt transactions throughout the remainder of the year and into 2024 and expect to see more transactions. Given the length of our LIHTC Debt transaction cycle, we still anticipate that we may fall short of target in 2023.

We purposefully set aggressive targets for our LIHTC debt purchases, but as we consider this target in connection with our other DTS objectives, it is relatively ambitious and particularly challenging in the current market environment. We reached new heights for many of our objectives in 2022, including for Section 8 and State and Local loan purchases where we far exceeded our targets. While our LIHTC debt loan purchases exceeded target in 2022, they did not exceed the targets by nearly as much as other objectives in what was a record year.

The 2023 target will be challenging given market factors which are outside our control.