

Exhibit H:
Annual Outreach Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 2023
 OUTREACH

ACTIVITY:

Activity 4 – Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

Objective B: Develop Multifamily Correspondent Lender Program for Community Development Financial Institutions, Minority Depository Institutions and Small Lenders

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 actions undertaken under this objective.

Include in the summary a list of any actions or deliverables specified in the objective that were not completed, or actions or deliverables that deviated from the Plan.

In 2022, Freddie Mac introduced a new correspondent program to support a range of institutions by leveraging our existing multifamily Optigo lender network. We refer to this program as our Emerging Correspondent Program. We define emerging correspondents as: Minority, Women and Disabled-Owned Businesses (MWDOBs); Minority Depository Institutions, as identified by the U.S. Federal Deposit Insurance Corporation (MDIs); Community Development Financial Institutions, certified by the U.S. Department of Treasury (CDFIs) and Small Financial Institutions (SFIs).

These institutions are vital to low-income areas and are important sources of financing for diverse and emerging borrowers, however they are often constrained by the size of their balance sheets or by borrower and geographic concentration challenges. Our Emerging Correspondent Program can help address these limitations by bridging the gap between these institutions and Freddie Mac.

In 2023, we provided our Optigo lender network with a framework for the Emerging Correspondent Program, which outlined the types of correspondents they should seek to engage with. We also implemented our program, setting a goal that all 26 lenders reach an agreement with at least one emerging firm in the form of a correspondent relationship. At year end, most lenders have at least one agreement in place with an emerging firm, and Freddie Mac is working with lenders who have yet to reach an agreement to encourage their work to allow for eventual correspondent agreements.

| <i>Objective’s components detailed in the Plan</i> | <i>Corresponding actions or deliverables</i> | <i>Any deviations from the Plan (if applicable)</i> |
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| Publish framework for Optigo lenders. | Provided framework to lenders communicating Emerging Correspondent Program and completed 9 additional lender communications reiterating the program goals. | |
| Identify at least one additional Optigo lender to commit to supporting small lending institutions. | Freddie Mac worked ahead of its Duty to Serve Plan targets, setting a requirement for all Optigo lenders to establish an emerging correspondent lender relationship. By year end 2023, 21 of 26 lenders had agreements in place under the framework of our program. Fourteen lenders had agreements that meet Duty to Serve standards. | |
| Grow correspondent network to at least three lenders. | | |

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

PARTIAL CREDIT JUSTIFICATION:

If the self-assessment above indicated that the objective was partially completed, briefly explain the basis for the share of the objective that was completed. In the explanation, include a discussion of the level of effort expended for the completed actions compared to the level of effort required to complete the entire objective.

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?

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As a result of this initiative, we have seen a substantial increase in the percentage of our overall correspondent agreements that meet our “emerging correspondent” criteria. Our work in this area is supporting smaller lending institutions, which are often a key source of debt capital for underserved communities. These institutions can be constrained in how much lending they can do because of limited balance sheet size. Borrower and geographic concentration issues also pose challenges. In addition, as these institution’s borrowers grow and succeed, they can become too large to rely on small financial institutions alone. These institutions tend to be adept at making smaller targeted loans, but do not typically support the larger loans necessary for growing borrowers to acquire and operate larger properties. Without greater access to capital, these institutions can no longer serve their more successful borrowers.

Additionally, securitization vehicles used by larger financial institutions are effective in distributing risk and supporting liquidity, but smaller institutions that may not have sufficient securitization programs or have limited ability to aggregate larger volumes of loans for the purposes of securitization. Our emerging correspondent initiative is designed to help alleviate these challenges by providing access to Freddie Mac’s capital.

To exceed our initial targets, Freddie Mac set a high bar for its Optigo network, asking all of its lenders to work toward establishing correspondent relationships that meet the goals of our initiative. We conveyed our initiative and its requirement to borrowers through nine separate touchpoints and frequent follow up calls to lenders to track progress. By year end 2023, 21 of 26 lenders had agreements in place under the framework of our program. Fourteen lenders had agreements that meet Duty to Serve standards.

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

Although Freddie Mac can set standards for emerging correspondent relationships, we found that it will be important to track the progress of this initiative to examine how those relationships translate to transactions that extend liquidity to underserved markets. Freddie Mac is still in the early stages of this initiative and is working to better understand how we can improve the program to encourage diversity within the multifamily lending space and better meet the needs of underserved borrowers and communities.

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

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