

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESENTATION
 2023
 PURCHASE

ACTIVITY:

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

OBJECTIVE:

Objective A: Purchase/Guarantee Loans for 5-50-Unit Multifamily Properties from Small Financial Institutions

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.

Throughout 2022 and 2023 we made consistent and substantial efforts to identify opportunities to purchase or guarantee loans for 5-50-unit multifamily properties from Small Financial Institutions (SFIs). In 2023, we spoke with more than a dozen SFIs and had conversations with ten Optigo Lenders and broker-dealers about our willingness to complete these transactions.

We have encountered several challenges in trying to purchase or guarantee these loans. First, the higher interest rate environment and market volatility have made the timing and economics of these transactions challenging. Second, few SFIs have aggregated enough loans of this type to make a capital markets execution feasible. Third, some SFIs generate interest income from these loans and prefer to hold them on their balance sheets. Finally, 5-50-unit properties are most commonly financed using hybrid loans, which include a floating-rate period. The most common index used industry wide, and consequently for the vast majority of these loans, is Term SOFR, loans indexed to which the FHFA has prohibited Freddie Mac from purchasing or guaranteeing. The FHFA requires Freddie Mac to use Average SOFR as its benchmark. Despite these challenges, which make our overall target infeasible, we continued to actively pursue transaction opportunities (closing one) and gather market feedback.

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.

Freddie Mac completed one guarantee transaction with a Small Financial Institution (SFI), covering thirty-two 9% LIHTC assets, thirteen of which were properties with 50 or fewer units. This transaction resulted from our consistent and

substantial efforts through the past two years to identify eligible opportunities to meet our target. Our baseline for this activity is \$566 million or 2 transactions, which is the three-year average actual volume for 2018 to 2020.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
Lesser of 3 Transactions or \$450MM	1 Transaction	Infeasibility request

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?

In the face of challenging market conditions, Freddie Mac was able to complete an important and impactful transaction, which supported more than a dozen 5-50 unit 9% LIHTC assets. As a result, Freddie Mac helped preserve the affordability of more than 500 units in 5–50-unit properties. By leveraging our Q-Deal execution, the transaction also allowed us to support a Small Financial Institution's efforts to extend additional liquidity to the market.

Our outreach efforts also help lay a foundation for future transactions. In 2023, we spoke with more than a dozen SFIs and had conversations with ten Optigo Lenders and broker-dealers about our willingness to complete these transactions.

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

Freddie Mac has learned that product innovations, including those related to loan aggregation issues, will be necessary to further support SFIs that wish to enhance their liquidity through a loan purchase or guarantee transaction. Freddie Mac is actively considering how we can address these challenges.

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

As described in our infeasibility request above, we have encountered several challenges in trying to purchase or guarantee 5-50-unit loans with SFIs. First, the higher interest rate environment and market volatility have made the timing and economics of these transactions challenging. Second, few SFIs have aggregated enough loans of this type to make a capital markets execution feasible. Third, some SFIs generate interest income from these loans and prefer to hold them on their balance sheets. Finally, 5-50-unit properties are most commonly financed using hybrid loans, which include a floating-rate period. The most common index used industry wide, and consequently for these loans, is Term SOFR, loans indexed to which the FHFA has prohibited Freddie Mac from purchasing or guaranteeing. The FHFA requires Freddie Mac to use Average SOFR as its benchmark. Despite these challenges, which make our overall target infeasible, we continued to actively pursue transaction opportunities (closing one) and gather market feedback.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q1: JANUARY-MARCH 2023

PURCHASE

ACTIVITY:

4- Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

A- Purchase/Guarantee Loans for 5-50 Unit Multifamily Properties from Small Financial Institutions

SUMMARY OF PROGRESS:

Throughout 2022 and 2023 we have made consistent and substantial efforts to identify transaction opportunities. We have reached out to over 20 financial institutions of varying sizes, most of which qualify as Duty to Serve SFIs. These lenders have expressed interest in our products, but market conditions are unfavorable for executing transactions. This was the case for both small and larger lenders, and challenges such as heavy expense loads, low coupon pool, and loan servicing issues have continued to persist. We continue to actively pursue transaction opportunities and gather market feedback from other market participants in Q1. Our 2023 target is the lesser of \$450MM or 3 transactions, and our baseline is \$567MM, 2 Transactions.

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):

If the Enterprise is not on track to meet or exceed the target, briefly explain why.

We have experienced several market challenges trying to purchase and guarantee loans for 5-50 unit Multifamily properties from SFIs. Our offerings are intended to target small financial institutions with an asset size of \$10 billion or less and a multifamily loan concentration on their balance sheets. The current interest rate environment does not allow for our small pool loan offerings to be profitable for these smaller institutions. Investors with a smaller asset class have been more averse to pursuing larger transactions due to the high interest rate volatility and unpredictability in the current market. On the demand side, the financing activities also slowed. Additionally, these institutions also often consider earning interest income from loans on their balance sheet as an important part of their strategy and earnings.

With the higher interest rate environment and market volatility, we have yet to see lender interest in pursuing this type of transaction with us, as banks have not been able to keep up with the pace of the rate increases. Instead, SFIs have consistently responded that they prefer to wait until markets calm. Additionally, as the year progresses, the timeline for SFIs to close deals becomes narrower, with the feasibility of closing deals becoming less likely.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q2: APRIL-JUNE 2023

PURCHASE

ACTIVITY:

4- Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

A- Purchase/Guarantee Loans for 5-50 Unit Multifamily Properties from Small Financial Institutions

SUMMARY OF PROGRESS:

Throughout 2022 and 2023 we have made consistent and substantial efforts to identify transaction opportunities. We have reached out to over 20 financial institutions of varying sizes, most of which qualify as Duty to Serve SFIs as that term is defined in 12 CFR 1282.34(d)(1). These lenders have expressed interest in our products, but market conditions are unfavorable for executing transactions. Challenges such as heavy expense loads, low coupon pool, and loan servicing issues have persisted. We continued to actively pursue transaction opportunities and gather market feedback from other market participants in Q2. Our 2023 target is the lesser of \$450MM or 3 transactions, and our baseline is \$567MM, 2 Transactions. As of the end of Q2, Freddie Mac has not closed any transactions.

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):

If the Enterprise is not on track to meet or exceed the target, briefly explain why.

We have experienced several market challenges in trying to purchase and guarantee loans for 5-50 unit Multifamily properties from SFIs. With the higher interest rate environment and market volatility, we have yet to see lender interest in pursuing this type of transaction with us as banks have not been able to keep up with the pace of the rate increases. Instead, SFIs have consistently responded that they prefer to wait until markets calm. Our offerings are intended to target small financial institutions with an asset size of \$10 billion or less and a multifamily loan concentration on their balance sheets. The current interest rate environment does not allow for our offerings to be profitable. Investors with a smaller asset class have been more averse to pursuing larger transactions due to the high interest rate volatility and unpredictability in the current market. On the demand side, financing activities also slowed. Additionally, SFIs often consider earning interest income from loans on their balance sheet as an important part of their strategy and earnings.

Furthermore, 5-50 unit properties are most commonly financed on hybrid loans, which include a floating period. The most common index used industry wide is Term SOFR. Freddie Mac is not permitted to buy or securitized loans that are indexed to Term SOFR. This restriction materially shrinks the customer base for which we can transact. As the year progresses, the timeline for SFIs to close deals becomes narrower and less feasible.