

Exhibit G:
Annual Loan Products Narrative Reporting Template

FREDDIE MAC
 MANUFACTURED HOUSING
 2023
 LOAN PRODUCT

ACTIVITY:

2 – Support for Manufactured Homes Titled as Personal Property: Regulatory Activity

OBJECTIVE:

A – Conduct Due Diligence and Accumulate Data to Support Development of Initiative Guidelines for Personal Property Loans on Manufactured Homes

INFEASIBILITY:

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

SUMMARY OF RESULTS:

Freddie Mac met our goals under this objective to perform due diligence toward developing a framework for purchasing loans in support of manufactured homes (MH) titled as personal property, pending FHFA approval. Our risk assessment of the personal property market and related loan transactions will help in determining whether purchasing loans to analyze the data would sufficiently inform decisions around creating an offering that adequately supports growth of this market with consumer protections.

Action	2023 Achievements
<p>1. Define policy parameters to support loan purchases, including but not limited to the following:</p> <ul style="list-style-type: none"> a. Underwriting criteria b. Risk management framework, including determining appropriate credit enhancement methods and quality control processes c. Consumer protection controls d. Special delivery criteria e. Servicing and property disposition requirements 	<p>Complete</p> <ul style="list-style-type: none"> • Defined policy parameters to support loan purchases, if FHFA approves our framework and proposed next steps. • Engaged two organizations for which manufactured housing titled as personal property is the core business and obtained their loan-level data on personal property transactions dating back to 2013. The data provides the diversity of information needed to understand loan performance: <ul style="list-style-type: none"> ○ Homes sited in manufactured housing communities (MHCs), on land owned free and clear, on a relative’s land, and on private property not owned by the borrower ○ New and existing homes ○ Single-section and multi-section homes • Reviewed four loan programs associated with the data obtained. The underwriting criteria encompassed a wide spectrum of credit quality and loan terms.

	<ul style="list-style-type: none"> • Compared the loan terms associated with the data to the underwriting and servicing criteria that Freddie Mac developed in 2019 to support purchases of loans on manufactured homes titled as personal property with adequate consumer protections. • Reviewed our internal operations and processes to determine the level of effort required to support loan purchase activities.
<p>2. Explore potential securitization and/or risk-sharing structures.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Reviewed the loan performance of the dataset relative to overall industry performance of MH loans. Based on preliminary findings, developed a risk structures proposal that could help mitigate known risks in this segment, subject to approval and negotiations with lenders. • Analyzed recent securitization deals to understand structure and performance. Most notably: <ul style="list-style-type: none"> ○ Of the five public issuances between 2019 and 2022, three were Fitch rated. Performance of the deals indicated an upward trend in accumulated net-loss percentages for all three deals; loss has been higher when compared with non-MH deals. However, the excess spread and subordination are absorbing losses to protect the rated classes. ○ The AAA- and AA-rated deals attracted a wide range of investors, including investment funds and insurance companies.
<p>3. Determine counterparties to be included.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Sought out experienced organizations with a primary business of sourcing and managing portfolios of loans on MH titled as personal property.
<p>4. Request FHFA approval.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Submitted our feasibility assessment to FHFA.

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
- Target exceeded
- Objective partially completed
- No milestones achieved

PARTIAL CREDIT JUSTIFICATION:

Not applicable.

IMPACT:

- 50 – Very Large Impact
- 40

- 30 – Meaningful Impact
 20
 10 – Minimal Impact
 0 – No Impact

IMPACT EXPLANATION:

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?

Our efforts under this objective laid the foundation for potentially very large future impact in addressing underserved markets. The feasibility assessment that we performed and submitted to FHFA outlined the current challenges in the MH personal property market and the opportunity Freddie Mac has to take an initial step toward the possibility of entering the market through purchasing personal property loans, in a controlled manner. The loan purchases will allow us to 1) research and gain additional learnings on how these loans behave and perform and 2) determine whether loan purchases acquired over time can sufficiently inform a decision on whether to create an offering that adequately supports the market’s growth. If FHFA approves the framework, we would take the next step and start negotiating with lenders to purchase up to 2,500 loans.

The initial purchase of loans on MH titled as personal property could allow Freddie Mac to achieve the following:

- Assess potential securitization structure and investor appetite.
- Gauge the flow of sufficient eligible loans that would support continued securitization.
- Determine market volume potential under the initial set of requirements put forth by Freddie Mac.
- Identify areas in need of standardization to inform a potential future product.
- Assess performance.
- Obtain data needed to potentially build out customized models.
- Better determine the operational processes needed to manage these loans.
- Analyze and better understand the credit and collateral characteristics and profiles associated with personal property loans.

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

We learned that the manufactured housing market still sees very limited competition. Five lenders serve 75% of the market, with 56% of it concentrated in the top two.

Although a small number of securitizations have been issued in the last five years, we learned that a true secondary market does not exist for MH personal property loans and private lenders largely hold these assets on their portfolios. There is little to no uniformity and standardization in practices and processes, which is among the many key elements to setting the foundation of an active secondary market.

The five recent securitizations were securitized as asset backed securities. In addition, we noted that most of the investor activities were for the AAA and AA rated classes, which reflects a limitation on the diversity of the credit profiles of originations occurring in this market.

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

Not applicable.

Exhibit C:
Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC
 MANUFACTURED HOUSING
 Q2: JANUARY-JUNE 2023
 LOAN PRODUCT

ACTIVITY:

2 – Support for Manufactured Homes Titled as Personal Property: Regulatory Activity

OBJECTIVE:

A – Conduct Due Diligence and Accumulate Data to Support Development of Initiative Guidelines for Personal Property Loans on Manufactured Homes

ACTIONS:

Freddie Mac made progress during the first half of 2023 toward our goals under this objective to conduct due diligence toward developing a framework for purchasing loans in support of manufactured homes titled as personal property, pending FHFA approval. Our risk assessment of the personal property market and related loan transactions will help us decide whether acquiring loans can sufficiently inform decisions around creating an offering that adequately supports growth of the manufactured housing personal property market with consumer protections.

Action	2023 Achievements through Q2
<p>1. Define policy parameters to support loan purchases, including but not limited to the following:</p> <ul style="list-style-type: none"> a. Underwriting criteria b. Risk management framework, including determining appropriate credit enhancement methods and quality control processes c. Consumer protection controls d. Special delivery criteria e. Servicing and property disposition requirements 	<p>In Progress</p> <ul style="list-style-type: none"> • Engaged two organizations for which manufactured housing titled as personal property is their core business and obtained their loan-level data on personal property transactions dating back to 2013, including origination data on the following: <ul style="list-style-type: none"> ○ Homes sited in manufactured housing communities (MHCs), on land owned free and clear, on a relative’s land, and on private property not owned by the borrower ○ New and existing homes ○ Single-section and multi-section homes • The data provides the diversity of information we need to understand loan performance. • Reviewed four loan programs associated with the data obtained. The underwriting criteria encompassed a wide spectrum of credit quality and loan terms. • Compared the loan terms associated with the data obtained to the underwriting and servicing criteria that Freddie Mac developed in 2019 to support purchases of

	<p>loans on manufactured homes titled as personal property with adequate consumer protections.</p> <ul style="list-style-type: none"> • Began reviewing our internal operations and processes to determine the level of effort required to support loan purchase activities.
<p>2. Explore potential securitization and/or risk-sharing structures.</p>	<ul style="list-style-type: none"> • Began reviewing loan performance of the dataset received relative to overall industry performance of manufactured housing loans. Based on findings, will determine the appropriate risk structures that can help mitigate known risks in this segment. • Analyzed recent securitization deals to understand structure and performance. Most notably: <ul style="list-style-type: none"> ○ Of the five public issuances between 2019 and 2022, three were Fitch rated. Performance of the deals indicated an upward trend in accumulated net-loss percentage for all three deals and loss has been higher when compared with non-MH deals. However, the excess spread and subordination are absorbing losses to protect the rated classes. ○ The AAA- and AA-rated deals attracted a wide range of investors, including investment funds and insurance companies.
<p>3. Determine counterparties to be included.</p>	<ul style="list-style-type: none"> • Sought out experienced organizations whose primary business is sourcing and managing portfolios of manufactured homes titled as personal property. • Engaged a publicly traded real estate investment trust (REIT) with these qualifications: <ul style="list-style-type: none"> ○ Is an owner-operator of MHCs. ○ Has a portfolio of loans on homes primarily in MHCs. ○ Is a lender that originates and services personal property loans and a Top 10 lender in terms of manufactured home loan market share. ○ Has been in operation for more than 50 years. • Engaged a lender with these qualifications: <ul style="list-style-type: none"> ○ Has more than 60 years' experience in originating and servicing manufactured housing personal property loans. ○ Operates nationally.
<p>4. Request FHFA approval.</p>	<p>Not started</p>

SELF-ASSESSMENT RATING OF PROGRESS:

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

Not applicable.