

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 MANUFACTURED HOUSING
 2023
 PURCHASE

ACTIVITY:

Activity 3 – Manufactured Housing Communities Owned by a Governmental Instrumentality, Non-Profit Organization, or Residents: Regulatory Activity

OBJECTIVE:

Objective A: Purchase Resident-Owned, Non-Profit-Owned, and Government Instrumentality-Owned Loans

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.

Freddie Mac has continued to find a limited market for Manufactured Housing Resident-Owned Community (MHROC) debt transactions despite significantly increasing marketing of our offering. As we outlined in our 2019 White Paper on this topic, converting an MHC to an MHROC is inherently difficult and requires advanced planning, expert assistance, and a favorable alignment of circumstances. As a result, our only successful transactions since launching the offering have been refinances. These challenges were notable in favorable market conditions and have only become more pronounced in current market conditions.

Freddie Mac has again found that the current funding model for MHROCs is not conducive to significant growth or to attracting private capital investment. For acquisitions where the community is converting from a privately owned to a resident owned community, the necessary debt stack may exceed 100% LTV. On refinances, in addition to senior debt, subordinate debt may also be required, pushing up the debt stack. While finding common ground is generally easier for refinances, in both scenarios, credit parameters are often pushed beyond the limits of what the Government Sponsored Enterprises consider prudent and beyond the levels necessary for the appropriate distribution of risk through credit risk transfer securitizations. The elevated and volatile interest rate environment of 2023 further restricted the potential number of transactions. Conversions to MHROCs became even more difficult from a real economics perspective and discretionary refinances were similarly unlikely to occur. Not only were rates unfavorable to refinance, but swings in the 10-year treasury paired with an abnormally long transaction cycle made these transactions nearly impossible.

Freddie Mac's production and underwriting teams maintained regular communication with lenders who work closely with these communities and reached out and reconnected with a leading non-profit that supports ROCs to discuss financing opportunities. Freddie Mac also enhanced its marketing activities, through a podcast, new online web content, social media posts, outreach to lenders and news media placements to enhance awareness of our offering. Despite this engagement and outreach effort, only one MHROC transaction was completed. We found the target of four transactions for 2023 to be infeasible.

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 MHROC transaction in 2023, falling short of our goal of 4 transactions. The objective has been deemed infeasible. Our baseline for this objective is one transaction based on having funded one transaction between 2018 and 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>
Complete 4 Transactions	Completed 1 Transaction	Infeasibility

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 found many challenges in the MHROC debt transaction market, including a limited universe of eligible transactions that was additionally constrained by volatile and high interest rates, funding and closing delays, and swings in treasury rates. We similarly found our objective infeasible in both 2021 and 2022, funding one transaction in each of those years.

We believe the availability of our offering and our continual outreach efforts in support of the MHROC model are having a meaningful impact. For that reason, Freddie Mac sought to modify its objective to focus on affirmative marketing. Although this modification did not ultimately move forward, we carried out the additional marketing activities, including direct outreach to the leading non-profit in the space, publication of a news article on a successful transaction, a media placement with a leading multifamily trade publication, social media posts and frequent direct outreach to our lender network. Freddie Mac also published a podcast dedicated to Resident Owned Communities, which featured Paul Bradley, President of ROC USA, and a board member of a community in New Hampshire. The podcast covered the history of MHCs, ROCs, and challenges and successes in this space. Our continuous and thoughtful outreach bolstered awareness of our offering and the value of the MHROC model.

We executed one transaction in 2023:

Leisureville Mobile Home Parks – Woodland, CA: This is a 150-unit, age-restricted, Manufactured Housing Resident-Owned Community located in Woodland, CA. The property was converted to a Cooperative in 1995. Just over half of the units at the property are rent restricted to 1/ 12 of 30% of 65% area median income, and income restricted to at or below 80% area median income. In addition, the property rents are on average 48.13% below nearby market rents. Leisureville residents enjoy a high level of community engagement and have access to multiple amenities, including a swimming pool, recreation center, and service kitchen. The Freddie Mac financing helped support capital improvements, including water and sewer line repairs at the property.

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 learned that the inherent challenges in executing ROC transactions become even more pronounced in difficult market conditions. Elevated and volatile rates make financing these properties significantly more difficult. Although we are supportive of MHROCs and will continue to market our offering, the challenges to transacting at scale in this space are not conducive to a purchase target.

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

Due to the limited financing opportunities for our Resident-Owned Communities in a typical year and a volatile and challenging interest rate and capital market environment, the market for MHROC debt transactions is incredibly limited. Despite continued outreach to our lender network and other partners, we were only able to partially complete this objective target.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

Q1: JANUARY-MARCH 2023

PURCHASE

ACTIVITY:

3- Manufactured Housing Communities Owned by a Government Instrumentality, Non-Profit Organization, or Residents: Regulatory Activity

OBJECTIVE:

A- Purchase Resident-Owned, Non-Profit-Owned, and Government Instrumentality-Owned Loans

SUMMARY OF PROGRESS:

Freddie Mac has been working consistently to finance resident-owned community loans. Freddie Mac has found a limited market for Manufactured Housing Community Resident Owned Community (MHROC) debt transactions where leverage requirements are safe and sound. The limited universe of eligible transactions is restricted as overall multifamily debt originations slowed due to a rising and volatile interest rate environment. We've funded and closed one MHROC transaction in 2023 so far and have one additional transaction in our pipeline that is delayed due to circumstances outside our control. We have a 2023 target of four transactions, and we have funded one transaction from 2018-2020, yielding a three-year average baseline of one transaction.

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):

Our Resident-Owned Communities target is at risk due to one transaction in our firm pipeline being delayed for a considerable period of time pending city approval to pay off existing municipal bonds, and the current interest rate environment and limited market opportunity presenting no additional opportunities for financing resident-owned communities at this time. This specific transaction has been in our pipeline since December 2021 and continues to experience delays for a variety of reasons outside of our control. The capital markets environment is also more volatile in 2023 than 2022, which has further exacerbated funding and closing all transactions, especially ROC loans which typically take a longer time to process.

Freddie Mac's production and underwriting teams are in regular communication with the lenders working with the owners of these communities to help address these challenges where possible. In addition, we are working with our lenders to help us identify non-profit manufactured housing communities in need of financing. We have heard from non-profits that the rising treasury rates were making transactions especially challenging, and they were not experiencing time pressure to pursue financing in the current environment.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

Q2: APRIL-JUNE 2023

PURCHASE

ACTIVITY:

3- Manufactured Housing Communities Owned by a Government Instrumentality, Non-Profit Organization, or Residents: Regulatory Activity

OBJECTIVE:

A- Purchase Resident-Owned, Non-Profit-Owned, and Government Instrumentality-Owned Loans

SUMMARY OF PROGRESS:

Freddie Mac has found a limited market for Manufactured Housing Community Resident Owned Community (MHROC) debt transactions where leverage requirements are safe and sound. The limited universe of eligible transactions is further restricted in 2023 given that market-wide multifamily debt originations slowed due to a rising and volatile interest rate environment. We have funded and closed one MHROC transaction in 2023 and have one additional transaction in our pipeline, which is delayed due to circumstances outside our control. We have a 2023 target of four transactions. Between 2018 and 2020, we funded one transaction, yielding a three-year average baseline of one transaction. In 2021, we only funded one transaction, and in 2022, we also only funded one transaction. Freddie Mac has submitted a modification to change the purchase objective for MHROCs to an outreach objective that would support our efforts to purchase loans in the future.

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):

Our Resident-Owned Communities target is likely to be only partially completed in 2023. There are very few financing opportunities for ROCs in a typical year, and the current environment has further limited the market, resulting in no additional opportunities for financing in 2023. Volatile capital markets have exacerbated funding and closing delays for all transactions, and this is particularly impactful to ROC loans which take a longer time to process. We have closed one transaction and have one additional transaction in our pipeline that has been delayed since December 2021 for a variety of reasons outside of our control.

Freddie Mac's production and underwriting teams are in regular communication with the lenders who work with the owners of these communities to help address these challenges where possible. In addition, we are consistently working with our lenders to help us identify non-profit manufactured housing communities in need of financing. We have heard from non-profits that rising treasury rates are making transactions especially challenging, and they are not experiencing time pressure to pursue financing in the current environment. For example, we had one inquiry about a potential non-profit transaction in Denver, CO in June 2023. We held preliminary discussions with the Optigo Lender to discuss our program, but we have not yet received a quote package. To seek out additional transactions, we have reconnected with a leading non-profit that supports ROCs to discuss potential financing opportunities.