

Exhibit F:
Annual Investments Narrative Reporting Template

FREDDIE MAC
 RURAL HOUSING
 2023
 INVESTMENT

ACTIVITY:

Activity 2 – Support for High-Needs Populations: Regulatory Activity

OBJECTIVE:

Objective B: Engage in LIHTC Equity

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 investments made 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 investments themselves, provide a concise summary of those results here. Include in the summary a list of any non-investment actions or deliverables specified in the objective that were not completed.

In 2023, we completed 4 LIHTC equity investments in support of High-Needs Rural Populations, exceeding our target of 3 transactions. Through our \$44.5 million cumulative investment we supported the creation or rehabilitation of 183 affordable housing units. Freddie Mac has provided strong and consistent support for the LIHTC equity market since 2018, and by focusing a meaningful portion of investment capital in rural areas, we are able to provide stability and increase competition for LIHTC credits, benefiting efforts to support affordable housing development. Our baseline for 2022-2024 is one transaction, an average of our 2018-2020 transactions.

<i>Objective’s components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
3 Transactions	4 Transactions	N/A

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 provides stability to the rural LIHTC equity market through our consistent and long-term investments. We have focused a meaningful portion of our LIHTC equity investments in rural areas, which provides competition to the market and increases stability. These investments have made significant positive impacts within these areas and have helped improve LIHTC pricing, making the development of housing for these populations more economically viable.

Higher competition, inconsistent allocations, and challenging and unpredictable transactions due to high-cost environments can cause the LIHTC market for High-Needs Rural Populations to be underserved despite a significant need in these areas. In addition, the Community Reinvestment Act (CRA), which drives more investment to urban and mid-sized metropolitan areas, results in less opportunities to invest in rural areas.

Given that the potential pipeline for these deals is very small, Freddie Mac works to clearly communicate its investment objectives to its LIHTC syndicators at the outset of the year so that they are constantly monitoring the market for possible transactions. To meet our goals, Freddie Mac must offer pricing conducive to winning a high percentage of these transactions. The result can be a higher price per credit, which can provide developers with additional equity, reducing their needs for higher-cost sources of capital. In addition, to meet our targets, Freddie Mac must build a pipeline of potential transactions that well-exceeds our target given that these transactions are often subject to delays outside our control or other circumstances that may cause certain transactions to not be viable.

Freddie Mac leveraged its LIHTC syndicator network to analyze updated maps and uncover this transaction. More details on this transaction and an additional example of a High-Needs Rural Population transaction that brought critical housing to the market are included below. Although these transactions are difficult to source, the communities they benefit face a dire need for housing investment. The impact of these often-overlooked transactions is significant. Here are two examples of our how our LIHTC investments directly benefited High-Needs Rural Populations in 2023:

- **Lac du Flambeau Chippewa Housing Authority LIHTC I – Lac du Flambeau, WI:** This scattered site property consists of 24 single-family rental homes. All of the units are income-restricted for households earning between 0% and 60% area median income (AMI). In addition to LIHTC equity, 100% of the units also benefit from tribal subsidies. The Freddie Mac investment in the property supported the rehabilitation of all 24 units.
- **Cape at Interlake – Moses Lake, WA** This project will involve the new construction of a 72-unit property in Moses Lake, WA. It will be composed of 70 units restricted to households earning between 0% and 50% of AMI

with 2 units being unrestricted and reserved for staff. 53 units (74%) will be set aside for farmworkers. Lastly, the subject will have a soft set-aside of 9 units (13%) for persons with a disability.

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

Our work in the LIHTC equity space for High-Needs Rural Populations has revealed that there are only a few transactions available in any given year that both support these populations and that are in DTS-designated rural areas. Because of the limited market opportunity, completing transactions in this space is difficult. Each year there is variability in allocation and in the number of deals available. Additionally, there is unpredictability and uncertainty in project timelines because much of the financing is tied to USDA Rural Development, which makes financing less predictable.

At the beginning of last year, Freddie Mac set clear expectations for its LIHTC syndicator network, focusing on the importance of sourcing and winning investment opportunities benefiting High Needs Populations. Our syndicator network is essential to our efforts to uncover and find deals that could close in 2023. We also attended conferences, including the Travois Conference and the Council for Affordable and Rural Housing (CARH) conference, in order to connect with rural developers and educate them on our offerings. This increased networking and outreach helped us exceed our 2023 goal.

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

Not applicable.