

Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2018

LOAN PURCHASE

ACTIVITY:

Activity 1 – Support for High-Needs Rural Regions; Regulatory Activity.

OBJECTIVE:

Objective A: Increase Single-Family Loan Purchases in High-Needs Rural Regions.

SUMMARY OF RESULTS:

	Loan Count			UPB (\$M)
Baseline	7,833			-
2018 Target	7,900 – 8,000			-
2018 Volume	8,754			\$959
Incomes Targeted	VLI	LI	MI	
	1,546	5,736	8,754	

Freddie Mac exceeded our goal for the purchase of mortgages in high-needs rural regions by purchasing more loans from lenders, reaching more borrowers and positioning Freddie Mac to provide additional liquidity to a traditionally underserved market.

In our Plan, Freddie Mac referred to the three-year average of our purchase of income-qualifying mortgages in high-needs rural regions to establish a baseline of 7,833 loans. Using that baseline, we set a purchase target range of 7,900-8,000 loans. In our Plan, we stated that success in this Objective would likely provide lenders with more than \$850 million annually to make additional loans in this region. **Because of our efforts in and commitment to this historically underserved market, we provided a total of \$959 million to fund 8,754 income-qualifying loans in the high-needs rural regions, a 12 percent (by volume) increase over our baseline.** This increase in purchases is relative to an 8 percent decrease in conventional loan originations in 2018 from 2017. This compares to \$858 million to fund 8,206 of qualifying loans during 2017. Our volume (by loan count) of Duty to Serve-qualified loan purchases in high-needs rural regions was 7 percent more than in 2017, despite an 11 percent decrease in overall owner-occupied Single-Family loan purchases. Regarding funding that we provided, qualified purchase money mortgages increased 27 percent year-over-year in high-needs rural regions, although qualified refinances decreased 12 percent. We increased the purchase share of our owner-occupied loans in high-needs rural regions by 14 basis points. We believe this increase in purchases of owner-occupied loans will encourage lenders to originate more loans in these areas.

We know from our research, outreach, and market participation that the path to homeownership may be harder for borrowers in high-needs rural regions. This access also exacerbates the delivery of services to these communities, including limited pre-purchase counseling, education, and available products. This combined with persistent poverty, substandard/overcrowded housing, declining employment, lack of access to lenders, and inconsistent home appraisals can hinder access to mortgage financing. We successfully sought to address these challenges in 2018 through our outreach to lenders and our strategic approach to increase the pool of mortgage-ready borrowers through product awareness, counseling, education, credit building, re-employment services, and product enhancements targeted to increase purchases in high-needs rural areas, including support for our affordable Home Possible® program.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the year.

- Objective met
- Objective exceeded
- Objective partially completed:
 - 75-99% (substantial amount)
 - 50-74% (limited amount)
 - 25-49% (minimal amount)
 - 1-24% (less than a minimal amount)
- No milestones achieved

IMPACT:

Provide a self-assessment of the level of impact that actions under the objective have accomplished.

- 50 – Substantial 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 actions under this objective impactful in addressing underserved market needs or laying the foundation for future impact in addressing underserved market needs? (Character limit: 3,000 characters, including spaces)

Our goal with this Objective is to help more families gain access to financing safe and affordable housing in the high-needs rural regions. Through homebuyer preparation, strategic marketing of our products and broadening our outreach to lenders, we gave lenders the confidence to originate loans and offer credit to more borrowers in high-needs rural regions. This also helped lenders expand their customer base of mortgage-ready borrowers in these geographical segments.

Many lenders are hesitant to lend to families with low and moderate incomes, perceiving them as “riskier” borrowers especially in high needs rural regions. Knowing this, Freddie Mac took deliberate actions to help educate and inform lenders about our products and programs and allow direct and indirect access to secondary mortgage markets. This, in turn, helps more families achieve homeownership. To strengthen our impact, we undertook a high level of effort to promote awareness of our policy enhancements through print media, media outreach, website development and specifically targeted rural training to our Sellers. We have developed and supported key strategic partnerships in the markets that provide us with valuable knowledge and insight into these markets and opportunities to partner on initiatives that will provided meaningful impact through access to education, credit building, product development, non-profit training and design of affordable options to provide greater access to affordable housing and affordable credit. In addition to benefiting the homebuyers, it will help lenders grow in this market and will help communities thrive by maintaining or increasing home values, preventing displacement of low- and moderate-income residents and providing financial stability. to these markets.

2. Optional: How do actions under this objective support future actions detailed in the Plan for the underserved market? If there have been any changes in the planned next steps or timeline for work under or related to this objective, describe the changes and provide a brief explanation. (Character limit: 1,500 characters, including spaces)

Analysis of mortgage purchase data is critical to our ability to design new product flexibilities and create useful educational resources for the high-needs rural regions. We purchased more mortgages in this market than expected in 2018, which will provide us with even more insights that we can apply in support of our other Objectives under this Activity.

In the year ahead, we will build on our momentum to grow our share in this market. The new partnerships and lending relationships that we continue to develop through our outreach activities will help Freddie Mac grow purchase volume and capacity to make homeownership possible for families with diverse economic backgrounds in underserved markets nationwide.

3. Optional: Are there any market factors that adversely impacted the actions under this objective? If so, describe. (Character limit: 3,000 characters, including spaces)

Several structural market factors kept us from additional purchases in high-needs rural regions. As research has shown, home construction overall, not just affordable home construction, is not keeping up in meeting demand in addition to domestic migration patterns are changing the housing needs in rural communities. Compounding these challenges are the gradual rise in interest rates. In addition, the lack of sales activity exacerbated the challenges of home valuations and of finding comparable sales, which are required to make mortgage transactions work. One factor not considered when setting our targets was how the lack of sales activity from decreasing originations would further heighten the challenges of home valuations and finding comparable sales. Although the U.S. economy overall seems to be growing steadily, and the labor market remains strong, chronic poverty continues to plague rural areas. One of Freddie Mac's efforts has been to promote a nuanced understanding of the bumpier economy in high-needs rural regions and to raise awareness that the benefits of a growing economy may not reach communities in Middle Appalachia, the Lower Mississippi Delta, the Colonias along the United States-Mexico border, and in persistent-poverty tracts. Freddie Mac continues to actively support these underserved areas by seeking out new partnerships and strengthening current ones, and assessing current policy and product offerings to develop solutions that could help address housing challenges in this underserved market. Our intentional focus has resulted in a significant impact, by providing families with an awareness of housing opportunities through counseling and education and our customers with actionable lending and liquidity options.

4. Optional: How did the actions under this objective contribute to increased or future loan purchases for the underserved market? (Character limit: 1,500 characters, including spaces)

As described in our answer to Question 2, analyzing our purchases will inform the improvement of product offerings and educational resources, leading to greater standardization and liquidity in the high-needs rural areas. Freddie Mac's presence, sponsorship, and dedication to these underserved communities has already made a difference. The deeper dialogue with lenders, non-profits, state and local government organizations, and most importantly, consumers, is driving real incremental benefits in these housing markets.

Attach the data specified for Loan Purchase objectives in Section 3 of this document.

Quarterly Loan Purchase Narrative Reporting

FREDDIE MAC

RURAL HOUSING

Q1: JANUARY THROUGH MARCH 2018

LOAN PURCHASE

ACTIVITY:

Support for High-Needs Rural Regions.

OBJECTIVE:

Objective A: Increase Single-Family Loan Purchases in High-Needs Rural Regions.

SUMMARY OF RESULTS:

Freddie Mac is actively pursuing loan purchase activities to increase loan originations in the following high-needs rural regions: i. persistent poverty areas, ii. Middle Appalachia, iii. the Lower Mississippi Delta and iv. colonias in the following Texas counties: El Paso, Cameron, Hidalgo, Starr, Webb and Maverick.

Freddie Mac's single-family mortgage loan purchase volume forecast for 2018 was quantified through historical analysis of loan purchases from 2014 – 2016. We established a baseline of 22,642 loans, and a 2018 purchase target range of 24,000 – 24,500 loans. For Q1 2018, actual volume of Duty to Serve qualifying high-needs rural loan purchases in the first quarter is 2,022 loans.

In reviewing current origination trends for the first quarter, Freddie Mac's DTS qualified volume in high-needs rural regions is up 4% as compared to the same period in 2017. There has been a decrease of overall single family loan fundings of 23% in the first quarter as compared to the same period in 2017; however, an increase of DTS qualifying purchase-money volume of 39% in high-needs rural regions has offset the refinance volume decrease of 16%. We anticipate that during the spring and summer seasons loan originations will continue to increase that will keep us on pace to meet purchase goals for 2018.

We will continue our efforts to expand the number of approved lenders, leveraging various purchase execution options (e.g. selling for cash) and creating awareness of our available resources and financing solutions by conducting significant outreach. In addition, we have forthcoming policy changes and technical assistance in the latter portion of 2018 that will assist lenders in growing their loan originations over time.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- 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

Quarterly Loan Purchase Narrative Reporting

FREDDIE MAC

RURAL HOUSING

Q2: JANUARY THROUGH JUNE 2018

LOAN PURCHASE

ACTIVITY:

Activity 1: Support for High-Needs Rural Regions.

OBJECTIVE:

Objective A: Increase Single-Family Loan Purchases in High-Needs Rural Regions.

SUMMARY OF RESULTS:

For the second quarter of 2018, Freddie Mac is on track to meet our 2018 targets, as modified. Freddie Mac is actively pursuing loan purchase activities in the following high-needs rural regions: i. persistent poverty areas, ii. Middle Appalachia, iii. the Lower Mississippi Delta and iv. colonias in the following Texas counties: El Paso, Cameron, Hidalgo, Starr, Webb and Maverick.

Originally, Freddie Mac derived our loan purchase baselines and targets from historical analysis of purchase volume of owner-occupied properties in high-needs regions. During the first quarter, we discovered that, due to a miscalculation, our initial baselines included loans purchased from both rural and non-rural census tracts. During the second quarter, Freddie Mac submitted a modification to FHFA to revise the baselines and purchase targets in our Plan. The corrected baseline is 7,833 loans, with corresponding loan purchase targets of 7,900 – 8,000 loans, to reflect purchases that are geographically located in the rural tracts of the Lower Mississippi Delta region, Middle Appalachian region, persistent poverty counties and Texas colonias. The revised purchase targets for each year increase by the same percentage amount as the targets in the Plan. As of June 30, 2018, actual purchase volume of Duty to Serve qualifying high-needs rural loan purchases is 4,584 loans.

To analyze statistical trends, Freddie Mac compared origination activity of DTS qualified volume in high-needs rural regions to the same period in 2017 and identified a 33% increase in volume (by count) while there has been a decrease of overall single-family loan volume of 7%. Through this analysis, we also recognized an increase of DTS qualified purchases of 60% in high-needs rural regions offsets the DTS qualified refinance decrease of 1%. We continue to remain optimistic that we will meet our purchase goals for 2018.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- 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

Quarterly Loan Purchase Narrative Reporting

FREDDIE MAC

RURAL HOUSING

Q3: JANUARY THROUGH SEPTEMBER 2018

LOAN PURCHASE

ACTIVITY:

Activity 1: Support for High-Needs Rural Regions.

OBJECTIVE:

Objective A: Increase Single-Family Loan Purchases in High-Needs Rural Regions.

SUMMARY OF RESULTS:

	Loan Count	UPB (\$M)
Baseline	7,833	-
2018 Target	7,900 – 8,000	-
YTD 2018 Volume	6,628	\$724

In the third quarter of 2018, Freddie Mac Single-Family loan purchases increased in the following high-needs rural regions: i. persistent poverty areas, ii. Middle Appalachia, iii. the Lower Mississippi Delta and iv. colonias in the following Texas counties: El Paso, Cameron, Hidalgo, Starr, Webb and Maverick. We remain on track to meet our targets barring any additional unforeseen market changes besides seasonal volume reductions. Freddie Mac continues to actively leverage resources to help maintain affordability and achieving a sustainable housing finance system by providing liquidity to support this market segment.

During the second quarter, Freddie Mac submitted a modification to FHFA to revise the baselines and purchase targets in our Plan. The corrected baseline is 7,833 loans, with corresponding loan purchase targets of 7,900 – 8,000 loans, to reflect purchases that are geographically located in the rural tracts of the Lower Mississippi Delta region, Middle Appalachian region, persistent poverty counties and Texas colonias. The revised purchase targets for each year increase by the same percentage amount as the targets in the original Plan. As of 3Q2018, Freddie Mac actual purchase volume of Duty to Serve qualifying high-needs rural loan purchases is 6,628 loans.

To analyze statistical trends, Freddie Mac compared origination activity of DTS qualified volume in high-needs rural regions to the same period in 2017 and identified a 16% increase in volume (by loan count) while there has been a decrease of overall single-family loan volume (by loan count) of 6%. Through this analysis, we also recognized an increase of DTS qualified purchase money mortgages of 40% in high-needs rural regions that offsets the DTS qualified refinance decrease of 4%. We continue to remain optimistic that we will meet our purchase goals for 2018.

Our third quarter performance reflected solid purchase activity through strong outreach activities as we continue to remain conversant with the market. As part of our ongoing effort to continuously innovate and improve access to capital, we are enhancing product offerings, which we believe should meet market demand and attract new lending activity to this underserved market. We anticipate that all of our activities lead us to meet and potentially exceed purchase targets set for 2018.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- 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