

Exhibit H:

Annual Loan Products Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2020

OUTREACH

ACTIVITY:

10 – Financing of Single-Family Properties in Opportunity Zones: Additional Activity

OBJECTIVE:

A – Facilitate the Creation and Presentation of Long-term Affordable Housing Units in Opportunity Zones

ACTIONS:

Freddie Mac exceeded our goals under this objective in 2020 for identifying markets with a land bank or similar entities that have inventory or the potential for future inventory that could result in the development or redevelopment/preservation of long-term affordable housing in Opportunity Zone census tracts. Freddie Mac provided strategic thought leadership to prompt selected cities to update their disposition strategies to address local long-term affordable housing preservation issues.

We collaborated with organizations that support long-term affordable housing preservation, renovation, and homeownership-retention activities and served as a facilitator to assist in creating initiatives that support the revitalization, creation, and preservation of long-term affordable housing in support of and in Opportunity Zones.

2020 highlights:

- We evaluated several markets to determine where to focus our efforts. Our considerations included identifying a land bank or similar functioning entity with available inventory, the presence of Opportunity Zone census tracts, the presence of non-profit organizations that focus on community development and have Opportunity Zone census tracts in their footprints, and municipalities focused on affordable housing development. As a result of the analysis, we identified three markets on which to focus: Omaha, Milwaukee, and Minneapolis.
- In these three markets, our efforts centered on coalition building, engaging key stakeholders and bringing them to the table, identifying areas of opportunity for technical assistance, introducing industry subject matter experts to provide technical assistance, and seeding innovation through Freddie Mac’s thought leadership. In Omaha, we built a coalition of 38 stakeholders, 34 in Milwaukee, and three in Minneapolis to work together on program development.
- Based on the insights and education we provided, the cities committed to expanding affordable homeownership preservation through shared equity programs. Milwaukee earmarked funding for program development and Omaha is investing in enhancing its land bank’s effectiveness. Minneapolis is leveraging existing CLT programs as a loss-mitigation tool.

- Pandemic conditions made achieving results more challenging. Restrictions prevented in-person meetings and added complexity to forming the working groups. Given Freddie Mac’s commitment and leadership, we served as the catalyst in bringing together stakeholders and helping to spark innovative solutions for creating and preserving affordable housing opportunities.

Objective’s components detailed in the Plan	Corresponding actions taken
<p>1. Identify properties within land bank inventories or similar property sources in designated Opportunity Zone census tracts where Freddie Mac can provide strategic thought leadership and consultative support to update disposition strategies to better address local affordable housing preservation issues.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Evaluated potential markets on which to focus our efforts. Based on our analysis, decided to focus on the cities of Omaha, Milwaukee, and Minneapolis. • Through our due diligence in 2020, found the following: <ul style="list-style-type: none"> ○ Omaha had an active land bank with 181 parcels in its inventory at the time we completed our due diligence. It also has 15 Opportunity Zones in which investment activity is occurring and where long-term affordable housing development activity could intersect with current investment activity. ○ Milwaukee’s Department of City Development (DCD) operates as a land bank and has many of the powers a land bank has through legislation. DCD has 884 city-owned properties in inventory. Typical inventory consists of 1,400 homes. Milwaukee has 36 Opportunity Zones. ○ Minneapolis has an active coalition of shared equity program providers; the Hennepin County service area comprises 25 Opportunity Zones. The Minneapolis market also had more than 4,000 loans in forbearance at the time we completed our due diligence, for which one shared equity provider was seeking to pair long-term affordable housing preservation with long-term homeownership retention solutions. In Minneapolis, the strategy aims to use shared equity homeownership as a loss-mitigation strategy to preserve long-term affordable housing. Specifically, to help homeowners who are reaching the end of their forbearance period and still unable to afford their monthly mortgage payments due to a change in household income or makeup by converting the home to a shared equity model of ownership.
<p>2. Collaborate with organizations that support affordable housing development or rehabilitation initiatives to start a long-term revitalization initiative in select Opportunity Zones.</p>	<p>Complete</p> <ul style="list-style-type: none"> • In the selected markets, built coalitions of professionals in affordable housing development and revitalization and single-family and multifamily housing. • To this end, Freddie Mac was able to facilitate training classes via a shared equity trade organization to educate affordable housing practitioners from the cities of Omaha and Milwaukee on shared equity models. • Focusing on long-term affordable housing preservation through acquisition, development, and rehabilitation initiatives. Each market has unique opportunities, as described below. <p>Omaha:</p> <ul style="list-style-type: none"> • The Omaha coalition comprises 38 organizations. The types of organizations and the number participating by type: <ul style="list-style-type: none"> ○ Developers - 13 ○ Government agencies - 1

	<ul style="list-style-type: none"> ○ Lenders - 6 ○ Non-profit community groups - 14 ○ Real estate professionals - 4 ● Held 17 convenings with the Omaha coalition. Identified opportunities to support the preservation and creation of long-term affordable housing. <ul style="list-style-type: none"> ○ Stakeholders identified shared equity program training as a top priority. ○ Freddie Mac engaged two organizations to provide technical assistance to the Land Bank to help address their property-disposition process and policies. <p>Milwaukee:</p> <ul style="list-style-type: none"> ● The Milwaukee coalition comprises 34 organizations: <ul style="list-style-type: none"> ○ Attorneys - 1 ○ Developers - 12 ○ Foundations - 1 ○ Government agencies - 2 ○ Health care organizations - 1 ○ Housing finance agencies - 1 ○ Lenders - 3 ○ Non-profit entities - 12 ○ Real estate professionals - 1 ● Facilitated 10 convenings and relationship development with the Milwaukee coalition and learned that the appetite for resale-restricted programs was limited when we began our engagement. Throughout the year, appetite changed; by 3Q, internal discussions began within the City Department of Development to move forward with a program. <ul style="list-style-type: none"> ○ Focused on outreach and education to stakeholders about shared equity programs as a tool in disposition strategies for the city-owned inventory. ○ Because of our education efforts, the city passed a \$1.7 million allocation for shared equity homeownership. <p>Minneapolis:</p> <ul style="list-style-type: none"> ● The Minneapolis market coalition comprises three organizations: <ul style="list-style-type: none"> ○ Coalition of community land trusts (CLTs) - 1 ○ Trade organizations - 2 ● Held regular working sessions with the Minneapolis coalition to determine the approach to preserving affordable housing for homeowners who will be exiting forbearance agreements and where existing homeownership retention tools may not be adequate. <ul style="list-style-type: none"> ○ Examined existing models of shared equity conversion programs to inform the design of the project. ○ Explored an option for modifying the loan from a traditional 30-year mortgage to a CLT mortgage. ○ Under this approach, the eligible distressed homeowner may choose to opt into shared-equity homeownership with ongoing resale and affordability restrictions, and, in exchange, retain homeownership for a more affordable monthly payment.
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SELF-ASSESSMENT RATING OF PROGRESS:

- 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

PARTIAL CREDIT JUSTIFICATION:

Not applicable

IMPACT:

- 50 – Substantial Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact

IMPACT EXPLANATION:

1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?

Freddie Mac made a substantial impact through this objective in 2020, acting as a catalyst in coalition building, educating the stakeholders on shared equity models for the preservation of long-term affordable housing, capacity building, collaboration, and advisement. Our bringing professional advisers to the table to address market needs in Omaha, Milwaukee, and Minneapolis and providing support and resources resulted in the development of long-term disposition strategies that feed into shared equity program formation, which will create and preserve long-term housing affordability.

As a direct result of education on shared equity homeownership program models, the City of Milwaukee experienced a paradigm shift toward shared equity programs. The city is developing the capital infrastructure to support a shared equity program that will be formed in the future.

In Omaha, through Freddie Mac’s engaging and introducing two organizations recognized as industry experts, the land bank received technical assistance in addressing property-disposition process and policies. The technical assistance aided in the design and implementation strategies, policies, and programs to convert vacant, distressed, and under-utilized land parcels to support scaling up the production of shared equity homes. An efficient and effective Land Bank operating in the community will strengthen the housing ecosystem.

In the Omaha and Milwaukee markets, the program models that we are establishing, before development and redevelopment activity occurs, may lead to new residential development being incorporated into new and existing programs developed by the city that are set aside for long-term affordable housing preservation.

In Minneapolis, the framework that we developed for a shared equity conversion program, a homeownership preservation initiative, aims to keep distressed homeowners in their homes, while creating new permanently affordable units. This will help decrease the number of foreclosures and vacant homes in the market, thereby preventing neighborhood blight.

When long-term affordable housing preservation development, redevelopment, and shared equity conversion occurs in Opportunity Zone census tracts or coinciding areas, it helps provide sustainable, affordable homeownership opportunities. In turn, this supports new businesses and economic growth in the Opportunity Zones.

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

We learned that markets may have numerous organizations working toward the goal of preserving long-term affordable housing. Organizations need additional technical assistance, education, and thought leadership to improve the efficiency and effectiveness of their collective efforts, while maximizing resources available in the market. The synergy that we helped generate by holding convenings and providing technical expertise resulted in actionable items and a comprehensive approach to the selected underserved markets.

Strengthening organizations' technical capabilities and increasing their capacity will improve the success rate in program development and management. Given our position in the industry, Freddie Mac is instrumental in bringing resources together to accomplish common goals.

The work completed with Milwaukee, Minneapolis, and Omaha lays the foundation for properties they acquire in the future that are in Opportunity Zones to be included in the programs being developed. Existing Opportunity Zone investment may be focused on commercial or multifamily development. Residential housing development and redevelopment in coinciding areas would help support new businesses by providing affordable workforce housing. Efforts in the three selected markets may provide a framework that can be replicated in additional markets across the country.

One of the market participants stated: "Ultimately, the success of future efforts will depend on the combined strengths and complementary skill sets of everyone involved, financial and service sectors alike."

3. Optional: If applicable, why were all components of this objective not completed?

Not applicable