

Exhibit G:

**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC

RURAL

2020

PRODUCT

**ACTIVITY:**

9- Support Residential Economic Diversity: Additional Activity

**OBJECTIVE:**

B- Create a mapping tool to enable deeper understanding of the various aspects of RED

**ACTIONS:**

In 2020, Freddie Mac enhanced our mapping tool (known as Mission Map), which was originally developed in 2018 and substantially enhanced in 2019 leveraging both industry feedback and insights gained, to include indicators of opportunity relevant to supporting and furthering residential economic diversity. We published this tool on our website and made all aspects of it free of charge to the public. These enhancements leveraged our Duty to Serve research papers on opportunity indicators and residential economic diversity published under our Spotlight on Underserved Markets series. This tool provides an impact to the market in that it is useful to researchers and policymakers which can lead to greater support, attention and liquidity in high opportunity areas.

Objective's components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
1) Enhance the mapping tool to include indicators of opportunity: proximity to transit, educational attainment, access to employment, and income.	<b>Complete</b> Freddie Mac released our enhanced mapping tool for public use on February 28, 2020. All aspects of the tool are available to the public at no charge.	n/a
2) Promote the mapping tool online through email marketing channels.	<b>Complete</b> We promoted the marketing tool through email marketing channels. We received 1,883 web page views from the customer news article, which contains a link to the mapping tool directly.	n/a

*(Character limit: 3,000 characters, including spaces)*

**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 in laying the foundation for future impact in addressing underserved market needs? (limit: 3,000 characters, including spaces)

There are affordable housing properties with regulatory agreements in markets throughout the country. Not all markets are formally defined as High Opportunity Areas by Duty to Serve, but that does not mean these markets, or the properties in them, are devoid of opportunity for residents. In fact, many properties are in markets that have some opportunity features. Mission Map, and our enhancements in 2020, make it easier to preserve these properties nationwide while providing developers, our Optigo lenders, policymakers and research organizations the ability to more clearly focus their search when looking for impact-oriented development opportunities or looking to focus resources to further opportunity for social and economic mobility.

Through our additional outreach and research efforts on the impacts of opportunity within areas of residential economic diversity, we were able to identify the most important indicators of opportunity that further economic and social mobility. While our tool already had many advanced features, we conducted a closer analysis on which indicators of opportunity are most commonly found in LIHTC QAPs, using our 2018 white paper *Opportunity Incentives in LIHTC Qualified Allocation Plans* as a base for our research.

Our tool is free to the public and highly user-friendly so that it could better serve its purpose and stakeholders can easily use this when making business decisions or conducting research. Though there are other mapping tools in the market, none blend market analysis, property details, demographic information, opportunity indicators and the specific Duty to Serve areas with such a user-friendly targeted package of features.

The key features of the tool have substantial impacts on the market.

- a. The capabilities to search for indicators of opportunity such as proximity to transit, educational attainment, access to employment and income allows both lenders and Freddie Mac to better understand the presence or absence of affordable housing in DTS markets, which assist in underwriting and identifying comparable properties. For example, in markets with greater proximity to transit, there might also be a greater

likelihood of economic and social mobility which can cause sustained high occupancy, which in turn suggests better loan performance over time, making lending to that property safer.

- b. Visually identifying opportunity indicators through the mapping tool and providing data on DTS eligibility on each property enables our lenders and syndicators to target their efforts to DTS eligible transactions that further opportunity for residents. This is particularly important for our impact-minded investors and our LIHTC equity business, as we place strong emphasis on making DTS qualifying investments. This tool makes it easier to direct our business to DTS markets, increasing the flow of investment capital to these markets.

2. What did the Enterprise learn from its work about the nature of underserved market needs and how to address them? (limit: 1,500 characters, including spaces)

Mapping areas where it is possible to further residential economic diversity using opportunity indicators provides an essential service to impact-minded investors looking to better focus private capital for the purpose of achieving growth in areas of high opportunity and meet social impact goals for their portfolios. This can enable more cost-effective lending over time based on capital markets demand. We are also providing localities and policy makers with a more granular view of opportunity, not just through areas that have already been determined by FHFA as high opportunity. This will allow policy makers to leverage our tool, develop their own larger, programmatic definitions of opportunity, and focus their efforts more clearly. We will continue to work with localities and leverage new programs along with our loan offerings to support more affordable housing in high opportunity areas and to help more areas become areas of opportunity.

Prior to our tool, this information was not available in a targeted way that lenders would access to help drive business. Our lenders are now better aware of these properties and they have the potential to direct greater attention to them by leveraging our suite of loan offerings and increase liquidity. This addition to our mapping tool filled a gap by offering a needed creative solution to assist lenders and borrowers to identify areas of opportunity.

3. **Optional:** If applicable, why were all components of this objective not completed? (limit: 1,500 characters, including spaces)

Not applicable

*Attach the information detailed in the list of documentation specific to the objective that was provided by FHFA.*