

Exhibit E:
Annual Loan Purchase Narrative Reporting Template
 FREDDIE MAC

RURAL HOUSING

2020

LOAN PURCHASE

ACTIVITY:

1 – High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

A – Increase Single-Family Loan Purchases in High-Needs Rural Regions

SUMMARY OF RESULTS:

	Loan Count			UPB (\$MM)
Baseline	9,167			-
2020 Target	9,200-10,500			-
2020 Volume	16,708			\$2,225
2020 Volume by AMI	≤ 50%: 2,454	> 50 - 80%: 7,842	> 80 - 100%: 6,412	

Freddie Mac exceeded our 2020 target under this objective, helping more people in high-needs rural regions (HNRR) achieve sustainable homeownership. This was the third consecutive year in which we exceeded our purchase target and increased liquidity in this market.

In total, we provided more than \$2.2 billion to fund 16,708 qualifying loans in HNRR, surpassing our baseline by 82% (by volume) and the top of our target range by 59%.

Compared to 2019 HNRR loan volume, we funded 6,859 more loans in 2020, a 70% year-to-year increase. Of our total 2020 volume in this market, 14% more loans were for home purchases and 135% more were for refinances than in 2019.

	2018 Loan Count	2019 Loan Count	2018-2019 % Change	2020 Loan Count	2019-2020 % Change
Purchase	4,976	5,290	6%	6,012	14%
Refinance	3,778	4,559	21%	10,696	135%
Total	8,754	9,849	13%	16,708	70%

Historically low interest rates contributed significantly to purchase growth. An extraordinary number of homeowners refinanced their mortgages, saving money by lowering their monthly payments and/or shortening their loan terms. The

low rates also helped many people afford to buy homes, despite rising home prices. The ability to work remotely further increased housing demand and home purchases.

We further drove purchase growth through extensive outreach to our lenders and efforts to educate industry professionals on how using our products and resources can help them grow their businesses. This included providing technical assistance to small lenders that are not approved Freddie Mac sellers, enabling them to gain access to the secondary mortgage market through aggregators. At the same time, we reached out to our larger lenders to make them aware of opportunities to boost their lending in HNRR with our products and to aggregate loans. We also worked with our non-profit partners to increase their capacity to provide education and counseling that help more people attain and sustain homeownership.

We delivered this level of effort and exceeded our purchase target during the coronavirus pandemic. Freddie Mac, lenders, housing intermediaries, and other industry participants had to shift priorities and resources. Homebuyer education and technical assistance efforts were interrupted. We all had to devise new ways of working and fulfilling our business purposes. Our results in this environment are a testament to collaboration, creativity, and commitment.

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

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?**

Our actions made a substantial impact in HNRR. We increased liquidity, access to the secondary market, and sustainable homeownership opportunities—while contending with the coronavirus pandemic.

Our loan purchases expanded affordable lending to people who most need greater access to credit. Almost two-thirds of our 2020 purchases in HNRR benefited households with very low and low incomes. Nearly half of our 2020 HNRR loan purchases helped first-time homebuyers.

Income to Median	Loan Count	UPB (\$MM)	Share of DTS-Qualified HNRR Loans	% First-time Homebuyers
≤ 50% (very low income)	2,454	\$ 236	15%	46%
> 50 - 80% (low income)	7,842	\$1,005	47%	
> 80 - 100% (moderate income)	6,412	\$ 985	38%	

Our achievements reflect the difference our continuous and committed leadership has made toward addressing this market’s longstanding challenges.

- Continued extensive industry outreach and education to raise awareness, adoption, and usage of our offerings—rolled out based on industry feedback in 2018, 2019, and 2020—that fill market needs, increase efficiencies, and support more borrowers.
- Rolled out product flexibilities to support borrowers affected by the pandemic.
- Enabled more lenders to sell loans to us and encouraged more direct selling.
- Continued to offer training to make appraisals easier and more accurate. Previously developed on-line lender training and developed appraiser training with the Appraisal Institute.
- Held our second Rural Research Symposium, bringing together leaders from across the housing industry to share research and insights that could lead to rural housing solutions. When we established the symposium in 2019, it was a first-of-its-kind forum.

- Continued to boost our non-profit partners' capacity to prepare people for homeownership; included training for some on originating and packaging loans for the secondary mortgage market. Built and strengthened relationships in 2018, 2019, and 2020.

For more details, please read the narratives on our loan product and outreach objectives.

Because of our efforts, DTS has had a substantial impact in HNRR during the Plan cycle:

- More lenders have access to the secondary market, more financing options, and more confidence in lending in HNRR.
- Obstacles to rural appraisals and lending have been lowered.
- Non-profit housing agencies have more capacity to fulfill their missions.
- More people are prepared for responsible homeownership.
- The affordable lending ecosystem works more effectively.
- Almost \$4.35 billion flowed to HNRR, financing 35,311 homes.

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

We learned more about the complexities of the lender process for adopting offerings. It is multifaceted and usually takes about a year. With demands related to elevated originations and the coronavirus pandemic, capacity to adopt and launch offerings—especially those requiring systems changes—became highly constrained. Many lenders delayed rollouts. To gain market traction of our offerings, we connected with lenders and other industry professionals in ways that showed our support as well as sensitivity to time, resource, and health concerns.

- Delivered presentations via webinars and virtual conferences.
- Provided resources on-line, including on-demand training on offerings.
- Seamlessly continued to bring stakeholders together to explore rural challenges and opportunities.

Also, boosting liquidity takes an integrated lender strategy. To reach more small lenders, we offered training on packaging loans and tapping into the secondary market, while stressing benefits of direct selling if possible. We also supported our lenders in acting as aggregators. And we highlighted the benefits to larger lenders of using our offerings to increase lending in HNRR.

The pandemic reinforced the value of staying flexible and open to ideas. For example, with insights from our partners, we found ways during the pandemic to continue and enhance support for homebuyers and owners. Through the FHFA listening sessions, we picked up on topics for research that could lead to greater market support.

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

Not applicable