

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 RURAL HOUSING
 2022
 PURCHASE

ACTIVITY:

5 – Support Multifamily Properties in All Rural Areas: Additional Activity

OBJECTIVE:

A - Purchase Loans to Preserve Properties with USDA Section 515 Debt

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.

Despite Freddie Mac’s aggressive attempts to market our offering, we have learned that borrowers are served by and accustomed to USDA financing and are not seeking additional capital sources at this time.

SUMMARY OF RESULTS:

Provide a concise summary of the actions undertaken under this objective.

Include in the summary a list of any actions or deliverables specified in the objective that were not completed, or actions or deliverables that deviated from the Plan.

Freddie Mac conducted substantial outreach to identify USDA Section 515 rental properties in need of financing. The outreach consisted of direct calls to borrowers, attending and speaking at industry conferences, and marketing through our Optigo lender network. Additionally, we advertised our loan product via lender calls, email distributions and by highlighting a past transaction on our website. We ramped up these efforts in the second half of 2022 but were unable to complete a transaction.

The feedback we received from lenders is that prospective borrowers are content with non-Freddie Mac financing options through USDA lenders, including USDA Section 515 and 538 debt which provide more aggressive credit terms than what Freddie Mac would offer; 538 debt allows for a 1.15x debt coverage ratio (DCR) based on 40-year amortization and up to a 97% loan-to-value (LTV). These parameters are outside our credit standards and go beyond any credit exception that we can approve.

<i>Objective’s components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
One transaction including at least one property in a DTS rural market	No transactions completed	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?

Although we concluded that our objective of purchasing a loan to preserve a property with Section 515 debt is infeasible for 2022, we have incorporated the ability to support properties with USDA 515 debt into our core offerings, making them available at any time borrowers may need them. Our aggressive work to market our offering lays a foundation for future loan purchases. We have significantly enhanced awareness of our product offering and made our presence in the market clear to lenders and sponsors.

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

Freddie Mac learned about the complexity of USDA rural rental housing transactions, which will inform our strategy as we explore other actions that can support this market. These transactions typically involve multiple parties, multiple properties, and often an extended loan processing period. As a result of this unique market, we learned that borrowers are accustomed to working specifically with USDA lenders and USDA loan products to originate rural rental housing loans. Developers experienced with the USDA 515 program are accustomed to and well-versed in the USDA Section 538 program, are comfortable with the credit and pricing terms, and leverage it as the primary source of new debt on existing properties.

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

We conducted outreach to numerous borrowers and learned that they are served by existing financing options and have strong relationships with USDA lenders. We observed that USDA Section 538 debt is effective and sufficient in the market today. We continue to look for ways to pursue financing opportunities in ways that can benefit borrowers and complement existing capital sources. We are actively advertising our desire to purchase loans on USDA Section 515 properties on lender calls as well as in emails to our network.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC
RURAL HOUSING

Q2: JANUARY-JUNE 2022

PURCHASE

ACTIVITY:

5- Support Multifamily Properties in All Rural Areas: Additional Activity

OBJECTIVE:

A-Purchase Loans to Preserve Properties with USDA 515 Debt

SUMMARY OF PROGRESS:

USDA Section 515 transactions are highly complex, with multiple parties, multiple properties, and sometimes challenging market conditions. There are several challenges we have faced trying to purchase a USDA Section 515 Debt loan. There are limited financing sources for these properties due to the tightly integrated USDA requirements between USDA programs. Borrowers are accustomed to working specifically with USDA lenders and USDA loan products to originate rural rental housing loans. The Freddie Mac loan product has a different loan and legal structure than the current financing option to this market. Developers experienced with the USDA 515 program are accustomed to and well-versed in the USDA Section 538 program, and leverage it as the primary source of new debt on existing properties.

SELF-ASSESSMENT RATING OF PROGRESS:

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

- On track to meet or exceed the target
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

We have done extensive work and outreach during the first half of 2022 in order to finance a USDA Section 515 deal and will continue to work towards achieving this target through the remainder of the year. We conducted outreach to numerous borrowers and learned that they are comfortable with existing financing options and the relationships they have with USDA lenders and offerings already. We observed that USDA Section 538 debt is effective and sufficient in the market today.

We have also been attending industry conferences to promote our product and ability to provide liquidity to the 515 preservation market over time. We have advertised our loan product via email blasts and have highlighted past transactions on our website. We continue to look for ways to pursue these financing opportunities in ways that can benefit borrowers and complement capital in the market today. We continue to actively advertise our desire to purchase loans on USDA Section 515 properties on lender calls as well as in emails to our network.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

Q3: JULY-SEPTEMBER 2022

PURCHASE

ACTIVITY:

5- Support Multifamily Properties in All Rural Areas: Additional Activity

OBJECTIVE:

A-Purchase Loans to Preserve Properties with USDA 515 Debt

SUMMARY OF PROGRESS:

USDA Section 515 transactions are highly complex, with multiple parties, multiple properties, and sometimes challenging market conditions. There are several challenges we have faced trying to purchase a USDA Section 515 Debt loan. There are limited financing sources for these properties due to the tightly integrated USDA requirements between USDA programs. Borrowers are accustomed to working specifically with USDA lenders and USDA loan products to originate rural rental housing loans. The Freddie Mac loan product has a different loan and legal structure than the current financing option to this market. Developers experienced with the USDA 515 program are accustomed to and well-versed in the USDA Section 538 program, and leverage it as the primary source of new debt on existing properties.

SELF-ASSESSMENT RATING OF PROGRESS:

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

- On track to meet or exceed the target
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

We have done extensive work and outreach during the first half of 2022 in order to finance a USDA Section 515 deal and will continue to work towards achieving this target through the remainder of the year. We conducted outreach to numerous borrowers and learned that they are comfortable with existing financing options and the relationships they have with USDA lenders and offerings already. We observed that USDA Section 538 debt is effective and sufficient in the market today.

We have also been attending industry conferences to promote our product and ability to provide liquidity to the 515 preservation market over time. We have advertised our loan product via email blasts and have highlighted past transactions on our website. We continue to look for ways to pursue these financing opportunities in ways that can benefit borrowers and complement capital in the market today. We continue to actively advertise our desire to purchase loans on USDA Section 515 properties on lender calls as well as in emails to our network.