

Exhibit H:
Annual Outreach Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING COMMUNITIES

2018 REPORT

EVALUATION AREA: OUTREACH

ACTIVITY:

Activity 4 – Manufactured Housing Communities with certain pad-lease protections: Regulatory Activity

OBJECTIVE:

Objective A: Conduct tenant-protections survey

ACTIONS:

In 2018, Freddie Mac published a groundbreaking white paper on tenant protections in manufactured housing communities (MHCs) and their prevalence in state law as part of our “Spotlight on Underserved Markets” series¹. The paper provides a review of the degree to which DTS tenant protections are currently addressed by all 50 states, and explores how such protections, if not covered under state law, might be voluntarily adopted in leases by community owners. The end result is a comprehensive survey of all 50 states’ MHC tenant protections, depicted in an easily consumable manner, and analysis of ways states can close the gaps that currently exist between state law and the DTS tenant protections. In addition, we reached out to a number of MHC owner/operators and securitization investors to determine the impacts that this set of protections might have on their operations or investment decisions and included our findings in our report. This paper sets the foundation for borrowers, policymakers and lenders to better understand what these tenant protections are and how they apply to manufactured communities across all 50 states.

Throughout our outreach and public listening sessions, various advocacy organizations indicated that MHC tenant protections help create stable tenant bases within the MHC market. However, due to the ownership and rental structure where a tenant in an MHC often owns their home and rents the land on which the home is located, there are unique challenges. As a result, states and FHFA have looked for mechanisms to incent various tenant protections. States have done this in a variety of ways, and FHFA has identified a set of eight protections that they prioritize and hold as appropriate for receiving DTS credit pursuant to this Regulatory Activity.

Our findings indicate that many states have not adopted many of these tenant protections, and in fact, the combination of all eight protections has not been adopted by any one state. Therefore, there is not a market today of MHCs with the full complement of DTS tenant protections. As a direct result of our survey, (1) states now know which DTS protections they lack and may choose to implement them in their laws; and (2) community owners now know how their current leases align with both state law and DTS, so they may choose to implement any protections in their leases.

To promote a broader understanding of this topic and to enable adoption of DTS tenant protections over time, we marketed the paper aggressively on our website and on social media. The paper received 14,071 Twitter impressions, 729 LinkedIn impressions and was downloaded 46 times from our website.

¹ <https://mf.freddie.com/research/insight/20181023-duty-to-serve-series.html>

Planned Actions	2018 Actions
<p>Conduct 50- state review, obtain MHC owner/operator feedback, survey securitization investors, and publish results. Survey will include:</p> <ul style="list-style-type: none"> a. List of tenant protections by state b. List of MHC tenant protections by state c. List of DTS tenant protections not covered in each state 	<p>In March 2018, we retained a law firm to conduct a 50-state survey of laws and regulations applicable to MHC tenant protections. Using this data, we developed an overview of tenant protections to portray our findings in a cohesive format. In our survey, we reviewed the state laws to determine to what extent the DTS tenant protections were addressed in each state.</p> <p>In addition, we sought feedback from several owner/operators of various sizes with whom we work with on a regular basis. We also spoke to securitization investors to determine the extent to which they had concerns with the potential imposition of the DTS tenant protections.</p> <p>Throughout the report, we discuss various nuances that exist between states and the challenges to implementing the DTS minimum set of protections.</p>
<p>Study will examine the following points from state statutes and regulations:</p> <ul style="list-style-type: none"> a. Requirements for written lease agreements, including any required minimum lease terms and automatic renewals b. Limitations on evictions and treatment of defaults c. Requirements for rent increases, subleasing and assignment and restrictions on tenant's right to sell or place "For Sale Signs" d. Requirements to provide tenants with notice of change of use or intended MHC closure 	<p>Our study identified the prevalence of the DTS protections for each state. A summary of our findings can be found on pages 4 and 5 of our paper. The work identified ambiguities in the possible application of the DTS tenant protections. To our knowledge, this summary is the most comprehensive review of MHC tenant protections available in the market.</p>
<p>Study will identify gaps between state tenant protections and DTS tenant protections and any barriers to adopting this specific set of tenant protections.</p>	<p>Throughout the paper, we explore the gaps between current state law and full adoption of the relevant protections as well as barriers for adoption by borrowers. We discuss various nuances that exist in states and provide illustrative graphics that make our analysis easily digestible for the reader. In addition, the appendix of our paper explores the gaps that exist for each state and the given tenant protection.</p>
<p>Study will be published on our website, distributed to manufactured housing research organizations, advocacy organizations, and the MHC seller/servicer network, and will be promoted with a press release.</p>	<p>To promote a broader understanding of this topic, we marketed the paper aggressively on social media, on our website, via a press release and by hosting an industry conference call to reach a variety of organizations including lenders, advocacy organizations, and research organizations. As of January 31, 2019, this paper received 14,071 Twitter impressions, 729 LinkedIn impressions and was downloaded 46 times from our website. It was also sent via email to over 7,000 individuals in our OptigoSM network of lenders and syndicators.</p>

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

PARTIAL CREDIT JUSTIFICATION:

N/A

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*)

This is not the first paper to address the need for, or existence of, DTS MHC tenant protections. In 2004, the AARP, published an advocacy paper² that included a proposed model law. In 2015, the NCLC published a paper³ on protecting fundamental freedoms in MHCs, which focused on its four priority freedoms. Freddie Mac's report builds on the work of these organizations by updating and expanding it significantly. Neither of the prior reports addressed the DTS tenant protections as a full complement; our work focused exclusively upon those. In addition, those papers were advocacy pieces, while ours is intended as a resource for the industry as a whole, including state and local administrations, but also investors, owners and operators of MHCs. To our knowledge, this is the most comprehensive review of these protections and their presence in state law.

We retained a law firm to conduct a 50-state survey on the DTS tenant protections. The team engaged is a subject matter expert in the MHC field. Even still, the work was difficult because the existence of the DTS protections was not immediately apparent. The state law frameworks varied widely, with some states having explicit MHC tenant protections and others relying exclusively on general landlord-tenant laws. Where states had both frameworks, the interplay had to be analyzed. In addition, the research revealed a number of ambiguities in the tenant protections as stated in the regulation. We distilled the complexities of this analysis into a clear, more readily understood report that can be leveraged by market participants.

² <https://www.aarp.org/home-garden/housing/info-2004/aresearch-import-871-D18138.html>

³ https://nclc.org/images/pdf/manufactured_housing/cfed-freedoms_guide.pdf

Key Findings

- *The tenant protections currently provided vary greatly by state, and in some cases states have decidedly different approaches to MHC tenant protections than the DTS tenant protections*
- *No DTS tenant protection is currently adopted across all 50 states*
- *No state includes all 8 DTS tenant protections*
- *7 states do not include any DTS tenant protections*
- *The most common protection is “Right to Cure Default on Rent Payments”, found across 82% of states*
- *The least common protection is “Right to Sell within a Reasonable Period After Eviction”, which is not clearly mandated in any state, and we view as possibly protected in 16% of states. We found that most states are silent on this protection, but the ones who address it do so with varying time-periods. The range of timeframes adopted by these states highlights the difficulty in determining what is considered a “reasonable time period”.*
- *Of the 50 states, only one (covering 1,389 MHCs) adopted more than 75% of the DTS tenant protections, 12 states (covering an additional 10,172 MHCs) adopted between 50 to 75% of the DTS tenant protections, 19 adopted between 25 to 49%, with the remaining 18 adopting less than 25%*
- *Through outreach to community owners, we found that 4 of the protections were viewed as particularly onerous or difficult to put into practice:*
 - *One-year renewable lease term (unless there is good cause for non-renewal)*
 - *Right to sublease or assign pad lease without unreasonable restraint (owners were particularly concerned with the right to sublease)*
 - *Right to sell the manufactured home in place within a reasonable time period after eviction by the MHC owner*
 - *Right to receive at least 60 days’ notice of planned sale or closure of the MHC (owners were particularly concerned with the notice of planned sale)*

As evidenced by our findings, we have uncovered information that is fundamental to understanding which states currently require certain tenant protections and how the industry can look to close these gaps over time. This survey meets a need in the market by providing the foundational knowledge required for market participant, such as policymakers, owner/operators, and lenders to take deliberate action to provide DTS tenant protections for MHC residents, either through state law or voluntarily changes to leases. to implement tenant protections on a national level.

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)*

This paper establishes a greater understanding of tenant protections and their presence in state law. As seen through our research, the combination of tenant protections that FHFA has laid out do not appear to be present across a majority of states, with no state enforcing all 8 protections. In addition, we found that 4 protections in particular were viewed negatively by the owner/operators we interviewed. This means that these protections may not even be able to be voluntarily adopted across the market if they are seen as economic risks for owner/operators. The impact that this research has for future objectives is twofold: 1) We will be better able to identify the optimal set of parameters for our offering to be released in 2019; and 2) the industry now has the clarity as to what tenant protections are missing from state law and need to be voluntarily adopted in leases for each state in order to receive DTS credit.

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)*

The primary market challenge we had to overcome in our research was the limited precedent for comprehensive tenant protection analysis. The suite of DTS protections is new, and there was no prior published analysis on the gaps between current tenant protections in state laws and those identified in the DTS regulation. To combat this, we conducted our own survey of the market. Our findings show

that no state has adopted all 8 tenant protections as defined under DTS and a large gap remains between state law and protections laid out under DTS. This survey and resulting report have identified the gaps between state law and DTS requirements. Though a market of MHCs with DTS tenant protections does not currently exist, our research lays a foundation for such a market to develop.

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)

Prior to this research, there was not a broad understanding of the presence of tenant protections in state law and how they align with the proposed DTS tenant protections. However, following this research, we have established a baseline for each state, and the gaps to close for communities to reach compliance under the minimum DTS protections. That being said, we heard through our outreach that some protections would be unattractive to community owners, while others would require flexibility in terms of method and time needed in order to include in their leases and ensure they are not in conflict with existing state laws and do not create tenant displacement through implementation. As a result of this research, Freddie Mac is better positioned to support this market, tailor our offerings to the needs of the market and set future loan purchase targets. Over time, this information can enable the formation of a market of MHCs with this suite of tenant protections, which would then lead to loan purchases.

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

Exhibit D:

Second Quarter Outreach Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING COMMUNITIES

2Q REPORT

EVALUATION AREA: OUTREACH

ACTIVITY:

Activity 4 – Manufactured Housing Communities with certain pad-lease protections: Regulatory Activity

OBJECTIVE:

Objective A: Conduct tenant-protections survey

Throughout our outreach and public listening sessions, we have heard from various advocacy organizations that MHC tenant protections help create stable tenant bases within the MHC market. In the first half of 2018, we have been working towards providing a broader market understanding of the gaps between state -imposed MHC tenant protections and what is defined in the Duty to Serve regulation. In the first half of the year, we conducted a survey of tenant protection laws in all 50 states as they relate to the Duty to Serve tenant protections. Our survey revealed certain ambiguity as to whether some state law provisions would satisfy the Duty to Serve tenant protection provisions. We plan to publish a report on this information by the end of the year. Publishing the results of our findings will give borrowers, policy makers, and the general public a better sense of the tenant protections that exist, and those that need to be implemented in order to meet the full complement of Duty to Serve tenant protections. We are on track to meet or exceed this objective.

ACTIONS:

Action Category	Action Reference – Activity 4; Objective A	Status
Market Actions	Action 1	Conduct 50 state review – Complete Obtain MHC owner/operator feedback, survey securitization investors – In Process
	Action 2A-D	Study includes: requirements for written lease agreements (including minimum lease terms and automatic renewals), limitations on evictions and treatment of defaults, requirements for rent increases,

		right to place “for sale signs”, and requirements to provide tenants with notice of change of use of intended MHC closure – Complete
	Action 3	Study identifies gaps between state tenant protections and DTS tenant protections – Complete
	Action 4	Publish and distribute report – Outstanding

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):

N/A