

## Exhibit E:

## Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

2018

LOAN PURCHASE

**ACTIVITY:**

Activity 1 – Support for Manufactured Homes Titled as Real Property; Regulatory Activity.

**OBJECTIVE:**

Objective A: Increase Single-Family Loan Purchases of Manufactured Housing Titled as Real Property.

**SUMMARY OF RESULTS:**

	Loan Count			UPB (\$M)
<b>Baseline</b>	2,985			-
<b>2018 Target</b>	3,075 – 3,100			-
<b>2018 Volume</b>	3,601			\$372
<b>Incomes Targeted</b>	<b>VLI</b>	<b>LI</b>	<b>MI</b>	
	996	2,747	3,601	

Freddie Mac exceeded our goal for the purchase of mortgages secured by manufactured housing (MH) titled as real property. We achieved these results through continued focus on expanding our market presence, research, innovation, and industry thought leadership.

In our Duty to Serve Plan, we established a baseline of 2,985 MH loans. We defined success in 2018 as purchasing 3,075-3,100 loans on MH titled as real property and as providing lenders with more than \$300 million in financing. **Because of Freddie Mac's efforts to facilitate responsible homeownership opportunities through our offerings, additional policy flexibilities, expanded industry relationships, and education and outreach activities, we provided a total of \$372 million to fund 3,601 qualifying loans secured by MH titled as real property. This is a 20 percent (by volume) increase over our baseline.** This compares to \$375 million to fund 3,816 of qualifying loans in 2017. Despite the comparative year-to-year decline in volume, we strengthened our market presence, led by an increase in the share of loans on owner-occupied MH by 1 basis point. This increase reflects the effectiveness of our strategic approach to expanding the availability of affordable financing, which is integral to promoting liquidity in the MH market. We achieved these results despite market headwinds of climbing interest rates and backlogs at manufacturing plants, which adversely affect mortgage origination volumes and the overall housing climate.

To put our performance in broader perspective, we compared Freddie Mac's 2018 purchase volume to 2017's levels. Our total Single-Family loan fundings (by loan count) declined 11 percent from 2017 to 2018. Similarly, overall MH loan purchases decreased 6 percent. In contrast, purchase money volume of Duty to Serve-qualified MH titled as real property increased 10 percent, whereas refinance volume decreased 22 percent.

Freddie Mac took a strategic, collaborative approach that demonstrated our leadership and spurred a paradigm shift in the MH market through innovation and enhancements to our current offerings. Increasing loan purchases and expanding relationships with lenders and other stakeholders were part of our commitment to this underserved market; they also were essential to gathering data and insights needed to develop innovative solutions for financing that expand lender participation in the market and adoption of our offerings and that make buying and owning MH easier and more appealing. MH presents responsible, sustainable homeownership opportunities for many people who otherwise could not afford to buy and keep homes—especially those earning low- and moderate- incomes living in rural areas. Through our Duty to Serve activities, we continued to lead efforts to support and accelerate affordable lending and access to credit for MH titled as real property.

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

*MH now represents the largest share of unsubsidized, affordable housing stock in the nation, and the industry continues to grow rapidly. In 2018, Freddie Mac devoted substantial resources, reinforced our partnerships, and worked with more lenders to promote lending to very low-, low-, and moderate-income buyers of MH. We made a significant impact on the market and showed committed leadership, providing \$372 million in funding to enable 3,601 borrowers to achieve their dreams of affordable homeownership. We increased our commitment to this market, most notably through our purchase activity, and expanded our market reach. Our involvement in this market not only helps families who are able to purchase these homes, but also increases lender interest and confidence in originating more loans. More originations will increase liquidity to this underserved market.*

*In addition, our CHOICEHome program, Single Close Construction Conversion offering, BorrowSmartCHOICE down payment assistance program, and work toward a new renovation offering reflect understanding of market needs and challenges, streamline operational execution, and address the product needs of very low-, low-, and moderate-income borrowers. As a result, lenders will have additional options for making loans on MH titled as real property to more buyers. Lenders will be able to use these offerings confidently to attract borrowers to manufactured housing as an affordable homeownership opportunity. To illustrate, the BorrowSmartCHOICE program makes home possible for families who are credit-worthy but need assistance with down payments and closing costs—a hurdle that is hard to clear for many in high-needs rural regions. Recipients must complete homebuyer education and counseling to prepare them for sustainable homeownership. Through the housing counseling agencies, lenders gain greater access to qualified homebuyers. We also executed a broad policy change of the Single-Close Construction-to-Permanent guidelines, where homebuyers of manufactured homes titled as real property can finance the construction, purchase and installation of their new home into one closing, using one set of documentation and ultimately, one loan. This creates a more efficient process of securing manufactured homes.*

*Our deliberate approach to the MH market will improve the image and understanding of MH titled as real property, encourage further lender participation and wider availability of our offerings, and provide a scalable platform for educating potential homebuyers. This*

will lead to greater financing standardization and to increasing numbers of borrowers who are interested in MH and ready for sustainable homeownership.

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)

*Our efforts to increase loan purchases reinforced our understanding of the need for further market standardization and affordable lending options to support lenders in originating more loans for MH and to generate greater liquidity. As described in our Plan, we will make changes to our current offerings that lenders can leverage more broadly to enable better terms and conditions for borrowers. We will promote these changes to our offerings and encourage lender adoption. We expect that the CHOICEHome program, launched at year-end 2018, will make MH attractive to a wider range of homebuyers and expand lenders' access to mortgage-ready borrowers. CHOICEHome supports mortgages on MH with terms closely resembling site-built financing. In addition, we will continue to explore additional opportunities to reduce the differences between site-built and MH loan requirements to provide for more flexible financing terms for borrowers choosing MH. We will also continue to expand our engagement with non-profit organizations, lenders, manufacturers, retailers, housing professionals, and other stakeholders to further develop and promote education and outreach initiatives designed to inform homebuyers and homeowners about MH and prepare them for successful long-term homeownership.*

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)

*Freddie Mac's total Single-Family loan fundings (by loan count) and our total MH loan purchases to decline 6 percent from 2017 to 2018 because of various market pressures. The MH market is subject to the similar factors as the market for site-built homes. Duty to Serve-qualifying MH loans increased year-to-year, but the 10 percent gain in home purchase transactions but was offset by a 22 percent drop in refinances, given rising interest rates. Broader market volatility and uncertainty adversely impact our purchase activity and general economic stability. Additional market factors, such as rising interest rates, tight inventories, and stagnant wages could result in increased delinquencies and risk of default. These factors may be more pronounced in some areas, such as rural regions, where the majority of MH is located. The loss of business from any of our lenders and mortgage originators could adversely affect our market share, revenues, and performance of our guaranteed mortgages.*

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)

*The increase in our loan purchases simultaneously increased liquidity to lenders and gave us access to information that will inform the development of additional avenues for supporting this underserved market. In addition, our CHOICEHOME pilot will enlarge the pool of borrowers ready to buy MH titled as real property and give lenders a reliable outlet for selling those loans. We are leading the market to responsibly broaden access to credit. Our actions have had a significant impact on the market and prepare us to make an even greater difference in the future. As we prepare for 2019, we are optimistic about housing and economic conditions; however, even subtle market shifts can have a major impact.*

Attach the data specified for Loan Purchase objectives in Section 3 of this document.

# Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

Q1: JANUARY THROUGH MARCH 2018

LOAN PURCHASE

## ACTIVITY:

*Support for Manufactured Housing Titled as Real Property.*

## OBJECTIVE:

*Objective A: Increase Single-Family Loan Purchases of Manufactured Housing Titled as Real Property.*

## SUMMARY OF RESULTS:

*When we established our purchase targets in 2017, we acknowledged a historical increasing trend, derived from lower interest rates and higher volume of purchase-money originations from the 2014 – 2016 period. We projected that our purchase volume would continue to increase over time as we implement activities that can help us expand our footprint and further increase market growth. We established a baseline of 2,985 loans, and a 2018 purchase target range of 3,075 - 3,100 loans. Actual loan purchases through first quarter 2018 was 847 loans which is on track for 2018 purchase goals.*

*In reviewing current purchase trends, Freddie Mac's manufactured housing qualified Duty to Serve (DTS) volume is up 1% as compared to the same period in 2017, even though there has been an overall decrease in our single-family loan fundings which is down 23% as compared to the same period in 2017. There has been an increase in purchase money volume of 19% and a decrease of 12% in refinance volume that has contributed to our net positive of 1% in overall increase of DTS qualifying loans for manufactured housing. We remain optimistic that the manufactured housing market overall will experience continued growth. According the Manufactured Housing Institute's Monthly Economic Report, 2017 new home shipment volume is up 14% net increase as compared to 2016 shipments.*

*Freddie Mac is committed to increasing manufactured housing loan purchases by strengthening existing lender relationships, expanding our lender footprint, enhancing product offerings, and providing homebuyer education to consumers and technical training for lenders to increase the financing of manufactured housing titled as real property. During the first quarter, we worked on a Selling Guide policy change to support a more efficient settlement process on construction-conversion mortgages securing manufactured homes, began expansion of our homebuyer education beyond KY to two additional states (TN and NC) and conducted outreach through three separate convenings with industry stakeholders, including lenders, manufacturers, non-profits and retailers to highlight upcoming policy changes and determine additional product solutions for real property. We anticipate that improving the efficacy of our loan products, and creating further awareness and education on financing solutions, will increase loan originations.*

*We will continue our efforts to expand the number of approved lenders, leveraging various lending options and creating awareness on our available resources and financing solutions by conducting significant outreach and engagement with lenders originating manufactured home loans. Additionally, we anticipate that providing additional technical assistance in the latter portion of 2018 will assist lenders in growing their originations over time.*

## 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):**

*Not applicable*

# Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

Q2: JANUARY THROUGH JUNE 2018

LOAN PURCHASE

## ACTIVITY:

*Activity 1: Support for Manufactured Housing Titled as Real Property.*

## OBJECTIVE:

*Objective A: Increase Single-Family Loan Purchases of Manufactured Housing Titled as Real Property.*

## SUMMARY OF RESULTS:

*As of the first half of the year, Freddie Mac is on track for 2018 loan purchase. We recognize mortgage origination volumes are down due to rising interest rates and decreased inventories. Freddie Mac established a baseline of 2,985 loans and a 2018 purchase target range of 3,075 – 3,100 loans for the first year of our Plan. Through the second quarter of 2018, we have purchased 1,793 manufactured housing qualified loans.*

*To put these metrics in context, we compared Freddie Mac's purchase volume to the same period in 2017, to discover an overall decrease in single-family loan fundings, by volume, of 7%. We also compared results of overall manufactured housing purchases and recognized a decrease of 3.4% to the same period in 2017. There is, however, an overall increase of manufactured housing Duty to Serve qualified purchase money volume of 13% and a decrease of 12% in refinance volume to contribute to our net positive of 1%. We project that our purchase volume will continue to increase over time as we continue to expand our footprint, by engaging more Seller/ Servicers and supporting lenders with originating more loans to further increase market proliferation.*

*Freddie Mac made a deliberate commitment to increase manufactured housing loan purchases through enhanced product offerings, an expanded lender footprint, more Seller/Servicer engagement, strengthened existing lender relationships and by providing homebuyer education to consumers and technical training for lenders to help increase the growth of financing of manufactured housing titled as real property. During the first half of 2018, Freddie Mac executed a broad policy change of the Single-Close Construction-to-Permanent guidelines, where homebuyers of manufactured homes titled as real property can finance the construction, purchase and installation of their new home into one closing, using one set of documentation and ultimately, one loan. This creates a more efficient process of securing manufactured homes. We are also continuing the expansion of our homebuyer education initiative beyond Kentucky to two additional states, Tennessee and North Carolina, and expanding our outreach to industry stakeholders, to include lenders, manufacturers, non-profits and retailers to promote awareness of the policy changes which can improve origination volumes.*

*As a result, we expect higher mortgage origination volumes through the remainder of 2018.*

## 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):

*Not applicable*

# Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

Q3: JANUARY THROUGH SEPTEMBER 2018

LOAN PURCHASE

## ACTIVITY:

*Activity 1: Support for Manufactured Housing Titled as Real Property.*

## OBJECTIVE:

*Objective A: Increase Single-Family Loan Purchases of Manufactured Housing Titled as Real Property.*

## SUMMARY OF RESULTS:

	Loan Count	UPB (\$M)
<b>Baseline</b>	2,985	-
<b>2018 Target</b>	3,075 – 3,100	-
<b>YTD 2018 Volume</b>	2,755	\$281

*Third quarter growth trend was unchanged from the first half of the year, with Freddie Mac remaining on track for 2018 loan purchase activity. We recognized overall mortgage origination volumes have fallen for the third consecutive quarter amid softer mortgage demand, climbing interest rates and decreased housing inventories. Freddie Mac established a baseline of 2,985 loans and a 2018 purchase target range of 3,075 – 3,100 loans for the first year of our Plan. Through the third quarter of 2018, we have purchased 2,755 qualified mortgages for manufactured housing titled as real property.*

*To evaluate 3Q2018 performance, we compared Freddie Mac's purchase volume to the same period in 2017, to discover an overall decrease in single-family loan fundings (by loan count) of 6%. We also compared results of overall manufactured housing purchases and recognized a decrease of 2% to the same period in 2017. There is, however, an overall increase of Duty to Serve qualified manufactured housing purchase money volume of 16% and a decrease of 19% in refinance volume to contribute to our net positive purchases of 3%. We expect purchase volumes to continue to gradually increase over time as we continue to engage more lenders to support the financing of manufactured homes. In particular, we expect to launch our CHOICEHome pilot in the 4Q to support this market more deeply.*

*We are continuing our extensive outreach efforts to industry stakeholders, lenders, manufacturers, nonprofits and retailers to promote awareness of our policy changes and enhanced offerings. We have also expanded our homebuyer education initiative beyond Kentucky, continuing to increase lender engagement in Tennessee and North Carolina, and we have counseled 253 homebuyers.*

*As a result of our efforts, we expect to successfully increase loan purchases securing manufactured housing titled as real property and increase liquidity through the remainder of 2018.*

## 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):

*Not applicable*