

Exhibit G:

**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2019

OUTREACH

**ACTIVITY:**

8 – Support for Shared Equity Programs for Affordable Housing Preservation: Regulatory Activity

**OBJECTIVE:**

D – Promote Market Awareness of Shared Equity Programs

**ACTIONS:**

Freddie Mac met our 2019 goals under this objective through our outreach and education efforts aimed at lenders and shared equity program providers.

2019 highlights:

- We developed outreach and education plans tailored to lenders and shared equity providers in collaboration with Grounded Solutions Network (GSN), our long-standing partner in the shared equity space.
- We reached out to more than 50 regional and community lenders to support product adoption and lay the foundation for future loan purchase activity.
- We delivered training, spoke at three industry-specific and numerous other conferences, and made information and resources available on our web site to raise lenders’ and shared equity program providers’ awareness and understanding of our offerings as well as to increase understanding of how each other’s business operates.

Objective’s components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
<p>1. Use the information gathered to develop a comprehensive lender education plan inclusive of available Freddie Mac product features and design the best approach to increase program stewards’ awareness about how lenders evaluate shared equity programs. The education curriculum will be provided and accessed through Freddie Mac’s Learning Center on Freddie Mac’s web site.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Developed a comprehensive education and outreach strategy focused on lenders and shared equity program providers based on information gathered under this objective in 2018. It included:                             <ul style="list-style-type: none"> <li>○ Webinars</li> <li>○ Tutorial linked on Freddie Mac Learning</li> <li>○ In-person training</li> <li>○ Conference presentations</li> <li>○ On-line articles</li> <li>○ Fact sheets</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>○ Talking points and frequently asked questions documents</li> <li>○ Videos</li> <li>○ Web page updates</li> <li>○ E-mail communications</li> <li>● Developed a comprehensive plan, launching in 2020, to create awareness among lenders about Freddie Mac’s offerings and resources that support shared equity homeownership opportunities. In first quarter:             <ul style="list-style-type: none"> <li>○ Materials for customer-facing teams to use when interacting with lenders</li> <li>○ Articles in Lender News and Inside Monthly on-line publications</li> <li>○ Social media posts</li> <li>○ Fact sheets and other resources, posted to our web site</li> </ul> </li> <li>● Collaborated with GSN to develop a comprehensive plan, launching in 2020, to educate GSN members on Freddie Mac’s requirements for mortgages secured by income-based resale-restricted properties. In first quarter:             <ul style="list-style-type: none"> <li>○ A webinar for GSN members to prepare shared equity program providers to help lenders through the underwriting process for these types of properties</li> <li>○ E-mail invitation to the webinar and a follow-up reminder to GSN members</li> <li>○ A link to a recorded version of the webinar on GSN’s web site after the event</li> <li>○ An update to GSN’s Mortgage Financing web page with product information and resources</li> </ul> </li> </ul>	
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<p>2. Initiate education campaigns to create awareness of the availability of a shared equity curriculum, in concurrence with the marketing of any product flexibilities developed under Objective A.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Conducted three training sessions on our Community Land Trust Mortgage product, two tailored for lenders and one for shared equity program providers.</li> <li>• Created a CLT tutorial based on the lender training, available on-demand on Freddie Mac Learning. It was downloaded more than 150 times.</li> <li>• Presented on our shared equity homeownership products and engaged with industry stakeholders at the Northwest CLT Coalition, Florida Housing Coalition Conference, Reclaiming Vacant Properties Conference; covered the topic as part of broader presentations at numerous other industry conferences.</li> <li>• Launched web pages with information and resources related to our support for CLTs, one for lenders and one for CLT program providers.</li> <li>• Conducted two webinars for lenders on the new requirements for mortgages secured by income-based resale-restricted properties published in our Seller/Service Guide in November under Objective A. Training for shared equity program providers is scheduled for March 2020.</li> <li>• Developed a range of materials for promoting our product offerings, resources, and training.</li> <li>• Collaborated with GSN to create materials for their use in promoting Freddie Mac’s offerings and resources to GSN members.</li> </ul>	
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**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

**PARTIAL CREDIT JUSTIFICATION:**

Not applicable

**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?**

Freddie Mac’s efforts under this objective laid the foundation for significant impact on the shared equity market. The complexity and lack of information around lending to support shared equity homeownership, plus program providers’ lack of familiarity with mortgage lending processes and terminology, required education and outreach beyond the standard level of effort.

Through a multi-pronged education and outreach approach, we began to raise awareness among lenders about the opportunities that our new product flexibilities offer. The training and resources that we developed and delivered were tailored to provide information not only about Freddie Mac’s flexibilities, but also how shared equity homeownership programs work, how they are structured, and which types of documents they typically use. Based on our market research, this information is essential to spur lender adoption; lenders’ perceptions that loans made under shared equity programs are riskier than other loans stem from limited understanding about the programs. More than 150 professionals from lender organizations completed our on-demand webinars.

Additionally, we collaborated with Grounded Solutions Network (GSN) to educate shared equity program providers on how lenders review their programs against our requirements. Based on our research, we understand that another challenge hindering market expansion is the inefficient back-and-forth between lenders and program providers in collecting program information, driven by program providers’ limited knowledge about the process and the language used in underwriting loans under shared equity programs. Through our collaborative efforts, GSN is helping program providers better prepare to give lenders the information they need during the underwriting process to meet our requirements.

By making it easier for lenders to manage these transactions, coupled with supporting lenders and shared equity program providers with training and resources, we laid the foundation to increase product adoption, which will result in more loan purchases and market liquidity in future years. We will continue to execute our education and outreach plans in 2020 to expand and deepen understanding and adoption.

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

Shared equity homeownership programs are not standardized and administering related mortgage products can be expensive for lenders. Freddie Mac's efforts to promote standardization and to educate lenders laid the foundation for growing these programs.

Also, shared equity program providers and lenders use different language and terminology when referring to mortgage products, the mortgage process, and mortgage requirements. This is due in part to the technical and legal nature of mortgage terminology, which is unfamiliar to program providers. This presents a communications gap during the underwriting process and leads to miscommunication and/or the shared equity provider sending incorrect information to the lender. To help bridge this communications gap, we plan to continue outreach and education efforts in 2020, focusing on both shared equity program providers and lenders.

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

Not applicable

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