

Exhibit H:  
**Annual Outreach Narrative Reporting Template**

FREDDIE MAC

MANUFACTURED HOUSING

2019

OUTREACH

**ACTIVITY:**

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

**OBJECTIVE:**

C – Increase Homebuyer Access to Education and Resources

**ACTIONS:**

Freddie Mac exceeded our 2019 goals to increase access to homebuyer education and resources related to manufactured housing (MH) through support for the Next Step® SmartMH<sup>SM</sup> pilot program.

2019 highlights:

- Freddie Mac and Next Step continued our partnership, collaborating to break new ground and change mindsets in the MH space. We're making progress in transforming the industry's and the public's deep-rooted perceptions and practices.
- The program was expanded to two additional states, Texas and Mississippi, with a focus on adding lenders, retailers, and housing counselors in those states and in existing pilot states Kentucky, North Carolina, and Tennessee. The SmartMH network expanded by 13 lender organizations and now includes 411 MH retailers. An additional 27 lender shops, 753 retailer salespeople, and 112 housing counselors were trained on the SmartMH curriculum.
- In addition, we supported Next Step in adding functionality on its web site to enable people to enroll themselves in the program, regardless of where they live. Next Step conducted an extensive social media campaign to encourage self-enrollment. Also, lenders and retailers may refer people living outside of the pilot states to the program, in effect expanding the pilot beyond the participating states. To further boost participation, we made the curriculum available in Spanish.
- As a result, almost 1,000 potential homebuyers received credit counseling and homebuyer education, more than twice our target.
- To promote the SmartMH program to potential homebuyers, we co-hosted a homebuyer fair with Next Step and Kingdom Community Development Corporation (CDC) and supported Next Step's participation in similar events, which a total of 475 people attended. We also created and posted to our web site a video promoting the SmartMH program's benefits.
- Feedback collected from people who took SmartMH training gave us insights into the program's effectiveness and potential areas for improvement.

- Working through our SmartMH Task Force members, we gathered and analyzed feedback on the pilot from eight participating lenders. We used it to enhance the curriculum and the referral process as well as to share best practices with the network.

Objective's components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
<p>1. Conduct analysis on performance of pilot, including participation, conversions from lender declinations to approvals, and the share of conventional mortgage financing versus other financing types:</p> <ul style="list-style-type: none"> <li>a. Survey eight participating lenders on the effectiveness of the pilot.</li> <li>b. Using analysis, calibrate the pilot as needed to meet the identified measures of success by helping lenders to increase the percentage of buyers choosing conventional financing and converting application denials to approvals.</li> <li>c. Include findings in reporting to FHFA.</li> </ul>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Performed an analysis on the pilot program. <ul style="list-style-type: none"> <li>○ Surveyed eight SmartMH lender members on the SmartMH program's effectiveness.</li> <li>○ Based on our analysis of survey results: <ul style="list-style-type: none"> <li>▪ Refined and enhanced the curriculum, including offering a Spanish translation.</li> <li>▪ Shared best practices to increase the effectiveness of the referral process, such as including referral information in the notice of adverse action sent to potential MH buyers whose mortgage applications are turned down.</li> <li>▪ Provided additional refresher training to lenders and retailers on the referral process and the benefits of the SmartMH program to customers.</li> </ul> </li> <li>○ Submitted the SmartMH pilot analysis report as part of the documentation supporting this narrative.</li> </ul> </li> </ul>	
<p>2. Continue to expand the homebuyer education pilot:</p> <ul style="list-style-type: none"> <li>a. Expand the pilot to at least two additional states.</li> <li>b. Expand the network to include four additional lenders.</li> </ul>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Expanded the pilot program to two additional states, Texas and Mississippi. To use limited resources as effectively as possible, focused on adding lenders and MH retailers in the existing and expansion states, rather than bringing on more states.</li> </ul>	

<p>c. Provide education and/or credit counseling to a total of 475 consumers in five states, including Kentucky.</p> <p>d. Train any new non-profit partners and lenders.</p>	<ul style="list-style-type: none"> <li>• On its redesigned web site launched in April, Next Step added functionality that lets people directly enroll in the SmartMH program, regardless of location. SmartMH network lenders and retailers also are permitted to refer people living outside of the pilot states to the SmartMH program.</li> <li>• The SmartMH network added 13 lenders, exceeding our goal for the year and bringing the total number of lenders to 31.</li> <li>• Provided counseling or education to 998 potential homebuyers, more than double our target.</li> <li>• Supported the training of 27 lender shops, 753 retail salespeople, and 112 housing counselors on the SmartMH program.</li> </ul>	
<p>3. Launch a video series with Next Step about the benefits of the SmartMH program.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Launched a video series on Freddie Mac’s web site with Next Step promoting the benefits of the SmartMH program. The video is designed to show lenders the benefits that the program has delivered to participating lenders and their customers.</li> </ul>	
<p>4. Ask consumers to complete surveys on the effectiveness of the homebuyer education and/or credit counseling at all sessions to inform updates.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Consumers completed a survey upon completion of the on-line SmartMH curriculum.</li> <li>• Counseling agencies surveyed customers who completed counseling sessions.</li> </ul>	
<p>5. Hold one to two homebuyer fairs in strategic areas that have a high concentration of manufactured housing and are currently being served by the pilot. Fairs will include a discussion of the value and benefits of manufactured housing titled as real property.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Co-hosted a homebuyer fair in Lumberton, North Carolina with Next Step, and Kingdom CDC to promote homebuyer education and the value and benefits of manufactured housing.             <ul style="list-style-type: none"> <li>○ Registrations: 110</li> <li>○ Presented three educational sessions on factory-built housing throughout the day.</li> <li>○ Held a breakout discussion on factory-built housing.</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>○ Provided information on the benefits of the SmartMH program and how to enroll in it.</li> <li>● Supported Next Step's participation in a homebuyer fair hosted by Business &amp; Community Lenders (BCL) of Texas in Dallas, with 365 people registered to attend.             <ul style="list-style-type: none"> <li>○ Held an educational session on factory-built housing.</li> <li>○ Provided information on the benefits of the SmartMH program and how to enroll.</li> </ul> </li> <li>● Next Step represented the SmartMH network at five MH retailer promotions at MH retail sales centers. As a result, 18 people enrolled in the SmartMH program.</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 have a substantial impact on the MH market. The SmartMH pilot program bolsters collaboration across the ecosystem to help prepare more people for sustainable MH ownership, which sets a base for increasing responsible mortgage lending and market growth.

The number of people receiving education/counseling exceeded our target by 100%. When participants were asked whether the resources were valuable, 92% strongly agreed or agreed; when asked whether they were satisfied with the learning experience, 97% strongly agreed or agreed. These people now know what it takes to attain and sustain MH ownership and are ready to take on that responsibility.

Collaborating with Next Step and eHome America on an integrated market approach, and listening to SmartMH members' suggestions, contributed to this success and created a springboard for future impact:

- Raised consumer awareness of the program, its benefits, and the benefits of MH by conducting outreach via homebuyer fairs and on-line.
- Provided information on the program and its business value by conducting outreach to lenders, MH retailers, and housing counselors through conferences, other interactions, and on-line.
- Drove growth, with constrained resources, by strategically expanding the pilot and building out the network in existing pilot states.
- Removed barriers to participation by allowing network members to refer people living outside of pilot states to the program, enabling people to self-enroll, and offering the curriculum in Spanish.

Our efforts also improved the level of support for homebuyers. Historically, MH retailers typically turned away customers who were not purchase-ready—homebuyer education was not on their radar. Under the SmartMH program, 411 retailers have joined the network and now refer customers to HUD-approved housing counseling agencies. In this way, retailers offer a brand-new avenue into homebuyer education and create the possibility of more people achieving MH ownership; they also show customers their interest in a relationship over time, not just on closing a sale. Also, based on retailer feedback, we added four housing counseling agencies to the network to offer local, in-person support. For housing counselors, the SmartMH curriculum is unique in the marketplace and adds value to their counseling programs. Counselors' feedback led us to enhance the curriculum with information on wealth building through homeownership and MH price appreciation, based on FHFA's home price index. Lenders have a central position in the ecosystem and the SmartMH program: Mortgage-ready customers are referred to them from housing counselors. Some customers might go to lenders before visiting retailers, though; in these cases, lenders may refer people to housing counselors or to retailers.

A stronger housing ecosystem, facilitated by the SmartMH network, benefits not only the MH market, but the housing industry overall, homebuyers, homeowners, and communities.

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

Engaging the ecosystem is vital to helping people achieve their homeownership goals and growing the MH market. The first step in buying MH typically is visiting a retail sales center. A salesperson can determine whether the individual qualifies for a loan; according to SmartMH Task Force members, people who do not qualify often feel dejected and think their paths to homeownership have ended. Until the SmartMH program, retailers typically did not consider suggesting homebuyer education as a way to become mortgage-ready. Now, 411

retailers are in the SmartMH network. With their referrals to the program, salespeople connect customers with the guidance needed to keep moving toward homeownership.

Also, industry lenders, who specialize in MH lending, may not have experience with credit counseling and homebuyer education. Educating these lenders on the SmartMH program's benefits and value has increased referrals.

Plus, training for lenders and retailers on the SmartMH program is not a one-time effort. Continually reinforcing the value of credit counseling and homebuyer education as well as training staff on how the program works has resulted in more people enrolling in the SmartMH program.

Housing counseling agencies told us that this curriculum is unique in its focus on MH; however, there is some redundancy with their programs on credit repair, budgeting, and saving. We plan to provide a MH module in a format that allows agencies to integrate it into an existing curriculum.

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.*