

Exhibit G:

Annual Loan Products Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2019

LOAN PRODUCT

ACTIVITY:

1 – High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

B – Design New Product Flexibilities to Facilitate the Origination of Mortgages in High-Needs Rural Regions

ACTIONS:

We exceeded our 2019 goals for this objective by introducing product flexibilities, providing technical assistance and training for lenders and appraisers, and conducting various outreach activities to raise awareness of our solutions that expand opportunities for affordable lending and benefit households in high-needs rural areas.

2019 highlights:

- We published updated requirements for rural housing valuations in our Seller/Servicer Guide.
- To help address a significant challenge to lending in high-needs rural regions, we provided education to lenders and servicers on rural housing valuations. We also developed a robust rural appraisal curriculum in partnership with the Appraisal Institute; the first two sessions for appraisers were both sold out.
- The BorrowSmart down payment and closing cost assistance pilot program helped lower barriers to homeownership for very low-, low- and moderate-income homebuyers in high-needs rural regions who otherwise were mortgage-ready. BorrowSmart may be used when buying manufactured homes (MH), which are most prevalent in rural areas.
- We conducted extensive outreach, engaging industry participants through 22 conferences and other forums, education events, and a range of marketing and communications activities. We shared information about the Duty to Serve Program overall and about the products, offerings, and other support that we have developed to help bolster sustainable homeownership in high-needs rural regions. The feedback that we gathered as a result gave us insight into how our products are being received in the market and how we might enhance our support.

Objective’s components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
1. Issue one or more changes to the Seller/Servicer Guide in support of financing for existing homeowners and potential homebuyers in high-needs rural regions, based on results from the assessment of existing program policies conducted in	<p>Complete</p> <ul style="list-style-type: none"> • Issued a Guide update through Seller/Servicer Guide Bulletin 2019-20 on October 2, based on industry feedback, to clarify requirements for borrower income calculations. 	

<p>2018.</p>	<ul style="list-style-type: none"> • Many people in HNRR work seasonally and/or have non-traditional workweeks. We made it easier for underwriters to determine the qualifying income of these homebuyers by focusing on base non-fluctuating and fluctuating hourly employment income and additional earnings, such as bonuses and overtime income. 	
<p>2. Use results from the 2018 product assessment on rural property characteristics to achieve the following:</p> <p>a. Develop a training curriculum and best practices for lenders on rural housing valuations. We will implement this by conducting training sessions with at least five lenders. Freddie Mac anticipates broad expansion of this comprehensive curriculum to all lenders in 2020.</p> <p>b. Publish in the Seller/Service Guide additional guidance on appraising rural properties.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Updated the Reviewing Rural Properties webinar based on participant feedback. <ul style="list-style-type: none"> ○ Made the training available through live sessions and a recorded webinar posted to our web site. ○ A total of 971 underwriters and servicing professionals representing 417 lending institutions took the training. • Based on feedback gathered from lenders and appraisers serving rural markets during our 2018 assessment, enhanced guidance around property eligibility in the rural markets and the use of the cost approach for appraisals when sales data may be too limited to support adjustments (low sales volume, unique property types/features, outbuildings). Announced the enhancement in Seller/Service Guide Bulletin 2019-22 on November 6. • Worked in partnership with the Appraisal Institute to develop a robust rural appraisals curriculum to help appraisers better understand and overcome the challenges of appraising properties in high-needs rural regions. The curriculum includes guidance on the methodologies that can be leveraged when there 	

	<p>is a lack of comparable sales available.</p> <ul style="list-style-type: none"> Delivered the training through the Appraisal Institute. Both sessions held in 2019 – in Rapid City, South Dakota, and Fargo, North Dakota – were full, with 148 appraisers participating in total. 	
<p>3. Analyze available rural property databases and update our valuation model if the research conclusions support such a change. Incorporate changes in applicable applications (e.g., Loan Advisor Suite®) for lender use.</p>	<p>Complete</p> <ul style="list-style-type: none"> Extensively researched the availability of data reliable enough to produce a point value in our Home Valuation Explorer® (HVE®) to use confidently in our automated valuation model to increase coverage for properties in high-needs rural areas. Analyzed data from GSE funding's, public records, and the Uniform Collateral Data Portal®. Improved our HVE model and increased coverage (the number of properties for which we can produce accurate property valuations) by 6% in high-needs rural areas as a result, from 71% to 77%. 	
<p>4. Publish relevant findings about the high-needs rural regions on our web site, based on our 2018 assessment of product needs, to provide further transparency on mortgage access in the regions.</p>	<p>Complete</p> <ul style="list-style-type: none"> Completed research on characteristics and historical performance of mortgage loans in rural areas, particularly in high-needs regions, to gain insight into how to better serve potential homebuyers and homeowners. Presented the findings at Freddie Mac's Rural Research Symposium, attended by more than 100 members of academia, government agencies, non-profits, think tanks, and Freddie Mac clients. Published the findings on FreddieMac.com: State of Rural Markets 	
<p>5. Assess the effectiveness of the pilot issued in 2018 for down payment assistance to</p>	<p>Complete</p> <ul style="list-style-type: none"> Implemented BorrowSmart with 27 lenders in a phased 	

<p>determine the impact on purchase volume for very low-, low-, and moderate-income households in markets where implemented. Gather industry feedback from at least three non-profits and at least 10 lenders to gauge success and market reaction. Findings will be submitted in a report to FHFA.</p>	<p>rollout by state. Because we made structural changes to the original concept based on lender feedback, lenders who originate MH loans launched mid-year 2019.</p> <ul style="list-style-type: none"> • Collected feedback from 11 participating lenders and 4 non-profits to gauge success and market feedback. Feedback overall was positive. • Provided the report on the findings with our 2019 annual report submission. 	
<p>6. Socialize product changes to the market through our website, sharing product changes and market updates to at least four industry events, providing updates during Freddie Mac Affordable Housing Advisory Council meetings, Freddie Mac’s Single-Family News Center, Freddie Mac blogs and email to all Single-Family News subscribers, which currently circulates to approximately 7,000 lenders.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Participated in 20 industry events and two meetings of our Affordable Housing Advisory Council to promote the product changes, offerings, and other support developed through the Duty to Serve Program. Engaged with industry participants to inform them of our activities and to gain their interest and feedback. • Promoted products and product changes through various communications channels. Activities included: <ul style="list-style-type: none"> ○ Single-Family News articles ○ Community Lender newsletter articles ○ Single-Family blog posts ○ E-mail “blasts” to around 600 small financial institutions ○ Radio advertisements in local rural markets 	

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 a substantial impact on HNRR and helped boost liquidity. New guidance in our Seller/Servicer Guide for rural property eligibility and the use of the cost approach for appraisals provide tools for addressing the unique characteristics of HNRR homes. The training we developed and delivered in partnership with the Appraisal Institute deepens appraisers’ knowledge and capabilities in appraising HNRR homes more effectively and efficiently. The BorrowSmart down payment assistance (DPA) initiative helps make homeownership possible sooner. Through our outreach efforts, we informed and engaged with stakeholders across the industry in a range of forums to help advance rural lending.

More specifically:

- Further defining property eligibility in our selling requirements increases lenders’ understanding and usage of our products; the specificity of eligible property rules in our contractual requirements bolsters confidence in lending.
- Our Review Rural Properties training educates lenders on how to implement our property eligibility requirements and the flexibilities we provide for valuations, which enables them to better serve homebuyers in their high-needs communities. Nearly 1,000 lenders from more than 400 financial institutions took the training.
- The Rural Area Appraisals training, created and rolled out with the Appraisal Institute (exceeding our goals for this objective), educates appraisers on how to appraise rural properties in alignment with our property eligibility requirements and implement our flexibilities to better support valuations in HNRR. In fourth quarter, 148 appraisers attended two sold-out sessions in the Dakotas; rollout will continue in 2020. Having access to more trained appraisers will help lenders obtain accurate appraisals faster.
- BorrowSmart expands the pool of mortgage-ready borrowers in HNRR, including those aiming to buy manufactured homes (MH), which are a prevalent source of affordable homes in HNRR. It helps creditworthy families clear the hurdle of funding down payments and closing costs; it also fills a DPA gap in the MH market. The required homebuyer education and counseling helps prepare BorrowSmart recipients to sustain homeownership.

- Improvements to our HVE model and coverage lets lenders qualify borrowers for loans in HNRR more quickly, efficiently, and confidently. As a result, lenders increase lending and access to credit.
- Our research into mortgage loan performance in HNRR offers insights that housing professionals can factor into decisions and that can influence development of new lending solutions to benefit this market.
- Through our extensive outreach efforts, we raised awareness, understanding, and usage of our offerings and resources to increase lending and homeownership in HNRR. Our leadership continues to bring stakeholders together to work collaboratively toward creative solutions to persistent housing challenges.

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

No single solution can transform this market. It takes incremental change to existing offerings plus outreach and collaboration across the ecosystem to increase access to credit, especially for very low-, low-, and moderate-income earners.

Potential homebuyers in HNRR may stay on the sidelines because they lack down payment funds and/or have variable income. Our BorrowSmart pilot and sweat equity flexibilities help fill the gaps. And new guidance on calculating base and fluctuating wages makes it easier for lenders to compute qualifying income.

Also, appraisals can be difficult because of unique property characteristics in HNRR and limited access to trained appraisers. The flexibilities and more specific definitions for property eligibility introduced in our Seller/Service Guide, updates to Home Valuation Explorer, and expanded training offerings help address appraisal challenges.

In addition, most lending in HNRR is by community lenders and other small institutions; many have little or no access to the secondary market. Our increased lender outreach led to 181 lenders that had not sold to us for at least a year delivering 425 loans to us directly or via aggregators; 35% of our 2019 HNRR loan purchases came via aggregators. We also more than doubled purchases from HFAs.

Limited research into HNRR loan performance can curb lender confidence and product innovation. Our research and Rural Research Symposium provided thought leadership to help drive new solutions and lending.

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.

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FREDDIE MAC

RURAL HOUSING

2019

LOAN PRODUCT

ACTIVITY:

1 – Support for High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

C – Design Improved Product Flexibilities to Facilitate the Origination of Renovation Mortgages

ACTIONS:

Freddie Mac met our 2019 goals under this objective, introducing our CHOICERenovationSM mortgage product and conducting extensive industry outreach and education to promote its availability, benefits, features, and eligibility requirements.

2109 highlights:

- We rolled out the CHOICERenovation policy update in our Seller/Service Guide and announced the offering in the June 19 Guide Bulletin. CHOICERenovation makes it faster, easier, and more affordable to finance repairs and renovations that help address challenges in high-needs rural regions (HNRR), such as aging housing stock, a shortage of affordable homes, changing demographics, and natural disasters.
- Our multi-pronged marketing plan to promote CHOICERenovation yielded excellent coverage and positive feedback in industry, mainstream, and social media.
- Thirty-three lenders were approved to deliver CHOICERenovation loans to Freddie Mac before renovations are completed.
- We educated more than 950 housing professionals representing more than 200 organizations on CHOICERenovation, preparing them to offer it to their customers as an affordable option for financing home repairs and renovations and deliver those loans to Freddie Mac.

Objective's components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
1. Complete the product development process based on the results of the renovation product assessment conducted in 2018 to support the renovation of aging housing stock in high-needs rural regions.	<p>Complete</p> <ul style="list-style-type: none"> • Completed development of CHOICERenovation, which offers a single-close solution for financing renovation expenses as part of a home purchase or refinance transaction, filling a market need identified while developing our Duty to Serve Underserved Markets Plan and 	

	<p>during our 2018 assessment. The underwriting and operational flexibilities help increase the affordability, ease, and speed of financing a wide range of renovations and repairs.</p>	
<p>2. Implement the product, including updating any supporting processes, and issue new product terms via a negotiated term of business with lenders or via the Seller/Service Guide. Freddie Mac will provide product features through a negotiated term of business with select lenders if we need additional data to model risk; however, if the analysis produces sufficient data, we will issue a Seller/Service Guide change.</p>	<p>Complete</p> <ul style="list-style-type: none"> • Published CHOICERenovation offering in our Seller/Service Guide and announced the update in the June 19 Guide Bulletin. • Allowed all Freddie Mac-approved lenders to deliver loans to Freddie Mac after renovations are completed, making the product widely available. • Allowed our lenders with prior approval and negotiated terms of business (TOBs) to sell those loans to us before renovations are completed; 33 lenders received approval and TOBs, with others pending. • Educated more than 950 housing professionals from more than 200 mortgage insurance companies, lenders, and non-profit organizations on CHOICERenovation’s features, requirements, and benefits through webinars, conference, and other events presentations. • Developed and executed a multi-pronged marketing campaign to raise awareness of CHOICERenovation industrywide. Tactics included: <ul style="list-style-type: none"> ○ E-mail “blasts” reaching more than 20,000 lenders, including small financial institutions and community lenders in rural regions ○ Numerous media interviews ○ Press release ○ Social media posts on multiple platforms ○ Updates to Freddie Mac Single-Family web sites, including video 	

	<ul style="list-style-type: none"> • Realized excellent results from the campaign in the first 20 days on the market (June 10-30): <ul style="list-style-type: none"> ○ 56 mentions in news articles; 49 headlines ○ Articles on CHOICERenovation with the highest readership – In <i>Forbes</i>, <i>The Washington Post</i>, Yahoo Finance ○ On-line publishers with the most visitors to articles on CHOICERenovation – <i>HousingWire</i>, <i>GlobeNewswire</i>, <i>NerdWallet</i> ○ More than 14,600 social media shares ○ Aggregate potential readership of more than 126 million 	
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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 actions under this objective laid the foundation for a significant impact in HNRR. CHOICERenovation addresses the need identified in HNRR for additional options to finance significant renovations and repairs, including those related to modern market and environmental conditions and lifestyles. It helps create affordable homeownership opportunities by enabling people to buy and refinance homes—including manufactured homes titled as real property—in need of repairs or renovations and to finance the work as part of the transaction. In this way, payments are spread over the life of the home mortgage, making the costs of repairs more affordable than the short-term, higher-interest-rate loans or credit-card financing that homeowners in HNRR have historically relied on for this type of work. CHOICERenovation mortgages save homebuyers and homeowners time and money and help make affordable homeownership possible.

With CHOICERenovation, aging homes can be repaired and brought up-to-date, improving the home's safety, soundness, and comfort and maintaining the housing supply. The offering also can be used to improve resilience in the face of increasing natural disasters or make repairs following one. Improvements also can be made more affordably to address evolving demographics that are changing housing needs and household arrangements, such as accommodating growing families, aging in place, and multigenerational or companion households. If the homebuyer or homeowner cannot live in the home during the construction, up to six months' principal, interest, taxes, and interest may be financed as part of the CHOICERenovation mortgage, making it more affordable to live elsewhere in the meantime.

Lenders with a term of business (TOB) may sell CHOICERenovation loans to Freddie Mac before the home improvements are completed. This speeds the flow of liquidity to the community. At the end of 2019, 33 lenders had the TOB in place, with more in the pipeline.

Our outreach and marketing efforts raised awareness of and generated interest in CHOICERenovation across the lending ecosystem and across the country. The training that we offered further educated lenders and other housing professionals on how to use CHOICERenovation to benefit their customers, which helps promote adoption and effective, meaningful usage of the product.

In the few months since CHOICERenovation was launched, three lenders sold us a total of 10 loans with approximately \$2.4 million in UPB. Although the borrowers exceeded Duty to Serve-qualifying income limits, we expect to increase liquidity for very low-, low-, and moderate-income individuals over time as the product gains traction with lenders.

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

Lenders are challenged to operationalize CHOICERenovation because of loan origination system limitations. They are working through their internal processes to gain approval and funding to make the needed system updates but face competition for resources from higher-priority projects that likely will generate more business volume than CHOICERenovation. We devised a workaround to help lenders operationalize this product in the meantime; however, more work needs to be done to find a more efficient solution.

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.

Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

Q2 2019

EVALUATION AREA: PRODUCT

ACTIVITY:

Activity 1 – High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

Objective E: Develop a rural mapping tool

ACTIONS:

We are on track to meet or exceed this objective in 2019. In 2018, Freddie Mac developed a beta version of a national mapping tool to identify rural and high needs rural regions as defined by FHFA and shared it with our stakeholders for feedback. The tool was designed to allow lenders, states and localities, researchers, and syndicators to track properties against various Duty to Serve geographies. After its completion, we received feedback from several key stakeholders that led to the brainstorming and implementation of a number of new features. In the first half of 2019, we released the first version of the tool. We have also engaged our technology development teams to create enhancements to the mapping tool based on feedback received as well as items described in our Duty to Serve plan. So far, these enhancements include: income and population distributions, user experience updates, and the addition of property level data on more than 80,000 affordable properties across the country.

These updates establish a greater market understanding of rural areas and the primary challenges to creating and preserving affordable housing in these areas. This tool has several elements that make the tool more user-friendly than originally anticipated. The enhanced tool, and its many features, is scheduled to be released to the public in the fourth quarter of 2019.

Planned Actions	Actions Taken
<i>Release the tool for public use.</i>	<i>Completed. In the first half of 2019, we released the first version of the tool. In the second half of the year we intend to release an enhancement to the tool</i>
<i>Develop enhancements to the mapping tool that will outline further areas of interest for high-needs rural regions (and all rural regions). This may include income distributions, zoning information, and population density. A final list will be determined based on feedback, analysis, the availability of data, and technical constraints of the tool.</i>	<i>In process. Throughout the first half of 2019, we have engaged our technology development teams to create enhancements to the mapping tool based on feedback received from third parties as well as items described in our Plan. These enhancements include: income and population distributions, user experience updates, and the addition of property level data on more than 80,000 affordable properties across the country.</i>
<i>Host a feedback session with key stakeholders (research and policy organizations, localities, borrowers, seller/servicers) to determine additional enhancements.</i>	<i>In process. The enhanced tool that will be released later in 2019 incorporates some public feedback already. After release of the enhanced version, we will provide a mechanism to receive additional feedback.</i>
<i>Refine the tool based on input from seller/servicers, syndicators, and rural research organization (s) and</i>	<i>In process. Throughout the first half of 2019, we have engaged our technology development teams to create enhancements to the mapping tool based on feedback received in 2018 on the beta version of the tool,</i>

<p><i>incorporate data updates from FHFA, HUD, or external vendors.</i></p> <p><i>Add capability to identify or link to Freddie Mac products that may be applicable to a certain property.</i></p>	<p><i>as well as items described in our Plan. These enhancements include: income and population distributions, user experience updates, and the addition of property level data on more than 80,000 affordable properties across the country. In the second half of the year, we will release an enhanced version of the mapping tool.</i></p>
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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

Exhibit C:
Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

Q2: JANUARY THROUGH JUNE 2019

LOAN PRODUCT

ACTIVITY:

Activity 1: High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

Objective B: Design New Product Flexibilities to Facilitate the Origination of Mortgages in High-Needs Rural Regions

ACTIONS:

We are on target to meet our 2019 goals for this objective. In the first half of 2019, we advanced our design of product flexibilities. In addition, we raised awareness and capabilities around the use and benefits of solutions introduced last year. Our extensive stakeholder outreach helps ensure that our products and programs address the needs of communities in high-needs rural areas and expand opportunities for affordable lending.

First-half 2019 highlights:

- *Based on input gathered last year from lenders regarding appraisals, we are refining our requirements around rural housing valuations and will publish an update to our Seller/Servicer Guide in the second half of 2019.*
- *To help address a significant challenge to lending in high-needs rural regions, we focused on training and sharing best practices, providing education to lenders and servicers on rural housing valuations. We are working in partnership with the Appraisal Institute to develop a robust rural appraisal curriculum to help appraisers better understand and overcome challenges of appraising property in these regions.*
- *We continued our implementation of BorrowSmart, a down payment and closing cost assistance initiative launched in 2018 to benefit very low-, low-, and moderate-income homebuyers.*
- *Freddie Mac conducted extensive outreach, engaging industry participants at conferences and other forums, through education events, and through a range of marketing and communications activities. We shared information about the Duty to Serve Program overall and about the products, offerings, and other support that we have developed to help bolster sustainable homeownership in high-needs rural regions. The responses and input that we gathered as a result gave us insight into how our products are being received in the market and how we might enhance our support.*

Action	2019 Achievements through Q2
<p>1. Issue one or more change(s) to the <i>Seller/Servicer Guide</i> in support of financing for existing homeowners and potential homebuyers in high-needs rural regions, based on results from the assessment of existing program policies conducted in 2018.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Working to clarify and enhance guidance around property eligibility in the rural markets and usage of the cost approach for appraisals when there may be limited sales data to support adjustments (low sales volume, unique property types/features, outbuildings). Further defining property eligibility will increase sellers' understanding and usage of our products. Highlighting the availability and reliability of this valuation approach will increase support for appraisers' adjustments and value opinions. • Plan to publish revisions to the <i>Seller/Servicer Guide</i> in the second half of 2019.

Rural_HN_Regions_1_B_NR_Q2

<p>2. Use results from the 2018 product assessment on rural property characteristics to achieve the following:</p> <ol style="list-style-type: none"> a. Develop a training curriculum and best practices for lenders on rural housing valuations. Conduct training sessions with at least five lenders. b. Publish in the <i>Seller/Service Guide</i> additional guidance on appraising rural properties. 	<p>In progress</p> <ul style="list-style-type: none"> • Working in partnership with the Appraisal Institute to develop and deliver a robust rural appraisals curriculum to help appraisers better understand and overcome the challenges of appraising properties in high-needs rural regions. • Revising <i>Selling Guide</i> requirements to assist lenders with rural housing valuations based on industry feedback; updates to the <i>Selling Guide</i> are planned for the second half of 2019. • Continued to make Rural Property Appraisals lender training available, with 825 underwriters and servicing professionals representing 394 lending institutions completing it. The course, developed last year, has been well-received.
<p>3. Analyze available rural property databases and update our valuation model if the research conclusions support such a change. Incorporate changes in applicable applications (e.g., Loan Advisor Suite®) for lender use.</p>	<p>Completed</p> <ul style="list-style-type: none"> • Extensively researched in 2018 the availability of data reliable enough to produce a point value in our Home Valuation Explorer® to use confidently in our automated valuation model to increase coverage for properties in high-needs rural areas. • Analyzed data from GSE fundings, public records, and the Uniform Collateral Data Portal® • As a result, improved our HVE model and increased coverage (the number of properties for which we can produce accurate property valuations) in high-needs rural areas.
<p>4. Publish relevant findings about the high-needs rural regions on our website, based on our 2018 assessment of product needs, to provide further transparency on mortgage access in the regions.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Completed research on characteristics and historical performance of mortgage loans in rural areas, particularly in high-needs regions, to gain insight into how to better serve potential homebuyers and homeowners. • Incorporating FHFA’s comments on the research paper. • Plan to publish our findings in the second half of 2019.
<p>5. Assess the effectiveness of the pilot issued in 2018 for down payment assistance to determine impact on purchase volume for very low-, low-, and moderate-income households in markets where implemented. Gather industry feedback from at least three non-profits and at least 10 lenders to gauge success and market reaction. Findings will be submitted in a report to FHFA.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Approved seven sellers that deliver loans to Freddie Mac in high-needs rural regions for the BorrowSmart term of business. • Will assess the effectiveness of the BorrowSmart down payment and closing cost assistance pilot program once we have full adoption by participating lenders and non-profits; will submit our findings in a report to FHFA.
<p>6. Socialize product changes to the market through our website, sharing product changes and market updates to at least four industry events, providing updates during Freddie Mac Affordable Housing Advisory Council meetings, Freddie Mac’s Single-Family News Center, Freddie Mac blogs, and e-mail to all Single-Family News subscribers.</p>	<p>In progress</p> <ul style="list-style-type: none"> • Participated in nine industry events and two meetings of our Affordable Housing Advisory Council to promote the product changes, offerings, and other support developed through the Duty to Serve Program. Engaged with industry participants to inform them of our activities and to gain their interest and feedback. • Promoted products and product changes through various communications channels: <ul style="list-style-type: none"> ○ Published five articles on Freddie Mac’s Single-Family website.

Rural_HN_Regions_1_B_NR_Q2

	<ul style="list-style-type: none">○ Sent six Community Lender newsletters to around 4,000 lenders.○ Sent 18 e-mail “blasts” to around 600 small financial institutions.○ Sponsored three radio advertisements in local rural markets.○ Received coverage in 341 external news articles and garnered extensive social media coverage.
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(Character limit: 3,000 characters, including spaces)

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):

If the Enterprise is not on target to meet or exceed the objective, briefly explain why. (Character limit: 1,000 characters, including spaces)

Exhibit C:
Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC
 RURAL HOUSING
 Q2: JANUARY THROUGH JUNE 2019
 LOAN PRODUCT

ACTIVITY:

Activity 1: Support for High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

Objective C: Design Improved Product Flexibilities to Facilitate the Origination of Renovation Mortgages

ACTIONS:

We achieved our 2019 goals under this objective. In the first half of 2019, we introduced our CHOICERenovationSM product and conducted extensive industry outreach, education, and marketing to raise awareness and understanding of the product’s availability, benefits, features, and eligibility requirements.

First-half 2109 highlights:

- *We completed the development of CHOICERenovation, our robust mortgage offering that fills identified needs in our existing renovation product. CHOICERenovation will facilitate lending in the high-needs rural regions by providing a single closing for consumers seeking to improve a home during the home purchase or refinance.*
- *We published a Seller/Service Guide Bulletin in June to announce the CHOICERenovation policy requirements. Industry response has been positive; industry participants have expressed interest for the term of business (TOB) that allows for delivery of loans to Freddie Mac before renovations are completed.*
- *We executed a multi-pronged marketing plan, which yielded excellent coverage in industry, mainstream, and social media and will result in greater reliance on the offering.*

Action	2019 Achievements through Q2
1. Complete the product development process based on the results of the renovation product assessment conducted in 2018 to support the renovation of aging housing stock in high-needs rural regions.	Completed <ul style="list-style-type: none"> • Completed development of CHOICERenovation, which offers a single-close solution for financing renovation expenses as part of a home purchase or refinance transaction, filling a market need identified while developing our Duty to Serve Underserved Markets Plan and during our 2018 assessment. The underwriting and operational flexibilities help increase the affordability, ease, and speed of financing renovations and repairs.
2. Implement the product, including updating any supporting processes, and issue new product terms via a negotiated term of business with lenders or via the <i>Seller/Service Guide</i> . Freddie Mac will provide product features through a negotiated term of business with select lenders if we need additional data to model risk; however, if the analysis produces sufficient data, we will issue a <i>Seller/Service Guide</i> change.	Completed <ul style="list-style-type: none"> • Published CHOICERenovation offering in our <i>Seller/Service Guide</i> and announced the update in a June Guide Bulletin. • Allow all Freddie Mac-approved lenders to deliver loans to Freddie Mac after renovations are completed, making the product widely available. In addition, lenders with prior approval and negotiated terms of business (TOBs) may sell those loans to us before renovations are completed; approvals and TOBs will be given starting in third quarter 2019.

	<ul style="list-style-type: none"> • Developed and executed a multi-pronged marketing campaign to raise awareness of CHOICERenovation industrywide. Tactics included, but were not limited to: <ul style="list-style-type: none"> ○ Five e-mail “blasts” reaching more than 20,000 lenders, including small financial institutions and community lenders in rural regions ○ Numerous media interviews ○ Press release ○ Social media posts on multiple platforms ○ Updates to Freddie Mac Single-Family websites, including video ○ Webinars for Freddie Mac customers ○ Presentations to mortgage insurance companies, lenders, and non-profit organizations • Realized excellent results from the campaign. From June 10 to 30 alone: <ul style="list-style-type: none"> ○ Mentions in news articles – 56; 49 headlines ○ Articles on CHOICERenovation with the highest readership – In <i>Forbes</i>, <i>The Washington Post</i>, Yahoo Finance ○ On-line publishers with the most visitors to articles on CHOICERenovation – HousingWire, GlobeNewswire, NerdWallet ○ Social media shares – More than 14,600 ○ Aggregate potential readership reached – More than 126 million ○ Lenders are contacting our sales team, interested in the CHOICERenovation TOB
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(Character limit: 3,000 characters, including spaces)

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):

If the Enterprise is not on target to meet or exceed the objective, briefly explain why. (Character limit: 1,000 characters, including spaces)