Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2024

PURCHASE

ACTIVITY:

Activity 1 – Low Income Housing Tax Credits (Debt): Statutory Activity

OBJECTIVE:

Objective A: Provide Liquidity and Stability through LIHTC Loan Purchases

INFEASIBILITY:

☐ Check here if the Enterprise is submitting an infeasibility request for the objective.

SUMMARY OF RESULTS:

The LIHTC program is the primary resource for supporting the creation and preservation of rent- and income-restricted affordable multifamily housing in the United States. For many years, Freddie Mac has been a leader in providing debt capital to support LIHTC properties. We continue to provide substantial liquidity and stability and support affordability in this market, and in 2024 we exceeded our goal.

Our original baseline for the 2022-2024 Plan was the 2018-2020 three-year average actual volume of 51,496 units. Freddie Mac modified its 2024 target down from 56,000 to 39,000 units in line with market opportunity. Freddie Mac also modified its 2023 target. These changes were requested based on a significant reduction in the size of the multifamily market. Freddie Mac ultimately exceeded its modified target, but doing so was deeply challenging and required a sustained effort throughout the year.

Objective's components detailed in the Plan	*Corresponding actions or deliverables*	*Any deviations from the Plan (if applicable)*
39,000 LIHTC Units	39,379 LIHTC Units	This target was modified based on market factors.

SELF-ASSESSMENT RATING OF PROGRESS:

☒ Target met

☐ Target exceeded

☐ Objective partially completed

☐ No milestones achieved

IMPACT:

☐ 50 – Very Large Impact

☐ 40

☒ 30 – Meaningful Impact

☐ 20

☐ 10 – Minimal Impact

☐ 0 – No Impact

IMPACT EXPLANATION:

1. **How and to what extent were the actions or deliverables under this objective impactful in addressing the applicable underserved market's needs, or in laying the foundation for future impact in addressing the underserved market's needs?**

   In 2024, Freddie Mac financed 39,379 LIHTC units, which represented a substantial portion of the overall liquidity supplied to this market. Market conditions in the first half of the year yielded suppressed volume in line with what we saw in 2023. When conditions improved into the third quarter, Freddie Mac's team adjusted its credit approach and put forward a substantial level of effort to underwrite, close and fund a sufficient level of business to meet our target. This work ensured that we continued meeting the liquidity needs of the market, funding impactful business that helped support affordable housing for tens of thousands of families.

   While the market was constrained in the first half of the year - driven primarily by the interest rate environment - a temporary drop in the 10-year Treasury rate during the third quarter helped spur transaction volume. However, rates increased again in the fourth quarter, back to levels similar to what we saw in the first half of the year. The 10-year Treasury rate in Q3 averaged 3.95%, which is 50 bps below the Q2 average. The 10-year rate hit a low of 3.62% in September before increasing to 4.58% by the end of December.

   The result of our Q3 push was the largest funding month for TAH business in our history. In December we funded $2.4B, outpacing the prior record of $1.8B. Our teams were prepared to take on the flood of business that resulted because we devoted time early in the year to cross-training conventional and small balance underwriters, allowing them to swing into supporting targeted affordable business when needed. Through the end of December, these teams worked together to close a substantial number of loans. Meeting our target required tight coordination between production and underwriting teams, which held daily calls to locate all loans that could close within the calendar year. This allowed us to prioritize those that helped us meet our LIHTC Debt and other mission-related targets.

   Our ability to execute LIHTC debt deals is often years in the making. A substantial number of Freddie Mac's LIHTC Debt transactions are the result of conversions of forward commitments from prior years. The typical time from rate-lock of these commitments to conversion is 36 months. As a result, a challenging climate for forwards seen three years ago can have a significant impact on business today. This was the case in 2024, when Freddie Mac saw a drop in the number of conversions from the level in 2023. It was another headwind in an already challenging environment.

   Another issue we encountered in 2024 was a continued lull in large portfolio acquisitions. These acquisitions were elevated in our baseline years, and a significant contributor to our unmodified target being out of reach.

The following examples demonstrate our support of high impact properties:

- **Sea Breeze Gardens – San Diego, CA:** Sea Breeze Gardens is a 268-unit multifamily, garden style apartment complex located in San Diego, CA. The Section 8 HAP Contract and LIHTC rent-restricted community has several amenities including six on-site laundry facilities, a children's playground, on-site courtesy patrol, controlled access gates, community room with resident events and services, assigned parking, on-site daycare center, and convenient access to public transportation. Income restrictions are in place for 27 units at 50% of Area Median Income (AMI) and 240 units at 60% of AMI. Rent restrictions are in place for all units.
- **Winter Rose – Palmer, AK:** Winter Rose Apartments is located in the city of Palmer, Alaska, approximately 41 miles north of Anchorage. The townhome-style project consists of 40 units of rent- and income-restricted housing across ten buildings on an 8.63-acre parcel. Twenty-five percent of the units are restricted to households making 50% AMI or less, and 37.5% of units are reserved for households making 30% AMI or less. Amenities, including a playground and community center, will be completed as part of the project's second development phase.

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

In 2024, Freddie Mac recognized that, despite our long-standing commitment to LIHTC debt, shifting market dynamics continue to require adaptability and present valuable learning opportunities. While we set ambitious targets for our LIHTC debt purchases each year, the market environment in 2024 posed unique challenges that made achieving our original goals particularly difficult.

As noted above, we again found the elevated and volatile rate environment and a continued slowdown in the multifamily sector to be challenging to our LIHTC debt purchase volume. This environment was underscored by industry projections, including those from the Mortgage Bankers Association (MBA), which highlighted a persistent contraction in multifamily originations.
Through these challenges, we reaffirmed that experience and strong relationships are critical to maintaining a robust transaction pipeline, especially in uncertain market conditions. Moving forward, we remain committed to leveraging our expertise and deep industry partnerships to navigate the shifting landscape.

Additionally, Freddie Mac learned that adapting to the market environment is critical. To that end, we put forward two product enhancements to help support achievement of our LIHTC and other AHP purchase targets. These products include:

Bond Credit Enhancement: A Bond Credit Enhancement (Bond CE) is a product used to finance transactions that utilize tax exempt debt and low-income housing tax credits (LIHTC). Since 2014, Freddie Mac has served this part of the market via our Tax Exempt Loan (TEL) product. Due to unpredictable market dislocation, Freddie Mac was in a disadvantageous position from a pricing perspective. More specifically, the Freddie Mac TEL uses the treasury rate to calculate the all-in rate on a loan as we do for all of our fixed rate products. Conversely, many market participants and competitors use an index called MMD. During parts of 2024, MMD was lower than the treasury rate by 100 basis points. As a result, the Freddie Mac all-in rate was higher, and the competition had an advantage. In response, we deployed our Bond CE product which uses MMD as the index and put Freddie Mac in line with the all-in rate of the competition.

Rate Buy-Downs: During parts of 2024, interest rates increased rapidly, creating headwinds to closing loans. In response to elevated interest rates, Freddie Mac allowed for rate buy-downs. In a rate buy-down the borrower pays a lump sum at closing in exchange for a lower all-in rate during the life of the loan. The buy-downs were capped and reviewed and approved on a case-by-case basis. The end result is that numerous transactions were saved during the times of elevated interest rate volatility/increases.

3. **Optional**: If applicable, why was the Enterprise unable to achieve the Plan target?

   Not applicable.