

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 2024
 PURCHASE

ACTIVITY:

Activity 5 – Support for Residential Economic Diversity: Additional Activity

OBJECTIVE:

Objective A: Purchase Loans on Properties that Support Residential Economic Diversity

INFEASIBILITY:

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

SUMMARY OF RESULTS:

In 2024, Freddie Mac purchased loans supporting 9,012 restricted units that advance Residential Economic Diversity (RED), more than doubling our target of 4,300 restricted units. Freddie Mac's has advanced RED by extending substantial liquidity for affordable housing in high-opportunity areas, helping to encourage economic mobility. Our baseline for this activity is 4,082 units, which reflects the three-year average from 2018 to 2020.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
4,300 Restricted Units	9,012 Restricted Units, 103 Properties

SELF-ASSESSMENT RATING OF PROGRESS:

- ☐ Target met
☒ Target exceeded
☐ Objective partially completed
☐ No milestones achieved

IMPACT:

Provide a self-assessment of the level of impact that actions under the objective have accomplished.

- ☒ 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 continued to focus on providing liquidity for affordable housing that advances RED by purchasing loans for properties in high-opportunity areas. We leveraged the strength of our lender network to locate, quote, close, and fund eligible loans. Increasing the supply of affordable homes in these areas helps promote economic mobility. High land and development costs, zoning and land use regulations, and high competition often make these areas more difficult to develop, particularly for affordable units. In providing financing for affordable housing in these high-opportunity areas, Freddie Mac helps enable developers to further RED and promote affordability despite barriers.

While we exceeded our target, loan purchases aligned with this objective continue to face challenges, including high land values, land use restrictions, and other geographic limitations. Despite these obstacles, Freddie Mac remains dedicated to the mission of expanding access to affordable housing opportunities.

Two examples of where Freddie Mac's transactions supported RED include:

- **Meadows on Main – Whitestown, IN:** Meadows on Main is located in Whitestown, which in the northwestern portion of the Indianapolis MSA. The 14-acre property consists of 264 units of low-income housing within 10 two- and three-story garden-style apartment buildings. The property also includes a clubhouse/leasing office structure. Property amenities include a clubhouse, dog park, fitness center, business center, community room with kitchen, game/activity room, swimming pool, detached garage parking, and entertainment areas with picnic tables, grill, and playground. Meadows on Main operates under the Low-Income Housing Tax Credit (LIHTC) program and is encumbered by a standard Land Use Restriction Agreement (LURA). The agreement consists of a 15-year compliance period and an additional 15-year extended use period. The property utilizes income averaging and targets households earning 40%, 50%, 60%, and 70 percent of the AMI, which will average at 60% AMI. The property is in a high opportunity area. Rents on average are 40.26% less than surrounding market rate units, which allows low- and moderate-income households to access quality units, jobs and other amenities in the area.
- **Lofts on Main – Plattsmouth, NE:** Lofts on Main is located in Plattsmouth, Nebraska, which is 20 miles from the Omaha Central Business District. The property is made up of a schoolhouse, which was renovated into a multifamily property, and a separate newly constructed building. In total, the property contains 41 units, 32 of which provide housing affordable to low-income residents. Common area amenities include a playground, community room, business center, and controlled access. Three tenants receive tenant-based Section 8 vouchers. The property is located in a high-opportunity area. The greater Omaha area is home to many telecommunications firms, Fortune 500 companies, and data centers for Facebook, Amazon, and Google. The affordability gap is 34% for one-bedroom units, 36% for two-bedroom units, and 14% for three-bedroom units compared to market rate units in the surrounding area.

This provides low- and moderate-income households with the opportunity to access quality, affordable housing near jobs and amenities.

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

Freddie Mac remains committed to financing affordable housing that supports RED in high-opportunity areas or mixed-income developments in communities facing concentrated poverty. Geographic and development constraints, zoning and land use regulations, and the high cost of land and property all create obstacles in achieving these goals. Market conditions in 2024—characterized by volatile capital markets and elevated interest rates—were an added headwind as they significantly reduced multifamily loan originations.

Throughout the year we saw that because RED units are located in high-opportunity and therefore higher cost areas, their development often tracks with the broader market-rate housing starts environment. Existing housing stock in these high-opportunity areas is often desirable for conversion to market rate housing given that new properties are expensive to build, especially in high-interest rate environments.

In this context, we saw the importance and impact of Freddie Mac financing. our offerings provide competitive advantage and risk distribution that makes preservation of affordable housing possible. Freddie Mac actively engaged with our lender network and utilized tools like our mission map to offer competitive and attractive financing for loans that align with our goals.

We also invoked similar strategies to our other AHP purchase targets in achieving this goal, including:

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 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