

Exhibit B:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 2025
 LOAN PURCHASE

ACTIVITY:

Activity 2: Low-Income Housing Tax Credit (Debt): Statutory Activity¹

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:

In 2025, Freddie Mac financed 52,743 LIHTC units, exceeding our target of 39,500 units. The 2024-2027 DTS Plan baseline for this objective is 38,953 units. Freddie Mac continues to be a leader in providing capital and liquidity to support the LIHTC debt market, and our 2025 work underscores the important role we play in this market.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
39,500 units	52,743 units

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the year.

- 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

¹ The Activity number has been updated to reflect the modified 2025-2027 Freddie Mac Duty to Serve Plan. In the unmodified 2025 – 2027 Plan, this is Activity 3.

- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact

IMPACT EXPLANATION:

Answer the following questions.

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 2025, Freddie Mac financed 52,743 LIHTC debt units, exceeding our target of 39,500 units and continuing our role as a leader in providing liquidity to this market. Since its creation by Congress, the LIHTC program has been the primary resource for supporting the development and maintenance of affordable housing across the country. Freddie Mac continues to be a leader in providing debt capital to support LIHTC properties, and our work in 2025 reflects our substantial contribution to liquidity, stability, and support in the market.

In recent years, elevated interest rates have tempered both acquisitions and refinances, leading to a reduction in our transaction pipeline. Although rates in 2025 remained elevated compared to historic lows, the market seemed to no longer expect a significant or sustained decrease in rates or the volatility seen in previous years. Consequently, capital became more active, and the overall market experienced growth. This shift resulted in a robust pipeline for both LIHTC and other Targeted Affordable Housing transactions.

Despite these positive trends, external factors, such as the government shutdown in the third quarter of 2025, impacted our operations, particularly for transactions dependent on federal funding. Some of these loans were deferred to 2026 as a result.

Surpassing our target was driven not only by more favorable market conditions and interest, but also by Freddie Mac’s strategic positioning in the affordable housing market. Our concerted efforts to strengthen industry relationships were critical. In 2025, we achieved a record number of potential transactions, with nearly 1,500 deals quoted representing approximately \$31 billion in potential business. Our teams demonstrated substantial effort to quote, underwrite, close, and fund a large number of loans. The work to enhance internal efficiencies enabled us to effectively manage the increased volume, ensuring liquidity and supporting affordable housing for tens of thousands of families.

Relationship building with our lender network remains a cornerstone of our approach. In the first half of the year, our Production team conducted in-person visits to all Optigo lender offices, facilitating relationship development, in-office training, and reaffirming Freddie Mac’s commitment to affordable housing offerings. These visits laid the groundwork for exceptional performance throughout the year and underscored our dedication to client relationships and customer service.

Freddie Mac’s ability to lend in all market environments allows us to continue to have substantial impact on markets while providing liquidity in a safe and sound manner.

This work is important because the challenge of increased housing costs continues to burden renters nationwide. According to the Harvard Joint Center for Housing Studies, more than 43.5 million households were cost-burdened in 2024.² The impact is particularly acute in underserved areas, where higher living and construction costs make affordable housing more difficult to deliver.

Some examples of particularly impactful LIHTC debt transactions, include:

- **Halewai'olu Senior Residences – Honolulu, HI:** Halewai'olu Senior Residences is a newly constructed, 156-unit high-rise apartment building in Honolulu. All units (except one manager unit) are financed using LIHTC. The property is subject to multiple additional regulatory agreements that ensure long-term affordability: 8 units are restricted to tenants earning at or below 30% of AMI, 131 units at 60% AMI, and 16 units at 80% AMI. With rents averaging 46% below market, the project is highly affordable and attractive to the target population. Additionally, 51 units benefit from tenant-based Section 8 vouchers, further enhancing affordability.

The building offers an array of amenities designed to support senior residents, including a business center, clubhouse, courtyard, dog park, laundry facilities, bike storage, fitness center, and controlled access. Units feature modern finishes such as granite countertops, vinyl plank and carpet flooring, and basic kitchen appliances.

Halewai'olu Senior Residences is located in central Honolulu, just north of the Central Business District (CBD) and close to major highways, public transportation, and a variety of retail, dining, and recreational options. The surrounding area is a mix of commercial and residential, and the project benefits from proximity to key community assets like botanical gardens and cultural plazas. The property is ground-leased from the City and County of Honolulu, facilitating a 100% tax abatement through 2086, further supporting financial stability and ongoing affordability for residents.

- **Peaceful Village – Chesapeake, VA:** Peaceful Village is a 65-unit, fully affordable LIHTC and Section 8 HAP contract townhome apartment complex in Chesapeake, Virginia. The financing will support the property acquisition and substantial rehabilitation. The project is subject to multiple regulatory agreements, including LIHTC restricting 78% of units at 60% AMI and 22% at 50% AMI and a long-term RAD/Section 8 HAP contract covering 100% of units. Rents average 21% below market, ensuring deep affordability for low-income families. The property benefits from a Payment in Lieu of Taxes (PILOT) agreement that provides full tax abatement.

The rehabilitation (\$130,587/unit) includes extensive upgrades to both interiors and exteriors: new kitchens, bathrooms, flooring, lighting, appliances, HVAC, windows, and building envelope repairs, as well as site improvements such as paving, landscaping, lighting, signage, and the construction of a new community center with a lobby, multipurpose room, offices, and laundry facilities. Common area amenities will feature a business center, basketball court, clubhouse, and playgrounds. Peaceful Village is well-located just 4.4 miles from Chesapeake's CBD on a 7.4-acre site, with proximity to major retail centers, healthcare facilities, schools, transportation, and recreational amenities.

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

² <https://www.jchs.harvard.edu/blog/housing-unaffordability-soared-new-highs-2024>

Freddie Mac has had a significant, long-standing commitment to the LIHTC debt market and we continue to be responsive to the needs of this market and to our lender network. In 2025, we learned strategies for adjusting to increased volume as market volatility and unpredictability leveled out, despite higher than historic average interest rates. Additionally, in 2025, we saw Federal-level changes to the LIHTC program and are still learning how these changes function and what the impacts to our programming will be. Finally, we are continuing to explore new financing methods, including providing both the equity and the debt on a LIHTC loan – an approach relatively new to Freddie Mac.

Although we anticipate market shifts, we have not yet fully seen the impacts of Federal changes to the LIHTC program, including the reduction of the Private Activity Bond 50% test to 25%. In 2026 we may see additional opportunities for transactions or additional competition from larger banks who may see rebalances in their taxable debt vs tax exempt debt holdings. We continue to monitor the market and respond accordingly, while preserving our customer service standards and ensuring safety and soundness in our transactions.

Freddie Mac has also continued exploring ways to pair our LIHTC debt offering and LIHTC equity investments. Our debt and equity teams independently create terms and quote loan transactions and coordinate when there is potential for handling both parts of a transaction. These transactions can be particularly beneficial for structuring the financing for small and very large loans, which often attract fewer investors, as Freddie Mac is able to fill in gaps in the capital stack. Closing these loans has required internal effort to ensure safety and stability in our lending practices and training and communication with our sponsor network to socialize them to this opportunity. We have conducted meetings with sponsors to review their various pipelines and uncover where a transaction would benefit from having Freddie Mac provide both equity investment and debt financing. We have completed around ten loans with this structure and continue to learn from these experiences.

3. **Optional: If applicable, why was the Enterprise unable to achieve the Plan target?**
Not applicable