

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 2025
 PURCHASE

ACTIVITY:

Activity 3: Section 8: Statutory Activity¹

OBJECTIVE:

Objective A: Provide Liquidity and Stability through Section 8 Loan Purchases

INFEASIBILITY:

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

SUMMARY OF RESULTS:

Freddie Mac has established itself as a leading and stable source of debt capital for Section 8 properties. In 2025, Freddie Mac supported 33,716 Section 8 units through its loan purchases, exceeding our target of 23,000 units. The baseline for this objective is 22,504 units.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
23,000 Section 8 units	33,716 Section 8 units	

SELF-ASSESSMENT RATING OF PROGRESS:

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

IMPACT:

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact

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 4.

- 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 2025, Freddie Mac financed 33,716 Section 8 units, exceeding our target of 23,000 units and delivering a significant percentage of the overall market’s debt liquidity in support of these properties. Our performance in this market indicates that Freddie Mac maintains our leadership in providing debt capital that benefits properties with Section 8 units.

Section 8 properties provide critical, stable affordable housing opportunities to low-income renters. Freddie Mac’s support for properties with Section 8 translated into four areas of market impact. First, it supported efficient executions with reasonable credit terms for Section 8 properties. Second, the availability of debt capital made properties with Section 8 units more attractive to investors, supporting their preservation. Third, Freddie Mac’s presence in the market facilitates consistent purchases and credit standards, helping to create stability. Finally, our focus on improving liquidity to the market and appropriately distributing risk throughout the lending process allows for successful capital markets executions that attract private capital.

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 has become more active, and the overall market experienced growth. This shift resulted in a robust pipeline for both Section 8 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 this 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.

This work is important because the challenge of rising 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.

Notable examples of Freddie Mac’s impactful Section 8 transactions include:

- **Villagio Apartments – Missoula, MT:** Villagio Apartments is a newly constructed, 200-unit affordable housing community in Missoula, developed through a partnership between the Missoula Housing Authority and Enterprise Housing Partners. All of the units, except a manager’s unit, are rent- and income-restricted under a combination of four regulatory agreements, including a Section 8 Housing Assistance Payment (HAP) contract that covers 32 units (16%). These agreements require 8.5% of units to be restricted to 30% of area median income (AMI), 7.5% at 50% AMI, and 84% at 60% AMI. The average rents are approximately 27% below market.

Villagio Apartments serves a diverse population, including families, seniors, and individuals who qualify under various income restrictions, and those with Section 8 vouchers. The community offers robust amenities such as a swimming pool, fitness center, sport court, playground, dog park, business center, and clubhouse, along with in-unit features like washers/dryers, dishwashers, walk-in closets, and balconies or patios. Located just two miles northwest of downtown Missoula, the property is well-situated near major employers, retail centers, schools, healthcare facilities, and public transportation, making it highly accessible for residents. The surrounding area is experiencing population growth and economic stability, with the University of Montana and St. Patrick Hospital among the largest employers.

- **Gateway Plaza – Cincinnati, OH:** Gateway Plaza is a 17-story, 348-unit affordable housing community in Cincinnati undergoing a substantial renovation. All units are income- and rent-restricted under multiple regulatory agreements. Specifically, 140 units are reserved for households earning up to 50% of AMI, while the remaining 208 units are limited to those earning up to 60% of AMI. Every unit is covered by a long-term, Mark-Up-To-Market (MUTM) Section 8 HAP contract, ensuring residents pay no more than 30% of their income toward rent. The project is supported by a Freddie Mac LIHTC equity investment and a Freddie Mac permanent loan – meaning that Freddie Mac provided both the LIHTC equity and the debt. The project also benefits from a 100% real property tax abatement.

As part of the extensive renovation, each apartment will receive updated flooring, new appliances—including dishwashers, refrigerators, and stoves/ovens—and improved air conditioning systems. Building-wide upgrades include replacement of plumbing systems, as well as enhancements to electrical infrastructure for greater efficiency and reliability. Common areas such as the laundry room and lobby will be refreshed to provide a more welcoming environment, while security improvements will ensure resident safety. The attached parking deck will also be updated to better serve tenants. These renovations are carefully staged to minimize disruption, with relocation support available for residents as needed, ensuring everyone can remain housed during the process.

The impact of an updated Gateway Plaza is substantial for Cincinnati’s affordable housing landscape. By preserving and modernizing 348 deeply affordable, Section 8-supported units, the project addresses a critical need for low-income and working families in a city with rising rents and limited affordable

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

stock. The long-term HAP contract and layered regulatory agreements ensure sustained affordability and housing stability, limiting turnover and vacancy.

- **4252 Crenshaw – Los Angeles, CA:** 4252 Crenshaw is a newly constructed, 111-unit, mid-rise affordable apartment community located in Los Angeles. The project is financed through a combination of Freddie Mac bond credit enhancement and tax-exempt 501(c)(3) bonds, with ownership transferred to Foundation Permanent Housing Fund, Inc., a qualified nonprofit. Seventy-five percent of units are income- and rent-restricted, with regulatory agreements requiring 13 units at 30% AMI, 23 units at 50% AMI, and 48 units at 80% AMI. The remaining units are offered at market rates, and most restricted units are occupied by tenants with Section 8 housing choice vouchers, resulting in rents that are below market rate comparables. This structure ensures deep affordability and broad access for low- and moderate-income households in a high-cost Los Angeles market.

The property serves a diverse population, including families, individuals, and seniors, many of whom rely on Section 8 vouchers for rental assistance. Property amenities include a community room, courtyard with picnic tables and barbecue area, business center, dog park, rooftop terrace with seating and fire pits, and shared laundry facilities. Each unit features standard appliances and balconies or patios. Located in the Inglewood/Crenshaw submarket, the property is near major transit lines, retail hubs, and employers such as Kaiser Permanente, University of Southern California, and Cedars-Sinai Medical Center, making it highly accessible for working residents and families.

The property was built with pre-fabricated units, constructed in an off-site warehouse, trucked to the site, and assembled on-site. While Freddie Mac only finances buildings post-construction and stabilization, this is an innovative construction technique.

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 has served as a consistent market participant in our support of both project-based and tenant-based Section 8 transactions. A large part of this success centers on our relationships with various public housing authorities (PHAs) and housing finance agencies (HFAs) across states and localities. These partnerships help us understand any shifting market needs, allowing us to efficiently and effectively support the market.

For instance, the environment in 2025 again demonstrated the challenges of addressing high rental costs in higher cost of living, high-opportunity areas where many Section 8 properties are located. Affordable housing development in these areas continues to face challenges from high development and land costs, increased material and labor costs, zoning and permitting delays, and other barriers.

Section 8 funding relies on Congressional appropriations each year. Congress has appropriated \$38.4 billion for Tenant-Based Rental Assistance and \$18.5 for Project-Based Rental Assistance for FY2026. Both of these allocations are roughly \$2 billion increases over the FY2025 allocations.³ We continue to monitor any additional Federal-level legislative proposals and actions related to Section 8 funding.

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

Not applicable

³ <https://ncrc.org/fy-2026-budget-deal-final-funding-for-hud-cdfi-sba-and-whats-next-for-dhs/>