

Exhibit B:  
**Annual Loan Purchase Narrative Reporting Template**

FREDDIE MAC  
AFFORDABLE HOUSING PRESERVATION  
2025  
LOAN PURCHASE

**ACTIVITY:**

Activity 1 - Support for Shared Equity Programs for Affordable Housing Preservation: Regulatory Activity

**OBJECTIVE:**

Objective A - Purchase Single-Family Shared Equity Loans

**INFEASIBILITY:**

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

**SUMMARY OF RESULTS:**

Freddie Mac exceeded our 2025 target for the purchase of mortgages secured by properties under shared equity programs. We provided \$55 million to fund 229 loans, surpassing our target of 155 loans by 48% and our baseline of 126 loans by 82%. Our 2025 Duty to Serve shared equity purchase-money loan purchase volume increased 20% over 2024.

We achieved this growth through a multifaceted, integrated approach. We conducted extensive industry and lender outreach, developed new relationships, and strengthened existing partnerships. We also delivered targeted education to lenders and stakeholders. Above and beyond, we implemented policy updates to create efficiencies for lenders to originate shared equity loans. These efforts required substantial time and resources; however, they allowed us to focus on key relationships to facilitate loan purchases.

Our dedicated efforts enabled us to significantly exceed our loan purchase goal despite challenging market dynamics. Our results underscore our ongoing collaboration, creativity, and commitment to supporting the shared equity market.

**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:

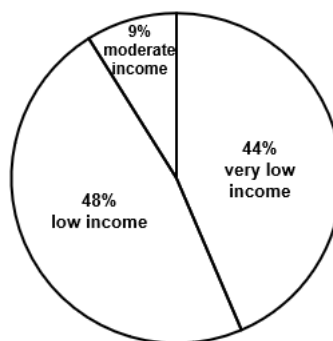
**1. How and to what extent were the actions or deliverables under this objective impactful in addressing the applicable underserved market’s needs, or in laying the foundation for future impact in addressing the underserved market’s needs?**

Our efforts under this objective in 2025 had a very large impact on the shared equity market. We broadened access to credit, provided liquidity, raised awareness of shared equity programs and their benefits, and increased lender participation. The liquidity that we provided made a significant positive difference, given the shared equity market’s very small size. Also, our strategic approach to building and expanding relationships with community land trust (CLT) coalitions at the state and regional levels reinforced our leadership in this market and strengthened the shared equity homeownership ecosystem.

The shared equity market is growing faster than other parts of the housing market but remains very small; even small increases in liquidity have major impacts. In addition, the market environment tends to affect this market less directly because of the underlying model.

As a result of the extensive resources and collaborative efforts that we devoted to expanding responsible lending in this market, we helped very low-, low-, and moderate-income households finance shared equity homes.

Percentage of DTS Shared Equity Loan Purchases by Income Level\*



\*Total exceeds 100% due to rounding

Of the loans we purchased in this market, 91% helped create first-time homebuyers. In comparison, 51% of Freddie Mac Single-Family portfolio purchases in 2025 supported first-time homebuyers.

Through our continuous, extensive outreach efforts, almost half of the lenders that delivered loans had not sold us shared equity loans in at least a year, if ever. Purchases from housing finance agencies (HFAs) increased 25% over 2024 volume.

Our success in 2025 stemmed from our continued industry leadership and commitment to increasing affordable lending in the shared equity market:

- Conducted extensive outreach and education, reaching about 850 professionals through tutorials, webinars, conferences, and other learning events to raise awareness of shared equity programs and their benefits as well as to help increase adoption and usage of our products. Also conducted extensive personalized outreach to lenders and shared equity program stewards to foster relationships.
- Capitalized on opportunities presented through expanded relationships with Grounded Solutions Network and Florida Housing Coalition. Through Grounded Solutions Network, met lenders that participated in the location analysis conducted on our behalf but were unaware that Freddie Mac supports shared equity homeownership. Through Florida Housing coalition, met additional shared equity programs seeking lenders and made connections.
- Continued to update and promote our CLT database to help lenders identify opportunities to finance CLT loans in their footprint.
- Continued and deepened our engagement with regional and statewide shared equity coalitions, promoting the benefits of aligning program requirements with secondary market lending standards. As part of this, we served as a catalyst to encourage greater lender support for shared equity programs.
  - In addition to maintaining relationships with other coalitions, expanded engagement with the Ohio and Wisconsin CLT coalitions and facilitated connections between coalition members and lenders within their footprints.
  - At the Florida Housing Conference, met with staff from several HFAs and connected them with CLTs seeking lenders.
- Qualified six below-market-rate programs as meeting Freddie Mac’s requirements, facilitating the origination and sale of loans on homes in these programs.
- Continued to enhance our underwriting policies to help make originating shared equity loans faster and easier, increase lender participation, boost market liquidity, and support more borrowers responsibly:
  - Removed restrictions on using negotiated underwriting provisions with CLT Mortgages, enabling our lenders to take advantage of additional affordable lending opportunities.
  - Allowed for Fannie Mae’s CLT Ground Lease Rider Form 2100 to be used in lieu of Freddie Mac’s Form 490, providing flexibility to lenders and shared equity program stewards.
  - Clarified that if a CLT ground lease is not based on a model ground lease but is on Fannie Mae’s Certified Shared Equity Program List, it does not require additional Freddie Mac review before the loan may be sold to us, although it still must comply with Freddie Mac’s ground lease requirements.

Through our Duty to Serve efforts, Freddie Mac had a very large impact in the shared equity market:

- More lenders, developers, municipalities, and non-profits participated in the shared equity space, expanding the market’s reach.

- Lenders connected with more shared equity programs in their footprints, increasing financing options and reducing costs for homebuyers.
- More homebuyers financed shared equity homes with conventional mortgages.
- The ecosystem works more effectively in helping shared equity program stewards and lenders connect with each other and homebuyers realize affordable homeownership.
- More shared equity units are eligible for sale on the secondary market, further supporting affordable homeownership and increasing market liquidity.

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

We learned that shared equity program stewards continue to explore new property acquisition and construction methods to expand their inventory in the face of rising costs and shrinking budgets. Innovations include incorporating manufactured homes, modular homes, multifamily rentals, and condominiums. It is important for Freddie Mac to maintain a strong and consistent presence to help ensure that we continue to offer relevant products that encourage lenders to participate in and provide liquidity to this market.

Strengthening relationships with HFAs in addition to other lenders is critical as well. HFAs often offer their own lending products, which may have unique requirements that need to be aligned with Freddie Mac products to be eligible for sale to us. The alignment process can be a challenge and highlights the need for ongoing tailored outreach and technical assistance to facilitate product adoption and successful loan origination. Through our involvement with the growing number of state and regional shared equity coalitions, we also encourage standardization and sharing of best practices to help organizations overcome common hurdles, ultimately strengthening the shared equity ecosystem.

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

Not applicable.