

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

FREDDIE MAC  
MANUFACTURED HOUSING  
2025  
LOAN PURCHASE

**ACTIVITY:**

Activity 1 - Support for Manufactured Homes Titled as Real Property: Regulatory Activity

**OBJECTIVE:**

Objective A - Purchase Single-Family Loans Secured by Manufactured Housing Titled as Real Property

**INFEASIBILITY:**

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

**SUMMARY OF RESULTS:**

Freddie Mac exceeded our baseline of 5,957 by 5% and achieved 95% of our 2025 target under this objective to purchase loans secured by manufactured housing (MH) titled as real property.

In total, we provided nearly \$1.17 billion in liquidity to fund 6,232 loans toward our target of 6,550 loans, ending the year just 318 loans short of our ambitious goal. Of our 2025 MH purchases, more than three-quarters of the loans were for borrowers with very low and low incomes.

Our answer to Question 3 in the Impact Explanation section describes the factors that affected our results.

We drove purchases of MH loans through a multi-pronged approach. We continued our outreach to lenders and potential aggregators as well as formed direct and indirect selling relationships with lenders. To identify areas and lenders with potential to deliver greater loan volume, we analyzed our loan data. We also educated industry professionals on how using our products and resources can help them create more homeownership opportunities and grow their businesses. As part of this, we highlighted offerings with zero credit fees that help make financing a home more affordable for homebuyers with very low, low, and moderate incomes.

We increased our already-significant efforts to help overcome strong market headwinds. Through coordinated, data-driven, high-touch efforts, we nearly closed the gap. We conducted extensive outreach, holding individual conversations with lenders about the benefits of supporting manufactured homeownership for their book of business and their homebuyers. In addition, we equipped our sales teams with regionally focused information to support originators in adopting and using our mortgage products. As a result of outreach to lenders, we also were invited to deliver several custom training sessions for their originations and operations staff members.

Above and beyond our planned work, we enhanced several of our policies to help lenders increase affordable lending on MH and sell us MH loans with confidence, based on lender and manufacturer feedback.

Loan deliveries accelerated in the second half of the year; we purchased about 20% more loans in the second half than in the first half. Through our efforts, we came within 318 loans of our goal.

We delivered this level of effort and nearly met our purchase target in the face of challenging market and economic conditions, which are described in our answer to Question 3 under Impact Explanation. Our results reflect our collaboration, creativity, and commitment to this 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

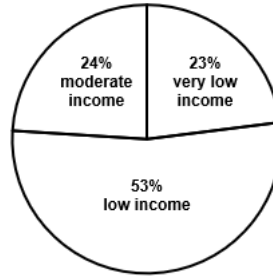
IMPACT EXPLANATION:

**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 results under this objective had meaningful impact on the manufactured housing market. We provided liquidity, access to the secondary market, and opportunities to achieve sustainable homeownership, while contending with low inventory of affordable homes, rising home prices, higher-than-expected interest rates, and a higher cost of living. Collaborating across the housing ecosystem, we responsibly expanded affordable lending opportunities, broadened access to credit, and worked to shape perceptions of MH as an affordable and attractive housing option.

As a result, more very low-, low-, and moderate-income households were able to buy their manufactured homes.

Percentage of DTS MH Loan Purchases  
by Income Level



Of the loans we purchased in this market, 64% helped create first-time homebuyers, three percentage points higher than in the previous year. In comparison, 51% of Freddie Mac Single-Family loan purchases in 2025 supported first-time homebuyers.

One-quarter of the lenders that delivered Duty to Serve-qualified MH loans in 2025 had not sold loans to us in at least a year, if ever.

Our success under this objective in 2025 reflects our leadership and commitment to increasing lending and sustainable homeownership opportunities in the MH market.

- Continued to conduct industry outreach and education to raise awareness, adoption, and effective usage of our offerings to promote affordable lending and access to credit for sustainable homeownership through in-person events, webinars, and on-demand tutorials.
  - Educated more than 1,300 real estate professionals, lenders, and other industry professionals on our offerings in person through conferences and events.
  - Educated about 2,300 mortgage professionals through webinars or tutorials offered through Freddie Mac Learning.
- Analyzed our data to identify opportunities for additional targeted and individualized outreach to lenders.
- Strategically reached out to lenders to encourage them to deliver Duty to Serve-qualified loans to Freddie Mac.
- Organized a workshop where more than 130 housing counselors learned the basics of MH, how to educate clients who are interested in purchasing MH, and the role housing counselors can play in an MH purchase transaction.
- Introduced MH product enhancements to help promote lender adoption of our offerings, support more borrowers, and boost market liquidity.
  - Expanded CHOICEHome® mortgage eligibility to allow single-section homes that meet construction criteria.
  - Expanded CHOICEHome requirements to allow either a Freddie Mac CHOICEHome or a Fannie Mae MH Advantage® label as proof that the home meets the construction requirements.
  - Expanded policy to allow an MH accessory dwelling unit (ADU) with a manufactured home as the primary residence.
  - Removed the requirement for reciprocal project approval for single-section homes in a planned unit development (PUD).
  - Allowed the use of temporary subsidy buydowns for mortgages secured by MH.

Because of our Duty to Serve efforts, Freddie Mac had a meaningful impact in the MH space:

- Additional liquidity flowed to the MH market.
- More lenders have access to the secondary market, more financing options, and more confidence in lending.
- More than 6,200 people achieved homeownership.
- Close to 4,000 people purchased homes for the first time.

**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 conducting targeted, tailored outreach and education is particularly beneficial to increasing business opportunities with smaller lenders. Lenders appreciated the individualized contact and discussion. While Freddie Mac continues our policy announcements and outreach efforts, some smaller lenders face resource limitations that impact their ability to stay current on policy enhancements or participate in available training.

Several lenders we spoke with requested additional training on MH for their loan origination and operations staff members, which we provided. In addition, we delivered webinars by region for smaller lenders whose staff may not typically sign up for Freddie Mac training classes. The participation rate was high. One participant told us that, based on information gained during a webinar about a recent policy change, he called back two individuals whose MH loan applications were denied earlier that week; one loan was originated as a result and intended for sale to Freddie Mac.

We also recognized that housing counselors could play a larger role in supporting ownership of manufactured homes but may not be aware of MH’s benefits and how the buying process differs from buying a site-built home. We facilitated a workshop that covered the fundamentals of MH and educating clients interested in purchasing MH. We intend to encourage housing counselors to participate more actively in the MH ecosystem.

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

Freddie Mac established aggressive loan purchase targets relative to the latest housing market forecasts when we finalized our 2025-2027 Duty to Serve Plan. Since then, Federal Housing Administration (FHA) and USDA Single-Family Guaranteed Loan Program policy changes, the economic environment, and continuing housing affordability challenges have driven down loan originations on MH titled as real property overall.

FHA raised the loan limit for MH (home and land) in March 2024 for the first time in 15 years, from less than \$93,000 across the board to \$237,096 for multi-section and \$148,909 for single-section homes. In addition, existing MH became eligible for USDA’s Single-Family Housing Guaranteed Loan Program in May 2025. As a result, lenders have shifted significantly from conventional to government mortgages. For example, 2024 Home Mortgage Data Act data show that the top three MH lenders either retained their loans or mainly originated government loans. Information on these policy changes and how they would affect the conventional market was unavailable when we set our 2025-2027 MH baseline and loan purchase targets.

The availability and cost of homes also constrain affordable mortgage lending to individuals earning 100% of area median income or less. MH shipments have been below 100,000 units annually in all but three years since 2006; they consistently exceeded 250,000 units annually before 2000.<sup>1</sup> Home prices continued to climb, in part because of the housing supply gap. Labor, materials, and land shortages expand the time and costs of building new and repairing or renovating existing homes, also affecting

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<sup>1</sup> U.S. Census Bureau data

home prices. In addition, repairing and rebuilding homes following natural disasters consumes substantial amounts of construction resources. MH shipments declined more than 13% year over year through November, seasonally adjusted, according to the Manufactured Housing Institute (MHI).

Also, a lack of affordable capital constrains the acquisition, development, and construction of developments using MH.

FHFA's MH House Price Index showed about a 3% rise from Q4 2024 through Q3 2025, not seasonally adjusted. Also, mortgage rates have remained between 6% and 7% over the last year, according to Freddie Mac's Primary Mortgage Market Survey<sup>®</sup>, higher than earlier forecasts and leading to lower loan origination volumes than expected. At the end of 2025, around 70% of U.S. homes with outstanding mortgages had fixed rates of 5% or lower, and slightly more than half had rates of 4% or below, according to Realtor.com. Many existing MH owners stay in their homes because they feel "locked in place," unable to afford to move in the current environment. This further reduces for-sale inventory.

Other costs of homeownership have risen sharply, too, making a first-time or move-up home unaffordable for many households. The average annual home insurance premium grew by 14% in 2024 and 57% over the past five years. Property taxes increased 12% between 2021 and 2023, on average; increases by state ranged from 5% to 37%. Increases in insurance costs and property taxes tended to be greater for lower-income households than others.<sup>2</sup> These expenses have continued to rise since this research was conducted.

MH is more prevalent in rural areas than elsewhere, and while home prices tend to be lower in rural areas, affordability is low, given comparative incomes and economic conditions. To support their communities, some lenders in rural areas offer mortgage terms that do not meet GSE standards and hold the loans in portfolio.

Many homebuyers opted for other financing solutions. During a panel discussion at the 2025 MHI Congress & Expo, one MH lender said his organization's chattel, also known as home-only (titled as personal property), financing business had increased 25% year over year; the other panelists reported similar growth in the home-only lending space.

Wage growth has not kept pace with home prices and cost of living, putting homeownership further from reach for many potential homebuyers. From December 2024 through December 2025, average real wage growth, adjusted for inflation, was 1.1%.<sup>3</sup>

Our strategic efforts intended to accelerate MH loan purchases brought us within around 300 loans – just 5% short – of our target. However, the external pressures affecting the conventional MH mortgage market kept our target out of reach.

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<sup>2</sup> Harvard Joint Center for Housing Studies, *2025 State of the Nation's Housing*

<sup>3</sup> U.S. Bureau of Labor Statistics