

Exhibit D:  
**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC  
 MANUFACTURED HOUSING  
 2025  
 LOAN PRODUCT

**ACTIVITY:**

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

**OBJECTIVE:**

B - Design Product Flexibilities to Facilitate the Origination of Mortgages 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 goals under this objective to explore opportunities to enhance Freddie Mac’s manufactured housing (MH) offerings and to create a curriculum intended to increase developers’ knowledge and capabilities to use MH in residential developments and infill projects.

<b>Objective’s components detailed in the Plan</b>	<b>Corresponding actions or deliverables</b>
1. Gather feedback from manufacturers, lenders, and other market participants on Freddie Mac’s manufactured home loan offerings. Review and identify potential policy updates to our <i>Single-Family Seller/Service Guide</i> .	<b>Completed</b> <ul style="list-style-type: none"> <li>• Gathered feedback from four manufacturers through working sessions.</li> <li>• Gathered feedback from retailers, developers, manufacturers, lenders, and manufactured housing community owner/operators during an industry conference session.</li> <li>• Gathered feedback from about 120 individual lenders during outreach calls.</li> <li>• Reviewed Freddie Mac call center logs to gain insights from questions frequently asked by lenders.</li> <li>• Gathered feedback during webinars based on questions asked by participants. Example the main areas of interest include allowing an MH accessory dwelling unit (ADU) with an MH as the primary, temporary buydowns, the same loan-to-value ratio as site-built homes, and cash-out refinance transactions with a 30-year term.</li> </ul>
2. Publish two policy updates based on feedback gathered. Promote product enhancements to raise awareness and encourage	<b>Completed</b> <ul style="list-style-type: none"> <li>• Published five policy updates based on industry feedback, three more than outlined in our Plan:</li> </ul>

<p>adoption. Channels may include, for example, conferences and events, webinars, tutorials, e-mail to target audiences, web content, and articles.</p>	<ul style="list-style-type: none"> <li>○ Removed the requirement for reciprocal project approval for single-section homes in a planned unit development (PUD).</li> <li>○ Allowed the use of temporary subsidy buydowns for mortgages secured by MH.</li> <li>○ 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.</li> <li>○ Expanded CHOICEHome mortgage eligibility to allow single-section homes that meet construction criteria.</li> <li>○ Expanded policy to allow an MH ADU with a manufactured home as the primary residence.</li> <li>● Conducted extensive outreach and education to promote new and existing offerings through in-person events, webinars, and on-demand tutorials.             <ul style="list-style-type: none"> <li>○ Reached nearly 1,500 originators and operations staff members through webinars, many of which were requested by and customized for individual lender institutions.</li> <li>○ Delivered webinars and tutorials to about 2,300 mortgage professionals through Freddie Mac Learning.</li> <li>○ Educated more than 1,300 lenders, real estate professionals, and other industry professionals through in-person at conferences and events.</li> </ul> </li> <li>● Shifting priorities around Freddie Mac’s on-line presence and external interactions limited additional promotional activities.</li> </ul>
<p>3. Collaborate with a non-profit organization to complete development of a manufactured housing curriculum for the Develop the Developer Academy. Incorporate the manufactured housing curriculum into the existing Develop the Developer Academy curriculum.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>● Engaged Next Step to develop a manufactured home curriculum for Freddie Mac’s Develop the Developer<sup>SM</sup> (DTD) Academy program.</li> <li>● Drafted the curriculum and had it peer reviewed by industry subject matter experts with experience in developing for-sale MH residential developments.</li> <li>● Finalized the six-module curriculum:             <ol style="list-style-type: none"> <li>1. MH 101</li> <li>2. Predevelopment: Laying the Groundwork for New Development Activities</li> <li>3. The Next Step Home: Ensuring Quality from Start to Finish</li> <li>4. Capital Development: How to Source, Build and Manage an Effective and Sustainable Project Capital Stack</li> <li>5. Let’s Build: Managing Construction Efforts Both On-site and Off-Site</li> <li>6. Marketing and Selling: Why Homeownership Services Matter</li> </ol> </li> <li>● Beyond activities stated in our 2025 Plan, offered two virtual sessions of MH 101 to Develop the Developer Academy graduates in three markets: Baltimore; Omaha, Nebraska; and Richmond, Virginia. A total of 20 graduates attended, representing nearly 30% of graduates invited.</li> </ul>
<p>4. Explore the feasibility of introducing product enhancements to encourage small-balance mortgage lending on manufactured homes.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>● Analyzed Freddie Mac’s 2023 research findings to identify key themes in barriers to small-balance lending. Also analyzed Pew’s findings in its 2023 issue brief, “<a href="#">Small Mortgages Are Too Hard to Get</a>”, to identify barriers.</li> </ul>

<ul style="list-style-type: none"> <li>a. Analyze the findings of Freddie Mac research conducted in 2023.</li> <li>b. Gather feedback from 10 industry participants, including community development financial institutions and at least one Federal Home Loan Bank.</li> <li>c. Determine potential new product features, if needed, and the feasibility of developing and implementing them.</li> </ul>	<ul style="list-style-type: none"> <li>• Gathered feedback from industry participants from various parts of the ecosystem to identify challenges in small-balance lending for MH, exceeding our stated goal.               <ul style="list-style-type: none"> <li>○ Interviewed staff members from a non-profit intermediary, a credit union that offers home-only financing, Pew Research, and a community development financial institution (CDFI).</li> <li>○ Discussed MH with staff members from five Federal Home Loan Banks (FHLBs).</li> <li>○ Interviewed lenders during the Manufactured Housing Institute (MHI) Congress &amp; Expo.</li> <li>○ Conducted a survey of lenders during the MH breakout sessions at FreddieMacCONNECT.</li> </ul> </li> <li>• Determined that MH loan offerings present no unique barriers to financing low loan balances when compared to other conventional mortgage offerings. Freddie Mac will not pursue a specific small-balance loan offering for MH.</li> </ul>
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SELF-ASSESSMENT RATING OF PROGRESS:

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

PARTIAL CREDIT JUSTIFICATION:

Not applicable.

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 achievements under this objective laid the foundation to make a very large impact on the MH market.

## Feedback and Policy Updates

The feedback collected from lenders, manufacturers, retailers, and other stakeholders from across the MH ecosystem gave us valuable insights and perspectives on how we might update our offerings to enhance support for the MH market. Our information-gathering efforts also showed our commitment to this market and provided an opportunity for a wide range of industry participants to have their voices heard.

The five policy updates that we introduced were based on industry input and will help increase process efficiency, housing affordability, housing supply, and lending to support ownership of manufactured homes, exceeding the goal stated in our Plan.

Our expansion of CHOICEHome eligibility to include single-section homes was first to the market and greeted with industry fanfare. (See a partial media listing at the end of this narrative.) MH industry participants across the ecosystem consider CrossMod<sup>®</sup> homes essential to advancing the acceptance and usage of MH. Manufacturers, for example, called our announcement a “game changer” for the industry. Having this financing option encourages manufacturers to build CrossMod homes that can be delivered at a more affordable price point than multi-section CrossMod homes. Some of them have said that they will begin to design and produce additional single-section CHOICEHome designs.



At the Homes on the Hill event during HUD’s Innovative Housing Summit

This focus could help increase housing supply and create homeownership opportunities for potential homebuyers who otherwise are priced out of the market or looking for smaller homes. In addition, developers may be more inclined to use single-section CHOICEHome-eligible homes in infill and greenfield developments. A number of them have told us that they are interested in this possibility. Some home lots cannot accommodate multi-section homes. Using single-section homes will allow them to include more units in their development plans.

Another policy update intended to boost CHOICEHome originations: We now accept Fannie Mae’s MH Advantage<sup>™</sup> label as evidence that the home is eligible for CHOICEHome financing, which increases efficiencies for manufacturers and lenders as well as create more financing options for homebuyers. More specifically, manufacturers no longer need to go through the process of obtaining labels from both GSEs. And, if they placed only the MH Advantage label but the homebuyer chooses CHOICEHome financing, manufacturers save the time and expense of reviewing the build specifications and dispatching an authorized representative to apply the CHOICEHome label. Also, lenders may offer potential borrowers more financing options, which could lead to more business for lenders and more affordable homeownership for homebuyers.

Input from manufacturers, developers, and lenders also led us to allow an MH ADU with MH as the primary residence. This flexibility will help increase housing density, accommodate multi-generational households, and enable MH owners to add a rental unit to their properties that generates income

Eliminating the requirement for lenders to perform a reciprocal review of a PUD project gives the lender autonomy to decide whether the PUD meets Freddie Mac requirements, which saves lenders time and reduces their cost to originate loans.

In addition, allowing lenders to implement a temporary buy-down option for MH mortgages, and thereby reduce the interest rates, helps increase affordability for homebuyers and homeowners.

Because of our outreach and education efforts, more lenders and other industry professionals know about our MH offerings and how they could be used to help more people realize affordable homeownership. We emphasized interactive forums – such as webinars, tailored discussions, and conferences – to give participants opportunities to ask questions and gain clarity on our offerings and recent policy changes. As an example of the benefits of our efforts, one lender who attended a webinar reported that learning about a recent policy change equipped him to accept a mortgage application from a customer whose request he had denied earlier that week. Answering participants’ questions and engaging in conversations during these events also raised opportunities to review and update some of our policies. For example, a question about why we did not allow standard MH as the primary residence with an ADU led us to revisit the policy and revise it.

### **Develop the Developer MH Curriculum**

The Develop the Developer MH curriculum developed in collaboration with Next Step will increase developers’ abilities to successfully plan and execute residential housing projects by providing a standardized curriculum as well as unique support that can be adapted to local market needs. The curriculum begins with an introductory module that provides a robust overview of MH and its benefits as a housing solution, followed by five modules that offer in-depth information on the various aspects of creating residential developments using MH. Above and beyond activities stated in our Plan, Next Step delivered two virtual sessions of the MH 101 module to graduates of the Richmond, Omaha, and Baltimore academies. In total, 20 graduates attended – about 30% of those invited. One developer in the Tulsa market who participated in the 2024 pilot has begun a project using manufactured homes and is completing the rest of the curriculum.

### **Small-balance Loan Assessment**

Our assessment of small-loan balance lending stemmed from Freddie Mac’s commitment to affordable lending and seeking to understand whether a new offering might be needed to help lower the cost of originating small-balance loans on MH. The research that we analyzed and industry participants we engaged provided us with quantitative and qualitative insights into this part of the market.

Interestingly, we found no unique barriers to originating small-balance MH loans. Barriers are the same across property types and include, but are not limited to, the condition of the property as well as the borrower’s ability to obtain funds for down payment, debt-to-income ratio, and credit history. Accordingly, Freddie Mac decided not to develop a small-balance loan offering specifically for MH; rather, we will explore potential enhancements to existing offerings to help address the common challenges. In addition, we will continue to look for ways to streamline processes and increase efficiencies that could help reduce lenders’ origination costs.

## **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 through our extensive outreach efforts that FHLBs may not allow manufactured homes under their offerings. Additionally, FHLBs defer to their members to answer questions about barriers to small-balance loan originations because the FHLBs are investors, not loan originators.

We learned that inviting Developer Academy graduates to take MH 101 when they begin project site planning – before offering them the rest of the MH curriculum – may inspire more developers to consider using MH for their development projects and to complete the MH curriculum. Next Step offered draft version of the MH 101 module to graduates during the 2024 pilot test. Because participating developers did not yet have projects under way, however, the learning was not immediately applicable. Introducing MH during the site planning phase will help participating developers realize the potential of using MH and provide immediate opportunity to apply the knowledge gained. By deciding to move forward with the remaining modules after that, participating developers will be equipped to apply the new knowledge and skills and facilitate their developments' progress more effectively. Developers also shared that they did not know before the training about specific MH ADU floor plans or that they could use MH ADUs in their developments to reduce costs and save time.

We also learned that barriers to small-balance mortgage lending are the same for MH and for site-built single-family homes. These include, but are not limited to, the condition of subject property as well as the potential borrower's credit profile, lack of down payment funds, and debt-to-income ratio. In addition, certain lenders – including credit unions and community development financial institutions – have more flexibility than other lenders to use their portfolios to serve small-balance loans. Based on our assessment of Pew's and our own research as well as feedback from industry participants from across the ecosystem, we concluded that exploring enhancements to existing policies would be a more effective means of lowering barriers and increasing support for small-balance MH loans than creating a new mortgage product for that purpose. Our findings will factor into future business decisions.

In our conversations with MH lenders who offer home-only financing, we also learned they feel that home-only products sufficiently support small-balance lending for MH. Freddie Mac will continue our efforts in all corners of the ecosystem to promote the benefits of titling MH as real property and conventional mortgage lending as an affordable financing option.

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

Not applicable.

**Media on single-section CrossMod:**

**National Mortgage News**, "[Why there's renewed interest in financing factory-built homes](#)"

**ManufacturedHomes.com**, "[Freddie Mac Expands CHOICEHome to Include Single-Section Homes](#)"

**MBA NewsLink**, "[MBA Advocacy Update: GSEs Expand Housing Finance](#)"

**HousingWire**, "[Freddie Mac expands CHOICEHome financing options to boost affordable housing](#)"

**Scotsman Guide**, "[Freddie Mac adds single-wide manufactured homes to its CHOICEHome lending program](#)"

**Inside Mortgage Finance**, "[Short Takes: Freddie Expands Financing for Manufactured Homes](#)"

**Homes.com**, "[Roundup: Freddie Mac expands financing for factory homes; Feds give boost to low-income housing](#)"

**MortgagePoint**, "[Freddie Mac Initiative Targets Low-Cost, Factory-Built Homes](#)"

**WRE News**, "[Freddie Mac Expands CHOICEHome Mortgage Program to Single-Section Manufactured Homes](#)"

**The Mortgage Note**, "[Freddie Mac To Finance Single-Wides Through CHOICEHome](#)"

**Industry reaction:**

**Mortgage Bankers Association's Advocacy Newsletter:** "MBA supports Freddie Mac's expansion of its housing finance options to enhance affordable housing supply and help first-time and lower-income buyers enter the market. ..."

**Clayton Homes press release:** "We join the entire industry in celebrating Freddie Mac's significant effort to add the single-section home design to their CrossMod mortgage program," said Kevin Clayton, CEO. ..."

**Clayton Homes on LinkedIn:** "... Thank you, Freddie Mac, for your ongoing commitment to making homeownership attainable for all! ..."

**Manufactured Housing Institute (MHI) press release:** "Freddie Mac's inclusion of single-section CrossMod® homes in the CHOICEHome program is a meaningful advancement for increasing the supply of attainable housing in the country," said Lesli Gooch, MHI CEO. ..."

**Next Step on LinkedIn:** "Big news today from our friends at Freddie Mac! They've announced that they are expanding their CHOICEHome® conventional financing options to include modern single-section CrossMod® homes. Next Step applauds the leadership at Freddie Mac for this move. ..."

**Social media:**

**X/Twitter**

**Scotsman Guide (also on LinkedIn and Instagram):** “Freddie Mac adds single-wide manufactured homes to its CHOICEHome lending program.”

**NextHome Residential (also on LinkedIn):** “Freddie Mac expands CHOICEHome financing options to boost affordable housing <https://housingwire.com/articles/freddie-mac-expands...>”

**MortgagePoint (also on LinkedIn):** “By expanding its CHOICEHome conventional financing options, @FreddieMac seeks to boost housing inventory, while providing lenders with innovative financing options.”

**The Mortgage Note (also on LinkedIn):** “Freddie Mac has moved to make borrowing for factory-built homes easier, aiming to increase affordability for rural and low-income Americans.”

**YouTube**

**Mortgage Marketing Animals:** “BREAKING NEWS: Freddie Mac is now accepting single wide mobile homes under their ChoiceHome product. This change is effective immediately and creates new opportunities for affordable homeownership.”