

Exhibit B:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
RURAL HOUSING
2025
LOAN PURCHASE

ACTIVITY:

Activity 3 - Support for High-Needs Rural Populations: Regulatory Activity

OBJECTIVE:

Objective A - Purchase Single-Family Loans to Members of Federally Recognized Native Tribes in Tribal Areas

INFEASIBILITY:

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

SUMMARY OF RESULTS:

Freddie Mac exceeded our 2025 target under this objective for purchases of loans to members of federally recognized Native tribes in tribal areas.

In total, we provided \$2 million in liquidity to purchase six Duty to Serve-qualified purchase-money loans, surpassing our target of five loans by 20% and our baseline of zero loans. One-third of the loans helped low-income households buy homes.

Three additional loans purchased – two purchase-money and one refinance loans – helped Native households realize affordable homeownership but did not count toward our target. The borrowers' incomes exceeded the qualifying limit. Our HeritageOne® mortgage product purposely does not limit borrower income to allow for the greatest market impact, based on industry feedback.

We more than doubled our loan purchases in this market year-over-year.

Also in 2025, four lenders adopted the term of business (TOB) to offer HeritageOne, bringing the total number of lenders to 14.

Freddie Mac achieved these results under challenging conditions. Concentrations of poverty in tribal areas may prevent many Native households earning 100% of AMI or less from pursuing or achieving homeowners. Compounding matters, for-sale housing is in very short supply on tribal lands, which severely limits opportunities to purchase loans for homes in these areas in general and pushes up home prices. Further reducing affordability, interest rates stayed between 6% and 7% throughout the year, according to Freddie Mac's Primary Mortgage Market Survey®, and homeowner's insurance costs continued to rise.

In addition, lenders often try to qualify a potential borrower for a HeritageOne loan only after confirming ineligibility for a HUD 184 loan. Because of this, the HeritageOne loans that lenders deliver to Freddie Mac often do not qualify for Duty to Serve credit.

We drove loan purchases in this market through a multi-pronged approach. We conducted extensive outreach and education to raise awareness of and interest in HeritageOne, informing our lenders and other industry professionals of the benefits of our mortgage product offerings and resources to help them grow their businesses. When lenders were approved for our HeritageOne TOB, we helped them navigate the adoption, loan origination, and delivery processes as well as to identify and clear any roadblocks. We also updated the TOB to help make the product easier to use and increase affordable lending on tribal lands.

The particularly challenging circumstances surrounding mortgage lending in tribal areas led us to revise our outreach strategy mid-year to help ensure that we would meet or exceed our target under this objective. Through coordinated, data-driven, high-touch efforts, we significantly increased our lender outreach activities as well as targeted certain lenders and potential aggregators to encourage additional loan deliveries. When these efforts did not result in additional qualifying HeritageOne loan purchases, we worked with lenders to encourage deliveries of HUD 184 loans.

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

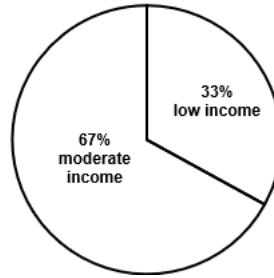
IMPACT EXPLANATION:

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 actions under this objective made, and laid the foundation to make, a very large impact on this market. We broadened access to credit, expanded our network of lenders and paths to the secondary market, provided liquidity, and increased awareness and acceptance of HeritageOne across the tribal housing ecosystem. The liquidity that we provided made a significant positive difference, given the market’s very small size.

As a result of the resources and collaborative efforts that we devoted to expanding responsible lending in this market, we helped low- and moderate-income households finance homes on tribal lands:

Percentage of DTS HNRP Loan Purchases
by Income Level



Of the loans purchased in this market in 2025, two-thirds, or 67%, helped create first-time homebuyers, compared to 51% of Freddie Mac Single-Family loan purchases overall.

Our hard work and collaboration generated important results toward our 2025 objectives as well as laid the foundation for greater positive impact going forward.

For example, having four more lenders adopt the HeritageOne TOB significantly increased the potential for affordable lending to Native homebuyers in tribal areas. Our work with aggregators to foster relationships with smaller lenders and Native community development financial institutions (CDFIs) helped create indirect as well as direct channels for HeritageOne loans. As a result, more lenders have access to solutions for financing homes in their communities and gained a means for selling loans to the secondary market, thereby increasing potential market liquidity and homeownership opportunities.

Repeated, personalized conversations and technical assistance were required in some cases to bring lenders on board and roll out the product. Working collaboratively with lenders and other stakeholders, we gained deeper insight into the issues, explored potential solutions, and helped overcome start-up challenges.

Our achievements under this objective reflect our leadership and commitment to supporting lending and sustainable homeownership opportunities for Native people in tribal areas:

- Stepped up engagement with lenders that serve Native communities to encourage them to adopt and use our offerings and to sell loans to Freddie Mac.
- Continued to conduct extensive industry outreach and education to raise awareness, adoption, and effective usage of our offerings that promote affordable lending and access to credit for sustainable homeownership through in-person events, webinars, and on-demand tutorials.
- Strategically reached out to lenders that serve Native communities to encourage them to deliver Duty to Serve-qualifying loans to Freddie Mac.
- Strategically reached out to lenders that serve Native communities to help expand our direct and indirect delivery channels.

Because of our Duty to Serve efforts, Freddie Mac made a very large impact in tribal areas:

- Lenders have an option in addition to HUD Section 184 for financing homes on tribal lands.
- More members of federally recognized Native tribes achieved responsible homeownership.
- More members of federally recognized Native tribes purchased homes for the first time.
- More lenders are supporting affordable mortgage lending to members of federally recognized tribes in tribal areas.
- More members of federally recognized Native tribes have the opportunity to finance homes on tribal land with an affordable conventional mortgage product.

- More lenders have access to the secondary market, more financing options, and more confidence in lending.

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 the importance of building a network of aggregators able to give smaller lenders access to HeritageOne and to the secondary mortgage market. Tribal areas largely are served by smaller lenders that may be unable to be direct Freddie Mac sellers and to enter the HeritageOne TOB with us. Our work to encourage certain lenders to serve as aggregators and to allow aggregators to extend their TOBs to third-party originators created the potential for many more lenders to offer HeritageOne to their communities and then sell those loans through to Freddie Mac rather than holding them in portfolio. This approach expands support for Native homeownership in tribal areas and lays the foundation for greater market liquidity.

We also were reminded that income levels and the lack of for-sale homes in tribal areas seriously limit homeownership opportunities for members of federally recognized tribes. According to the U.S. Census Bureau, an average of around one in five American Indians and Alaska Natives live in poverty.¹ The Native poverty rate in every state is higher than the overall U.S. average of around one in 10. In South Dakota, the Native poverty rate exceeds 45%.² Consequently, homeownership is beyond reach for many people in tribal areas. A lack of existing for-sale homes and new construction on tribal lands make housing even less available and affordable. Freddie Mac is exploring opportunities to expand our Develop the DeveloperSM program to help increase the capacity and capabilities needed to build new or renovate existing homes in tribal areas.

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

Not applicable.

¹ <https://www.census.gov/library/publications/2025/demo/p60-287.html>

² <https://worldpopulationreview.com/state-rankings/native-american-poverty-rate-by-state>