

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

FREDDIE MAC  
 RURAL HOUSING  
 2025  
 LOAN PRODUCT

**ACTIVITY:**

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

**OBJECTIVE:**

B - Develop Product Flexibilities to Facilitate Loan Originations for 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 goals under this objective to gather feedback on our HeritageOne® mortgage, determine a product enhancement based on that input, add a lender to the HeritageOne term of business (TOB), and continue our support for Native coalitions. Above and beyond our planned actions, we enhanced our policies to waive the Security Instrument Rider to the Bureau of Indian Affairs (BIA) for mortgaged premises on fee simple land, in response to industry feedback.

<b>Objective’s components detailed in the Plan</b>	<b>Corresponding actions or deliverables</b>
<p>1. Work in collaboration with at least two of our existing non-profit partners, the FHLBs, the lending community, Native American Advisory Council, and Native homeownership coalitions to engage with lenders, tribal leadership, and TDHEs to socialize the product, identify additional down-payment assistance opportunities, and share best practices.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Collaborated with existing non-profit partners and other organizations to socialize our HeritageOne product, identify additional down-payment assistance opportunities, and share best practices.</li> <li>• In collaboration with an existing non-profit partner, South Dakota Native Homeownership Coalition (SDNHC), delivered a webinar, “<a href="#">How Native CDFIs Can Expand Housing Loan Options through Freddie Mac’s HeritageOne</a>”, to Native community development financial institutions (CDFIs), loan officers, tribally designated housing entities (TDHEs), and others in SDNHC’s member base. Covered HeritageOne, an overview of the relationship between third-party originators (TPOs) and aggregators, down-payment assistance opportunities, and best practices.</li> <li>• In collaboration with an existing non-profit partner, Oweesta, delivered a webinar, “Advancing Lending in Indian Country with Freddie Mac’s HeritageOne”, to Native CDFIs, housing counselors, funding agents, and</li> </ul>

	<p>TDHEs in their network. Covered HeritageOne, down-payment assistance opportunities, and best practices.</p> <ul style="list-style-type: none"> <li>• In collaboration with Federal Home Loan Bank of Des Moines, Lahaina Community Land Trust, and Fahe, developed and coordinated delivery of a session for Oweesta’s Native CDFI Capital Access Convening. The session, “Because One Size Doesn’t Fit All: Homeownership Solutions to Suit Varying Need”, covered HeritageOne, down-payment assistance opportunities, best practices, and innovative housing solutions.</li> </ul>
<p>2. Provide HeritageOne to at least one additional lender via a negotiated TOB. Provide technical assistance to support the lender in implementing and using the product effectively.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Entered the TOB with four additional lenders, bringing the total to 14 and exceeding our minimum goal by three.</li> <li>• Delivered comprehensive technical assistance to the four lenders. <ul style="list-style-type: none"> <li>○ Covered procedures.</li> <li>○ Clarified compliance requirements.</li> <li>○ Demonstrated system functionalities.</li> <li>○ Provided job aids.</li> <li>○ Answered questions as needed.</li> </ul> </li> </ul>
<p>3. Collect HeritageOne loan data and analyze loan performance to help inform a potential product enhancement.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Reviewed characteristics of the HeritageOne loans purchased to support homeownership among members of federally recognized Native tribes in tribal areas.</li> <li>• Because of the small number of loans purchased since product launch and the short time that HeritageOne has been in the market, gained limited insights from loan data. All loans were performing.</li> <li>• Will continue to monitor and assess loan data and performance.</li> </ul>
<p>4. Obtain feedback on the product.</p> <ol style="list-style-type: none"> <li>a. Survey all lenders with the TOB to determine usability in the market.</li> <li>b. Hold at least three focus groups with industry partners and Native housing intermediaries to gather feedback on potential enhancements.</li> </ol>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Surveyed the lenders with the TOB to determine the usability of HeritageOne in the market.</li> <li>• Conducted three focus groups with a total of four industry participants representing various parts of the ecosystem to gather feedback on potential enhancements to HeritageOne: <ul style="list-style-type: none"> <li>○ Four Bands Community Fund and Lakota Funds</li> <li>○ BIA</li> <li>○ Sovereign Council of Hawaiian Homestead Associations</li> </ul> </li> <li>• Made or planned to make enhancements based on the feedback received, keeping safety and soundness in mind.</li> </ul>
<p>5. Determine at least one potential product enhancement based on findings from the assessments conducted.</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Analyzed feedback gathered through the loan data analysis, survey of TOB holders, and working sessions with industry participants.</li> <li>• Determined potential product enhancements intended to facilitate mortgage lending in tribal areas.</li> <li>• Based on feedback, developed and introduced a policy to waive the Security Instrument Rider to the BIA for fee simple land, in alignment with general market practice.</li> </ul>
<p>6. Continue to support existing and emerging Native housing coalitions. Convene tribal</p>	<p><b>Completed</b></p> <ul style="list-style-type: none"> <li>• Continued to support existing Native housing coalitions (South Dakota Native Homeownership Coalition, Wisconsin Indigenous Housing &amp;</li> </ul>

<p>housing stakeholders to discuss topics related to challenges, opportunities, and potential barriers and solutions.</p>	<p>Economic Development Corporation, and Tribal Homeownership Coalition of the Southwest) as well as emerging coalitions (Montana Native Homeownership Coalition and Idaho Native Homeownership Coalition).</p> <ul style="list-style-type: none"> <li>• Through collaboration with Enterprise Community Partners, participated on steering committees and subcommittees of four coalitions that aim to further the development and reach of Native-focused state coalitions. Committee goals are to address capacity issues, develop best practices, and identify and fill gaps in Native communities’ housing systems:             <ul style="list-style-type: none"> <li>○ South Dakota Native Homeownership Coalition</li> <li>○ Tribal Homeownership Coalition of the Southwest</li> <li>○ Montana Native Homeownership Coalition</li> <li>○ Idaho Native Homeownership Coalition</li> </ul> </li> <li>• Participated in events focused on promoting Native homeownership:             <ul style="list-style-type: none"> <li>○ Presented at the Lakota Construction Summit on appraisal challenges, solutions, and opportunities for Native American construction enterprises.</li> <li>○ Presented during the Mortgage Lending on Tribal class at the NeighborWorks Training Institute about the secondary mortgage market and HeritageOne.</li> <li>○ Participated in the Native Community Development Financial Institution (CDFI) Network California Native Partnership Gathering to reinforce our commitment to Native communities, strengthen relationships, and promote our offerings.</li> <li>○ Participated in Opportunity Finance Network’s Native Gathering Day, hosted by Oweesta, to reinforce our commitment to Native communities, strengthen relationships, and promote our offerings.</li> <li>○ Presented at WIHEDC’s Annual Convening to reinforce our commitment to Native communities, strengthen relationships, and promote our offerings.</li> </ul> </li> <li>• Shifting priorities around Freddie Mac’s external interactions limited additional activities related to conferences and convenings.</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 large impact on conventional mortgage lending to members of federally recognized Native tribes in tribal areas and the amount of liquidity flowing to these communities.

**HeritageOne Socialization**

Because of our outreach and education efforts, more lenders and other industry professionals know about our offerings and how they could be used to help more members of federally recognized tribes attain and sustain homeownership in tribal areas. 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. Structuring our session at Oweesta’s Native CDFI Capital Access Convening in Hawaii in a panel format afforded attendees an opportunity to learn how collaboration across the ecosystem increases market support and solutions. Panelists represented the Federal Home Loan Bank of Des Moines, a district encompassing many tribal areas; Lahaina Community Land Trust, which is implementing innovative housing solutions following devastating wildfires; and Fahe, a community development financial institution supporting Middle Appalachia, a high-needs rural region.

**HeritageOne TOB Adoption**

Those socialization efforts combined with our extensive personalized outreach led to four additional lenders entering the HeritageOne TOB, three more than our minimum target. A total of 14 lenders have entered the TOB, which gives each of them options for financing homes on tribal land, allows them to help create homeownership opportunities for more people, and provides access to HeritageOne across geographies.

**Data and Feedback Gathering and Analysis**

Our assessment of loan purchase and performance data stemmed from Freddie Mac’s commitment to affordable lending in tribal communities and desire to understand how we might help increase it. Given the very short amount of time that we have been purchasing loans in tribal areas and the nature of this market, we had few loans to analyze – not enough to spot trends or draw meaningful conclusions. That said, we found:

- Five of the seven Duty to Serve-qualified loans purchased in total in 2024 and 2025 supported first-time homebuyers.

- More than two-thirds of the loans supported moderate-income homebuyers and one-third supported low-income homebuyers; poverty levels in many tribal areas prevent people earning area median income (AMI) or less typically cannot afford to buy homes.
- Most of the homebuyers made down payments of less than 20%.
- Reasons for Duty to Serve-eligible loans not qualifying toward our loan purchase targets: exceeding the AMI limit, being refinance transactions.
- All loans are performing.

To add to what we learned from loan purchase data, the feedback collected from HeritageOne TOB holders and other stakeholders from across the ecosystem gave us valuable insights and perspectives on the usability of our offerings and potential areas for enhancement. Our information-gathering efforts also showed our commitment to this market, provided a forum for a wide range of industry participants to have their voices heard, and reinforced relationships and trust.

### **Additional HeritageOne Flexibilities**

Some of the feedback resulted not only in future product enhancements for consideration, but also immediate implementation of certain flexibilities that help streamline processes and increase efficiency. Above and beyond planned activities, we worked with lenders to overcome obstacles that made it difficult for them to originate conventional mortgages.

### **Support for Native Coalitions**

Engagement within and across the ecosystem promotes the collaboration and knowledge sharing that are essential to progress in this market. By maintaining ongoing involvement with Native coalitions, we create opportunities to build and reinforce trusting relationships, exchange ideas, and showcase solutions intended to help move homeownership forward in tribal lands. Our active engagement in these and other venues raises our visibility as thought leaders and advocates for positive change as well as further demonstrates our commitment to working with Native organizations to benefit Native communities. As a result, coalitions have greater capacity to fulfill their missions and members have more information and tools that can help expand their support for homeownership as well as their access to liquidity. In addition, coalition members have opportunities to influence the evolution of our offerings to better support lending that makes homeownership attainable and sustainable for more people in their communities.

## **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 gathering feedback from industry participants that a combination of incremental refinements to product offerings over time plus collaboration across the ecosystem are required to increase mortgage lending and liquidity in tribal areas. By maintaining open communications, we become aware of areas for potential improvement and incorporate suggestions to better serve the market, while maintaining safety and soundness. No single change will transform the market.

Industry participants we spoke with are challenged to gain traction with HeritageOne. Some of their suggestions related to potential efficiency improvements, one of which we implemented. We are considering other feedback as we determine future TOB enhancements. suggestions indicated participants' lack of awareness of existing flexibilities or related offerings. We will consider this as we plan future outreach and education efforts.

On the other hand, some of the challenges and requests raised during feedback conversations are outside of Freddie Mac's scope. For example, offering 100% financing, removing mortgage insurance

requirements, the long-standing housing supply crisis in tribal areas, and complexities associated with BIA processes.

Appraisals were another frequent topic. We took the opportunity to promote the curriculum focused on appraising properties on tribal lands, which we developed in collaboration with the Appraisal Institute and the South Dakota Native Homeownership Coalition.

Furthermore, HUD 184 remains the default first option. Lenders are most familiar and comfortable with this product and tend to try to qualify homebuyers for this mortgage product before turning to HeritageOne.

The feedback also points to an early lesson that we are reminded of throughout our efforts in this underserved market: Continuous collaboration and education are essential to promoting understanding, adoption, and use of our offerings that support attaining and sustaining Native homeownership in tribal areas. This is important in all Duty to Serve markets, but especially in the Native space because of its very small size, the remoteness of many tribal lands, the small lenders that tend to serve this market, and the importance of building and maintaining trusting relationships with stakeholders. Our involvement with Native coalitions and long-term relationships with non-profit housing intermediaries along with our strategic, integrated approach to outreach and education have been and continue to be critical to moving the Native housing market forward.

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

Not applicable.