

Exhibit F:  
**Annual Investments Narrative Reporting Template**

FREDDIE MAC  
RURAL HOUSING  
2025  
INVESTMENT

**ACTIVITY:**

Activity 2 – Support for High-Needs Rural Regions: Regulatory Activity

**OBJECTIVE:**

Objective C: Engage in LIHTC Equity Investment

**INFEASIBILITY:**

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

**SUMMARY OF RESULTS:**

In 2025, Freddie Mac exceeded our Low-Income Housing Tax Credit (LIHTC) equity investments target with nine LIHTC equity investments supporting High-Needs Rural Regions (HNRR), exceeding our target of six transactions. These investments support highly affordable housing for the most difficult to serve areas in rural markets. Through our \$121 million investment, we supported the creation and rehabilitation of 673 LIHTC equity units across seven states. The baseline for this objective is six transactions.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
6 Transactions	9 Transactions

**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?**

In 2025, Freddie Mac financed nine LIHTC equity transactions in HNRR, exceeding our target of six transactions. These investments supported the creation of 673 LIHTC units across 7 states and are part of our larger LIHTC equity investment across rural areas, which covered fourteen states. These investments are uniquely impactful because HNRR have been challenged in their efforts to develop affordable multifamily housing due to sustained underinvestment.

Freddie Mac has provided strong and consistent support to the LIHTC equity market since 2018, and by focusing a meaningful portion of our investment capital in HNRR, we provide stability and increase competition for LIHTC credits, benefiting efforts to support affordable housing development even beyond properties that benefit from our investments.

This work is difficult. To meet our LIHTC equity targets each year, Freddie Mac must establish a pipeline of potential transactions that significantly exceeds our target, as delays or unforeseen circumstances can render some investments unviable. With a limited set of transactions in any given year, Freddie Mac faces many challenges in meeting its Duty to Serve target.

Since beginning our concerted efforts to support LIHTC equity investment in rural regions, Freddie Mac has built a robust network of LIHTC syndicators, lenders, and rural developers. Our syndicators are critical in helping us discover and complete transactions in underserved markets. Freddie Mac Production staff meet formally with each syndicator biweekly and engage in regular transaction-specific communication beyond these bi-weekly meetings.

Our syndicator network is adept at sourcing potential investments. While certain syndicators have a more historic focus on HNRR transactions, we have seen all nine engaged in this work at our direction. Since 2018, we have seen the steady increase of this engagement, and in 2024 and 2025, 8 of our 9 syndicators secured investments in HNRR. Once transactions are identified by the syndicators, Freddie Mac itself must engage in extensive vetting, including a full credit and legal review. This work engages the in-house expertise of multiple departments, including our production, underwriting, physical risk, asset management, and legal teams.

An additional challenge in 2025 was the Federal government shutdown, which lasted from October 1 through November 12. The shutdown slowed or stopped rural development (RD) funding from USDA for much of the fourth quarter, delaying many of our rural LIHTC equity investments. As a result, several transactions we had slated for 2025 have been pushed to 2026. Even so, our dedicated efforts to build a robust pipeline allowed us to exceed the HNRR target.

Households in HNRR face many challenges in accessing quality, affordable multifamily rental housing. Developers in these regions face development and financing challenges. Additionally, inconsistent tax credit allocation, inherent development complexity, programmatic challenges, and unpredictability in transactions all contribute to a lack of investment in this space. State Qualified Allocation Plans (QAPs) allocate only a small number of tax credit set-asides and resources to rural markets broadly, and HNRRs are a small sub-market of this already small allocation. Additionally, many banks just completed their

Community Reinvestment Act (CRA) cycles, and while most of these banks prefer urban and suburban LIHTC investments, Freddie Mac lost a few rural investments to CRA-motivated banks and investors whose CRA footprints extend to the edge of metro areas.

Given the challenges of the HNRR market, Freddie Mac's 2025 investments were critical and stabilizing as we provided continuous investment through this cycle. Our HNRR impact can be further demonstrated through the following two successful 2025 investments:

- **Pelican Grove – Homer, LA:** Pelican Grove is a 34-unit, new construction family development located in Homer, a small rural community of less than 3,000 residents in the Lower Mississippi Delta. The project is located in a Difficult to Develop Area (DDA) in Claiborne Parish, which has not had a LIHTC award in the last 20 years. The property has low-skewed set aside levels at 20%, 30%, 50% and 60% of AMI to help support very- and extremely-low income residents in the community. In addition, five units will be accessible to people with mobility impairments, and two units will be accessible to people with hearing or vision impairments. The project will qualify as a Green Building and, being in a hurricane-prone region, will meet FORTIFIED Gold Resiliency Standards. Freddie Mac is making an \$8.7 million equity investment in the project, which constitutes almost the full \$9 million development cost.
- **Beattyville Manor – Beattyville, KY:** Beattyville Manor will entail the rehabilitation of an existing 61-unit Project Based Section 8 apartment community that was originally built in 1980. The project is located in Beattyville which is 52 miles southeast of Lexington, KY, in Middle Appalachia. In addition to the project-based rental subsidies, the affordability set asides include several units restricted at 30% of AMI, further helping to support extremely-low income residents. The existing rental assistance contract will be extended to cover the full 15-year tax credit compliance period. The project will include four units that are fully accessible and adapted for residents with a mobility impairment and two units that are fully accessible and adapted for residents with hearing/vision impairment. Freddie Mac's \$9.8 million LIHTC investment will cover the vast majority of the project's development cost.

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

Freddie Mac continues to understand that meeting the needs of underserved rural areas demands substantial time, resources, and the cultivation of strong relationships. We are continually learning how to best support this market. This involves ongoing stakeholder outreach and direct communication with our lender and syndicator network. An integral part of our outreach strategy includes site visits and participation in key industry conferences, including the Housing Assistance Council (HAC) conference and our regular communication with our syndicator network.

Through these engagements and our ongoing dialogue with syndicators, Freddie Mac identified new transactions, including in states where we have not previously operated. Our efforts have also enhanced our understanding of the specific challenges facing these markets, such as issues with QAPs, inconsistent allocation patterns, and the effects of the Community Reinvestment Act (CRA) on rural investment opportunities.

A new consideration for our LIHTC Equity work is FHFA's decision to increase the LIHTC equity cap to \$2 billion for each government sponsored enterprise (GSE). This change will help stabilize LIHTC pricing, which was likely to shift downward following the enactment of the program's expansion by Congress. We continually solicit market feedback about the impact of these changes, which will allow us to support substantially more affordable housing throughout the country.

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

Not applicable