

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

FREDDIE MAC  
 MANUFACTURED HOUSING  
 2024  
 PURCHASE

**ACTIVITY:**

Activity 3 – Manufactured Housing Communities Owned by a Governmental Instrumentality, Non-Profit Organization, or Residents: Regulatory Activity

**OBJECTIVE:**

Objective A: Purchase Resident-Owned, Non-Profit-Owned, and Government Instrumentality-Owned MHC Loans

**INFEASIBILITY:**

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

Freddie Mac has directed significant resources and time to support Manufactured Housing Resident-Owned Community (MHROCs) transactions. Despite these efforts, we have continually found a limited market for our offering. This is driven by both a complex and difficult process for converting MHCs to MHROCs and elongated timelines and delays for refinance transactions.

In 2024, Freddie Mac continued our efforts to finance MHROC loans despite a limited market for these debt transactions where leverage requirements are safe and sound. Our 2019 [paper](#) on the topic revealed significant market limitations that continue to make our objective infeasible. As in past years of this Plan cycle, Freddie Mac again found that the funding model for MHROCs is not conducive to attracting private capital investment or creating significant growth. For communities converting to resident ownership, the necessary debt stack may exceed 100% loan-to-value ratio (LTV). For refinance deals, the debt stack may be pushed upward as subordinate debt may be required in addition to senior debt. Often, the credit parameters of these deals are pushed beyond what Freddie Mac considers prudent and beyond the levels necessary for the appropriate distribution of risk through credit risk securitization.

In addition, volatility of the treasury rate over the last three years has limited what was already a small pipeline. In 2024, we quoted one transaction, which we did not win. We received two other inquiries, but borrowers working with their lenders opted not to follow through with formal quotes. As such, it was not possible for us to meet our goal of funding four deals.

Although these transactions are notably difficult, we remain committed to identifying, supporting and providing liquidity when feasible. Over the last ten years, Freddie Mac has financed six MHROC transactions, including one each year from 2021 to 2023. All six were fixed-rate refinances of existing cooperatives with terms of 10, 15, or 20 years. The loan-to-value ratios were all sub-50% and only two of these transactions had subordinate debt. We are also working to consider other opportunities to support MHROCs through our 2025-2027 Duty to Serve Plan.

**SUMMARY OF RESULTS:**

In 2024, Freddie Mac financed zero transactions, falling short of our goal of four transactions. We are requesting infeasibility for this objective. From 2018 to 2020, we funded one transaction, yielding a three-year average baseline of one transaction.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
Complete 4 Transactions	Completed 0 Transactions	Freddie Mac received 3 inquiries and quoted 1 transaction. Given that the other two inquiries never materialized into formal quotes, achieving 4 funded transactions was not feasible.

**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 2024, Freddie Mac continued our efforts to finance MHROC loans despite a limited market for these debt transactions where leverage requirements are safe and sound. This year, Freddie Mac received three inquiries for MHROC transactions, none of which were received before mid-year and none of which resulted in a completed transaction.

Additionally, in 2024, Freddie Mac continued our regular and directed outreach around MHROC goals, including via our website, social media platforms, podcast, and lender newsletters. Our production and sales teams also attended events and engaged in regular discussions with our Optigo lender network. These conversations centered around developing a deeper understanding of the process for sourcing and executing these loans. Some of the lessons from these engagements are detailed in question 2 below.

Our outreach in 2024 also included meeting with a group of five ROC USA Network Certified Technical Assistance providers. This meeting directly resulted in two of the inquiries we received in 2024.

As detailed above, our 2019 paper uncovered a very small market for MHROCs – only 2.4% of MHs are resident-owned. Additionally, our pipeline for the market has always been small and difficult to translate into funded transactions due to a variety of factors. For example, in 2022, we had a total of six opportunities, and we were able to finance only two – one in 2022 and one in 2023. The other four deals did not materialize due to various reasons, including delays in city approvals and litigation involving the property, lack of clarity in the loan stack, increased interest rates which decreased the loan amount Freddie Mac could offer, and outside program parameters. Additionally, swings in Treasury rates have contributed to further constraining this market.

**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 devoted significant resources and time toward our MHROC objective, including attending multiple MHC specific conferences across the country to provide our Optigo Lender and borrower networks with information on our MH product offerings. Additionally, through direct and specific outreach to networks, we have had many conversations around sourcing MHROC transactions and informing potential lenders and borrowers on how the process works. From these conversations, we learned from the originator network that these executions often move slowly, are not profitable, and are often not sought out due to lack of future business beyond maturity refinances.

This outreach also taught us that there is little opportunity to build a network of MHROCs outside of certified technical assistance providers. We have, however, initiated multiple conversations with TA providers to attempt to source executions and to learn more about these communities. From this engagement, we have found that our product offering aligns best with refinances because of the proof of concept of co-op rules, operations, rents, and valuation, which is critical for our credit risk analysis. Additionally, we have learned that refinances often have less complicated capital stacks than new acquisitions, which require a high level of complexity with multiple parties involved.

Through this Plan cycle, Freddie Mac has learned more about how MHROCs function in the market and the potential best role for Freddie Mac to play in this space. Our next Plan cycle will build on this engagement to help increase awareness of MHROCs and Freddie Mac's offerings. Additionally, we will continue to build on our understanding of the space through outreach to TA providers who may help us determine additional opportunities for supporting MHROCs and through research into right of first refusal (ROFR) laws that are designed to give residents of MHCs the opportunity to purchase the community before it is sold to an external buyer. This work will help determine the feasibility of a product for MHC conventional borrowers that would provide residents with the opportunity to purchase a property.

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

As detailed above, the market for MHROC transactions is incredibly small and challenging. Freddie Mac has devoted robust and consistent resources toward engaging with the market and attempting to uncover and complete transactions. Despite yielding no transactions in 2024, our consistent engagement has helped Freddie Mac better understand the role that MHROCs play in the larger market and our 2025-2027 Duty to Serve objective reflects this understanding and allows us to work toward tailoring a better product for residents of MHCs.

