

Exhibit F:
Annual Investments Narrative Reporting Template

FREDDIE MAC
RURAL HOUSING
2024
INVESTMENT

ACTIVITY:

Activity 2 – Support for High-Needs Populations: Regulatory Activity

OBJECTIVE:

Objective B: Engage in LIHTC Equity Investment

INFEASIBILITY:

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

SUMMARY OF RESULTS:

In 2024, Freddie Mac completed 4 LIHTC equity investments in support of High-Needs Rural Populations (HNRP), meeting our target of 4 transactions. Freddie Mac has provided strong and consistent support for the LIHTC equity market since 2018, and by focusing a meaningful portion of investment capital in rural areas, we are able to provide stability and increase competition for LIHTC credits, benefiting efforts to support affordable housing development. This work meaningfully advances the supply of affordable multifamily housing benefiting Native Americans and agricultural workers for whom there has been a historical shortage of affordable housing.

Our baseline for 2022-2024 is one transaction based on an average of our 2018-2020 transactions.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
4 Transactions	4 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?**

Freddie Mac brings stability to the rural LIHTC equity market through our reliable and long-term commitment. A substantial portion of our LIHTC equity investments is directed toward rural areas - fostering competition and enhancing market stability. These investments have had a meaningful positive impact, which can both help to improve LIHTC pricing and make the development of housing in these communities more financially feasible.

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 support of High-Needs Rural Populations (HNRPs), we are able to provide stability and increase competition for LIHTC credits, benefiting efforts to support affordable housing development.

In 2024, Freddie Mac completed 4 LIHTC equity investments benefiting HNRPs in three states: California, Wisconsin, and New Mexico. Three of these investments support tribal populations and one supports farmworkers. These investments are part of our broader LIHTC equity investment work, which covers 15 states, including two new states in 2024: New Hampshire and Nevada.

To support this work, Freddie Mac has worked throughout the past six years to strengthen relationships with lenders, rural developers, and LIHTC syndicators. We have worked to extend our reach by expanding our network to 9 syndicators, including a new one in 2024. These relationships are critical for helping us uncover and complete transactions in hard to serve areas and continually enhance our understanding of the LIHTC investment environment.

Although the needs of HNRPs are great, inconsistent tax credit allocation patterns along with the inherent complexity, cost and unpredictability of transactions within these regions have contributed to a long-run dearth of investment. Qualified Allocation Plans (QAPs) allocate only a small number of resources to rural markets to begin with, and still fewer reach HNRPs. To execute what few transactions are available for investment in any given year, we must navigate fragmented markets, work with partners who have limited resources, and overcome unique regional barriers. An added headwind for these markets is the Community Reinvestment Act (CRA), which tends to channel more investment to urban and mid-sized metropolitan areas, directing attention away from rural investments.

As we seek to direct our own investments, Freddie Mac has tasked its network of syndicators with prioritizing HNRPs. Our network has reported that this requires ongoing and continuous engagement with rural developers, lenders and other market participants, including those who are specifically engaged on tribal lands and in service of farmworker populations. Separately, for Freddie Mac to close on just one of these investments, our in-house team must complete a full credit and legal review,

requiring engagement by our production, underwriting, physical risk, asset management, finance, and legal teams.

To meet our target, Freddie Mac must also establish a pipeline of potential transactions that exceeds our target as delays or unforeseen circumstances can render some deals unviable. With a very limited set of transactions in any given year, Freddie Mac must win a high percentage of transactions to meet its Duty to Serve target. One of our biggest challenges with HNRP deals is that despite there being a large number of farmworker deals every year, particularly in California, more often than not these projects are not located in DTS-qualifying rural tracts. They cannot be counted toward our goal.

An additional reason why Freddie Mac's investments benefiting HNRP were particularly important in 2024 is that the LIHTC market seems to have experienced shifts in investor activity, as noted anecdotally by our syndicators. Interest rate volatility in the first half of the year drove some investors out of the market. In addition, some larger investors reached the end of their three-year CRA cycles, which led them to reduce their footprint in certain markets in 2024.

Given these challenges, Freddie Mac's investments were critical and stabilizing as we provided continuous investment through the cycle. Our impact can be further demonstrated through example. Here are two successful 2024 Freddie Mac investments in HNRPs:

- **Yurok Homes #4 - Klamath Glen, CA:** Klamath Glen is located in far northern California and home to the Yurok Indian Reservation. The population was 1,236 as of the 2020 Census. Through a \$16.3MM investment, Freddie Mac is supporting the new construction of a 24-unit development in Klamath Glen. All the units are restricted to households earning no more than 30% to 80% of Area Median Income (AMI). All units will benefit from a 45-year tribal rental subsidy.
- **Laguna #4 – Pueblo of Laguna, NM:** Pueblo of Laguna is a federally recognized tribe of the Pueblo people. Located near Albuquerque, the tribe has a population of nearly 3,800 across six villages. Laguna #4 will involve the rehabilitation of a 40-unit development. Our investment is \$11.6MM of LIHTC equity. The development will be comprised of 40 units all of which are restricted to households earning no more than 40% to 60% of AMI. All units will benefit from a 45-year Tribal rental subsidy. Additionally, the Project will be subject to a set aside for households with children.

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 has learned that addressing the needs of underserved markets, particularly in support of HNRP, requires a significant investment of time, resources, and relationship-building. This includes continuous stakeholder outreach, targeted marketing pieces, and direct communication with our lender and syndicator network.

One useful component of our outreach strategy has been site visits and conference attendance. A particularly impactful engagement was our trip to Minneapolis, where Freddie Mac representatives visited an investment completed in 2024 that featured a solar PV system. Additionally, we had the opportunity to visit Red Willow Estates, a Freddie Mac tribal investment with the Mille Lacs Tribe in Onamia, MN. This visit provided valuable insights into the unique housing challenges tribal communities face. Our discussions with tribal representatives focused on current market difficulties and future LIHTC projects in the area.

In addition to our Minneapolis visit and other industry gatherings, our team participated in the prominent Travois Conference, which focuses on tribal housing needs. We also attended the

Novogradac Conference in San Francisco, where Freddie Mac engaged in discussions on LIHTC investment strategies. We attended the Council for Affordable and Rural Housing conference in Arlington, VA, engaging stakeholders on rural housing initiatives. Freddie Mac also attended the NCSHA Housing Credit Connect in Atlanta, where we explored policy updates and market trends affecting LIHTC investments. Each of these engagements provided valuable opportunities to deepen relationships, exchange insights, and refine our approach to expanding investment in underserved regions.

This work, along with ongoing communication with syndicators, has been essential to uncovering transactions, especially in states where we have not previously worked. Our efforts have deepened our understanding of the unique challenges these markets face, including Qualified Allocation Plan (QAP) issues, inconsistent allocation patterns, and the impact of the CRA on rural investment opportunities. Additionally, our efforts in the LIHTC equity space for HNRP continue to highlight the limited availability of transactions that support these communities within DTS-designated rural areas. This is particularly true for transactions that benefit tribal populations that often develop housing in adjacent non-rural areas. The scarcity of market opportunities makes executing transactions in this space particularly challenging. Each year, fluctuations in LIHTC allocations and the number of viable deals create additional variability. Furthermore, project timelines often remain uncertain due to a heavy reliance on USDA Rural Development financing, which introduces unpredictability into the process.

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

Not applicable