

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
RURAL HOUSING
2024
LOAN PURCHASE

ACTIVITY:

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

OBJECTIVE:

A – Facilitate Conventional Lending 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:

We purchased three HeritageOne® loans to support homeownership for members of federally recognized Native tribes in tribal areas during its first year in the market. Our baseline was zero loans.

At the end of the year, 10 lenders had adopted the HeritageOne term of business (TOB) and additional lenders were in the process of adopting it. Additional servicers were brought on board as well, based on some lenders' requests.

We began to receive loan deliveries in Q3, as we estimated early in the year.

We conducted continual, 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. We also worked closely with lenders to help them navigate the processes of adopting the TOB and originating and delivering the first loans, helping to identify and clear roadblocks.

The impacts we made as a result of our efforts 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 a significant impact in this market. We broadened access to credit, provided liquidity, and raised awareness and promoted acceptance of HeritageOne across the tribal housing ecosystem. HeritageOne provided a conventional mortgage solution in addition to the HUD 184 program, the predominant financing option in this market. At least one of the homebuyers – including a tribal leader who purchased a home on trust land – would not have received financing if HeritageOne were not available.

Our hard work and collaboration generated important results toward our 2024 objectives as well as laid the foundation for much greater positive impact going forward.

A total of 10 lenders adopted the HeritageOne TOB – including top HUD 184 lenders. The types of lenders adopting the TOB included credit unions and community development financial institutions (CDFIs). Taken together, their footprints cover most of Indian country. Additional lenders were in the process of TOB adoption at year-end. To help create indirect as well as direct channels for HeritageOne loans, we also worked with aggregators to foster relationships with smaller lenders and Native CDFIs.

Repeated, personalized conversations and technical assistance were required in some cases to bring lenders on board and roll out a brand-new product. The real-time feedback that lenders shared as they worked to adopt the TOB and operationalize the product revealed deeper layers of complexity in supporting housing finance on tribal lands than had surfaced during our product development process, which was performed in collaboration with organizations across the ecosystem. Working collaboratively with the lenders and other stakeholders, we gained deeper insight into the issues, explored potential solutions, and helped overcome start-up challenges.

Freddie Mac had purchased a total of three HeritageOne loans by year-end, with more in the pipeline.

To make it easy for lenders and potential borrowers to find out whether a property is in a tribal area and, therefore, eligible for HeritageOne financing, we added data from the FHFA Indian Country file to our [Home Possible® Income & Property Eligibility Tool](#).

Lenders and other stakeholders across the tribal lending ecosystem became aware of HeritageOne and its benefits through our extensive outreach and education efforts. We reached more than 1,300 industry participants through in-person events, webinars, and on-demand tutorials. As part of this, we participated in 12 industry conferences, presenting at 10 of them. We also increased our presence at state and regional events to help build relationships, show our commitment to Native housing, and deepen our understanding of the market at all levels. In addition, the articles and other materials that we

published on-line made information about HeritageOne broadly available to industry professionals and to homebuyers and homeowners.

Furthermore, we maintained and expanded our involvement in Native coalitions to promote relationship building and knowledge sharing that advances Native housing and housing finance.

- The National Tribal Housing Ecosystem Summit national event, held in collaboration with Enterprise Community Partners in Idaho, brought together nearly 300 attendees representing tribally designated housing entities, Native CDFIs, tribal leaders, and other stakeholders from across Indian Country.
- The third annual Empowering Native American Homeownership symposium, held in collaboration with the South Dakota Native Homeownership Coalition (SDNHC), offered a variety of learning and networking opportunities to 45 attendees. Among them was a session showcasing a relationship between a NCDFI and a Freddie Mac seller as a potential aggregation model for lending with HeritageOne.
- In addition to those two events and in collaboration with Enterprise, we supported the further growth of Native homeownership coalitions to help increase their capacity, develop best practices, and contribute strategic insights and perspectives. In 2024, we continued such involvement with the South Dakota, Southwest, Montana, and Idaho coalitions. We also became involved in the formation of a coalition in Wisconsin.

In forging relationships with each of the Federal Home Loan Banks (FHLBs) during the year, we discovered ways in which we could work collaboratively to amplify each other's impact in this market. As a result, we announced a partnership with the Des Moines FHLB to promote HeritageOne and delivered a webinar on that and other Freddie Mac offerings to their member banks. We made a similar agreement informally with the Dallas FHLB. Also, the FHLBs presenting at the National American Indian Housing Council's annual meeting included Freddie Mac in their session to speak about HeritageOne.

Beyond the goals stated in our Plan, our collaborations with non-profit organizations that support Native communities strengthened the foundation for future market impact and growth.

- With Enterprise:
 - We supported the Alaska Resilience Academy, a new training series that delivers practitioner-driven housing resilience fundamentals. It was designed to cover assessing community vulnerability to climate disaster, retrofitting of existing homes, planning for emergencies, preparing for relocation, and mitigating risk.
 - In collaboration with Enterprise, we updated the Enhancing and Implementing Homeownership Programs curriculum developed during the first Duty to Serve Plan cycle to reflect newly available financing programs, including HeritageOne.
 - We supported the addition of modules to Enterprise's Native Developers Guide focused on creating single-family developments on tribal lands. They delivered four training sessions.
- We also increased Oweesta's capacity to deliver financial and homebuyer education and housing counseling to prepare 5,400 households for potential homeownership.

Because of our Duty to Serve efforts, Freddie Mac has had a significant impact in the Native space:

- Lenders have an option in addition to HUD Section 184 for financing homes on tribal lands.

- More lenders and servicers 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, including manufactured homes, on tribal land with an affordable conventional mortgage product.
- More members of federally recognized Native tribes have the opportunity to finance home improvements along with a home purchase or refinance with affordable conventional mortgage products.
- Appraisers have access to education on how to appraise properties on tribal lands.
- More Native households are prepared for potential homeownership, with nearly 22,000 households receiving financial management and homebuyer education and counseling over the 2022-2024 Plan cycle.

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 that not limiting borrower income for HeritageOne eligibility is important to supporting this underserved market broadly but makes purchasing Duty to Serve-qualified HeritageOne loans especially difficult. Concentrations of rural poverty affect AMI levels; it may not be possible or responsible for many households earning 100% of AMI or less to become homeowners. We considered this reality in setting our high-needs rural populations loan purchase targets for our 2025-2027 Duty to Serve Plan.

We learned that some lenders were hesitant to adopt HeritageOne, even though they expressed excitement about the offering and contributed to the product development process. Adopting the TOB, rolling out HeritageOne, and learning to originate loans efficiently requires lenders to invest time and resources. The lenders already were having success with HUD 184 loans and needed time to weigh the cost-benefit of introducing another solution. Freddie Mac made extensive, concerted efforts to connect with lenders during industry forums and through personalized meetings to deepen their understanding of HeritageOne and the benefits that their businesses and their communities could realize from it. As a result, 10 lenders now offer HeritageOne and others are in the process of adopting the TOB. Some of the top HUD 184 lenders have used the offering to help finance homes when tribe members did not qualify for HUD 184 loans.

In addition, we learned that connections and partnerships with tribes are paramount to successful lender participation in this market. Lenders interested in lending in tribal areas but lacking the relationships must take the time and effort to build them, which delays their participation. Otherwise, they may not be positioned to lend in tribal areas. Both scenarios limit the number of lenders able to provide HeritageOne financing. Lenders must provide detailed information about their relevant experience, relationships, vendors, and partnerships during the HeritageOne TOB application process. We are creating a guide to help facilitate lender adoption and rollout of HeritageOne.

We also learned that more lenders than expected want to retain servicing of HeritageOne loans, even though they do not have experience in servicing loans secured by homes on tribal lands. In some cases, we worked with the lender to develop an action plan for how they would gain the necessary qualifications either in-house or through relationships with experienced Native lenders. In other cases, the lender chose to use our designated servicer.

We learned more about the scope and scale of certain complexities involved in mortgage lending on tribal lands. Although our product development process involved extensive due diligence and input from across the ecosystem, certain issues surfaced that had not been raised earlier as lenders worked to

adopt the HeritageOne TOB and to originate loans. Examples include circumstances related to Bureau of Indian Affairs (BIA) processes that may vary by region, titling manufactured homes as real property on tribal land, and system updates that vendors may need to make to support lenders in originating HeritageOne loans. We are exploring potential solutions with the appropriate stakeholders.

We learned that Freddie Mac and the Federal Home Loan Banks (FHLBs) can be powerful partners in helping to promote Native homeownership. We are aligned in mission and purpose and have distinct capabilities that could be joined to deliver greater impact. In 2024, we forged relationships with all of the FHLBs and identified opportunities to launch collaborative efforts with several of them. Because of the prevalence of tribal areas in the Des Moines and Dallas FHLB districts, we reached agreements with them first to educate their member banks on HeritageOne. Our 2025-2027 Duty to Serve Plan builds on these relationships. It includes efforts to gain insights from FHLBs, create and execute strategies with their input, and educate their member banks on the Freddie Mac offerings and resources available to help increase their support for their communities and grow their businesses.

Homeownership opportunities could be created as a result and Freddie Mac could gain opportunities to purchase loans on homes in tribal areas, thereby increasing the flow of liquidity to this market.

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

Not applicable.