

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

FREDDIE MAC  
 RURAL HOUSING  
 2024  
 INVESTMENT

**ACTIVITY:**

Activity 1 – Support for High-Needs Rural Regions: Regulatory Activity

**OBJECTIVE:**

Objective D: Engage in LIHTC Equity Investment

**INFEASIBILITY:**

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

**SUMMARY OF RESULTS:**

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

In 2024, Freddie Mac completed 9 LIHTC equity investments in support of High-Needs Rural Regions exceeding our target of 8 transactions. This work meaningfully advances the supply of affordable multifamily housing in some of the most difficult to serve rural areas.

Our baseline for the 2022-2024 Duty to Serve Plan cycle is 5 transactions.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
8 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 2024, Freddie Mac completed 9 LIHTC equity investments in HNRR. 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. In focusing a meaningful amount of LIHTC equity investments in HNRR Freddie Mac makes significant positive impacts on these areas, which have long faced underinvestment.

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 HNRRs 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) assign only a small number of resources to rural markets to begin with, and still fewer reach HNRRs. In addition, larger metro areas give developers the opportunity to create more units and generate more rental income. 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 HNRR. Our network has reported that this requires ongoing and continuous engagement with rural developers, lenders and other market participants. 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 establish a pipeline of potential transactions that significantly exceeds our target as delays or unforeseen circumstances can render some deals unviable. With a limited set of transactions in any given year, Freddie Mac must also win a high percentage of transactions to meet its Duty to Serve target.

An additional reason why Freddie Mac's investments in HNRR 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 HNRRs:

- **Osprey Cove - Eufaula, Alabama:** Osprey Cove involves the new construction of a 56-unit Project in Eufaula, Alabama. Eufaula, approximately 50 miles south of Columbus, GA, had an estimated population of 12,408 as of 2021. The local economy includes light manufacturing, agriculture, and service industry jobs. There is robust demand in the area for affordable housing and the local housing authority has a 150-household waiting list that will be used to help fill any vacancies at the property. Our investment is \$17.4MM of Low-Income Housing Tax Credit (LIHTC) equity. The property will include 56 units, all of which are restricted to households earning no more than 60% of Area Median Income (AMI). In addition, 52 units (93%) will benefit from a 20-year HAP contract.
- **Plaza Towers – Greeneville, TN:** Plaza Towers involves the rehabilitation of a 114-unit property in Greeneville, Tennessee. Greeneville is at the base of the Appalachian Mountains approximately 44 miles from Asheville, NC and 73 miles from Knoxville, TN. As of 2020, the population was approximately 15,749. The per capita income is \$24,376 and the top employers are Walmart and the Laughlin Memorial Hospital. Our investment is \$11.5MM of Low-Income Housing Tax Credit (LIHTC) equity. Freddie Mac also provided the LIHTC debt for this project. The property includes 113 units (99%) restricted to households earning no more than 50% to 80% of Area Median Income (AMI). Units in the property will benefit from a 20-year project-based Section 8 subsidy. Additionally, all the units are set aside for tenants aged 62+ or disabled tenants.

**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 HNRRs, 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. In addition to our Minneapolis visit and other industry gatherings, our team attended the Novogradac Conference in San Francisco, where Freddie Mac engaged in discussions on LIHTC investment strategies. We also participated in the Council for Affordable and Rural Housing conference in Arlington, VA, engaging stakeholders on rural housing initiatives. Additionally, Freddie Mac 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.

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

Not applicable