Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
RURAL HOUSING
2024
LOAN PURCHASE

ACTIVITY:

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

OBJECTIVE:

A – Purchase Single-Family Loans in High-Needs Rural Regions

INFEASIBILITY:

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

SUMMARY OF RESULTS:

Freddie Mac exceeded our 2024 modified target under this objective, helping more people in high-needs rural regions (HNRR) achieve sustainable homeownership.

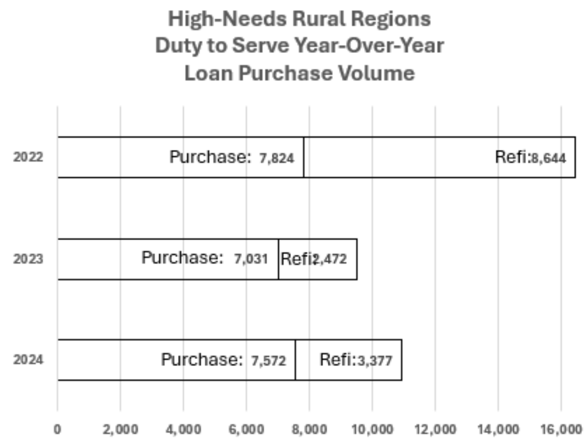
In total, we provided close to $1.7 billion in liquidity to fund 10,949 loans in HNRR in 2024. Our results increased compared to 2023, but loan volume was below our baseline of 17,440 loans. Of 2024's volume, 69% comprised loans made to households with very low and low incomes, the same as in 2023.

Of our total 2024 loan volume in this market, 69% of loans were for home purchases and 31% were for refinances, as shown in the following chart. Market headwinds that exacerbated ongoing affordability challenges caused us to right-size our original purchase target, which was set in 2021 under very different market conditions. Interest rates bounced between 6% and 7% throughout the year, according to Freddie Mac's Primary Mortgage Market Survey®. Home prices continued to rise and the housing supply gap continued to widen. Freddie Mac researchers found that increased housing prices and interest rates exacerbated the existing affordability challenges. For example, as interest rates rose 0.7% from February 2023 through June 2024, the affordability ratio – defined as the ratio between maximum house price a typical household can afford and the median home value in the area[1] – declined in high-needs rural regions by 19%. Nationally, the decline was 16%. Mortgage rate lock-in effect contributed to the shortage of homes for sale and decline in housing affordability. Close to 90% of active mortgages had rates of 5% or less at origination as of January 2024, which kept many homeowners from refinancing or selling their homes. Furthermore, high construction costs inhibit the building of affordable homes. Inflation rates continue to significantly affect many rural areas, making it harder for many

[1] The affordability ratio measures whether an area is affordable to the typical household living in that area based on the maximum house price they can afford and the median home value in the area. A ratio greater than one indicates a more affordable area, whereas a ratio less than one represents a less affordable area. The maximum house price a household can afford is calculated based on the assumption that the monthly mortgage payment is no more than 31% of monthly household income (HUD median family income), a 3% down payment, and the prevailing 30-year fixed-rate mortgage (Freddie Mac Primary Mortgage Market Survey® average rates for February 2023 (6.62%) and June 2024 (6.97%)). The median home value is from Freddie Mac's Home Value Explorer.

households to attain sustainable homeownership. To continue to serve their communities and boost business, many lenders offered mortgage terms that do not meet GSE standards and held more loans in portfolio.

Despite the challenges, through our concerted efforts, we increased our loan purchase volume in high-needs rural regions by 15% year-over-year. Purchase-money loan volume rose 8%; refinance volume rose 37%, with homeowners taking advantage of the periodic, temporary rate drops.



We drove loan purchases in high-needs rural regions through a multi-pronged approach. We continued our stepped-up outreach to lenders and potential aggregators as well as worked to form direct and indirect selling relationships with financial institutions defined as small under the Duty to Serve rule. To identify areas and lenders where we should increase our focus to boost loan deliveries, we analyzed our loan data. We also educated industry professionals on how using our products and resources can help them create more homeownership opportunities and grow their businesses. Furthermore, we offered improved pricing for certain loans as well as an incentive for Home Possible® loans supporting homeownership for very low-income borrowers. Above and beyond Plan objectives, we continued to collaborate with trusted non-profit housing intermediaries to expand access to financial management and homebuyer education and counseling that could lead to more people financing affordable, sustainable homeownership.

Our results 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:

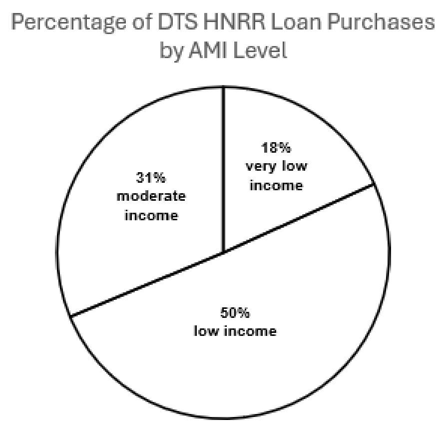
☒ 50 – Very Large Impact
☐ 40
☒ 30 – Meaningful Impact
☐ 20
☐ 10 – Minimal Impact
☐ 0 – No Impact

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 results under this objective had meaningful impact on the market by providing liquidity, access to the secondary market, and opportunities to achieve sustainable homeownership, while contending with low inventory of affordable homes, rising home prices, volatile interest rates, and higher cost of living.

Our loan purchases in high-needs rural regions enabled affordable lending to people who most need greater access to credit. Nearly 70% of our 2024 purchases benefited homebuyers with very low and low incomes. In addition, 55% of our purchase-money loan purchases helped individuals buy their first homes, 3 percentage points more than in 2023 and 10 percentage points more than in 2022.



Total is less than 100% due to rounding.

We expanded the base of lenders that delivered loans to us, purchasing loans from a significant number of lenders that had not sold loans to us in at least a year, if ever.

Our achievements under this objective reflect our leadership and commitment to supporting lending and sustainable homeownership opportunities in high-needs rural regions:

- Continued to conduct industry outreach and education to raise awareness, adoption, and effective usage of our offerings to promote affordable lending and access to credit for sustainable homeownership through in-person events, webinars, and on-demand tutorials. We reached nearly 4,000 professionals in high-needs rural regions.
- Conducted an integrated, targeted marketing effort to raise awareness of how using Freddie Mac's offerings could help create affordable homeownership opportunities. As part of these efforts, we promoted our products that are most beneficial to rural areas, the pricing benefits of certain products, and relevant down payment assistance opportunities. We also promoted our Home Possible very low-income incentive.
- Provided financial incentives to help lenders increase their originations and sell more loans to Freddie Mac. We offered pay-ups to standard cash pricing for fixed-rate small-balance loans.

We also eliminated credit fees in price on certain mortgages and offered a Home Possible very low-income borrower incentive.

- Strategically reached out to small lenders in rural markets to help expand our direct and indirect delivery channels.
- Mined our rural loan data to identify opportunities for additional targeted and individualized outreach to lenders.

Because of our Duty to Serve efforts, Freddie Mac made a meaningful impact on high-needs rural regions:

- More lenders have access to the secondary market, more financing options, and more confidence in lending.
- More people purchased homes for the first time.
- More people achieved responsible homeownership.
- During the 2022-2024 Plan cycle, we provided a total of more than $5.5 billion in liquidity in high-needs rural regions, financing about 37,000 homes. Since our Duty to Serve program's start in 2018, we provided a total of nearly $12.7 billion in liquidity, financing close to 96,000 homes.

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

We recognized that frequent, targeted outreach to lenders and a robust aggregator network as well as direct lender channels are essential to making progress in this market, considering the current market environment. Many CDFIs or other smaller lenders might not meet the requirements to become Freddie Mac-approved or have the capacity to complete the approval process. By working to increase the number of aggregators, we are building additional channels into the secondary market. Having this access will increase liquidity to help create sustainable homeownership opportunities for very low-, low-, and moderate-income households in rural areas. Several rural CDFIs agreed to become or became Freddie Mac lenders this year, but they need time to implement the processes and technologies necessary before we realize deliveries.

Moreover, because of staffing changes and/or reductions within lender organizations as a result of market conditions or other reasons, and in our efforts to increase market participation, we continually must conduct outreach and education. We have found that CDFIs and smaller lenders may need more tailored outreach and technical assistance than other lenders to adopt and use our products effectively. Providing tailored support helps increase their confidence and efficiency as well as the likelihood that they will deliver loans to us.

Based on our insights and engagement with lenders, we sharpened focus in our 2025-2027 Duty to Serve Plan on expanding our network of direct and indirect sellers as well as encouraging lenders to increase support for aggregation. Our goal is to help build more pathways to the secondary market for small lenders, thereby promoting the flow of additional liquidity into rural communities nationwide. We also will assess how we might enhance our offerings to make them easier for small lenders and CDFIs to adopt and use them.

We learned that Freddie Mac and the Federal Home Loan Banks (FHLBs) can be powerful partners in helping to address rural housing issues. We are aligned in mission and purpose and have distinct capabilities that could be joined to deliver greater impact. As an example, certain FHLBs have programs that support areas in which Freddie Mac seeks to do more, such as CDFIs, development activities, and heirs' property rights resolution. In 2024, we forged relationships with all of the FHLBs and identified opportunities to launch collaborative efforts with several of them. 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; in turn, Freddie Mac could gain opportunities to purchase mortgages secured by rural homes and increase the flow of liquidity to this market.

We learned that, between 2020 and 2024, prices for entry-level homes (selling for 75% of the median or less) rose 63% faster than for high-end homes (selling for 125% of the median or more), according to CoreLogic and shared in the Market Watch: Rural Economic Insights session during our Rural Research Symposium (RRS). Although home prices tend to be lower in rural areas than in non-rural areas, price growth in rural areas has outpaced the rate in non-rural areas, based on a Freddie Mac assessment of our Duty to Serve loan purchase data. In addition to the shortage of homes for sale, the influx of households moving into rural areas during the coronavirus pandemic helped drive up home prices over the last few years, further decreasing housing affordability.

We also learned during the RRS that a typical household needed nearly $109,000 in qualifying income with a down payment of 20% to afford a median-priced home, according to the National Association of REALTORS® Housing Affordability Index. The typical first-time homebuyer made a down payment of less than 10%.

These circumstances highlight the importance of our continuing efforts to promote and refine our offerings and tools intended to help make homeownership affordable. For example, during our outreach and education activities, we promoted our low down payment mortgage offerings (Home Possible, HomeOne®, HFA Advantage®) and other affordable mortgage offerings, also noting that they have zero credit fees in price. We also offered a Home Possible very low-income borrower incentive and pay-ups to standard cash pricing for fixed-rate small-balance loans. Furthermore, our DPA One® tool contains information on available down payment assistance programs. Our Home Possible Income & Property Eligibility Tool allows users to enter a property address and discover the Home Possible borrower income limit; it also links to DPA One. We will continue to promote these offerings and tools and consider opportunities to increase their effectiveness in supporting rural lenders, homebuyers, and homeowners.

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

Not applicable.