

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

FREDDIE MAC  
RURAL HOUSING  
2024  
INVESTMENT

**ACTIVITY:**

Activity 5 – Support Multifamily Properties in All Rural Areas: Additional Activity

**OBJECTIVE:**

Objective B: Engage in LIHTC Equity Investment in All Rural Areas

**INFEASIBILITY:**

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

**SUMMARY OF RESULTS:**

In 2024, Freddie Mac exceeded our Low Income Housing Tax Credit (LIHTC) equity investment target in support of rural areas, supporting 27 transactions. Through our \$308.9 million cumulative investment, we supported the creation or rehabilitation of 1,491 LIHTC units. This work meaningfully advances the supply of affordable multifamily housing in rural markets.

The baseline for this objective is 15 transactions, based on the 2018 through 2020 average.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>
24 Transactions	27 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 has provided strong and consistent support to the LIHTC equity market since 2018, and by focusing a meaningful portion of our investment capital in Duty to Serve Rural Areas, we are able to provide stability and increase competition for LIHTC credits, benefiting efforts to support affordable housing development.

In 2024, Freddie Mac completed 27 LIHTC equity investments in Rural Areas. 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 Rural Areas, Freddie Mac makes significant positive impacts on these markets, which face underinvestment.

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 the rural market and continually enhance our understanding of the LIHTC investment environment.

Although the needs of the rural market 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 limitation on investment. Qualified Allocation Plans (QAPs) allocations to rural markets are limited and to execute these transactions we must often 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 the rural market. 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 targets, 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 Rural Areas may have been particularly impactful 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. Finally, Freddie Mac

continues to see a lack of investor demand in large LIHTC equity deals, which leads to a drop off in possible investors on projects that are over \$25MM.

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 examples. Three transactions that demonstrate the impact of our rural investments in 2024 are:

- **Wheatland Senior Apartments - Wheatland, California:** Wheatland is located in Yuba County which had a population of 3,700 and a median income of \$76,991 as of 2022. Freddie Mac has invested \$9.7MM of LIHTC equity in Wheatland Senior Apartments. The development involves the new construction of a 32-unit property in Wheatland, California, comprised of 31 units restricted to households earning no more than 30% to 60% of Area Median Income (AMI). One unit will be reserved for staff, which will not generate revenue. Additionally, 10 units (31%) will benefit from a 20-year project-based Section 8 subsidy. The property will include a set aside for homeless households. This project represents the first LIHTC equity project to utilize modular construction, wherein the building pieces were built offsite and assembled onsite. Many rural areas lack construction infrastructure, making general contractors and other specialized labor difficult to find. Modular building allows for offsite construction which helps address localized labor shortages.
- **Breeze Crossing - Dickson, TN:** Dickson is located near Nashville and had a population of 16,058 as of the 2020 Census. The per capita income was \$17,654 and approximately 15% of the population lives below the poverty line. Freddie Mac has invested \$15.8MM in LIHTC equity in Breeze Crossing. This new development will be comprised of 65 units, all of which will be restricted to households earning no more than 50% to 60% of AMI.
- **Village Senior – Buellton, CA:** Buellton is located in the Santa Ynez Valley and has a population of approximately 4,500. Agriculture is a common industry in the area, including livestock. Freddie Mac has invested \$22.5MM in Village Senior, supporting the new construction of a 50-unit Project. The development will be comprised of 49 units restricted to households earning no more than 30% to 50% of AMI and 1 unit which will be reserved for staff and not generate revenue. Additionally, 11 units will benefit from a 20-year HAP contract. The project will be subject to set asides for tenants aged 55+ (49 units) and special needs / permanent supportive housing (24 units).

## 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 Rural Areas, 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. For example, we 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. Our team also participated in the prominent Travois Conference, which focuses on tribal housing needs. 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. Separately, underwriting challenges and USDA Rural Development (RD) timelines add unpredictability and length to the investment process.

3. **Optional:** If applicable, why was the Enterprise unable to achieve the Plan target?  
Not applicable