

Exhibit G:
Annual Loan Products Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2018

LOAN PRODUCT

ACTIVITY:

Activity 8 – Support for Shared Equity Programs for Affordable Housing Preservation.

OBJECTIVE:

Objective C: Support Standardization of Data Collection at the Transaction Level.

ACTIONS:

Freddie Mac exceeded its goals under this objective by partnering with more shared equity program providers than originally planned to design conceptual system enhancements for HomeKeeper, a homeownership program management application owned by Grounded Solutions Network (GSN). Originally, we set out to test these system capabilities through a pilot that would align with the pilot discussed in Objective A. However, to broaden access to financing options to more borrowers, we replaced the pilot with new guidelines to facilitate financing of homes under shared equity programs in our Guide. As a result, we simultaneously expanded our actions under this objective to design conceptual software capabilities to promote the standardization of data collection at the transaction level and make it easier for lenders to comply with our new underwriting requirements. Additionally, we worked with GSN to provide shared equity program providers with system implementation assistance, which exceeded our objective.

2018 highlights:

- *We identified 18 shared equity program providers, 8 more than originally planned, and 13 lenders who actively participated in such programs to gain insight into their operational processes and identify gaps that could be automated. Lenders told us their biggest operational challenge is obtaining documentation from shared equity program providers because they receive it piecemeal and in multiple formats. Shared equity program providers told us gathering documentation to send to lenders is manual and onerous.*
- *Based on our outreach findings, to support the expanded actions we took under Objective A, and to increase the impact of our actions under this objective, we focused on operational challenges that add to transactional costs and processing time.*
- *We identified HomeKeeper as the application best suited to simplifying the required documentation review for lenders. HomeKeeper already assists shared equity programs in managing homeownership programs with long-term affordability restrictions; therefore, expanding its use represents a natural system upgrade.*
- *We designed and tested conceptual system capabilities to make it easier for shared equity program administrators to gather information lenders need to assess counterparty-strength under our requirements and for lenders to consume and review this information. The system capabilities are scheduled to go live in 2019.*
- *We collaborated with GSN to incentivize adoption of HomeKeeper for shared equity program providers.*
- *To help reduce implementation costs and to make it easier for program providers to adopt the HomeKeeper tool, we also provided funding for GSN to provide capacity building, technical assistance and integration support to all 18 shared equity program providers.*

Our actions demonstrate our leadership in designing creative ways to address existing market challenges.

Activity	2018 Actions
<p>1. Partner with a leading shared equity trade organization and targeted shared equity programs to develop system capabilities to:</p> <p>a. Document program features that would provide lenders and Freddie Mac with confidence that programs meet the definition of shared equity as set forth in the Duty to Serve regulation, and</p> <p>b. Document that individual homebuyers and transactions meet eligibility criteria.</p>	<ul style="list-style-type: none"> • Partnered with GSN, a leading national shared equity trade organization with around 232 member organizations in 44 states, the District of Columbia and Puerto Rico. GSN's market reach, through their newsletter that reaches about 6,500 people, allows us to quickly gather feedback from market participants and influence standardization and change in this market. • Gathered market feedback from both lenders and shared equity program providers, who informed us that the process to determine program eligibility is onerous, labor intensive and time consuming. Their feedback led us to design features that address operational challenges for both, lenders and shared equity program providers that have a greater impact. We also used their feedback to determine which part of the process needed to be automated and to design system enhancements for HomeKeeper to automate it. • Designed conceptual system capabilities to make it easier for shared equity program administrators to gather information required by lenders for counterparty-strength assessments to meet market challenges. • Designed conceptual system capabilities that to make it easier for lenders to consume information provided by shared equity program providers to review as part of Freddie Mac's underwriting requirements.
<p>2. Test newly development system capabilities through a pilot with at least 10 shared equity program administrations and provide adoption incentives to off-set system integration and adoption costs. The pilot will focus on testing operational execution and market acceptance of using a third-party system to track program eligibility and activity. It will also test lender capabilities to leverage system outputs to assess program eligibility with Duty to Serve requirements.</p>	<ul style="list-style-type: none"> • We collaborated with 18 shared equity program providers, 8 more than originally planned, and 13 lenders to design the conceptual features for HomeKeeper. • We tested conceptual system capabilities that will make it easier for shared equity program administrators to gather information lenders need to assess counterparty-strength under our requirements and that would make it easier for lenders to consume and review this information. Given the expanded and more impactful scope, the system capabilities are scheduled to go live in 2019. • We provided funding for GSN to provide capacity building, technical assistance and integration support to adopt the HomeKeeper system to all 18 shared equity program providers.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the year.

- Objective met
- Objective exceeded
- Objective partially completed:
 - 75-99% (substantial amount)
 - 50-74% (limited amount)
 - 25-49% (minimal amount)
 - 1-24% (less than a minimal amount)
- No milestones achieved

PARTIAL CREDIT JUSTIFICATION:

If the self-assessment above indicated that the objective was partially completed, briefly explain the basis for the share of the objective that was completed. In the explanation, include a discussion of the level of effort expended for the completed actions compared to the level of effort required to complete the entire objective.

(Character limit: 3,000 characters, including spaces)

IMPACT:

Provide a self-assessment of the level of impact that actions under the objective have accomplished.

- 50 – Substantial Impact
 40
 30 – Meaningful Impact
 20
 10 – Minimal Impact
 0 – No Impact

IMPACT EXPLANATION:

Answer the following questions.

1. How and to what extent were actions under this objective impactful in addressing underserved market needs or laying the foundation for future impact in addressing underserved market needs? (Character limit: 3,000 characters, including spaces)

Our actions have a substantial impact because the system capabilities we have designed with GSN will make it easier for both lenders and shared equity providers to gather and review documentation to determine program eligibility under Freddie Mac's requirements. Unlike traditional loans, shared equity transactions involve a third party, the program provider, who has an ownership interest in the property or the land the property is on. When developing products in support of this market under objective A, we required a review of the counterparty strength of the program provider. However, lenders do not typically have processes in place to review the counterparty strength of a program provider and, additionally, are not typically experienced nor staffed to do so. To address this challenge, Freddie Mac worked in partnership with GSN to design conceptual software capabilities that would not only make it easier for Freddie Mac-approved lenders to comply with our new underwriting requirements, but also promote the standardization of data collection at the transaction level. Specifically:

- *Our actions lay the foundation for future impact by providing a tool that can be leveraged by shared equity program providers to engage more lenders to participate in their programs.*
- *Automating the process of consolidating program documentation into a package, which will be delivered electronically to the lender, will minimize operational burden on lenders and lower their cost of underwriting shared equity loans.*
- *Our work demonstrates our leadership and innovation by designing a creative solution to existing market challenges that not only addresses challenges for both lenders and shared equity providers, but also increases the standardization of data being collected by each program provider. We defined a set of data elements that will be standardized; shared equity programs will be required to enter this and other standardized information for each loan transaction.*
- *Our actions will make financing shared equity properties easier, faster, and at a lower cost, thereby promoting more lender participation and therefore improving access to credit in this market.*

2. Optional: How do actions under this objective support future actions detailed in the Plan for the underserved market? If there have been any changes in the planned next steps or timeline for work under or related to this objective, describe the changes and provide a brief explanation. (Character limit: 1,500 characters, including spaces)

Working in partnership with GSN to carry out this objective, we connected with shared equity programs and lenders to gather valuable insights to inform our product development activities under other objectives. We used the insights we gathered to inform policies in support of our CLT Mortgage product and the updates to our collateral valuation requirements for properties with income-based resale restrictions we announced in 2018. Based on market feedback we collected, we expanded the work under this objective to provide a solution to the market with a higher impact than originally planned. And lastly, we also used the insights from market feedback to design training and other outreach activities, under objective D, to promote market awareness that was better tailored to the needs of shared equity providers and lenders.

3. Optional: Are there any market factors that adversely impacted the actions under this objective? If so, describe. (Character limit: 3,000 characters, including spaces)

4. Optional: How did the actions under this objective contribute to increased or future loan purchases for the underserved market? (Character limit: 1,500 characters, including spaces)

We forged partnerships, conducted outreach, and synthesized the insights gained to prepare the foundation for developing and testing standardized data, tools, and processes that could help address operational challenges for lenders; this will encourage more lender participation in this market and, therefore, more opportunity for Freddie Mac to purchase loans. For shared equity program providers, the main hurdles include a lack of standardization in shared equity program data and data-collection mechanisms, which limits their ability to provide documentation and information that lenders need to assess counterparty strength against GSE guidelines. For lenders, the lack of available data and information about shared equity programs inhibits their ability to assess risk. Designed to support shared equity program providers' daily workflow, HomeKeeper also collects performance data, which is sent to the HomeKeeper National Data Hub where the data is aggregated and included in social-impact reports-- all of which can assist GSN in providing market data to lenders and investors to help them assess risk and increase their participation.

Attach the information detailed in the list of documentation specific to the objective that was provided by FHFA.

Exhibit C:
Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 Q2: JANUARY THROUGH JUNE 2018
 LOAN PRODUCT

ACTIVITY:

Activity 8 – Support for Shared Equity Programs for Affordable Housing Preservation: Regulatory Activity.

OBJECTIVE:

Objective C: Support Standardization of Data Collection at the Transaction Level

ACTIONS:

During the first half of 2018, Freddie Mac partnered with Grounded Solutions Network (GSN), a leading shared equity trade organization, to develop additional capabilities for a data management application known as HomeKeeper. This application is a tool that is used (i) to track inventory of units and borrowers of shared equity programs and transactions, (ii) to monitor affordable perpetuity over resales, and (iii) to monitor and approve refinance activities and equity lines of credit, (iv) to produce performance reports and dashboards in real-time, and (v) measure homebuyer and homeowner progress and impact. The application has served as the largest national-level data repository for shared equity program transactions and is being utilized by over 70 shared equity programs. Through the development of additional capabilities to the HomeKeeper Application and our partnership with GSN, we will be able to access essential program and loan information to help inform our product development in future years. Some of the additional capabilities include assessment of the program against Freddie Mac’s new requirements under its Community Land Trust offering that we plan to launch by the end of the year.

Freddie Mac specifically worked with the HomeKeeper team to design draft system requirements, which will be finalized by 4Q2018. We also worked with GSN to identify 10 shared equity programs to participate in a future pilot to test the HomeKeeper system capabilities being built under this objective. Specifically, we defined shared equity program stewards that have the capacity and expertise to implement the HomeKeeper tool in their program and that have relatively large inventory of affordable housing units. Additionally, Freddie Mac and GSN conducted outreach calls to provide targeted shared equity programs with the concept pilot, execution timeframes and to start getting ready for future system integration.

For the second half of 2018, we intend to work with the 10 identified shared equity program administrators to adopt the enhanced system capabilities in a pilot program. The pilot will test operational execution and market acceptance, as well as testing lender capabilities to leverage system outputs to assess program eligibility with DTS requirements.

Activity	Action Reference- Activity 8; Objective C	Status
Partner with leading shared equity trade organization to develop system capabilities to document program features and program eligibility.	Action 1	<i>Completed</i> <ul style="list-style-type: none"> • Partnered with Grounded Solutions Network on HomeKeeper Application
Test new system capabilities through a pilot with 10 shared equity program administrators and provide adoption incentives.	Action 2	<i>In Progress</i>

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

If the Enterprise is not on target to meet or exceed the objective, briefly explain why. (Character limit: 1,000 characters, including spaces)