

Exhibit H:
Annual Outreach Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2018

OUTREACH

ACTIVITY:

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

OBJECTIVE:

Objective D: Promote Market Awareness of Shared Equity Programs.

ACTIONS:

We exceeded our goals for this objective by taking on more actions than we originally planned. We carried out actions scheduled for year 2 and engaged with lenders and shared equity providers in group forums, industry events, and one-on-one meetings to gain insights that helped shape our strategies to address market's needs. We also raised awareness of our efforts to address market challenges and promoted collaboration among market participants to spur standardization. Our expanded actions laid the foundation for future market growth and positioned us as a new and welcomed market participant committed to preserving affordable housing.

2018 highlights:

- We informally surveyed the market during our market outreach engagements to lenders and shared equity providers, which reached more organizations than originally planned and provided more insightful information because of our ability to ask follow up questions.*
- Through our collaboration with Grounded Solutions Network (GSN), we gained broad access to the market and our outreach actions, reached more than 250 organizations.*
- We identified 64 lenders who either are or had been active in this market, conducted outreach, and provided them with training on Freddie Mac's products to finance properties with resale restrictions.*
- GSN provided us a summary of feedback obtained through their outreach to 36 organizations under Objective A. Although the discussions were focused on shared appreciation programs, the feedback provided us with insights on the broader challenges shared equity programs face. These insights were useful to design our outreach efforts and future outreach strategies.*
- GSN shared information from the HomeKeeper National Data Hub¹, a shared equity transaction database, which gave us insight into market activity. We used it to identify an additional 18 organizations for outreach.*
- We led presentations and meetings with shared equity program providers to educate them on how lenders view their programs and provided recommendations to engage lenders more effectively. We promoted the importance of standardization and how it may lead to more lender engagement.*
- We developed training for lenders and customized on-line tutorials for shared equity providers.*
- We conducted targeted outreach focused on regional markets including California, Florida and Minnesota to help with, suggest, or support regional collaborative efforts. This level of engagement was strategically important given the variations in market characteristics and challenges across geographies.*

¹ <https://myhomekeeper.org/why-homekeeper/the-homekeeper-national-data-hub/>

Overall, we are ahead of schedule under this objective. We used the insights gathered to determine our support for the market. Through our outreach, we also raised awareness of shared equity models as a way to preserve affordable housing, and promoted collaboration toward designing effective solutions that will support growth.

Activity	2018 Actions
<p>1. Survey at least 50 market participants to understand specific areas that they are interested in learning about to become comfortable with assessing risks of loans originated under shared equity programs.</p>	<ul style="list-style-type: none"> ● Based on market feedback indicating that a traditional survey would yield limited insights due to low survey response rates, we instead surveyed the market during our outreach engagements with shared equity providers and lenders in order to gain insights into specific areas that market participants are interested in learning about. Key insights gained include: <ul style="list-style-type: none"> ○ Lenders are particularly interested in understanding how to value properties with resale restrictions and in learning about Freddie Mac’s expectations with regards to the default management process for loans secured by properties with resale restrictions. ○ Shared Equity providers are primarily interested in understanding how lenders determine whether to participate in their programs and what information they need to make such determination. ● To maximize our market reach, we expanded the scope of our actions and partnered with GSN to include outreach actions originally planned for year 2.. Additionally, we incorporated questions into the conversation during our outreach engagements with lenders. ● We worked with GSN to design a training curriculum that was delivered during GSN’s 2018 Training Institute, a gathering of more than 400 shared equity providers. Based on participants’ interest, we used the content to create in-person and on-line tutorials for lenders and a customized on-line tutorial for shared equity providers. ● We reviewed a summary of insights GSN provided us based on their outreach to 36 organizations under Objective A and used those insights to improve our understanding of broader market challenges which allowed us to better align our outreach to market needs. ● Reviewed shared equity transaction data based on information shared by GSN from the HomeKeeper National Data Hub. From this data, we identified shared equity providers with the most transactions historically and collaborated with GSN to conduct outreach to 18 of them about standardization and effective lender engagement. ● Identified 64 lenders in the market to discuss mortgage risks with shared equity transactions; our underwriting guidelines designed to mitigate those risks; and how to use our product flexibilities to underwrite loans secured by properties with income-based resale restrictions. ● We collaborated with GSN to design a training curriculum, which was delivered at GSN’s Training Institute. It comprised of a capacity-building session to build awareness and technical expertise about our CLT Mortgage and our updated guidelines for underwriting loans secured by deed-restricted properties. We also collaborated with them on a panel session to discuss our lessons learned in the shared equity market and the insights we gained from lenders. Additionally, announced our new products and guidelines to spur market awareness at a general session during GSN’s annual conference. ● We developed on-line tutorials for lenders and shared equity providers. ● In addition to our broader outreach actions discussed above, we also conducted strategically important regional outreach in markets where shared equity providers are formally collaborating, including Florida, California and Minnesota, to complement national-level efforts to promote collaboration in ways that will foster market standardization and growth.

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)*

Shared equity programs are an effective and innovative way to provide affordable homeownership opportunities for very low-, low-, and moderate-income families. However, they are not widely used for a variety of reasons notably due to the complexity of underwriting loans secured by resale restricted properties. In addition, most lenders are not aware of them, do not fully understand them, and/or perceive the related loans as having a high risk of default. Our actions made a substantial impact on the level of awareness, understanding, collaboration, and interest in the shared equity market and generated discussions around strategies for attracting more lending participation in the market which may help grow the shared equity homeownership market. Through our relationships, we gained market insights and data needed to address the market effectively. With that base, we increased awareness among lenders about shared equity programs. For shared equity providers, we raised awareness about lending practices to inform strategies for building partnerships with more lenders. Our presence generated positive attention within the industry that translated into great press coverage and greater interest by lenders and shared equity providers to participate in this market.

Notably:

- *Through our partnership with GSN, we reached more than 400 market participants, including approximately 232 shared equity practitioners and supporters who are members of GSN across 44 states, DC and Puerto Rico. Through GSN’s newsletter, we were able to reach a mailing list of approximately 6,500 active contacts.*
- *Our outreach created opportunities to share best practices and spurred collaboration. For example, we worked with Florida Housing Coalition to stand up a certification program for CLTs to standardize their practices.*

- *Our actions prompted discussions around innovative ways to preserve affordable housing and new approaches to engaging more lenders in financing them.*
- *We brought organizations that had not previously been engaged in shared equity programs into the conversation, exploring lending and market opportunities with them.*
- *We helped shared equity programs with better information and resources for attracting lending partnerships.*

In the process, we have become known as a supporter of the shared equity homeownership market by becoming another ally of shared equity providers in their mission to preserve affordable housing units over time and bring lenders to 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)*

Shared equity providers' understanding of mortgage underwriting is limited which limits their ability to understand what information lenders are looking for when underwriting loans for properties under their programs. Therefore, they often provide incomplete or incorrect information to lenders which adds complexity for lenders and sometimes creates confusion. The training that we delivered to shared equity market participants built awareness of and technical expertise in our CLT Mortgage and the guidelines for underwriting loans secured by deed-restricted properties. Our actions help shared equity providers better facilitate information to lenders for underwriting which should make underwriting easier for lenders and may encourage more lender participation. Based on our research, we see shared equity program providers as organizations that are best positioned to encourage lender adoption of our mortgage products and underwriting flexibilities. Our actions under this objective provide shared equity program providers with information and talking points to recruit more lenders and to encourage them to adopt our product flexibilities. We expect this to spur more lender engagement, which may, in turn, lay the foundation for future loan purchases. Additionally, our targeted regional outreach may help promote standardization at the local level which may be a step forward towards broader standardization and help us reach our future goals to support standardization under objective C in this market.

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)*

On average, lenders are not familiar with how shared equity programs work or how they are structured and therefore they cannot assess the risks of loans originated under these programs. Additionally, the business opportunity for lenders, measured in expected originations volume, is limited. The lack of awareness and limited business opportunity creates a lack of lender interest in this market. The lack of lender interest has made and will continue to make our efforts to get more lenders to participate in this market challenging.

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)*

Lenders incrementally have become interested in shared equity programs, contacting our account teams and call center to learn about our CLT Mortgage product and underwriting flexibilities for loans secured by deed-restricted properties. This indicates our actions have spurred momentum that may lead to future loan purchases.

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

Exhibit D:
Second Quarter Outreach Narrative Reporting Template

FREDDIE MAC
AFFORDABLE HOUSING PRESERVATION
Q2: JANUARY THROUGH JUNE 2018
OUTREACH

ACTIVITY:

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

OBJECTIVE:

Objective D: Promote Market Awareness of Shared Equity Programs

ACTIONS:

During the first half of 2018, Freddie Mac focused on conducting outreach and holding discussions with market participants that have shown interest in, but have limited awareness of, the shared equity market programs. Freddie Mac believes that, to yield the most accurate results, we must survey program stewards, lenders and market participants to best understand receptiveness to non-traditional lending structures. To that end, we partnered with Ground Solutions Network (GSN), a national nonprofit membership organization of community land trusts and other permanently affordable housing organizations, to better understand market awareness gaps about shared equity programs. Through our partnership with GSN, we have conducted outreach with 12 organizations and learned about lender challenges and informational gaps based on experiences with their lender partners. We also identified a list of lenders with whom to discuss specific knowledge or data gaps to address in order to get lenders more comfortable with assessing the risk of loans on properties under shared equity programs. We then reached out to 7 lenders to discuss their participation in permanently affordable housing programs and organizations.

To better measure awareness levels and track progress of our outreach campaigns, Freddie Mac plans to survey the market of at least 50 market participants, during the second half of 2018. The market participants that will be surveyed include lenders and other mortgage providers, to understand how lenders view shared equity programs, learn about areas of interest, familiarize lenders with the structure of shared equity programs and get lenders comfortable with assessing risks of loans originated under shared equity programs.

Activity	Action Reference – Activity 8; Objective D	Status
Survey 50 market participants to assess risks and understand loans originated under shared equity programs.	Action 1	<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)