Exhibit H:

Annual Outreach Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2018 REPORT

EVALUATION AREA: OUTREACH

ACTIVITY:

Activity 1 – High-needs rural regions: Regulatory Activity

OBJECTIVE:

Objective F: Research the use of and opportunity for LIHTC in support of Middle Appalachia

ACTIONS:

In 2018, Freddie Mac published a report on "LIHTC in Rural Middle Appalachia" as part of our "Spotlight on Underserved Markets" series.[1] This paper exceeded our DTS plan in both depth and breadth of analysis, complexity of data methods used, as well as the value of the insights provided. It provides a first-of-its kind comprehensive overview of the region's LIHTC market and the structural drivers that present challenges and opportunities for the broader multifamily rental market.

This paper consolidates information for the first time on the market characteristics, as well as the challenges and incentives for development, in rural Middle Appalachia. It analyzes market size in terms of properties, geographic distribution of properties, average annual LIHTC allocations, as well as population characteristics and alternative subsidies. It examines the role that the region's interstate highways play in indirectly determining LIHTC allocation, how and why infrastructure impacts LIHTC development, the role of incentives in state QAPs for development in rural Middle Appalachia as well as the current composition of LIHTC by credit type. Further, it includes a cost analysis of hypothetical and actual LIHTC properties that draws from tabulations of FHFA data and actual LIHTC investment summaries to estimate the economic feasibility of LIHTC and general multifamily housing. This analysis was informed by data analysis as well as outreach to a range of organizations including the Housing Assistance Council, multiple housing finance agencies, and a leading developer. Gathering this information was a very labor-intensive process that required analysis of complex shapefiles and geospatial data to determine population sizes and boundaries.

This paper draws national attention to a historically underserved part of the rural market where residents are very much in need of affordable housing. Per Freddie Mac tabulations of the National Housing Preservation Database, there are 5.4 million residents in rural Middle Appalachia, which equates to approximately 1.7% of the U.S. population and 7.2% of the nation's rural population. This population is predominantly elderly and is burdened by low incomes (40% lower than the national average). Additionally, rental housing is rare in rural Middle Appalachia. Only 26.7% of households are renters. Of these, only 16.7% rent multifamily units. This population tends to prefer homeownership, and those that do rent are often in need of financial assistance. LIHTC properties make up a small percentage of all households in rural Middle Appalachia, however they support a relatively high percentage of multifamily renters and play a vital role in providing affordable rental housing for tenants who would otherwise be severely rent burdened. As a result of our research, new national attention is being paid to this market which should yield greater investor interest over time.

Planned Actions	2018 Actions
Engage with at least one syndicator, lender, governmental entity, housing finance agency, and developer who have expertise in Middle Appalachia and LIHTC.	To help inform our research, we engaged with the following market participants: RBC – a syndicator CAHEC – a syndicator Bellwether – a lender Housing Assistance Council (HAC) – a leading researcher Federal Reserve Bank of St. Louis – a government entity Kentucky Housing Corporation – a housing finance agency Ohio Housing Finance Agency – a housing finance agency WODA – a developer
Leverage data aggregated and aligned in conjunction with the mapping tool described in Objective E above from a selection of the following and other sources we discover in our research in order to explore how LIHTCs are used in Middle Appalachia today and the possible gaps in the market: National Housing Preservation Database, data.gov, HUD, and Census Bureau. Engage with at least one leading researcher on Middle Appalachia areas to help inform and structure our research and analysis.	We aggregated data from NHPD, FHFA, American Community Survey from the Census Bureau, and HUD, which was a labor-intensive process. We also used data.gov data in our early planning for research. Some of the descriptive statistics in this paper could only be found by combining multiple data sources and overlaying their results as best possible. We utilized complex data analysis techniques, such as geospatial analysis, to observe trends that could not be easily identified using conventional methods. To help inform and structure our analysis, we repeatedly engaged with HAC –an expert on the matter.
Include information in the report on the following based on available data: a. Geographic distribution of properties receiving LIHTC allocations b. Estimated market size c. Percentage of properties receiving allocations in Middle Appalachian states that are in rural versus urban and suburban locations d. Percentage of properties receiving allocations that also receive other major subsidies, such as USDA 515, 538, or Section 8	This white paper is a first-of-its-kind publication for its qualitative and quantitative analysis of Middle Appalachia. The report includes: ▪ Geographic distribution of properties receiving LIHTC ▪ Estimated market size ▪ Distribution of properties in rural versus urban and suburban communities ▪ Distribution of properties receiving LIHTC allocations in association with other housing subsidies In addition, we went above and beyond our initial planned research to identify: ▪ The role that the region's interstate highways play in indirectly determining LIHTC allocation ▪ How and why infrastructure impacts LIHTC development ▪ Incentives in state QAPs for development in rural Middle Appalachia as well as the current composition of LIHTC by credit type ▪ A cost analysis of a hypothetical LIHTC property that draws from tabulations of FHFA data and actual LIHTC investment summaries to estimate the economic feasibility of LIHTC and general multifamily housing ▪ An analysis of a LIHTC property currently in operation in Morehead, KY for the purpose of illustrating actual rent levels of a LIHTC property and what a typical capital stack looks like
Publish the report on our website, share it with the organizations involved in our outreach so they can distribute it further, share it with our Optigo^{SM} network, and promote it with a press release	To promote a broader understanding of this topic, we marketed the paper aggressively on social media, our website, via a press release and by hosting an industry conference call. As of January 31, 2019, this paper received 293,106 Twitter impressions, 13,071 LinkedIn impressions and was downloaded 156 times from our website. Additionally, this paper was distributed to our network of lenders and syndicators via email to a list of over 7,000 recipients.

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:

N/A

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)*

Prior to our study of this market, there was little national attention paid to the LIHTC market in rural Middle Appalachia, nor any in-depth analysis of this market. Our research had a substantial impact on the market based on both (A) the unique nature of our analysis to provide new insight to the market and (B) our ability to market this work to a broad audience in the industry and beyond.

    A. *As described in both the "Actions" and in #3 below, the analysis we completed was innovative, technically complex, and not readily done by other market participants. Because of this research, industry participants now have a more comprehensive understanding of the unique needs and opportunities in this market—particularly the inability of properties to support first-lien debt. This understanding enables policy makers, localities, developers, and investors to focus their efforts on innovative solutions to deliberately support these communities and attract capital. Additionally, with Freddie Mac's re-entry into the LIHTC equity investment market, we are now able to support communities in Middle Appalachia through investment even if debt financing cannot be supported by a property in this market. This research has given us a better understanding of the market, and, when coupled with our growing investment experience, will enable us to better tailor our efforts to the specific needs of rural Middle Appalachia.*

    B. *In addition to supporting the efforts of Freddie Mac and others who have a specific focus on this market today, this research, and our marketing of it, has drawn national attention to the local needs in this market. As of January 31, 2019, this paper received 293,106 Twitter impressions, 13,071 LinkedIn impressions and was downloaded 156 times from our website. Additionally, this paper was distributed to our network of lenders and syndicators via email to a list of over 7,000 recipients.*

The paper also received coverage in several industry publications, most notable of which was the New York based Commercial Observer, which typically covers larger urban developments. In their article, entitled "Mountain Multi: The Struggle for Affordable Housing in Appalachia," they not only covered our research, but they also engaged market participants for additional commentary. Stories and publications such as this can draw attention from investors new to the market, which can add liquidity over time.

2. <u>Optional</u>: 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)*

This research establishes a greater market understanding of LIHTC in rural Middle Appalachia and the primary challenges to creating and preserving affordable housing in this region. With this knowledge, we are better suited to estimate the market size and potential for growth, which will be instrumental in setting our future LIHTC investment targets in this region. Even though this market is very small compared to the overall LIHTC market, LIHTC equity remains an important factor for affordable multifamily rental housing. Our continued support in this region will have a profound impact. Additionally, with a new understanding of this market, we have drawn greater attention that can attract investment and increase competition among investors, which can benefit properties through better pricing and structuring.

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

The primary market factor that affected this activity is also one that demonstrates our impact: the absence of consolidated data and analysis on the LIHTC market in Middle Appalachia, and the challenges and opportunities for development. To combat this, we used advanced data analytics techniques to derive insight from a variety of data sources including data from the American Community Survey from the Census Bureau, HUD, NHPD, and FHFA, and often had to combine datasets to achieve the intended results. Geocoding was performed to find exact coordinates for subsidized properties, which allowed for them to be geospatially joined to the FHFA rural Middle Appalachia definition to allow for analysis. This provided the ability to produce descriptive statistics that are more accurate than any conventional data analysis technique would allow. With this paper, many of the statistics and information that were not previously known to the market have been released and distributed broadly in an understandable manner so that the industry can act to address the affordability crisis in Middle Appalachia.

4. <u>Optional</u>: 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)*

To measure the potential for Freddie Mac investment in an underserved and understudied market, we need to first understand the market in its entirety. This research meets that critical need. We are better informed and can better direct our syndicators to pursue transactions in this market, which has the potential to enable us to meet or exceed our investment targets. That being said, our research illustrates the many challenges to creating and preserving affordable housing in these areas. From infrastructure challenges, to cultural preferences, to lack of buildable land, this region has many obstacles to building and sustaining multifamily rental housing. With this foundation of research, we are better prepared to make decisions surrounding our investments in this region, set future targets, and meet or exceed those targets.

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

RURAL HOUSING

2Q REPORT

EVALUATION AREA: OUTREACH

ACTIVITY:

Activity 1 – High-needs rural regions: Regulatory Activity

OBJECTIVE:

Objective F: Research the use of and opportunity for LIHTC in support of Middle Appalachia

Rural Middle Appalachia is one of the hardest multifamily markets to serve. Creating and preserving affordable multifamily housing in this market is largely dependent upon subsidy sources, particularly LIHTCs. There is currently limited analytical work about the prevalence of LIHTCs in support of Middle Appalachia, and available data is often contained in disparate sources. By engaging in and publishing research about existing LIHTC investment in rural areas, we can draw further attention to the need, challenges, and potential for investment in this market. Over the first half of the year, we have been collecting and analyzing data and engaging with several organizations to create a report that may reveal opportunities for new affordable housing in Middle Appalachia.

Aggregating data from a variety of sources was a very time-intensive process. Some of the descriptive statistics in this paper could only be found by combining multiple data sources that were either difficult to find or difficult to work with. We utilized complex data analysis techniques, such as geospatial analysis, to observe trends that could not be easily identified using conventional methods. The final product, to be published prior to the end of the year, will be an analysis that thoroughly examines the Middle Appalachian LIHTC market and the most relevant factors that affect the development of LIHTC properties. As such, we expect to meet or exceed our goal for this objective.

ACTIONS:

Action Category	Action Reference – Activity 1; Objective F	Status
Market Actions	Action 1	Engage with various entities – Complete
	Action 2	Aggregate and align data – Complete

| | Action 3A-D | Gather information and data for Report – Complete |
| | Action 4 | Publish and Distribute report – Outstanding |

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):

N/A

Rural_HN Regions_F_Narrative_Q2