

Exhibit G:

**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2020

LOAN PRODUCT

**ACTIVITY:**

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

**OBJECTIVE:**

C – Support Standardization of Data Collection at the Transaction Level

**ACTIONS:**

Freddie Mac met our goals under this objective in 2020, completing testing of enhancements to HomeKeeper, Grounded Solutions Network’s web-based tool that many shared equity program providers use to simplify program administration and access key data. To support the standardization of data collection at the loan level (transaction level), we worked with Grounded Solutions Network in 2019 to create a consistent data set and process that both lenders and shared equity program providers can use to verify that programs meet Freddie Mac’s requirements.

In 2020, nine community land trust (CLT) program providers thoroughly tested the new HomeKeeper system capabilities. Plans for further testing were suspended when CLT program providers and lenders necessarily refocused their priorities and resources on responding to the coronavirus pandemic and extraordinary refinance volume. However, 11 organizations also reviewed the final HomeKeeper functionality and product features through a recorded demonstration. The testing and review completed to date gave Freddie Mac and Grounded Solutions Network confidence in HomeKeeper’s functionality and operation.

Objective’s components detailed in the Plan	Corresponding actions taken
<p>1. Expand the number of program participants in the pilot to nine to test newly developed system capabilities.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>• Conducted testing of newly designed HomeKeeper capabilities that will make it easier for shared equity homeownership program providers to gather and transmit a standard set of information to lenders and will automate lenders’ reviews of program information against our product requirements, thereby increasing efficiency. Nine CLT program providers completed testing.</li> <li>• Presented a recorded demonstration of the completed HomeKeeper functionality and features to 11 CLTs. Gathered suggestions and feedback as input for future consideration.</li> <li>• In consultation with Grounded Solutions Network, deemed that the testing completed to date is sufficient to consider the enhanced HomeKeeper tool ready for release when market conditions are right.</li> </ul>

	<ul style="list-style-type: none"> <li>Highlighted HomeKeeper capabilities at Freddie Mac’s premier sales conference, FreddieMacCONNECT, to raise awareness and generate interest in adoption. Grounded Solutions Network’s HomeKeeper program director participated in the presentation.</li> </ul>
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**SELF-ASSESSMENT RATING OF PROGRESS:**

- 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:**

Not applicable

**IMPACT:**

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

**IMPACT EXPLANATION:**

**1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?**

Freddie Mac made a significant impact under this objective by confirming that the enhanced HomeKeeper functionality effectively standardizes data collection on the transaction level and makes originating mortgages on homes in CLT programs according to our requirements faster and easier for program providers and lenders. This capability previously did not exist. Once the pandemic and refinance wave subside, and lenders and CLT program providers have the capacity to implement new tools and products, the standardization and access to data could help boost lending for shared equity homeownership.

Our CLT offering, effective as of November 2018, requires the lender to review a range of documentation sent from the program provider to assess whether a program meets the spirit of the Duty to Serve final rule. Because program providers are unaccustomed to providing the documentation, gathering it could be a challenge. Also, program providers’ data-collection methods and operational processes often differ from each other. The lack of

standardization would require lenders to go through a time-consuming manual review process, often requiring the lender to go back to the program providers for additional information.

HomeKeeper contains the most comprehensive shared equity homeownership data set available and is a scalable solution that applies common data standards and practices. Close to one in five CLT programs already use it to manage their homeownership portfolios and measure outcomes. The enhancements made to HomeKeeper in collaboration with Grounded Solutions Network over the last couple of years create a standardized, automated method for program providers to aggregate the documentation. Also, through the enhanced HomeKeeper interface, lenders—who previously did not have access to the tool—can receive the required program documentation in a standardized manner and format. They also can retrieve loan-specific documents that may trail the program documents, such as the certificate verifying that the borrower completed homebuyer education as required.

Circumstances in 2020 curtailed testing, but not our confidence in the enhanced HomeKeeper and benefits for CLT program providers, lenders, Freddie Mac, and, ultimately, low- and moderate-income homebuyers in high-cost areas. The lack of a systemic approach to collecting and sharing data has been an industry challenge. The functionality that we developed with Grounded Solutions Network over the Plan cycle standardizes data collection at the transaction level and formats documentation in a way that facilitates the lender’s review to ensure that the program meets Duty to Serve eligibility. The streamlined, standardized process saves time and resources and improves communications between lenders and CLTs. The increased ease could prompt greater use of HomeKeeper and adoption of our CLT mortgage product. In turn, this would expand market liquidity and affordable homeownership opportunities.

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

We learned that the processes associated with specialty mortgage offerings must be as efficient and similar to traditional mortgage transactions as feasible to increase the likelihood of lender adoption. The complexities of lenders’ internal processes affect the rate of adopting new or updated offerings, even when lenders understand the value of offerings and are anxious to incorporate them into their businesses. However, the speed to market depends on lender priorities as well as the need for resources, systems updates, new internal policies, and training. The process can take a year or more. Offerings that involve systems changes take the longest to implement. In addition, we must be mindful of impacts that our requirements may have on other parties to the loan transaction, such as CLT program providers. In these cases, we must provide a streamlined process for delivering required data and documentation to lenders.

We will continue to refine our requirements and offer resources, such as HomeKeeper, to make the processes around our CLT offering simpler and more efficient. The additional support will assist lenders in adopting and using our CLT mortgage offerings once they have the capacity to do so. It also will help program providers in connecting potential homebuyers with financing for homes that are affordable over time.

**3. Optional: If applicable, why were all components of this objective not completed?**

Not applicable

Exhibit C:  
**Second Quarter Loan Products Narrative Reporting Template**

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q2: JANUARY-JUNE 2020

LOAN PRODUCT

**ACTIVITY:**

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

**OBJECTIVE:**

C - Support Standardization of Data Collection at the Transaction Level

**ACTIONS:**

Freddie Mac made progress under this objective in the first two quarters of 2020, completing additional testing of enhancements to HomeKeeper, Grounded Solution Network’s web-based tool that many shared equity program providers use to simplify program administration and access key data. To support the standardization of data collection at the transaction level, we worked with Grounded Solutions Network last year to create a consistent data set and process that both lenders and shared equity providers can use to determine program eligibility in accordance with Freddie Mac’s requirements.

Through the first half of 2020, nine community land trust (CLT) program providers thoroughly tested the new HomeKeeper system capabilities. Further testing was planned but has not taken place; CLT program providers and lenders have necessarily refocused their priorities and resources to respond to the coronavirus pandemic and the huge refinance wave. In addition, some lenders are delaying product development and releases. However, the development work on HomeKeeper is complete and has undergone sufficient testing to give us and Grounded Solutions Network confidence in its functionality and operation; no additional testing is needed.

Action	2020 Achievements through Q2
1) Expand the number of program participants in the pilot from 10 to 15 to test newly developed system capabilities.	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>Conducted testing of newly designed HomeKeeper tool capabilities that will make it easier for shared equity homeownership program providers to gather and transmit information to lenders and minimize lenders’ operational burdens related to reviewing program information against our product requirements. Nine CLT program providers completed the effort.</li> <li>Scheduled additional CLT providers and lenders to test the tool in second quarter. However, those organizations withdrew from testing; their business priorities have dramatically changed because of the coronavirus pandemic and falling interest rates.</li> <li>In consultation with Grounded Solutions Network, deemed that the testing completed to date is sufficient to consider the enhanced HomeKeeper tool ready for release when market conditions are right.</li> </ul>

**SELF-ASSESSMENT RATING OF PROGRESS:**

- 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):**

Because of the coronavirus pandemic, lenders have shifted their focus to helping customers adversely affected and implementing the GSEs' servicing and origination policy changes. In addition, because demand for refinances has grown as interest rates have dropped to historic lows, maintaining service levels has become a higher priority. Lenders are delaying product development and releases, and some have temporarily stopped offering niche products, including those that support shared equity homeownership.

CLTs also have shifted their focus to critical housing-related relief efforts that support the people and communities in which they operate.

With the development of the HomeKeeper enhancements complete and the tool successfully tested by nine shared equity providers, no additional testing is required.

Freddie Mac will submit a modification request to lower the number of organizations testing the functionality from 10-15 to nine under this objective in our Duty to Serve Plan for 2020.