

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2020

PURCHASE

ACTIVITY:

4– Manufactured Housing Communities with Certain Pad-Lease Protections: Regulatory Activity

OBJECTIVE:

C– Purchase Loans that Institute Duty to Serve Tenant Protections

SUMMARY OF RESULTS:

	MHC Units with Tenant Protections	Transactions
Baseline (2019)	1,322	8
2020 Target (lesser of)	1,170	10
2020 Volume	1,238	14

We implemented our MHC with tenant protections product offering in 2019 and began purchasing loans the same year. As we realized that the market was willing to adopt these protections, we modified our DTS plan to set a loan purchase target in 2020. We set our 2020 target higher than the achieved volume in 2019 in terms of number of loans, as we found that this offering was attractive to smaller communities.

In terms of transactions, we increased our number of transactions by 75% above the baseline and 40% over our 2020 target.

Through the volume of loans we purchased, the breadth and distribution of properties we supported, the unique ability of our business model to attract private capital and distribute risk, and the counter-cyclical liquidity we provided, we had a substantial impact on the MHC tenant protection market in 2020. We have also distributed risk away from Freddie Mac and the taxpayer: All loans on MHC properties with Duty to Serve tenant protections which we purchased in 2020 have already undergone risk transfer or have risk transfer pending in 2021.

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

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

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 in laying the foundation for future impact in addressing underserved market needs? (limit: 3,000 characters, including spaces)

We continued our role of providing liquidity in these hard-to-serve markets through our innovation and dedicated platform, providing support to more families through our MHC tenant protections financing. Our role in establishing a market standard for tenant protections and providing liquidity will continue to have a profound influence on the MHC market—and MHC tenants—in the near and long-term.

Building off of the impact we were able to achieve in 2019, we exceeded our target by purchasing 14 loans for a UPB of \$72MM, bringing the total to 22 loans under our offering, across 13 different states for a total UPB of \$160MM in 2019 and 2020. Based on 2020 loan purchases, 1,238 homeowners will have their leases updated to include all of the MHC Tenant protections within one year of loan origination.

We have had an impact on a broad range of communities since inception of our MHC product offering. All of our loans have been acquisitions or refinance opportunities working with many repeat small and medium-sized borrowers, though we have had inquiries from larger institutional sponsors. Across 2019 and 2020, we served large and small communities, with an average unit count of 179 ranging from 58 to 637 units and an average loan size of \$7MM, ranging from \$1.5MM to \$28.5MM. Our transactions served both families and age-restricted communities, with two of the deals we closed in 2020 serving residents that are 55 years or older.

Recognizing the critical role the GSEs may serve in providing stable source of capital during this period of market turmoil, we were mindful of maintaining strong credit standards with safety and soundness. In furtherance of this goal, we are also able to distribute risk away from taxpayers through our market-leading credit risk transfer program. All loans on MHC properties with Duty to Serve tenant protections which we purchased in 2020 have already undergone risk transfer or have risk transfer pending in 2021. This allows us to provide attractive financing and flexible terms to borrowers and channel private capital to support public good efficiently and cost effectively while protecting taxpayers and maintaining safety and soundness.

2. What did the Enterprise learn from its work about the nature of underserved market needs and how to address them? (limit: 1,500 characters, including spaces)

From our experience in this space, we have learned that we play an important role in providing greater liquidity to smaller communities in particular. Our work in 2020 reinforces the lessons we learned last year and sets a market standard as far as GSE financing is concerned. Since launching our MHC tenant protection offering in June 2019, we learned that borrowers were more receptive to the protections than previously understood, particularly given the way we structured our offering, which provided an effective incentive package and allowed community owners a reasonable period of time to put all protections in place.

We have also observed that the majority of borrowers instituting MHC tenant protections are small and medium borrowers, though we have had inquiries from large institutional sponsors. This information is pertinent to our business as it allows us to better target our lending and better incentivize our borrowers to institute MHC tenant protections.

3. **Optional:** If applicable, why were all components of this objective not completed? (limit: 1,500 characters, including spaces)

Attach the data specified for Loan Purchase objectives in Section 3 of this document.