

Exhibit G:  
**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC

MANUFACTURED HOUSING

2020

LOAN PRODUCT

**ACTIVITY:**

1 – Support for Manufactured Homes Titled as Real Property: Regulatory Activity

**OBJECTIVE:**

B – Design New Product Flexibilities to Facilitate the Origination of Mortgages Securing Manufactured Housing Titled as Real Property

**ACTIONS:**

Freddie Mac exceeded our goals under this objective in 2020 by providing industry-leading thought leadership, engaging and collaborating across the manufactured housing (MH) ecosystem, enhancing products and policies, and providing education for lenders and appraisers. We delivered this level of effort and achievement during the coronavirus pandemic and under market conditions that required Freddie Mac, lenders, and other industry participants to shift priorities and resources.

2020 highlights:

- Freddie Mac examined internal loan level data to determine the effectiveness of policy changes made in 2018 and 2019 to increase lending and access to credit on manufactured homes titled as real property. We also surveyed lenders to gather feedback on the effectiveness of policy changes.
- We published "[The Loan Shopping Experiences of Manufactured Homeowners: Survey Report](#)" on our web site and promoted it to the industry. Developed in collaboration with the Center for Community Capital at the University of North Carolina at Chapel Hill, the report captures the results of industry-leading research into how MH buyers of MH choose between financing options, buyer characteristics, and other factors that influence purchase and financing decisions.
- We led a discussion on MH during Freddie Mac's Affordable Housing Advisory Council (AHAC) meeting to gain additional insights and share ideas on opportunities to expand support for underserved markets.
- Above and beyond our planned 2020 actions, Freddie Mac updated our Seller/Service Guide to increase efficiencies, cost savings, and lending opportunities.
  - Based on industry feedback, we revised the manufacturer's specifications for CHOICEHome® and made CHOICEHome requirements, including those for appraisals, more specific.
  - We removed the restrictions on delivering MH mortgages electronically (eMortgages) to facilitate lending during the pandemic.

- We expanded property eligibility to include MH as accessory dwelling units (ADUs). We also allowed CHOICEHome as a primary residence with a standard MH as an ADU.
- Expanded access to credit by reducing the credit score for manually underwritten Home Possible® mortgages that finance MH.
- Above and beyond our planned 2020 actions, we collaborated with the Appraisal Institute to provide on-demand training for appraisers on appraising MH, allowing education opportunities to continue during the pandemic. In 2020, 250 appraisers completed the training, for a total of 719 since the launch in 2019.

Objective's components detailed in the Plan	Corresponding actions taken
<p>1. Assess the effectiveness of policy changes made in 2018 and 2019 by obtaining market feedback from at least five lenders for any changes issued broadly via the Seller/Service Guide, analyzing internal data including impact on purchase volume and income-eligible borrower segments. Freddie Mac will document results and provide a report to FHFA.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>● Examined internal data to assess the impact of policy changes introduced in 2018 and 2019 on loan purchases and borrowers served.</li> <li>● Interviewed 6 lenders to gain their views on the market effectiveness of the policy changes introduced in 2018 and 2019. Also considered feedback gathered from lenders in the normal course of business.</li> <li>● Analyzed the information gathered.</li> <li>● Documented our findings in a report submitted to FHFA on December 21, 2020.</li> </ul>
<p>2. Complete a research project on manufactured housing consumer financing selections, analyze the information and data from the research project and publish findings on Freddie Mac's website.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>● Finalized the report and executive summary.</li> <li>● Promoted the report and findings through a press release and Freddie Mac Single-Family Lender News as well as at the Louisville Manufactured Home Show.</li> <li>● Posted "<a href="#">The Loan Shopping Experiences of Manufactured Homeowners: Survey Report</a>" on FreddieMac.com, with an overview and links to other relevant resources.</li> </ul>
<p>3. Convene our Affordable Housing Advisory Council annually to obtain feedback and further calibrate product features.</p>	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>● Engaged the Affordable Housing Advisory Council members in a discussion about opportunities in Duty to Serve markets, including MH.</li> </ul>

**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

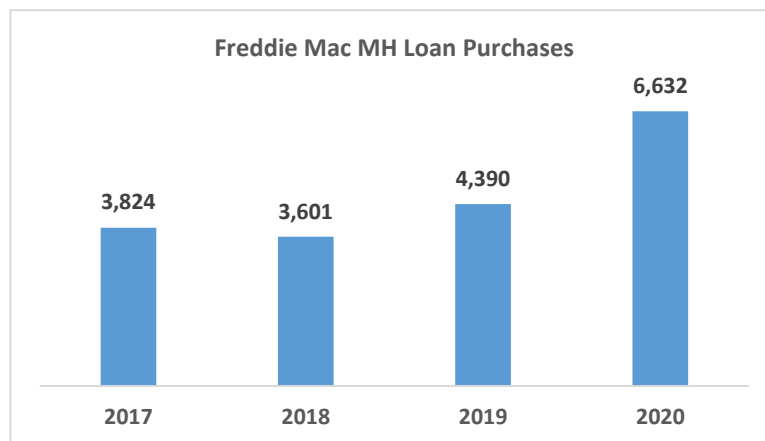
**IMPACT EXPLANATION:**

- 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 substantial impact on this market and laid the foundation to make an even greater difference by collaborating across the industry, making valuable research available, rolling out product enhancements, and supporting training and outreach that help promote affordable lending and homeownership opportunities.

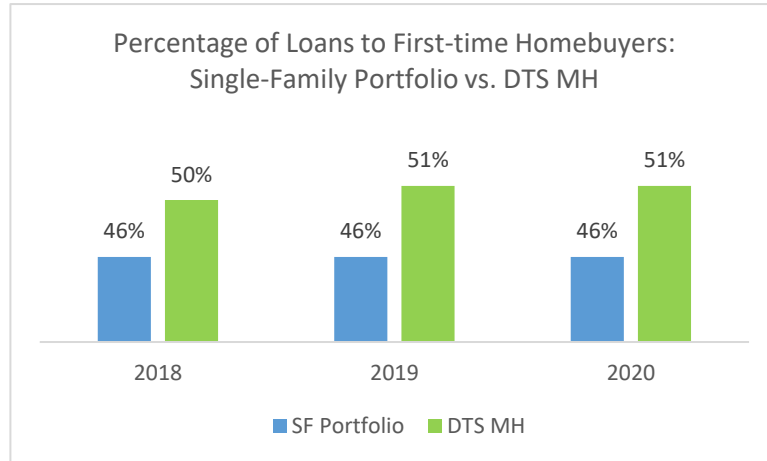
Our assessment of the effectiveness of the policy updates rolled out in 2018 and 2019 confirmed that they, combined with our extensive outreach and education efforts on all affordable offerings, seem to have made a significant difference in a short time.

Our internal data analysis showed our growing impact on the MH space since Duty to Serve (DTS) began in 2018. Purchases rose each year; we also bought loans each year from lenders that had not sold to us in at least a year. (Note that two main market conditions affected 2020 results: historically low interest rates, which caused loan originations to soar, and the coronavirus pandemic, which made reaching this objective more difficult. Lenders shifted priorities and resources to focus on supporting their customers and implementing GSE pandemic policies, which slowed or halted adoption of policy updates.)

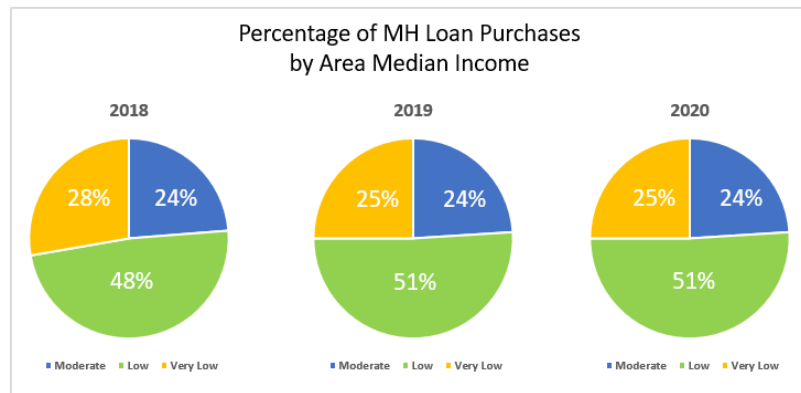


In the single-close option’s first year, we bought MH loans from nine lenders that had not sold to us before; in 2020, we bought 22 loans from 10 lenders that had not sold to us before.

Also, a larger percentage of DTS MH loan purchases have helped first-time homebuyers than Freddie Mac Single-Family portfolio loans have.



Lower- and moderate-income households also benefited from our efforts during the Plan cycle. We made inroads with low-income households, historically a difficult cohort to reach. Half of our MH purchases helped low-income households become homeowners.



In general, the lenders surveyed saw value in our policy changes; some had not yet adopted or fully implemented them due to other priorities. Lenders also had helpful insights into product adoption.

The lenders cited single-close construction to permanent financing and our CHOICEHome® offering as having the biggest positive impact in the MH space. They were encouraged by the updates and MH’s eligibility for new offerings, such as GreenCHOICE Mortgages®.

Policy Update	Summary of Lender Feedback
Close on financing for the home’s construction, purchase, and installation in a single transaction	<ul style="list-style-type: none"> <li>• Support manufactured home retailer business model</li> <li>• Opportunity to support new manufactured homes</li> <li>• Ranked as having the greatest impact on expanding affordable lending</li> </ul>

	<ul style="list-style-type: none"> <li>• Some MH retailers will work only with lenders offering this option</li> <li>• Also allowing use of a modification agreement in certain circumstances makes a positive difference to customers</li> </ul>
Allow site-built financing for MH certified as CHOICEHome® with term of business	<ul style="list-style-type: none"> <li>• Can help grow the MH market</li> <li>• Excited about its potential to help meet the demand for affordable housing options</li> <li>• Can widen the pool of homebuyers willing to consider MH</li> <li>• Aligning with site-built credit parameters can help address some fundamental challenges with MH lending</li> </ul>
Allow use of proceeds to pay off an outstanding balance under a land contract or contract for deed	<ul style="list-style-type: none"> <li>• Allows the borrower to finance the home as real property</li> <li>• Supports borrowers who have acquired properties in this manner where it is customary</li> <li>• Perfects the title to the property in the customer name</li> </ul>
Allow homebuyers with no credit scores to use our products to finance MH	<ul style="list-style-type: none"> <li>• Allows access to credit to additional creditworthy customers</li> </ul>
Allow manual underwriting after a manufactured home loan goes through Loan Product Advisor®	<ul style="list-style-type: none"> <li>• Makes the loan production process more efficient and allow financing for more creditworthy customers</li> </ul>
Allow an IBTS Performance Verification Certificate as proof of compliance with HUD Code in lieu of the HUD data plate and tags	<ul style="list-style-type: none"> <li>• Increases operational efficiencies and increase customer satisfaction</li> </ul>
Allow financing for energy- and/or water-efficiency home improvements with GreenCHOICE Mortgage	<ul style="list-style-type: none"> <li>• See benefits in our streamlined approach to financing renovations that lead to utility cost savings</li> <li>• Classifying the refinance as no cash out can help make renovations more affordable and help the homeowner sustain affordable homeownership over time</li> </ul>

Plus, our report, [“The Loan Shopping Experiences of Manufactured Homeowners”](#), filled a data gap, providing insights into buyers’ financing decisions and characteristics, loan and land ownership preferences, and satisfaction with the buying process. Posting it on-line and publicizing it made these insights widely available. Along with our 2019 report on loan performance, our research helps lenders make informed decisions about participating in the market, helps in forming customer strategies, and dispels misperceptions about MH buyers and buying behaviors.

Together, our efforts in this Plan cycle are transforming the industry, helping it grow, and changing views on MH and MH ownership.

**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 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. Offerings that do not require systems updates are faster and easier to implement. 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; we may not realize loan purchases for 12-16 months after policy launch. The timeline has lengthened as lenders respond to the pandemic and elevated loan volume. To help gain traction, we promoted our offerings in ways that showed our market support as well as sensitivity to time, resources, and health concerns:

- Delivered presentations via webinars and virtual conferences.
- Provided targeted resources on-line, including training on offerings.
- Seamlessly continued to bring stakeholders together to explore rural challenges and opportunities.

Also, the pandemic reinforced the value of staying flexible and open to ideas. Our 2020 policy updates help address matters that became more pressing during the pandemic and further advance the market. Accepting eMortgages let us buy MH loans without disruption despite the pandemic. Approving MH as an ADU targeted the housing shortage and the need for remote-work space. And revising the CHOICEHome specifications responded to consumer demand.

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

MANUFACTURED HOUSING

Q2: JANUARY-JUNE 2020

LOAN PRODUCT

**ACTIVITY:**

1 - Support for Manufactured Homes Titled as Real Property: Regulatory Activity

**OBJECTIVE:**

B - Design New Product Flexibilities to Facilitate the Origination of Mortgages Securing Manufactured Housing Titled as Real Property

**ACTIONS:**

Freddie Mac made progress toward our goals under this objective in the first two quarters of this year. However, market conditions changed dramatically because of the coronavirus pandemic and historically low interest rates. As a result, Freddie Mac has focused on fulfilling our mission, providing liquidity, stability, and affordability to help minimize disruption to the housing market. Appropriately, lenders have also shifted their focus and resources. This refocusing, however, has deterred some of our efforts.

In the first half of 2020:

- Freddie Mac published [The Loan Shopping Experiences of Manufactured Homeowners: Survey Report](#) to our website. Developed in collaboration with the Center for Community Capital at the University of North Carolina at Chapel Hill, the report captures the results of research into how manufactured home buyers choose between financing options, consumer characteristics, and other factors that influence purchase and financing decisions.
- We led a discussion on manufactured housing during Freddie Mac’s Affordable Housing Advisory Council (AHAC) meeting to gain additional insights and share ideas on opportunities to expand support for underserved markets.
- We began to examine internal loan level data to determine the effectiveness of policy changes made in 2018 and 2019 to increase lending and access to credit on manufactured homes titled as real property. We also developed a survey to gather feedback from lenders on the policy changes and engaged our Sales team to help select lenders to participate.
- Above and beyond our planned 2020 actions, Freddie Mac also updated our Seller/Servicer Guide to increase efficiencies, cost savings, and lending opportunities.
  - We revised the manufacturer’s specifications for CHOICEHome® and made CHOICEHome requirements, including appraisal requirements, more specific.
  - We also removed the restrictions on delivering mortgages secured by manufactured homes electronically (eMortgages).

Action	2020 Achievements through Q2
1) Assess the effectiveness of policy changes made in 2018 and 2019 by obtaining market feedback from at least five lenders for any changes issued broadly via the Seller/Servicer Guide, analyzing internal data including impact on purchase volume and income-eligible borrower segments. Freddie Mac will document results and provide a report to FHFA.	<b>In progress</b> <ul style="list-style-type: none"> <li>• Prepared survey questions aimed at gathering meaningful feedback from lenders on policy changes made in 2018 and 2019 to our manufactured housing offerings.</li> <li>• Began to work with our Sales team to select lenders to participate in our survey.</li> </ul>

	<ul style="list-style-type: none"> <li>Began to review loan level data to gain insight into the impacts of our policy changes.</li> </ul>
2) Conduct ongoing surveys with lenders on the manufactured housing lender curriculum and the web-based training to gather feedback on the effectiveness of the lender curriculum.	<p><b>Not initiated</b></p> <ul style="list-style-type: none"> <li>Because of the pandemic and unexpectedly high refinance volume, lenders shifted their focus from specific offerings and programs to broader mortgage industry issues. Standard training participation across the board was down; industry training focused on how to keep lenders' business moving forward in the current environment.</li> <li>Based on the declining participation, decided to suspend analysis of feedback on baseline manufactured housing training because the sample likely will be too small to be sufficiently meaningful.</li> </ul>
3) Complete a research project on manufactured housing consumer financing selections, analyze the information and data from the research project and publish findings on Freddie Mac's website.	<p><b>Complete</b></p> <ul style="list-style-type: none"> <li>Finalized the report and executive summary.</li> <li>Promoted the report findings through press release, lender newsletter and at the Louisville Manufactured Home Show</li> <li>Posted the report on FreddieMac.com, along with an overview and links other resources.</li> </ul>
4) Convene our Affordable Housing Advisory Council, Manufactured Housing Initiative Task Force and the Next Step SmartMH Task Force at least biannually to obtain feedback and further calibrate product features.	<p><b>In progress</b></p> <ul style="list-style-type: none"> <li>Engaged our Affordable Housing Advisory Council (AHAC) in a discussion about opportunities in Duty to Serve markets.</li> <li>Understanding that members' business priorities have shifted because of the coronavirus pandemic and the low interest-rate environment, and respecting their time and resource restraints, postponed additional meetings of AHAC, our Manufactured Housing Initiative Task Force (MHIT), and the Next Step<sup>®</sup> SmartMH<sup>SM</sup> Task Force indefinitely.</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):**

Lenders' priorities now center on helping customers adversely affected by the pandemic, implementing the GSEs' changes to servicing and origination policies, and maintaining service levels for the rising number of refinance customers. They are delaying product releases and development; some have halted offering niche products. Our lenders have asked that we take this into account when interacting with them.

Therefore, the current environment does not lend itself to convening meetings of the AHAC, MHIT, and SmartMH Task Force beyond those already held this year. Doing so could conflict with members' business priorities and ability to serve customers.

Also, fewer lenders are likely to take advantage of our standard training courses in this environment. As a result, we may not receive enough feedback on the curriculum's effectiveness to reach conclusions.

Freddie Mac will submit to FHFA a modification request to remove Action 2 and modify Action 4 in our Duty to Serve Plan for 2020.