

Exhibit G:

Annual Loan Products Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2020

LOAN PRODUCT

ACTIVITY:

1 – High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

B – Design New Product Flexibilities to Facilitate the Origination of Mortgages in High-Needs Rural Regions

ACTIONS:

Freddie Mac exceeded our 2020 goals under this objective by assessing the effectiveness of product offerings and flexibilities, providing appraisal training for industry professionals, introducing product flexibilities, and conducting outreach to raise awareness of our solutions that expand opportunities for affordable lending in high-needs rural areas (HNRR). We delivered these results during the coronavirus pandemic and in market conditions that required Freddie Mac and other industry participants to shift priorities and resources. Lender engagement, outreach, and training efforts were significantly affected.

2020 highlights:

- Our assessment of the effectiveness of products and offerings rolled out in 2019, based on lender interviews and internal data analysis, confirmed that liquidity, lender participation, and affordable homeownership opportunities have increased in HNRR as a result of our efforts during the Plan cycle.
- We widely publicized our rural appraisal curriculum, which educates lenders and servicers on our updated requirements for rural properties valuations. In partnership with the Appraisal Institute, we also promoted the rural appraisal curriculum that we developed for appraisers.
- Continuing our extensive outreach and education campaign, we engaged industry participants through a range of marketing and communications activities, conferences, education events, and other forums. We shared information about the Duty to Serve Program and the products, offerings, and other support that we developed to bolster sustainable homeownership in HNRR.
- Above and beyond our planned 2020 actions, we made two enhancements to our CHOICERenovation® offering based on industry feedback.
 - Allow concurrent transfer of servicing for loans delivered before renovations are complete, with prior approval.
 - Specify that a CHOICERenovation loan secured by a property that the borrower owned free and clear is deemed a no cash-out refinance if proceeds are used to finance only renovations.
- In response to the pandemic, we introduced temporary flexibilities for CHOICERenovation loans sold before construction is complete:

- Allow the lender to ask Freddie Mac for an extension via e-mail if construction cannot be done on time or a completion report cannot be obtained because of the pandemic.
- Let draw distributions continue during forbearance for borrowers who enter forbearance plans after the settlement date but before renovations are complete.
- Allow virtual inspections as proof of construction progress; an on-site appraisal is required to verify completion.
- Allow removal of recourse for CHOICERenovation loans previously in pandemic-related forbearance.

Objective's components detailed in the Plan	Corresponding actions taken
<p>1. Finalize a rural appraisal curriculum and release it as part of a rural tutorial series, to include focus on product features that can be leveraged with appraisal best practices and rural property scenarios. Roll it out broadly on Freddie Mac's website to all seller/servicers and socialize availability as set forth in our communications plan (including industry forums, advisory meetings, Single-Family News Center updates).</p>	<p>Complete</p> <ul style="list-style-type: none"> ● Finalized the lender rural appraisal curriculum in 2019, ahead of schedule. ● Trained 210 lending professionals from 106 lender institutions in 2020 via our "Reviewing Rural Properties" webinar; 55 of those institutions had not sent participants to the training in 2019. The pandemic and demands due to extraordinarily high home purchase and refinance activity likely affected enrollment. In total, 1,180 professionals representing 472 institutions have completed the training since the 2019 rollout. ● Drove attendance through a coordinated effort to promote the training on FreddieMac.com, during industry events, through e-mail blasts, and in Single-Family Lender News. ● The Appraisal Institute continued to offer the Rural Area Appraisals curriculum for appraisers through its state chapters. The robust curriculum, developed in conjunction with Freddie Mac in 2019, helped appraisers better understand and overcome the challenges of appraising properties in HNRR. Held three sessions with 76 attendees in 2020 before in-person classes were cancelled because of the pandemic; in total, 124 appraisers received training through five sessions.
<p>2. Assess the effectiveness of policy changes made in 2019 to determine whether the change(s) did or will increase participation and production in the market. Analyze internal data, including the impact on purchase volume and income-eligible borrower segments. Obtain market feedback from at least 10 participating seller/servicers for changes issued broadly via the Seller/Servicer Guide. Freddie Mac will provide results in its report to FHFA.</p>	<p>Complete</p> <ul style="list-style-type: none"> ● Examined internal data to assess the impact of policy changes introduced in 2019 on loan purchases and borrowers served. ● Interviewed 10 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. ● Analyzed the information gathered. ● Documented our findings in a report submitted to FHFA on December 21, 2020.
<p>3. Increase our focus on loan purchases. Enhance product adoption through the development and release of</p>	<p>Complete</p> <ul style="list-style-type: none"> ● Updated materials on FreddieMac.com to provide industry professionals access to up-to-date product information and related resources. For

<p>updated marketing material that supports lenders, housing finance agencies, housing counselors, and other industry professionals. See also Objectives A and D for measurable actions on loan purchases and homebuyer outreach.</p>	<p>example, refreshed the CHOICERenovation® Frequently Asked Questions document:</p> <ul style="list-style-type: none"> ○ Added key messages. ○ Updated questions and answers as needed. ○ Added and revised content based on questions raised during training events. <ul style="list-style-type: none"> ● Promoted CHOICERenovation, GreenCHOICE, CHOICEHome, and manufactured housing products, training, and tutorials in the June and August issues of Single-Family Lender News to increase understanding, product adoption, and usage in HNRR. ● Developed marketing collateral and toolkits for our sales teams to use in promoting our CHOICE product suite and manufactured housing offerings to lenders and other industry professionals in HNRR. ● Presented on our CHOICE products, affordable mortgage products, and other offerings to industry professionals in rural areas through in-person (before the pandemic) and virtual forums. <ul style="list-style-type: none"> ○ 10 conferences, with 548 attendees at our sessions ○ 20 webinars, with 170 attendees ○ 9 virtual learning events targeted for real estate professionals, with 910 attendees in total ● Provided on-line tutorials on CHOICERenovation (41 launches) and GreenCHOICE (96 launches). ● Presented on CHOICERenovation and GreenCHOICE to larger lenders to encourage them to increase their footprints in HNRR, recognizing that larger lenders can have a big impact quickly. ● Recorded and extensively promoted a podcast on Native American homeownership, with one of our partners representing a Native American community development financial institution.
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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

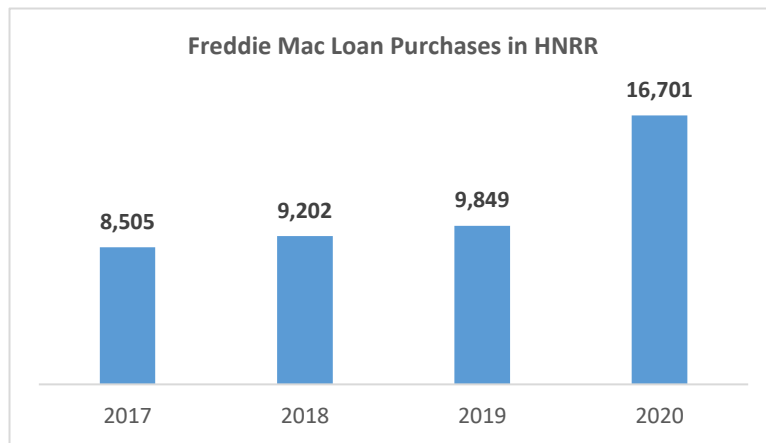
IMPACT EXPLANATION:

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?

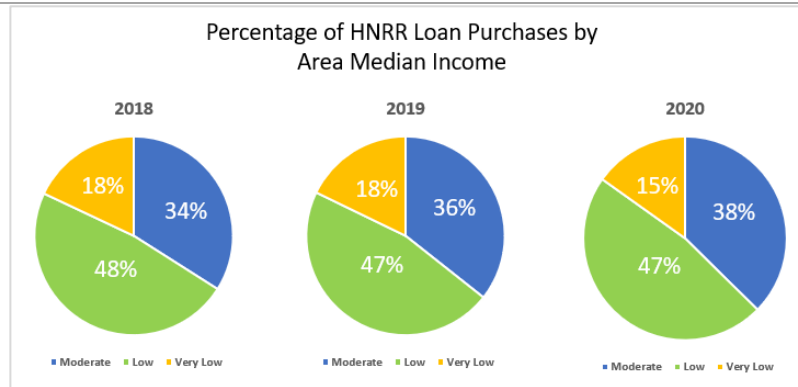
Freddie Mac made a significant impact on HNRR through our actions under this objective and laid the foundation to make an even greater difference going forward.

Our assessment of the effectiveness of the policy updates rolled out in 2019 confirmed that those updates, 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 that our impact in HNRR has been growing during the Duty to Serve (DTS) Plan cycle. (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.) HNRR loan purchases have risen since DTS began in 2018. We updated policies in 2019 to boost lending in HNRR and intensified our lender outreach and education efforts to raise awareness, encourage adoption, and enable usage. Once lenders understood the offerings, they began to adopt and implement them. Usage began in late 2019.



Households with lower and moderate incomes benefited from financing options launched this Plan cycle. We made inroads with low-income households, historically a difficult cohort to reach. Since Duty to Serve began, about half of our HNRR purchases have helped low-income households become homeowners.



In general, the lenders surveyed said they see value in our policy changes; however, some had not yet adopted or fully implemented them due to the competing priorities referenced earlier. The lenders also offered helpful insights into product adoption.

The lenders cited our CHOICERenovation mortgage and the clearer income eligibility requirements for people with seasonal work or non-traditional workweeks as having the biggest potential positive impact on HNRR because they will promote access to credit and affordable homeownership most directly.

Policy Update	Summary of Lender Feedback
Clarify income eligibility requirements for borrowers who work seasonally and/or have non-traditional workweeks	<ul style="list-style-type: none"> Helps lenders qualify more borrowers in the affordable space Addresses an issue that lenders see as the biggest roadblock to extending access to credit in HNRR
Allow financing for a wide range of renovations and repairs with CHOICERenovation; a term of business is available to allow delivery of loans before renovations are complete; manufactured homes are eligible	<ul style="list-style-type: none"> Will have the greatest impact of the offerings launched in 2019, given the age of homes, aging population, and rising prevalence of working from home Is more operationally efficient than some other renovation products on the market Lenders see value in allowing use of CHOICERenovation to finance improvements to manufactured homes
Enhance guidance around rural property eligibility and the use of the cost approach for appraisals when sales data may be too limited to support adjustments	No specific mention during interviews; however, enrollment in the training courses for lenders and appraisers reflected keen interest

Taken together, our efforts during this Plan cycle are helping to clear obstacles and boost affordable lending in HNRR.

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 offerings, even when lenders see their value and are anxious to incorporate them into their businesses. Speed to market depends on business priorities and the need for resources, systems updates, new internal policies, and training. The process can take a year or more. Lenders told us that policy changes we made based on industry feedback make CHOICERenovation easier to adopt, lower lenders' risk, speed the flow of liquidity, and make financing renovations more affordable. Plus, flexibilities offered in response to the pandemic let renovations continue when the borrower is in forbearance or mandated restrictions delay completion.

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

RURAL HOUSING

Q2: JANUARY-JUNE 2020

LOAN PRODUCT

ACTIVITY:

1 - High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

B - Design New Product Flexibilities to Facilitate the Origination of Mortgages in High-Needs Rural Regions

ACTIONS:

Freddie Mac is on track to meet our goals under this objective. During the first two quarters of 2020, we continued to provide technical assistance for lenders and appraisers as well as to increase awareness and understanding of our solutions that expand opportunities for affordable lending in high-needs rural regions (HNRR).

In the first half of 2020:

- Lenders and servicers continued to complete our Reviewing Rural Properties curriculum on-line to learn our property eligibility requirements and valuation guidelines to better serve homebuyers and homeowners in HNRR.
- We began the process of assessing the impact of the policy changes that we rolled out in 2019 to help increase liquidity in HNRR.
 - As part of this effort, we began to examine internal loan level data.
 - We also developed a survey to gather feedback from lenders on the policy changes and engaged our Sales team to help select participants.
- To encourage more lenders to adopt our offerings, use them to increase lending in HNRR, and sell those loans to us, we began to refresh marketing material and create marketing toolkits in collaboration with our sales teams. We delayed the launch of the campaign to focus on assisting our customers, homeowners, and potential homebuyers affected by the pandemic.
- We also continued to participate in industry events to the extent possible in the current environment.

Actions	2020 Achievements through Q2
1) Finalize a rural appraisal curriculum and release it as part of a rural tutorial series, to include focus on product features that can be leveraged with appraisal best practices and rural property scenarios. Roll it out broadly on Freddie Mac’s website to all seller/servicers and socialize availability as set forth in our communications plan (including industry forums, advisory meetings, Single-Family News Center updates).	Complete <ul style="list-style-type: none"> • Finalized the lender rural appraisal curriculum in 2019, ahead of schedule. • Trained 127 lending professionals from 57 institutions in 2020; 30 of those institutions previously had not been represented. In total, 1,097 professionals representing 447 institutions have completed the training since rollout. • Continue to promote the curriculum on our website, during industry events, and through Single-Family Lender News updates.

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	<ul style="list-style-type: none"> Planned to hold a session of the Rural Area Appraisals course, developed in partnership with the Appraisal Institute to help appraisers better understand and overcome the challenges of appraising properties in HNRR, at the Valuation 20/20 conference. The conference was moved on-line because of the coronavirus pandemic; organizers dropped the training session from the agenda because it was designed as a full-day, in-person session and would not translate to the new format. Appraisal Institute will continue to offer the curriculum through its state chapters.
<p>2) Assess the effectiveness of policy changes made in 2019 to determine whether the change(s) did or will increase participation and production in the market. Analyze internal data, including the impact on purchase volume and income-eligible borrower segments. Obtain market feedback from at least 10 participating seller/servicers for changes issued broadly via the Seller/Service Guide. Freddie Mac will provide results in its report to FHFA.</p>	<p>In progress</p> <ul style="list-style-type: none"> Initiated analysis of performance data on our loan purchases in HNRR, reviewing deliveries from lenders who previously had not delivered loans to Freddie Mac in HNRR and assessing the regions where we are experiencing growth. Prepared survey questions aimed at gathering meaningful feedback from lenders on policy changes made in 2019. Began to work with our Sales team to select lenders to participate in our survey. Began to review loan level data to gain insight into the impacts of our policy changes.
<p>3) Increase our focus on loan purchases. Enhance product adoption through the development and release of updated marketing material that supports lenders, housing finance agencies, housing counselors, and other industry professionals. See also Objectives A and D for measurable actions on loan purchases and homebuyer outreach</p>	<p>In progress</p> <ul style="list-style-type: none"> Updated the CHOICERenovation® Frequently Asked Questions document accessible on FreddieMac.com. <ul style="list-style-type: none"> Added key messages. Updated questions and answers to reflect full product rollout. Added and revised content based on questions raised during training events. Developing marketing collateral and toolkits for our sales teams to use in promoting our CHOICERenovation, GreenCHOICE, manufactured housing and CHOICEHome, and shared equity solutions to lenders and other industry professionals. Delayed the campaign launch so that staff could focus on formulating Freddie Mac’s response to the coronavirus pandemic and assisting affected customers, homeowners, and potential homebuyers. Promoted training and tutorials on all CHOICE products in the June issue of Single-Family Lender News; scheduled a promotion of lender appraisal training for the August issue. Presented on our affordable mortgage products and CHOICERenovation to a total of 411 industry professionals through in-person and virtual forums. Nearly all participants who completed post-event surveys strongly agreed or agreed that they gained valuable and relevant information, they will use the information in their jobs, and they were satisfied with the course.

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):

Not applicable