

Exhibit F:

Annual Investments Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2020

INVESTMENT

ACTIVITY:

1- Support for High-Needs Rural Regions: Regulatory Activity

OBJECTIVE:

I- Engage in LIHTC Equity Investment: LIHTC Equity High Needs Geography

SUMMARY OF RESULTS:

	Investments			Properties
Baseline (2014-2016)	0			0
2020 Target	4			N/A
2020 Volume	5			5
Incomes Targeted	VLI units	LI units	MI units	
	22	243	243	

In 2020, we exceeded our target of 4 LIHTC equity investments in high needs rural regions.

Our LIHTC investment business in our third year totaled \$26.2 million over 5 investments, representing four states.

Out of the five investments, two properties were in rural Middle Appalachia, three in the Lower Mississippi Delta region. This equates to \$5.7 million in Middle Appalachia allocation, \$20.5 million in Lower Mississippi Delta allocations. We did all of this in year of substantial market disruption due to COVID-19. Our investment activity played a vital stabilizing role in the market, as we saw examples of other larger investors decreasing their activity in 2020, particularly in the first half of the year when most allocations are made, which destabilized the market in the short run and created risk that deals would not be able to get done.

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

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes your 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)

There are four primary ways that our investments have had a direct and substantial impact on the rural market: (1) we provided stability to the market; (2) we exceeded market norms by investing a greater share of equity in these areas; (3) the investments had a large impact on the specific communities; (4) our relationships with our lenders and syndicators have led to an instrumental cumulative impact over time. These four measures were especially important in 2020 as so many tenants in rural regions were impacted by COVID-19.

1. The arrival of COVID-19 at the end of the first quarter 2020 and the resulting sharp recession changed the investment landscape. Specifically, the simultaneous weakening LIHTC investment demand due to the economic impacts of COVID-19 and the increase in the available supply of tax credits¹, caused market disruption. In light of COVID-19 we continued to invest in DTS rural areas, substantially exceeding our goals for the year. We invested in smaller transactions where historically larger investors do not invest in order to support DTS rural areas. We also were able to continue to support rehab transactions, which are especially important in rural markets. We developed a COVID-19 rehab and relocation protocol that allowed us to continue to invest in rehab transactions, temporarily moving tenants to minimize COVID exposure of tenants as properties were rehabbed, preserving both health and the supply of affordable housing.
2. We invested a greater percentage of our allowed investment volume in rural markets than the market did overall. Of our \$500 million annual cap on investments, we placed \$26.2 million in HN regions markets. Our 5 investments out of 38 properties overall, represents a greater share relative to the national market: 13% (5/38) of our

¹ Novogradac reports new per capita LIHTCs credits available in 2020 to be \$9.5B which is a 4% increase since we re-entered the market in 2018 (credits available totaled \$9.1B).

investments were in DTS high needs rural regions while the national average allocation to rural areas has been 6.7%, per our analysis of National Housing Preservation Database (NHPD) data.²

3. Our impact in individual markets as a result of our investments is clear when reviewing particular investments. The two examples below highlight the positive impacts these investments made in the market.
4. Prior to the start of this DTS plan cycle, we had no LIHTC investments in rural markets. We recognized loan origination in our lenders results from a relationship-driven business and growing and maintaining a strong client base is important for loan originators. Often individual transactions can beget more transactions, spreading the impact over time as relationships deepens. Due to our work with our syndicators and direction to support this market, our syndicators now know the market better and have expanded relationships with the developers active in it. This has enabled us to increase investment. Indeed, our investments in the LIHTC rural market have steadily increased over the last three years, demonstrating a profound cumulative impact in the market.

Property	McCormick Crossing , Sistersville, WV	Meadows Apartments , Crowley, LA
Region	Middle Appalachia	Lower Mississippi Delta
Units	48 units at 40% and 60% AMI	72 units affordable at 20%-60% AMI
Details	Existing USDA-515 family development comprised of 48 units. The project was originally constructed in 1979 consisting of three, two-story residential buildings. Sixteen units are one-bedroom units and 32 are two-bedroom units. A total of 43 units will benefit from USDA's Rural Development Section 521 Rental Assistance. Post renovation unit amenities will include electric range, refrigerator, dishwasher, garbage disposals, ceiling fans, and central AC. The tenant relocation was challenging as they were kept on-site due to COVID-19. However, our safety protocols enabled this rehab to proceed.	Occupied rehab with existing 72-units supported by HUD Section 8 HAP contract. The property consists of nine, two-story residential building with one community building. A total of 22 units are targeted for special needs, single parents or veterans. A total of four units are set aside for household incomes at or below 20% AMI. Site amenities include computer lab, playground and picnic area.

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)

With lives and livelihoods disrupted by the pandemic and its economic fallout, the importance of safe, decent affordable housing—and financing to preserve it—was especially apparent as residents nationwide had to spend more time at home, as school children had to take classes from home, and as jobs were lost and incomes reduced. Affordable housing plays an important role in stabilizing communities and protecting public health, demonstrating added impact of, and reliance upon, the liquidity and investment capital we provide and the flexibilities we offer

² Per the NHPB over the past twenty years, there has been a national average of 1,350 LIHTC properties placed in service each year. Rural regions are only 6.7% of that.

properties that receive financing through us, and the protections tenants can benefit from by living in a property backed by Freddie Mac in conjunction with both federal programs and our forbearance program.

Transactions can be harder to close for developers in rural markets even after a letter of intent has been signed. This was exacerbated by COVID-19, which affected transactions in myriad ways. As we discovered the potential impacts from COVID-19 on deal closing delays, we proactively increased our rural deal originations so we would increase certainty of exceeding our target at year-end. We were able to mitigate these issues in order to close five investments in 2021.

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

Not applicable

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