

Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2020

LOAN PURCHASE

ACTIVITY:

3 – Financing by Small Financial Institutions of Rural Housing: Regulatory Activity

OBJECTIVE:

A – Increase Loan Purchases from Small Financial Institutions Serving Rural Regions

SUMMARY OF RESULTS:

	Loan Count			UPB (\$MM)
Baseline	4,340			-
2020 Target	3,600-3,900			-
2020 Volume	12,147			\$1,759
2020 Volume by AMI	≤ 50%: 1,871	> 50 - 80%: 5,880	> 80 - 100%: 4,396	

Freddie Mac exceeded our 2020 target for purchases of loans from rural small financial institutions (SFIs).

In total, we provided almost \$1.8 billion to fund 12,147 mortgage loans originated by SFIs in rural areas, surpassing our baseline by 180% (by volume) and the top of our target range by 211%.

Compared to 2019, we bought 7,536 more loans from SFIs in 2020, a 163% increase year-to-year. Of our total volume in this market, 45% more loans were for home purchases and 282% more were for refinances than in 2019.

Transaction Type	2018	2019	2018-2019 % Change	2020	2019-2020 % Change
Purchase	2,854	2,301	(19%)	3,334	45%
Refinance	2,047	2,310	13%	8,813	282%
Total	4,901	4,611	(6%)	12,147	163%

Historically low interest rates contributed significantly to purchase growth. An extraordinary number of homeowners refinanced their mortgages, saving money by lowering their monthly payments and/or shortening their loan terms. The

low rates also helped many people afford to buy homes, despite rising home prices. The ability to work remotely further increased housing demand and home purchases.

We drove purchase growth through extensive outreach to our lenders and efforts to educate industry professionals on how using our products and resources can help them grow their businesses. We also worked with our strategic partners to increase their capacity to help more people attain and sustain homeownership.

We delivered this level of effort and exceeded our purchase target during the coronavirus pandemic and under market conditions that required Freddie Mac, lenders, housing intermediaries, and other industry participants to shift priorities and resources. Outreach, homebuyer education, and technical assistance efforts were particularly affected. Homebuyer education and technical assistance efforts were interrupted, requiring us to develop new ways of working to reach our targets. Lender adoption of new offerings also was affected.

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

IMPACT:

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

IMPACT EXPLANATION:

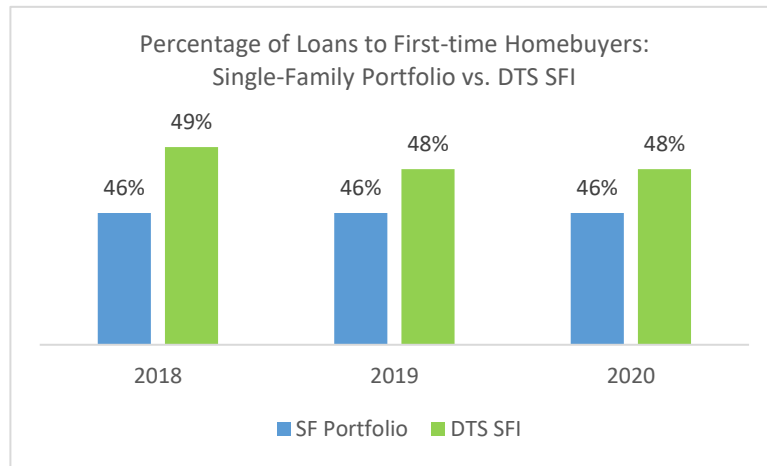
1. **How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?**

Our actions had a substantial impact on this market. SFIs are vital sources of credit in rural areas but often lack access to the secondary market. Through our vigorous efforts to build more and stronger channels to the secondary market, liquidity has risen markedly.

Of our 2020 qualifying loan purchases, about two-thirds (by volume) benefited very low- and low-income households.

Income to Median	Loan Count	UPB (\$MM)	Share of DTS-Qualified Loans from SFIs	% First-time Homebuyers
≤ 50% (very low income)	1,871	\$187	15%	48%
> 50 - 80% (low income)	5,880	\$835	48%	
> 80 - 100% (moderate income)	4,396	\$738	36%	

About half of our 2020 SFI loan purchases helped first-time homebuyers. Consistently, a larger share of DTS loans have supported first-time buyers than portfolio loans have.



Our achievements reflect the difference our continuous and committed leadership has made toward addressing this market's longstanding challenges:

- Continued extensive industry outreach and education to raise awareness, adoption, and usage of our offerings—rolled out based on industry feedback in 2018, 2019, and 2020—that fill market needs, increase efficiencies, and support more borrowers.
- Rolled out product flexibilities to support borrowers affected by the pandemic.
- Enabled more lenders to sell loans to us and encouraged more direct selling.
- Continued to offer training to make appraisals easier and more accurate. Previously developed on-line lender training and developed appraiser training with the Appraisal Institute.
- Held our second Rural Research Symposium, bringing together leaders from across the housing industry to share research and insights that could lead to rural housing solutions. When we established the symposium in 2019, it was a first-of-its-kind forum.
- Continued to boost our non-profit partners' capacity to prepare people for homeownership; included training for some on originating and packaging loans for the secondary mortgage market. Built and strengthened relationships in 2018, 2019, and 2020.

Because of our efforts, DTS has had a substantial impact on SFIs in rural areas during the Plan cycle:

- More lenders have access to the secondary market, more financing options, and more confidence in lending.
- Obstacles to rural appraisals and lending have been lowered.
- Housing organizations have more capacity to fulfill their missions.
- More people are prepared for responsible homeownership.
- The affordable lending ecosystem works more effectively.
- \$2.95 billion flowed to rural SFIs, financing 21,659 homes.

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

We learned more about the complexities of the lender process for adopting offerings. It is multifaceted and usually takes about a year. With demands related to elevated originations and the coronavirus pandemic, capacity to adopt and launch offerings—especially those requiring systems changes—became highly constrained. Many lenders delayed rollouts. To gain market traction with our offerings, we connected with lenders and other industry professionals in ways that showed our support as well as sensitivity to time, resource, and health concerns.

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

Although Freddie Mac conducted extensive outreach and education for SFIs, increased liquidity, and expanded access to the secondary market each year in the Plan cycle, representatives of SFIs in the FHFA listening sessions expressed the need for even more substantial support from us to level the playing field with larger institutions. We are engaging directly with SFIs and leveraging our strong relationships with trusted, well-positioned non-profits to deepen our understanding of the gaps that they see and to begin collaborating on solutions that will equip them to better serve their communities. These activities are in addition to our strategic efforts to expand aggregation channels and access to the secondary market.

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

Not applicable