

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2021

PURCHASE

ACTIVITY:

9 - Support for Residential Economic Diversity: Additional Activity: Regulatory Activity

OBJECTIVE:

A - Purchase Loans on Properties that Support Residential Economic Diversity

SUMMARY OF RESULTS:

	Restricted Units	Properties
Baseline (2017-2019)	3,786	44
2021 Target	3,800	N/A
2021 Volume¹	4,142	40
Incomes Targeted	As required by rent restriction programs	

In 2021, Freddie Mac exceeded our annual target for purchases of mortgages in High Opportunity Areas by 342 restricted units. Our success and substantial impact on the market resulted from long-standing investment in our business, innovative loan offerings, our ability to leverage the capital markets to distribute risk away from taxpayers and access cost-effective private investment capital at significant scale, and our ability to provide counter-cyclical support in a time of market disruption, as we saw in 2021 as a result of COVID-19.

In our 2021 DTS plan, we set our baseline based on our 3-year average from 2017-2019, and we set our target above our baseline units as the lesser of 3,800 units or 40 properties. While there are no reliable estimates of annual debt originations in this part of the Affordable Housing Preservation market because of inconsistent geographical definitions and LIHTC allocations, we have long been a significant source of capital in the market. Since 2016, we have seen wide variation in the properties and units between years in terms of loans purchased due to these market factors and dependencies. Our purchases for the last several years are detailed below:

	2016	2017	2018	2019	2020	2021
Units	1,603	2,978	3,647	4,733	3,866	4,142
Properties	24	44	39	49	39	40

Because of this variability, we set our goals to ensure we could achieve a numerical measure of success without sacrificing market discipline. This is an important factor given that market challenges could limit opportunities to support affordable housing in high opportunity areas.

In 2021, we increased our loan purchases by number of units over several of the prior years while maintaining strong credit standards. Our 2021 loan purchases represent an increase of 9.4% over our baseline number of units and 9.0% higher than our target. We achieved this high level of loan purchase activity despite a substantially smaller volume cap in 2021 (\$70 billion) than in 2020 (\$82.5 billion). Our unit volume in 2021 was our second highest level in the past 6 years.

Through the volume of loans that we purchased, the breadth and distribution of properties and borrowers we supported, our robust pipeline and 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 affordable housing in high opportunity areas in 2021 to support more borrowers and serve more low-income residents.

We have also distributed risk away from Freddie Mac and the taxpayer by attracting private capital. In 2021, 72% of the loans on properties in high opportunity areas we purchased already underwent risk transfer or have risk transfer pending, while the remaining 28% await determination of the optimal risk transfer method.

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?

Freddie Mac's high purchase activity in 2021 had a substantial impact on residential economic diversity (RED) by providing significant liquidity that enabled the preservation of affordable housing for more than 4,000 low- and moderate-income residents in high opportunity areas.

Through our loan purchases, we support high impact transactions.

- a. 535 4th Avenue in Brooklyn, NY is a 148-unit supportive housing property. The property is managed by Women In Need, Inc, (WIN). Since its inception in 1983, WIN has been providing emergency shelter, transitional housing, and supportive housing to homeless women and their children. WIN is a non-profit subsidiary of New York City's Department of Human Services, which is subject to annual appropriations from the State Government in order to continue to provide emergency shelter to those in need. Over the years, WIN has grown to become the largest provider of family shelter and supportive housing in New York City. WIN (the lessee) is a non-profit organization that utilizes the property to provide housing for Department of Homeless Services (DHS) clients on a long-term basis.
- b. Keahumoa Place in Ewa Beach, HI is a newly constructed, garden-style project consisting of 75 units. We committed to provide permanent financing for this property in June 2018 through our Forward Commitment offering. Construction was completed in 2021, and we purchased our loan in that year. All 75 units are under LIHTC affordability restrictions, while 12 units are Section 8 units.

Our impact is further demonstrated by several additional factors, which are a direct result of the efforts of Freddie Mac, our Optigo® lenders and the structure of our market-leading credit risk transfer executions. Through our business process, we take a hands-on approach with each deal and each lender relationship in order to effectively apply our offerings, maximizing our impact across all markets. We actively work with lenders on their pipelines and hold regular lender calls, fostering strong and effective partnership and communication. We also offer borrowers predictability due to our ability to hold our spread from quote to closing, a vital tool in every market, especially in uncertain times. Our loan purchase volume in 2021 built upon our successes over the last three years, achieving a cumulative impact of 12,741 units and 128 properties. The value of the liquidity we provided was especially apparent in 2021, as COVID-19 disrupted the market in a myriad of ways, from construction delays, closures of local recording offices, job losses and income reductions, and even changes to fundamental business practices such as property inspections. Through all of this we were able to provide vital liquidity to the market as other market participants exited in this time of crisis and uncertainty.

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

Freddie Mac has a long history of furthering RED through affordable housing in high opportunity areas. We learned that supporting RED requires both the preservation of existing affordable housing units and the creation of new units, in conjunction with state or local support. Over time we shifted our business accordingly, serving both new and existing properties, and we continue to evolve our business to address market needs, especially in light of market disruptions resulting from COVID-19. Although property values in 2021 continued to rise, Freddie Mac maintained liquidity in the market even in the face of rising interest rates and increased competition from banks – all while staying within our volume cap.

In response to the pandemic, we adapted our practices to continue to provide liquidity despite changing market conditions. For example, we were able to adopt virtual inspections to reduce contact resulting from traveling to properties, mitigating health risks for residents, property staff, lenders, and Freddie Mac employees.

We recognized the growing need to combine major public subsidies with state and local programs to close capital shortages. We streamlined our regulatory agreement analysis and refined our standard subordination

agreement to make it more accessible to a growing population of localities providing support, and we worked closely with various localities and agencies on both programmatically and on individual transactions. In 2021, 90% of properties in high opportunity areas benefited from either a major public subsidy or a state and local program and 58% of properties received financing from both.

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

Not applicable.

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