

Exhibit E:
Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 AFFORDABLE HOUSING PRESERVATION
 2022
 PURCHASE

ACTIVITY:

4 - Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

A – Purchase/Guarantee Loans for 5-50 Unit Multifamily Properties from Small Financial Institutions

INFEASIBILITY:

Check here if the Enterprise is submitting an infeasibility request for the objective.

If applicable, provide a concise summary of the underserved market conditions or other extenuating circumstances outside of the Enterprise's control that substantially interfered with accomplishment of the objective.

Freddie Mac found that although Small Financial Institutions (SFIs) were interested in our products, market conditions driven by interest rate volatility made executing transactions for loans secured by 5-50 unit multifamily properties infeasible. Feedback from these institutions indicated that it was not in their financial interest to execute these transactions with Freddie Mac under current market conditions.

SUMMARY OF RESULTS:

Provide a concise summary of the actions undertaken under this objective.

Include in the summary a list of any actions or deliverables specified in the objective that were not completed, or actions or deliverables that deviated from the Plan.

Throughout 2022, Freddie Mac made consistent and substantial efforts to identify transaction opportunities for purchasing and/or guaranteeing loans for 5-50 unit multifamily properties from SFIs. We have reached out to approximately 20 financial institutions of varying sizes, most of which qualify as Duty to Serve SFIs. These lenders have expressed interest in our products, but market conditions are unfavorable for executing transactions. This was the case for both smaller and larger lenders. Additionally, challenges such as heavy expense loads, low coupon pool, and loan servicing issues persist.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
Lesser of 2 Transaction or \$300MM	0 Transactions	N/A

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the year.

- Target met
- Target exceeded
- Objective partially completed
- No milestones achieved

IMPACT:

Provide a self-assessment of the level of impact that actions under the objective have accomplished.

- 50 – Very Large 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 the actions or deliverables under this objective impactful in addressing the applicable underserved market's needs, or in laying the foundation for future impact in addressing the underserved market's needs?

Freddie Mac's efforts to market its products for 5-50 unit multifamily properties to SFIs lays a foundation for future transactions when market conditions stabilize. Through our consistent outreach, we learned that lenders are open to considering our loan products when feasible and profitable. We will continue working to support SFIs efforts to deliver liquidity to this part of the market.

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

Freddie Mac has faced market headwinds in attempting to purchase and guarantee loans for 5-50 unit multifamily properties from SFIs. First, the rising interest rate environment undermines the economics of securitizing existing balance sheet loans through our small pool loan offerings. Separately, rising interest rates have slowed demand for new SFIs loans for 5-50 unit multifamily properties thereby limiting the volume of loans eligible for our offering. Finally, we have learned that SFI's generally prefer the simplicity and reliable interest income these loans provide by keeping them on their balance sheets. With the slowdown in origination, banks do not want to securitize their balance sheets without knowing how they are going to redeploy the recycled capital. As a result of these factors, SFIs have consistently indicated a preference to wait for interest rate volatility to calm before considering a pooled loan transaction with Freddie Mac.

3. **Optional:** If applicable, why was the Enterprise unable to achieve the Plan target?

Throughout 2022, Freddie Mac made consistent and substantial efforts to identify transaction opportunities for purchasing and/or guaranteeing loans for 5-50 unit multifamily properties from SFIs. We engaged lenders across the more than 20 SFIs. These institutions emphasized the unfavorable market conditions that make executing these transactions unprofitable or undesirable. Additionally, we reached out to investment banks and advisors to SFI's to develop solutions that can support SFI needs. These support our ability to execute transactions in 2023 and in future years.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q2: JANUARY-JUNE 2022

PURCHASE

ACTIVITY:

4- Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

A- Purchase/Guarantee Loans for 5-50 Unit Multifamily Properties from Small Financial Institutions

SUMMARY OF PROGRESS:

Throughout 2022 we have made consistent and substantial efforts to identify transactions opportunities. We have reached out to approximately 20 Small Financial Institutions (SFIs) of varying sizes, most of which qualify as Duty to Serve SFIs. These lenders have expressed interest in our product, but market conditions are unfavorable for executing transactions. This was the case for both small and larger lenders. We continue to actively pursue transaction opportunities and reach out to more small financial institutions.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- On track to meet or exceed the target
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

If the Enterprise is not on track to meet or exceed the target, briefly explain why.

We have experienced several market challenges trying to purchase and guarantee loans for 5-50 unit Multifamily properties from SFIs. The current interest rate environment does not allow for our small pool loan offerings to be profitable for these smaller institutions. Investors with a smaller asset class have been more averse to pursuing larger transactions due to the high interest rate volatility and unpredictability in the current market. Additionally, these institutions also often see earning interest income from loans on their balance sheet as an important part of their strategy and earnings. With the higher interest rate environment and market volatility, we have yet to see lender interest in pursuing this type of transaction with us. Instead, SFIs have consistently responded that they prefer to wait until markets calm.

Our offerings are intended to target small financial institutions with an asset size of \$10 billion or less of multifamily loan concentration on their balance sheets. We have also observed the growing size of these smaller institutions, which means that fewer institutions with multifamily collateral are eligible to receive Duty to Serve credit.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q3: JULY-SEPTEMBER 2022

PURCHASE

ACTIVITY:

4- Financing of Small Multifamily Rental Properties: Regulatory Activity

OBJECTIVE:

A- Purchase/Guarantee Loans for 5-50 Unit Multifamily Properties from Small Financial Institutions

SUMMARY OF PROGRESS:

Throughout 2022 we have made consistent and substantial efforts to identify transaction opportunities. We have reached out to approximately 20 financial institutions of varying sizes, most of which qualify as Duty to Serve SFIs. These lenders have expressed interest in our product, but market conditions are unfavorable for executing transactions. This was the case for both small and larger lenders, and challenges such as heavy expense loads, low coupon pool, and loan servicing issues have continued to persist. We continue to actively pursue transaction opportunities and gather market feedback from other market participants in Q3.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

- On track to meet or exceed the target
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

If the Enterprise is not on track to meet or exceed the target, briefly explain why.

We have experienced several market challenges trying to purchase and guarantee loans for 5-50 unit Multifamily properties from SFIs. Our offerings are intended to target small financial institutions with an asset size of \$10 billion or less of multifamily loan concentration on their balance sheets, and the current interest rate environment does not allow for our small pool loan offerings to be profitable for these smaller institutions. Investors with a smaller asset class have been more averse to pursuing larger transactions due to the high interest rate volatility and unpredictability in the current market. On the demand side, the financing activities also slowed. Additionally, these institutions also often consider earning interest income from loans on their balance sheet as an important part of their strategy and earnings.

With the higher interest rate environment and market volatility, we have yet to see lender interest in pursuing this type of transaction with us, as banks have not been able to keep up with the pace of the rate increases. Instead, SFIs have consistently responded that they prefer to wait until markets calm. Additionally, as the year progressed, the timeline for SFIs to close deals became narrower, with the feasibility of closing deals becoming less likely as we near the end of the year.