

Exhibit G:  
**Annual Loan Products Narrative Reporting Template**

FREDDIE MAC  
RURAL HOUSING  
2022  
PRODUCT

**ACTIVITY:**

7 – Develop Loan Offerings to Finance the Rehabilitation of Affordable Rental Housing: Additional Activity

**OBJECTIVE:**

B – Develop “Bridge to Rehab” Loan Offering

**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.*

**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.*

Freddie Mac developed a Bridge to Rehab loan offering to provide temporary financing to support the acquisition of a property that will be later refinanced through our Preservation Rehabilitation Loan offering. To develop this offering, Freddie Mac first identified eligibility criteria, including a list of public programs that preserve affordability with which a financed property should be engaged. We then developed credit parameters based on the eligibility criteria. Upon FHFA’s approval, we will publish a term sheet on our website detailing these requirements.

The Bridge to Rehab offering would close a market gap for short-term financing necessary to position a property for new LIHTCs or other public support. It would grow Freddie Mac’s efforts to expand the supply of newly renovated affordable units.

<i>Objective’s components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
(1) Identify additional public programs that could be included in our Bridge to Rehab loan offering	<b>Complete</b> We identified additional public programs that could be included in our Bridge to Rehab loan offering	N/a
(2) Identify credit parameters necessary to include to provide Bridge to Rehab loans to these properties not receiving new LIHTC	<b>Complete</b> We created a credit policy for our Bridge to Rehab loan offering, which will be published upon FHFA approval	N/a
(3) Create Bridge to Rehab loan term sheet to include additional eligible	<b>Complete</b> We created a Bridge to Rehab term sheet to include additional eligible public	N/a

public programs and associated credit parameters	programs and associated credit parameters	
(4) Publish term sheet on our website and share with our Optigo lender network	<b>Pending FHFA Approval</b> We will publish the term sheet on our website and share with our Optigo lender network upon approval from FHFA	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

**PARTIAL CREDIT JUSTIFICATION:**

If the self-assessment above indicated that the objective was partially completed, briefly explain the basis for the share of the objective that was completed. In the explanation, include a discussion of the level of effort expended for the completed actions compared to the level of effort required to complete the entire objective.

**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.

- 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?

As the nation’s housing stock ages, the quality of properties and units is deteriorating. Freddie Mac has identified the preservation and rehabilitation of existing units as essential to our efforts to preserve affordability and improve quality of life for tenants. We discovered gaps in the debt market as we developed products to address this need. For example, we learned that developers seeking to position newly acquired properties for public support that would preserve affordability lacked a reliable source of necessary short-term debt. As a result, affordability-focused developers who rely on public subsidies that take time to establish were at a disadvantage to market-rate developers who might raise rents following a substantial rehabilitation.

Our Bridge to Rehab offering, which is pending FHFA approval, is designed to help close this gap. It would supply the temporary financing necessary to acquire a property, which can later be taken out by a longer-term, 15-year Freddie Mac Preservation Rehabilitation loan. The offering includes reasonably expansive eligibility criteria and reasonable credit parameters that we developed to make the product both accessible and safe and sound from a risk perspective.

The offering, if approved, will allow us to support and engage with an entirely new pool of affordability-focused developers. It would position us to better support their efforts to acquire and rehabilitate housing while preserving

affordability. We look forward to introducing additional resources to support the efforts of these developers as we learn more about the market challenges they face.

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

In developing the Bridge to Rehab loan offering, Freddie Mac gained a better understanding of the market factors that contribute to developers' ability to access financing for rehabilitation. We were also able to identify other public programs that could be paired with our loan offerings to expand and diversify the loan offering and move beyond strict reliance on LIHTC program requirements and use. The 15-year minimum term aligns with the LIHTC compliance period, but in creating the Bridge to Rehab program, we were able to consider new loan terms that meet program standards and needs, and that expand financing to an entirely new subset of developers. Preservation and rehabilitation of units is critical to maintaining affordability in underserved markets, and the Bridge to Rehab program, if approved, would allow us to rehabilitate units in a way that improves tenant living conditions while increasing and preserving long-term affordability.

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

*Attach the information detailed in the list of documentation specific to the objective that was provided by FHFA.*

Exhibit C:  
**Second Quarter Loan Products Narrative Reporting Template**

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

Q2: JANUARY-JUNE 2022

PRODUCT

**ACTIVITY:**

7 – Develop Loan Offerings to Finance the Rehabilitation of Affordable Rental Housing

**OBJECTIVE:**

B – Develop “Bridge to Rehab” Loan Offering

**SUMMARY OF RESULTS:**

Currently, Freddie Mac offers a Preservation Rehabilitation loan that provides liquidity for financing on properties receiving new LIHTC to support the rehabilitation and to preserve long-term affordability. The minimum loan term for our Preservation Rehabilitation loan is 15 years—in line with the LIHTC compliance period. We observed a gap in the market as we previously did not offer a shorter-term loan designed to support developers seeking to acquire properties and reposition them for rehabilitation without new tax credits. In order to address this, we are developing a “Bridge to Rehab” loan offering to allow the new owner to acquire the property to preserve its affordability and commit to the rehabilitation under our Preservation Rehabilitation offering.

This offering will increase liquidity for the rehabilitation of properties not receiving new LIHTC by providing necessary short-term debt. This offering will increase the ability of borrowers to acquire and rehabilitate older properties, keep them affordable, and improve the living conditions for tenants across the country. We are currently in the process of identifying additional public programs that could be included in our offering, and we will create a loan term sheet to include these eligible programs and associated credit parameters in the second half of 2022.

Actions	2022 Achievements through 2Q
1) Identify additional public programs that could be included in our Bridge to Rehab loan offering	<b>In Progress</b> <ul style="list-style-type: none"> <li>• We are currently in the process of identifying additional public programs that could be included in our Bridge to Rehab loan offering</li> </ul>
2) Identify credit parameters necessary to include to provide Bridge to Rehab loans to these properties not receiving new LIHTC	<b>Not Started</b>
3) Create Bridge to Rehab loan term sheet to include additional eligible public programs and associated credit parameters	<b>Not Started</b>

4) Publish term sheet on our website and share with our Optigo lender network

**Not Started**

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

**SELF-ASSESSMENT RATING OF PROGRESS:**

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

- 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):**

N/A