

Exhibit F:
Annual Investments Narrative Reporting Template

FREDDIE MAC
 RURAL HOUSING
 2022
 INVESTMENT

ACTIVITY:

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

OBJECTIVE:

D- Engage in LIHTC Equity Investment

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 volume of investments made under this objective and how they compare to the Plan targets. Include the baseline in the summary.

If there are other relevant results under this objective beyond the investments themselves, provide a concise summary of those results here. Include in the summary a list of any non-investment actions or deliverables specified in the objective that were not completed.

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions or deliverables</i>	<i>Any deviations from the Plan (if applicable)</i>
6 Transactions	Completed 9 Transactions	

In 2022, we exceeded our target of 6 LIHTC equity investments in high needs rural regions with \$73.6 million over nine investments. Four of the investments were in rural Middle Appalachia, four were in persistent poverty counties, and one was in the Lower Mississippi Delta. This equates to a \$30 million allocation to Middle Appalachia, \$33.8 million to persistent poverty counties, and \$9.4 million in the Lower Mississippi Delta.

Since 2018, Freddie Mac has faced several challenges in sourcing and closing deals located in Duty to Serve High-Needs Rural Regions. COVID-19, interest rate fluctuations, increased cost of materials, and delays at the USDA Rural Development branch have impacted Freddie Mac and the LIHTC Equity Market as a whole. In the face of these market pressures, we have been successful in closing transactions each year. As outlined below, we have used several strategies to meet and, in many cases, surpass our goals.

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 actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?

Our investments in the LIHTC rural market have grown as we have worked with our syndicators to build relationships and a strong client base in these areas. There are three primary ways that Freddie Mac’s investments have had a direct and substantial impact on the rural market. First, we provided stability to the market, especially where there is little demand driven by Community Reinvestment Act credits. Second, individual investments provide a large impact on specific communities. Third, our relationships with our lenders and syndicators have allowed us to make a cumulative impact over time.

Two examples demonstrate the impact of our investments:

Property	Four Pointe Apartments	Park at Maple
Region	Richmond, KY	Ruston, LA
LIHTC Units	82	36
Details	Four Pointe Apartments will involve the new construction of an 82-unit property in Richmond, KY. There is a deep need for affordable housing in this community. All LIHTC comparables in the market are fully occupied and most maintain waitlists. The property will offer tenants a business center, computer lab, clubhouse, picnic area, playground, recreation areas, common-area Wi-Fi, and a demonstration kitchen in the clubhouse.	Park at Maple will involve the new construction of a 36-unit property in Ruston, LA. The property will be comprised of 36 units restricted to households earning no more than 20% to 60% of Area Median Income (AMI). It will also be subject to set asides for 10 units including those for Permanent Supportive Housing, tenants with mobility impairments, and tenants with hearing and/or visual impairments.

The past year was unique in terms of our High-Needs Populations (HNP) and High-Needs Regions (HNR) goals where the goals were exceeded by 2 and 3 investments, respectively. Three deals counted for both the HNR and HPN goals based on their location. This was a first since our re-entry to LIHTC equity investment in 2018. Since this is unlikely to happen again, we expect our 2023 results to be more in line with historical performance against the goals.

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

Freddie Mac has learned that even when working with experienced developers, investments are impeded by issues outside our control. Increases in US treasury rates, for example, have raised the cost of permanent and construction loan financing. As a result, developers have delayed closings as they consider the potential for debt with better terms in the future. General contractors (GCs) also continue to face elevated costs for materials and labor shortages, which are acute in rural areas.

It was also challenging to hit our rural Duty to Serve goals given that many of these transactions rely on Rural Development (RD) financing. RD offices are severely understaffed, which has significantly lengthened their underwriting timelines and ours as well.

A positive development has been California's readiness to proceed deadline, which provides developers 180 days to close from the date that they receive their allocation. Thus, a large portion of deals in California close in May to June or November to December in the year that they received their allocation. This provides equity investors like Freddie Mac with the certainty of closing.

To overcome challenges and meet our 2022 goals, Freddie Mac focused on:

- Working with General Contractors that have a strong knowledge of local market and deep sub-contractor relationships
- Finding deals with firm construction and permanent pricing
- Sourcing deals with hard closing deadlines
- Confirming if a deal with RD financing is being actively underwritten by RD
- Asking sponsors if they would be willing to swap out RD financing to a private placement execution
- Working with syndicators to have the flexibility to close a deal into 2022 or 2023 depending on equity and DTS needs at year end

To ensure we are on target for our 2023 goals, we plan to again implement the above strategy. Our goal is to build an increasingly stronger pipeline of DTS eligible transactions for the year ahead and beyond.

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

Not applicable.

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