Exhibit G:

Annual Loan Products Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESEVATION

2023

LOAN PRODUCTS

ACTIVITY:

Activity 1 – Low Income Housing Tax Credits (Debt): Statutory Activity

OBJECTIVE:

Objective B: Publish Research Analyzing LIHTC Properties at Risk of Exiting the Program and Develop Loan Offering Parameters to Preserve Their Affordability

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.

In the first year of our 2022-2024 Duty to Serve Plan, Freddie Mac published research to determine whether properties remain affordable upon exit from the LIHTC program. Through this process, we determined that although properties remain more affordable than market-rate properties, they are typically less affordable than when they were programmatic to LIHTC. After exiting LIHTC, these properties typically become part of the workforce housing stock, which is a component of the market that is also supply constrained. The units most affected are those which are deeply affordable, or affordable to households earning 50% of Area Median Income (AMI) or less.

Building on this work, in 2023 Freddie Mac sought to establish an offering that would incentivize the preservation of affordability for properties with regulatory requirements that are due to expire during the first half of the Freddie Mac loan term. To create this product, Freddie Mac added a provision to its Workforce Preservation term sheet, which extends an incentive to borrowers who agree to set aside at least 20% of units as rent-restricted beyond the regulatory restriction period.

Objective's components detailed in the Plan	*Corresponding actions or deliverables*	*Any deviations from the Plan (if applicable)*
Create a term sheet for preservation offering	Published updated Workforce Housing Preservation term sheet, including a provision to incentivize affordability when regulatory requirements expire in the first half of the Freddie Mac loan term.	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.

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?

Our 2022 research into the risk and impacts of properties exiting the LIHTC program indicated that affordable units are often lost as properties move from regulatory restrictions to workforce-affordable housing. To help address this challenge, Freddie Mac updated its Workforce Housing Preservation offering to extend incentives to borrowers that preserve affordable rents following the expiration of regulatory restrictions. To qualify for the offering, which provides advantageous financing terms, owners must commit to restricting rents for at least 20% of units for the remainder of the Freddie Mac loan term. These incentives are available for properties with regulatory use agreements that expire during the first half of our loan term. Although it is new to the market, our offering supplies the market with a critical new pathway to stem the loss of affordable units that can occur as properties exit the LIHTC program. It lays a foundation for future impact with a non-regulatory form of affordability preservation.

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's objective examined the risk and impact to affordability as properties exit the LIHTC program. Our research indicated that there is a risk of losing deeply affordable units as regulatory restrictions expire and properties move toward workforce-affordable housing. Freddie Mac applied these learnings to a new offering, which has now been introduced. The Workforce Housing Preservation offering is designed to help balance out some of the risk associated with expiring regulatory restrictions. We believe this offering to be an important component of our overall approach to workforce housing preservation. Through our outreach with borrowers and advocates, we have learned that there is a clear place in the market and need for this product, but use of the offering will depend upon market opportunity.

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

Exhibit C:
Second Quarter Loan Products Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION
Q2: JANUARY-JUNE 2023
PRODUCT

ACTIVITY:
1 – Low Income Housing Tax Credits (Debt): Statutory Activity

OBJECTIVE:
B – Publish Research Analyzing LIHTC Properties at Risk of Exiting the Program and Develop Loan Offering Parameters to Preserve Their Affordability

SUMMARY OF RESULTS:

Leveraging our 2022 research, Freddie Mac Multifamily has adjusted and published its Workforce Preservation offering to support the preservation of affordability at properties with regulatory affordability requirements that are due to expire during the first half of a Freddie Mac loan term. Our offering incentivizes borrowers to preserve affordability for a minimum of 20% of units beyond the period of regulatory restriction.

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):

Expiring affordability is an urgent issue, potentially impacting hundreds of thousands of affordable units in the next several years and disproportionately affecting minority renters. When a property exits the LIHTC program, rents at the property are no longer subject to restrictions (provided the property does not receive other subsidies and is not subject to other restrictive covenants). The lack of restrictions raises the possibility of units being repositioned at higher, market rate rents and consequently falling out of the affordable stock.

Our Duty to Serve plan is committed to researching the risk and impact of LIHTC properties exiting the program. Our research noted that there are risks, particularly around the loss of deeply affordable units and the risk of rents increasing due to market conditions or rehabilitation to the property. However, our research did find that the propensity for LIHTC properties to move to a rent level on par with market rate is low. Although rent for units among properties that have exited the LIHTC program are typically higher than those for properties that remain in the LIHTC program, they are still materially below conventional market-rate rent levels. In this way, LIHTC properties leaving the program play a role in a community's overall rental housing strategy by adding to workforce housing stock, thus increasing affordable access to households that may not quality for subsidized housing.

Leveraging our 2022 research, we intended to explore and develop credit flexibilities and/or incentives to preserve properties, including but not limited to LIHTC. In Q2, we published our updated workforce preservation term sheet, which is the result of that exploration.

Through these terms, we incentivize borrowers to preserve affordability beyond any regulatory restriction. To receive our incentives, owners must commit to restricting at least 20% of the units, consistent with the affordability levels of the expiring use agreement, for the remainder of the Freddie Mac loan term. These incentives are available for properties with regulatory use agreements that expire during the first half of our loan term.