Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2018 REPORT

EVALUATION AREA: PURCHASE

ACTIVITY:

Activity 2 – Section 8: Statutory Activity

OBJECTIVE:

Objective A -- Provide liquidity and stability through Section 8 loan purchases

SUMMARY OF RESULTS:

	Section 8 Units	***Properties***
Baseline (2014-2016)	*16,721*	*106*
2018 Target (lesser of)	*16,750*	*110*
2018 Volume[1]	*27,241*	*341*
Incomes Targeted	*As required by Section 8 program*	

In 2018, Freddie Mac dramatically exceeded our annual targets — and historical performance — for purchases of mortgages with Section 8. Our success resulted from investment in our business, innovative loan offerings, and our ability to leverage the capital markets to distribute risk away from taxpayers and access cost-effective private investment capital at significant scale.

In our 2018 DTS plan, our goal was to exceed our 3-year average from 2014-2016, and we ambitiously set our target over our baseline as the lesser of 16,750 units or 110 properties. While there are not reliable estimates of the Section 8 market size in terms of annual debt originations, we have long been a leading participant in this market. As such, we set our goals to ensure we could achieve a numerical measure of success without sacrificing market discipline, particularly in the face of market headwinds that had the strong potential to limit opportunities to support Section 8 properties. Indeed, in 2017, we saw decreased purchase activity compared to 2016 (from 17,881 to 16,550 units) as part of a trend since our peak in 2015 of decline in both average property size (from 154 units to 113 units) and number of units supported (from 20,862 to 16,550), demonstrating that the potential for reduced volume was being realized.

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[1] Freddie Mac's total 2018 purchases of Section 8 reflects the total volume from our retail platform, including both our TAH retail network and our conventional regional network, as well as TAH individually negotiated transactions. The total 2018 purchase volume was calculated in a manner that is consistent with the Baselines and Targets in our DTS Plan. During the preparation of the annual report we discovered that while the baselines and targets in our plan reflect this complete view, the text accompanying the Baselines and Targets in our Plan indicated they were based only on volume from our TAH retail seller/ servicer network or via TAH negotiated transactions. For consistency with the stated Baselines and Targets in the Plan and to provide a more accurate representation of our impact to this market, we are reporting on the total volume of DTS qualifying mortgages and units from our retail platform. Our previously reported volume for the first three quarters had been limited to volume from our TAH network. Notably, we exceed our purchase targets when only sourced from our TAH network; we are reporting on total volume to provide accurate comparison of our purchase volume to our Baselines.

In 2018, we reversed this downward trend and supported more Section 8 units, all while continuing to distribute risk away from the taxpayer. Our 2018 loan purchases represent an increase of 63% over our baseline number of units, and 63% over our target, which was already aggressive given market context and our prior purchase activity. Moreover, our 2018 purchases represent a 65% increase in units over 2017 (16,550 units) and a 31% increase over our previous record year of 20,862 units in 2015.

In 2018, we were also able to attract record amounts of private investment capital and distribute risk away from taxpayers through credit risk transfer programs such as our K-Deal — an ability that is central to our vision of DTS as being integrated into our fundamental business. In 2018, 96% of the Section 8 properties on which we purchased loans have already undergone risk transfer or have risk transfer pending, while the remaining 4% await determination of the optimal risk transfer method. Through the volume of loans we purchased, the breadth and distribution of properties we supported, and the unique ability of our business model to attract private capital and distribute risk, we had a substantial impact on the Section 8 debt market in 2018.

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 laying the foundation for future impact in addressing underserved market needs? *(Character limit: 3,000 characters, including spaces)*

Freddie Mac's record purchase activity in 2018 unequivocally had a substantial impact on the Section 8 market based on volume, and many additional factors demonstrated this value and impact. These factors support the long-term provision of persistent liquidity to this segment of the market and are a direct result of the efforts of Freddie Mac, our Optigo^{SM} lenders and the structure of our market-leading credit risk transfer model, which allows us to have a high impact on the market without added risk to the taxpayer.

1. *We support high impact transactions*
   a. *Alpha Towers in Toledo, OH is an age-restricted property for tenants aged 62 or older. The sponsor plans to make capital improvements to extend the useful life of the property.*

   b. *Willow Court Apartments is a 43-unit property located in Newark, NJ. The property was refinanced and proceeds from this transaction were used to acquire an additional declining asset in hopes of making capital improvements to the new asset and maintaining affordability.*

2. *We support affordable housing broadly in terms of geography and size of property*
   a. *Our support was national in scope, with properties in 42 states and 253 different localities from Fairbanks, AK to Miami, FL, in cities as large as New York, NY (pop. 8.5 million) and as small as Pine Bush, NY (Pop. 1,454).*
   b. *The properties varied in size from a 16-unit property with 9 Section 8 units in St. Paul, MN to a 558-unit Section 8 property in Brooklyn, NY.*
3. *We maximize the value of public subsidy*
   a. *We leverage state and local programs to support local priorities. 23% of the Section 8 properties we funded in 2018 included state or local program support as well.*
4. *We attract private capital to distribute risk*
   a. *Using our securitization models, we execute near complete risk transfer away from taxpayers and Freddie Mac*
      i. *96% of the Section 8 properties on which we purchased loans in 2018 have already undergone risk transfer (72%) or have risk transfer pending (24%), while the remaining 4% await determination of the optimal risk transfer method.*
   b. *At the same time, we maintain strong credit standards*
      i. *In our history of securitizations, we have never had any delinquencies[2] on any of our Section 8 loans in a K- or ML-Deal.*
   c. *And we attract private capital from a wide variety of investors to support affordable housing*
      i. *Our K-Deals have attracted nearly 550 different investors since the inception of the program in 2009, with 241 participating in 2018.*

2. <u>Optional</u>: How do actions under this objective support future actions detailed in the Plan for the underserved market? If there have been any changes in the planned next steps or timeline for work under or related to this objective, describe the changes and provide a brief explanation. *(Character limit: 1,500 characters, including spaces)*

Our success in 2018 is the result of the strong fundamentals of our business in credit and risk distribution, our innovative set of loan offerings, and the reach of our Optigo network. Looking ahead, we will lead the market as we continue working with our lenders to support more states, communities and borrowers in their efforts to preserve affordable housing, and to continue to provide liquidity, distribute risk, and act with disciplined credit in support of this market.

3. <u>Optional</u>: Are there any market factors that adversely impacted the actions under this objective? If so, describe. *(Character limit: 3,000 characters, including spaces)*

This objective was more difficult when compared to the prior years in our baseline, particularly the record year of 2015, because of rising Treasury rates.

In 2018, the 10-year Treasury increased from 2.46 on 1/2/18 to 2.69 at year-end, with a high of 3.24 on 11/8/18. Comparing annual Treasury rates between 2016 and 2018, we find that the 10-year Treasury is up from an average of 1.84 in 2016 to an average of 2.91 in 2018 – a substantial increase of 107 bps compared to our peak baseline year. This equates to a difference of over $1 million in additional funding required for a $10 million property as compared to our baseline period. Some of this money could come from additional subordinate debt or other subsidies, neither of which are unlimited resources.

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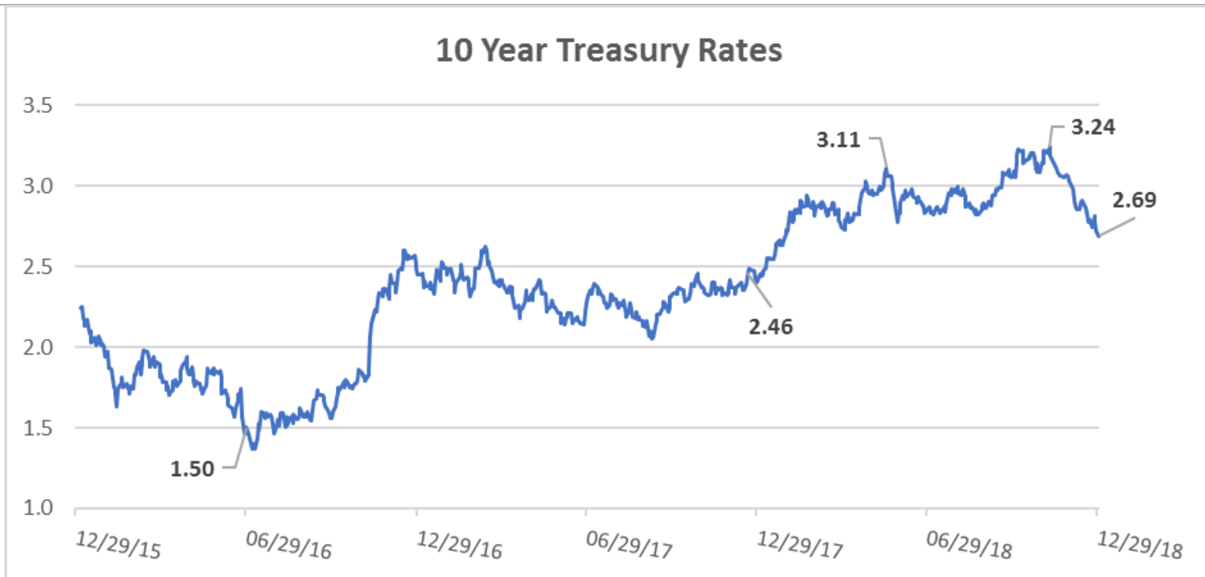
[2] Delinquencies are defined here as 60+ day delinquencies, which is the point at which action could be taken to address any issues



*Historic Treasury rates can be found on treasury.gov

We were able to mitigate this challenge while maintaining market discipline, using the following strategies.

1. *We continued to invest in our platform, and are realizing the benefits of strategic, long-term investment in our people and our innovative loan offerings from both 2018 and before.*
2. *We leveraged the breadth of our loan offerings to support this market.*
3. *We better leveraged our capital markets executions, such as our K-Deal, to tap into capital markets demand for first-loss positions in Freddie Mac securities. This allowed us to bid more aggressively for Section 8 transactions and offset a substantial portion of the Treasury spread increases, while still distributing nearly all of the risk to private investors.*
4. *We directed our Optigo lenders to increase focus on Section 8 debt transactions, and they adjusted their business accordingly.*

4. <u>Optional</u>: How did the actions under this objective contribute to increased or future loan purchases for the underserved market? *(Character limit: 1,500 characters, including spaces)*

Each year we assess both the activity of prior years and market opportunities in the upcoming year, among other factors, to determine lending targets for our Optigo lenders. Fundamental to this exercise is a focus on market discipline and continuing to operate a stable, market-leading business that can provide consistent liquidity over the long-term. While we dramatically exceeded our DTS target in 2018, we also recognize that we have a responsibility to be disciplined. Should the market allow us to maintain the high level of volume in future years, we expect to do so, but will continue to be mindful that dramatic short-term shifts in numerical targets can have negative unintended consequences at the expense of market discipline and the long-term health of the market.

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

AFFORDABLE HOUSING PRESERVATION

1Q REPORT

EVALUATION AREA: PURCHASE

ACTIVITY:

Activity 2 – Section 8: Statutory Activity

OBJECTIVE:

Objective A -- Provide liquidity and stability through Section 8 loan purchases

SUMMARY OF RESULTS:

	Units	Properties
Baseline	16,721	106
2018 Target (lesser of)	16,750	110
1Q 2018 Volume	3,243	30

As of March 31, 2018, we are on track to meet or exceed our targets for project-based Section 8 transactions despite two challenges: 1) a continuing increase in interest rates, and (2) increased competition from others in the market.

In 2018, the 10-year treasury has increased from 2.46 on 1/2/18 to 2.74 at the end of Q1, with a high of 2.94 on 2/21/18. When compared to the rate of 1.78 and the end of 1Q2016, the treasury index is up nearly 100 bps compared to our peak baseline year, which means that first mortgage funding would be smaller under higher interest rates. This equates to a difference of nearly $1 million in additional funding required for a $10MM property as compared to our baseline period. Some of this money could come from additional tax credits, while the remainder could come from additional subordinate debt or other subsidies, neither of which are unlimited resources.

In 1Q2018, we finished development of our Targeted Affordable Express, which will be rolled out at the start of 2Q2018. This provides a faster, simpler, and more cost-effective execution for smaller affordable housing preservation properties, particularly those with project based Section 8. As a result of our continued focus on Section 8 properties, and innovations such as Targeted Affordable Express, we expect to meet or exceed our target for this objective.

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

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

AFFORDABLE HOUSING PRESERVATION

2Q REPORT

EVALUATION AREA: PURCHASE

ACTIVITY:

Activity 2 – Section 8: Statutory Activity

OBJECTIVE:

Objective A -- Provide liquidity and stability through Section 8 loan purchases

SUMMARY OF RESULTS:

	Section 8 Units	**Properties**
Baseline	16,721	106
2018 Target (lesser of)	16,750	110
YTD 2018 Volume	10,460	90

The Section 8 Project Based Rental Assistance (PBRA) program is an important federal housing program that keeps tenant-paid rents affordable relative to tenant incomes in more than 1.2 million units. Our support for these properties provides necessary liquidity and stability to this market and helps to keep properties in the program.

As of June 30, 2018, we are on track to meet or exceed our targets for PBRA transactions despite two challenges: (1) a continuing increase in interest rates, and (2) increased competition from others in the market.

In 2018, the 10-year treasury has increased from 2.46 on 1/2/18 to 2.85 at the end of Q2, with a high of 3.11 on 5/17/18. When compared to the rate of 1.50 at the end of 2Q2016, the treasury index is up 135 bps compared to our peak baseline year. This equates to a difference of over $1 million in additional funding required for a $10MM property as compared to our baseline period.

Historic 10 Year treasury rates can be found on treasury.gov

We have been able to mitigate these two constraints through a combination of strategies while maintaining market discipline.

1. We directed our sellers to focus strongly on Section 8 preservation transactions.
2. We have continued to invest in our platform: (1) we hired new staff and rebalanced assignments so we can to process more transactions; (2) our new offerings have led to transactions we would not have otherwise seen; and (3) we have seen an increase in Green Up adoption, which yields more proceeds from underwriting projected water and energy efficiency savings, which offset some of the capital gaps.
3. We have included more Section 8 preservation transactions in our K-deals, which has enabled us to access the capital markets more efficiently by tapping into increasing investor demand for K deals. This in turn allows us to bid more aggressively for LIHTC debt transactions and offset a substantial portion of the treasury spread increases while distributing nearly all of the risk to private investors.

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

AFFORDABLE HOUSING PRESERVATION

3Q REPORT

EVALUATION AREA: PURCHASE

ACTIVITY:

Activity 2 – Section 8: Statutory Activity

OBJECTIVE:

Objective A -- Provide liquidity and stability through Section 8 loan purchases

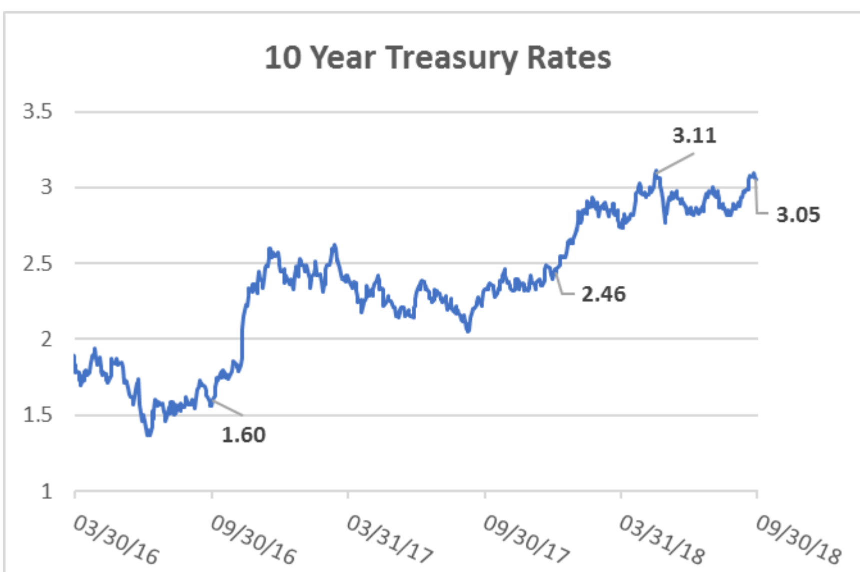
SUMMARY OF RESULTS:

	Section 8 Units	Properties
Baseline	16,721	106
2018 Target (lesser of)	16,750	110
YTD 2018 Volume	14,932	127

The Section 8 Project Based Rental Assistance (PBRA) program is an important federal housing program that keeps tenant-paid rents affordable relative to tenant incomes in more than 1.2 million units. Our support for these properties provides necessary liquidity and stability to this market and helps to keep properties in the program.

As of September 30, 2018, we have exceeded our target for PBRA transactions despite two challenges: (1) a continuing increase in interest rates, and (2) increased competition from others in the market.

In 2018, the 10-year treasury has increased from 2.46 on 1/2/18 to 3.05 at the end of Q3, with a high of 3.11 on 5/17/18. When compared to the rate of 1.60 at the end of 3Q2016, the treasury index is up 145 bps compared to our peak baseline year. This equates to a difference of over $1 million in additional funding required for a $10MM property as compared to our baseline period.



*Historic Treasury rates can be found on treasury.gov

We have been able to mitigate these two constraints through a combination of strategies while maintaining market discipline.

1. We directed our sellers to focus strongly on Section 8 preservation transactions.
2. We have continued to invest in our platform: (1) we hired new staff and rebalanced assignments so we can to process more transactions; (2) our new offerings have led to transactions we would not have otherwise seen; and (3) we have seen an increase in Green Up adoption, which yields more proceeds from underwriting projected water and energy efficiency savings, which offset some of the capital gaps.
3. We have included more Section 8 preservation transactions in our K-deals, which has enabled us to access the capital markets more efficiently by tapping into increasing investor demand for K deals. This in turn allows us to bid more aggressively for LIHTC debt transactions and offset a substantial portion of the treasury spread increases while distributing nearly all of the risk to private investors.

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