

Exhibit G:
Annual Loan Products Narrative Reporting Template

FREDDIE MAC

MANUFACTURED HOUSING

2018

LOAN PRODUCT

ACTIVITY:

Activity 1 – Support for Manufactured Homes Titled as Real Property; Regulatory Activity.

OBJECTIVE:

Objective B: Design New Product Flexibilities to Facilitate the Origination of Mortgages Securing Manufactured Housing (MH) Titled as Real Property.

ACTIONS:

Freddie Mac exceeded our goals of facilitating loan originations on MH titled as real property by providing multiple solutions related to borrower qualification and collateral valuation. Through our assessment, we learned of several challenges unique to the industry. We addressed these market needs and laid the foundation to boost our purchases of mortgages on MH titled as real property.

2018 highlights:

- We updated our Seller/Service Guide with Single Close Construction Conversion , allowing MH buyers to finance a purchase, site preparation, and installation, then convert the loan to permanent financing. We provided training to 150 lenders on this offering.*
- We developed underwriting and operational flexibilities to let buyers finance renovations as part of a home purchase, which will launch in 2019.*
- Our CHOICEHomeSM pilot offers collateral and credit flexibilities. We allow site-built comparable sales when no CHOICEHome comparables are available and waive the MH credit fee in price. CHOICEHome may be used with most of our mortgage products, providing terms on par with site-built homes. We issued a Term of Business to three lenders and engaged more than a dozen others, with a goal to increase participation in 2019. We developed and launched training on the pilot.*
- We initiated the BorrowSmartCHOICE pilot in Kentucky, expanding MH down payment assistance options with three lenders and two non-profits (one for program administration, another for homebuyer education and counseling). We developed a lender curriculum on eligibility requirements and on the process for receiving funds.*
- We extensively researched the availability of data reliable enough to produce a point value in our Home Value Explorer[®] that we could use confidently in our automated valuation model for MH. Analyzing data from GSE fundings, public records, and the Uniform Collateral Data Portal[®], we found that we cannot produce automated valuation results on a national scale at this time.*
- We revised our lender training, with 380 lenders completing the new training. We partnered with the Appraisal Institute to update the MH curriculum for appraisers, including adding CHOICEHome content. The new curriculum will roll out in 2019.*
- We supported industry forums, participated in industry conferences, and provided leadership to the Manufactured Housing Initiative Task Force, the NextStep Smart MH Task Force, and our Affordable Housing Advisory Council. We promoted quality and energy-efficient MH through an array of material on our website.*

Activity	2018 Actions
1. Publish to Guide and Freddie Mac's website an update of current product features and highlight at least one new product feature to increase awareness in market.	<ul style="list-style-type: none"> • We published an update of our current product features to the Guide and highlighted the Single Close Construction Conversion requirements on Freddie Mac's website.
2. Develop and implement marketing campaign to promote quality energy efficient MH and minimize "trailer" perception.	<ul style="list-style-type: none"> • During our marketing campaign, we posted a myth-buster document, frequently asked questions, product information and related lender training, videos, executive-bylined articles, news articles and other resources to our interactive website. Articles were also released through third-party publications and websites.
<p>3. Evaluate and assess barriers of MH product offering and identify at least 3 policies to be adjusted; outline an action plan to address product parameters.</p> <p>a. Assess policies related to down payment requirements and options for down payment assistance. Initiate at least one test and learn pilot with at least 3 lenders and at least 1 non-profit</p> <p>b. Conduct policy assessment of renovation product offering</p> <p>c. Research available property data sources to support automated valuations</p> <p>d. Collateral policy assessment to determine appraisal guidance and best practices. Will work in partnership with at least one lender, appraiser and appraisal trade organization to develop a curriculum for lenders.</p> <p>e. Purchasing more manufactured housing loans to obtain data on loan characteristics/performance</p> <p>f. Conduct quarterly outreach with market participants via at least four industry events</p> <p>g. Convene our Manufactured Housing Initiative Task Force and the Next Step SmartMH Task Force at least bi-annually. Leverage at least one meeting of the Affordable Housing Advisory Council to discuss MH</p>	<ul style="list-style-type: none"> • An assessment of our policies related to permissible sources of funds for the required down payment, in addition to market feedback on the lack of downpayment support for MH, led to our test-and-learn pilot, BorrowSmartChoice. Three lenders and two non-profits have participated thus far. • To provide lenders and consumers with solutions addressing lending costs and product flexibilities, we launched the CHOICEHome pilot that introduced flexibilities across credit qualification, collateral valuation, and pricing, and may be used with most of our mortgage products. Besides helping to improve MH's image and to promote market growth, the pilot gives us performance information that will be valuable in our efforts to align product requirements with those of site-built homes. This test-and-learn activity is above and beyond our plan commitment to issue at least one Guide change and complete an assessment to determine which policies we adjust and publish in 2019. • We worked on a new solution for financing renovations as part of a home purchase. We developed policy requirements based on market demand. We also initiated the internal operational assessment and vetted requirements with FHFA to facilitate product launch in 2019. • We researched whether enough accurate, reliable data is available to produce a point value through our Home Value Explorer® that we could use confidently in lieu of an appraisal; we concluded that we currently do not. • Leveraging feedback from 24 lenders on the MHIT and NextStep SmartMH Task Force, we modified our training curriculum to address the single-close process and made it available to all lenders. We developed a curriculum specific to CHOICEHome underwriting and collateral evaluation for all participating lenders. We also partnered with the Appraisal Institute to overhaul the MH curriculum for appraisers, including adding content on CHOICEHome; it will roll out in 2019 • We increased our purchases by 21% over our historical baseline, which assisted us in gathering additional data on loan characteristics and performance. • We participated in 12 industry conferences, held 2 briefings with congressional staffers with FHFA coordination, provided leadership to 2 meetings with the Manufactured Housing Initiative Task Force, 2 meetings with our NextStep SmartMH Task Force and 3 with our Affordable Housing Advisory Council.
4. Submit findings and an action plan to FHFA once assessments are completed	<ul style="list-style-type: none"> • We submitted findings and an action plan to FHFA that were developed as a result of our internal assessments. We are performing additional due diligence on 12 identified credit and collateral policies to determine which items can be successfully implemented over the remainder of the plan cycle.

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

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.

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

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 did significant work to lay the foundation to increase liquidity and access to credit for MH titled as real property. The MH market has long faced insufficient secondary-market access. We re-examined our offerings, policies, pricing, down payment and closing cost requirements, and valuations to discover ways to allow greater flow of liquidity; throughout our assessments, we included stakeholders to ensure that our solutions are market driven. Our efforts and demonstrated leadership have already yielded success. Our revised single-close offering made financing more efficient and less costly for low- and moderate-income borrowers. Our CHOICEHome pilot provides an innovative solution that will help finance more energy-efficient MH, while giving us much needed data to test other levers that might be adjusted to make owning MH more appealing and affordable to more people. Further, we continue to bring market participants together to develop best practices and training.

Specifically:

- *Single Close Construction Conversion streamlines the financing of MH that will be installed on permanent sites. The result: lower costs, less documentation, and greater efficiency for the lender and the homebuyer.*
- *Our renovation product will allow the financing of repairs along with a home purchase and spread payments over the life of the loan. It will encourage people to buy manufactured homes that are not move-in ready and/or need upgrades; this significantly expands homebuyers' affordable housing options and cost savings.*
- *CHOICEHome highlights a new class of high-quality MH that helps bring requirements for, and perceptions of, MH into closer alignment with site-built homes. Financing is more equitable as a result. Also, waiving the MH credit fee in price reduces loan-related costs.*
- *BorrowSmartCHOICE makes homeownership possible for more families through MH down payment assistance. Recipients must complete homebuyer education and counseling, which prepares them for successful homeownership. Through the program, lenders gain access to more qualified MH buyers.*
- *Our research on MH property data sources gave valuable insight into the extent to which we might rely on an automated property valuation in lieu of an appraisal. We will continue to assess whether a regional test-and-learn pilot is feasible.*

- *The training for lenders educated them on how to use the new and enhanced products to benefit very low-, low-, and moderate -income borrowers and aided product adoption. We continue to work with the Appraisal Institute to bring appraiser training up-to-date. The new curriculum will give appraisers insight and training into relevant appraisal practices. Our increased involvement in industry forums showed leadership and dedication in the market. Our concerted marketing efforts boosted awareness of MH as valuable source of affordable housing. Through our dedicated website, the industry and the public have a central source for information, training, and other resources related to our support for MH.*

2. **Optional:** 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 actions positioned us to expand our support for MH and to continue to tackle the challenges of this underserved market. Our outreach and education efforts demonstrated our commitment to industry, afforded us deeper understanding of the market's needs, and helped us develop relationships across the industry. With this background, we have begun to address concerns related to the affordability, image, and financing of manufactured homes through new programs, flexibilities, offerings, and access to information. Conducting pilots is an effective way to test the effectiveness and value of new offerings and approaches before making them more widely available. We will assess the results of our pilots and adjust the programs, if needed, to better meet market needs and promote growth before expanding participation. In all, our efforts formed a platform for increasing our support for MH, equipping lenders to make more loans on manufactured homes, and raising the visibility of MH as an attractive, affordable housing option.

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

Through our outreach and assessment, we learned that the lack of single-close, construction-to-permanent financing impedes conventional MH lending. In addition, home values are affected when older, low-quality MH are used as comparables for appraisals. The credit fee in price reduces affordability, and market participants believe that financing should be on par with site-built homes. The down-payment often is a barrier to homeownership; this challenge is compounded by the lack of down payment assistance programs for MH borrowers. Finally, MH buyers do not have an option for financing renovations as part of a home purchase, effectively preventing that home from being a viable choice. We addressed many of these challenges in our product development. On a macro level, rising home prices and interest rates, as well as tight housing inventories, make achieving homeownership more difficult, especially for families with low and moderate incomes. Continuing labor shortages in the construction trades also negatively affect the time and cost of installing manufactured homes; with few local construction workers available, installation takes longer—which delays time to market—and drives up cost.

4. **Optional:** 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)

The enhancements to our products, industry adoption of product flexibilities, and ongoing engagement with industry stakeholders will increase liquidity and access to credit for manufactured housing. Our Single Close Construction Conversion offering addresses an expressed need within the industry; it streamlines the mortgage process of closing on home construction and purchase loans simultaneously, saving lenders and homebuyers time and money. The CHOICEHome pilot allows flexibilities that bring financing for MH and site-built homes into parity and raises awareness of a new type of high-quality manufactured home, which could attract more families to MH as an affordable option; the pilot environment lets us assess and refine our product and processes, helping to form the foundation for future growth. In addition, the BorrowSmartCHOICE pilot helps clear the down payment barrier, and prepares buyers for homeownership, and gives lenders access to more qualified borrowers, which will encourage more manufactured home purchases. The training that we developed and provided equips lenders to adopt and use our products effectively. The training that we are developing with the Appraisal Institute will increase appraisers' proficiency in valuing manufactured homes. All of our efforts are strategically planned to maximize impact and will lead to increased purchases.

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
 MANUFACTURED HOUSING
 Q2: JANUARY THROUGH JUNE 2018
 LOAN PRODUCT

ACTIVITY:

Activity 1 – Support for Manufactured Housing Titled as Real Property: Regulatory Activity.

OBJECTIVE:

Objective B: Design New Product Flexibilities to Facilitate the Origination of Mortgages Securing Manufactured Housing Titled as Real Property.

ACTIONS:

During the first half of 2018, Freddie Mac has been focusing on assessing existing policies, using information gathered during our outreach. This has already led to a broad policy change: an update to our Single Close Construction-to-Permanent requirements. Homebuyers of manufactured homes titled as real property can now finance the construction, purchase and installation of their new home with one closing, using one set of documentation and ultimately, one loan – saving homeowners time and money. We have published the Guide change and updated our web site highlighting the advantages of the change and updated our Construction Conversion Mortgage training to include instruction on how to complete a single-close transaction.

We are reviewing our historical data on manufactured housing and researching other relevant data sources of manufactured housing sales activity that can assist with valuation solutions. We conducted outreach with housing counselors, retailers and lenders to find financing solutions for manufactured homes titled as real property. Our outreach included participation in the Louisville Manufactured Housing Show and The Manufactured Housing Institute Winter Meeting. We toured the Middle Appalachia region with members of the Federation of Appalachian Housing Enterprises and The Manufactured Housing Institute’s Congress in Expo. We also convened The Manufactured Housing Initiative Task Force(MHIT), Members of the Affordable Housing Council (AHAC) and Next Step SmartMH Task Force to share information on initiatives to better serve the market. We have met twice with the SmartMH taskforce and MHIT in the first half of the year and once with AHAC to gather feedback on our product opportunities and product design for real property.

During the rest of the year, we will continue our product assessment and outreach to determine additional policy changes that can increase borrower eligibility and simplify loan requirements. We will also develop a marketing campaign to help correct existing misperceptions around manufactured housing.

Activity	Action Reference – Activity 1; Objective B	Status
Publish to Guide and Freddie Mac’s website an update of current product features and highlight at least one new product feature to increase awareness in market.	Action 1	<i>Completed</i> <ul style="list-style-type: none"> • Published to the Guide and highlighted on Freddie Mac’s website the Single Close Construction-to-Permanent requirements.
Develop marketing campaign to promote quality energy efficient MH and minimize "trailer" perception.	Action 2	<i>In Progress</i>

Evaluate and assess barriers of MH policies	Action 3	<ul style="list-style-type: none"> • MH Down Payment Assistance Pilot with at least three lenders – <i>In Progress</i> • Assessment on renovation product – <i>In Progress</i> • Researching available property data sources – <i>In Progress</i> • Collateral policy assessment, to include curriculum development with at least one lender, appraiser and appraisal trade organization – <i>In Progress</i> • Conducting quarterly outreach with market participants via at least four industry events – <i>In Progress</i> • Convening MHIT and Next Step SmartMH Task Force bi-annually and at least one meeting of AHAC - <i>Completed and Ongoing</i>
Submit findings and an action plan to FHFA once assessments are completed		<i>In Progress</i>

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):

If the Enterprise is not on target to meet or exceed the objective, briefly explain why. (Character limit: 1,000 characters, including spaces)