

Exhibit F:

Annual Investments Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2021

INVESTMENT

ACTIVITY:

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

OBJECTIVE:

A - Engage in LIHTC Equity Investment in All Rural Areas

SUMMARY OF RESULTS:

				<i>Investments</i>
Baseline (2018-2019)				12
2021 Target				15
2021 Volume				16
Incomes Targeted	<i>VLI units (0-50% AMI)</i>	<i>LI units (0-80% AMI)</i>	<i>MI units (0-100%AMI)</i>	
	301	1,295	1,295	

In 2021, Freddie Mac exceeded our target of 15 investments in rural areas by 6.7%. We closed 16 LIHTC equity investments supporting 1,295 rural units. We invested \$192 million across those investments in 13 different states, including three in Middle Appalachia, and three in the rural Lower Mississippi Delta. Combined, these properties supported 1,295 households making 60% AMI or less, and 301 households making 50% AMI or less. Our \$192 million of investment in 2021 shows our continued focus on rural markets. We did all of this in a year of substantial market disruption due to COVID-19. After decreasing their activity in 2020 due to the pandemic, banks re-entered the market in 2021. Although their renewed involvement helped stabilize the market, we still faced several headwinds in 2021. The most notable challenges stemmed from delays with government debt, high lumber prices, and General Contractors' difficulty finding contractors/labor. Overall, construction prices remained the greatest hurdle.

Over the last four years we made a profound impact in the rural LIHTC equity market. Between 2018-2021, we invested over \$550 million in rural markets supporting 4,060 DTS units across 69 properties over 59 investments.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes your 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 in laying the foundation for future impact in addressing underserved market needs?

There are four primary ways that our investments have had a direct and substantial impact on the rural market: (1) we provided stability to the market, especially where there is little demand driven by CRA credit; (2) we exceeded market norms by investing a greater share of our investments in these areas relative to both our annual volume¹ and to the national share of allocations to these markets; (3) the investments had a large impact on the specific communities; (4) our relationships with our lenders and syndicators have led to an instrumental cumulative impact over time. These four measures were especially important in 2021 as so many tenants in rural regions were impacted by COVID-19.

A greater share of our investments was made in rural markets than would be typical for the LIHTC market overall. Our 16 rural investments out of 37 investments nationally represents a greater share relative to the national market: 43% (16/37) of our investments were in DTS rural regions while the national average allocation to rural areas has been 28%, per our analysis of National Housing Preservation Database (NHPD) data.

Our investments helped provide safe, decent, affordable housing in a variety of rural markets. Across our 16 rural investments, we funded properties ranging from 24 units to 312 units, with the average being 80 units. These

¹ Freddie Mac's cap was \$500 million in the first half of 2021 and was increased to \$850 million in the second half of 2021. By the end of the first half of the year, nearly all funding allocations are already made with little opportunity to increase volume in the second half of the year. As a result, our volume for 2021 was closer to the first half's \$500 million cap amount.

properties were also located across a range of markets, from Tellico Plains, TN (population 1,000) to Chico, CA (population of 95,000). Our impact in individual markets is also clear when reviewing particular investments. The examples below highlight the positive impacts these investments made in the market.

Prior to the start of this DTS plan cycle, we had no LIHTC investments in rural markets. We recognized investment opportunity results from a relationship-driven business. Growing and maintaining a strong client base is important for syndicators. Often individual transactions can beget more transactions, spreading the impact over time as relationships deepen. Due to our consistent outreach and relationship management, our syndicators now know the markets better, have closer relationships with us and rural developers, and are able to increase investment as a result. Our investments in the LIHTC rural market have steadily increased over the last three years, demonstrating a profound cumulative impact in the market.

Property	Senator Conness	Winnfield RAD	Alta Verde Apartments
Region	Chico, CA	Winnfield, LA	Breckenridge, CO
Units	160	118	80 (64 LIHTC Units)
Details	Senator Conness was our largest equity investment in a Duty to Serve area since the LIHTC Equity program was reinstated at Freddie Mac in 2018. This deal is located outside of Chico, California and will be extremely beneficial to a community that has very strong affordable housing demand, made worse due to the impact of wildfires in the region. The project was awarded a special allocation of 9% disaster relief tax credits to generate more housing in a region heavily impacted by wildfires in recent years. The project, which is new construction, is located in Butte County which was the epicenter the 2018 Camp Fire which was the most destructive wildfire in California History.	Winnfield RAD is comprised of two properties, Neil Wagoner (74 units) and Henderson (44 units), in Winnfield, LA that previously operated as independent apartment communities. Neil Wagoner was originally built in 1987 while the Henderson site was constructed in 1972. The two sites are located approximately 1.5 miles from one another. This transaction includes Rental Assistance Demonstration (RAD) conversion whereby the existing Public Housing units will transition to project-based vouchers. 100% of the units will benefit from project-based Section 8 vouchers. The property is located in the Lower Mississippi Delta region and a Persistent Poverty County.	Alta Verde Apartments will involve the new construction of an 80-unit property in Breckenridge, Colorado. 64 LIHTC units will target households earning at/below 60% of AMI and 16 (20%) of units will be non-LIHTC. However, the Town of Breckenridge will restrict 100% of the subject's units to 60% AMI with a preference for households that work a minimum of 30 hours per week for a business located in and serving Summit County. The property is the product of years of community engagement and Master Plans facilitated by the Town of Breckenridge.

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

With lives and livelihoods disrupted by the pandemic and its economic fallout, the importance of safe, decent affordable housing—and financing to preserve it—was especially apparent as residents nationwide had to spend more time at home, as school children had to take classes from home, and as jobs were lost and incomes reduced.

We have learned that, even with the strongest, most experienced developers, there is a need for government financing/subsidy, which causes delays in the closing process. These markets need government assistance because they may not get outside investment due to smaller transaction sizes and less economic vitality, resulting in lower rental income and greater difficulty maintaining the property. The small market size also makes it more challenging for the general contractors tasked with building or rehabilitating properties to find labor. Labor shortages can delay projects, or even prevent them from moving forward at all.

Transactions can be harder to close for developers in rural markets even after a letter of intent has been signed. This was exacerbated by COVID-19, which affected transactions in a myriad of ways. As we discovered the potential impacts from COVID on deal closing delays, we proactively increased our rural deal originations so we would increase certainty of exceeding our target at year-end. Through our increased outreach efforts and due diligence, we invested in seven properties in high-needs regions and two serving high-needs populations in 2021, which represents improvement from 2020.

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.