

Exhibit E:

Annual Loan Purchase Narrative Reporting Template

FREDDIE MAC
 RURAL HOUSING
 2021
 LOAN PURCHASE

ACTIVITY:

3 – Financing by Small Financial Institutions of Rural Housing: Regulatory Activity

OBJECTIVE:

A – Increase Loan Purchases from Small Financial Institutions Serving Rural Regions

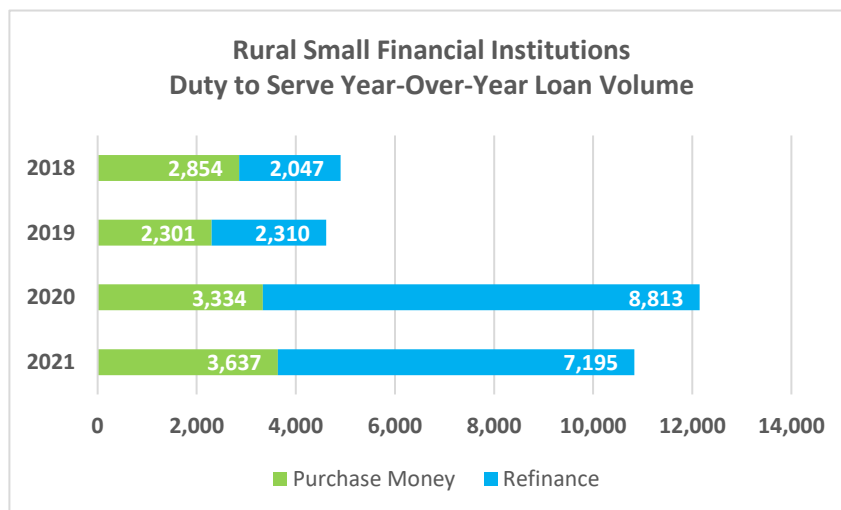
SUMMARY OF RESULTS:

	Loan Count			UPB (\$MM)
Baseline	5,956			-
2021 Target	8,600-9,300			-
2021 Volume	10,832			\$1,629
2021 Volume by AMI	≤ 50%: 1,821	> 50-80%: 5,286	> 80-100%: 3,725	

Freddie Mac exceeded our 2021 target for purchases of loans from rural small financial institutions (SFIs).

In total, we provided more than \$1.6 billion in liquidity to fund 10,832 mortgage loans originated by SFIs in rural areas, surpassing our baseline by 82% (by volume) and the top of our target range by 16%. Of this volume, 66% comprised loans made to households with low incomes.

Compared to 2020, we bought 1,221 fewer loans from SFIs in 2021, a 11% decrease year-to-year. Of our total 2021 volume in this market, 9% more loans were for home purchases and 18% fewer were for refinances than in 2020.



Near-historically low interest rates contributed significantly to purchase growth. An extraordinary number of homeowners refinanced their mortgages, saving money by lowering their monthly payments and/or shortening their loan terms. The low rates also helped many people afford to buy homes, despite rising home prices. The ability to work remotely further increased housing demand and home purchases.

We drove purchase growth through extensive outreach to our lenders and efforts to educate industry professionals on how using our products and resources can help them grow their businesses. We also worked with our strategic partners to increase their capacity to help more people attain and sustain homeownership.

We delivered this level of effort and exceeded our purchase target during the coronavirus pandemic. Freddie Mac, lenders, housing intermediaries, and other industry participants continued to adjust priorities, resources, and ways of working, while fulfilling our business purposes. Our results in this environment reflect our collaboration, creativity, and commitment to this market.

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
- Target exceeded
- Objective partially completed
- No milestones achieved

IMPACT:

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact

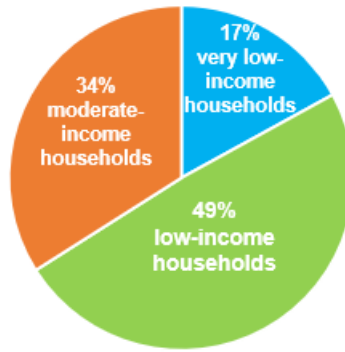
IMPACT EXPLANATION:

- 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 actions had a very large impact on this market. SFIs are vital sources of credit in rural areas but often lack access to the secondary market. Through our vigorous efforts to build more and stronger channels to the secondary market, liquidity has risen markedly.

Our loan purchases expanded affordable lending to people who most need greater access to credit. Almost two-thirds of our 2021 purchases from rural SFIs benefited households with very low and low incomes. A significant number of our 2021 SFI loan purchases helped first-time homebuyers, despite low inventory of affordable homes and rising home prices.

Percentage of DTS Loan Purchases from Rural SFIs by Income Level



Our achievements reflect the difference our continuous and committed leadership has made toward addressing this market's longstanding challenges:

- Continued extensive industry outreach and education to raise awareness, adoption, and usage of our offerings, which we rolled out based on industry input to fill market needs, increase efficiencies, and support more borrowers.
- Enabled more lenders to sell loans to us and encouraged more direct selling.
- Continued to offer training to make appraisals easier and more accurate.
- Held our third Rural Research Symposium, bringing together leaders from across the housing industry to share research and insights that could lead to rural housing solutions.
- Continued to boost our non-profit partners' capacity to prepare people for homeownership; included training for some on originating and packaging loans for the secondary mortgage market. Built and strengthened relationships.

Because of our efforts, Duty to Serve has had a very large impact on SFIs in rural areas since our program began in 2018:

- More lenders have access to the secondary market, more financing options, and more confidence in lending.
- Obstacles to rural appraisals and lending have been lowered.
- Housing organizations have more capacity to fulfill their missions.
- More people are prepared for responsible homeownership.
- The affordable lending ecosystem works more effectively.
- Almost \$4.6 billion flowed to rural SFIs, financing 32,491 homes.

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

We learned that, as expected, the pool of eligible rural SFIs continues to shrink. We continually perform outreach to find additional small institutions that could benefit from a direct selling relationship with us. We also focus on strongly encouraging aggregation, especially as an increasing share of business has been coming to us through indirect channels. Through our extensive efforts, we continued to meet and exceed our purchase goals and increase the flow of liquidity in this market. We will continue to make best efforts to sustain this level of success; however, it becomes increasingly difficult each year as the number of Duty to Serve-eligible SFIs continues to trend down.

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

Not applicable.