Exhibit F:

Annual Investments Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

2022

INVESTMENT

ACTIVITY:

5 – Support Multifamily Properties in All Rural Areas: Additional Activity

OBJECTIVE:

B - Engage in LIHTC Equity Investment in All Rural Areas

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 volume of investments made under this objective and how they compare to the Plan targets. Include the baseline in the summary.

If there are other relevant results under this objective beyond the investments themselves, provide a concise summary of those results here. Include in the summary a list of any non-investment actions or deliverables specified in the objective that were not completed.

In 2022, Freddie Mac met our investments target in rural areas, supporting 976 Low-Income Housing Tax Credit (LIHTC) units through 20 LIHTC equity investments. In total, we invested $188.9 million across 16 different states, including four in Middle Appalachia, four in persistent poverty counties, and one in the rural Lower Mississippi Delta. All the units are restricted to households with incomes equivalent to 60% of area median income (AMI) or less, and 372 units are affordable to households with incomes equal to 50% of AMI or less. We have sustained our impact in the rural LIHTC equity market since reentering the space five years ago. From 2018 to 2022, we invested over $739 million in rural markets supporting 5,132 Duty to Serve units.

Freddie Mac has faced several challenges in our efforts to source and close deals located in Duty to Serve Rural Areas. COVID-19, interest rate fluctuations, increased cost of materials, and delays in USDA Rural Development financing all have impacted Freddie Mac and the LIHTC Equity Market as a whole. These market headwinds have put pressure on Freddie Mac, but we have been successful in meeting our goals each year. As indicated later in the report, we have developed several strategies to maintain our success.

Objective's components detailed in the Plan	*Corresponding actions or deliverables*	*Any deviations from the Plan (if applicable)*
20 Transactions	Completed 20 Transactions	

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

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 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 three primary ways that Freddie Mac's investments have had a direct and substantial impact on the rural market. First, we provide stability to the market, especially where there is little demand driven by Community Reinvestment Act credits. Second, individual investments provide a large impact on specific communities. Third, our relationships with our lenders and syndicators have led to a cumulative impact over time.

Our investments in the LIHTC rural market have increased as we have worked with our syndicators to build relationships and a strong client base in these areas. Our 20 investments in 2022 supported properties ranging in size from 29 to 82 units, and they are distributed across a range of markets, from Roberta, Georgia (population 813) to Chico, California (population of 42,679). The impact of our investments in these communities is demonstrated by two examples in the table below.

Property	Hale Na Koa, 'O Hanakahi	Ventnor Park Apartments
Region	Hilo, HI	Roberta, GA
LIHTC Units	81	36
Details	Hale Na Koa, 'O Hanakahi will involve the new construction of a 92-unit property in Hilo, HI. The property will house seniors aged 62 or older and will target tenants who are veterans, the surviving spouses of veterans, and disabled households. The sponsor will voluntarily provide services including adult education, health, wellness, and other skill-building classes through the on-site management team which includes a resident service coordinator.	Ventnor Park Apartments will involve the substantial rehabilitation ($50k/unit) of a 40-unit property in Roberta, GA which is approximately 85 miles south of Atlanta. The property is comprised of 36 units restricted to households earning no more than 50% to 60% of Area Median Income (AMI). Comparable properties (affordable and market-rate) report 100% average occupancy. Ventnor Park Apartments maintains a 28-household waitlist.

The past year was unique in terms of our High-Needs Populations (HNP) and High-Needs Regions (HNR) goals where the goals were exceeded by 2 and 3 investments, respectively. Three deals counted for both the HNR and HPN goals based on their location. This was a first since our re-entry to LIHTC equity investment in 2018. Since this is unlikely to happen again, we expect our 2023 results to be more in line with historical performance against the goals.

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

Freddie Mac learned that even when working with experienced developers, investments are impeded by issues outside our control. Increases in US treasury rates, for example, have raised the cost of permanent and construction loan financing. As a result, developers have delayed closings as they consider the potential for debt with better terms in the future. General contractors also continue to face elevated costs for materials and labor shortages, which are acute in rural areas.

It was also challenging to hit our rural DTS goals given that many of these transactions rely on Rural Development (RD) financing. RD offices are severely understaffed, which has significantly lengthened their underwriting timelines and ours as well.

A positive development has been California's readiness to proceed deadline, which provides developers 180 days to close from the date that they receive their allocation. Thus, a large portion of deals in California close in May to June or November to December in the year that they received their allocation. This provides equity investors like Freddie Mac with the certainty of closing.

To overcome challenges and meet our 2022 goals, Freddie Mac focused on:

- Working with General Contractors that have a strong knowledge of local markets and deep sub-contractor relationships
- Finding deals with firm construction and permanent pricing
- Sourcing deals with hard closing deadlines
- Confirming if a deal with RD financing is being actively underwritten by RD
- Asking sponsors if they would be willing to swap out RD financing to a private placement execution
- Working with syndicators to have the flexibility to close a deal into 2022 or 2023 depending on equity and DTS needs at year end

To ensure we are on target for our 2023 goals, we plan to again implement the above strategy. Our goal is to build an increasingly stronger pipeline of DTS eligible transactions for the year ahead and beyond.

3. **<u>Optional</u>**: 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.

Exhibit A:

Quarterly Loan Purchase Narrative Reporting Template

FREDDIE MAC

RURAL HOUSING

Q3: JULY-SEPTEMBER 2022

INVESTMENT

ACTIVITY:

5-Support Multifamily Properties in All Rural Areas: Additional Activity

OBJECTIVE:

B-Engage in LIHTC Equity Investment in All Rural Areas

SUMMARY OF PROGRESS:

We are currently working to achieve our LIHTC Equity All Rural goal of 20 investments. We had built out a pipeline of 48 rural investments— more than double our 2022 target— including USDA 515 and USDA 538 properties in order to support the preservation of these properties but have seen the fall out of more than half of those deals as the year has progressed. These deals spanned across rural markets in 24 states experiencing a 5-month average delay. In an effort to understand delays outside of Freddie Mac's portfolio, we surveyed one of our syndicator partners where they experienced an average cost increase of 38% with a 9-month average delay for 11 deals in North Carolina.

We have also been conducting our own outreach to market stakeholders in order to understand the needs and challenges hindering development in rural markets. We have attended five conferences so far and held several investor meetings to discuss the changing market dynamics in the LIHTC equity space as federal interest rate increases and construction cost challenges persist. We are engaging in meaningful outreach with the goal to understand how we can best support the market and provide financing for rural areas.

SELF-ASSESSMENT RATING OF PROGRESS:

Select the category that best describes progress on this objective for the reporting period.

☐ On track to meet or exceed the target

☒ Progress delayed and/or partial completion of the objective expected

☐ Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):

We have observed several market challenges in the LIHTC equity space in 2022. Supply chain issues have caused delays as general contractors try to source materials and construction pricing increases have made labor and material costs uneconomical for development. The increase in the federal reserve rate and US treasury rates have impacted permanent and construction loan financing, causing fewer deals to become funded in the LIHTC Equity space. We have also experienced several USDA Rural Development (RD) financing delays, as each deal with RD financing has had to undergo the RD underwriting process. We have learned through outreach that staffing challenges at RD offices have led to a twofold increase in the RD underwriting timeline.

In order to overcome these challenges, we are working hard to achieve our goals through a variety of strategies. We are working with general contractors that have a strong knowledge of the local market and deep sub-contractor relationships to close deals timelier. We have also been active in trying to find deals with firm construction and permanent pricing, as well as source deals with hard closing deadlines. Regarding our deals in RD underwriting, we have been consistently following up to confirm if a deal is actively being underwritten within the RD office. We are also asking sponsors if they would be willing to exchange new RD financing for a private placement execution in order to preserve these properties for 2022 closing. We plan to continue executing the aforementioned strategies in order to complete our LIHTC Equity All Rural goal under our 2022 Duty to Serve Plan.