FREDDIE MAC

2023 Performance Report

Equitable Housing Finance Plan

April 2024

Freddie Mac
We make home possible®

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SECTION 1

Advancing Equitable Housing Finance in 2023

Advancing Equitable Housing Finance in 2023

In 2022, Freddie Mac successfully initiated its inaugural Equitable Housing Finance Plan (Plan). In 2023, our efforts were more comprehensive and impactful, reaching more borrowers and renters. While there is more work to be done, we are on a path—through execution of the commitments in our Plan—to providing greater access to sustainable homeownership and affordable rental housing.

Successes and Key Accomplishments

As detailed throughout this report, Freddie Mac has achieved each of our 2023 commitments. For example, we have expanded the availability of our first special purpose credit program (SPCP), Freddie Mac BorrowSmart Access®, and launched our second SPCP, the HeritageOne℠ mortgage. Because of the vital importance of down payment assistance (DPA), we enhanced DPA One®, our centralized online platform for DPA programs, and made it available to lenders across several states. In doing so, we worked with housing counseling organizations and lenders to ensure this offering is responsive to industry need.

Freddie Mac continued its work to support the creation, preservation and rehabilitation of affordable and workforce multifamily rental housing, meeting our objectives in these areas despite challenging market conditions. We also continued our work to increase opportunities for renters. For example, our credit building initiative has now resulted in more than 500,000 resident enrollments, exceeding our Plan target. Additionally, we built on our efforts to support diverse and emerging borrowers with initiatives that are helping close the knowledge, relationship and financing gaps we identified in our Plan.

In this performance report, we'll review business activities conducted during 2023 to advance each Plan tactic and supply loan-acquisition metrics reflecting the numbers of families served through our activities.

Lessons and Challenges

The year was met with rising interest rates, constrained housing supply and, as a result, continued and increased focus on housing affordability. Within this environment, we continued our commitments to equitable housing, as demonstrated by the actions discussed in this report.

As an organization, we learned that our success in meeting certain targets is often a function of market conditions that are outside our control. For example, although we met or exceeded all of our Single-Family and Multifamily purchase objectives, we encountered a significantly contracted market, which made it challenging to do so.

We also recognized that there are limits on our ability to directly assist renters and homeowners. As a secondary market participant tasked with providing liquidity, stability and affordability to the market by purchasing and guaranteeing loans, we do not provide funding directly to renters and homebuyers. As a result, we've found Renter Resource Organizations and homeowner support agencies to be important partners for meaningfully addressing the challenges renters and homebuyers face beyond access to credit.

Looking Ahead

We continue to work alongside industry partners, trade organizations and community stakeholders to reduce barriers to housing finance for individuals and families in historically underserved communities. We'll work throughout 2024 to complete our commitments from the first three-year Plan. We're taking stock of our successes and areas where there's room for further improvement as we consider our work in the final year of our Plan and for future Plan cycles.

2023 Freddie Mac Home Loan Originations for Families of Color

Freddie Mac's loan acquisitions serve as critical metrics in assessing our commitment and progress over time in serving borrowers of color. This table includes all 2023 Single-Family mortgage loan acquisitions. A similar table detailing Multifamily acquisitions can be found at the end of the report.

2023 Single-Family Mortgage Loan Acquisitions[1]				
	Total Loan Acquisitions		Total 2023 Purchase Acquisitions	
Group	Count	Share	Count	Share
All	**955,039**	-	**806,424**	-
Total Non-Missing Minority	**822,396**	**100.0%**	**698,304**	**100.0%**
White	546,310	66.4%	460,751	66.0%
Overall Minority	276,086	33.6%	237,553	34.0%
Total Non-Missing Ethnicity	**833,115**	**100.0%**	**707,233**	**100.0%**
Hispanic or Latino	122,391	14.7%	104,475	14.8%
Total Non-Missing Race	**822,748**	**100.0%**	**698,929**	**100.0%**
Black or African American	61,015	7.4%	47,297	6.8%
Asian	96,105	11.7%	89,395	12.8%
American Indian or Alaska Native	8,343	1.0%	6,880	1.0%
Pacific Islander (inclusive of Native Hawaiian)	3,258	0.4%	2,755	0.4%

SECTION 2

2023 Progress on Activities Within the Equitable Housing Finance Plan

2023 Progress on Activities Within the Equitable Housing Finance Plan

Special Purpose Credit Programs

In 2023, Freddie Mac provided liquidity for more than 9,300 special purpose credit program (SPCP) loans, supporting homeownership for many borrowers in underserved communities. Approximately 57% of these loans went to minority families.

We used a two-pronged approach to reach more underserved borrowers, purchasing mortgages originated through lender SPCPs and launching our own SPCPs.

Total SPCP Acquisitions in 2023[1]			
	All SPCP Fundings		Total 2023 Purchase Acquisitions
Group	# Families	%	Families (%)
All	**9,307**	-	-
Total Non-Missing Minority	**8,205**	**100.0%**	**100.0%**
White	3,577	43.6%	66.0%
Overall Minority	4,628	56.4%	34.0%
Total Non-Missing Ethnicity	**8,311**	**100.0%**	**100.0%**
Hispanic or Latino	2,253	27.1%	14.8%
Total Non-Missing Race	**8,037**	**100.0%**	**100.0%**
Black or African American	1,524	19.0%	6.8%
Asian	974	12.1%	12.8%
American Indian or Alaska Native	92	1.1%	1.0%
Pacific Islander (inclusive of Native Hawaiian)	35	0.4%	0.4%

Lender SPCPs

Many Freddie Mac Sellers have developed their own SPCPs through which they originate mortgages for borrowers in traditionally underserved communities. We have in place an approval process to ensure these lender programs meet our established credit standards. In 2023, Freddie Mac purchased approximately 6,800 SPCP loans originated from approved lender SPCPs.

In 2024, we plan to continue our partnership with Sellers. Our commitment is to provide liquidity for mortgages originated through approved Seller SPCPs while further developing our own offerings.

Liquidity Provided to Lender SPCPs in 2023[1]			
	Lender SPCPs		Total 2023 Purchase Acquisitions
Group	# Families	%	Families (%)
All	**6,828**	-	-
Total Non-Missing Minority	**6,123**	**100.0%**	**100.0%**
White	2,273	37.1%	66.0%
Overall Minority	3,850	62.9%	34.0%
Total Non-Missing Ethnicity	**6,203**	**100.0%**	**100.0%**
Hispanic or Latino	1,954	31.5%	14.8%
Total Non-Missing Race	**5,989**	**100.0%**	**100.0%**
Black or African American	1,271	21.2%	6.8%
Asian	732	12.2%	12.8%
American Indian or Alaska Native	74	1.2%	1.0%
Pacific Islander (inclusive of Native Hawaiian)	27	0.5%	0.4%

Freddie Mac's SPCPs

In late 2022, we launched our first SPCP, Freddie Mac BorrowSmart Access®, to address the greatest barrier to homeownership: gathering sufficient funds to close a mortgage transaction. BorrowSmart Access provides funding support for first-time homebuyers who earn up to 140% of area median income. It does this through cash-to-close support from both Freddie Mac and the originating Seller, totaling at least $3,000. The offering is targeted to 10 geographic markets: Atlanta, Chicago, Detroit, El Paso, Houston, McAllen, Memphis, Miami, Philadelphia and St. Louis.

In 2023, we expanded availability of this program to engage additional Sellers and reach more borrowers. By year end, we'd engaged with 30 lenders to launch the program in the target communities they serve.

Freddie Mac BorrowSmart Access SPCP Fundings in 2023[1]

	BorrowSmart Access SPCP		Total 2023 Purchase Acquisitions
Group	**# Families**	**%**	**Families (%)**
All	**2,479**	-	-
Total Non-Missing Minority	**2,082**	**100.0%**	**100.0%**
White	1,304	62.6%	66.0%
Overall Minority	778	37.4%	34.0%
Total Non-Missing Ethnicity	**2,108**	**100.0%**	**100.0%**
Hispanic or Latino	299	14.2%	14.8%
Total Non-Missing Race	**2,048**	**100.0%**	**100.0%**
Black or African American	253	12.4%	6.8%
Asian	242	11.8%	12.8%
American Indian or Alaska Native	18	0.9%	1.0%
Pacific Islander (inclusive of Native Hawaiian)	8	0.4%	0.4%

HeritageOne℠ Mortgage

We made our second SPCP available for mortgage applications starting in October 2023. The HeritageOne℠ mortgage helps provide access to home financing for enrolled members of federally recognized American Indian and Alaska Native (AIAN) tribes living within tribal areas. Part of the appeal of this offering is that it assists lenders in navigating the complexities of lending in AIAN tribal areas.

Goal	Performance
• Provide liquidity for SPCP loans originated by at least 10 lenders, with a commitment to purchase up to 10,000 loans in 2023. ◦ Promote adoption of Freddie Mac's designed SPCP among lenders. ◦ Purchase loans originated through lenders' SPCPs.	• Purchased 9,300 of SPCP loans in 2023. • Expanded availability of BorrowSmart Access—our initial SPCP—by making it available through additional Freddie Mac Sellers in the target markets. • Launched a co-marketing strategy with approved Sellers to build awareness and adoption of BorrowSmart Access. • Provided liquidity to 6,828 mortgages originated through Sellers' SPCPs.
• Explore new product offerings and/or SPCP expansion based on lessons learned.	• Launched our second SPCP, the HeritageOne mortgage, to provide home financing to members of federally recognized AIAN tribes living on tribal land. • Continue to explore new mortgage offerings that can expand access to credit for underserved communities.

Reserve Funds

In 2023, Freddie Mac looked for ways to help borrowers sustain homeownership through hardship. In 2024, we plan to work with implementation partners to finalize the reserve fund proposal.

Goal	Performance
• Complete preliminary assessment of implementation feasibility by year end.	• Completed implementation feasibility assessment by year end.

Servicing For Sustainability

Freddie Mac has been reevaluating its servicing policies and oversight to better improve borrowers' home-retention outcomes. We are focused on high-touch borrower servicing assistance and easy availability of specific training, counseling and tools to help borrowers sustain homeownership.

Action 1: Mission Servicing Oversight Framework

To improve mortgage default mitigation within at-risk borrower populations, Freddie Mac has enhanced its Mission Servicing Oversight Framework (formerly known as the Special Servicing Framework), which we began using in 2022. Within this framework, we work with a Servicer that provides high-touch engagement with designated at-risk borrowers, helping them mitigate mortgage default. To date, we have successfully launched two test-and-learns on curated loan populations, allowing us to analyze the performance of loans being serviced in this way and identify further opportunities to improve outcomes for these borrowers. In 2023, we added to the framework the potential for new-issuance originations in conjunction with our new SPCP offering for Native Americans living on tribal lands, the HeritageOne℠ mortgage.

We'll continue to monitor the performance of loans under this framework to validate the efficacy of this work. Additionally, as we develop mortgage offerings to further assist borrowers in underserved communities, we'll consider including the Mission Servicing Oversight Framework as an offering feature.

Loans Engaged in Mission Servicing Oversight Framework in 2023[1]

	Special Servicing		Total 2023 Purchase Acquisitions
Group	**# Families**	**%**	**Families (%)**
All	**1,577**	-	-
Total Non-Missing Minority	**1,395**	**100.0%**	**100.0%**
White	887	63.6%	66.0%
Overall Minority	508	36.4%	34.0%
Total Non-Missing Ethnicity	**1,397**	**100.0%**	**100.0%**
Hispanic or Latino	247	17.7%	14.8%
Total Non-Missing Race	**1,392**	**100.0%**	**100.0%**
Black or African American	208	14.9%	6.8%
Asian	51	3.7%	12.8%
American Indian or Alaska Native	14	1.0%	1.0%
Pacific Islander (inclusive of Native Hawaiian)	9	0.6%	0.4%

Action 2: Loss Mitigation Borrower Outreach, Education and Counseling

Freddie Mac is continuously working to improve our resources, requirements and strategies pertaining to borrower outreach, education and counseling for loss mitigation. Throughout 2023, we worked to implement numerous enhancements in this space, including working with Seller/Servicers to expand the reach and efficacy of our borrower resources, website upgrades and *Single-Family Seller/Servicer Guide* (Guide) updates, including the following:

- Expanding our relationship with NextJob®, a nationwide reemployment solutions company, for one-on-one job coaching and online learning.
- Further centralizing the early delinquency counseling referral process by expanding a strategy that permits participating Servicers to refer eligible loans to Freddie Mac for coordination with our primary counseling vendor.
- Enhancing the Freddie Mac My Home® consumer education site:
  - In May, we added information for borrowers on Selling with Equity (selling when a home's value is greater than the mortgage's principal balance) and linked to additional resources.
  - In July, we added resources to assist families on working with housing counselors.
- Issuing our June Guide Bulletin 2023-14 to update requirements pertaining to early delinquency counseling and improving clarity around the selection of HUD-approved counselors.

We'll continue to evaluate new and existing borrower tools that can better equip Servicers with homeownership-retention strategies.

Goal	Performance
• Launch at least two test-and-learns on loan populations within the Special Servicing Framework (Mission Servicing Oversight Framework) to test the approach and identify opportunities for improved performance.	• Conducted two test-and-learns on approximately 1,500 mortgage loans. The first test-and-learn was launched in December 2022. The second was launched in March 2023.
• Continue development of potential borrower counseling strategies.	• Expanded use of early delinquency counseling for certain offerings under SPCPs, including our new HeritageOne mortgage. • Increased the number of Servicers who participate in our partnership with NextJob, which offers job-search counseling for borrowers who face unemployment.
• Provide at least three enhancements to borrower-facing educational materials on FreddieMac.com to provide additional help for borrowers experiencing hardship and seeking loss mitigation options.	• Implemented numerous enhancements in this space, including expansion of early delinquency counseling strategies, updates to the Freddie Mac My Home consumer education site and Guide updates to expand the reach and efficacy of our borrower resources.
• Contribute to internal working group set up to examine alternatives to FICO credit scoring, including those related to loss-mitigation evaluations.	• Continued the Freddie Mac Servicing team's participation in the corporate effort around alternative credit scoring.

Promote Down Payment Assistance Tools with Industry Partners Serving Black and Latino Communities

To increase access to information on nationwide down payment assistance (DPA) programs, in late 2021 Freddie Mac began development on DPA One®, our centralized online platform for municipal, local and state DPA programs. To enhance and prepare this tool for industry use, we worked throughout 2023 with DPA providers and early-adopter lenders to further develop and test its capabilities. In September 2023, we began to make DPA One available to loan officers and housing counselors through a phased approach that's introducing the tool state by state. The initial launch included Texas and Minnesota, followed through year-end by Florida, California, Illinois, Kentucky and Virginia. This phased approach ensures we've amassed an ample number of programs in each state to make the program robust enough for users.

To drive DPA One awareness and adoption in underserved communities, we engaged directly with 15 select housing counseling organizations to inform them about DPA One's capabilities and to seek input on features valuable to housing counselors.

Additionally, we expanded the development of standardized subordinate lien documents for use with all DPA programs offered nationwide. These standardized documents increase efficiencies for lenders and are an important complement to DPA One. By year end, we completed Uniform Second Notes and security instruments, available for use by all state and local DPA providers in a total of 19 states. We plan to create documents for additional states throughout 2024.

Lastly, through our own research and efforts by the National Council of State Housing Agencies (NCSHA), we determined that, although there is industry interest in a common DPA offering, it's not feasible for Freddie Mac to create such a program at this time. DPA providers wish to maintain the unique features of their own programs and the flexibility to adjust them to market needs; a standardized offering would limit this flexibility.

In 2024, we'll continue to expand loan officer access to the platform.

Goal	Performance
• Expand utilization of DPA One by at least 10 housing counseling agencies that serve targeted communities.	• Provided 25 housing counseling agencies access to DPA One.
• Continue to expand standardized subordinate lien documents and standardized data for 19 states.	• Made standardized subordinate lien documents and data available for 19 states.
• Actively explore market opportunity for a DPA common offering through consultation with at least 12 industry organizations, including lenders, counseling agencies and housing finance agencies, and develop a recommendation on the viability of a common offering.	• Consulted with 15 organizations to explore market opportunity for a DPA common offering and determined that such a program is infeasible for Freddie Mac to create at this time.
• Raise awareness of the tool to 15 national organizations that serve Black and Latino communities.	• Raised awareness of DPA One to 15 national organizations that serve Black and Latino communities.

Fair Servicing Analysis

Freddie Mac established in 2022 a fair servicing monitoring process to help identify gaps in loss mitigation outcomes and find opportunities for improvement.

Throughout 2023, we performed quarterly fair servicing monitoring on Freddie Mac-purchased loans. In doing so, we identified and analyzed factors that contribute to potential gaps in servicing outcomes for protected class borrowers, including potential gaps in participation rates and outcomes of various loss mitigation processes, and we endeavored to find solutions to reduce them. Through this process we have and will continue to maintain a close collaboration among our Fair Lending, Equitable Housing and Servicing Policy teams to inform our special servicing strategy and other core servicing policies.

Goal	Performance
• Execute fair servicing monitoring and analysis quarterly.	• Executed fair servicing monitoring and analysis each quarter in 2023.
• Begin to develop strategies to address any identified gaps.	• Assembled Fair Lending, Equitable Housing and Servicing Policy teams quarterly to evaluate the monitoring report and address identified gaps in servicing outcomes for underserved families.

Finance Housing for Persons with Disabilities

Freddie Mac is expanding its efforts to provide liquidity for loans that support access to housing for persons with Intellectual and Developmental Disabilities (IDD) and other disabilities. This work builds on our long-term efforts to support community-based, small-group living environments called Housing for IDD (HIDD). It is also an extension of our broader investments and loan purchases in support of communities with units designated for individuals with disabilities. For example, in 2023, Freddie Mac completed more than 15 Low-Income Housing Tax Credit (LIHTC) equity investments in properties with these set asides.

To meet our Plan goal for 2023, Freddie Mac completed two transactions for HIDD housing. The first supported 199 HIDD homes across 15 states. The second supported an additional 148 HIDD homes across 12 states. A total of 1,306 individuals will be supported by these homes, which are leased to care providers that offer housing to persons with developmental disabilities, cognitive or mental issues or traumatic brain injuries. Care providers offer services including supportive therapy, life skills training, money management, 24-hour emergency assistance and employment services.

Freddie Mac will continue its support of HIDD and has committed to completing at least three transactions in 2024.

Goal	Performance
• Complete at least two transactions.	• Completed two transactions.

Provide Liquidity to Permanent Supportive Housing for Persons Who Formerly Experienced Homelessness

Freddie Mac is working to encourage affordable and workforce supportive housing for persons who formerly experienced homelessness. We have continuously supported this population through our Targeted Affordable Housing (TAH) offerings including Low Income Housing Tax Credit (LIHTC) loan purchases and equity investments. Building on this work, in 2022 we identified nonprofit organizations with new approaches to providing permanent supportive housing. For 2023, we set a goal to identify standards that would further advance these innovations.

Through our 2022 outreach, we worked to better understand the Employer-subsidized Permanent Supportive Housing (EPSH) model. This novel approach supports qualified individuals at risk of transitional homelessness with property-management employment credit and a discounted employee rental unit. In addition to providing pathways to both employment and housing, the model is attractive to property owners who face challenges in hiring trained staff due to labor market shortages. Beyond that, EPSH initiatives can be implemented absent substantial public subsidies and can be integrated within traditional multifamily housing. In leveraging this model, multifamily owners may choose to partner with a local nonprofit to source qualified individuals or run a program themselves.

A challenge borrowers face when providing EPSH units, however, is that the rents collected are lower than they otherwise would be, which can impact loan underwriting. To address this problem, in 2023 Freddie Mac developed a policy approach that would allow up to two EPSH units in a property to be underwritten to the average rent of currently occupied units for the applicable unit type.

To satisfy our 2024 objective, which commits to formally establishing engagement parameters that can be leveraged with Freddie Mac loan offerings, Freddie Mac is working to adopt appropriate policy changes that would implement the above approach.

Goal	Performance
• Identify standards for engagement between nonprofits and borrowers.	• Identified a new standard that can support EPSH and began work to develop an appropriate policy to support the model.

Improve the Quality of Single-Family Homes in Traditionally Underserved Black and Latino Communities

Freddie Mac's efforts to enhance access to affordable housing in Black and Latino markets have encompassed two key initiatives:

1. Evaluating the use of New Market Tax Credits (NMTC) to create for-sale affordable housing supply
2. Improving the quality of single-family housing stock in traditionally underserved Black and Latino communities

In 2023, we collaborated with an NMTC industry expert to assess the use of NMTCs to create affordable for-sale housing supply. This assessment was conducted from the lens of Freddie Mac's potential role as tax credit investor and outlines a possible transaction structure, delineates critical roles and responsibilities, identifies key risks and highlights community and homebuyer benefits.

Freddie Mac also supported the redevelopment of housing stock in underserved areas in coordination with industry partners and community stakeholders. We partnered with vacant land stewards in Milwaukee, Omaha and Tulsa. These land stewards acquired vacant land and residential property in areas with histories of housing discrimination, scarcity of affordable housing and declining homeownership rates for Black and Latino communities. Freddie Mac partnered to help bridge operational funding gaps for vacant land stewards by strengthening their capacity to strategically acquire, rehabilitate and redistribute homes to low- to moderate-income homebuyers.

Additionally, Freddie Mac has furthered opportunities for developers to collaborate with vacant land stewards by offering technical assistance to developers to revitalize housing units and build new single-family housing in previously redlined areas and majority minority census tracts.

We plan to continue stakeholder outreach to identify possible additional target markets and specific challenges to improving the quality of housing stock as it relates to certain geographical characteristics.

Goal	Performance
• Evaluate the feasibility of establishing a New Market Tax Credit (NMTC) equity platform to purchase NMTCs tied to the creation of for-sale affordable housing.	• Worked with an industry expert to assess how NMTCs can be used to finance the production of affordable housing supply for homeownership. • Determined that the purchase of NMTCs, pending additional due diligence and regulatory approvals, may support the development of single-family housing.
• Collaborate with selected vacant property stewards to support the redevelopment of 75 vacant properties as affordable and/or resilient housing stock, proactively targeting formerly redlined areas in historically underserved Black and Latino communities.	• Collaborated with vacant property stewards and mission-oriented developers in targeted markets to develop or redevelop more than 250 single-family housing units; 95 of these units are in formerly redlined areas.

Expand the Develop the Developer℠ Academy Program

Develop the Developer℠ Academy provides education and financing opportunities for emerging and traditionally underserved developers, including Black, indigenous, people of color and female developers whose focus is on building wealth in their home communities. Freddie Mac committed to expanding its academy into one additional market per year in collaboration with industry professionals who can provide education and technical assistance.

Launched in 2020 for 1- to 4-unit properties, Develop the Developer Academy aims to spur reinvestment from within these communities to deter displacement, create opportunities for wealth creation and generate the next class of emerging developers. In 2022, Freddie Mac extended its Develop the Developer Academy curriculum to 5+-unit buildings in traditionally underserved and minority communities.

The program has supported developers with 18 active development projects, yielding 197 new single-family units and three development projects in process, which will result in 485 new multifamily units. In 2023, we successfully launched an academy in Milwaukee, with 25 developers enrolled. The program overall has now graduated 119 developers across eight cohorts.

As a result of our work on this program, Freddie Mac was awarded the Profiles in Diversity Journal's Innovations in Diversity and Inclusion Award for 2023, which honors businesses, organizations and agencies that have created effective programs aimed at fostering diversity, inclusion and equity.

Our next steps will be to explore opportunities with new Develop the Developer Academy hosts, with the intention to launch an academy in a new market.

Goal	Performance
• Identify and launch in a new market.	• Launched a new academy in Milwaukee.
• Enroll 30 developers in the Develop the Developer Academy.	• Enrolled 47 developers in the Develop the Developer Academy.

Develop the Developer Academy Graduates Enrollment Numbers: 2023 and Overall[2]

	2023 Graduates		Total Graduates (2020-23)	
Group	**#**	**%**	**#**	**%**
All	**47**	-	**119**	-
Male	25	53%	51	43%
Female	22	47%	67	56%
Non-Binary	0	0%	1	1%
Race & Ethnicity	-	-	-	-
Black	37	79%	79	66%
White	3	6%	17	14%
Hispanic	2	4%	8	7%
Native American	3	6%	7	6%
Asian	0	0%	4	3%
Other	2	4%	4	3%

Social Bond Issuance (Single-Family)

In 2023, Freddie Mac joined FHFA and Fannie Mae to update our respective Social Bond Frameworks, initially published in 2022, and develop relevant pooling disclosure plans in anticipation of a Single-Family Social Mortgage-Backed Securities (MBS) program rollout in 2024.

To engage with the market and gather industry feedback, we met with market stakeholders, participated in conference panels and worked with FHFA on its Social Bond Request for Information (RFI). Market feedback and perspectives collected across these activities are critical inputs for development of the Single-Family Social MBS program.

Throughout the year, we conducted regular meetings with FHFA and Fannie Mae to further develop our Social Index disclosures and align our updated Single-Family Social MBS programs. In January 2024, we published our Social Bond Framework and accompanying Second Party Opinion on freddiemac.com.

Later this year, we'll update our securities disclosure to better align to our mission and commence issuance of labeled Single-Family Social MBS.

Goal	Performance
• Work with the FHFA and Fannie Mae on Social Bond Request for Information (RFI) and implement market feedback, as appropriate, including new disclosure, social bond definitions and a plan for issuing labeled social bonds.	• Worked closely with FHFA and Fannie Mae to review the Social Bond RFI and implement market feedback into our Social MBS development. • Aligned with FHFA and Fannie Mae as we work toward our goal of offering labeled Single-Family Social MBS in 2024.

Increase Opportunities for Diverse and Emerging Multifamily Borrowers

Freddie Mac has identified three key issues that limit opportunities for diverse and emerging multifamily borrowers: the knowledge gap, the relationship gap and the financing gap.

To close the knowledge gap, in 2023 we committed to building on our prior year's work with enhanced online resources and tools that improve the accessibility of our offerings to diverse and emerging borrower audiences. To close the relationship gap, we committed to hosting at least two networking events. To close the financing cap, we committed to further developing a multifamily emerging correspondent program and identifying credit enhancement and guarantor standards.

Closing the Knowledge Gap

In 2023, Freddie Mac Multifamily began providing regular email communications directly to sponsors, including members of our Diverse and Emerging Borrower Steering Committee. We also developed new web content that more clearly identifies mission-centric products and initiatives. As described earlier in the report, Freddie Mac also continued growing the scope of its Develop the Developer Academy with a new cohort in Milwaukee (See Develop the Developer Academy).

Closing the Relationship Gap

In Spring 2023, Freddie Mac hosted a Diverse and Emerging Borrower Forum with its Diverse and Emerging Borrower Steering Committee to discuss how the multifamily industry and Freddie Mac can be more inclusive of, and support access to liquidity for, newer and smaller borrowers. Later in 2023, we hosted our first ever Impact Summit, which brought together leaders from our lender network and sponsors for a day-long discussion of mission-centric activities in the multifamily market. The event featured insightful conversations about our efforts to promote equity within the multifamily industry. It included a well-received Diverse and Emerging Borrower session which detailed the challenges these borrowers face when seeking equity and debt capital.

Closing the Financing Gap

To help close the financing gap, Freddie Mac set a requirement that each of its lenders establish a correspondent lender relationship in 2023 (see Develop Multifamily Correspondent Lender Program).

Freddie Mac also examined its guarantor requirements as they relate to net worth and liquidity. These standards exist to mitigate risk and align with industry standards, but emerging borrowers often cannot meet them and, despite having adequate real estate experience, may be left with few options but to accept unfavorable terms from a co-investor that can help meet lender requirements. We determined that our policies presently allow for appropriate flexibility with mitigants, and we provided underwriters and deal approvers with guidance that facilitates their exception consideration across the borrower spectrum.

In 2024, we'll also continue hosting networking events to promote partnership and connections within the multifamily industry.

Goal	Performance
Closing the Knowledge Gap • Continue to build upon prior year's work by enhancing online resources and tools for diverse and emerging borrowers. • See Develop the Developer Academy goals.	**Closing the Knowledge Gap** • Enhanced web content and created a monthly newsletter communicating directly with multifamily sponsors on the latest news, research and viewpoints from Multifamily. • See Develop the Developer Academy accomplishments.
Closing the Relationship Gap • Host at least two networking events to promote partnership and connections.	**Closing the Relationship Gap** • Hosted our first Diverse and Emerging Borrower Forum and our first Impact Summit.
Closing the Financing Gap • See Develop Multifamily Correspondent Lender Program and Reform the Single-Family Rental Market goals. • Identify credit enhancement and guarantor standards.	**Closing the Financing Gap** • See Develop Multifamily Correspondent Lender Program and Reform the Single-Family Rental Market accomplishments. • Issued internal guidance on guarantor standards.

Affirmative Outreach and Insights

Through a variety of communications activities and events throughout 2023, Freddie Mac reached industry partners, engaged and educated minority consumers and leveraged thought leadership to inform housing industry participants. We also reached key constituencies with equity-related information, education and resources. The following are highlights of our outreach activities.

New Offerings and Campaigns That Benefit Underserved Communities

- **A Seat at the Closing Table℠.** Freddie Mac launched A Seat at the Closing Table, an educational program to help mortgage loan officers and other housing professionals expand their businesses and close the homeownership gap for underserved borrowers. This program is:
    - A self-paced training series that provides short videos, podcast episodes, fillable templates and other resources to help mortgage professionals engage with borrowers in underserved communities. It features trusted industry advisor and former loan officer Dr. Lynn Richardson.
    - Distributed through a multi-channel approach with an integrated media campaign that reached 12.7 million mortgage professionals and garnered 189,000 clicks to the training content.

- **Borrower Help Centers.** We deepened engagement in underserved markets by promoting Borrower Help Centers (BHC) through a two-month localized media campaign. For example, we:
    - Executed a localized BHC promotion that reached 30 million consumers in five target markets: Chicago, Ft Lauderdale, Las Vegas, McComb and San Bernadino.
    - Meaningfully increased traffic to BHCs, resulting in quarter-over-quarter increases of more than 220% in attendance at local workshops and counseling sessions, as well as a 39% increase in lender referrals.
- **CreditSmart® Essentials in Spanish.** In 2023, we launched the new Spanish-language version of CreditSmart Essentials, our comprehensive financial-capability curriculum for consumers.
    - Launched promotions—in English and Spanish—and generated more than 165 million views in Latino markets across the country, driving a 76% quarter-over-quarter increase in traffic to CreditSmart Essentials.
    - Created audio and video news releases in both English and Spanish, which drove 95 million impressions across 1,200 television and radio stations in Latino markets nationwide.
- **DPA One®.** We executed a strategic communications rollout of DPA One, our free online resource that helps housing professionals find and match down payment assistance to borrowers.
    - We earned coverage in 138 national, local and trade publications, which helped drive a 1,500% increase in registered platform users in four weeks.
    - The DPA One informational website saw 5,000 unique users initiate 6,300 site visits, viewing more than 15,300 pages in the process.

Digital Media and Strategy Activities

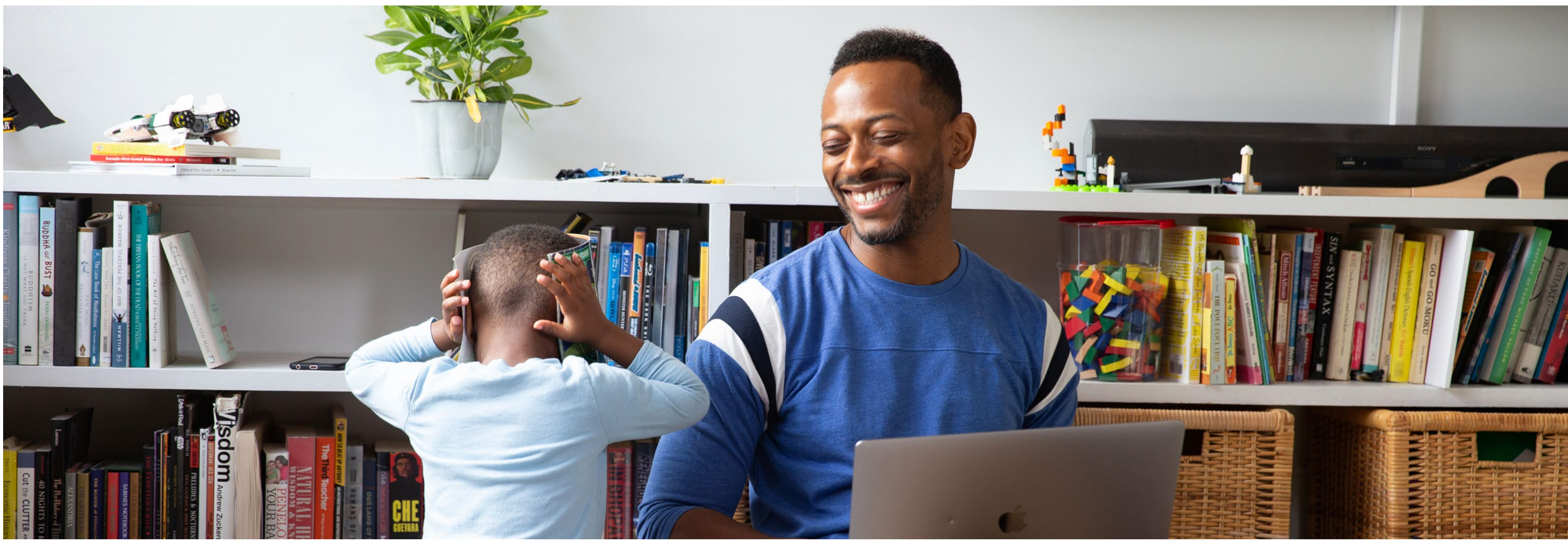
Through our digital media and strategy efforts, we:

- Reached 604 million Black and Latino consumers across paid media channels with tools, resources and educational campaigns.
  - This included reaching over 55 million consumers and industry leaders with video "profiles" showcasing the impact of our tools and resources on real people in underserved communities.
- Published 25 consumer blog posts (viewed over 49,000 times) about climate sustainability and disaster preparedness and response for homebuyers, homeowners and renters.

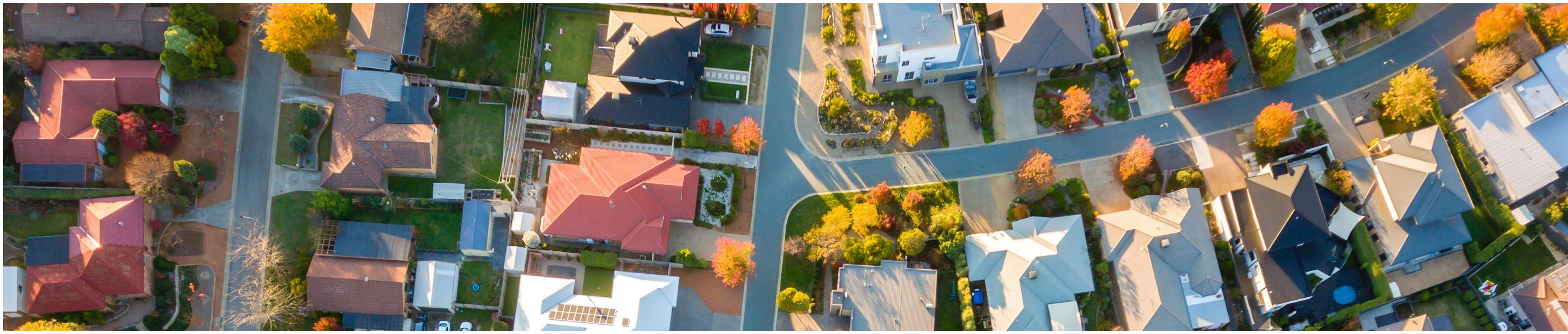
Education and Counseling Promotions

We served more than 500,000 consumers, nearly 70% of whom were people of color, through education and counseling.

- 337,000 consumers completed housing-education and financial-capability courses.
- 167,000 consumers received one-on-one housing counseling as of mid-December 2023.
- 80 webinars were conducted on topics such as refinance, credit and wealth building to over 10,000 consumers and industry professionals.



Goal	Performance
• Reach 21 million Black and Latino renters, buyers and owners via paid media throughout the year to educate and engage consumers on financial education, the homebuying process and available tools to help them succeed.	• Reached Black and Latino consumers 604 million times, buoyed by a localized media campaign to drive engagement with our network of BHCs (30 million) and Spanish language consumer education content syndication to local outlets nationwide (265 million).
• Educate mortgage loan officers on how to better connect with underserved minority borrowers by launching and promoting our loan officer training, A Seat at the Closing Table, with expected reach of 3 million impressions.	• Launched A Seat at the Closing Table to help mortgage loan officers and other housing professionals engage with borrowers in underserved communities. • Exceeded expectations for a promotional campaign targeted to mortgage professionals, which garnered over 12 million impressions, more than 189,000 ad clicks, three workshops at industry events, two podcast episodes and approximately 500 participants in a LinkedIn Live for participants to continue engagement with the training content.
• Integrate sustainability and climate impact content into Freddie Mac's borrower and renter-facing educational offerings, training programs and other consumer-facing materials.	• Engaged Climate Resilience Consulting to join our Housing Outreach and Corporate Sustainability Office in presenting to Freddie Mac stakeholders their consumer need/opportunity recommendations regarding climate resiliency and sustainability. • Incorporated knowledge from this presentation into our borrower- and renter-facing educational offerings, training and materials. • Garnered 49,000 views on 25 educational blogs on sustainability and disaster preparedness for buyers, owners and renters. • Shared resources on mortgage relief and fraud prevention in response to natural disasters, garnering 71 million views and achieving a high social media engagement rate of 13%.
• Launch Freddie Mac CreditSmart Essentials financial literacy curriculum in Spanish, accompanied by in-language awareness and engagement marketing tactics to reach a larger portion of the Latino market.	• Promoted the launch of CreditSmart in Spanish through an integrated multi-media campaign which generated over 165 million views in Latino markets across the country and drove a 76% quarter-over-quarter increase in traffic to CreditSmart Essentials.
• Promote Freddie Mac products, programs and offerings that support Black, Latino and other minority communities through podcasts, sponsored content, social media and paid advertising.	• Promoted BHCs through a localized media campaign in five target markets, driving a 220% increase in attendance at local workshops and counseling sessions, as well as a 39% increase in lender referrals, quarter over quarter. • Executed a strategic roll-out of DPA One, which garnered coverage in 138 news outlets and grew platform registrations 1,500%. • Reached over 54 million consumers and industry leaders and drove more than 660,000 visits to My Home® with our storytelling content since launching this tactic in June of 2022. • Launched Equitably Speaking podcast series to tackle topics, challenges and solutions for lenders, real estate professionals and housing advocates to help increase minority homeownership. • Created, published and printed Black and Hispanic toolkits, with a variety of resources geared toward common challenges facing some minority borrowers.
• Partner with various industry associations, housing advocacy groups, community groups, Historically Black Colleges and Universities (HBCUs), faith-based groups, etc., to engage and educate underserved communities on how to obtain and sustain homeownership.	• Partnered with several organizations, including the National Foundation for Credit Counseling, Oweesta Corp., Borrower Help Centers, and the National Urban League to educate underserved communities on attaining and sustaining homeownership. • Worked with 16 HBCUs and faith-based organizations to educate students and consumers on credit and wealth building.



Consumers Served through Housing and Financial Education[3]			
	Consumers Served		Total 2023 Purchase Acquisitions
Group	**# Families**	**%**	**Families (%)**
All	**549,202**	-	-
Total Non-Missing Minority	**221,979**	**100%**	**100%**
White	76,034	34%	66.0%
Black or African American	97,890	44%	6.8%
Asian	9,601	4%	12.8%
American Indian or Alaska Native	3,844	2%	1.0%
Pacific Islander (inclusive of Native Hawaiian)	2,108	1%	0.4%
Other	32,502	15%	-
Total Non-Missing Race	**202,501**	**100%**	**100%**
Hispanic or Latino	83,415	41%	14.8%

Improve Fairness in Credit Assessment

In 2022, we enhanced our underwriting system, Loan Product Advisor® (LPA℠), to consider renters' bank data to ensure that on-time rent payments could be factored into loan purchase decisions. This capability gives originators an opportunity to extend credit to more qualified borrowers who have a verified history of managing rent obligations responsibly.

In 2023, we continued to encourage Freddie Mac Sellers and other loan originators to use this feature when working with applicants who might benefit from providing on-time rent payment data. During our first full year with this capability in place, we saw 224 loan applications that would have received an LPA Caution rating change to an Accept rating by considering the applicant's consistent rent payment history as part of the credit decision. We also identified nearly 16,000 LPA applications in which a rent payment evaluation from bank account data could have benefited the credit decision. To meet the needs of these consumers, we continue partner with Sellers to raise awareness about this feature, and to ensure the feature is prominent in our AUS experience.

We anticipate that lender adoption of our rent reporting capability will continue to increase over time. In 2024, we'll continue to monitor its performance.

Goal	Performance
• Evaluate, analyze and implement an elimination or modification of existing business adjustments on top of LPA, while ensuring appropriate credit risk management.	• Addressed or eliminated the majority of business adjustments in LPA.
• Finalize the development of the next iteration of LPA by evaluating model specification option(s), leveraging detailed credit attributes, including trended attributes, to replace third-party credit score(s) with implementation planned by end of 2024.	• Released an updated version of LPA, which eliminated reliance on third-party credit scores and now uses an in-house, enhanced credit view.
• Continue research on the use of alternative credit data.	• Continue to explore the impact of other data sources for history of utility payments.
• Monitor Accept rate disparities for Black and Latino borrowers quarterly.	• Continue to monitor Accept rate disparities quarterly.

Improve Fairness in Credit Assessment - Rent Payment History Considered in Assessment[4]								
	Applications Notified (Account Data Not Provided)		Account Data Provided		LPA Accepts		Funded	
Group	# Families	%	# Families	%	# Families	%	# Families	%
All	**15,947**	-	**1,171**	-	**224**	-	**51**	-
Total Non-Missing Minority	**11,601**	**100%**	**922**	**100%**	**187**	**100%**	**44**	**100%**
White	4,755	41%	398	43%	81	43%	22	50%
Overall Minority	6,846	59%	524	57%	106	57%	22	50%
Total Non-Missing Ethnicity	**11,946**	**100%**	**953**	**100%**	**192**	**100%**	**46**	**100%**
Hispanic or Latino	3,452	29%	224	24%	41	21%	11	24%
Total Non-Missing Race	**11,169**	**100%**	**894**	**100%**	**186**	**100%**	**45**	**100%**
Black or African American	2,454	22%	195	22%	45	24%	6	13%
Asian	1,169	10%	130	15%	25	13%	5	11%
American Indian or Alaska Native	265	2%	17	2%	1	1%	-	0%
Pacific Islander (inclusive of Native Hawaiian)	60	1%	4	0%	-	0%	-	0%

Improve Fairness in Underwriting

In November 2022, we announced that Loan Product Advisor® (LPA℠) can now review a borrower's bank transaction data to look for a history of positive cash flow in their bank account, month over month. Borrower cash flow is an excellent indicator of creditworthiness and helps us reach more potential homebuyers in underserved communities.

In 2023, our first full year with this capability, there were more than 125,000 LPA applications in which a cash flow evaluation from bank account data could have benefited the credit decision. We saw more than 500 loan applications that would have received an LPA Caution rating move to an Accept rating by considering the applicant's positive cash flow as part of the credit decision. To meet the needs of these consumers, we continue to partner with Sellers to raise awareness about this feature and to ensure the feature is prominent in our AUS experience.

We anticipate Seller consideration of borrower cash flow in underwriting to continually increase over time. We will monitor the impact of this capability to aid qualified underserved borrowers in attaining homeownership.

Goal	Performance
• Expand eligible population of applications to move from Caution to Accept, potentially improving our Accept rate gap.	• Expanded the eligible population of applicants who might benefit from providing bank transaction data.
• Perform fair lending impact analyses quarterly.	• Performed fair lending impact analysis quarterly and will continue to do so going forward.

Improve Fairness in Underwriting - Borrower Cash Flow Considered in Credit Decisions[4]								
	Applications Notified (Account Data Not Provided)		Account Data Provided		LPA Accepts		Funded	
Group	# Families	%	# Families	%	# Families	%	# Families	%
All	**125,129**	-	**6,818**	-	**2,027**	-	**511**	-
Total Non-Missing Minority	**85,974**	**100%**	**5,490**	**100%**	**1,652**	**100%**	**424**	**100%**
White	40,081	47%	2,742	50%	794	48%	214	50%
Overall Minority	45,893	53%	2,748	50%	858	52%	210	50%
Total Non-Missing Ethnicity	**88,687**	**100%**	**5,712**	**100%**	**1,709**	**100%**	**433**	**100%**
Hispanic or Latino	23,889	27%	1,291	23%	349	20%	88	20%
Total Non-Missing Race	**82,983**	**100%**	**5,253**	**100%**	**1,594**	**100%**	**417**	**100%**
Black or African American	15,843	19%	1,022	19%	317	20%	71	17%
Asian	7,290	9%	553	11%	229	14%	59	14%
American Indian or Alaska Native	1,628	2%	93	2%	17	1%	5	1%
Pacific Islander (inclusive of Native Hawaiian)	376	0%	25	0%	8	1%	3	1%

Valuation Modernization and Equity

Freddie Mac has continued to work throughout 2023 on impactful industry programs to foster equity in real estate appraisal valuation.

Activity 1: Appraisal Industry Engagement

Through our longstanding core sponsorship of the Appraiser Diversity Initiative (ADI), we help promote the diversity of new entrants to the residential appraisal career field through outreach events and industry partnerships, including engagement with 32 ADI program sponsors. In 2023, the ADI program awarded 231 student scholarships, while 137 candidates are actively fulfilling their education requirements. Since program inception, 123 professionals have completed their education and 60 are currently working with supervisory appraisers or are employed in the industry.

Freddie Mac also continues its work with industry stakeholders on the Office of the Comptroller of the Currency's (OCC) Project REACh to address appraisal process improvements across multiple project workstreams. We lead the project's Reconsideration of Value (ROV) workstream, which in 2023 drafted final best practices for a standardized ROV process, the result of a yearlong effort soliciting feedback from industry leaders and collaborating as a multi-disciplined subgroup. The goal is to ensure a more consistent borrower experience with defined disclosure and process steps, while ensuring credible residential valuations.

We also continue to provide input to the Appraisal Foundation's Appraisal Standards Board (ASB) and its Appraisal Qualification Board (AQB) to establish, improve and promulgate Uniform Standards of Professional Appraisal Practice, as well as to define the qualification criteria and minimum education requirements for new appraisers.

We're making consistent progress on appraisal equity through these industry efforts and will pursue more opportunities in the coming year.

Goal	Performance
• Continue commitment of 10 or more Freddie Mac employees to mentor and support as many as 20 diverse new appraisers through the ADI.	• Committed 12 employees to mentor nine ADI scholars participating in the program.
• Host seven to nine outreach events/programs to recruit and mentor program participants, award 200 scholarships (qualifying/practical application experience hours), add five new sponsors and expand program focus to include the Latino homeownership journey.	• Hosted 11 ADI outreach events to recruit and mentor participants. • Awarded 231 scholarships to appraiser students. • Added 12 new ADI program sponsors. • Engaged with Black- and Latino-focused organizations to drive ADI event attendance, increase the Latino appraiser population and positively influence the Latino homeownership journey.
• Partner with ADI leadership to develop an optimal structure through which ADI will support program graduates.	• Worked with ADI leadership and program sponsors to develop a support structure for program graduates.
• Continue to support Project REACh by leading appraisal workstreams to improve industry consistency in the reconsideration of value process and appraisal equity support.	• Continued to lead the ROV workstream and participate in multiple additional workstreams to foster greater equity in appraisal valuation. Create strategies to support the Plan to Advance Property Appraisal and Valuation Equity (PAVE) through collaboration with industry stakeholders.

Activity 2: Appraisal Quality Monitoring

Continuing our work to detect potential property undervaluation in underserved areas, Freddie Mac updated its Appraisal Quality Monitoring framework and dedicated additional resources to the effort.

Our primary focus in 2023 was assessing valuation gaps in predominantly minority census tracts described in the May 2022 Freddie Mac Research Note, Racial & Ethnic Valuation Gaps in Home Purchase Appraisals - A Modeling Approach. We examined appraisal reports from the appraiser population identified in the research note, as well as samples from appraisers who submitted work from a broad range of census tract types. By year end, we completed reviews for approximately half of the identified appraisers to identify indicia of potential bias in the appraisal process. We'll continue this review in the coming year.

To help educate appraisers and correct the use of potentially biased language in appraisal reports, we deployed text detection in our Loan Collateral Advisor® tool in June. The tool now flags subjective words and phrases that could indicate bias with warnings in the form of real-time feedback messages to the submitting Seller. This method is preferable to our prior plan to send letters to individual appraisers after submission because it's more scalable, provides more immediate feedback and allows appraisers to make adjustments more quickly.

To expand this effort in 2024, we plan to identify certain words and phrases that indicate bias as "hard stops," making it impossible to submit an appraisal report containing such language until it's corrected.

Goal	Performance
• Deploy rules in Loan Collateral Advisor to detect unacceptable words/phrases in appraisal reports and provide appropriate hard stops and/or feedback messages to the lender. After implementation, the tool will review 100% of appraisal reports.	• Deployed text detection in Loan Collateral Advisor in mid-2023 to prompt user feedback on all words identified as warnings.
• Send at least 1,000 educational letters to appraisers.	• Exceeded this goal by leveraging text detection and feedback messages in Loan Collateral Advisor, a more scalable and timely method than issuing individual letters. • Delivered feedback messages on reports prepared by more than 12,000 different appraisers.

Activity 3: Analyze and Address Potential Appraisal Disparities in Multifamily Housing

In our Plan, Freddie Mac committed to conduct and publish research on the potential existence and severity of appraisal inequalities for multifamily properties in communities or neighborhoods with a high number of minority households.

In 2022 and 2023, we explored available data sources that could inform our study. Our exploratory analysis identified data limitations that would not allow for conclusive results.

Freddie Mac has modified this section of its Plan to eliminate goals related to further research on this topic.

Goal	Performance
• Conduct and publish research.	• Explored available data sources that could confirm our study. Our exploratory analysis identified data limitations that would not allow for conclusive results.

Support Renter Resource Organizations

To help support housing stability and foster community resilience, which can be important factors in measuring quality of life in underserved communities, Freddie Mac established its Renter Resource Organization (RRO) initiative. RROs provide consistent and straightforward access to tenant supportive services. These organizations are often called upon to support renters facing challenging life events or housing stability setbacks.

Since the launch of the RRO initiative in 2022, more than 3,700 renters have been served in Houston, Philadelphia, Phoenix and St. Louis.

For 2023, we committed to supporting at least four community organizations in varying underserved markets. We also conducted surveys to better understand the needs and challenges facing these communities. Freddie Mac expanded the program with additional RROs serving Atlanta, Boston, Chicago, Los Angeles and McComb.

In the years ahead, we will continue to directly support RROs and collect feedback to help inform our understanding of the tenant experience.

Goal	Performance
• Support at least four community organizations in varying underserved markets.	• Support for the efforts of four additional RROs servicing Atlanta, Boston, Chicago, Los Angeles and McComb.
• Poll renters and borrowers in at least four distinct communities.	• Began gathering feedback through consumer sentiment surveys in four communities.

Develop Multifamily Correspondent Lender Program for Community Development Financial Institutions, Minority Depository Institutions and Small Lenders

In 2022, Freddie Mac introduced a new correspondent program to support a range of institutions by leveraging our existing multifamily Optigo® lender network. We refer to this program as our Emerging Correspondent Program, in which we define emerging correspondents as: Minority, Women and Disabled-Owned Businesses (MWDOBs); Minority Depository Institutions (MDIs); Community Development Financial Institutions (CDFIs) and Small Financial Institutions (SFIs).

These institutions are vital to low-income areas and are important sources of financing for diverse and emerging borrowers, however they're often constrained by the size of their balance sheets or by borrower and geographic concentration challenges. Our Emerging Correspondent Program can help address these limitations by bridging the gap between these institutions and Freddie Mac.

For 2023, as part of our Optigo lenders goal, we set a goal to implement a program requiring all 26 lenders to reach an agreement with at least one emerging firm in the form of a correspondent relationship.

As of December 2023, most lenders had at least one agreement in place with an emerging firm, and Freddie Mac is working with lenders who have yet to reach an agreement to encourage their work to allow for eventual correspondent agreements.

In 2024, Freddie Mac will continue to implement the initiative by engaging with its lender network to monitor the correspondent lender program and support adoption of correspondent lender agreements, as appropriate.

Goal	Performance
• Implement program requiring each Optigo lender to execute at least one correspondent agreement.	• Implemented emerging correspondent program. Already, 21 of 26 lenders have agreements in place.

Leverage Forward Commitments to Facilitate Ground-Up Construction and Adaptive Reuse of Affordable and Workforce Rental Housing for Individuals and Families

Through our forward commitment offerings, Freddie Mac supports the construction of new affordable housing units and the adaptive reuse of non-residential buildings, both that rely upon and do not rely upon public subsidy, such as Low-Income Housing Tax Credits (LIHTC). Forward commitments create agreements to purchase loans in the future with certain financing terms locked in today, which provides greater certainty for developers and construction lenders. In 2022, we expanded our forward commitment program eligibility, and for 2023, we set a goal of executing forward commitment agreements to finance 20,000 multifamily units.

In 2023, Freddie Mac executed forward commitments in support of 22,033 units, exceeding our goal in a significantly challenged multifamily market due to elevated construction costs and interest rates. These units are expected to enter the housing supply over the next several years and are heavily concentrated in majority-minority neighborhoods. More than 40% are in high-minority neighborhoods, or those with minority populations of 80% or more. Over 80% are in census tracts with minority populations exceeding 50% of the total population.

Freddie Mac will continue to execute forward commitments across the multifamily housing market to provide greater certainty around permanent financing for developers and construction lenders, helping to make construction lending more feasible.

Goal	Performance
• Commit to funding 20,000 units.	• Exceeded our goal by executing forward commitments to fund 22,033 multifamily units.

2022-23 Forward Commitments					
	Total	Minority Population Less than 50%	Minority Population Between 50 to 80%	Minority Population 80% or Greater	Unable to Classify
2022 Units	20,327	4,303	4,630	11,278	116
2022 % of Units	100%	21%	23%	55%	1%
2023 Units	22,033	3,665	8,724	9,078	566
2023 % of Units	100%	17%	40%	41%	3%

Rehabilitate Affordable Rental Housing

Freddie Mac provides financing through rehabilitation loans to maintain and improve the quality of existing affordable housing stock. To support this work in 2022, we financed 10,898 rehabilitated units. We also updated our pool transaction and preservation rehabilitation loan terms and developed the terms for our Bridge to Rehabilitation loan.

For 2023, our Plan includes a goal to fund 10,000 units in rehabilitated properties. We also committed to identifying climate resiliency standards and evaluating enhancements for green offerings and other tools.

In 2023, we funded 10,523 rehabilitated affordable rental housing units, exceeding our goal. These units were heavily concentrated in majority-minority neighborhoods. Just over 57% are in high minority neighborhoods, or those with more minority populations of 80% or more. Roughly 83% are located in census tracts with minority populations exceeding 50% of the total population.

To address our climate resiliency commitment, we conducted research and outreach into current climate best practices at multifamily properties. Our research indicated that although there is no unified national standard for resiliency, a panoply of certification programs, building codes and community resilience initiatives support the evaluation of properties for climate risk and existing and future resilience improvements. To develop our approach, Freddie Mac is involved with ASTM International which is developing a standard for assessing resilience in commercial real estate. ASTM International is a globally recognized leader in the development and delivery of voluntary consensus standards.

Freddie Mac also examined best practices to support energy efficiency and conversion to electricity (or, electrification), which include exploring the differences between green and net zero certifications, the high cost of electrification and the need for upfront capital and alignment with green bond standards. This examination enables us to consider ways to advance electrification and greater energy efficiency at multifamily properties.

Goal	Performance
• Fund 10,000 units of rehabilitated properties (assuming implementation of offerings in 2022).	• Funded 10,523 units in rehabilitated properties.
Climate Resiliency Property Improvements • Identify climate resiliency standards.	• Conducted analysis and outreach around the best practices to support resilience and are developing an approach to consider property resilience. • Continued our work with ASTM International on resilience assessment standards.
Environmental Property Improvements • Evaluate enhancements for green offerings and other tools.	• Conducted analysis and outreach around the best practices to support energy efficiency and electrification and drafted a plan to support both.

2022-23 Rehabilitated Affordable Rental Housing Units

	Total	Minority Population Less than 50%	Minority Population Between 50 to 80%	Minority Population 80% or Greater
2022 Units	10,898	4,793	2,366	3,739
2022 % of Units	100%	44%	22%	34%
2023 Units	10,523	1,737	2,741	6,045
2023 % of Units	100%	17%	26%	57%

Explore and Implement Methods to Preserve At-Risk Affordable Housing through Freddie Mac Affordability Restrictions

Freddie Mac is using its preservation loan agreements to preserve affordable rents at affordable and workforce housing properties that do not benefit from government support. We achieve this by leveraging the terms of our loan agreements to maintain affordable rents relative to local area median incomes. For 2023, our plan committed to updating terms sheets with enhanced preservation language and supporting at least 3,000 units through our preservation offerings.

In 2023, we published our Bridge to Rehabilitation and Workforce Preservation term sheets. We later updated our Workforce Preservation term sheet to support the preservation of affordability for properties that have regulatory affordability requirements due to expire during the first half of a Freddie Mac loan term. We also published our Preservation Rehabilitation term sheet, which further enhances our efforts to maintain aging housing stock while preserving affordable rents.

As a result of our efforts, we preserved 3,241 affordable and workforce housing units without government support. Approximately 18% of these units are concentrated in high-minority neighborhoods, or those with more minority populations of 80% or more, and 55% are located in census tracts with minority populations exceeding 50% of the total population.

In the years ahead, Freddie Mac plans to continue our work to support the preservation of at-risk housing units subject to affordability requirements in Freddie Mac loan documents or equivalents.

Goal	Performance
• Support the preservation of 3,000 at-risk housing units (assuming implementation of offerings), subject to affordability requirements in Freddie Mac loan documents or suitable equivalent.	• Supported the preservation of 3,241 units, exceeding our goal.
• Update existing applicable Targeted Affordable housing term sheets with enhanced preservation language and market to our lender network.	• Published our Bridge to Rehabilitation and Workforce Preservation term sheets. • Updated our Workforce Preservation term sheet to support the preservation of affordability for properties that have existing regulatory affordability requirements that are due to expire during the first half of a Freddie Mac loan term. • Published our Preservation Rehabilitation term sheet, which allows us to further enhance our efforts to maintain aging housing stock.

2022-23 Preserved Affordable and Workforce Housing

	Total	Minority Population Less than 50%	Minority Population Between 50 to 80%	Minority Population 80% or Greater
2022 Units	4,281	1,267	1,774	1,240
2022 % of Units	100%	30%	41%	29%
2023 Units	3,241	1,461	1,212	568
2023% of Units	100%	45%	37%	18%

Financial Empowerment for Renters: Credit Building, CreditSmart® and Opportunity Building Features

Freddie Mac is working to encourage renter financial empowerment activities across the multifamily market. We committed to three activities in 2023 to achieve this goal.

Increase Rent Reporting for Credit Building

First, we committed to extending our novel credit building initiative to more renters. Established in 2021, this effort encourages multifamily borrower adoption of on-time rent reporting, which can strengthen renters' credit scores. Our goal was to support the availability of on-time rent reporting to a cumulative 200,000 units by year-end 2023.

Freddie Mac has engaged five vendors to its credit building initiative, helping expand the reach of the initiative and encouraging the work of rent reporting vendors with resident-centric models. We surpassed our 2023 goal, enabling the availability of on-time rent reporting to 477,384 resident households. This has resulted in 516,471 resident enrollments. Because of this work, more than 55,000 renters who were previously credit invisible have established credit scores.

Multifamily Credit Building Initiative	
Results by properties, units and residents	
Number of properties reporting	2,454
Number of units in properties	477,384
Number of units reporting	352,764
Share of units reporting	74%
Number of residents reporting	516,471
Number of credit scores established	55,300
Number of credit scores improved	304,194
Share of residents with credit scores created or improved	70%

Multifamily Credit Building Initiative by Census Tract		
Credit score established, improved since inception		
Minority percent of census tract	Number of credit scores established	Individuals participating in the program with improved credit scores, as of 12/31/23
0% < Minority < 50%	18,156	195,390
50% ≤ Minority < 80%	20,129	192,031
80% ≤ Minority ≤100%	16,209	122,843
Tract Missing / Unable to Classify	806	6,207
Total	**55,300**	**516,471**

Introduce CreditSmart® for Renters

Second, we sought to empower more renters through our CreditSmart® financial- and homeownership-education curriculum. In 2023, we set a goal of registering at least 3,000 renters for this free service. To facilitate this work, we committed to partnering with organizations to promote CreditSmart to their consumer bases.

To extend this curriculum to more renters, Freddie Mac worked with its credit building vendors and Renter Resource Organizations to encourage registrations. We also leveraged social media and marketing channels to encourage renter sign ups. As of December 1, 3,523 registrants had self-identified as renters, and we believe that many more renters have benefited from the service even though they did not specifically identify as renters in the registration process.

Identify Renter Opportunity-Building Features and Standards

Third, we set a goal to identify and set standards for renter opportunity building features that can be leveraged in our programs and offerings. This work is designed to further encourage borrower adoption of resident-centered activities.

To encourage the adoption of renter opportunity building features, Freddie Mac launched a new multifamily borrower resource. The resource identified several resident-centered housing features, including ones focused on financial capabilities building, credit building, rental payment date flexibility, banking and savings services, alternative security deposits and health and wellness.

Freddie Mac is committed to further expanding our efforts to encourage renter financial empowerment. We'll maintain our credit building initiative, further promote CreditSmart and add to our efforts to encourage resident-centered housing features that can improve renter financial well-being.

Goal	Performance
Credit Building • Extend credit building availability to a cumulative 200,000 units, counted from program inception.	• Supported the extension of credit building to over 470,000 units, enrolling 516,471 residents.
CreditSmart • Establish relationships with organizations to promote CreditSmart to their consumer base. • Register at least 3,000 renters for CreditSmart.	• Promoted CreditSmart through strategic engagements resulting in over 3,500 enrollments.
Opportunity Building • Develop standards for renter opportunity-building features that can be leveraged in our programs and offerings and/or scaled across the industry.	• Identified six renter opportunity-building features, promoting these through a new borrower-facing "resident-centered housing features" resource.

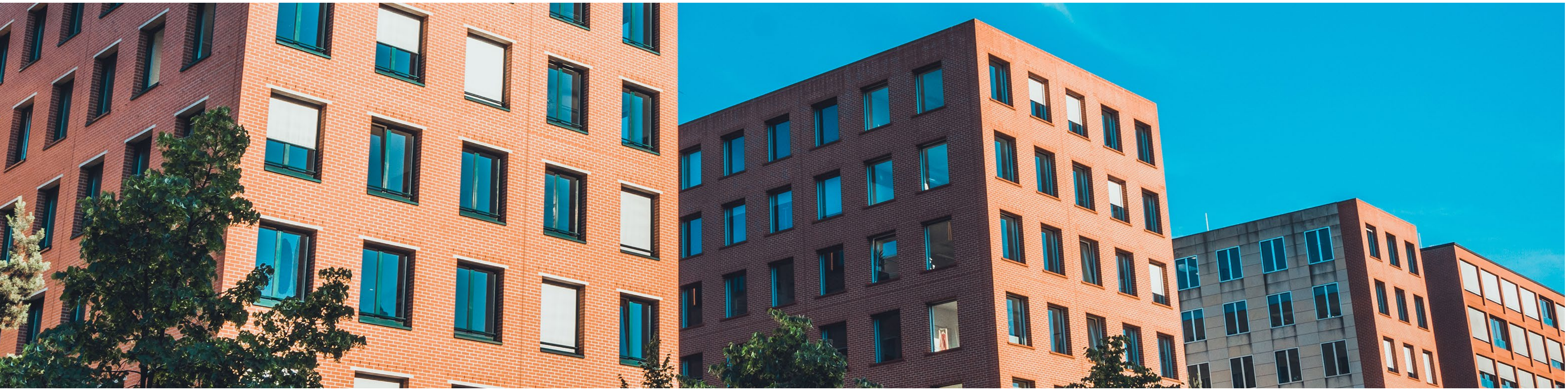
Identify Opportunities to Support Market Adoption of Enhanced Baseline Tenant Protections

In early 2023, Freddie Mac Multifamily conducted a comparative analysis of 18 tenant protections across all 50 states and Washington, D.C. Our Plan committed in 2023 to exploring the feasibility of expanding market-adoptable tenant protections.

In 2023, Freddie Mac explored how we might use our place in the multifamily market to broadly encourage market-adoptable tenant protections and support resident-centered housing features that advance landlord-tenant relationship or improve tenant well-being. Our work included internal and external research and in-depth stakeholder outreach with tenant advocates, industry and trade groups, project sponsors, Optigo® lenders and academic institutions. This effort yielded important insights that allowed us to assess the impacts of a range of policy options.

Building on our feasibility analysis, Freddie Mac will work with FHFA and other stakeholders to continue our efforts to encourage resident-centered housing where appropriate.

Goal	Performance
• Explore the feasibility of expanding market-adoptable tenant protections.	• Conducted 26 stakeholder outreach meetings to gather insight into the current state of tenant protections. • Analyzed the feasibility of a range of potential policy options.



Analyze Housing Choice Voucher Availability, Efficacy and Acceptance for Renters and Homeowners

Freddie Mac is working to better understand where Federal housing choice vouchers are used today, where vouchers have the potential to be used based on market rent levels and program rules and how voucher usage aligns or does not align with areas that provide renters access to economic or other forms of opportunity. For 2023, our Plan initiated a research effort that included acquiring data and performing a preliminary analysis of the data to determine the broad contours of our planned research.

In 2023, Freddie Mac acquired the Department of Housing and Urban Development (HUD) housing choice voucher data necessary to begin our research into the use and efficacy of the voucher program nationwide. We used this data to identify the scope of our research and craft a research plan.

In 2024, Freddie Mac will continue to analyze the data, focusing on the prevalence and severity of factors that inhibit the use of housing choice vouchers, particularly in high opportunity areas. Additionally, the analysis will investigate where housing choice vouchers could provide greater access to high opportunity areas. This research will specifically shed light on voucher usage as it relates to neighborhood affordability and opportunity.

Goal	Performance
• Acquire HUD housing choice voucher data and achieve controlled operational usability.	• Worked with HUD and the FHFA to identify a public data source that will allow us to analyze housing choice voucher usage.
• Analyze data and document how we will leverage it to inform the broader housing market on the use of housing choice vouchers.	• Used this new data source to identify the scope and project plan for research and began analysis of the data.

Reform the Single-Family Rental Market with a Focus on Equity, Affordability and Sustainability

Single-Family Rental (SFR) homes offer an important alternative to access high opportunity areas and provide families with more living space and lower rent than apartments.

In 2022, Freddie Mac conducted an internal analysis of market needs, including the feasibility and impact of reentering this market with a focus on equity and reforms, including those that would allow for the eventual sale of SFR properties to tenants, thereby creating homeownership opportunities. We committed to begin development of a program approach and parameters, if warranted by our feasibility analysis.

In 2023, Freddie Mac investigated the opportunities, impact, risks and market environment for a new SFR option. As a result of this work, we determined not to pursue reentry into the SFR market during this Plan cycle.

Pausing our efforts with respect to SFR allows us to first address policy issues that were linked to considerations related to our potential reentry to this market, including those related to tenant protections, resident-centered housing features, energy efficiency, resilience and electrification/decarbonization. Each of these areas have separate and ongoing workstreams that are not yet complete. Pausing work in this area also allows us to focus our attention on our core efforts in the Plan aimed at alleviating supply challenges and furthering affordability while advancing equity.

Goal	Performance
• Begin to develop program approach and parameters, if warranted by feasibility analysis.	• Concluded work on a potential SFR initiative, opting not to re-enter this market during the current Plan cycle.

SECTION 3

Summary of Outcomes

Summary of Outcomes

In the preceding sections, we reported on outcomes from our business activities that support the expansion of equitable homeownership and rental opportunities for historically underserved communities. The data tables below summarize outcomes *specifically resulting from* the actions to which we committed in our Equitable Housing Finance Plan.

Families Served by the 2023 Equitable Housing Finance Plan[5]

Equitable Housing Finance Plan Action	Total	White		Hispanic or Latino		Black or African American		Asian		American Indian or Alaska Native		Pacific Islander (Incl Native Hawaiian)	
		#	%	#	%	#	%	#	%	#	%	#	%
Mortgage Products & Special Purpose Credit Programs [a]	9,307	3,577	44%	2,253	27%	1,524	19%	974	12%	92	1%	35	0%
Lender SPCPs (6,828 families)													
Freddie Mac SPCP (2,479 families)													
Underwriting Innovations [b]	541	227	50%	93	20%	75	17%	63	14%	5	1%	3	1%
Positive Rent Payment in AUS (51 families)													
Cash Flow Assessment in AUS (511 families)													
Pre-purchase Counseling [c]	53,934	1,304	63%	299	14%	253	12%	242	12%	18	1%	8	0%
Pre-Purchase Counseling through Aff. Outreach (51,455)													
Pre-purchase Counseling through SPCP Offering (2,479)													
Post-purchase Counseling [d]	20,969	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loss Mitigation & Sustainability [e]	1,577	887	64%	247	18%	208	15%	51	4%	14	1%	9	1%
Credit Building [f]	352,764	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Education [g]	549,202	76,034	34%	83,415	41%	97,890	44%	9,601	4%	3,844	2%	2,108	1%
Leadership Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Race | Ethnicity (where data is reported)			35%		37%		42%		5%		2%		1%
TOTAL[i]	**988,294**	-											
Affirmative Marketing [h]	877,582	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOTAL (including Affirmative Marketing)	**1,865,876**	-											

SECTION 4

Homeownership Programs or Products

Homeownership Programs or Products

Freddie Mac is committed to providing liquidity for loans acquired through special purpose credit programs (SPCPs). This includes both funding loans through our inaugural SPCP, Freddie Mac BorrowSmart Access®, and through approved lender SPCPs. The below tables offer a view of 2022 and 2023 average closing costs by race and ethnicity for SPCP loans acquired by Freddie Mac.

Please note:

- Throughout 2023, we waived annualized upfront guarantee-fees for all approved SPCP originations. As a result, all SPCP upfront guarantee-fees were charged zero fees in 2023.
- For annualized upfront guarantee fees, a positive value is a lender charge, and a negative value is a lender credit. A lender credit provides to the borrower closing cost and/or down payment assistance. When an upfront guarantee-fee charge is zero and Freddie Mac provides a credit to the lender, as is the case with BorrowSmart Access, the upfront guarantee-fee will be a negative value.

2022 SPCP Fundings, Average Loan Costs[6]							
2022	White (non-Hispanic or Latino)	Black or African American	Asian	Hispanic or Latino	Pacific Islander (inclusive of Native Hawaiian)	American Indian or Alaskan Native	Total
# loans classified as "Accept"	**385**	**514**	**147**	**389**	**8**	**21**	**1,470**
# of loans acquired	**385**	**514**	**147**	**389**	**8**	**21**	**1,470**
Annualized Mean, unweighted up-front Guarantee fee charged (bps)	61.3	89.8	62.4	73.2	62.5	108.3	75.1
Annualized Median, unweighted up-front Guarantee fee charged (bps)	50.0	75.0	50.0	50.0	50.0	100.0	50.0
Mean spread at lock date (annual percentage rate less the 10-year US Treasury rate) (%)	2.4	2.4	2.2	2.5	2.5	2.6	2.4
Median spread at lock date (annual percentage rate less the 10-year US Treasury rate) (%)	2.3	2.4	2.3	2.5	2.6	2.6	2.4
Mean closing costs ($)	1,544	1,683	3,230	2,238	758	1,086	1,958
Median closing costs ($)	500	500	720	502	500	500	500
Mean appraisal cost ($)	625	622	671	634	649	618	629
Median appraisal cost ($)	615	615	645	630	645	620	620
Mean title (lender) insurance cost ($)	984	798	1,030	1,041	774	853	936
Median title (lender) insurance cost ($)	694	594	805	783	616	705	675

2023 SPCP Fundings, Average Loan Costs[6, 7]							
2023	White (non-Hispanic or Latino)	Black or African American	Asian	Hispanic or Latino	Pacific Islander (inclusive of Native Hawaiian)	American Indian or Alaskan Native	Total
# loans classified as "Accept"	**3,577**	**1,524**	**974**	**2,253**	**35**	**92**	**9,307**
# of loans acquired	**3,577**	**1,524**	**974**	**2,253**	**35**	**92**	**9,307**
Annualized Mean, unweighted up-front Guarantee fee charged (bps)	-7.2	-1.6	-3.7	-1.3	-5.1	-2.2	-4.5
Annualized Median, unweighted up-front Guarantee fee charged (bps)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mean spread at lock date (annual percentage rate less the 10-year US Treasury rate) (%)	3.1	3.1	2.9	3.0	3.1	3.1	3.0
Median spread at lock date (annual percentage rate less the 10-year US Treasury rate) (%)	3.1	3.1	2.8	3.0	3.1	3.1	3.0
Mean closing costs ($)	5,711	5,326	6,290	5,999	6,976	4,880	5,903
Median closing costs ($)	5,450	4,736	5,822	5,671	6,401	5,129	5,532
Mean appraisal cost ($)	559	583	585	594	518	566	574
Median appraisal cost ($)	550	590	575	595	530	550	550
Mean title (lender) insurance cost ($)	1,077	943	1,214	1,205	1,053	1,099	1,108
Median title (lender) insurance cost ($)	862	722	1,017	1,090	981	850	894

Our inaugural SPCP, BorrowSmart Access, launched in 10 markets across the nation. The below table offers an early view of the impact of this SPCP offering in each market. Specifically, the tables compare the share of families served by this offering by race and ethnicity, as compared to the overall share of families served through overall purchase fundings in each market. We'll continue to monitor the progress of this offering in each market as it continues to grow.

BorrowSmart Access Performance in Target Markets[1]						
	Atlanta, GA			Chicago, IL		
Group	# Families	%	Overall Purchase Acquisitions (%)	# Families	%	Overall Purchase Acquisitions (%)
All	**284**	**100%**	**-**	**746**	**100%**	**-**
Total Non-Missing Minority	**242**	**100.0%**	**100.0%**	**648**	**100.0%**	**100.0%**
White	127	52.5%	46.7%	392	60.5%	59.7%
Overall Minority	115	47.5%	53.3%	256	39.5%	40.3%
Total Non-Missing Ethnicity	**240**	**100.0%**	**100.0%**	**652**	**100.0%**	**100.0%**
Hispanic or Latino	36	15.0%	13.4%	122	18.7%	18.9%
Total Non-Missing Race	**246**	**100.0%**	**100.0%**	**626**	**100.0%**	**100.0%**
Black or African American	51	20.7%	19.2%	57	9.1%	7.1%
Asian	31	12.6%	21.9%	80	12.8%	15.0%
American Indian or Alaska Native	2	0.8%	0.6%	4	0.6%	0.6%
Pacific Islander (inclusive of Native Hawaiian)	2	0.8%	0.3%	2	0.3%	0.2%

BorrowSmart Access Performance in Target Markets[1]						
	Detroit, MI			El Paso, TX		
Group	# Families	%	Overall Purchase Acquisitions (%)	# Families	%	Overall Purchase Acquisitions (%)
All	**591**	**100%**	**-**	**14**	**100%**	**-**
Total Non-Missing Minority	**496**	**100.0%**	**100%**	**13**	**100.0%**	**100.0%**
White	365	73.6%	73%	0	0.0%	13.6%
Overall Minority	131	26.4%	27%	13	100.0%	86.4%
Total Non-Missing Ethnicity	**500**	**100.0%**	**100.0%**	**13**	**100.0%**	**100.0%**
Hispanic or Latino	27	5.4%	5.7%	13	100.0%	80.8%
Total Non-Missing Race	**494**	**100.0%**	**100.0%**	**10**	**100.0%**	**100.0%**
Black or African American	68	13.8%	9.0%	0	0.0%	3.0%
Asian	36	7.3%	12.2%	0	0.0%	4.9%
American Indian or Alaska Native	3	0.6%	0.6%	0	0.0%	0.8%
Pacific Islander (inclusive of Native Hawaiian)	2	0.4%	0.3%	0	0.0%	0.6%

BorrowSmart Access Performance in Target Markets[1]						
	Houston, TX			McAllen, TX		
Group	**# Families**	**%**	**Overall Purchase Acquisitions (%)**	**# Families**	**%**	**Overall Purchase Acquisitions (%)**
All	**97**	**100%**	**-**	**3**	**100%**	**-**
Total Non-Missing Minority	**75**	**100.0%**	**100.0%**	**2**	**100.0%**	**100.0%**
White	23	30.7%	40.6%	0	0.0%	10.9%
Overall Minority	52	69.3%	59.4%	2	100.0%	89.1%
Total Non-Missing Ethnicity	**77**	**100.0%**	**100.0%**	**2**	**100.0%**	**100.0%**
Hispanic or Latino	29	37.7%	26.7%	2	100.0%	80.4%
Total Non-Missing Race	**69**	**100.0%**	**100.0%**	**2**	**100.0%**	**100.0%**
Black or African American	10	14.5%	10.2%	0	0.0%	2.1%
Asian	14	20.3%	24.6%	0	0.0%	9.8%
American Indian or Alaska Native	0	0.0%	1.2%	0	0.0%	1.2%
Pacific Islander (inclusive of Native Hawaiian)	0	0.0%	0.4%	0	0.0%	0.2%

BorrowSmart Access Performance in Target Markets[1]						
	Memphis, TN			Miami, FL		
Group	# Families	%	Overall Purchase Acquisitions (%)	# Families	%	Overall Purchase Acquisitions (%)
All	**20**	**100%**	**-**	**39**	**100%**	**-**
Total Non-Missing Minority	**15**	**100.0%**	**100.0%**	**30**	**100.0%**	**100.0%**
White	8	53.3%	64.6%	10	33.3%	33.9%
Overall Minority	7	46.7%	35.4%	20	66.7%	66.1%
Total Non-Missing Ethnicity	**16**	**100.0%**	**100.0%**	**30**	**100.0%**	**100.0%**
Hispanic or Latino	0	0.0%	8.3%	15	50.0%	50.6%
Total Non-Missing Race	**15**	**100.0%**	**100.0%**	**27**	**100.0%**	**100.0%**
Black or African American	7	46.7%	16.2%	3	11.1%	11.8%
Asian	0	0.0%	11.1%	2	7.4%	5.3%
American Indian or Alaska Native	0	0.0%	0.6%	1	3.7%	0.5%
Pacific Islander (inclusive of Native Hawaiian)	0	0.0%	0.5%	0	0.0%	0.3%

BorrowSmart Access Performance in Target Markets[1]						
	Philadelphia, PA			St Louis, MO		
Group	# Families	%	Overall Purchase Acquisitions (%)	# Families	%	Overall Purchase Acquisitions (%)
All	**565**	**100%**	**-**	**120**	**100%**	**-**
Total Non-Missing Minority	**451**	**100.0%**	**100.0%**	**110**	**100.0%**	**100.0%**
White	290	64.3%	65.2%	89	80.9%	80.8%
Overall Minority	161	35.7%	34.8%	21	19.1%	19.2%
Total Non-Missing Ethnicity	**468**	**100.0%**	**100.0%**	**110**	**100.0%**	**100.0%**
Hispanic or Latino	50	10.7%	9.4%	5	4.5%	4.9%
Total Non-Missing Race	**450**	**100.0%**	**100.0%**	**109**	**100.0%**	**100.0%**
Black or African American	51	11.3%	10.6%	6	5.5%	7.1%
Asian	70	15.6%	15.6%	9	8.3%	7.1%
American Indian or Alaska Native	7	1.6%	0.5%	1	0.9%	0.6%
Pacific Islander (inclusive of Native Hawaiian)	2	0.4%	0.2%	0	0.0%	0.2%

SECTION 5

Mortgage Underwriting Assessment

Mortgage Underwriting Assessment

In 2023, Freddie Mac made meaningful enhancements to our automated underwriting system (AUS), Loan Product Advisor® (LPA℠), to further equitable housing. As ever, we are focused on offering more predictive LPA model versions to help identify more creditworthy borrowers that prior model versions might have missed. We believe that better, more sophisticated AUS models are central to a successful equitable housing finance strategy.

LPA Version 8.0

Freddie Mac released an LPA model update in December 2023 that continues to increase accuracy and fairness through improvements in data and modeling technology. The new model removes reliance on third-party credit scores and leverages an in-house, enhanced credit view focusing on mortgage credit risk specifically and harnessing machine-learning insights. Using this increased accuracy, Freddie Mac expects to extend credit access responsibly and fairly to tens of thousands of new borrowers each year. In 2024, Freddie Mac plans to drive additional accuracy improvements with the introduction of trended credit data into our underwriting process.

The company has continued to develop and deploy advanced techniques for the fair-lending analytics of our major models, including LPA. The company employs machine learning techniques to search for alternative model specifications and identify less discriminatory alternatives in the data. These techniques mitigate fair-lending risk by attempting to reduce disparities in Accept rate ratios while maintaining established risk parameters. The company has also continued developing and deploying advanced proxy identification methodologies to further mitigate fair-lending risk and improve fairness.

Applications Through our AUS

Freddie Mac monitors the impact of changes to our AUS by assessing LPA Accept rates by race and ethnicity. The Accept rate is the percentage of incoming loan applications that receive an Accept risk class from LPA. Differences in how eligibility, business requirements and scorability are handled would affect how the Accept rate is calculated at various institutions.

The tables below offer a baseline set of data from 2020 to 2023, with a view across several application loan purposes. They focus on overall numbers and traditionally underserved borrowers and communities with discernable trends. These include overall applications, purchase applications, rate-term refinance applications, cash out refinance applications and first-time homebuyer applications.

2020-2023 Total AUS Applications, Accepts, and Accept Rates[4]				
	2020	2021	2022	2023
Protected Class Group	Accept Rate	Accept Rate	Accept Rate	Accept Rate
All	**90.0%**	**86.6%**	**79.9%**	**84.5%**
Total Non-Missing Minority	**90.1%**	**86.8%**	**81.4%**	**85.2%**
White	92.0%	89.4%	85.1%	88.2%
Overall Minority	85.8%	81.8%	75.5%	80.9%
Total Non-Missing Ethnicity	**90.2%**	**86.8%**	**81.4%**	**85.2%**
Hispanic or Latino	82.8%	79.2%	73.3%	79.1%
Total Non-Missing Race	**90.3%**	**87.2%**	**81.9%**	**85.6%**
Black or African American	76.9%	73.5%	68.8%	72.8%
Asian	92.8%	90.6%	85.1%	89.8%
American Indian or Alaska Native	84.7%	80.5%	74.9%	77.7%
Pacific Islander (inclusive of Native Hawaiian)	87.1%	81.6%	74.2%	80.6%

For overall applications, the minority applicant Accept rate dropped in 2021 and 2022 but increased in 2023. This was true across all groups.

2020-2023 AUS Purchase Applications, Accepts, and Accept Rates[4]				
	2020	2021	2022	2023
Protected Class Group	Accept Rate	Accept Rate	Accept Rate	Accept Rate
All	**83.3%**	**81.2%**	**80.1%**	**87.2%**
Total Non-Missing Minority	**83.2%**	**81.4%**	**81.4%**	**87.3%**
White	87.0%	85.2%	85.4%	90.3%
Overall Minority	75.6%	74.9%	75.2%	83.0%
Total Non-Missing Ethnicity	**83.5%**	**81.5%**	**81.5%**	**87.4%**
Hispanic or Latino	72.2%	70.9%	72.1%	81.2%
Total Non-Missing Race	**83.5%**	**81.9%**	**81.8%**	**87.6%**
Black or African American	64.0%	61.8%	65.5%	74.6%
Asian	87.2%	88.0%	85.7%	90.8%
American Indian or Alaska Native	74.6%	71.1%	72.6%	79.2%
Pacific Islander (inclusive of Native Hawaiian)	76.3%	72.9%	72.3%	82.1%

For purchase related applications, the Accept rate for minority applications remained relatively steady from 2020–2022 and increased in 2023. All minority groups shown saw increased Accept rates in 2023.

2020-2023 AUS Rate-Term Refinance Applications, Accepts, and Accept Rates[4]				
	2020	2021	2022	2023
Protected Class Group	Accept Rate	Accept Rate	Accept Rate	Accept Rate
All	**93.5%**	**90.8%**	**82.8%**	**83.1%**
Total Non-Missing Minority	**93.8%**	**91.3%**	**85.1%**	**83.7%**
White	94.8%	92.9%	87.6%	86.6%
Overall Minority	91.8%	88.1%	80.7%	78.7%
Total Non-Missing Ethnicity	**93.8%**	**91.3%**	**85.1%**	**83.6%**
Hispanic or Latino	89.1%	85.7%	79.6%	77.4%
Total Non-Missing Race	**93.9%**	**91.6%**	**85.4%**	**83.9%**
Black or African American	86.8%	83.0%	77.6%	76.9%
Asian	95.5%	93.8%	87.1%	84.3%
American Indian or Alaska Native	90.4%	88.0%	82.4%	80.0%
Pacific Islander (inclusive of Native Hawaiian)	92.2%	88.5%	79.0%	82.5%

Overall minority rate-term refinance applicant Accept rates dropped each year. Black and Latino rate-term refinance applicants had the lowest Accept rates in 2023 as compared to other race and ethnicities. Pacific Islander applicants were the sole cohort to see an increase in rate-term refinance applicant Accept rates in 2023.

2020-2023 AUS Cash-out Refinance Applications, Accepts, and Accept Rates[4]				
	2020	2021	2022	2023
Protected Class Group	Accept Rate	Accept Rate	Accept Rate	Accept Rate
All	**90.9%**	**87.8%**	**78.4%**	**72.4%**
Total Non-Missing Minority	**91.2%**	**88.2%**	**80.1%**	**73.2%**
White	92.4%	90.1%	83.3%	76.6%
Overall Minority	87.4%	83.8%	74.4%	67.5%
Total Non-Missing Ethnicity	**91.1%**	**88.2%**	**80.0%**	**73.0%**
Hispanic or Latino	86.5%	82.7%	73.8%	67.2%
Total Non-Missing Race	**91.3%**	**88.5%**	**80.7%**	**73.6%**
Black or African American	82.6%	80.2%	72.0%	63.8%
Asian	91.8%	89.6%	80.4%	76.2%
American Indian or Alaska Native	89.0%	85.4%	77.3%	68.1%
Pacific Islander (inclusive of Native Hawaiian)	88.5%	85.0%	76.9%	70.4%

Overall cash-out refinance applicant Accept rates declined from 2020-23, across all demographics. Black and Latino applicants had the lowest cash-out refinance Accept rates from 2020-23.

2020-2023 AUS First-Time Homebuyer Applications, Accepts, and Accept Rates[4]				
	2020	2021	2022	2023
Protected Class Group	Accept Rate	Accept Rate	Accept Rate	Accept Rate
All	**80.6%**	**82.8%**	**78.6%**	**82.2%**
Total Non-Missing Minority	**80.2%**	**82.4%**	**78.5%**	**82.8%**
White	84.1%	85.9%	82.5%	86.0%
Overall Minority	73.9%	76.7%	72.8%	78.7%
Total Non-Missing Ethnicity	**80.5%**	**82.5%**	**78.5%**	**82.7%**
Hispanic or Latino	70.2%	74.2%	70.7%	76.9%
Total Non-Missing Race	**80.4%**	**82.8%**	**79.0%**	**83.2%**
Black or African American	61.1%	67.6%	65.6%	69.6%
Asian	86.8%	88.0%	83.4%	89.1%
American Indian or Alaska Native	70.9%	74.4%	71.3%	74.0%
Pacific Islander (inclusive of Native Hawaiian)	75.0%	75.4%	70.9%	77.9%

The Accept rate for first-time homebuyer minority applicants increased considerably in 2023. Black first-time homebuyer applicants had the lowest Accept rate in 2023.

Freddie Mac-Funded Loans by Race and Ethnicity

In addition to monitoring LPA Accept rates, Freddie Mac monitors the volume of Freddie Mac-funded loans each year. The tables below offer a baseline set of data from 2020 to 2023, with a view across several funded loan purposes. These include overall acquisitions, purchase loans, rate-term refinance loans, cash out refinance loans and first-time homebuyer loans.

2020-2023 Total Loan Acquisitions by Race and Ethnicity[1]								
Protected Class Counts and Shares | Freddie Mac Total Acquisitions								
	2020		2021		2022		2023	
Protected Class Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**3,782,046**	-	**4,218,889**	-	**1,802,503**	-	**955,039**	-
Total Non-Missing Minority	**3,172,536**	**100.0%**	**3,520,447**	**100.0%**	**1,524,962**	**100.0%**	**822,396**	**100.0%**
White	2,361,503	74.4%	2,514,326	71.4%	1,036,604	68.0%	546,310	66.4%
Overall Minority	811,033	25.6%	1,006,121	28.6%	488,358	32.0%	276,086	33.6%
Total Non-Missing Ethnicity	**3,202,796**	**100.0%**	**3,565,374**	**100.0%**	**1,543,784**	**100.0%**	**833,115**	**100.0%**
Hispanic or Latino	339,564	10.6%	444,503	12.5%	220,679	14.3%	122,391	14.7%
Total Non-Missing Race	**3,208,660**	**100.0%**	**3,536,758**	**100.0%**	**1,523,739**	**100.0%**	**822,748**	**100.0%**
Black or African American	129,656	4.0%	197,222	5.6%	114,172	7.5%	61,015	7.4%
Asian	342,330	10.7%	369,676	10.5%	157,578	10.3%	96,105	11.7%
American Indian or Alaska Native	22,692	0.7%	30,052	0.8%	14,867	1.0%	8,343	1.0%
Pacific Islander (inclusive of Native Hawaiian)	13,660	0.4%	15,493	0.4%	6,440	0.4%	3,258	0.4%

Minority share of total loan acquisition has increased from 25.6% in 2020 to 33.6% in 2023. The share of Black borrowers increased from 4.0% to 7.4%, and the share of Latino borrowers increased from 10.6% to 14.7% from 2020-23.

2020-2023 Purchase Loan Acquisitions by Race and Ethnicity[1]								
Protected Class Counts and Shares | Freddie Mac Purchase Acquisitions								
	2020		2021		2022		2023	
Protected Class Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**1,128,842**	-	**1,376,812**	-	**1,039,304**	-	**806,424**	-
Total Non-Missing Minority	**982,799**	**100.0%**	**1,193,956**	**100.0%**	**900,573**	**100.0%**	**698,304**	**100.0%**
White	727,479	74.0%	837,332	70.1%	605,450	67.2%	460,751	66.0%
Overall Minority	255,320	26.0%	356,624	29.9%	295,123	32.8%	237,553	34.0%
Total Non-Missing Ethnicity	**990,436**	**100.0%**	**1,206,087**	**100.0%**	**910,113**	**100.0%**	**707,233**	**100.0%**
Hispanic or Latino	111,863	11.3%	151,941	12.6%	125,678	13.8%	104,475	14.8%
Total Non-Missing Race	**994,357**	**100.0%**	**1,201,578**	**100.0%**	**902,323**	**100.0%**	**698,929**	**100.0%**
Black or African American	46,708	4.7%	66,761	5.6%	57,888	6.4%	47,297	6.8%
Asian	98,341	9.9%	141,856	11.8%	115,730	12.8%	89,395	12.8%
American Indian or Alaska Native	7,316	0.7%	10,220	0.9%	8,156	0.9%	6,880	1.0%
Pacific Islander (inclusive of Native Hawaiian)	3,797	0.4%	4,849	0.4%	3,520	0.4%	2,755	0.4%

Minority purchase share of loans acquired increased from 26% to 34% from 2020-23. Over this period, the Black borrower share increased from 4.7% to 6.8%, Latino borrower share increased from 11.3% to 14.8% and Asian borrower share increased from 9.9% to 12.8%.

2020-2023 Rate-Term Refinance Loan Acquisitions by Race and Ethnicity[1]								
Protected Class Counts and Shares | Freddie Mac Rate-Term Refinance Acquisitions								
	2020		2021		2022		2023	
Protected Class Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**1,920,118**	-	**1,735,267**	-	**246,615**	-	**36,005**	-
Total Non-Missing Minority	**1,585,689**	**100.0%**	**1,429,221**	**100.0%**	**204,682**	**100.0%**	**31,099**	**100.0%**
White	1,159,153	73.1%	1,006,842	70.4%	140,532	68.7%	21,945	70.6%
Overall Minority	426,536	26.9%	422,379	29.6%	64,150	31.3%	9,154	29.4%
Total Non-Missing Ethnicity	**1,601,983**	**100.0%**	**1,449,049**	**100.0%**	**207,700**	**100.0%**	**31,448**	**100.0%**
Hispanic or Latino	163,164	10.2%	179,566	12.4%	31,457	15.1%	4,157	13.2%
Total Non-Missing Race	**1,602,907**	**100.0%**	**1,433,718**	**100.0%**	**203,671**	**100.0%**	**31,212**	**100.0%**
Black or African American	58,224	3.6%	75,635	5.3%	15,173	7.4%	3,109	10.0%
Asian	205,715	12.8%	169,633	11.8%	17,769	8.7%	1,883	6.0%
American Indian or Alaska Native	10,342	0.6%	11,367	0.8%	1,948	1.0%	365	1.2%
Pacific Islander (inclusive of Native Hawaiian)	6,849	0.4%	6,068	0.4%	835	0.4%	95	0.3%

Minority rate-term refinance share increased in 2021 and remained steady through 2023. Black borrower share increased from 3.6% to 10% over this period.

2020-2023 Cash-out Refinance Loan Acquisitions by Race and Ethnicity[1]								
Protected Class Counts and Shares | Freddie Mac Cash-Out Refinance Acquisitions								
	2020		2021		2022		2023	
Protected Class Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**733,086**	-	**1,106,810**	-	**516,584**	-	**112,610**	-
Total Non-Missing Minority	**604,048**	**100.0%**	**897,270**	**100.0%**	**419,707**	**100.0%**	**92,993**	**100.0%**
White	474,871	78.6%	670,152	74.7%	290,622	69.2%	63,614	68.4%
Overall Minority	129,177	21.4%	227,118	25.3%	129,085	30.8%	29,379	31.6%
Total Non-Missing Ethnicity	**610,377**	**100.0%**	**910,238**	**100.0%**	**425,971**	**100.0%**	**94,434**	**100.0%**
Hispanic or Latino	64,537	10.6%	112,996	12.4%	63,544	14.9%	13,759	14.6%
Total Non-Missing Race	**611,396**	**100.0%**	**901,462**	**100.0%**	**417,745**	**100.0%**	**92,607**	**100.0%**
Black or African American	24,724	4.0%	54,826	6.1%	41,111	9.8%	10,609	11.5%
Asian	38,274	6.3%	58,187	6.5%	24,079	5.8%	4,827	5.2%
American Indian or Alaska Native	5,034	0.8%	8,465	0.9%	4,763	1.1%	1,098	1.2%
Pacific Islander (inclusive of Native Hawaiian)	3,014	0.5%	4,576	0.5%	2,085	0.5%	408	0.4%

Minority cash-out refinance share increased each year from 2020-23. Latino borrower share increased from 10.6% to 14.6% and Black borrower share increased from 4% to 11.5%.

2020-2023 First-Time Homebuyer Loan Acquisitions by Race and Ethnicity[1]								
Protected Class Counts and Shares | Freddie Mac First-Time Homebuyer Acquisitions								
	2020		2021		2022		2023	
Protected Class Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**455,369**	-	**555,598**	-	**444,030**	-	**375,431**	-
Total Non-Missing Minority	**399,974**	**100.0%**	**487,056**	**100.0%**	**390,073**	**100.0%**	**329,374**	**100.0%**
White	271,341	67.8%	310,958	63.8%	242,220	62.1%	201,022	61.0%
Overall Minority	128,633	32.2%	176,098	36.2%	147,853	37.9%	128,352	39.0%
Total Non-Missing Ethnicity	**402,920**	**100.0%**	**491,899**	**100.0%**	**393,925**	**100.0%**	**333,334**	**100.0%**
Hispanic or Latino	55,581	13.8%	74,274	15.1%	62,547	15.9%	56,186	16.9%
Total Non-Missing Race	**402,091**	**100.0%**	**486,897**	**100.0%**	**388,631**	**100.0%**	**327,594**	**100.0%**
Black or African American	23,893	5.9%	33,819	6.9%	29,219	7.5%	25,686	7.8%
Asian	51,072	12.7%	71,446	14.7%	59,183	15.2%	49,105	15.0%
American Indian or Alaska Native	3,174	0.8%	4,272	0.9%	3,660	0.9%	3,412	1.0%
Pacific Islander (inclusive of Native Hawaiian)	1,752	0.4%	2,169	0.4%	1,651	0.4%	1,471	0.4%

Minority share of first-time homebuyer loans increased from 2020-23. Latino borrower share increased from 13.8% to 16.9%, Black borrower share increased from 5.9% to 7.8% and Asian borrower share increased from 12.7% to 15.0%.

Freddie Mac-Funded Loans by Market

Freddie Mac monitors the volume of Freddie Mac-funded loans by markets. The tables below offer a baseline set of data from 2020 to 2023. Here, the share of loans funded within majority-minority census tracts is shared, with a view across several funded loan purposes. These include overall acquisitions, purchase loans, rate-term refinance loans, cash out refinance loans and loans for first-time homebuyers.

2020-2023 Total Loan Acquisitions by Market[1]								
MMCT Counts and Shares | Freddie Mac Total Acquisitions								
	2020		2021		2022		2023	
MMCT Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**3,782,046**	-	**4,218,889**	-	**1,802,503**	-	**955,039**	-
Majority-Minority (>50%)	**878,086**	**23.2%**	**1,029,557**	**24.4%**	**469,917**	**26.1%**	**236,114**	**24.7%**
Mixed-Minority (>50% and ≤80%)	637,225	16.8%	733,190	17.4%	324,576	18.0%	165,730	17.4%
High Minority (>80%)	240,861	6.4%	296,367	7.0%	145,341	8.1%	70,384	7.4%

The share of overall loans in majority minority census tracts (MMCTs) increased from 2020-22 but dropped slightly in 2023 and remained higher than 2020 or 2021.

2020-2023 Purchase Loan Acquisitions by Market[1]								
MMCT Counts and Shares | Freddie Mac Purchase Acquisitions								
	2020		2021		2022		2023	
MMCT Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**1,128,842**	-	**1,376,812**	-	**1,039,304**	-	**806,424**	-
Majority-Minority (>50%)	**236,604**	**21.0%**	**304,065**	**22.1%**	**247,895**	**23.9%**	**192,520**	**23.9%**
Mixed-Minority (>50% and ≤80%)	179,652	15.9%	230,012	16.7%	182,272	17.5%	139,984	17.4%
High Minority (>80%)	56,952	5.0%	74,053	5.4%	65,623	6.3%	52,536	6.5%

The share of purchase loans in MMCTs increased each year from 2020-22 and remained steady in 2023. The share of purchase loans in high-minority MMCTs increased from 5.0% to 6.5%.

2020-2023 Rate-Term Refinance Acquisitions by Market[1]								
MMCT Counts and Shares | Freddie Mac Rate-Term Refinance Acquisitions								
	2020		2021		2022		2023	
MMCT Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**1,920,118**	-	**1,735,267**	-	**246,615**	-	**36,005**	-
Majority-Minority (>50%)	**472,157**	**24.6%**	**448,414**	**25.8%**	**67,657**	**27.4%**	**8,363**	**23.2%**
Mixed-Minority (>50% and ≤80%)	343,941	17.9%	317,713	18.3%	44,413	18.0%	4,990	13.9%
High Minority (>80%)	128,216	6.7%	130,701	7.5%	23,244	9.4%	3,373	9.4%

The share of rate-term refinance loans in MMCTs increased in 2021 and 2022, then dropped in 2023 from 27.4% to 23.2%.

2020-2023 Cash-out Refinance Acquisitions by Market[1]								
MMCT Counts and Shares | Freddie Mac Cash-Out Refinance Acquisitions								
	2020		2021		2022		2023	
MMCT Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**733,086**	-	**1,106,810**	-	**516,584**	-	**112,610**	-
Majority-Minority (>50%)	**169,325**	**23.1%**	**277,078**	**25.0%**	**154,365**	**29.9%**	**35,231**	**31.3%**
Mixed-Minority (>50% and ≤80%)	113,632	15.5%	185,465	16.8%	97,891	18.9%	20,756	18.4%
High Minority (>80%)	55,693	7.6%	91,613	8.3%	56,474	10.9%	14,475	12.9%

The share of cash-out refinance loans in MMCTs increased each year from 2020-23.

2020-2023 First-Time Homebuyer Acquisitions by Market[1]								
MMCT Counts and Shares | Freddie Mac First-Time Homebuyer Acquisitions								
	2020		2021		2022		2023	
MMCT Group	Count	Share	Count	Share	Count	Share	Count	Share
All	**455,369**	-	**555,598**	-	**444,030**	-	**375,431**	-
Majority-Minority (>50%)	**121,920**	**26.8%**	**153,937**	**27.7%**	**125,714**	**28.3%**	**106,164**	**28.3%**
Mixed-Minority (>50% and ≤80%)	90,435	19.9%	112,873	20.3%	90,293	20.3%	75,438	20.1%
High Minority (>80%)	31,485	6.9%	41,064	7.4%	35,421	8.0%	30,726	8.2%

The share of first-time homebuyer loans in MMCTs has remained steady from 2020-23. The share of first-time homebuyer loans in high-minority MMCTs has increased from 2020-23.

2020-23 Multifamily Protected Class Count and Shares

Freddie Mac tracks the location of goals-eligible units financed through loan purchases to determine the percentage of units that are within majority-minority census tracts. From 2020-2023, the percentage of units in census tracts with a minority population greater than 50% has generally increased.

2020-23 Multifamily Protected Class Count and Shares				
Year	Total	Minority Population Less than 50%	Minority Population Between 50 to 80%	Minority Population 80% or Greater
2020 Units	667,451	364,688	195,570	107,193
2020 % of Units	100%	55%	29%	16%
2021 Units	543,077	307,725	151,014	84,338
2021 % of Units	100%	57%	28%	16%
2022 Units	567,821	265,859	187,625	114,337
2022 % of Units	100%	47%	33%	20%
2023 Units	345,702	148,320	120,924	76,458
2023 % of Units	100%	43%	35%	22%
Total Units 2020-2023	2,124,051	1,086,592	655,133	382,326
Total % of units 2020-2023	100%	51%	31%	18%

SECTION 6

Endnotes

Endnotes

1 For all protected class groups, in cases of loans/applications where there are more than two borrowers, only the first two borrowers are considered.

Each borrower can list up to five races, an ethnicity and multiple subcategories under each. An application or loan is considered Latino if either borrower is Latino or lists a Latino origin subcategory. Similarly, an application or loan is considered Black, Asian, American Indian, or Pacific Islander if either borrower lists one of those races or their subcategories. As such, the individual race/ethnicity categories do not form a partition, so the same application or loan can be counted as multiple races and Latino at the same time. An application or loan is flagged as Overall Minority if either borrower lists any nonwhite race or Latino ethnicity. An application or loan is considered white only when borrower(s) list race as white and ethnicity as non-Latino. The Overall Minority and White categories are mutually exclusive.

For each protected class group, the percentage (share) is calculated as the number of applications or loans that belong to that group, divided by the total number of non-missing loans in the broader protected class category (minority, race, ethnicity, gender, or age). Because the non-missing populations for each protected class category are different (resulting in different denominators for the share calculations), a higher share does not necessarily indicate a higher application or loan count when comparing across the protected class categories.

For majority minority census tracts (MMCT) analysis, MMCT flag is based on 2023 low-income area file for each year.

2 Data is self-reported.

3 Race/ethnicity breakouts based on individual households' self-identification or organization's reporting of composition of event participants. Individual households self-identify by race and ethnicity category. The Other category reflects consumers or organizations using the Other/Multiple Race category. Note: Race/ethnicity results are not based on the fair lending methodology.

Data reflects consumers served related to affirmative outreach strategies centered on education, including financial (198,160 consumers), pre-purchase (147,993 consumers) and post-purchase education (10,330 consumers) and counseling, including financial (120,295 consumers), pre-purchase (51,455 consumers) and post-purchase (20,969). A total of 327,223 consumers did not report race, and a total of 346,701 consumers did not report ethnicity, or this information was not captured at point of service (e.g., CreditSmart users). Households that select Chose Not to Respond and education activities (including CreditSmart) that do not collect demographic information are not included in this table.

4 For all protected class groups, in cases of loans/applications with more than two borrowers, only the first two borrowers are considered.

Each borrower can list up to five races, an ethnicity and multiple subcategories under each. An application or loan is considered Latino if either borrower is Latino or lists a Latino origin subcategory. Similarly, an application or loan is considered Black, Asian, American Indian, or Pacific Islander if either borrower lists one of those races or their subcategories. As such, the individual race/ethnicity categories do not form a partition, so the same application or loan can be counted as multiple races and Latino at the same time. An application or loan is flagged as Overall Minority if either borrower lists any nonwhite race or Latino ethnicity. An application or loan is considered white only when borrower(s) list race as white and ethnicity as non-Latino. The Overall Minority and White categories are mutually exclusive.

For each protected class group, the percentage (share) is calculated as the number of applications or loans that belong to that group, divided by the total number of non-missing loans in the broader protected class category (minority, race, ethnicity, gender, or age). Because the non-missing populations for each protected class category are different (resulting in different denominators for the share calculations), a higher share does not necessarily indicate a higher application or loan count when comparing across the protected class categories.

In cases where a single application is relevant to a population under both Cash Flow and Rent Payment offerings, only one application is counted.

When multiple transactions are linked to the same application key, only the last transaction is kept.

The funded loan population includes those funded in the specified LPA application timeframe but may also include those associated with applications submitted prior to that timeframe.

5 [a] See "Total SPCP Acquisitions in 2023" Table. Reflects all SPCP fundings in 2023.

[b] Reflects all fundings that benefitted from Rent Payment and Cash Flow Assessment. Some loans benefitted from both enhancements.

[c] Reflects pre-purchase counseling through the Affirmative Outreach activity and all borrowers benefitting from the BorrowSmart Access SPCP offering. See "Freddie Mac BorrowSmart Access SPCP Fundings in 2023" table. All borrowers benefitting from this offering received pre-purchase counseling. NOTE: Demographic breakdown does not include Affirmative Outreach-related counseling, for which the data is not available.

[d] Reflects post-purchase counseling associated with the Affirmative Outreach activity.

[e] See "Loans Engaged in Mission Servicing Oversight Framework in 2023" table.

[f] Represents the number of families renting units who benefitted from the Multifamily Credit Building Initiative. See "Multifamily Credit Building Initiative" table.

[g] See "Consumers Served through Housing and Financial Education" table. NOTE: 327,233 consumers did not report race.

[h] Reflects volume of consumer clicks that resulted from consumer driven Affirmative Outreach initiatives.

[i] Totals reflect numbers and percentages of those who reported race and/or ethnicity. Not all numbers reflect the same methodology. Total shares reflect only those for which data is available.

6 For all protected class groups, in cases of loans/applications where there are more than two borrowers, only the first two borrowers are considered.

Each borrower can list up to five races, an ethnicity and multiple subcategories under each. An application or loan is considered Latino if either borrower is Latino or lists a Latino origin subcategory. Similarly, an application or loan is considered Black, Asian, American Indian, or Pacific Islander if either borrower lists one of those races or their subcategories. As such, the individual race/ethnicity categories do not form a partition, so the same application or loan can be counted as multiple races and Latino at the same time. An application or loan is flagged as Overall Minority if either borrower lists any nonwhite race or Latino ethnicity. An application or loan is considered white only when borrower(s) list race as white and ethnicity as non-Latino. The Overall Minority and White categories are mutually exclusive.

For each protected class group, the percentage (share) is calculated as the number of applications or loans that belong to that group, divided by the total number of non-missing loans in the broader protected class category (minority, race, ethnicity, gender, or age). Because the non-missing populations for each protected class category are different (resulting in different denominators for the share calculations), a higher share does not necessarily indicate a higher application or loan count when comparing across the protected class categories.

Mean and median closing costs are based on sections A, B, C of standard UCD.

Mean and median appraisal costs reflect raw value of appraisal fee description in UCD.

Mean and median title insurance costs reflect lender required title insurance.

Mean and median calculations exclude missing values.

7 Freddie Mac refers to upfront fees as "credit fees in price." For the purposes of reporting to FHFA, the Enterprises annualize upfront fees by dividing the upfront fee for a given loan by that loan's specific present value multiplier (PVM). For example, a loan with an upfront fee of 75.15 basis points and a PVM of 6.18 would have an annualized upfront fee of 75.15/6.18 = 12.16 basis points. Depending on the attributes of the loan, a typical new 30-year loan may be expected to have a PVM of about 6 on average, whereas a 15-year loan maybe expected to have a PVM closer to 4.

Upfront guarantee fees are a subcomponent of total guarantee fees, and they reflect credit risk attributes such as loan purpose, loan-to-value (LTV) ratio and credit score.

Information on the components of up-front Gfees and how they are calculated is contained in the Federal Housing Finance Agency's annual report, "Fannie Mae and Freddie Mac Single-Family Guarantee Fees."

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