Freddie Mac | 2023

Sustainability Report

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About This Report

This Sustainability Report details information for calendar year 2023, unless otherwise noted. It focuses on the issues Freddie Mac (the company) has determined to be of material importance from a sustainability perspective, which is a different standard than that used in our financial disclosures.

Our approaches to the disclosures included in this report may be different from those included in mandatory regulatory reporting, and we can provide no representation or assurance that our internal approach is consistent with other investment criteria, taxonomies, standards, or guidelines. Any goals presented in this report are aspirational; as such, we make no guarantee or promise that these goals will be met. While this report describes events, including potential future events, and priorities that may be significant from an environmental, social, and governance (ESG) perspective, any significance does not necessarily equate to the level of materiality of disclosures required under U.S. federal securities laws.

Some of the information included in this report has been previously disclosed in other voluntary and mandated reporting, including on our website and in our 2023 Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC). Please also see Reports and Disclosures on our website.

The report includes information prepared in consideration of the Sustainability Accounting Standards Board (SASB) Standards for Mortgage Finance (our primary SASB industry), Commercial Banks, and Investment Banking and Brokerage. In addition, we have aligned the Environment section with the core elements of the Task Force on Climate-related Financial Disclosures (TCFD). Please see the SASB Index and Metrics, as Modified and TCFD Index in the Appendix of this report for more information.

We continually monitor new and pending state and federal regulations – specifically, those related to climate and greenhouse gas (GHG) emissions, including the SEC's final climate-related disclosure rules – to ensure our ability to comply with future mandatory disclosures.

Our 2023 Impact

Financed approximately **447,000** rental units, with 92 percent of eligible units being affordable to families earning no more than 120 percent of area median income (AMI).

Made home possible for **375,000** first-time homebuyers, representing 51% of our primary residence purchases.

Provided foreclosure avoidance education and counseling to more than **29,000** households.

Mission

Provided **$348 billion** in liquidity to the housing market through more than 1,000 lenders.

Helped nearly **1.4 million** families buy, refinance, or rent a home, while delivering solid financial results.

Issued nearly **$1.9 billion** in Single-Family Green Mortgage-Backed Securities in 2023, as part of our commitment to green housing.

Issued **$512 million** in Multifamily Green Bonds, **$2.7 billion** in Multifamily Social Bonds, and **$1.5 billion** in Multifamily Sustainability Bonds.

Eliminated almost **44 metric tons** of CO_2 in 2023 through composting efforts and donated approximately 24,000 meals of leftover food to local food rescue groups.

Environmental

Our employees spent more than **9,000** hours volunteering.

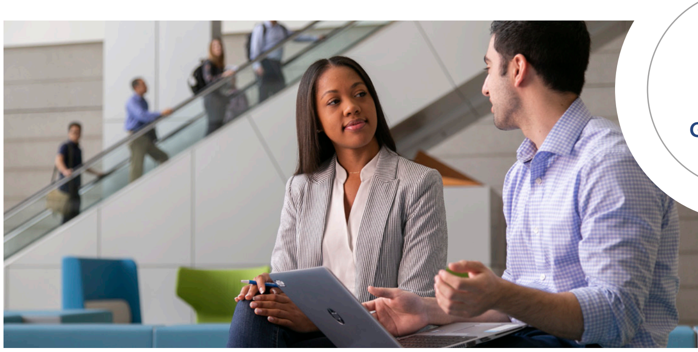
Social

Freddie Mac is proud of our diversity - more than **50 percent** of our employees are racially or ethnically diverse and women make up 44 percent of our workforce.

Received a **100 percent** score on Human Rights Campaign Foundation's 2023-2024 Corporate Equality Index for our LGBTQ+ workplace equality efforts.

Since its creation in 2016, more than 60 diverse suppliers have completed our Supplier Academy, and new spending with their businesses totals more than **$130 million**.

100 percent of employees completed annual training on Code of Conduct, Insider Trading and Suspicious Activity.



Governance

Awards

Top Employer for Pay and Culture

The American Opportunity Index

Best Place to Work for Disability Inclusion

Disability:IN

Multifamily Social Bond of the Year Award - P-013 Transaction

Environmental Finance

Best Employer for Diversity

Forbes

U.S. Securitization Awards CMBS Issuer of the Year and Multifamily Deal of the Year - K-SG3 Transaction

GlobalCapital

Insiders, Marketing Leaders, Rising Stars, Tech100, Vanguards and Tech Trendsetters, Women of Influence Awards

HousingWire

Equality 100 Award: Leader in LGBTQ+ Workplace Inclusion

Human Rights Campaign

Awards in Asian Leadership, Black Leadership, Innovations in Diversity, Latino Leadership, Veteran Leadership

Profiles in Diversity Journal

Campus Forward Award for Excellence in Early Career Hiring

RippleMatch

Best Workplace for Multicultural Women and
Leading Inclusion Index Company

seramount

About Freddie Mac

Freddie Mac's mission is to make home possible for families across the nation. Since 1970, we have helped tens of millions of families buy, rent, or keep their home.

What We Do

Freddie Mac is a government-sponsored enterprise (GSE) chartered by Congress, with a mission to provide liquidity, stability, and affordability to the U.S. housing market.

Liquidity

We keep mortgage money flowing through the housing market in communities from coast to coast

Stability

Our continued support for the housing market in good times and bad helps families rent, buy, and keep homes they can afford

Affordability

We are committed to finding new ways of ensuring that quality, affordable housing remains within reach

We do this primarily by purchasing single-family and multifamily residential mortgage loans originated by lenders. In most instances, we package these loans into mortgage-related securities, which we guarantee and sell in the global capital markets, transferring interest rate and liquidity risks to third-party investors. In addition, we transfer a portion of our mortgage credit risk exposure to third-party investors through our credit risk transfer programs, which include securities- and insurance-based offerings. We also invest in mortgage loans and mortgage-related securities. We do not originate mortgage loans or lend money directly to mortgage borrowers.

In short, we support the U.S. housing market and the overall economy by allowing America's families to access mortgage loan funding with better terms by providing consistent liquidity to the single-family and multifamily mortgage markets. We have helped many distressed borrowers keep their homes or avoid foreclosure and have helped many distressed renters avoid eviction.

We conduct business through two business segments that are integral to our sustainability strategic framework and our ability to make an impact through our mission: Single-Family and Multifamily. These two segments are primarily supported by our Single-Family Division, Multifamily Division, and Capital Markets Division.

Since 2008, we have operated under the conservatorship of the U.S. Federal Housing Finance Agency (FHFA). For more information, see "Conservatorship and Related Matters" on pages 101-103 of our 2023 Annual Report on Form 10-K. FHFA, as Freddie Mac's Conservator, encourages Freddie Mac's efforts to carry out the mission in a responsibly sustainable way.

Single-Family

Our Single-Family business segment provides liquidity and support to the single-family mortgage market through a variety of activities that include the purchase, securitization, and guarantee of mortgage loans originated by lenders and secured by properties with one to four residential dwelling units. Central to our mission is our commitment to helping more families attain affordable and sustainable housing and to increasing equitable access to housing finance.

In 2023, Freddie Mac made home possible for 375,000 first-time homebuyers, representing 51 percent of our primary residence purchases. Our Home Possible® and HomeOne® initiatives offer down payment options as low as 3 percent and are designed to help qualified borrowers with limited savings buy a home. We purchased approximately 132,000 loans under these initiatives in 2023.

Multifamily

Our Multifamily business segment provides liquidity and support to the mortgage market for properties with five or more residential dwelling units through a variety of activities that include the purchase, securitization, and guarantee of multifamily loans originated by our Optigo® network of approved lenders. Our support of the multifamily mortgage market occurs through all economic cycles and is especially important during periods of economic stress. During these periods, we serve a critical countercyclical role by providing liquidity when many other capital providers exit the market. Central to our mission is our commitment to support greater access to quality, affordable, and sustainable rental housing, particularly in underserved markets.

As part of the Multifamily segment's focus on "mission-driven" business, we financed more than $13 billion in Targeted Affordable Housing in 2023, supporting nearly 108,000 rent-restricted affordable units. Freddie Mac Multifamily also exceeded each of its Affordable Housing Goals, including those that support units affordable to low-income and very low-income renters.

For more information, see "Our Business Segments" on page 24 of our 2023 Annual Report on Form 10-K.

Our Mission and Values

We are Making Home Possible for families across the nation by financing the creation and preservation of more affordable homeownership and rental opportunities. We empower our employees and Board of Directors to act with professional integrity and uphold our corporate values: Mission, Integrity, Excellence, and Inclusivity.

We are mission driven
We put the health of the housing finance
market at the forefront of our business decisions
And mission drives everything we do

We do the right thing
We lead the company and our industry with integrity
And we take responsibility for our actions

We perform with excellence
We thoughtfully approach challenges
And we reliably deliver on our commitments

We are inclusive
We embrace our differences
And we engage with respect and positive intent

Corporate Strategy

Freddie Mac has four strategic priorities, each of which was created to ensure we fully serve our mission:

- Deliver on affordable housing.
- Identify, assess, and manage our risks.
- Grow, develop, and empower talent for today and tomorrow.
- Build financial strength to serve our mission.

These strategic priorities help us create a more liquid, stable, affordable, and equitable housing finance system that serves lenders, families, and the housing market as a whole. And, as with any mission-driven company, our people are at the center of all we do.

Our Mission in Action

Making Home Possible in Nevada

In historically underserved communities, a lack of access to financial and housing education keeps many would-be homeowners on the sidelines. To help expand homeownership opportunities, Freddie Mac's Borrower Help Centers and national Borrower Help Network provide education and outreach to low- and middle-income homebuyers. In Las Vegas, Chicanos Por La Causa is helping families parlay financial empowerment into homeownership.

In addition to financial education, Borrower Help Centers like Chicanos Por La Causa offer free support and resources for both prospective homebuyers and current homeowners facing hardships. Financial education is a critical part of these efforts. To provide a basic understanding of personal finances, Chicanos Por La Causa uses Freddie Mac's CreditSmart®, a free online resource that can be a powerful tool in preparing consumers for homeownership. In 2023, Freddie Mac relaunched CreditSmart to include financial capability curriculum in Spanish.

Unsure of how to turn her dream of homeownership into a reality, Nessa Fletcher, a single mother from Las Vegas was introduced to Chicanos Por La Causa by a friend who also used their counseling services. With limited savings and a low credit score, she was skeptical about finding a path forward. Working with the Borrower Help Center, she began to see that her goal was indeed achievable. Using what she learned from CreditSmart, Fletcher was able to improve her credit score, build her savings, and eventually purchase her first home. In addition to achieving her goal of homeownership, Fletcher gained a wealth of knowledge and experience that she plans to share with her daughters.

I want my kids to learn what credit is, because the earlier you learn, the better off you'll be later in life. Go find out what you need to do to build your credit, and then the doors will open after that.

Nessa Fletcher
Homeowner

About Sustainability at Freddie Mac

At Freddie Mac, our sustainability priorities reflect our role as a GSE chartered by Congress to support the U.S. housing finance system, helping ensure a reliable and affordable supply of mortgage funds across the country. We achieve that mission through our corporate strategy, which is supported by a focus on our most significant sustainability-related risks and opportunities. To that end, Freddie Mac has implemented a company-wide sustainability strategy that supports the continued success and longevity of our business.

This includes addressing long-standing issues of inequity in housing; promoting environmentally sustainable housing to reduce climate risks and increase affordability; promoting greater diversity, equity, and inclusion (DEI) in the housing market; and upholding a commitment to responsible business practices and behavior.

In 2020, Freddie Mac established its Corporate Sustainability Office (CSO) to serve as an integration point for sustainability-related initiatives across the company. The CSO is charged with leading the development and management of our corporate sustainability strategy in alignment with our overarching corporate strategy and mission. As our sustainability priorities and governance continue to evolve and mature, we remain committed to sharing our progress.

Our Sustainability Framework

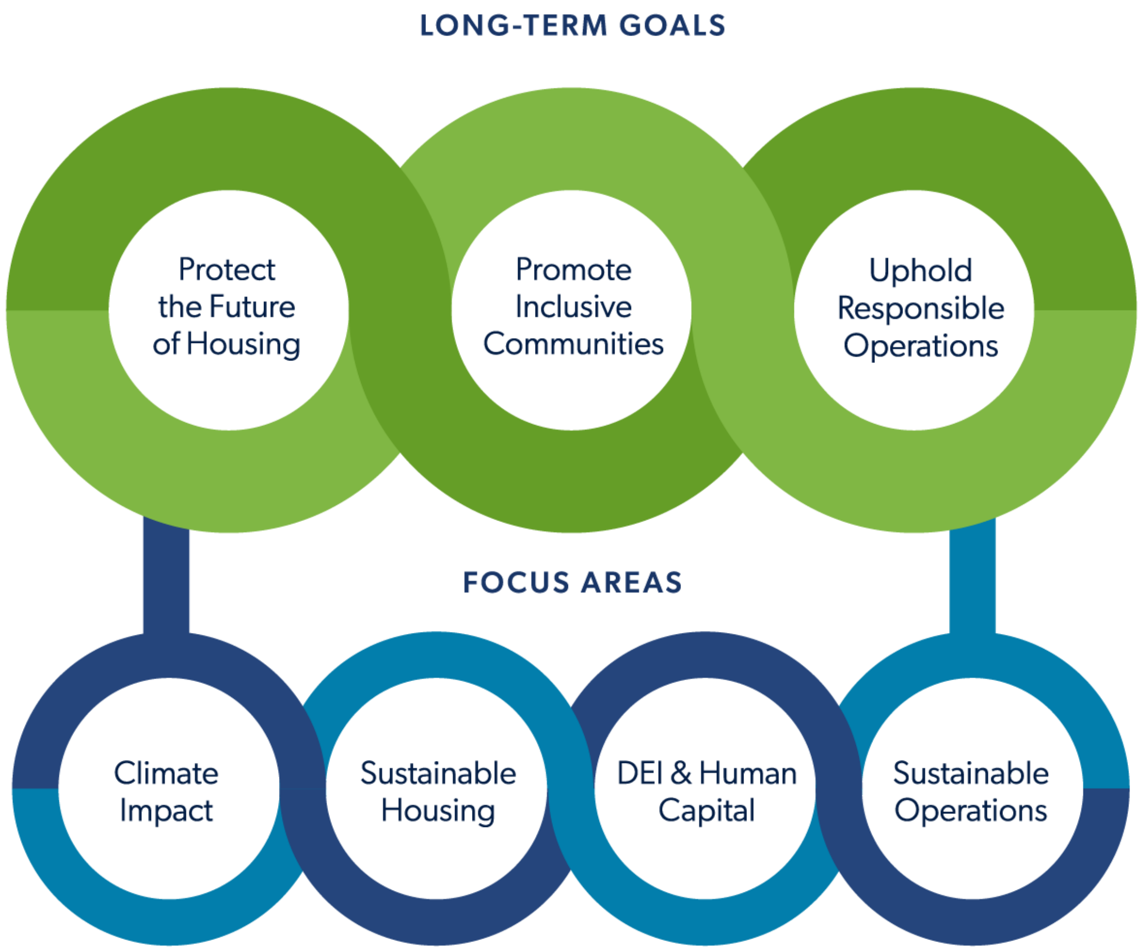
In a changing world, our sustainability efforts help ensure we can continue to Make Home Possible equitably and responsibly.

This understanding guides the development and implementation of our sustainability strategy and helps to ensure we are doing all we can to meet the housing needs of families across the nation - especially those of low and moderate incomes, living in underserved markets, or looking to buy their first home.

Affordability issues, changing economic conditions, and natural disasters have created uncertainty for housing. Our mission to provide stability, liquidity, and affordability to the housing finance system requires mitigation of that uncertainty.

In 2023, in keeping with best practices, we undertook a refresh of our ESG materiality assessment to ensure that we remain focused on the most critical sustainability-related risks and opportunities for our business. The results of that assessment led to a refined sustainability strategic framework, including long-term goals and shorter-term focus areas. The process to develop this framework included months of engagement with internal stakeholders and leadership across the company - including the Board of Directors - leveraging the results of our materiality assessment refresh, conducting industry benchmarking, and analyzing external reporting frameworks and sustainability standards.

The graphic below is a visualization of the results of that work. It represents how our sustainability focus areas are interconnected and designed to play a distinct part in accomplishing our long-term goals in support of our corporate strategic priorities.



Long-Term Goals

Our sustainability strategic framework is designed to achieve three long-term goals. We identified these goals through peer benchmarking, the previously described materiality assessment, extensive discussions with senior leadership, and reflection on our significant role as a GSE in the U.S. housing market.

Protect the Future of Housing

We have a responsibility to provide affordable and stable rental and homeownership opportunities to communities across America amid a dynamic U.S. housing market and a challenging environmental landscape.

Promote Inclusive Communities

We are charged with supporting low- and moderate-income families as a way to address long-standing issues of inequity in housing. Similarly, in our workplace, we build strength through DEI commitments and investment in our workforce.

Uphold Responsible Operations

We do our work ethically, maintaining a culture built on proper governance, controls, and oversight, and we hold ourselves accountable through consistent application of our core competencies and behaviors.

Focus Areas

To achieve our long-term goals, we focus our work through four interconnected areas:

Climate Impact

We gain greater understanding of and promote environmental sustainability, reduce climate-related risks, and increase housing affordability.

Sustainable Housing

We put mission first by addressing long-standing issues of inequity and promoting greater access to affordable and sustainable housing.

DEI and Human Capital

We invest in our workforce and attract, retain, and grow talent for today and tomorrow with a focus on DEI.

Sustainable Operations

We demonstrate our commitment to responsible business practices and ethical behavior.

Materiality Assessment

Performing an ESG materiality assessment is the starting point for identifying sustainability priorities that stakeholders, both internal and external, consider most impactful. Industry best practice suggests conducting a refresh every three to five years. In 2023, we refreshed our materiality assessment to help sharpen our focus, more efficiently allocate resources, and ensure our ability to influence and address the most significant sustainability-related risks and opportunities to our business.

To ensure an independent view, we engaged KPMG to lead a process that included peer benchmarking, a desktop review of strategy documents, and media analysis spanning 2021-2023. In addition, they:

- Conducted extensive internal and external stakeholder interviews.
- Facilitated internal and external stakeholder surveys.
- Developed a materiality matrix that aligns to the 2021 Global Reporting Initiative (GRI) Guidance.
- Provided a comparison of foundational materiality matrix vs. double materiality matrix.
- Aligned the results of the materiality assessment to our corporate strategic priorities.

The results of this materiality assessment led to the identification of six top priorities:

Environment

Climate Risk and Resilience
GHG Emissions

Social

Affordable Housing and Sustainable Ownership
DEI and Human Capital Management
Equitable Access to Finance

Governance

Data Privacy and Cybersecurity

Sustainability and ESG Reporting at Freddie Mac

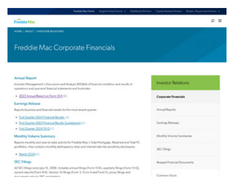
This second annual Sustainability Report supports our vision of responsive and responsible reporting on material ESG-related issues, and is part of a broader focus on providing transparency into our work in support of our sustainability priorities. The report builds upon our prior years' reporting.

We provide additional sustainability-related information through the following:

Our Annual Housing Activities Report provides information on how Freddie Mac supports affordable single-family and multifamily housing, serves minority and low- and moderate-income borrowers, expands access to credit for first-time homebuyers and underserved communities, and promotes sustainable homeownership.

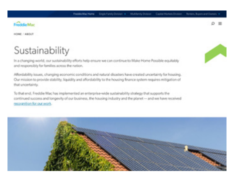
Our Equitable Housing Finance Plan is designed to promote equity and increase sustainable homeownership and rental opportunities for traditionally underserved communities across the nation. The plan, covering 2022-2024, sets ambitious goals, outlines actions to achieve those goals, and includes annual progress reports. We published a Performance Report describing our 2023 progress.

Our Multifamily Impact Bonds website and Report describe the Impact Bonds we have designed to help investors focus on helping families overcome housing challenges and providing support for environmental and social goals.

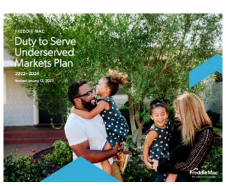


Our corporate financial reporting, including our 2023 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, provide additional information on our business and financial performance.

Our Single-Family Green and Social Mortgage-Backed Security (MBS) website and Green MBS Impact Report describe the MBS programs we have designed to help investors address ESG issues, such as energy efficiency and affordability challenges, particularly in underserved markets.



Our online Media Room and external Sustainability website provide timely updates on sustainability initiatives and program-related news and milestones.



Our Duty to Serve Underserved Markets Plan (Duty to Serve Plan) details the ways we are leading the industry in developing innovative solutions for rural housing, manufactured housing, and affordable housing preservation that will benefit the nation for generations to come. We deliver progress reports to FHFA on a quarterly and annual basis.

U.N. Sustainable Development Goals

Freddie Mac's Single-Family Social MBS and Corporate Social Debt Bonds Framework and Multifamily Social and Sustainability Bonds Frameworks align to and advance several United Nations Sustainability Development Goals (UN SDGs).

SUSTAINABLE DEVELOPMENT GOALS

Our Single-Family Social MBS and Corporate Social Debt Bonds Framework, with a second party opinion from Sustainalytics, aligns to:

- 10 REDUCED INEQUALITIES — Goal 10 (Reduced Inequalities)
- 11 SUSTAINABLE CITIES AND COMMUNITIES — Goal 11 (Sustainable Cities and Communities)

Our Multifamily Social Bond Framework, with a second party opinion from Sustainalytics and utilization of the International Capital Market Association's (ICMA) High-Level Mapping to SDGs framework, aligns to:

- 10 REDUCED INEQUALITIES — Goal 10 (Reduced Inequalities)
- 11 SUSTAINABLE CITIES AND COMMUNITIES — Goal 11 (Sustainable Cities and Communities)

Our Multifamily Sustainability Bonds Framework, with a second party opinion from Sustainalytics and utilization of ICMA's High-Level Mapping to SDGs framework, aligns to:

- 1 NO POVERTY — Goal 1 (No Poverty)
- 7 AFFORDABLE AND CLEAN ENERGY — Goal 7 (Affordable and Clean Energy)
- 10 REDUCED INEQUALITIES — Goal 10 (Reduced Inequalities)
- 11 SUSTAINABLE CITIES AND COMMUNITIES — Goal 11 (Sustainable Cities and Communities)

Environment

Introduction

Many people in the United States experience the effects of climate change through the impact it has on their homes. Changes in physical hazards could bring more severe or frequent heat waves, droughts, and wildfires, and increased flooding and stronger hurricanes, which may drive damages and affect the costs and availability of insurance. The transition to a lower-carbon economy to mitigate climate change will require significant improvements to energy efficiency in housing as buildings contribute roughly a third of total emissions in the U.S. These changes will lead to new risks and opportunities for Freddie Mac, presenting challenges but also the prospect of a more sustainable and resilient future for housing.

Our focus on the environment aligns with our corporate strategy, supporting our mission and furthering our commitment to strong risk management. Climate change and increasing attention to climate-related matters may drive or exacerbate the traditional risks we face, including credit risk. We remain vigilant in managing risk and will evolve our approach over time so that we can continue to advance our business and mission.

Here we acknowledge both the risks that climate change may present to our business and the impact that we have on the environment. The sections that follow are structured to align with the core elements of the recommendations of the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets.

Governance

Freddie Mac continues to establish formal oversight of climate-related risks and opportunities and institute governance processes to promote effective climate risk management and climate risk awareness in business decisions across the company. A full diagram of the 2023 ESG governance structure is shown on page 69.

In 2023, we created a Climate Risk Steering Committee to replace the former Climate Risk Advisory Group. The Climate Risk Steering Committee engages senior management, including the business heads, on climate risk topics and promotes the integration of climate risk into risk management processes and business decisions. Climate-related risks are identified and escalated through the Climate Risk Steering Committee, to the Enterprise Risk Committee and senior management, and to the Risk Committee of the Board of Directors.

Climate-related opportunities are governed through a similar process. Opportunities identified by the lines of business and the CSO are, where appropriate, raised to senior management in the Mission and Housing Sustainability Committee, the ESG Steering Committee, and to the Mission and Housing Sustainability Committee of the Board.

Board Oversight

Certain Board committees have specific climate-related oversight responsibilities and are updated on climate risks and opportunities periodically. The **Risk Committee of the Board** is responsible for reviewing Freddie Mac's exposure to the potential negative impacts of climate change and overseeing the development and implementation of our climate risk framework. The **Mission and Housing Sustainability Committee of the Board** oversees our strategies and significant initiatives to promote affordability, equity, and sustainability in housing, including opportunities to mitigate housing's climate impact. Lastly, the **Audit Committee of the Board** oversees significant sustainability reporting and disclosures.

Senior Management Oversight

Senior management oversight of climate-related risks and opportunities is supported by the following committees: the **Enterprise Risk Committee** which oversees climate risk as a driver of other risk types; the **Climate Risk Steering Committee** which convenes senior management and key stakeholders across the company on a regular basis to discuss climate risk-related topics and activities at the company; the **Mission and Housing Sustainability Committee** which reviews climate opportunities related to the company's affordable housing mission-related activities; and the **ESG Steering Committee** which reviews and prioritizes climate-related opportunities and works to increase the awareness of climate-related opportunities. Additional information can be found in Sustainability Governance on page 69.

Resources Across the Company

Freddie Mac is promoting climate risk management and sustainability across the company. We have dedicated climate risk and analytics teams within Enterprise Risk Management (ERM) and the Single-Family business and continue to build climate risk expertise in the Multifamily business, Economic & Housing Research, and Internal Audit.

ERM, together with the business divisions, is responsible for considering climate risk in governance structures, business decision-making, and risk management processes, including how we identify, assess, control, monitor, and report on the risks that climate change poses to Freddie Mac.

The climate risk teams and experts across the company are working to quantify the company's exposure to physical and transition climate risks, address climate data gaps, advance research initiatives, and integrate climate risk into business processes. Additionally, these resources work alongside the CSO to identify climate-related opportunities to promote resiliency, affordability, and sustainability in housing and reduce our climate-related risks.

Strategy

Climate change could have a significant impact on housing, both through changing physical hazards and the actions taken to mitigate and adapt to climate change. This can impact property values and housing costs, which means climate change intersects with the core of our business and mission. Our climate strategy addresses three important objectives:

- Advance our understanding and management of climate risk through research, quantitative analysis, and strong governance.
- Secure the continued availability of safe and affordable housing by increasing resiliency and energy- and water-efficiency.
- Measure, manage, reduce, and report our environmental impact.

Climate Risk

We consider climate risk to be a driver of other risk types, and importantly a contributor of credit risk. Climate change contributes to the credit risk of mortgages through its impact on the borrower and the value of the property securing the mortgage loan. Climate-driven increases in the cost of housing may lower the discretionary income of homeowners and the net operating income of multifamily property owners, increasing the likelihood of borrower default. Property values may be adversely impacted by climate change, which may lead to higher probability of default and loss given default and may potentially affect affordability for renters. Together, these impacts may increase credit losses to Freddie Mac.

The increased risk arising from natural disasters like floods, hurricanes, and wildfires, as well as chronic changes like sea level rise and rising temperatures, constitutes our physical risk. We also face transition risk, which is the negative impact from the transition to a lower-carbon economy. Physical and transition risks are linked in that long-term physical risk is mitigated by an effective transition to a lower-carbon economy driven by changes in policy, technology, and market preferences. The transition, though ultimately beneficial, comes with the risk of near-term costs. Considering this, we expect transition risks to be highest in the short to medium term and physical risks to grow through the medium to long term, with the long-term level of physical risk dependent on the lower-carbon transition.

Risk Type		Description
Physical Risk	Acute	Acute physical risks arise from the increased frequency and severity of extreme weather events. These include flood, hurricane, wildfire, and drought.
	Chronic	Chronic physical risks build gradually and include shifting temperature and precipitation patterns, sea level rise, and water stress.
Transition Risk	Policy and Legal	Policies to mitigate climate change and lower emissions, including carbon pricing, energy efficiency, and electrification requirements, can impose costs and present financial risk. Legal risk arises from the potential for litigation over climate-related issues. Increasing regulation related to the lower-carbon transition may introduce compliance risk.
	Technology	Technology risks include costs to adopt more energy efficient technology, renewable energy technology, or the technology needed for electrification.
	Market	Market risks arise from changes in homebuyer or renter behavior, which could impact property values, and changes in investor behavior, which could affect demand for mortgage-backed securities.
	Reputation	Reputation risk may arise from the perception that the company's response to climate change is inefficient or insufficient.

Physical Risk

Physical hazards may expose us to credit risk by damaging properties that secure loans in our mortgage portfolio and by increasing the housing costs associated with insurance, repairs, and maintenance. The increasing frequency or intensity of physical hazards may also adversely impact the value of a property as risks are priced or property condition is affected.

Physical risk overlaps in many ways with natural disaster risk, which we have historically managed effectively for our portfolio. As we consider the risks of climate change, we are working to assess how projected changes in the frequency, intensity, and impact of natural disasters will affect our business in the future. The table below lists physical risks, the business impacts, and mitigation methods common to most physical hazard types to which our company has exposure, including flood, hurricane, and wildfire. Earthquakes are also a natural disaster risk for our business, but are not included in the hazards associated with physical climate risk.

The content presented in the tables of this section does not represent an exhaustive set of risks, impacts, or mitigating factors. Mitigations listed include those both within and outside the control of Freddie Mac and are intended to describe factors that mitigate, or lessen, the risk.

The Occurrence of Severe Hazard Events

Risk Type: Acute

Risk	• A severe hazard event can cause significant property damage, force temporary or permanent relocation, lead to business disruption, and result in costly or deferred repairs. These impacts may be worsened by the effect of the event on the surrounding community. • Climate change is likely to result in more frequent severe events, including floods, hurricanes, and wildfires in many locations across the country.
Impact	• The costs of severe hazard events can exceed insurance coverage limits and lead to ***financial strain*** on households, increasing the likelihood that property owners fail to make mortgage payments on time. • Multifamily property owners may experience business disruption and missed or delayed rent payments, which could result in ***lower operating income***. Repair costs and other related expenses passed to tenants can lead to increased rents, ***negatively impacting affordability***. • Repairs that are not made following an event can negatively impact ***property values***. • If a severe hazard event results in default, Freddie Mac could be left with a property that has lost value. An increase in probability of default and decrease in property value increases Freddie Mac's credit risk.
Mitigation	• Insurance coverage pays for repairs to damage caused by severe hazard events, up to a certain amount. Disaster relief, from government or private aid, can help with uninsured repair costs. Both insurance and disaster relief ***lower the exposure*** of borrowers to financial loss and speed the time to recovery. • Freddie Mac's loan workout options, including forbearance, repayment plans, and payment deferrals, allow borrowers to spread impacted mortgage bills over future payments and lower the likelihood of default. • Climate risk awareness, including climate risk disclosures, like past flood events or wildfire risk, and consumer education efforts may lead to homeowners and renters being better informed of the risk of severe events and being better prepared. • Freddie Mac's credit exposure is further limited by geographic diversification, homeowner equity, and our credit risk transfer program.

Changing Expectations of Physical Hazards

Risk Type: Acute, Chronic

Risk	• In addition to the occurrence of direct hazard events, we are exposed to the risk that the expected losses associated with physical hazards increase and the property market adjusts to reflect this risk. The timing and extent of this adjustment is uncertain.
Impact	• Expected changes in physical hazards could increase insurance costs and this ***increased cost of housing*** could result in lower borrower income and higher likelihood of default. • A market ***repricing*** could result if property buyers incorporate the costs of climate risk into their bids for housing. The impact to high-risk properties could be abrupt if the market suddenly acknowledges climate risk. Climate risk disclosures, including disclosure of past damages or future exposure, could also raise awareness of climate risk and lead to repricing. • A property could become a ***stranded asset*** if it loses a significant portion of its value. • Together, an increase in default probability and lower property value would increase Freddie Mac's credit risk.
Mitigation	• Properties with ***physical resiliency*** features will have lower expected damages associated with increasing physical hazards. This may be reflected in lower insurance costs, which reduces the burden on property owners and renters. Freddie Mac's consumer education efforts offer guidance to borrowers on preparing their property for natural disasters. In addition, the company offers specialized financing to support resiliency improvements made by single-family borrowers. • A stable and reliable ***insurance*** market reassures buyers that increasing expected losses are insurable and that adequate coverage is available. • Our portfolio benefits from ***geographic diversification***, which means that the properties securing our mortgage loans are exposed to different hazards and experience different timing of impact.

Macroeconomic Impacts of Physical Climate Change

Risk Type: Acute, Chronic

Risk	• Municipalities may experience adverse economic impact if hit by a severe natural disaster or by repeated disasters, or if any sector contributing significantly to the local economy is adversely impacted by physical risk. There may be outward migration from impacted areas.
Impact	• Borrowers and renters in sectors impacted by natural disasters may face ***greater risk of job loss*** or low wage growth. • Significant outward migration could ***lower demand for housing*** and could put downward pressure on property values. • Economic downturn where we have exposure could negatively impact ***property values***. • Higher unemployment and a slowing housing market could result in increased credit risk for the company.
Mitigation	• ***Municipal adaptation***, covering a wide range of options from sea walls to emergency preparedness, can limit the damage caused by hazard events. • Municipal ***preparation and disaster response*** can also reduce damages and speed recovery. Disaster relief, including loans to businesses, can help local economies. • ***Geographic diversification*** makes it less likely that impacts will be widespread across the portfolio.

Physical Risk Mitigation

Historically, the impact of physical hazards on our business has not been significant due to mitigating factors that keep our portfolio losses low, even when major climate disasters hit. Given the current effectiveness of these mitigating factors, it is important to consider the risk that these factors themselves could be impacted by climate change.

The Freddie Mac portfolio is ***geographically diversified***, which makes it less likely that physical climate-driven losses occur across the portfolio simultaneously. However, an increasing number of severe events because of climate change may result in aggregate losses greater than what we have observed historically.

Some physical risk impacts, however, are not geographically well-diversified. For example, new insurance standards or the costs of stricter building codes, could impact the costs of ownership. Policies requiring physical risk disclosures could be introduced at the state level, or even the federal level, potentially impacting a large number of properties. All of these examples, however, present near- to medium-term risk but are likely to lower overall long-term physical risk.

The ***physical resiliency***, or ability to withstand physical hazards, of buildings is an important mitigant. When severe events occur, physical resiliency limits the damage to the structure. Physical resiliency is achieved primarily through building codes, which vary by state and municipality, but can impose high resiliency standards where exposure is high, as in the case of Florida, which has a strict code for hurricane protection. Increasingly, building codes must consider climate change so that resiliency standards are maintained as risks evolve. Freddie Mac offers specialized financing to support resiliency improvements made by our single-family borrowers, and the company continues working to define best practices to support the physical resiliency of housing.

When properties are damaged by severe events, ***insurance*** plays an important role in mitigating financial losses. For the loans we own or guarantee, we require property insurance, and, in Federal Emergency Management Agency (FEMA) Special Flood Hazard Areas (SFHAs) we require flood insurance. Seller/Servicers are required to review the insurance compliance of each loan annually and directly place required coverage should borrowers fail to maintain compliant insurance. In addition, we conduct periodic reviews of compliance with our flood insurance requirements and observe a low rate of noncompliance; instances of noncompliance are remedied when found.

The increasing frequency and severity of hazard events expected with climate change suggests changes in insurance pricing or coverage are likely. The trend toward increased premiums and difficulty in obtaining adequate coverage, particularly for single-family homes, is already underway in select high-risk areas exposed to hurricanes, flooding, and wildfires, such as Florida, Louisiana, and California. As climate change leads to increased insurance costs or lack of availability, borrowers could have insufficient coverage and face high repair costs, or they may leave properties unrepaired; either of these could impact our credit risk.

Freddie Mac is actively engaging with the insurance industry to identify high-risk areas and to identify and explore solutions. Certain state legislatures are also addressing insurance challenges by working to bolster private insurer profitability and increasing the availability of state-sponsored plans when coverage is not available through the traditional insurance market.

Lastly, even as physical risk grows and results in higher credit risk, Freddie Mac's ***credit risk transfer*** programs serve as an additional source of risk mitigation.

Physical risk mitigation is supported across the company. We research and analyze the impact natural disasters have on housing and our business, we carefully consider and monitor the role of insurance, and when disasters affect areas where we own or guarantee mortgages, we assess our exposure and respond. As climate change impacts natural disaster risk, our methods to assess and mitigate risk will continue to evolve to meet the needs of our industry, our borrowers, and our business.

Transition Risk

The transition to a lower-carbon economy may expose us to credit risk by increasing energy prices, which may make cooling and heating and other energy usage more expensive and lower the discretionary income of homeowners and renters and the net operating income for multifamily borrowers. It may also result in expensive energy efficiency investments or non-compliance fines from policies targeting the overall emissions of the housing sector or investments needed to meet changing market preferences for green housing. The tables below list transition risks, business impacts, and key mitigants.

Carbon Prices and Rising Energy Costs

Risk Type: Policy

Risk	• Carbon prices are expected to increase with the transition to a lower-carbon economy. This is expected as governments move to align the costs of climate change with the source of emissions. • Carbon price policies, which are likely to be implemented as carbon taxes or cap and trade programs, may increase energy prices. • Energy prices may increase in the lower-carbon transition as a result of increased electricity demand and fuel switching from fossil fuels to renewable energy.
Impact	• Households may pay ***higher energy prices*** as a result of carbon price policies and the lower-carbon transition. • Coupled with the potential for increased energy consumption as a result of rising temperatures and more extreme weather, this could lead to ***financial strain*** on many property owners and renters. • Property buyers may incorporate higher energy costs into their bids for housing, which could adversely affect ***property values***. This would be particularly pronounced for properties with lower relative energy efficiency. • The burden of high energy costs could increase the probability of borrower default. This, with potentially lower property values, increases Freddie Mac's credit risk.
Mitigation	• Utility and other community programs that provide ***energy cost assistance*** can help households burdened by rising energy costs. • ***Grid decarbonization*** with renewable energy lowers the exposure of local electricity generation to carbon price policies, which reduces the impact for property owners and renters. • Property-level ***energy efficiency*** lowers the exposure to rising energy costs by reducing the amount of energy consumed. • ***On-site renewable energy*** reduces the demand for energy and therefore reduces the exposure to carbon price policies and rising energy costs. • Green financing, including green mortgage products, helps property owners make efficiency and electrification updates and supports investment in on-site renewable energy.

Emissions Reduction Policies, Energy Efficiency Policies and Market Preferences

Risk Type: Policy, Market

Risk	• Municipalities may impose building performance standards, setting carbon emissions or energy reduction targets in housing that require expensive retrofits. Some laws may impose fines to enforce policies. The timing and nature of such policies can significantly affect the impact on property owners. Rushed or aggressive policies could lead to expensive unplanned retrofits. • Homebuyers and investors may develop a preference for energy efficiency, which could grow stronger in the climate transition.
Impact	• Efficiency and electrification retrofits could be expensive and require property owners to take on ***additional debt***. • Properties not aligned with energy efficiency policies, or not aligned with market preferences, could have lower ***property values***. • We require compliance with all local laws. As laws become more costly to comply with, the pool of eligible mortgages could be reduced. • Increasing property owner debt or expenses increases the likelihood of default and lower property value increases both the probability of default and the loss we could face in a default event. This increases our credit risk.
Mitigation	• Affordable, accessible ***energy efficiency and electrification technology*** reduces the financial burden of improvements. • ***Grid decarbonization*** and clean energy reduce the energy efficiency required to meet emissions targets and may reduce the need for aggressive efficiency policies. • Property-level ***energy efficiency*** can lower exposure to energy efficiency policies and changing market preferences. Properties constructed to more recent, more energy efficient building codes have lower exposure. • Certain energy efficiency policies may allow compliance through the addition of ***on-site renewables***, and on-site renewables may be valued by property buyers and renters.

Macroeconomic Impacts of the Transition to a Lower-Carbon Economy

Risk Type: Policy, Market

Risk	• Certain sectors will be adversely impacted by the transition to a lower-carbon economy. Most notably these include fossil fuel industries and industries heavily dependent on fossil fuels. • Where local economies depend on these impacted sectors, there could be higher unemployment, lower economic growth, and lower tax revenues to support the community.
Impact	• Borrowers and renters in sectors impacted by the transition to a lower-carbon economy may face ***greater risk of job loss*** or low wage growth. • Economic downturn could negatively impact local ***property values***. • Higher unemployment and a slowing housing market could result in increased credit risk for the company.
Mitigation	• ***Economic diversification and investment in new industries and technologies***, particularly those aligned with the transition to a low-carbon economy, can lower the transition risk exposure of a region. • ***Portfolio diversification*** at Freddie Mac limits the concentration of our exposure in any region, and we do not have borrowers concentrated in any one sector.

Transition Risk Mitigation

Housing contributes significantly to overall GHG emissions in the U.S., and because the technology needed to decarbonize housing is generally accessible, housing will likely receive early regulatory attention as cities, states, and the country move to a lower-carbon economy.

Property-level energy efficiency is a key mitigant against transition risk as it limits the exposure to rising energy costs and changing efficiency standards. Building codes can require energy efficiency in new construction and significant renovation, which means improvements are made as part of regular maintenance and planned retrofits. Incentive programs that offer tax credits, discounts, or favorable financing encourage property owners to invest in efficiency improvements.

Existing property-level energy efficiency is particularly important if policies are introduced that affect existing buildings, where compliance would require expensive retrofits and potentially impact property values. Policies affecting existing multifamily buildings have already been introduced in select cities and states. Freddie Mac is assessing these policies to understand the risk and how we can best promote energy efficiency and electrification.

Our Mission in Action

Making Home Possible in Iowa

The Develop the Developer℠ Academy is an innovative program that stimulates reinvestment and development in historically underserved areas by providing training and support to local developers. The academy is also designed to address the underrepresentation of women and people of color in real estate development.

In collaboration with established educational organizations — such as Spark CDI in Omaha, Nebraska — the Develop the Developer Academy offers an intensive 36-hour curriculum that provides foundational knowledge, technical assistance, community connectivity, and information to access funding for emerging developers. Each cohort comprises a wide range of professionals throughout the housing industry, exposing participants to new perspectives and creating valuable networking opportunities that last beyond graduation.

With more than 20 years of federal and commercial contracting experience, Tamara Brunow never planned to become a homebuilder. That changed in 2019, when she stepped in to help the families of Hamburg, Iowa, after devastating floods claimed 30 percent of the town's housing stock. She began applying for federal disaster recovery grants and enrolled in the Develop the Developer Academy in nearby Omaha to learn more about residential development. The experience was life-changing for her, because she had always assumed developers were large companies.

Brunow and her team developed plans for a community of 33 single-family homes with a universal accessibility design for families earning at or below 80 percent of AMI. The homes will also feature net-zero energy, mitigating the environmental impact and utility costs for residents. Outside the home, residents will have access to amenities that promote healthy and sustainable living, no matter their level of mobility. Brunow has always had a vision for this type of community, but the Develop the Developer Academy gave her the resources and connections she needed to see it through.

You work in teams with people who have all kinds of experience — you might have a real estate person, a construction person or a finance person. And that helps you gain a better understanding of what each of your counterparts need to complete a development project.

Tamara Brunow
Developer

Climate Opportunities

Freddie Mac recognizes that the impacts of climate change have been disproportionately borne by the underserved populations we are chartered to serve. We believe that our main opportunities related to climate change are found in the promotion of green and resilient housing and helping borrowers and renters, especially those in vulnerable populations, understand the implications of climate change. Energy-efficient housing reduces borrowers' exposure to changing energy costs and to the impacts of energy efficiency policies that are likely in a transition to a lower-carbon economy. Resilient housing is less likely to be affected by increasing physical risks. Together these result in more affordable and sustainable housing, which is critical to the success of our business and mission.

Our Single-Family and Multifamily business lines have responded to climate change and the transition to a lower-carbon economy primarily through the introduction and continued evolution of our green mortgage products. These products are intended to facilitate an orderly transition to more energy-efficient housing by offering favorable and convenient financing for qualified green properties supporting greater affordability through reduced utility expenses. Both business lines have also developed a framework to offer green bonds, collateralized by green mortgages, providing the private market with a way to invest in energy- and water-efficiency improvements in housing and increasing liquidity to the green-mortgage market.

We also realize the importance for employees across Freddie Mac to understand climate change and climate risk. A central part of our climate risk strategy is ensuring that climate risk is considered in business decision-making. This helps ensure that climate risks are effectively managed in a manner that supports our mission and considers the impact of climate change on underserved and minority communities.

Lastly, we are focused on gaining a greater understanding of and promoting environmental sustainability in all we do. This focus includes prioritizing measurement and management of our own impact on the environment as well as identifying opportunities to reduce our footprint by integrating climate considerations into existing business processes.

Support for Vulnerable Communities

We recognize that climate change disproportionately affects low-income communities and traditionally underserved communities of color. Underserved households are more exposed to higher temperatures and inland flooding while at the same time are more likely to live in older properties that lack adequate thermal and structural protection. Extreme heat and lower air quality can lead to higher rates of illness and death in low-income neighborhoods, and with fewer financial resources with which to adapt and respond to increasing hazard exposures, vulnerable communities face greater hardship and financial strain from climate change.

Low-income households and BIPOC communities have historically higher energy cost burdens, meaning they spend a greater percentage of income on energy bills, relative to more affluent households, which are disproportionately white. Low-income households often rent and have less control over the energy efficiency of their homes. Historically, efficiency projects have not been targeted for low-income households, however recent efforts, including the Justice40 Initiative and the Inflation Reduction Act's Greenhouse Gas Reduction Fund, are designed to help address the need to reduce emissions and deliver benefits to low-income and disadvantaged communities.

Freddie Mac programs like HomePossible and the special purpose credit program (SPCP), BorrowSmart Access℠, help people in underserved communities buy homes. Freddie Mac also offers green mortgage products and renovation mortgage products to support home energy efficiency and improved resiliency. We also developed a roadmap to help us strategically address the adverse impacts felt by vulnerable populations. This roadmap guides us in aiding vulnerable populations in withstanding and recovering from climate-induced hardships through programs, policies, research, and outreach. It also focuses our efforts to enhance education and consumer disclosures, integrating sustainability and climate impact content into Freddie Mac's borrower and renter-facing educational offerings, training programs, and other consumer facing materials.

Climate Resiliency Training for Developers

In 2023, Freddie Mac incorporated climate resiliency topics into the Develop The Developer (DTD) program. We have broadened our market selection criteria for local DTD academies to include a new climate-related factor, considering climate risk in addition to the limited availability of affordable housing stock.

In addition, Freddie Mac partnered with the Insurance Institute of Building and Home Safety (IBHS) to introduce supplemental climate-related education courses that incorporate industry-wide certifications on single-family and multifamily development techniques that strengthen homes against severe weather-related events such as high winds, hail, and tornadoes. Based on market feedback, Freddie Mac is prioritizing and actively investing in the expansion of climate resilient development education with the intent to support underserved communities that face high exposure to climate-related events.

Single-Family Efforts

In 2023, Freddie Mac supported homeowners in making their homes more energy- and water-efficient, healthy, safe, and resilient through mortgage financing, energy efficiency data standardization, and the capital markets.

Single-Family GreenCHOICE Mortgages®

Freddie Mac's GreenCHOICE Mortgages are available to all eligible homebuyers and homeowners who seek to finance energy- and/or water-efficiency improvements that lead to utility cost savings. In 2023, we updated GreenCHOICE to highlight the eligibility of electrification projects, health and safety improvements, and resiliency projects. These updates are important to facilitate efficiency, mitigate health-, safety-, and climate-related issues, and, where possible:

- Reduce energy bills, in addition to providing cleaner air through electrification.
- Mitigate the risks of lead poisoning, respiratory problems, and other health conditions by remediating a home's lead hazards, installing fan systems that can remove radon, or by fixing water leaks and keeping homes well ventilated.
- Potentially prevent the disruption of day-to-day life through disaster mitigation retrofits to single-family homes (like installing a FORTIFIED Roof™, which can prevent wind damage, water intrusion, and hail damage to a home).

Eligible improvements financed by GreenCHOICE Mortgages may be as much as 15 percent of the as-completed property value, and they may include programmable thermostats; replacement windows and doors; high-efficiency appliances, heating, and air conditioning; ventilation, radon remediation, and asbestos, mold, or lead abatement; and installation of solar panels or other renewable energy sources. GreenCHOICE Mortgages may also be used to pay off existing debt on previous energy- and/or water-efficiency improvements, helping homeowners better manage their debt and benefit from better financing terms and rates.

Since launching in 2019 through 2023, Freddie Mac financed more than $1 billion in GreenCHOICE Mortgages.

Energy Efficiency Data Standardization

To raise the visibility of energy- and water-efficiency, safety, and resiliency features, Freddie Mac has been working collaboratively with the industry to help standardize appraisal and loan-level data. For example, Freddie Mac implemented new energy-efficiency data points in the Uniform Loan Delivery Dataset that lenders can use when entering loan data, including the amount spent on energy improvements and the renewable energy component type (e.g., solar, wind, and geothermal).

Freddie Mac has added energy efficient and green features to the Uniform Residential Appraisal Report, which includes energy ratings and scores. These updates help increase lenders' interest and confidence in financing improvements that are energy- and water-efficient, safe, and resilient and help the market appropriately value energy- and water-efficiency improvements. Freddie Mac is also continuing to improve the quality and consistency of appraisal data by: (1) leveraging extensive stakeholder input to update the appraisal dataset; (2) aligning it with current mortgage industry data standards; and (3) replacing the appraisal forms with a single data-driven, flexible, and dynamic appraisal report.

Single-Family Green MBS

Freddie Mac's Single-Family Green MBS program finances the purchase of mortgages that align with the ICMA's Green Project categories, including renewable energy and energy efficiency, that contribute to climate change mitigation and adaptation. As discussed below, Freddie Mac securitizes select mortgages into Single-Family Green MBS and sells the Green MBS in the capital markets to increase market awareness and liquidity.

In 2021, Freddie Mac issued its first Green MBS. Each Green MBS issued in 2021 was backed by GreenCHOICE Mortgages, where borrowers used refinance proceeds to finance energy-efficient home improvements.

In 2022, Freddie Mac expanded the Single-Family Green MBS offering through the launch of our Single-Family Green MBS Framework, which broadened the criteria of eligible mortgages available for securitization to include:

1. Mortgages on newly constructed homes with a renewable energy source, such as solar, wind, and geothermal; and
2. Mortgages on newly constructed homes with a Home Energy Rating System Index score of 60 or less.

Our Single-Family Green MBS program is designed to help encourage green construction, as well as energy-efficiency home improvements. In 2023, Single-Family Green MBS issuances totaled $1.9 billion of bonds backed by 4,289 loans, compared to 2022, when we issued $1.4 billion of bonds backed by 3,982 loans.

In order to quantify the beneficial environmental impact of homes backing loans pooled in Green MBS, Earth Advantage®, a 501(c)(3) nonprofit, developed a methodology in consultation with Freddie Mac. Earth Advantage also developed a web-based tool to calculate impact metrics at the individual property and security level for all Freddie Mac Single-Family Green MBS issued since 2021.

We estimate that the energy-efficient features of the homes underlying our 2023 Single-Family Green MBS issuances saved an average of approximately

$698

in annual utility costs for each homeowner (representing an estimated 30 percent average decrease in total annual utility bills for these borrowers).

We also estimate that the energy-efficient features of the homes underlying our 2023 Single-Family Green MBS issuances avoided GHG emissions equivalent to removing over

2,700

cars from the road for a year (representing an estimated 34 percent decrease in emissions related to the underlying homes).

Freddie Mac regularly issues Single-Family Green MBS in the capital markets. These continued issuances from our Single-Family Green Bond Program help bring visibility and liquidity to the market for financing environmentally sustainable single-family homes that help reduce climate risks and increase affordability. See our 2023 Single-Family Green MBS Impact Report for more information.

Multifamily Green Advantage®

By carefully studying factors that contribute to current housing challenges, we identified opportunities to improve and finance workforce rental housing that benefits tenants and borrowers through lower monthly expenses, and simultaneously supports the environment through reduced energy and water consumption. In 2016, we launched the Freddie Mac Multifamily Green Advantage program, allowing us to become an important capital provider for environmental improvements in workforce rental housing.

Green Up®

Borrowers who commit to reduce whole property water and/or energy consumption by at least 30 percent with at least 15 percent reduction from energy can receive better pricing to make these improvements. Green Up requires a Green Assessment®, providing a property analysis with recommended improvements to reduce water and energy consumption. Borrowers select improvements from the Green Assessment that will meet the required savings thresholds. Borrowers are required to engage with a third-party consultant for utility data tracking and annual reporting.

Green Retrofits

This program offers a pricing benefit to affordable properties with energy- and/or water-efficiency improvements already made within the current calendar year or the previous two calendar years from when the borrower completes the Green Retrofits certification.

Green Certified

We give discounted loan pricing for properties that have affordable rental units with any of the following nine industry-standard green building certifications.

1. EarthCraft, Greater Atlanta Home Builders Association & South Face
2. ENERGY STAR® for Multifamily Existing Buildings, High Rise, New Construction, EPA
3. Green Communities, Enterprise Community Partners
4. Green Globes, Green Building Initiative
5. GreenPoint Rated, Build It Green
6. Leadership in Energy and Environmental Design (LEED), US Green Building Council
7. National Green Building Standard (NGBS), Home Innovation Research Labs
8. Passive House Institute US (PHIUS) Certified
9. Passive House Institute (PHI) Certified

Green Rebate

Borrowers who do not pursue any other Green Advantage options can receive $5,000 from Freddie Mac for delivering an EPA ENERGY STAR Score with a Green Rebate.

Multifamily Green Bonds

As described in our Multifamily Green Bonds Framework, Multifamily Green Bonds proceeds are used to finance Green Up loans, designed to support water- and/or energy-efficiency improvements in workforce housing, helping the environment while lowering monthly expenses for tenants and borrowers. We publish an annual Impact Bonds Report, which highlights the impact from our Green Bonds, as well as additional details about our community partnerships that are helping to benefit our investors, tenants, and property owners.

Since the program started in 2019, we have issued $5.56 B in Multifamily Green Bonds (of which $512 million were issued in 2023) supporting energy- and water-efficiency improvements across 205 properties, resulting in:

- Projected water improvement savings of over 570 million gallons of water per year — the equivalent of filling the Lincoln Memorial Reflecting Pool in Washington, D.C., more than 80 times or the annual water usage for over 6,200 households across America.
- Projected energy reduction savings of over 400 million kBtu per year — enough energy to power over 11,300 homes.
- Projected annual GHG emissions decrease of approximately 34,000 metric tons, the equivalent of removing more than 7,700 cars from the road for a year or carbon sequestered by about 574,000 tree seedlings grown for 10 years.

Employee Engagement

Green BRG

The Green Business Resource Group (BRG), one of ten BRGs at Freddie Mac, promotes environmental sustainability at Freddie Mac through employee outreach, volunteerism, advocacy, and collaboration. The Green BRG was founded in 2018 and currently includes more than 750 members across the company. In 2023, the Green BRG hosted 17 events in collaboration with the business lines and other divisions, including the annual Earth Month Fair, climate education and biodiversity training, a panel discussion on energy efficiency, and employee electronic waste and personal shred events.

Earth Month

Engagement in climate and environmental topics at the company was amplified during Earth Month 2023 and included events open to employees across the company:

- Two-day e-waste collection at headquarters encouraging the responsible disposal of electronic waste.
- Earth Day trivia event hosted by the Green BRG and the CSO, testing knowledge on Earth Day history, sustainability at Freddie Mac, and climate change topics.
- Earth Day Fair, where employees had the opportunity to interact with various sustainability-focused vendors and groups.
- Earth Month programming closed with a collaborative event hosted by Working Parents BRG as an extension of Bring Your Child to Work Day. Freddie Mac families participated in an Upcycle Art Homes of the Future activity, which sparked creativity and promoted sustainability.

These events throughout Earth Month not only provided employee education opportunities, but also continued to foster a sense of community and commitment to environmental sustainability within the organization.

Training for Employees

To effectively implement our sustainability strategy and appropriately manage and mitigate our climate risk, we realize the importance of educating Freddie Mac employees, at all levels, on climate-related topics. Since 2022, the company has offered various trainings, both in-person and online, which have introduced a climate-related curriculum at an introductory level. To date, our trainings have included seminars, panels with outside experts, tactical risk assessment training, and several high-level presentations on the basics of climate risk, climate change, GHG emissions, and carbon accounting. For example, ERM conducted division-wide climate risk training covering physical and transition risk.

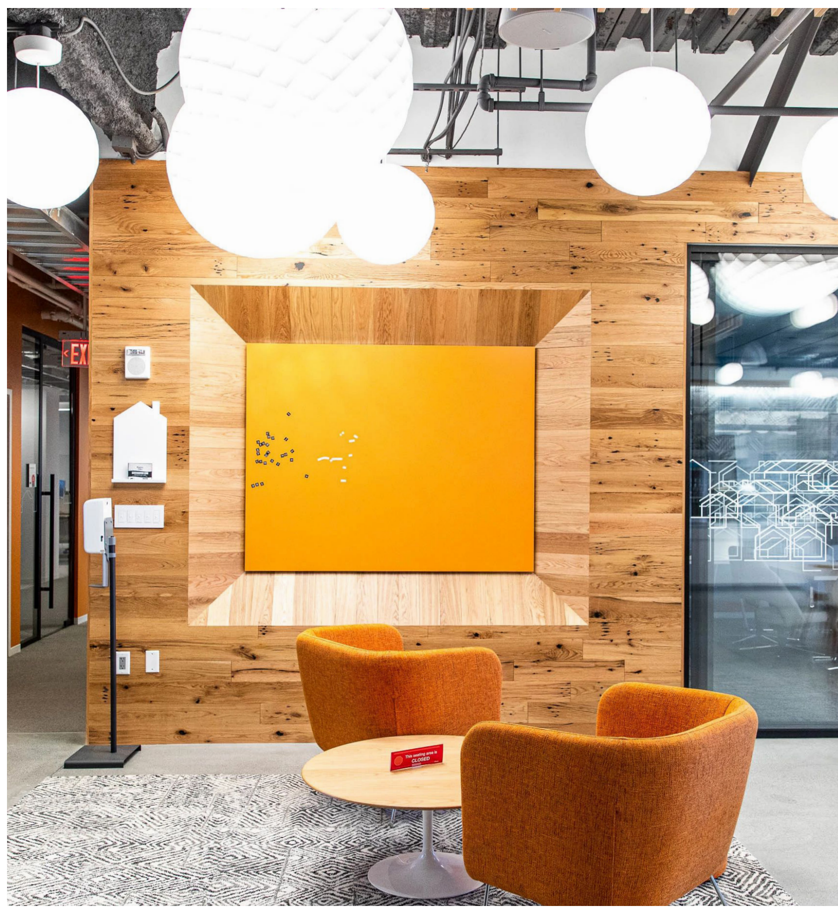
The purpose of these trainings is to ground attendees in a base-level understanding of climate change – both climate risk and climate impact – including looking at our business's impact on the environment, the climate's impact on our business, and mitigation strategies we employ to help homeowners and renters reduce the impact of climate change.

In 2023, we developed a training plan that includes existing training modules as well as new curriculum targeting key internal audiences. Some training focuses on "upskilling" while other modules, such as a Climate 101 course, focus more on awareness-building. Each training curriculum is developed for a specific audience and their learning needs. We will continue to assess the climate training needs of all employees using a tiered approach and use that information to refine the scope, improve effectiveness, and expand delivery of the training curriculum in 2024.

Facilities

For years, Freddie Mac has been working to address the operational carbon footprint at our headquarters in McLean, Virginia and our regional offices. In 2023, this included:

- Purchasing renewable energy credits to support renewable energy development and offset our energy consumption.
- Achieving LEED Gold certification in our McLean Headquarters buildings.
- Utilizing new roofing systems that include reflective materials and insulation barriers to conserve energy.
- Composting more than 356,000 pounds of food.
- Donating approximately 24,000 meals to local food rescue organizations to help eliminate the impact of food waste.
- Installing 18 new EV charging stations, bringing the total to 50 stations at our McLean Headquarters.
- Collecting and recycling approximately 110 tons of cardboard, plastic, and aluminum, nearly 4 tons of electronic waste, nearly 20 tons of yard waste, and over 15 tons of construction material.
- Utilizing new LED lighting that incorporates daylight harvesting and motion sensors.
- Offering compostable cups in cafeterias.



Risk Management

We continue to develop and expand our climate risk management processes with a focus on incorporating our climate risk research and analysis and integrating climate risk into our existing risk management framework.

Climate Risk Identification and Assessment

Freddie Mac sees climate risk as a horizontal risk driver, meaning that we identify its impacts on other risk types rather than treating it as a stand-alone risk type. For example, climate change could adversely impact property values, which could increase credit risk.

Risk Type	Examples of Climate Drivers
Credit	• Climate change could adversely impact property values. • Climate change could increase housing costs and adversely impact the ability of borrowers to pay their mortgages. • Climate change could negatively impact the business and financial condition of our counterparties.
Market	• The market could impose a premium for the perceived climate risk of our securities. • We could see an impact on spreads for our bonds depending on the demand for green securities.
Liquidity	• We may see higher borrowing costs as the result of a climate risk premium. • Climate change could affect the value and liquidity of assets.
Operational	• The increasing frequency and intensity of physical hazard events could lead to business disruption. • Climate risk disclosures could introduce reporting risk.
Compliance	• The mitigation of and adaptation to climate change is likely to result in increased regulation, including new laws and governmental agency requirements. This could increase the potential for legal and compliance risk.
Reputational	• Climate change may introduce reputational risk if the company is perceived to be behind in addressing climate change mitigation or adaptation.
Strategic	• Climate change can affect housing affordability and property values, which can challenge our business and mission. • Strategic risk arises if the company's policies and offerings do not evolve in response to climate risks.

To facilitate climate risk identification and assessment across the company, including in the review of significant business changes, Freddie Mac has a central climate risk classification that lists climate risk drivers. This includes specific physical and transition risk channels with examples of their impact on various aspects of our business. This resource, along with targeted training, familiarizes employees with common climate risk types and where they tend to appear.

As we develop and implement climate risk measurement, our quantitative metrics will also help to identify risks by indicating where climate risks are concentrated, allowing us to determine the characteristics and location attributes of borrowers and properties that bear the greatest risk. Moreover, we are developing physical and transition risk scenarios to assess our climate risk.

Climate Risk Management and Integration

We continue to integrate climate risk into business processes and existing risk management practices. A central part of our climate risk strategy is confirming that climate risk is considered in decisions throughout the business and that climate risks are addressed in a manner that supports our business and mission and considers the impact of climate change on underserved and minority communities. To support this, Freddie Mac has promoted climate risk expertise across the company and prioritized climate research and product development within each of the business lines.

Metrics

We are currently working to build our understanding of the impact climate change may have on housing, the factors that will worsen or improve outcomes, and the effectiveness of actions that we can take to address climate risk and realize climate opportunity. We are dedicating resources to: (1) conduct research, (2) obtain and analyze data, and (3) develop methodologies, including scenario analysis, to measure our climate risk.

In the Appendix section of this report are metrics for the flood zone concentration of our portfolio and metrics reflecting participation in our Green Bond programs. For flood zone concentration, see pages 86-87. For participation in our Green Bond programs, see the Green Bonds Issuances table on page 102.

Flood zone concentration is one measure of our physical risk exposure and flood zone designation determines whether we require flood insurance for a property. Monitoring this metric over time allows us to see if the concentration of loans within FEMA SFHAs is increasing.

We are committed to reporting our environmental impact in future reports and are reviewing pending regulations to ensure we are fully prepared for potential mandatory climate disclosures.

Social

In a changing world, we are Making Home Possible for families across the nation by financing the creation and preservation of more affordable and equitable homeownership and rental opportunities.

Freddie Mac's commitment to affordable housing is central to who we are. Our continuous support – in all economic conditions and for traditionally underserved markets – distinguishes us from private funding sources. We promote access to housing and housing affordability in many ways, including programs and activities that support the achievement of our affordable housing goals, our Duty to Serve Plan, the Equitable Housing Finance Plan, contributions to national affordable housing funds, consumer and housing developer education, market research and insights, and partnerships with stakeholders across the housing industry.

Delivering on these commitments to families across the nation means we must also invest in our Freddie Mac employees. One way we build, retain, and attract a stronger workforce is by focusing on DEI efforts. That focus ensures we reflect the people we are chartered to serve and makes us a company better equipped to make home possible.

Home is the foundation of our lives. Research shows that having a safe, affordable home has positive impacts on, among other things, children's development, health, and the economy overall. A home is affordable if a homeowner or renter spends 30 percent or less of their income on monthly rent or mortgage payment plus utilities according to the U.S. Department of Housing and Urban Development (HUD). But finding an affordable home is a challenge for millions of households nationwide. Below, we highlight work we did to support equitable, affordable, and sustainable housing in 2023.

How Freddie Mac Promotes Sustainable Homeownership

Expanding sustainable homeownership is, and has always been, at the core of our mission. To further our mission, Freddie Mac has deployed a number of activities designed to bolster our intentionality around expanding sustainable and affordable single-family credit for low- and moderate-income families. With these activities, we look for innovative opportunities to not only support more qualified borrowers in achieving homeownership but also help homeowners stay in their homes through economic cycles, life stages, and financial hardships. Our work focuses on the following strategic priorities:

- Enabling borrowers to reach sustainable homeownership.
- Expanding credit access by reducing barriers to qualify for a mortgage.
- Preserving sustainable homeownership through economic cycles and life stages.
- Simplifying the home lending process and reducing costs for lenders, counselors, buyers, and others.
- Addressing housing supply challenges and climate change impacts to housing.

Freddie Mac regularly evaluates market conditions, the credit environment, and the performance of our mortgage purchases to help align our underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures with our mission to provide liquidity, stability, and affordability to the conforming mortgage market and to promote equitable, affordable housing and access to credit.

During 2023, Freddie Mac continued to take steps consistent with prudent risk management to manage the risk of our credit terms, provide mortgage leadership in the marketplace, and help lenders make mortgage financing available for homeowners. In doing so, Freddie Mac made credit policy changes and enhancements in 2023 to help serve very low-, low-, and moderate-income households, including the following:

CHOICERenovation® Mortgage Enhancements

CHOICERenovation mortgages are designed for borrowers looking for convenience and cost savings by financing their home purchase – or refinancing – while including renovation costs in one single loan. CHOICERenovation helps address the aging housing supply, aging-in-place housing, and the effects of natural disasters, while also supporting the shortage of affordable housing. We enhanced our CHOICERenovation offering by:

- Removing the minimum contingency reserve requirement when mortgage proceeds are used exclusively to finance the addition or renovation of outdoor structures used for leisure and recreation (e.g., pool, porch, etc.).
- Extending the completion date requirement to within 450 days of the Note Date.
- Permitting CHOICERenovation mortgages to be used in conjunction with our GreenCHOICE Mortgages offering, enabling a lender to be eligible for the GreenCHOICE credit.

Home Possible Mortgage Enhancements & Adjustments

The Home Possible mortgage offers options and credit flexibility to help very low- to low-income borrowers. We enhanced our current Home Possible offering by expanding the appraisal eligibility requirements to allow desktop appraisal for some purchase Home Possible mortgages, reducing processing time and appraisal costs to the borrower.

Manufactured Housing Mortgage Enhancements

Manufactured housing mortgages expand homeownership opportunities and support increased housing supply. We enhanced our manufactured housing offering by:

- Expanding our requirements for the loan-to-value ratio calculation. The purchase of an existing manufactured home permanently affixed to the foundation, and sold by a builder or developer as part of a new or existing subdivision, is now calculated using the lower of (1) the value of the purchase price of land and home, or (2) the current appraised value.
- Eliminating the seasoning requirement for a manufactured home to be permanently affixed to the foundation for 12 months prior to the application date for mortgages where an existing manufactured home in a manufactured home subdivision is sold by a builder or developer.
- Adding clarification around a cash-out refinance on a manufactured home, requiring that the borrower must have owned both the home and land for 12 months prior to note date unless the property is owned free and clear. For a cash-out refinance mortgage on a property owned free and clear, at least one borrower must have been on the title to the subject property for at least six months prior to the note date.
- Requiring site-built comparable sales to be used when appraising CHOICEHome® manufactured homes if no other CHOICEHome comparable sales are available.
- Expanding eligibility to allow HUD Code-compliant single-wide manufactured homes classified as real property to be eligible for sale to Freddie Mac without prior approval.

GreenCHOICE Mortgage Enhancements

This offering helps facilitate the financing of energy efficient home improvements and energy efficient homes. We enhanced our GreenCHOICE offering by:

- Expanding eligible improvements to include ENERGY STAR Energy Efficient Products, electrification improvements, health and safety items, and resiliency and preventative improvements to mitigate natural disaster damage.
- Removing credit overlays for certain "no cash-out" refinance GreenCHOICE mortgages that are also Home Possible or HomeOne mortgages.

Shared Equity Programs – Income-Based Resale Restrictions & Community Land Trusts Enhancements

Income-based resale restricted properties and community land trusts (CLTs) provide permanent affordable homeownership opportunities for households with very low, low, and moderate incomes through a shared equity model. These programs are established and managed by nonprofits, or by state or local governments and help improve communities through investment, empowerment, and lasting affordability. We enhanced the mortgage requirements by:

- Providing flexibility around income-based resale restricted properties by permitting the subsidy provider to receive excess proceeds under certain circumstances.
- Reducing the requirements the lender must review to determine eligibility of a subsidy provider.
- Allowing the share of appreciation due to the subsidy provider to be paid from proceeds during a "no cash-out" refinance transaction.
- Allowing a CLT ground lease memo to be recorded as opposed to the full ground lease. This saves the borrower money at closing.

HeritageOne℠ – New Offering

In support of our Duty to Serve Plan and Freddie Mac's mission, we announced a new offering designed to meet the borrowing needs of enrolled members of Native American tribes living within eligible Native American tribes' tribal areas. We announced the following requirements:

- At least one borrower must be an enrolled member of a Native American tribe and occupy the property as their primary residence.
- Highlights of the offering include: no maximum income limits, funds to close may come from a variety of sources, an appraisal cost offset credit will be paid by Freddie Mac if an appraisal is obtained, title insurance is not required in certain circumstances, and, for market areas without a sufficient number of comparable sales, the appraisal report may be based solely on the cost approach for the opinion of market value.

Affordable Seconds®

These are second lien mortgages that provide funds for down payment and closing costs during a purchase transaction. These second lien mortgages can be fully amortized or forgiven and can be used in conjunction with our Home Possible or HomeOne offerings. We expanded funding sources of affordable seconds to allow credit unions and community development finance institutions to be eligible providers when certain conditions are met.

Rental Income Requirement Changes

Rental income can help qualify borrowers (under certain conditions) and make the home more affordable. We made the following changes:

- We removed the requirement that the minimum lease term is one year.
- Specified that newly executed leases must receive the first rental payment no later than the first payment date of the mortgage.
- Updated documentation requirements on two months' rental income.
- Permitted receipt of security deposit and first month's rent in lieu of two months of rent payments; and removed appraisal requirements for an accessory dwelling unit (ADU) that at least one comparable must have a rented ADU.

Single-Family Affordable Housing MBS

Since 2021 Freddie Mac has offered Single-Family affordable housing MBS, which support affordable homeownership and serve historically underserved markets. Single-Family affordable housing MBS are MBS back by loans purchased through our Home Possible, Freddie Mac Refi Possible and/or HFA Advantage® Programs. Each of these offerings has embedded benefits to borrowers. During 2023 Freddie Mac offered $3.6 billion in affordable housing MBS, bringing our program to date total to over $7 billion.

In addition, in 2023 Freddie Mac began to issue MBS with high Social Index scores. The Social Index disclosure provides MBS investors with insights into our social oriented lending activities, which is designed to help them allocate capital in a more targeted way towards these activities. In the Social Index, individual loans are evaluated across eight specific social criteria, such as low-income borrowers, first-time homebuyers, and minority census tract. During 2023, Freddie Mac offered $650 million of high Social Index pools.

In January 2024, Freddie Mac and Fannie Mae announced that the Social Index will be renamed the Mission Index and that the formulation of the index will be updated. In addition, the reformulated Mission Index will form the basis for the issuance of labeled Social MBS, starting in June 2024. Freddie Mac also published an updated Single-Family Social MBS and Corporate Social Debt Bonds Framework that describes the labeled Social MBS program. Freddie Mac obtained a second party opinion from ratings and data firm Sustainalytics stating that the updated Framework is credible and aligns with the four core components of the ICMA's Social Bond Principles.

How Freddie Mac Supports the Affordable Rental Market

Freddie Mac Multifamily provides liquidity to the multifamily housing finance market and works to ensure the stability of that market through all economic cycles. We are continuously working to foster conditions that make home affordable and advance opportunities for millions of renters throughout the country.

A Stable Multifamily Housing Finance Market

Freddie Mac purchases loans that support affordable and workforce housing in every corner of the rental market through all economic cycles. We leverage a robust capital markets platform to deliver continuous investment in multifamily housing and appropriately distribute risk. This work ensures minimal disruption to rental housing even in times of significant economic stress and provides a necessary condition for affordable housing to grow and thrive. In providing liquidity to the market, Freddie Mac works to meet Affordable Housing Goals established by existing regulation and mission-driven requirements established by the FHFA scorecard.

Create, Rehabilitate, Preserve

The current shortage of affordable housing is driven by a shortage in all types of housing, from single-family homes to large multifamily developments. Although much of the existing housing stock is aging, it is also becoming more expensive. Freddie Mac is using its place in the market to support the creation of new supply, the rehabilitation of existing supply, and the preservation of affordability. In 2023, the company committed to funding more than 22,000 units through forward commitments, exceeding the goal of 20,000 units. We exceeded our 3,000-unit goal for preservation with more than 3,200 units. The company also surpassed its 2023 goal of funding 10,000 rehabilitated units.

Opportunities for Renters

We are using our position in the secondary mortgage market to encourage activities that benefit renters. Whether it is through a novel credit building program that has helped improve the credit scores of tens of thousands of renters or encouraging the use of financial empowerment tools that set renters up for success, we are encouraging activities in the market that can advance renters' interests.

A More Diverse, Inclusive, and Equitable Multifamily Industry

Freddie Mac is working to build connections that encourage opportunities for diverse and emerging borrowers and lenders. In 2023, we grew our emerging correspondent initiative to further extend access to Freddie Mac capital in underserved communities and markets. We similarly expanded our Develop the Developer Academy to multifamily borrowers, providing a new pathway to our resources. The DTD program provides training and resources to real estate developers interested in developing affordable and sustainable housing. Also, our Diverse and Emerging Borrower Steering Committee hosted multiple networking events, including an annual roundtable event. This group also participated in our first ever Impact Summit, which brought multifamily industry leaders together for a day-long discussion of mission-related topics.

This work is also reflected in our Equitable Housing Finance Plan, Duty to Serve Plan, and other corporate initiatives, which are described below.

Multifamily Social and Sustainability Bonds

We confront persistent, affordable and workforce housing challenges through innovative re-thinking that helps expand access to housing by involving all areas of financing. To increase our impact and attract capital to support social impact initiatives, we introduced Multifamily Social Bonds in 2020 to target opportunities that go deeper into our mission of supporting affordable housing. We also introduced Multifamily Sustainability Bonds in 2020, which are intended to attract capital to support economic mobility for residents and economic growth for communities. In 2023, we issued $1.5 billion in Sustainability Bonds and $2.7 billion in Social Bonds.

Social Bonds

As described in the Multifamily Social Bonds Framework, Social Bond proceeds are used to:

- Provide liquidity to social impact financial institutions (i.e., Community Development Financial Institutions (CDFIs), Housing Finance Agencies (HFAs), and Small Financial Institutions (SFIs) operating in underserved markets); or
- Finance loans for specific multifamily properties, including:
  - Affordable to underserved population
  - Transitional housing
  - Extremely low-income housing
  - Supported by the Rental Assistance Demonstration (RAD) program

During times of market turbulence, access to liquidity is critical. One of the goals of our Social Bonds is to better support social impact institutions, such as CDFIs, HFAs, and SFIs. These institutions need more support in economic downturns so they can continue addressing affordability housing challenges in their often underserved communities. Two notable Social Bond transactions valued at $129.8 million and $134.6 million were completed in 2023 with Cedar Rapids Bank & Trust (Cedar Rapids), an SFI. These transactions provided Cedar Rapids with needed liquidity to continue lending in their markets. In volatile markets, this liquidity is essential, particularly for SFIs. Additionally, over $2 billion Social Bonds were issued through our Multi PC® with the purpose of expanding access to housing for underserved groups considered to be among the most vulnerable such as veterans, individuals with disabilities, transitional housing, and aging population. Through these transactions we are making an important social impact in various parts of the country.

Sustainability Bonds

The availability of affordable and workforce housing is fundamental to sustainable communities. A safe and decent place to live provides the foundation for creating economic opportunity for residents and communities alike. We have a long history of supporting sustainable communities through our financing for affordable and workforce housing in markets across the country. To support sustainable communities and attract capital to support economic mobility for residents and economic growth for communities, we issue Sustainability Bonds. The proceeds are used to finance multifamily properties that:

- Provide affordable housing to low- to moderate-income families;
- Have features and/or are located in areas that further economic opportunity for residents; and
- May include certain environmental impact features.

The environmental features include properties:

- Meeting a high level of required energy- and/or water-efficiency building standards;
- Receiving a nationally recognized Green Building Certification;
- Having existing energy- and/or water-efficiency improvements; or
- Designated as transit-oriented developments (i.e., located within half a mile or less of public transportation).

A component of Sustainability Bonds is financing mixed-income housing. For the purposes of our Impact Bonds offerings, we consider mixed income properties to be those that have a mix of units affordable to renters earning up to 50 percent AMI and those earning above 80 percent AMI. Mixed-income housing can help to deconcentrate poverty and/or provide access to neighborhoods of opportunity for low- and moderate-income residents. This type of housing creates economic diversity and expands the availability of quality, affordable housing throughout an area.

In accordance with our Social Bonds and Sustainability Bonds Frameworks, we publish an annual Impact Bonds Report**.** The report highlights each of our Impact Bonds as well as many additional details about our community partnerships that are helping to benefit our investors, tenants, and property owners.

How Freddie Mac Supports Underserved Markets

A primary way Freddie Mac reaches the nation's most underserved regions is through its Duty to Serve Plan, which aims to address the needs of very low-, low-, and moderate-income households in three key areas: manufactured housing, rural housing, and affordable housing preservation.

Freddie Mac is in the midst of its second plan cycle, which covers 2022-2024. By the end of this cycle, Freddie Mac estimates that its overall Duty to Serve Plan efforts will have helped make home possible and affordable for a total of nearly one million households and provided tens of billions of dollars in liquidity to historically underserved markets. Also, tens of thousands of individuals would be prepared to become homeowners.

Despite a challenging market environment, Freddie Mac continued working throughout 2023 to implement its objectives:

Manufactured Housing

Freddie Mac's Single-Family business is helping to expand affordable ownership of manufactured homes titled as real property. In 2023, Freddie Mac financed approximately 8,000 manufactured homes, providing more than $1.3 billion in liquidity to the market. We also made financing these types of homes easier and more accessible. In addition, given their relative affordability and prevalence in Indian Country, manufactured homes were made eligible for financing through HeritageOne, the conventional mortgage product launched to help make it easier for members of federally recognized Native tribes to achieve homeownership in tribal areas. In addition, Freddie Mac conducted an assessment to determine the feasibility of developing a conventional mortgage offering for financing manufactured homes titled as personal property.

The Multifamily business is working to reach more manufactured housing community residents by scaling up efforts to purchase loans for those communities that agree to implement lease protections. To support renters, the company further deployed its Duty to Serve tenant pad lease protections, which have been required by Freddie Mac for all new manufactured housing community transactions since late 2021. In 2023 we extended tenant protections to 28,994 pads. These renters now benefit from baseline standards that typically exceed state and local requirements. Freddie Mac also continued marketing its Resident-Owned Community (ROC) offering. In 2023, we purchased our fourth ROC loan.

Rural Housing

To help meet the needs of the Duty to Serve Rural market in 2023, Freddie Mac continued investing in Low-Income Housing Tax Credit properties (LIHTC), supporting the preservation and creation of highly affordable rental housing in underserved markets. Freddie Mac made 26 separate LIHTC Equity investments in Duty to Serve Rural markets, including seven in high-needs regions and four benefiting high-needs populations.

We provided around $1.7 billion in liquidity to support financing for more than 11,000 single-family homes in rural areas. Freddie Mac also introduced HeritageOne, which offers flexibilities important for expanding affordable homeownership in tribal areas, including on trust and fee-simple lands. Moreover, Freddie Mac collaborated with CDFIs to explore ways to increase their access to the secondary mortgage market.

Affordable Housing Preservation

Freddie Mac also continued working to preserve affordable housing. In 2023, Freddie Mac provided nearly $13.2 billion in liquidity through its Duty to Serve Plan efforts in support of affordable rental housing preservation, impacting more than 84,500 rental units. We purchased loans supporting more than 43,000 LIHTC units, nearly 28,000 Section 8 units, and more than 55,500 units benefiting from state and local subsidy programs.

Freddie Mac advanced opportunities for homeownership by promoting industry standardization and financing solutions in support of shared equity arrangements that maintain long-term affordability. To help size the shared equity market and increase access to affordable financing, Freddie Mac supported a survey of shared equity programs and developed a robust database of information about programs nationwide.

We expanded support for financing home energy- and water-efficiencies that lower costs of homeownership, making housing more affordable over the long-term. Freddie Mac implemented tools for capturing data about single-family energy-efficiency loans that will provide additional insights into this market. In addition, Freddie Mac is leveraging its loan offerings to protect and prepare properties to withstand growing climate risks.

2023 Duty to Serve Plan by the Numbers

More than 11,000 rural single-family homes financed through loan purchase activities.

Around 8,000 manufactured homes titled as real property financed through loan purchase activities.

More than 150 shared equity homes financed through loan purchase activities, mainly in high-cost areas.

Approximately 43,000 LIHTC multifamily rental units supported through loan purchase activities.

Nearly 28,000 Section 8 multifamily rental units supported through loan purchase activities.

More than $269 million in LIHTC Equity investments in rural areas, supporting affordable multifamily units in 15 states.

To learn more about Freddie Mac's efforts in these underserved markets, go to Duty to Serve Plan on FreddieMac.com.

Our Mission in Action

Making Home Possible in Washington

Farmworkers are the backbone of the agriculture economy, providing the labor needed to bring crops from the field to our kitchen tables. Despite their vital role in the food supply chain, access to affordable, reliable housing is often a major challenge for farmworkers and their families.

For one community in Washington's Yakima Valley, a new multifamily housing development is addressing the housing needs of farmworker families while expanding access to vital resources. The development is financed in part by a $12 million LIHTC equity investment from Freddie Mac. St. Catherine De Vigri Villas in Tieton, Washington — the result of a partnership among Freddie Mac, National Equity Fund and Catholic Charities Housing Services (CCHS) — is a property that offers 53 affordable rental units for farmworker households earning at or below 50 percent of AMI. This is the first new, affordable rental housing development constructed in Tieton in 30 years.

The development offers two-, three-, and four-bedroom floorplans and a community building with meeting spaces, classrooms, on-site laundry, and a computer lab with high-speed internet access. Units are available exclusively to farmworker families via a recorded regulatory agreement and restrictive covenant. Through collaboration with local artists, the property features two mosaic installations that celebrate Tieton's agricultural heritage, imparting a sense of pride and community among residents.

LIHTC equity investments are a powerful tool in Freddie Mac's mission to increase access to affordable housing. By providing the capital needed to finance large multifamily projects, we are able to make home possible in rural communities that are often overlooked by developers.

On-site staff and CCHS coordinate access to a variety of resources for residents, including after-school programming, local health clinics, and housing counseling at St. Catherine De Vigri Villas.

How Freddie Mac Supports Financial and Homeownership Capability

CreditSmart

For more than 22 years, Freddie Mac has been at the forefront of consumer education with our CreditSmart suite of free financial capability and homeownership education resources. The multilingual courses and guides help people across the United States learn how to build good credit, manage money, and access sustainable housing opportunities with a wealth-building mindset. The suite includes:

CreditSmart Essentials, a financial capability curriculum for consumers, available in English and Spanish.

CreditSmart Homebuyer U, a comprehensive homeownership education course to help guide first-time homebuyers, available in English and Spanish.

CreditSmart Coach, an interactive financial capability training program for practitioners. It provides resources to community-based organizations and housing professionals who wish to enhance their consumer outreach and financial education activities.

Completion of Homebuyer U satisfies the homeownership education requirement for our low down payment products. Additional resources include the Military Financial Readiness module.

2023 participation in the CreditSmart program included:

- Over 7,000 users of the CreditSmart Essentials curriculum,
- Over 400 industry professionals certified through CreditSmart Coach, and
- Over 95,000 aspiring homebuyers completed CreditSmart Homebuyer U.

Borrower Help Centers and National Borrower Help Network

Freddie Mac continues to maintain its Borrower Help Centers and national Borrower Help Network (BHC/N) with selected HUD-approved nonprofit organizations in several metropolitan and rural areas, as a single source of mortgage-related help with professional and tenured housing counselors. Along with the BHC/N, we work with more than 50 local and national nonprofit intermediaries to support Freddie Mac's ongoing commitment to educating renters and preparing prospective buyers for sustainable homeownership and helping struggling borrowers avoid foreclosure. Given the impact of increased interest rates and limited affordable housing supply, the demand for front-end homebuyer education has decreased. Many of these agencies have increased demand for wrap-around services such as rental assistance, utility assistance, and job placement. The need for post-purchase and foreclosure prevention counseling continues to increase as borrowers continue to struggle economically post the pandemic.

Through these initiatives, we served over 500,000 consumers in 2023. Of the 189,000 consumers that chose to provide race information, 66 percent were people of color.

My Home Consumer Education

Through our consumer education website My Home as well as social media, Freddie Mac provides practical, effective resources that consumers can use during any stage of their housing journey. In 2023, our promotional efforts in support of these resources delivered approximately 600 million impressions to predominantly Black and Latino consumers, through a localized media campaign to increase awareness of our network of Borrower Help Centers and syndicated Spanish-language educational content nationwide. The company's educational content discussing sustainability and climate garnered nearly 300 million impressions since January 2022. This includes resources on mortgage relief and fraud prevention in response to natural disasters, which resulted in approximately 71 million impressions and achieved a high social media engagement rate (13%).

Our Mission in Action

Making Home Possible for Veterans

Soldier On, a nonprofit organization that offers shelter, support, and resources for unhoused veterans, has partnered with Freddie Mac to provide financial and housing education for veterans navigating civilian life. Without the structure of active duty, many veterans are left to manage their housing and personal finances with minimal support. Coupled with high rates of mental and physical health challenges among veterans, the risk of homelessness is high without outside intervention.

Soldier On helps veterans get back on their feet by providing financial education though Freddie Mac's CreditSmart, a suite of learning tools that allow consumers to work toward their goals at their own pace. CreditSmart Essentials educates consumers on the basics of personal finances, including budgeting, banking, and managing credit. To provide a better understanding of their path to financial stability and homeownership, CreditSmart Military focuses more on the unique needs and challenges of veterans, service members, and their families.

Among Soldier On's many success stories is Navy veteran Jim Kerrigan. Following a divorce and the tragic loss of his son, Kerrigan found himself in need of a place to live. After moving into transitional housing, Kerrigan went right to work on a lofty goal: Go from homeless to homeowner.

With the support of Soldier On caseworkers and a financial advisor, and fueled by his tenacity and relentless positivity, Kerrigan regained control of his personal finances. He completed the CreditSmart Essentials curriculum, opened a credit card to work on improving his credit score, and contacted his debtors to work out manageable payment plans. Before long, he was able to achieve his goal of homeownership. Kerrigan no longer relies on Soldier On for housing but remains involved in the program as a mentor and source of inspiration for veterans.

Soldier On has helped me so much, but we've got to help each other, too. I talk to these guys at least once a month, and I tell them it's possible — just get up, go to work, and do the right things.

Jim Kerrigan
Veteran and Homeowner

How We Address Racial Equity in Housing Finance

At Freddie Mac, DEI is more than a business imperative – it's a mindset. We are steadfast in our commitment to eliminate abusive and unfair lending practices, and are committed to encouraging equitable and sustainable homeownership and rental opportunities.

Equitable Housing Finance Plan

Freddie Mac continues to work alongside industry stakeholders on our 2022-24 Equitable Housing Finance Plan initiatives aimed at improving housing outcomes for historically underserved homebuyers and renters. In 2023, we made progress across multiple disciplines that affect equity in housing finance. While we're still in the early stages and there is more work to be done, we continue to pursue progress alongside Freddie Mac's many other mission commitments outlined in this report, such as our Duty to Serve efforts.

Single-Family Initiatives for Greater Equity in Housing Finance

Our Single-Family Equitable Housing Finance Plan initiatives are aimed at increasing credit access for all qualified borrowers and reducing the homeownership gap for those in underserved communities. A key component of our support is down payment assistance (DPA), since acquiring funds to close a mortgage transaction remains the greatest barrier to homeownership.

In 2023, we expanded the availability of our first Freddie Mac-designed SPCP, Freddie Mac BorrowSmart Access - which provides at least $3,000 in closing-cost assistance - to increase the number of Sellers offering the program and reach more borrowers. We followed BorrowSmart Access with the launch of a second Freddie Mac-designed SPCP, the HeritageOne mortgage, a 3 percent down payment solution with no income limits for enrolled members of federally recognized American Indian and Alaska Native tribes living within tribal areas. And to round out our SPCP strategy, we engaged this year with several dozen lenders to purchase thousands of loans originated through their own SPCPs. By providing liquidity to the market for these SPCPs, we help lenders deepen their home financing impact, especially in traditionally underserved areas.

To further our support for borrowers in need of DPA, we enhanced DPA One®, our innovative online platform for DPA programs, and made it available for use by lenders across several states. In doing so, we worked with housing counseling organizations and lenders to ensure this offering is responsive to industry need. By the end of 2023, over 2,100 loan officers had registered to access DPA One, which houses more than 500 DPA programs all in one centralized location, helping loan officers more conveniently find and match programs with their borrowers.

Enhancements are also being made in our automated underwriting system, Loan Product Advisor® (LPA℠). With our most recent update to LPA, we removed reliance on third-party credit scores and now leverage an in-house, enhanced credit view focusing on mortgage credit risk specifically and harnessing machine-learning insights. We also saw greater adoption in 2023 of LPA enhancements that allow lenders to review borrowers' bank-account cash flow and their rent payment history to inform underwriting decisions. Using these features, Freddie Mac expects Sellers to extend credit access responsibly and fairly to tens of thousands of new borrowers each year.

Investing in Underserved Communities

Freddie Mac's Develop the Developer Academy provides education and financing opportunities for emerging Black, indigenous, people of color, and female developers serving traditionally underserved communities, including communities of color. Last year, we launched a new location in Milwaukee, which joins established academies in Omaha and Tulsa. Since inception, the program has supported developers with 18 active development projects, yielding 197 new single-family units; it also has three development projects in process that will result in 485 new multifamily units. 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 DEI.

To further investment in community revitalization, we worked with vacant land stewards and industry partners in Milwaukee, Omaha, and Tulsa to help bridge operational funding gaps and strengthen the land stewards' capacity to strategically acquire, rehabilitate, and redistribute homes to low- to moderate-income homebuyers. Through this support, we hope to positively impact affordable housing supply in these areas.

Our work in the real estate appraisal space is also gaining momentum. We participate in several important industry collaborations to establish appraisal policies and encourage diverse professionals to enter the industry as appraisers. We are also making improvements in our own collateral evaluation process to correct the use of potentially biased language in appraisal reports submitted through Loan Collateral Advisor®.

Beyond these initiatives, we plan to issue Social Mortgage-Backed Securities in 2024, and we are assessing a program that provides high-touch servicing support to borrowers at risk of loan default. These programs, among others, work synergistically to effect change in several dimensions of single-family home financing, and we believe they will build upon one another to make a positive impact on our industry.

Multifamily Equitable Housing Finance Initiatives

Freddie Mac Multifamily emphasizes three priorities: supporting the creation, preservation, and rehabilitation of multifamily affordable and workforce housing; increasing opportunities for renters; and increasing opportunities for emerging and diverse multifamily borrowers and lenders.

Supporting the creation, preservation, and rehabilitation of multifamily affordable and workforce housing

The prolonged shortage of multifamily housing and the aging nature of the current multifamily housing stock disproportionately impacts underserved communities. To address this problem, Freddie Mac is using its position in the housing market to deliver financing that supports the creation, preservation, and rehabilitation of new affordable and workforce rental housing.

In 2023, we supported the creation of more than 22,000 new workforce and affordable housing units through forward commitments, preserved affordability through our loan terms for more than 3,200 housing units, and funded the rehabilitation of more than 10,500 workforce and affordable housing units. Freddie Mac also updated its Workforce Preservation offering to support the preservation of affordability at properties with LIHTC or other regulatory affordability requirements that are set to expire during the Freddie Mac loan term.

Increasing Opportunities for Renters

Within the multifamily housing industry, Freddie Mac is working to provide renters with opportunities to increase social and economic mobility. As of year-end 2023, we have encouraged the enrollment of close to 520,000 renters in our on-time rent reporting initiative, which helps build renters' credit histories and improve their scores. The initiative has helped over 50,000 of those enrolled establish credit scores for the first time. To further empower renters, we proactively marketed CreditSmart Essentials and Coach to multifamily properties and enrolled five partner corporations in CreditSmart Coach training.

To expand access to tenant support services, we provided direct support to four additional Renter Resource Organizations. We also published a first-of-its-kind comparative analysis of state-based tenant protections and further examined the effectiveness of these protections through an extensive stakeholder outreach effort.

Increasing Opportunities for Emerging and Diverse Multifamily Borrowers and Lenders

Freddie Mac has worked to address challenges facing emerging and diverse multifamily borrowers. We have worked to close the knowledge gap by enhancing the borrower-facing section of our website. We also further extended the reach of our Develop the Developer Academy curriculum for 5+-unit properties with a new academy in Milwaukee.

We have also worked to close 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 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.

Finally, we are working to close the financing gap. Freddie Mac set a requirement that each of its lenders establish a correspondent relationship with an emerging borrower in 2023. 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.

Realizing Fairer and More Equitable Opportunities for Borrowers and Renters

Expanding housing opportunities to all communities requires long-term planning and prudent execution. These equitable housing finance initiatives are part of Freddie Mac’s commitment to work across the industry to create opportunities for Black and Latino families who have historically lacked equitable access to sustainable and affordable housing. We will continue to work with our partners and stakeholders to create more positive housing outcomes for underserved borrowers and renters of color.

Business Practices and Fair Lending

Freddie Mac is a leader in developing and promoting responsible mortgage lending practices. We work with responsible lenders and servicers to enhance access to affordable home mortgage financing. We have instituted a set of measures to protect consumers from discriminatory or predatory lending practices. These measures include our corporate policies, fair lending analytics, targeted fair lending reviews of policy changes, and a diverse array of mortgage products.

The efforts we undertook to promote affordable housing, support fair lending, and advance equity in our business practices and the real estate finance industry this year include:

Affordable Housing

In 2023, Freddie Mac committed to funding affordable housing units through forward commitments. These units are expected to enter the housing supply over the next several years and are heavily concentrated in majority-minority neighborhoods. 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 like LIHTC.

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.

Fair Lending

Freddie Mac made several updates to LPA, our automated underwriting system, to further promote affordability, fair lending, and equity. Our enhancements to this system included:

- Developing and deploying advanced techniques for our fair lending analytics of our major models, including LPA. The company uses 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.
- Developing and deploying advanced proxy identification methodologies to further mitigate fair lending risk.
- Developing the Freddie Alternative Credit Summary (FACS), a proprietary statistically-based summary of credit file information. In December 2023, FACS was incorporated into LPA to remove LPA's reliance on third-party credit scores for the purpose of the model's credit assessment. These updates, as well as advances in fair lending techniques, should result in additional applications being accepted relative to the previous LPA model.

Freddie Mac continued to enhance its company-wide fair lending program to effectively identify, assess, monitor, and mitigate fair lending risk; prevent the occurrence of fair lending violations; and remediate fair lending issues. To support our program, we completed the following company and divisional milestones:

- Enhanced fair lending governance oversight, including increased reporting, operationalized fair lending policy and standard, and continued centralization of the fair lending compliance program.
- Enhanced compliance monitoring and testing activities related to fair lending.
- Designed and executed a company-wide fair lending risk assessment, including company and divisional ratings.
- Established accountability over fair lending data, strengthened Single-Family fair lending analytics plan, and enhanced fair lending activities related to appraisals in Single-Family.
- Formalized process to identify and mitigate potential appraisal bias and enhance fair lending model oversight in Multifamily.

Valuation Equity

Freddie Mac implemented several strategies to address potential undervaluation of properties in traditionally underserved minority communities and the potential for implicit bias in appraisals. Our efforts included:

- Implemented text mining capabilities to detect potentially discriminatory or otherwise inappropriate language in appraisal documents.
- Reviewed appraisal reports identified in the May 2022 Freddie Mac Research Note, *Racial & Ethnic Valuation Gaps in Home Purchase Appraisals - A Modeling Approach*, for indicia of potential bias in the appraisal process.
- Freddie Mac also updated the Single-Family Seller/Servicer Guide (Guide) to clarify Seller responsibilities for appraisals and established new requirements for Servicers to maintain certain fair lending elements. The requirements became effective for all mortgages originated after March 1, 2023.

Responsible Marketing Policy

Freddie Mac participates in the secondary mortgage market and therefore does not market its products to consumers. Most of its marketing efforts focus on mortgage products and financial instruments. The terms and conditions for the products marketed to lenders are clearly explained in our respective Single-Family and Multifamily Seller/Servicer Guides, or by direct interaction with the company's sales teams. Financial instruments we market follow all required legal disclosures.

In 2023, Freddie Mac performed an assessment of relevant external marketing policies and procedures to ensure proper fair lending compliance. This assessment included marketing efforts in relevant areas of the company, including Single-Family, Multifamily, and Investment & Capital Markets Divisions, as well as External Relations. Policies reviewed included those governing communications to Seller/Servicers, business partners, investors, and other market participants to induce the sale, purchase, and adoption of a product, technology, or service. Content types included client-focused web content, email marketing, advertising/paid product promotion, product descriptions, and customer news, among others. Freddie Mac reviewed a total of 37 policies that fit the above description and updated several policies to ensure fair lending review language was consistent throughout. Those that required updating were completed as of September 30, 2023.

DEI at Freddie Mac

DEI is in our DNA. As a company created to support the American housing system, we have long understood that our people and practices should reflect the country's diverse housing needs. A strong commitment to DEI creates a stronger Freddie Mac – better positioned to serve our mission and advance equity in the housing industry. DEI makes us a stronger company to make home possible.

In 2023, we promoted DEI in all aspects of our business and at all levels of the organization making progress towards three goals outlined in our Board-approved DEI Strategic Plan:

1. Reflecting the people we serve.
2. Increasing equitable opportunities.
3. Building community.

These goals are reflected throughout our DEI focus areas of workforce diversity, engagement and outreach, supplier diversity, and financial transactions. While we are proud of our progress, we recognize there is more to do.

Our Workforce

Attracting Talent for Today and Tomorrow

Freddie Mac's workforce aims to reflect the people we are chartered to serve. We attract and sustain a pipeline of diverse candidates by partnering with Hispanic Serving Institutions, Historically Black Colleges and Universities, and other talent organizations that create career opportunities for underrepresented talent.

Anti-Discrimination Policy

We are committed to equal employment opportunity regardless of race, color, national origin, ethnicity, gender, gender identity/expression, sexual orientation, marital status, pregnancy, religion, age, disability, veteran status, genetic information and other characteristics protected by law. Freddie Mac's Employee Code of Conduct as well as our Equal Employment Opportunity (EEO), Anti-Harassment and Reasonable Accommodation policy prohibit discrimination and harassment of any type. All employees are required to complete bi-annual anti-harassment training.

We provide employees and applicants with multiple avenues to report concerns. EEO complaints are investigated by qualified investigators in an objective manner, without bias or prejudice. Freddie Mac strictly prohibits retaliation against employees or applicants who file a complaint under our EEO Policy or who participate in an investigation of potential violations of such policy.

Reflecting the People We Serve

Our DEI efforts are reflected in the composition of our workforce, leadership, and Board of Directors. For example, we are a majority-minority company, which means more than 50 percent of our workforce identifies as racially or ethnically diverse. Freddie Mac's Senior Operating Committee is comprised of the senior-most leader of each of our divisions and responsible for the daily management of the company. As of December 31, 2023, it was made up of 15 members; 40 percent (six) were racially or ethnically diverse, and 20 percent (three) were women. The Board of Directors, which is chaired by a person of color, was comprised of 13 members as of December 31, 2023; 38 percent (five) were racially diverse and 23 percent (three) were women.

Pay Equity

Freddie Mac is Home to Inclusion and has long been committed to equitable pay practices, helping ensure employees are paid similarly for similar work. In 2019, we stopped asking for salary history for job seekers. We also do not disclose the salary history for internal candidates. We regularly evaluate our compensation practices and each year we conduct a formal pay equity study to determine whether any pay disparities are apparent based on gender, race, or ethnicity (after accounting for factors such as role, level, and experience) and how such disparities can be addressed. We have enhanced our pay equity best practices by implementing company-wide pay range transparency for all job postings and employees. All these efforts help ensure that employees are paid similarly for similar work regardless of gender or race or any other protected trait.

Building Community

We are committed to promoting DEI in our organization and business practices. We strive to create a culture where people feel comfortable being their authentic selves in the workplace. We do this through various programs, such as our 10 BRGs, which provide all employees a place to find community and targeted professional development opportunities.

The BRGs offer over 150 leadership roles. They partner directly with business lines to develop initiatives, host high-impact events, and produce mission-driven results while giving back to our communities through service projects and donation drives.

BRGs evolved from an Employee Resource Group structure to forge an even stronger link between DEI and business results. This evolution connects a network of talent across the company allowing BRG teams to work with colleagues, other BRGs, and senior leaders beyond core daily responsibilities.

In 2023, BRGs delivered over 40 programs and community service events to help drive and embed DEI in our culture. Our current groups include:

- Abilities
- ARISE: African Americans, Resources and Information Sharing for Everyone
- Green
- HOLA: Hispanic Organization for Leadership and Achievement
- InspirASIAN: Asians Supporting Inclusion and Awareness Network
- Military Appreciation
- Pride
- Rising Leaders
- WIN: Women's Interactive Network
- Working Parents

Employee Engagement and Well-Being

Employee Learning & Development

Freddie Mac is Home to Opportunity. Our development programs, resources, and tools provide pathways for our employees to continuously learn and develop. The ability to grow at Freddie Mac is possible through the many learning and development, leadership, and coaching opportunities available to employees, including through a comprehensive learning management system (FMYou) offering virtual and instructor-led classes, LinkedIn Learning providing on-demand content, and through external learning programs. Freddie Mac also provides support for growth on the job through performance enablement, individual development plans, career development programs, internal job transfers, performance recognition rewards, and much more.

Educational Assistance Program

We offer reimbursement for accredited college, university, or certification courses that will enhance employees' skills in their present positions or prepare them for a future assignment with Freddie Mac. Employees may be reimbursed up to $10,000 per year for expenses such as tuition, preparation courses, courses leading to certification, textbooks, and lab fees.

Employee Engagement Survey

At Freddie Mac, we make home possible every day, with everything we do. While our roles are diverse, our mission is singular, common to every job, and central to everyone's work - to make home possible for more people throughout the country.

While our mission is steadfast, the way we fulfill it can change over time and as always, we rely on our people to execute on these priorities - and together - bring our mission to life. Our culture is anchored in our employee value proposition and embraces our values and competencies to help ensure we can deliver meaningfully on our mission.

Employee engagement is measured formally through an evolving listening strategy. We seek employee feedback through various forums throughout the year to include mini-surveys, town halls, people leader meetings, on-boarding and exit surveys, and an annual employee engagement survey. A corporate scorecard objective, our annual employee engagement survey assesses employee sentiment and employee engagement levels, and the results contribute to our corporate Employee Engagement Action Plan which is shared with employees. As a company, we listen to employee feedback to help magnify the employee experience.

Benefits/Compensation

One of the many advantages of working at Freddie Mac is that we offer a total rewards package with comprehensive, industry-leading benefits, and we've specifically designed it to evolve with the changing needs in our employee's lives - whether on the job or off.

Home to Well-being

We believe the mental health of our employees and their loved ones is just as important as their physical health. Prioritizing mental health is key to achieving overall balance in their lives - both in and out of the workplace.

Freddie Mac provides comprehensive healthcare coverage (medical, dental, vision, prescription drug), for employees and their loved ones, including domestic partners of any gender and dependents. This includes healthcare coverage for eligible retirees. We also provide additional resources for our employees to manage their overall well-being. This includes our Employee Assistance Program, which provides confidential counseling, relationship support, and other resources, as well as an on-site counselor in our McLean office. We also offer virtual behavioral health services through our healthcare plans and on-site Wellness and Fitness Centers to support our employees physical and mental needs. We have also partnered with the National Alliance on Mental Illness by joining its StigmaFree campaign to have policies, education, and training that promote a mentally healthy and supportive workplace.

Financial

We provide a variety of financial benefits to support our employee's short- and long-term financial goals. Whether they are receiving $15,000 of financial assistance buying their first home through our Home Benefit Program or need one-on-one retirement financial planning help from an expert, our unique and generous benefits are a significant part of the total value of a career at Freddie Mac.

Our generous 401(k) Plan provides automatic enrollment at 6 percent of eligible pay for our new hires to encourage saving for retirement. We also match employee 401(k) Plan contributions up to 6 percent of eligible pay and contribute an additional 2.5 percent of pay to eligible employees each year, totaling 8.5 percent of eligible earnings.

In addition to our generous retirement program, we provide up to $10,000 per year for educational assistance, and $9,000 over a five-year period under our Student Loan Debt Repayment Program to assist our employees in paying down student loan debt. We also provide $30,000 financial support towards fertility, adoption, and surrogacy support.

Life

Our wide variety of benefit programs provide the flexibility our employees need to manage their life at home and work, at every stage. Whether they need child or elder care for family members, time to bond with their new child through our 12 weeks of parental leave, or vacation time off to relax and rejuvenate, Freddie Mac offers these benefits to help our employees be at their best.

In addition to comprehensive vacation, we also provide five days a year of caregiving leave (increased from five to 10 days in 2024) for our employees to care for a family member or loved one. We also provide up to 10 days of bereavement leave in the event of a death of a family member or a loved one. This is in addition to sick leave and our other short- and long-term disability programs. We also provide early release on Fridays in the summertime and before holidays.

Our employees can also adjust their work schedule to allow for flexibility for their personal needs outside of work and our hybrid employees can work off-site four weeks a year.

Growing Talent

At Freddie Mac, we provide mentorship opportunities for employees at every stage in their career.

Ellevate

The WIN BRG works with Ellevate, a global professional women's network dedicated to building up women through education, inspiration, and opportunity. WIN offers three distinct Ellevate memberships - one for young professionals, one for mid-career professionals, and one for upper-level managers - that enable all women at Freddie Mac access to valuable career-building resources such as leadership training, interactive webinars, networking events, and mentorship "Squads."

Finance Mentor Program

Freddie Mac's finance department offers a 12-month mentorship program to connect early career professionals with higher-level mentors to help guide their career paths.

HOLA Professional Advisors Program

The HOLA BRG's Professional Advisors Program fosters professional development, problem solving, and networking opportunities, while increasing exposure to insights and perspectives from various divisions. Each mentee is assigned an advisor they meet with on a regular basis. Since its first cohort in 2021, 82 pairs of mentees and advisors have completed the program.

I...Circle

Sponsored by Freddie Mac's InspirASIAN BRG, I...Circle promotes personal and professional development, encourages a culture of knowledge sharing, and fosters community between mentors and mentees. The program provides a year-long mentoring relationship in either a one-on-one or group setting. The groups, called Book Cohorts, comprise one mentor and three to five mentees and provide a supportive forum for those who learn best collaboratively. Mentees set goals together and select a book, TED Talk, article, podcast, or other material to guide their learning and growth throughout the year.

Investments and Capital Market's (I&CM) Mentorship Circle Program

Overseen by the I&CM Diversity, Equity and Inclusion Task Force, the selective six-month program features a curated curriculum for its 10 mentorship circles, which connect two mentors with four mentees and helps them grow professionally and access a supportive network of peers and mentors.

Legal Mentorship Program

The Legal Mentorship Program seeks to empower all legal division employees to navigate and carve out their own professional growth path. The 12-month program grows and accelerates an individual's development by tapping into the knowledge and experience of another who has navigated challenges before. Participants also benefit by gaining additional insight into Freddie Mac's culture and practices, career paths that may be available in the future, and assessing their own professional growth opportunities.

Polaris

What is your personal North Star? By the end of the three-month Polaris program, all participants have a clear answer to that question and a solid foundation on which to grow their careers. The program, piloted and sponsored by ARISE, has since expanded to help participants enhance their professional development across Freddie Mac.

Propel & Excel

The six-month Propel & Excel corporate program supports the growth and development of aspiring leaders. Each cohort participates in a corporate leadership development and mentoring program which consists of a targeted, self-paced curriculum; virtual instructor-led working sessions; and a mentoring element. The program applies principles of neuroscience to help participants improve performance, develop as leaders, and drive positive change across organizations.

Single-Family College Cohort Mentor Program

All Single-Family college analysts are given a mentor to guide them through the transition of starting their first job. The mentors are volunteers from the prior year's cohort and serve as resources whom the college analysts can relate to and confide in. About 155 mentees have completed the program since it began four years ago.

Single-Family Mentoring Program

Open to employees in our Single-Family acquisitions and portfolio & servicing divisions. The 12-month program is designed to help participants expand their expertise and professional networks within both the acquisitions and portfolio & servicing divisions through monthly sessions and team building events. These monthly events are designed to help participants tap into the knowledge of others and provide a professional development opportunity.

Supplier Diversity

At Freddie Mac, we attract and develop diverse suppliers, while encouraging our primary suppliers to use diverse suppliers in support of Freddie Mac business engagements. We actively promote diverse suppliers during competitive bidding events leveraging robust technology solutions to identify new sources of diverse suppliers to meet demand.

In 2023, diverse suppliers accounted for more than 16 percent of our total supplier spend. In addition, we maintained a Tier 2 supplier diversity program that encourages our primary suppliers to use diverse suppliers as part of their business engagements with us. We are also committed to helping diverse suppliers succeed through our development and outreach program.

Helping Diverse Businesses Grow

At Freddie Mac, we're committed to helping diverse businesses strengthen their business and to become increasingly competitive for opportunities with us and other companies.

Through our Supplier Academy, Freddie Mac's existing diverse suppliers receive the tools and access they need to expand their business with our company. We offer them expert advice on marketing their businesses and introduce them to the people who make buying decisions, including our Enterprise Supply Chain (ESC) category managers – company wide experts who guide the contracting process.

Freddie Mac's Diversity, Equity and Inclusion division presents the academy in cooperation with ESC management. In 2023, the academy was offered in a one-day Summit format with follow-up check-ins between participants and Freddie Mac representatives. During the program, suppliers spoke with Freddie Mac decision-makers about actions they can take to help increase business opportunities. They also heard success stories about how suppliers have supported our mission. The goal is to help participants get from "no" to "know" by getting the information needed to better compete for opportunities.

The academy is open to women and minorities, including Black, Asian, Hispanic, veteran, disabled, and LGBTQ+ business owners. Since its creation in 2016, more than 60 participants have completed the program, and new spending with their businesses totals more than $130 million, of which approximately $20 million occurred in 2023.

Our Supplier Academy supports our goal of developing a diverse supply chain and ensuring inclusion and transparency in the procurement of products and services that support Freddie Mac's key lines of business and operations.

Freddie Mac has supported diversity in contracting for more than 25 years – awarding millions of dollars in contracts to diverse suppliers that provide the highest-quality products and services at the most competitive prices. That's good for our suppliers, good for Freddie Mac, and essential to addressing our nation's racial and gender wealth gaps.

Financial Transactions

We engage minority-, women-, and disabled-owned businesses (MWDOBs) in Freddie Mac's capital markets transactions and mortgage purchase transactions. Through our capital markets programs, we provide training, access and opportunities to win business. These activities better position diverse firms for future opportunities by familiarizing them with our capital markets programs and facilitating relationship building with investors. In addition, we raise awareness of, and encourage and assist participation in, Single-Family and Multifamily products, programs, and services among current and potential MWDOB Seller/ Servicers and Lenders.

Governance

At Freddie Mac, our governance structure aligns integrity and accountability. As we empower teams across divisions to implement our company-wide sustainability strategy, our internal controls and governance structure ensure accountability and provide a strong foundation for our progress. Strong governance is inextricably linked to our values and embedded throughout our work, allowing us to proactively manage risk and effectively provide stability to the housing market.

Regulatory Engagement

As a GSE, Freddie Mac's operations are subject to a range of regulatory requirements to ensure safe and sound operations. Since 2008, FHFA has been the primary regulator, responsible for the supervision, regulation, and housing mission oversight of Freddie Mac. We are also subject to requirements established by a number of additional regulatory agencies including HUD for fair lending and the SEC for financial and current event reporting. Our Senior Preferred Stock Purchase Agreement with the Department of Treasury also sets limits on our business.

Corporate Governance

Board of Directors

Because Freddie Mac is currently in conservatorship, its Board of Directors serves on behalf of our Conservator, FHFA, and exercises its authority as directed by and with the approval of, where required, the Conservator. See our 2023 Annual Report on Form 10-K for more information on our Board of Directors and executive officers, including the composition of the Board and specified corporate governance matters, as of the 2023 Form 10-K filing date.

We are committed to best practices in corporate governance. Our Board of Directors has adopted the Corporate Governance Guidelines (the Guidelines), which embody many of our long-standing practices, policies, and procedures and are available on our website.

Our Board of Directors reviews the Guidelines annually and regularly assesses them against the regulatory and legislative environment in which we operate, as well as evolving best practices.

The Guidelines are designed to provide for effective collaboration between management and the Board of Directors. We have instituted the following specific corporate governance practices:

- Our Board of Directors has an independent Non-Executive Chair, whose responsibilities include presiding over Board meetings and executive sessions of the non-employee or independent directors.
- Each of our directors is independent, except for the CEO.
- Our directors are elected annually.
- Each of the Audit, Compensation and Human Capital (CHC), Nominating and Governance, Mission and Housing Sustainability, Operations and Technology, and Risk Committees consists entirely of independent directors.
- Each committee operates pursuant to a written charter that has been approved by the Board of Directors. The charters are available on our website.
- Independent directors meet regularly without management.
- The Board of Directors and each of the Audit, CHC, Nominating and Governance, Mission and Housing Sustainability, Operations and Technology, and Risk Committees conduct an annual self-evaluation.

- New directors receive a full orientation regarding the company and issues specific to the committees to which they have been appointed.
- All directors are provided with access to, and are encouraged to utilize, third-party continuing education.
- Management provides the Board of Directors and its committees with in-depth technical briefings on substantive issues affecting the company.
- The CHC Committee reviews management talent and succession planning at least annually.

Codes of Conduct

We have separate codes of conduct for our employees and Board members. The Employee Code of Conduct serves as the code of ethics for all employees and sets critical expectations for the actions we take and competencies we demonstrate. It outlines the responsibilities that we have to each other, our business partners, our competitors, and our customers. Our Employee Code of Conduct reinforces sustainability integration into our business and operations. Freddie Mac is not just a leader in the industry, we are also good stewards of the resources entrusted to us. All employees, including senior executives and financial officers, are required to sign an annual acknowledgment that they have read the Employee Code of Conduct and agree to abide by it and will report suspected deviations.

Those who manage people at Freddie Mac – all people managers, including senior management and executives – have a special responsibility to lead the way.

We expect all people managers to:

- Act as role models.
- Champion a culture of integrity and compliance.
- Promote high ethical standards.
- Recognize and reward behaviors that exemplify our Values and our Code.
- Make sure employees are appropriately trained and competent.
- Assist in enforcing the Code.
- Report any violations or potential violations of the Code in a timely manner.

Additionally, senior management is responsible for making sure the company has the resources to effectively execute our mission.

Certain members of leadership, including the CEO, President, Chief Financial Officer (CFO), and Principal Accounting Officer/Corporate Controller, must also promote full, fair, accurate, and understandable disclosures in filings with the SEC and in other public communications regarding our financial condition. Their ethical actions in this area set the tone for how our company, and every individual who works on its behalf, are perceived by the outside world.

When joining our Board of Directors, our directors acknowledge that they have reviewed and understand the Board of Directors Code of Conduct and agree to be bound by its provisions, and each director re-executes such confirmation annually.

Copies of our Employee and Board of Directors Codes of Conduct are available, and any amendments or waivers that would be required to be disclosed are posted on our website.

Sustainability Governance

The CFO oversees the CSO, which leads the development of Freddie Mac's sustainability strategic framework in alignment with our overarching corporate strategy and mission. The CFO reports on sustainability priorities and progress to the full Board of Directors at least quarterly.

Governance Enhancements in 2023

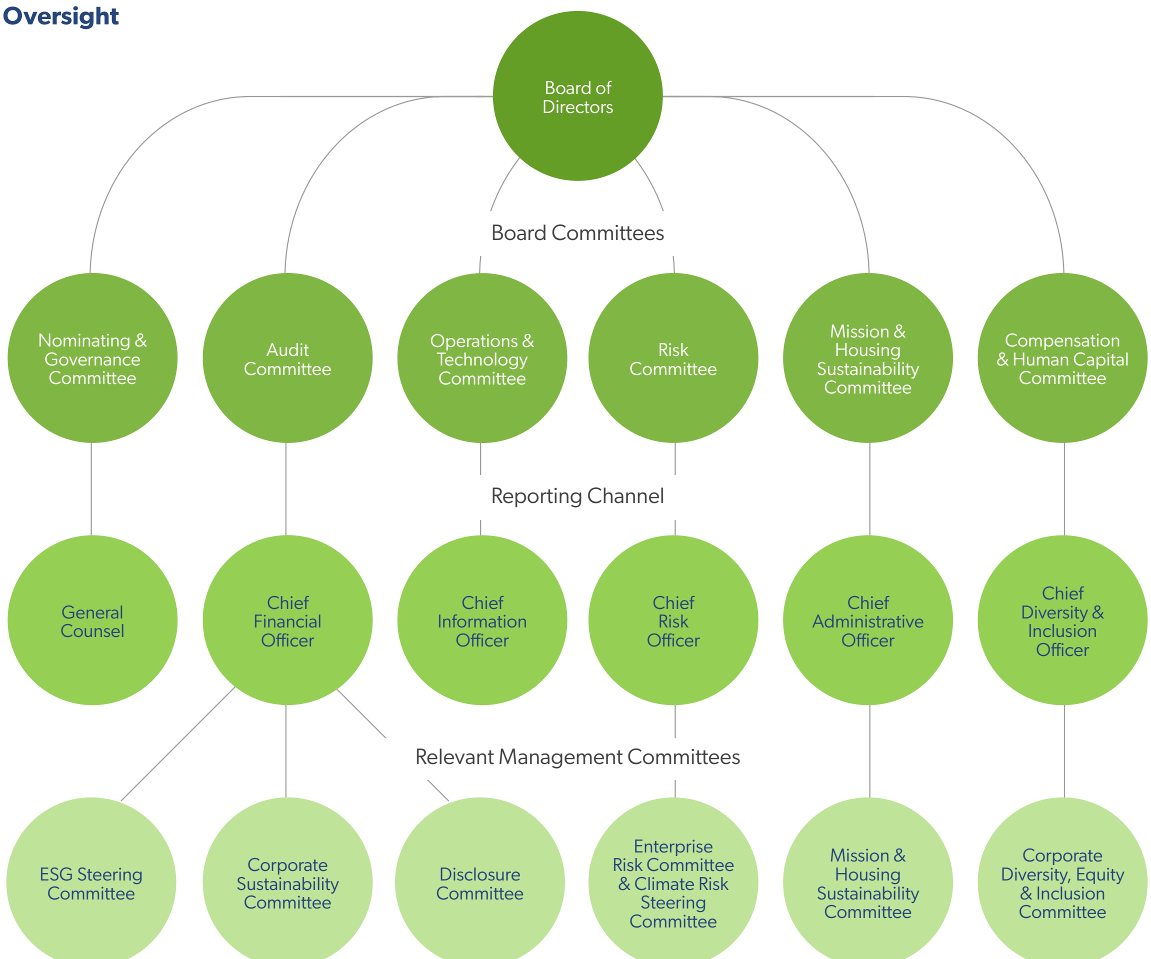
The effective management of sustainability-related risks and opportunities supports our mission and helps ensure long-term value for our stakeholders. Our sustainability governance structure is designed to promote accountability, transparency, and ethical behavior, consistent with our corporate values and priorities.

As our sustainability strategic framework evolves, our governance structure also evolves. In 2023, we launched a Corporate Sustainability Committee at the senior operating committee level to strengthen our governance structure by creating a dedicated forum to review our progress and provide advice to facilitate further integration of the sustainability program throughout the business. We also created the Climate Risk Steering Committee to engage executive and senior management on climate risk topics and further integrate climate risk management into our business decisions and our corporate risk management practices.

To increase accountability around our sustainability-related reporting, we created a new ESG & Capital public reporting team. This team ensures that sustainability-related reporting and disclosure is developed in a controlled environment. Our enhanced sustainability governance reflects the increased integration and management of our sustainability priorities across the company.

The following Board committees oversee various aspects of our work and represent our sustainability governance structure.

Board Oversight



Board Committees

Audit Committee	Oversees significant sustainability reporting and disclosures, compliance with legal and regulatory requirements, and Freddie Mac's Codes of Conduct.
Risk Committee	Oversees Freddie Mac's company-wide risk management framework, reviews Freddie Mac's exposure to the potential negative impacts of climate change, and oversees the development and implementation of Freddie Mac's climate risk framework.
Mission and Housing Sustainability Committee	Oversees the development, planning, implementation, performance, and execution of Freddie Mac's strategies and significant initiatives related to delivering on its commitment to promote affordability, equity, and sustainability in housing. Responsibilities include the review of fair lending implications of certain key mission and housing sustainability initiatives and initiatives designed to promote the adaptation of housing to be more resilient in the face of climate change or improvements to mitigate housing's climate impacts.
Compensation and Human Capital Committee	Oversees Freddie Mac's programs, strategies, and initiatives related to DEI; talent development; and executive compensation.
Nominating and Governance Committee	Oversees Freddie Mac's corporate governance matters.
Operations and Technology Committee	Oversees the development and execution of Freddie Mac's company information, operations and technology strategies and the information, operational resiliency, and supplier third-party governance programs, including the implementation of technology initiatives critical to Freddie Mac's achievement of its mission, strategy, and business objectives.

Management Committees

While each division at Freddie Mac is responsible for implementing strategic initiatives that advance our sustainability strategy, the company has specific management committees that regularly discuss and influence various aspects of our sustainability work.

Corporate Sustainability Committee	Oversees the implementation of Freddie Mac's sustainability strategic framework, including the programs and initiatives that advance our sustainability priorities.
ESG Steering Committee	Reporting through the CFO, the ESG Steering Committee is an officer-level, cross-functional committee that was formed to define our sustainability strategy, identify and prioritize sustainability-related activities, determine our objectives, and increase awareness of sustainability risks and opportunities.
Disclosure Committee	Reporting to the Audit Committee through the CFO, the Disclosure Committee is responsible for reviewing and recommending approval of Freddie Mac's reports and disclosures. The Disclosure Committee created a subcommittee (the ESG Subcommittee) for purposes of reviewing the Sustainability Report and is facilitated by the VP – Corporate Sustainability.
Enterprise Risk Committee	Reporting to the Risk Committee through the Chief Risk Officer, the Enterprise Risk Committee was created to review and discuss business-specific and company-wide risks, mitigation actions, and risk matters.
Climate Risk Steering Committee	In 2023, we created a Climate Risk Steering Committee, which is chaired by the Chief Risk Officer and engages senior management and business leads on climate risk topics. This committee also promotes the integration of climate risk into risk management processes and business decisions.
Mission and Housing Sustainability Committee	Reporting through the Chief Administrative Officer up to the Mission and Housing Sustainability Committee of the Board, this management committee was created to enhance discussions of significant affordable housing-related issues in a forum of cross-functional executives.
Corporate Diversity, Equity, and Inclusion Committee (CDEIC)	Led by the Chief Diversity & Inclusion Officer, the CDEIC serves as a forum for senior management to review the performance of our DEI program with particular focus on workforce diversity, supplier diversity, and financial transactions. The CDEIC provides guidance and advice to help facilitate the integration of DEI in all aspects of our business and activities.

ESG Ties to Compensation

Freddie Mac is Home to Impact, and we hold leadership accountable for advancing the company's sustainability-related efforts. Compensation decisions for all employees factor in performance against the sustainability-related goals on our corporate scorecard (including climate risk management and sustainability, DEI, and mission-related goals).

In addition, compensation decisions for senior executive officers reflect FHFA's assessment of our company's performance against the Conservatorship Scorecard, which contains FHFA's priorities for promoting sustainable and equitable access to affordable housing, as well as energy- and water- efficient housing.

To further align compensation with our company's sustainability-related efforts, all officers have an annual individual objective to advance equitable and sustainable housing. Each officer's performance and other objectives are considered when making compensation decisions.

Risk Management

To achieve our mission of providing liquidity, stability, and affordability to the U.S. housing market, we take risks as an integral part of our business activities. Risk is the possibility that events will occur that adversely affect our financial strength, safe and sound operations, and ability to achieve our mission, strategic, and business objectives. Risk can manifest itself in many ways and the responsibility for risk management resides at all levels of the company. Our goal is to maintain an effective risk culture where employees are risk aware, collaborative, transparent, and individually accountable for their decisions, and to conduct business in an effective, legal, and ethical manner.

We utilize a risk taxonomy to define, classify, and report risks that we face in operating our business. These risks are factored into our business decisions, as appropriate. Our enterprise risk framework (the Framework) defines how we manage risk to achieve our mission, strategic, and business objectives. By serving as the basis for managing risk in a consistent, effective, and efficient manner, the Framework supports our financial strength and safe and sound operations through a range of stressful conditions. The Framework includes the following components: Risk Culture, Risk Governance, Risk Appetite, Risk Identification, Assessment, Control, and Monitoring Processes, and Risk Profile.

For more information on our Risk Management program see Management's Discussion and Analysis – Risk Management in our 2023 Annual Report on Form 10-K.

Sustainable Supply Chain

Supplier Standards

Freddie Mac recognizes the opportunity to consider sustainability principles within our supply chain. As part of our Supplier Risk Management program, we conduct third party risk assessments to identify, measure, monitor, and control such risks. Where appropriate, our supplier contracts incorporate provisions that enable audits (including on-site) to ensure compliance with our requirements. This approach ensures transparency and accountability across our supply chain. Additionally, as part of our effort to promote social responsibility, we place a strong emphasis on supplier diversity and have implemented a robust program. As part of our ongoing commitment to sustainability, we seek to implement mechanisms to minimize environmental impact and also plan to launch a Supplier Code of Conduct to set expectations with our suppliers with regards to sustainability.

Data Security

Our operations rely on the secure, accurate and timely receipt, storage, transmission, and other processing of confidential and other information (including personal information) in our systems and networks and in those of our customers, counterparties, service providers, and financial institutions.

Cybersecurity risks for companies like ours have increased in recent years. Like many companies and government entities, from time to time we have been, and expect to continue to be, the target of attempted cyberattacks, including those from nation-state and financially motivated cyber criminals. We continue to invest in cybersecurity to strengthen our capabilities to prevent, protect, detect, and respond to threats against our systems, networks, and other technology assets.

Our defense in depth strategy minimizes the likelihood of successful unauthorized attempts to access sensitive information or to disrupt or degrade our business operations. We have obtained insurance coverage relating to cybersecurity risks. However, this insurance may not be sufficient to provide adequate loss coverage, or the insurer may deny coverage for a particular claim, and such insurance may not always be available to us on commercially reasonable terms or at all.

Insider threats also remain a risk as the workforce diversifies to include contractors, remote workers, and part-time employees. To minimize this risk we complete monthly phishing exercises and regular security awareness training. We also perform frequent internal penetration testing and periodically engage an independent third party to perform penetration testing and cybersecurity capability maturity assessments.

Our third-party vendors and their supply chain connections remain a potential source of risk. Although we have strengthened our capabilities over critical third-party monitoring and surveillance with continued focus on detecting deliberate actions such as malicious exploitation, theft, or destruction of data, as well as the compromise of our systems or networks, our control over the security posture of our third-party vendors and their supply chain connections remains limited.

Helping protect data and information is a responsibility that is shared by everyone at Freddie Mac. Our Employee Code of Conduct and related policies and standards establish clear expectations, procedures, and other requirements for how we help protect and manage information.

Potential cybersecurity threats are changing rapidly and advancing in sophistication. Although to date we have not experienced any cybersecurity incidents resulting, or reasonably likely to result in, a material impact to our company, including to our business, financial condition, and results of operations, there is no assurance that our cybersecurity risk management program will prevent cybersecurity incidents from having such impacts in the future. For additional information, see Risk Factors - Operational Risks in our 2023 Annual Report on Form 10-K.

Artificial Intelligence (AI)

Freddie Mac is committed to the ethical and responsible use of AI while advancing its high-level business objectives by deploying AI-powered solutions to improve our decision making, drive operational efficiencies, explore industry best practices, and enhance products and services for our clients. AI and Machine Learning (ML) methods can improve predictive accuracy and trend analysis; however, these methods also present unique risks to be mitigated, such as reduced transparency and the potential for overfitting. We utilize the enterprise risk framework to manage the risks associated with AI.

Appendix

Scope of SASB Alignment and Reporting

Freddie Mac is issuing this report in consideration of Industry Standards Version 2018-10 issued by the SASB and additional criteria defined by management for presenting the disclosures. The metrics are as of or for the years ended December 31, 2023, 2022, and 2021, other than certain qualitative metrics, denoted by an * in the SASB Index and Metrics, as Modified table, which reflect information for 2023, unless otherwise indicated. In some instances, totals may not sum due to rounding.

SASB encourages entities to use the standards to guide disclosures even in the event that certain disclosure topics and/or associated metrics are omitted or modified. Our disclosures, with respect to those standards, are based on the industry within the Financials sector that is most closely aligned with our business: Mortgage Finance. Additionally, within the Financials sector, we have responded to relevant metrics within the Commercial Banks and Investment Banking and Brokerage industries standards. Where applicable, Freddie Mac has made certain modifications to SASB metrics to align with our operations in the secondary mortgage market. These modifications are described in the SASB Index and Metrics, as Modified table below and are further explained in footnotes on the respective disclosure page. Furthermore, Freddie Mac has omitted certain SASB Mortgage Finance metrics. The nature and rationale for each omitted metric is described in further detail in the table below.

Management Assertion

Management of Federal Home Loan Mortgage Corporation (Freddie Mac) is responsible for the completeness, accuracy and validity of the Freddie Mac Metrics referenced in the SASB Index and Metrics, as Modified table and included in the SASB Metrics, as Modified section of this Freddie Mac Sustainability Report (excluding the number of rental units financed metrics presented as part of the FN-IB-410a.2 metric) as of or for the years ended December 31, 2023, 2022, and 2021, other than certain qualitative metrics, denoted by an * in the SASB Index and Metrics, as Modified table, which reflect information for 2023, unless otherwise indicated. All hyperlinks included herein were effective prior to the issuance of this Report. Due to rounding, totals may not foot or add up to 100 percent.

Management asserts that the Freddie Mac Metrics are presented in accordance with the assessment criteria set forth on pages 76 to 78 and the footnotes to the metrics presented on pages 79 to 103. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the Freddie Mac Metrics.

SASB Index and Metrics, as Modified

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	Modified to define "Higher Rate" to conform with the Truth in Lending Act and to also include "FICO not available"	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage of total loans in the population
FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660	Modified to also include "FICO not available" We define "foreclosures" to include only completed foreclosures	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Omitted, as Freddie Mac does not originate mortgage loans	
FN-MF-270a.4*	Description of remuneration structure of loan originators	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding requirements for our Seller/Servicers that may affect remuneration practices for loan originators
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Modified to increase transparency by providing granularity aligned with the Home Mortgage Disclosure Act (HMDA) demographic naming conventions Modified to also include "FICO not available"	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available
FN-MF-270b.2*	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Modified to: (1) replace "mortgage lending" with "mortgage practices" because Freddie Mac does not originate mortgage loans or lend money directly to borrowers, and (2) establish a threshold of $100,000 for monetary losses, which are defined as settlements, judgments or fines	Settlements, judgments or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-MF-270b.3*	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding our policies and procedures to promote nondiscriminatory mortgage origination practices
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	Modified to (1) contextualize data and increase transparency by including single-family and multifamily mortgage loans as well as Real Estate Owned (REO) properties and book value for each category and (2) include mortgages held for sale We define "mortgage loans in 100-year flood zones" and "properties in 100-year flood zones" as loans with buildings or properties that are located in areas designated by FEMA as SFHAs and that require flood insurance at origination	(1) Number and (2) value of mortgage loans or properties in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total mortgage loans or properties in the population
FN-MF-450a.2*	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	Modified to address data availability	Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default
FN-MF-450a.3*	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Not applicable, as Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding our requirements for our Seller/Servicers with respect to homes located in areas with higher environmental risk
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Omitted, as Freddie Mac does not originate mortgage loans	
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Modified to increase transparency by including multifamily mortgage purchase information The portion of the metric related to commercial mortgages is not applicable We do not purchase commercial mortgages	(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily

SASB Criteria		Management Defined/Specified Metric	
SASB Code	**SASB Metric**	**Modified, Not Applicable, or Omitted**	**Freddie Mac Metric**
FN-CB-230a.2*	Description of approach to identifying and addressing data security risks	No modification	Description of approach to identifying and addressing data security risks
FN-CB-240a.4*	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Modified to focus on: the CreditSmart program and the Borrower Help Centers and national Borrower Help Network	Number of participants in the CreditSmart program and supported by the Borrower Help Centers and national Borrower Help Network
FN-CB-550a.2*	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	No modification	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities
FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Modified to map categories to EEO-1 job classifications	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees, and (5) all (total) employees
FN-IB-510a.2*	Description of whistleblower policies and procedures	No modification	Description of whistleblower policies and procedures
FN-IB-510b.4*	Description of approach to ensuring professional integrity, including duty of care	No modification	Description of approach to ensuring professional integrity, including duty of care
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	Modified to replace "investments and loans" with "bonds issued and number of mortgage loans backing social, sustainability, and green bonds," and to increase transparency by including single-family and multifamily information	(1) Value of social, sustainability, and green bonds issued, (2) number of mortgage loans backing social, sustainability, and green bonds issued, and (3) number of Single-Family green bonds issued [Note: Freddie Mac also presents the number of rental units financed which were not subject to the procedures applied in PricewaterhouseCoopers LLP's (PwC) limited assurance engagement]

Assurance Scope

PwC performed a limited assurance engagement on the Freddie Mac Metrics in the SASB Index and Metrics, as Modified table, unless specifically noted in the table and footnotes to the Freddie Mac Metrics presented on pages 79 to 103. (See PwC's Report of Independent Accountants on page 104).

SASB Metrics, As Modified

Lending Practices

FN-MF-270a.1

(1) Number and (2) value of residential mortgages of the following types:
(a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage of total loans in the population

	Number (in thousands)			Unpaid Principal Balance ($ in millions)		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Hybrid or Option ARM[1]	**26.1**	**30.6**	**37.3**	**$3,005**	**$3,561**	**$4,516**
FICO <= 660	4.5	5.2	6.2	$517	$607	$756
As % of Total	17%	17%	17%	17%	17%	17%
FICO > 660	21.2	24.5	29.6	$2,471	$2,932	$3,727
As % of Total	81%	80%	79%	82%	82%	83%
FICO not available	0.4	0.9	1.5	$17	$22	$33
As % of Total	1%	3%	4%	1%	1%	1%
Higher Rate (Higher Priced)[2]	**189.8**	**182.2**	**166.7**	**$34,870**	**$32,843**	**$29,294**
FICO <= 660	33.8	33.3	29.8	$5,391	$5,206	$4,386
As % of Total	18%	18%	18%	15%	16%	15%
FICO > 660	155.8	148.7	136.6	$29,455	$27,610	$24,883
As % of Total	82%	82%	82%	84%	84%	85%
FICO not available	0.2	0.3	0.3	$25	$27	$25
As % of Total	—%	—%	—%	—%	—%	—%
Total Residential Mortgages	**13,507.8**	**13,365.4**	**12,877.4**	**$3,000,036**	**$2,945,069**	**$2,748,296**
FICO <= 660	702.8	722.2	711.4	$111,986	$114,617	$107,323
FICO > 660	12,793.9	12,627.6	12,146.3	$2,887,013	$2,829,140	$2,639,646
FICO not available	11.1	15.6	19.7	$1,038	$1,312	$1,327

"—" represents a value greater than zero, but less than 1%.

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

We discontinued purchases of Prepayment Penalty loans in 2014. As a result, any loan previously acquired with a prepayment penalty has seasoned beyond the effective date of the penalty. As a result, we exclude these loans from our reporting.

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category.

One loan can be in multiple categories. For instance, one loan can be in both the hybrid or option ARM category and higher rate category.

None of the approximately 35,000 mortgage loans originated prior to 2000 that remain in our active portfolio as of December 31, 2023 are identified as having a Treasury rate spread of greater than or equal to 300 basis points. In addition, prior to 2010, Sellers were only required to report Treasury rate spreads of greater than or equal to 300 basis points. We have identified approximately 9,000 mortgage loans of the approximately 594,000 mortgage loans originated between 2000 and 2009 that have a Treasury rate spread of greater than or equal to 300 basis points. Of the total higher-priced mortgage loans, 11,788 have been modified as of December 31, 2023, and represent 6.2 percent of the total higher-priced mortgage loans.

Footnote:

[1] "Hybrid or Option ARM" loans include hybrid ARMs with initial rate resets of less than 5 years and ARMs with initial rate resets of 5 years or more that have interest only (IO) or negative amortization options. For example, 5/1, 7/1 and 10/1 hybrid ARMs are excluded unless they have an IO or option ARM feature. IO product type and the term are based upon purchase information. We entirely discontinued purchases of loans with these features in 2010.

[2] "Higher Rate" has the same meaning as Higher-Priced mortgages under the Truth in Lending Act. Accordingly, loans with a Treasury rate spread of greater than or equal to 300 basis points (loans originated from 2000 - 2009) and loans with an Average Prime Offer Rate (APOR) spread of greater than or equal to 150 basis points (loans originated after 2009) are considered higher-priced mortgages. These spreads are consistent with the Home Mortgage Disclosure Act (HMDA) rate spread that were delivered by the Seller. To obtain the relevant APOR, we use the "Borrower Price Lock Date" as provided in the Uniform Loan Delivery Dataset as the date of the rate lock date to look up the relevant comparable APOR.

FN-MF-270a.2

(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available

	Number (in thousands)			Unpaid Principal Balance[1] ($ in millions)		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Modifications/ Payment Deferrals (Total)[2]	**57.4**	**106.0**	**211.0**	**$14,082**	**$24,988**	**$48,271**
FICO <= 660	13.2	21.3	36.9	$2,702	$3,990	$6,757
FICO > 660	44.1	84.5	173.5	$11,369	$20,974	$41,458
FICO not available	0.1	0.3	0.6	$10	$24	$57
Foreclosures (Total)[3]	**4.4**	**3.5**	**3.0**	**$539**	**$408**	**$325**
FICO <= 660	1.2	1.0	0.9	$130	$109	$93
FICO > 660	3.2	2.5	2.1	$406	$296	$231
FICO not available	—	—	—	$3	$2	$2
Short Sale/Deed in Lieu (Total)[4]	**0.2**	**0.2**	**0.6**	**$45**	**$43**	**$131**
FICO <= 660	—	0.1	0.2	$11	$11	$37
FICO > 660	0.1	0.2	0.5	$33	$31	$94
FICO not available	—	0.0	0.0	$—	$0	$0

"—" represents a value greater than zero, but less than 50 loans or less than $500,000 in UPB.

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:
• Loans held in the consolidated trusts
• Loans held in the retained portfolio
• Loans held for sale

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category.

Additionally, not included in the above table, there were:
• 15,532 loans with $2,707M in UPB in process of foreclosure as of December 31, 2023.
• 17,400 loans with $2,725M in UPB in process of foreclosure as of December 31, 2022.
• 8,623 loans with $1,389M in UPB in process of foreclosure as of December 31, 2021.

Footnote:

[1] Unpaid Principal Balance (UPB) is as of the month the loan entered into Modification/Payment Deferral/Foreclosure/Short Sale/Deed in Lieu.

[2] "Modifications/Payment Deferrals" includes settled modifications and payment deferrals during the reporting year.

[3] "Foreclosures" includes completed foreclosures during the reporting year.
• In rare situations foreclosed loans may return to delinquent status. The number reported above is not adjusted for subsequent reversals of foreclosure.
• Third-party sales of foreclosures (loans that went to third-party sale during the reporting year) that did not incur losses to Freddie Mac are excluded. There were 531, 361, and 120 third-party sales that did not incur losses in 2023, 2022, and 2021, respectively.

[4] "Short Sale/Deed in Lieu" includes loans that went to either short sale or deed in lieu of foreclosure (settled liquidation workouts) during the reporting year.

FN-MF-270a.4

Description of remuneration structure of loan originators

Freddie Mac does not originate mortgage loans. Although we do not originate mortgage loans, our Single-Family and Multifamily Seller/Servicer Guides include requirements that may affect remuneration practices for loan originators.

Freddie Mac Sellers are required to comply with all applicable federal, state and local laws, ordinances, regulations, orders, and regulatory guidance.

Single-Family Sellers must ensure that their loan originator compensation practices comply with the loan originator compensation provisions of the Truth in Lending Act and Regulation Z, and that loan originators comply with these requirements when presenting loan options to consumers. (See Single-Family Seller/Servicer Guide, Chapter 1301.2(a) and Chapter 4202.1).

Multifamily Sellers must charge a Minimum Origination Fee in connection with the origination and sale of a mortgage to Freddie Mac. (See Multifamily Seller/Servicer Guide, Chapter 17.1(f)).

Discriminatory Lending

FN-MF-270b.1

(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available

	Number (in thousands)			Unpaid Principal Balance ($ in millions)			Weighted Average (LTV)		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
American Indian or Alaska Native	**8.3**	**14.9**	**30.1**	**$2,477**	**$4,231**	**$8,206**	**81%**	**76%**	**73%**
FICO <= 660	0.5	1.3	1.9	$116	$290	$426	73%	68%	68%
FICO > 660	7.8	13.6	28.2	$2,360	$3,940	$7,780	81%	77%	73%
FICO not available	—	—	—	$1	$2	$—	75%	74%	90%
Asian	**96.1**	**157.6**	**369.7**	**$38,332**	**$60,280**	**$133,936**	**78%**	**76%**	**69%**
FICO <= 660	1.9	4.1	6.8	$580	$1,315	$2,127	75%	70%	69%
FICO > 660	94.2	153.4	362.8	$37,746	$58,935	$131,798	78%	76%	69%
FICO not available	—	0.1	—	$6	$29	$11	70%	75%	77%
Black or African American	**61.0**	**114.2**	**197.2**	**$17,941**	**$31,926**	**$52,790**	**83%**	**78%**	**76%**
FICO <= 660	4.6	12.3	15.4	$1,017	$2,792	$3,496	73%	69%	70%
FICO > 660	56.4	101.8	181.8	$16,922	$29,121	$49,290	83%	79%	76%
FICO not available	—	—	—	$2	$13	$4	85%	72%	73%
Native Hawaiian or Other Pacific Islander	**3.3**	**6.4**	**15.5**	**$1,183**	**$2,195**	**$5,085**	**80%**	**75%**	**71%**
FICO <= 660	0.2	0.5	0.8	$49	$138	$229	72%	65%	67%
FICO > 660	3.1	6.0	14.7	$1,135	$2,055	$4,855	81%	75%	71%
FICO not available	0.0	—	—	$0	$1	$1	0%	80%	78%
Hispanic or Latino	**122.4**	**220.7**	**444.5**	**$39,301**	**$67,219**	**$128,875**	**82%**	**77%**	**73%**
FICO <= 660	6.1	16.5	24.1	$1,537	$4,079	$5,935	74%	67%	68%
FICO > 660	116.3	204.0	420.4	$37,756	$63,097	$122,922	82%	77%	73%
FICO not available	—	0.1	0.1	$8	$42	$18	79%	76%	83%
White - Non-Hispanic or Latino	**546.3**	**1,036.6**	**2,514.3**	**$162,929**	**$298,194**	**$693,676**	**78%**	**75%**	**71%**
FICO <= 660	20.4	53.8	86.9	$4,307	$11,957	$19,492	70%	67%	68%
FICO > 660	525.7	982.2	2,427.1	$158,587	$286,081	$674,109	78%	75%	71%
FICO not available	0.2	0.6	0.3	$35	$156	$75	73%	73%	73%

	Number (in thousands)			Unpaid Principal Balance ($ in millions)			Weighted Average (LTV)		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Total Minority Borrowers	**276.1**	**488.4**	**1,006.1**	**$93,961**	**$157,393**	**$312,751**	**81%**	**77%**	**72%**
FICO <= 660	12.4	32.8	46.3	$3,076	$8,124	$11,495	74%	68%	69%
FICO > 660	263.6	455.3	959.7	$90,867	$149,187	$301,224	81%	77%	72%
FICO not available	0.1	0.3	0.1	$17	$82	$32	76%	75%	80%
Race not reported	**132.3**	**278.8**	**682.1**	**$43,083**	**$85,376**	**$204,460**	**78%**	**73%**	**69%**
FICO <= 660	6.0	20.4	30.7	$1,357	$4,808	$7,404	69%	65%	66%
FICO > 660	126.2	258.3	651.4	$41,722	$80,530	$197,040	78%	73%	69%
FICO not available	—	0.1	0.1	$5	$38	$16	76%	72%	75%
Ethnicity not reported	**121.9**	**258.7**	**653.5**	**$39,643**	**$79,472**	**$196,143**	**77%**	**73%**	**69%**
FICO <= 660	5.3	17.9	27.9	$1,197	$4,234	$6,759	69%	65%	66%
FICO > 660	116.6	240.7	625.5	$38,441	$75,205	$189,368	77%	73%	69%
FICO not available	—	0.1	0.1	$5	$32	$16	76%	71%	74%
Minority not reported	**132.6**	**277.5**	**698.4**	**$43,283**	**$85,340**	**$209,760**	**77%**	**73%**	**69%**
FICO <= 660	5.7	19.2	29.7	$1,290	$4,547	$7,171	69%	65%	66%
FICO > 660	126.9	258.2	668.7	$41,986	$80,758	$202,572	77%	73%	69%
FICO not available	—	0.1	0.1	$6	$35	$17	77%	72%	74%

"—" represents a value greater than zero, but less than 50 loans or less than $500,000 in UPB.

Table represents Single-Family mortgage loans purchased and acquired (excluding Long-Term Standby commitments [LTSB]) during the reporting year.

Borrowers are asked to report both race and ethnicity on their loan application. We rely on our Sellers to provide the information presented at the time of purchase and acquisition of the loan by Freddie Mac. For all protected class groups, in cases where there are more than two borrowers, only the first two borrowers are considered.

- A loan is considered Hispanic or Latino if either borrower is Hispanic or Latino.
- A loan is considered Black or African American, Asian, American Indian or Alaska Native, or Native Hawaiian or Other Pacific Islander if either borrower lists one of those races.
- The same loan can be counted as multiple races and Hispanic or Latino at the same time.
- A loan is counted as White - non-Hispanic or Latino only when a borrower lists race as White and ethnicity as non-Hispanic or Latino. A loan is not counted as White- non-Hispanic or Latino and another race or ethnicity category at the same time.
- A loan is classified as race, ethnicity, or minority not reported if neither of the borrowers list a race, ethnicity, or minority, respectively.
- A loan may be included in multiple 'not reported' categories simultaneously depending on the race and ethnicity information provided by a borrower.

Whenever possible, protected class group names align with HMDA demographic naming conventions.

Unpaid Principal Balance (UPB) and Weighted Average (LTV) use information provided at origination. FICO refers to the FICO score used for loan application decisioning. For certain loans, FICO is not available and is presented as a separate category.

FN-MF-270b.2

Settlements, judgments or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices

For the years ended December 31, 2023, 2022, and 2021, Freddie Mac has not identified any monetary losses exceeding $100,000 incurred through settlements, judgments, or fines as a result of legal proceedings associated with discriminatory mortgage practices.

FN-MF-270b.3

Description of policies and procedures for ensuring nondiscriminatory mortgage origination

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Although Freddie Mac does not originate loans, we require all Seller/Servicers with whom we do business to abide by all applicable laws and practice the principles of equal opportunity and non-discrimination in all business activities. Specifically, our Single-Family and Multifamily Seller/Servicer Guides prohibit Seller/Servicers from discriminating on the basis of race, color, religion, sex, age, marital status, disability, veteran status, genetic information (including family medical history), pregnancy, parental status, familial status, national origin, ethnicity, sexual orientation, gender identity, or other characteristics protected by law. Our Single-Family and Multifamily Seller/Servicer Guides also require Seller/Servicers to comply with all applicable federal, state and local laws and regulations, including non-discrimination and fair lending laws. For more information on our selling and servicing requirements, see Single-Family Seller/Servicer Guide Chapters 1301.2 and 1301.12 and Multifamily Seller/Servicer Guide Chapter 3.17.

Freddie Mac has fair lending staff and management professionals embedded throughout our three lines model, including our Business Divisions, ERM and Compliance, and Internal Audit. These professionals conduct quantitative and qualitative reviews concerning our credit policies, Seller/Servicer Guide requirements, underwriting and valuation, and otherwise support Freddie Mac's commitment to fair lending and compliance with all applicable federal, state and local laws, and regulations, including non-discrimination and fair lending laws. In addition, the company has created dedicated fair lending programs in each division.

The Single-Family Fair Lending Program identifies, assesses, monitors, and mitigates fair lending risk and seeks to prevent the occurrence of fair lending violations in Freddie Mac's Single-Family division. This Single-Family Fair Lending Program includes fair lending specific policies and procedures applicable to relevant business departments to ensure controls are in place to properly manage fair lending risk and further the purposes of fair lending laws and regulations.

Multifamily's fair lending framework includes a divisional fair lending policy that sets divisional expectations to maintain controls to mitigate fair lending risk, prevent the occurrence of fair lending violations, and further the purposes of fair lending laws. Multifamily's control environment specifically includes, but is not limited to, procedures to: 1) conduct a periodic fair lending review of the Multifamily Seller/Servicer Guide and new Guide updates; 2) create an annual divisional fair lending training plan for staff; 3) perform fair lending reviews for relevant FHFA submissions, all credit policy updates, and other significant changes; and 4) review selected third-party appraisal reports for use of discriminatory words. In addition, cooperative engagement with regulators and timely fair lending reporting to both management and external stakeholders are key components of Multifamily's fair lending approach.

Environmental Risk

FN-MF-450a.1

(1) Number and (2) value of mortgage loans or properties in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total mortgage loans or properties in the population

	Number of Mortgage Loans (in thousands)			Unpaid Principal Balance ($ in millions)		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Single-Family[1] - Total	**13,507.8**	**13,365.4**	**12,877.4**	**$3,000,036**	**$2,945,069**	**$2,748,296**
Mortgage loans in 100-year Flood Zones	387.5	386.5	377.3	$86,455	$84,964	$79,340
% of total mortgage loans	3%	3%	3%	3%	3%	3%
	Number of Properties (in thousands)			**Book Value ($ in millions)**		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Single-Family Real Estate Owned (REO)	2.5	2.2	1.6	$351	$278	$176
Properties in 100-year Flood Zones	0.1	0.1	0.1	$21	$17	$14
% of total REO properties	6%	6%	8%	6%	6%	8%

	Number of Mortgage Loans (in thousands)			Unpaid Principal Balance ($ in millions)		
	2023	2022	2021	2023	2022	2021
Multifamily[2] - Total	**4.5**	**4.0**	**3.1**	**$79,870**	**$68,433**	**$52,125**
Mortgage loans in 100-year Flood Zones	0.3	0.3	0.2	$6,380	$5,181	$4,040
% of total mortgage loans	7%	7%	7%	8%	8%	8%
	Number of Properties (in thousands)			**Book Value ($ in millions)**		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Multifamily REO	0.0	0.0	0.0	$0	$0	$0
Properties in 100-year Flood Zones	0.0	0.0	0.0	$0	$0	$0
% of total REO properties	0%	0%	0%	0%	0%	0%

We define "Loans in 100-year flood zones" and "properties in 100-year flood zones" as loans with buildings, or properties, that are located in areas designated by FEMA as SFHAs and that require flood insurance at origination.

Flood zone status is based upon information received at the time of loan origination. Flood zone classification is reported based on information provided by our Seller/Servicers.

REOs are real estate properties that we have acquired through a foreclosure sale or through a deed in lieu of foreclosure.

Footnote:

[1] Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

[2] Table represents unsecuritized mortgage loans (including mortgage loans designated as held-for-sale), securitized mortgage loans held by consolidated trusts and other mortgage-related guarantees (i.e., guarantees of Housing Finance Agency issued bonds not on the balance sheet) in our Multifamily mortgage portfolio, as this represents Multifamily's exposure to first loss on properties located in these 100-year flood zones.

As of December 31, 2023, 2022, and 2021, Multifamily did not have any REO properties in the portfolio.

FN-MF-450a.2

Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default

The unpredictability of natural disasters and the complexity of forecasting the long-term effects of climate change negatively impact our ability to forecast losses from such events.

Freddie Mac generally does not attribute mortgage loan default and delinquency to weather-related natural catastrophes in determining total expected loss and loss given default. We apply assumptions to estimate losses that could be attributable to weather-related natural catastrophes. Historically, such estimated economic losses have not been material.

FN-MF-450a.3

Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Our Single-Family division does not underwrite or re-underwrite loans. We require all homes collateralizing single-family mortgages in our portfolio to have homeowners insurance coverage throughout the life of the loan. In addition, for homes located in SFHAs designated by FEMA, borrowers must have flood insurance coverage. Sellers are required to determine whether homes collateralizing single-family mortgages are located in a SFHA and, if so, to ensure that flood insurance coverage exists at the time the loan is sold to Freddie Mac. Servicers are required to ensure that flood insurance on these homes is maintained throughout the life of the loan and is in the amount needed to comply with federal government and Freddie Mac requirements. If a borrower fails to obtain and maintain required flood insurance coverage, Servicers must directly place such coverage. (See our Single-Family Seller/Servicer Guide, including Chapters 3401.22, 4703.1, 4703.3, 6302.8, 8202.3, and 8202.12).

Although we do not originate mortgage loans, the Multifamily division does re-underwrite the mortgages we purchase. Sellers are required to provide third-party environmental and property condition reports, as well as FEMA Flood Zone Determinations, that help identify environmental risks associated with loans that are candidates for purchase. Our Multifamily Seller/Servicer Guide dictates requirements for borrowers to maintain insurance covering the loan collateral against all relevant perils such as fire, wind/hail, hurricane, flood and earthquake. (See our Multifamily Seller/Servicer Guide Chapter 31- Insurance Requirements).

Activity Metric

FN-MF-000.B

(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily

	Number (in thousands)			Unpaid Principal Balance (in $ millions)		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**
Single-Family	955.0	1,802.5	4,218.9	$299,886	$540,472	$1,215,275
Purchase Loans	806.4	1,039.3	1,376.8	$264,624	$339,489	$429,156
Refinance Loans	148.6	763.2	2,842.1	$35,262	$200,983	$786,119
Multifamily				$48,349	$72,833	$69,999
Units Financed[1]	447.0	693.2	654.5			
Loan Count	2.7	4.4	4.9			

Single-Family

Table represents Single-Family mortgage loans purchased during the reporting year. It does not include long-term standby commitments (LTSBs). Our Single-Family purchases include mortgages collateralized by residences with one to four units.

Multifamily

Table represents Multifamily mortgage loans purchased during the reporting year. Our Multifamily purchases include mortgages collateralized by residences with five or more units or by a manufactured housing community. We do not purchase commercial mortgages.

Footnote:

[1]Cooperative mortgage loans are not included in unit count.

Data Security

FN-CB-230a.2

Description of approach to identifying and addressing data security risks

Freddie Mac maintains a cybersecurity program that aligns with industry standards, including the National Institute of Standards and Technology (NIST) 800-53 control framework. Our Freddie Mac Code of Conduct reinforces the importance of data privacy and protection. Our program continues to evolve based on the changing needs of our business, the evolving threat environment, and FHFA regulatory guidance.

The Board and the Risk Committee engage in discussions throughout the year with senior leadership on cybersecurity risk matters and receive periodic reports from our Chief Information Security Officer and other senior officers, including updates on our cybersecurity program, the external threat environment, and the steps we are taking to address and mitigate risks associated with the evolving cybersecurity threat environment. Freddie Mac has procedures to escalate information regarding certain cybersecurity incidents to the Risk Committee of the Board in a timely fashion.

We also require annual training regarding the use of information for new and existing employees including contractors and consultants who have access to Freddie Mac technology assets. Our training covers protecting Freddie Mac information, privacy, policy and standards, security best practices, and the identification and reporting of potential cyber threats.

For each of the three years ended December 31, 2023, 2022, and 2021, we have not experienced any material impacts related to cyberattacks.

Financial Inclusion and Capacity Building

FN-CB-240a.4

Number of participants in the CreditSmart program and supported by the Borrower Help Centers and national Borrower Help Network

2023 participation in the CreditSmart program included:

- Over 7,000 users of the CreditSmart Essentials curriculum,
- Over 400 industry professionals certified through CreditSmart Coach, and
- Over 95,000 aspiring homebuyers completed CreditSmart Homebuyer U.

In 2023, the Borrower Help Centers and national Borrower Help Network and other nonprofit partners provided renter education, prepared prospective buyers for sustainable homeownership and helped struggling borrowers avoid foreclosure through counseling and education. Through these initiatives, we served over 500,000 consumers in 2023. Of the 189,000 consumers that chose to provide race information, 66 percent were people of color as reported by the nonprofit partners.

Systemic Risk Management

FN-CB-550a.2

Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

Stress Testing

Pursuant to an FHFA rule requirement on stress testing and capital planning, Freddie Mac is required to conduct annual stress tests using scenarios specified by FHFA as well as those internally designed by Freddie Mac. Senior management utilizes the stress tests to determine whether the company has sufficient capital to absorb losses as a result of severely adverse economic conditions. The company must publicly disclose the results of the Dodd-Frank Act Stress Test ("DFAST") under the "severely adverse" scenario. In accordance with FHFA guidance, in August 2023, we disclosed the results of our 2023 "severely adverse" scenario stress test per DFAST. In May 2023, we submitted to FHFA our Capital Plan, which includes the results of management's internally designed stress test and DFAST results, consistent with the ERCF Final Rules and guidance related to capital planning and stress testing. The company includes areas of heightened focus, such as climate-related natural disaster risk as part of its management internal stress testing processes, consistent with FHFA feedback. The company has also received additional guidance from FHFA regarding climate which was reflected within FHFA's 2023 Conservatorship Scorecard.

Enterprise Regulatory Capital Framework (ERCF)

In 2020, FHFA formally established the Enterprise Regulatory Capital Framework ("ERCF"), which requires the GSEs to hold substantially more regulatory capital than prior capital requirements under the Conservatorship Capital Framework ("CCF"). Though Freddie Mac continues to accrue net worth over the years, the company's current capital levels remain below the levels that would be required under the final ERCF framework, inclusive of prescribed capital buffers.

The ERCF has a transition period for compliance. In general, the compliance date for the ERCF capital requirements will be the later of the termination date of the company's conservatorship and any compliance date provided in a transition order. The compliance date for regulatory buffer requirements in the ERCF will be the date of termination of the conservatorship. With respect to the ERCF's advanced approach requirements, the compliance date is currently established as January 1, 2028, or any later compliance date as specified by FHFA.

The ERCF rule requires us to submit annual capital plans to FHFA and provide prior notice for certain capital actions, where applicable. The capital planning and stress testing amendment also incorporates the determination of the stress capital buffer, an element of the ERCF, into the capital planning process. Consistent with the final rule requirements, the company submitted its 2024 annual Capital Plan prior to May 20, 2024.

Employee Diversity and Inclusion

FN-IB-330a.1

Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees, and (5) all (total) employees

Representation of Racial or Ethnic Groups and Gender as a Percentage of Job Category by Year

	Executive Management			Non-Executive Management			Professionals			All Other Employees			All Employees		
	2023	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**	**2023**	**2022**	**2021**
Asian	22.9%	20.2%	22.4%	34.2%	33.1%	31.7%	40.1%	39.1%	39.5%	8.2%	9.7%	12.4%	38.6%	37.5%	37.6%
Women	9.1%	8.1%	7.1%	13.9%	13.1%	13.1%	17.8%	17.5%	18.1%	8.2%	8.8%	10.7%	17.0%	16.6%	17.1%
Men	13.7%	12.1%	15.3%	20.3%	20.0%	18.6%	22.4%	21.6%	21.4%	0.0%	0.9%	1.7%	21.6%	20.9%	20.5%
Black or African American	6.9%	5.8%	5.3%	6.1%	5.6%	5.6%	14.4%	14.7%	14.0%	25.8%	26.5%	26.4%	13.3%	13.5%	12.9%
Women	3.4%	2.3%	2.4%	3.5%	3.4%	3.1%	7.6%	7.7%	7.3%	24.7%	23.9%	24.0%	7.2%	7.3%	6.9%
Men	3.4%	3.5%	2.9%	2.6%	2.2%	2.5%	6.8%	7.0%	6.7%	1.0%	2.7%	2.5%	6.1%	6.2%	5.9%
Hispanic or Latino	2.9%	2.9%	3.5%	4.3%	4.0%	3.8%	6.0%	6.2%	5.8%	12.4%	12.4%	11.6%	5.8%	5.9%	5.6%
Women	0.6%	0.6%	0.6%	1.4%	1.3%	1.0%	2.7%	2.8%	2.7%	11.3%	9.7%	10.7%	2.6%	2.7%	2.5%
Men	2.3%	2.3%	2.9%	2.9%	2.7%	2.8%	3.2%	3.4%	3.1%	1.0%	2.7%	0.8%	3.1%	3.3%	3.0%
White	65.7%	69.4%	67.1%	54.1%	55.9%	57.7%	36.8%	37.5%	38.3%	52.6%	50.4%	48.8%	39.9%	40.8%	41.8%
Women	17.1%	18.5%	18.8%	22.3%	22.5%	22.9%	15.0%	15.1%	15.6%	45.4%	41.6%	40.5%	16.3%	16.6%	17.1%
Men	48.6%	50.9%	48.2%	31.8%	33.3%	34.8%	21.8%	22.4%	22.7%	7.2%	8.8%	8.3%	23.6%	24.3%	24.7%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.2%	0.1%	0.2%
Women	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	—%	—%	0.1%	0.0%	0.0%	0.0%	—%	—%	0.1%
Men	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%

Representation of Racial or Ethnic Groups and Gender as a Percentage of Job Category by Year															
	Executive Management			Non-Executive Management			Professionals			All Other Employees			All Employees		
	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021	2023	2022	2021
American Indian or Alaska Native	0.6%	0.6%	0.6%	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%	0.0%	0.0%	0.0%	0.2%	0.2%	0.2%
Women	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Men	0.6%	0.6%	0.6%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
Two or More Races	1.1%	1.2%	1.2%	1.2%	1.2%	1.1%	2.3%	2.2%	2.1%	1.0%	0.9%	0.8%	2.1%	2.0%	1.9%
Women	0.0%	0.0%	0.0%	0.6%	0.6%	0.5%	1.0%	1.0%	0.9%	1.0%	0.0%	0.0%	0.9%	0.9%	0.8%
Men	1.1%	1.2%	1.2%	0.6%	0.6%	0.6%	1.3%	1.2%	1.1%	0.0%	0.9%	0.8%	1.2%	1.1%	1.1%
Total Employees	175	173	170	1,039	1,020	971	6,628	6,408	5,975	97	113	121	7,939	7,714	7,237
Women	53	51	49	433	418	394	2,931	2,832	2,676	88	95	104	3,505	3,396	3,223
Men	122	122	121	606	602	577	3,697	3,576	3,299	9	18	17	4,434	4,318	4,014

"—" represents a value greater than zero, but less than 0.05%.

Freddie Mac aligns its workforce to EEO-1 job categories as defined by EEO-1 Component 1 Job Classification Guide.

- Those included in the Executive Management category include those aligned with the EEO-1 category Executive/Senior Level Officials and Managers.
- Those included in the Non-Executive Management category include those aligned with the EEO-1 category First/Mid-Level Officials.
- Those in the Professionals category include those aligned with the EEO-1 category Professionals.
- Those in the All Other Employees category include those aligned with the EEO-1 categories, which include Sales Workers and Administrative Support Workers.

The data provided represents the employee population as of the end of the respective reporting year.

Gender and race/ethnicity is self-reported by the employee and recorded in our Workforce Management system.

Business Ethics

FN-IB-510a.2

Description of whistleblower policies and procedures

Seeking Advice and Reporting Concerns at Freddie Mac

Freddie Mac's Codes of Conduct set critical expectations for our behavior, with separate versions that apply to employees and members of the Board of Directors. Copies of our Employee Code of Conduct and our Code of Conduct for Members of Freddie Mac's Board of Directors are available, and required disclosures of any amendments or waivers are posted on our website.

At Freddie Mac, each of us is accountable for strong individual and team performance. All companies — even those with strong cultures and good intentions — may experience episodes of misconduct. Our Values define who we are as a company and expectations for our business conduct. It is important that we speak up – even when uncomfortable — if there are questions or concerns. If employees or stakeholders suspect that something isn't right, they may use our resources to help make sound decisions, ask questions, seek guidance, or report questionable conduct. Employees are encouraged to contact the following:

- Their manager or another manager in their division
- The Ethics Office
- The Compliance & Ethics Helpline
  Phone: (877) 301-CODE (2633)
  Internet: FreddieMacEthicsHelpline.com
- HR Connect or Employee Relations
- The Chair of the Audit Committee of the Board of Directors

Individuals can seek advice or report suspected wrongdoing confidentially or anonymously by contacting the Helpline, 24 hours a day, 365 days a year. To emphasize the importance of the need to seek advice or report concerns, our Helpline number and web address appear on every single page of our Employee Code of Conduct.

We also realize that non-employee stakeholders from time to time may have concerns to address. External parties may also utilize Freddie Mac's Compliance & Ethics Helpline to report suspected employee misconduct. And our Employee Code of Conduct provides a means to report mortgage concerns via Freddie Mac's Customer Service Department at (800) FREDDIE (373-3343), or REO property questions via HomeStep's Customer Support Department at (800) 972-7555.

We maintain the confidentiality of investigations consistent with a business Need to Know. If required, other participants in an internal investigation are asked to maintain the confidentiality of the investigation, which includes the fact of the investigation itself as well as any information relating thereto. Nothing in our policies precludes employees from reporting information about alleged wrongdoing (such as accounting irregularities) to government agencies such as the SEC or the Equal Employment Opportunity Commission. Employees may report information to government agencies without notifying Freddie Mac or obtaining its consent.

What to Expect When Using Freddie Mac's Compliance & Ethics Helpline

The Compliance & Ethics Helpline is administered by a third party. When an individual places a call to the Compliance & Ethics Helpline, a call center specialist will capture their question or report, asking them to provide detailed information. The specialist will forward the question or report to Freddie Mac Corporate Compliance staff. The call center specialist cannot provide the individual advice or resolve their issue over the phone. The call center specialist will provide them with the information necessary for them to follow up on their call on the Compliance & Ethics Helpline website where they can check the status or resolution of the matter they reported.

When using the Compliance & Ethics Helpline web forms, individuals can ask questions, seek pre-approval for business courtesies, disclose potential conflicts of interest, and report concerns by answering the questions on the relevant form. Once submitted, the information from the form is forwarded to Freddie Mac Corporate Compliance staff. The Compliance & Ethics Helpline website will provide the reporter with the information necessary for them to follow up on their submission so they can check the status or resolution of the matter they reported.

Continued follow-up on a matter is particularly important for anonymous reports, where the Corporate Compliance staff has no other means to communicate with the employee. If the employee has identified themself by name, staff or a designated subject matter expert will contact them directly to discuss their concern and ask any additional questions they may have.

No Tolerance for Retaliation

Freddie Mac is committed to maintaining a work environment where employees can ask questions, voice concerns and make appropriate suggestions without fear of retaliation. Freddie Mac will not tolerate retaliation against any company or individual who reports a concern about potential illegal or unethical conduct or a violation of Freddie Mac policies or who assists in the resolution of an investigation or proceeding.

Freddie Mac's non-retaliation position is posted within our Employee Code of Conduct, on our Compliance & Ethics Helpline website and on posters displayed around our facilities.

Investigative Bodies

At Freddie Mac, four areas conduct internal investigations of complaints: (1) Compliance, (2) Internal Audit, (3) Legal, and (4) Human Resources (the Investigative Groups). In the absence of an actual or apparent conflict of interest, complaints will generally be assigned to Investigative Groups according to their subject matter expertise. Third Party Investigators investigate complaints that cannot otherwise be conducted by an Investigative Group because of actual or apparent conflicts of interest, resource constraints, lack of specialized subject matter expertise, or other appropriate reasons. Any investigation may be conducted under the direction of Legal as determined by the General Counsel.

Complaints will be handled by qualified investigators objectively and fairly, without bias or prejudice, in a timely manner, and with respect for all parties to the investigative process. Investigators will not presume that a complaint has merit, but rather will conduct an investigation of the facts.

The Chair of our Audit Committee of the Freddie Mac Board of Directors will oversee the investigation of any complaint that involves a Board member or the CEO unless the Audit Committee Chair is implicated or conflicted, in which case the investigation shall be overseen by the Chair of the Board.

In addition, our Investigation Policy contains provisions for escalation of certain types of allegations if they involve (1) accounting matters that present a reasonable likelihood of noncompliance with (a) applicable legal or regulatory requirements, (b) generally accepted accounting principles (GAAP) or (c) corporate policies pertaining to such requirements or to GAAP, or (2) complaints presenting a reasonable likelihood of a violation by (a) an executive officer or a member of the Board of Directors or (b) any employee other than an executive officer if a violation alleged in the complaint presents a reasonable likelihood of significant fraud, significant legal risk to the company, or a substantial or material effect on the reputation or operation of the company. If the heads of our Investigative Groups (Compliance, Legal, Internal Audit, and Human Resources) determine an allegation meets these criteria, the matter is escalated for immediate awareness to our Board Chair, Audit Committee Chair, Risk Committee Chair, CEO, CFO, CRO, and our regulator, FHFA.

Conduct Risk Committee

Our risk governance structure, as outlined in Freddie Mac's Enterprise Risk Policy, enumerates the need for several management risk committees, including a Conduct Risk Committee. Our Ethics Office has chartered this committee to share and discuss information on employee conduct-related matters among senior executive officers representing our Risk, Legal, Human Resources, Corporate Administration, and Internal Audit divisions. The purpose of the Conduct Risk Committee is to evaluate employee conduct investigations and outcomes for consistency and to identify opportunities for governance or cultural improvements (e.g., policies and procedures, or training and awareness materials). Freddie Mac's reporting mechanisms—including the Compliance & Ethics Helpline—and the reports and concerns they elicit are the foundation of the Conduct Risk Committee.

Periodic Reports to the Audit Committee

In connection with the Audit Committee's review of the company's Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K, the Chief Compliance Officer, General Auditor, General Counsel and Chief Human Resources Officer report jointly in writing to the Audit Committee concerning the existence and current status of any major accounting matters and any complaints alleging any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting. "Major accounting matters" at Freddie Mac means accounting matters that present a reasonable likelihood of noncompliance with (1) applicable legal or regulatory requirements, (2) GAAP or (3) corporate policies pertaining to such requirements or to GAAP.

Freddie Mac has remained in compliance with the whistleblower regulations, including but not limited to The Sarbanes-Oxley Act and the Dodd-Frank Act, and has not recorded any complaints alleging violations of the whistleblower protections of those regulations.

Professional Integrity

FN-IB-510b.4

Description of approach to ensuring professional integrity, including duty of care

Freddie Mac's Values

Freddie Mac empowers its employees and Board of Directors to act with professional integrity and fulfill our duty of care through our codes of conduct, through our expectations for our people managers, senior management, and Board of Directors, and through our Values:

We are mission driven
We put the health of the housing finance market at the forefront of our business decisions
And Mission drives everything we do

We do the right thing
We lead the company and our industry with integrity
And we take responsibility for our actions

We perform with excellence
We thoughtfully approach challenges
And we reliably deliver on our commitments

We are inclusive
We embrace our differences
And we engage with respect and positive intent

Success is defined by both what we accomplish and how we accomplish it. In addition to these Values—Mission, Integrity, Excellence, and Inclusivity—we strive to lead, collaborate, deliver results, focus on stakeholders, and grow and develop. We strive to excel in all those areas, to foster a culture that enables our teams to perform their best work in support of our mission. Like any behavior or habit, it will take constant self-reflection, feedback, and hard work as we embrace these values, practice these cultural competencies, and measure ourselves against them.

Guiding Principles and Ethical Decision-Making

Our employee Code of Conduct, "How We Make Home Possible," sets critical expectations for the actions we take and the competencies we demonstrate. Our Employee Code of Conduct is divided into six guiding principles that outline the responsibilities that we have to each other, our business partners, our competitors, and our customers:

- We create a safe, respectful, and inclusive work environment.
- We safeguard our company's and our partners' information and resources.
- We put the company's interests before our own and disclose conflicts of interest.
- We communicate truthfully and responsibly.
- We conduct our business lawfully and in good conscience.
- We ask for guidance and report concerns.

Through these six Code of Conduct sections, employees can find high-level guidance on over 20 risk areas – such as treating others with respect, information protection, conflicts of interest, truthful reporting, fraud prevention, and fair lending among others. Employees will also find links to the internal policies that provide more guidance and rules on the topics addressed in the Code of Conduct. Several scenarios demonstrating how to apply our Values and ethical frameworks are shared throughout the Employee Code of Conduct: asking employees to consider right versus wrong, potential consequences of their actions, reputational effect, and the level of due diligence they have employed before making a decision.

Our Employees and Leaders

Our Employee Code of Conduct applies to all employees, including senior management and executives. Employees providing services under the Financial Agency Agreement between Freddie Mac and the Department of Treasury were also subject to the Freddie Mac Making Home Affordable Code of Conduct (this program ended in 2023). We also expect that those who work with Freddie Mac, including our contingent workers, independent contractors, and consultants, will embrace the spirit of the Code of Conduct and adhere to its standards.

We hold those who manage people to higher standards, and these expectations are outlined in the Employee Code of Conduct. Additionally, our Employee Code of Conduct asserts that senior management is responsible for making sure the company has the resources to effectively execute our mission, and that certain members of leadership – to include the Chief Executive Officer, President, Chief Financial Officer, and Principal Accounting Officer/Corporate Controller – must also promote full, fair, accurate, and understandable disclosures in filings with the SEC and other public communications regarding our financial condition.

Trainings, Attestation and Restrictive Covenants

All employees, including senior executives and financial officers, are required to sign an annual acknowledgement that they have read the Employee Code of Conduct and agree to abide by it and will report suspected deviations from it. We capture this acknowledgement through a mandatory Code of Conduct training with an attestation statement at the conclusion of the online course. Each year, our Ethics Office creates a new version of this training course that highlights the risks most pertinent to us in that calendar year and reminds us of our professional integrity responsibilities. The course is also assigned to contingent workers and new hires as they onboard throughout the calendar year. Our employees are also assigned other mandatory training courses covering risk and compliance requirements related to: identifying and reporting suspicious activity; abiding by Freddie Mac's personal investment program; conforming with Freddie Mac's information wall, privacy and records management programs; keeping our corporate information secure; how to work appropriately with our conservator and regulator; and meeting our fair lending responsibilities. Our employees also receive risk and compliance training specific to their job duties throughout the year.

While all employees are required to adhere to our company's conflicts of interest requirements, certain employees have post-employment restrictions specific to further protect our corporate information. Such employees are required to abide with six-month cooling-off periods following the termination of their employment with Freddie Mac. The cooling-off periods restrict specific types of engagement with Freddie Mac on behalf of the former employee's new employers. Knowing violations of the cooling-off periods may result in legal action.

Our Board of Directors

Our directors are expected to set the ethical tone at the top by communicating and supporting Freddie Mac's commitment to act with integrity and conduct our business with the highest ethical standards as stated in our Code of Conduct for Members of Freddie Mac's Board of Directors (the "Board Code"). The Board Code is based on our company's Values and provides a guide for our directors to fulfill their responsibilities. The Board Code has four chapters that cover risk areas specific to directors' responsibilities: conduct relating to Freddie Mac, conduct relating to third parties, investments, and enforcement.

When joining our Board of Directors, our directors acknowledge that they have reviewed and understand the Board Code and agree to be bound by its provisions, and each director re-executes such confirmation annually.

Ultimately, our directors serve on behalf of, and exercise authority as directed by, Freddie Mac's Conservator (FHFA) and owe their fiduciary duties of care and loyalty to the Conservator. Although the Conservator has provided authority for the Board of Directors and its committees to function in accordance with the duties and authorities set forth in applicable statutes, regulations, guidance, orders, directives, and our Bylaws and committee charters, the Conservator has reserved certain powers of approval for itself. The Conservator provided instructions to the Board of Directors in 2008, 2012, and 2017 for Freddie Mac to consult with and obtain the Conservator's decision before taking certain actions.

Updating Our Codes of Conduct

Freddie Mac is required to review its Employee Code of Conduct at least once every three years. On January 1, 2023, Freddie Mac published its most recent version of its Employee Code of Conduct which was approved by the Board of Directors in September 2022. The Board of Directors last approved a revision to the Board Code on September 7, 2023, and Freddie Mac published the updated Board Code on September 8, 2023.

Incorporation of Environmental, Social and Governance Factors in Investment Banking & Brokerage Accounts

FN-IB-410a.2

(1) Value of social, sustainability, and green bonds issued, (2) number of mortgage loans backing social, sustainability, and green bonds issued and (3) number of Single-Family green bonds issued

Social Bonds Issuances[1]

	For year ended December 31		
	2023	**2022**	**2021**
Value of Social Bonds issued (Unpaid Principal Balance at issuance, $ millions)	$2,659	$2,279	$1,425
Number of mortgage loans backing Social Bonds issued	201	160	134
Number of rental units financed by mortgage loans that back Social Bonds[4]	24,033	23,436	18,980
Number of low-income rental units[2] financed by mortgage loans that back Social Bonds[4]	22,716	21,892	17,761
Number of very low-income rental units[3] financed by mortgage loans that back Social Bonds[4]	17,664	12,120	14,078

Footnote:

[1] Multifamily only. Social Bonds are identified as offerings throughout the year that are labeled as social in investor disclosure. Whether the Bonds meet the definition of a Social Bond, as well as the eligibility of mortgage loans backing the Social Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement.

[2] Units are considered low-income if affordable to tenants earning at or less than 80 percent Area Median Income (AMI).

[3] Units are considered very low-income if affordable to tenants earning at or less than 50 percent AMI.

[4] The number of rental units, number of low-income rental units and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information.

Sustainability Bonds Issuances[1]			
	For year ended December 31		
	2023	2022	2021
Value of Sustainability Bonds issued (Unpaid Principal Balance at issuance, $ millions)	$1,535	$2,033	$2,421
Number of mortgage loans backing Sustainability Bonds issued	87	137	149
Number of rental units financed by mortgage loans that back Sustainability Bonds[4]	13,970	22,559	24,866
Number of low-income rental units[2] financed by mortgage loans that back Sustainability Bonds[4]	13,485	21,765	24,235
Number of very low-income rental units[3] financed by mortgage loans that back Sustainability Bonds[4]	7,985	14,420	15,621

Footnote:

[1] Multifamily only. Sustainability Bonds are identified as offerings throughout the year that are labeled as sustainable in investor disclosure. Whether the Bonds meet the definition of a Sustainability Bond, as well as the eligibility of mortgage loans backing the Sustainability Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement.

[2] Units are considered low-income if affordable to tenants earning at or less than 80 percent AMI.

[3] Units are considered very low-income if affordable to tenants earning at or less than 50 percent AMI.

[4] The number of rental units, number of low-income rental units and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information.

Green Bonds Issuances[1]			
	For year ended December 31		
	2023	**2022**	**2021**
Number of Green Bonds Issued[2]	68	62	84
Value of Green Bonds Issued (Unpaid Principal Balance at issuance, in $ millions)			
Single-Family Green Bonds	$1,856	$1,372	$617
Multifamily Green Bonds	$512	$484	$1,308
Number of Mortgage Loans Backing Green Bonds Issued			
Single-Family Green Bonds	4,289	3,982	2,454
Multifamily Green Bonds	16	26	49
Number of rental units financed[3] by mortgage loans that back Green Bonds[6]	3,979	4,782	11,732
Number of low-income rental units[4] financed[3] by mortgage loans that back Green Bonds[6]	2,947	4,497	9,978
Number of very low-income rental units[5] financed[3] by mortgage loans that back Green Bonds[6]	865	1,402	1,380

Footnote:

[1] Green Bonds are identified as offerings throughout the year that are labeled as green in investor disclosure. Whether the Bonds meet the definition of a Green Bond, as well as the eligibility of mortgage loans backing the Green Bonds issued, were not subject to the procedures applied in PwC's limited assurance engagement.

[2] Single-Family only.

[3] Multifamily only.

[4] Units are considered low-income if affordable to tenants earning at or less than 80 percent AMI.

[5] Units are considered very low-income if affordable to tenants earning at or less than 50 percent AMI.

[6] The number of rental units, number of low-income rental units, and number of very low-income rental units financed was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information.

Projected Green Bonds Impacts[3]			
	For year ended December 31		
	2023	2022	2021
Projected Energy Consumption Savings of Green Bonds (kBtu[1] in millions)			
Single-Family Green Bonds[4]	211	209	192
Multifamily Green Bonds	28	32	95
Projected Water Consumption Savings of Green Bonds[2] (Gallons in millions)	44	41	115
Projected Greenhouse Gas Emissions Prevented (metric tons of CO2e in thousands)			
Single-Family Green Bonds[4]	11	12	10
Multifamily Green Bonds	3	3	8
Projected Average Property Owner Utility Cost Savings Per Unit Per Year ($)			
Single-Family Homeowners[4]	$698	$716	$1,027
Projected Average Tenant Utility Cost Savings Per Unit Per Year ($)			
Multifamily Tenants	$319	$255	$229

Footnote:

[1] 1,000 British thermal units.

[2] Multifamily only.

[3] This table is not part of metric FN-IB-410a.2 and was not subject to the procedures applied in PwC's limited assurance engagement, and accordingly, PwC makes no comment as to its completeness and accuracy and PwC does not express a conclusion or provide any assurance on such information.

[4] Prior period data for Energy Consumption Savings, GHG Emissions Prevented and Property Owner Utility Cost Savings have been revised due to a vendor data correction.

Single-Family

More information on methodology for impact statistics can be found in the appendix of the 2023 Impact Report

Multifamily

More information on methodology for impact statistics can be found in the appendix of the 2023 Impact Report

Report of Independent Accountants

To the Board of Directors of Federal Home Loan Mortgage Corporation

We have reviewed the management assertion of Federal Home Loan Mortgage Corporation (Freddie Mac) that the Freddie Mac Metrics referenced in the Sustainability Accounting Standards Board (SASB) Index and Metrics, as Modified table and included in the SASB Metrics, as Modified section of the accompanying Freddie Mac Sustainability Report (excluding the number of rental units financed metrics presented as part of the FN-IB-410a.2 metric) as of or for the years ended December 31, 2023, 2022, and 2021, other than certain qualitative metrics, denoted by an * in the SASB Index and Metrics, as Modified table, which reflect information for 2023, unless otherwise indicated are presented in accordance with the assessment criteria set forth in the SASB Index and Metrics, as Modified section. Freddie Mac's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements,* and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The firm applies the Statements on Quality Control Standards established by the AICPA.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, read relevant policies to understand terms related to relevant information about the metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the metrics on a sample basis, and performed analytical procedures.

Based on our review, we are not aware of any material modifications that should be made to Freddie Mac's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

Washington, District of Columbia
June 24, 2024

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TCFD INDEX

Management Defined Metric	Response / Location
Governance	
a) Describe the Board's oversight of climate-related risks and opportunities	Pages 19, 70
b) Describe management's role in assessing and managing climate-related risks and opportunities	Pages 19, 70
Strategy	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Pages 20-21, 29-35
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Pages 22-35
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Not disclosed
Risk Management	
a) Describe the organization's processes for identifying and assessing climate-related risks	Page 36
b) Describe the organization's processes for managing climate-related risks	Page 36
c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Page 36
Metrics	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Page 37
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Not disclosed
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Not disclosed

Freddie Mac