




## Multifamily Green Bonds Program Overview

Existing housing stock across the U.S. is aging, which typically results in utility expenses becoming more and more expensive for renters. Among those impacted are the essential workforce renters who are the backbone of our local communities: teachers, police officers, firefighters, and health care and service industry professionals. These “workforce” renters tend to earn modest incomes, yet often work in expensive markets across the country and cannot afford to live in the communities where they are employed.

By carefully studying factors that contribute to current housing challenges, we identified the opportunity to improve and finance workforce rental housing that simultaneously:

 (a) benefits tenants and borrowers through lower monthly expenses

 (b) supports the environment through reduced water and energy consumption

In 2019, we launched the Freddie Mac Multifamily Green Bonds program backed by loans financing 30% energy-/water-efficiency improvements with a minimum of 15% energy reduction. Since then, we have become a market leader in providing capital to improve workforce housing.

## Multifamily Green Bonds Framework

The Freddie Mac Multifamily [Green Bonds Framework](#) is aligned with the four core components of the International Capital Market Association’s [Green Bond Principles](#) and focuses on our use of proceeds, the process for project evaluation and selection, the management of proceeds, and transparency through regular reporting.



Our use of proceeds



The process for project evaluation and selection



The management of proceeds



Transparency through regular reporting

## Second Opinion by CICERO



In 2021, CICERO provided a [second opinion](#) on our Green Bonds Framework and awarded the framework its Light Green rating, which recognizes us for having transparent and robust selection criteria and proceeds management processes. They also recognize our framework for supporting important steps for emissions reduction and climate resilience in the housing market, as well as our annual reporting.

## Multifamily Impact Bonds Report



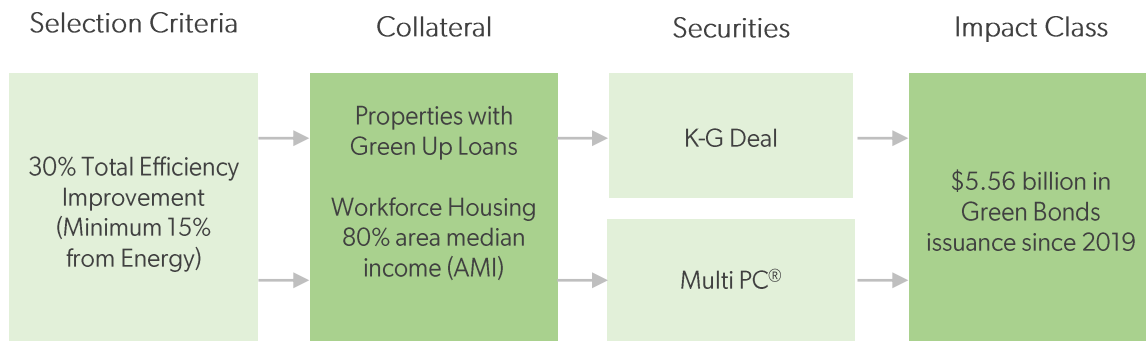
In accordance with our Green Bonds Framework, we publish an annual [Impact Bonds Report](#). The report highlights each of the Impact Bonds as well as many additional details about our corporate sustainability strategy and our community partnerships that are helping to benefit our investors, tenants and property owners.



## Process for Project Evaluation and Selection

To be considered an Impact deal, the transaction must adhere to a strict set of rules that we need to follow and have a clear indication of what we are trying to achieve with each deal.

Eligible loans backing Green Bonds must be [Green Up®](#). Each deal is reviewed by our Multifamily Environmental, Social and Governance (ESG) Initiatives team for alignment with the criteria. Detailed explanations of this criteria are available in the Green Bonds Framework.



- Our Green Up loan program offers a pricing benefit to **borrowers who commit to reducing their property's total energy/water consumption by 30%**, with a **minimum of 15% from energy**
- Green Up requires a Green Assessment® (ASHRAE Level I Energy Audit plus some additional requirements)
- Borrowers are required to hire a third-party consultant for utility data tracking and annual reporting
- Visit our [website](#) to learn more about our Green program or our [Green Bonds Framework](#) for detailed explanations of this criteria



## Green Bonds Highlights

**\$5.56B** Since 2019 Freddie Mac Multifamily has issued approximately **\$5.56 billion** of Green Bonds



As of December 2022, **water improvements are projected to save 526 million gallons of water per year** — the equivalent of filling the Lincoln Memorial Reflecting Pool in Washington, D.C., 78 times or the annual water usage for over 5,767 households across America



As of December 2022, **energy reductions are projected to save 390 million kBtu per year** — enough energy to power roughly 10,776 homes



As of December 2022, **annual greenhouse gas emissions are projected to decrease by nearly 32,188 metric tons** — the equivalent of removing 6,936 cars from the road for a year or carbon sequestered by 532,231 tree seedlings grown for 10 years



**82% of units are affordable** to families earning at or below **80% AMI**



As of December 2022, improvements are projected to **save tenants an average of \$243 per unit annually through lower utility costs**



## Multifamily Impact Resources

### Community Reinvestment Act (CRA) Investment Opportunity

Investments in Guaranteed Certificates may qualify for CRA credit, subject to an individual bank's own evaluation:

- Freddie Mac will provide CRA side letters to investors who wish to claim CRA credit for their investment
- Details on the specific Metropolitan Statistical Areas within each state where CRA credit is available for a given pool will be provided upon request

**Impact Bonds Webpage** – Our [Impact Bonds webpage](#) consolidates a variety of resources and details pertaining to the Impact securities offered by Freddie Mac Multifamily.

**Impact Bonds Investor Presentation** – Our [Impact Bonds Investor Presentation](#) details the criteria, property highlights and recent deals for each impact type.

**Impact Dictionary** – Our [Impact Dictionary](#) clarifies frequently used terms that relate to housing affordability and underserved markets.

**Impact Bonds Issuance Calendar** – Find information on all our upcoming Impact Bonds series offerings in our [Impact Bonds Issuance Calendar](#).

**Impact Performance Data** – Our [Impact Deal Performance](#) presentation includes details for loan payoffs and watchlist criteria.

**Historic Impact Issuance** – Find data for all our Impact Deals in our [Historic Impact Issuance Dataset](#).

**Historic LI/VLI Unit Counts** – Our [Historic LI/VLI Dataset](#) provides historical information relating to Low-Income and Very-Low Income units at properties within our K-Deal® and SB-Deal® offerings.

### Freddie Mac Multifamily ESG Initiatives Team

Our team manages the strategy behind our Impact Bonds offerings. This team carefully prescreens each loan, ensuring it conforms to our frameworks. The ESG Initiatives team takes the lead as Freddie Mac Multifamily addresses the ESG risks and opportunities relating to our securities. This team is headed by Luba Kim-Reynolds who joined Freddie Mac in 2016 and spearheaded the strategy behind our Impact Bonds offerings, a critical component of our ESG strategy. The team also includes Christopher Lopez, an associate, who supports Impact Bonds and ESG initiatives. For additional information contact: [MF\\_CM\\_InvestorRelations@freddiemac.com](mailto:MF_CM_InvestorRelations@freddiemac.com) or visit our website at [mf.freddiemac.com](http://mf.freddiemac.com).



For full details on the environmental, social and sustainability impacts of our offerings, please check out the 2022 Impact Bonds Report at [mf.freddiemac.com/docs/2022\\_impact\\_bonds\\_report.pdf](http://mf.freddiemac.com/docs/2022_impact_bonds_report.pdf)

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