



# Impact Bonds Overview

**Investor Presentation**

As of December 31, 2023



## Freddie Mac's Sustainability Strategy

Our focus on sustainability ensures we can continue to Make Home Possible in a changing world, equitably and responsibly, for families across the nation

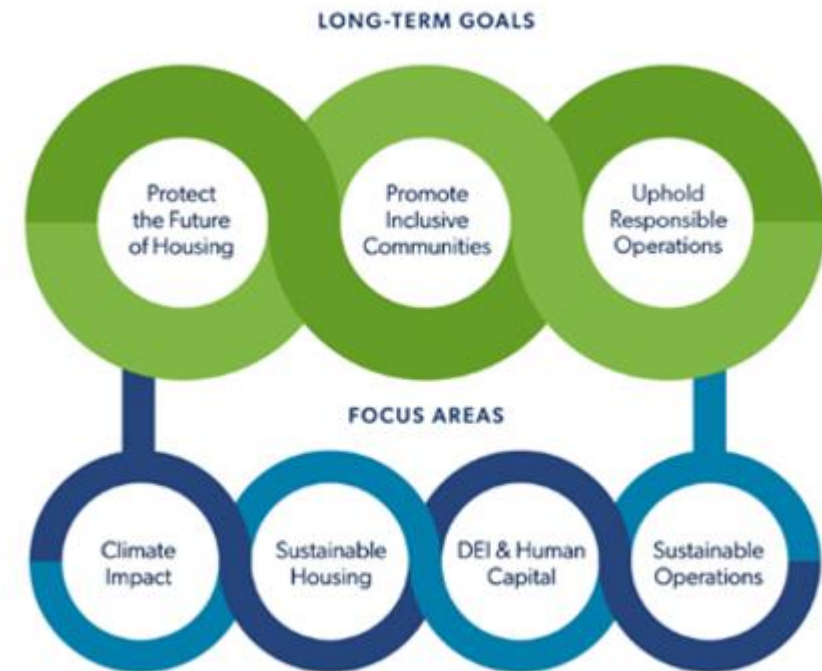
**Our Approach to Sustainability:** Freddie Mac has implemented an enterprise-wide sustainability strategy that supports the continued success and longevity of our business, the housing industry and the planet.

**Our sustainability strategy is framed by three long-term goals:**

- I. Environmental: Protect the Future of Housing
- II. Social: Promote Inclusive Communities
- III. Governance: Uphold Responsible Operations

**To achieve our long-term goals, we are focusing our work on four interconnected areas:**

- I. Climate Impact
- II. Sustainable Housing
- III. Diversity Equity and Inclusion (DEI) and Human Capital
- IV. Sustainable Operations



To learn more about our Sustainability strategy visit our [Sustainability Webpage](#) and [2022 Sustainability Report](#)

## Impact Bonds Issuance

Increasing our Impact Bonds volume while adhering to our strict impact criteria



### Green

Environmental impact  
in workforce housing

---

**\$5.56 billion**  
of total issuance

---



### Social

Looking deeper into  
our mission of  
supporting  
affordable housing  
by targeting additional  
social impact causes

---

**\$7.24 billion**  
of total issuance

---



### Sustainability

Supporting sustainable  
communities by  
financing affordable  
housing, may include  
certain environmental  
features

---

**\$6.96 billion**  
of total issuance

---

## Impact Bonds Program Overview

The goal of our Impact Bonds is to bring Freddie Mac's mission and impact to the next level



### We have financed over **1,280 loans** for nearly **\$19.8 billion** through our Impact offerings

- Freddie Mac Multifamily's commitment to supporting affordable, quality rental housing is central to everything we do. In addition to our world-class research, the products, programs and services we offer channel private capital to support affordable and workforce housing nationwide
- As of December 31, 2023, 91% of the units financed through Impact Bonds were affordable to low-income families at or below 80% of the area median income (AMI)

### Why do we offer Impact Bonds?

- As a mission-driven organization, we are well suited for meeting growing ESG demand from investors
- We have designed targeted Impact Bonds to provide investors with opportunities for investing in affordable housing and to provide support for environmental, social and sustainability goals
- In order to be considered an impact deal, the transaction is required to adhere to a strict set of rules that has a clear framework of what is trying to be achieved with each deal. As a baseline, our frameworks for Green, Social and Sustainability Bonds support affordable housing, which target specific areas of environmental or social challenges

“ Freddie Mac recognizes the measurable impact of green and social financing tools to support the affordability and sustainability of housing for American families. We are pleased to be recognized by the Climate Bonds Initiative, Environmental Finance, and GlobalCapital for our commitment to impactful housing. ”

**Robert Koontz, Senior Vice President, Multifamily Capital Markets**

# Green Bonds



## Green Bonds Introduction

Green Bonds program was designed to support green improvements in workforce housing

- By carefully studying factors that contribute to current housing challenges, we identified the opportunity to improve and finance workforce rental housing that simultaneously:
  - benefits tenants and borrowers through lower monthly expenses; and
  - supports the environment through reduced energy and water consumption
- In 2016, we launched the Freddie Mac Multifamily [Green Advantage®](#) program, which finances property improvements to make multifamily housing more energy and water efficient. In 2019, we launched 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 been an important capital provider to improve workforce housing
- The Freddie Mac Multifamily [Green Bonds Framework](#) is aligned with the four core components of the [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
- CICERO provided a [second opinion](#) on our Green Bonds Framework in 2019 and again in 2022 and awarded the framework the Light Green rating, which recognizes us for having transparent and robust selection criteria and proceeds management processes
- Our annual [Impact Bonds Report](#) quantifies the environmental and social impacts Green Bonds have on our community

### Green Bonds Framework



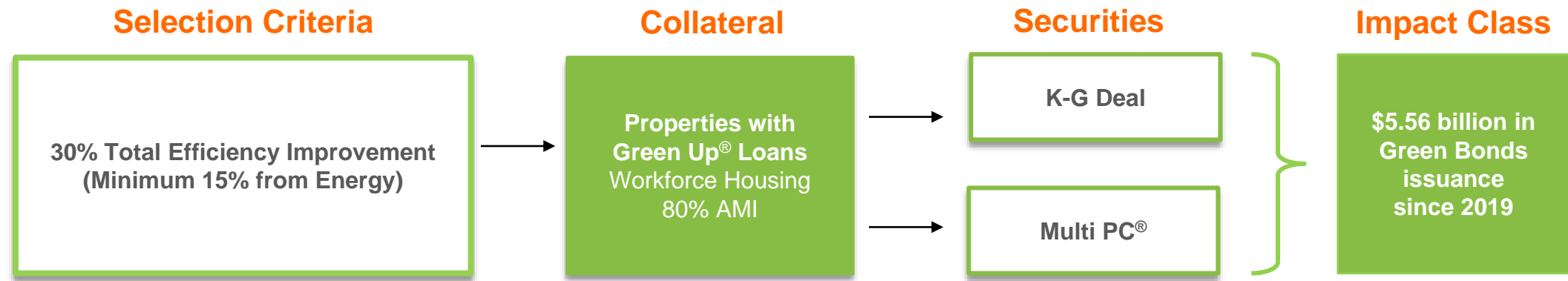
### Second Opinion by Cicero



### Impact Bonds Report



## Lowering Expenses for Workforce Housing Tenants while Incentivizing Borrowers through Pricing Benefits



- 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 suite of green programs

## Utilizing Our Existing Securitization Platforms to Issue Green Bonds

Green Bonds Issuance Snapshot, as of 12/31/2023

Year	Deal Type	Volume (\$ Millions)	# of Loans	# of Units	# of Units Affordable at 80% AMI or less
2019	K-G	\$1,027.8	36	9,881	7,488
	Multi PCs	\$968.5	26	8,399	6,328
2020	K-G	\$1,227.7	49	11,257	9,721
	Multi PCs	\$27.4	3	474	433
2021	K-G	\$1,104.0	42	9,614	8,068
	Multi PCs	\$204.2	7	2,118	1,908
2022	K-G	\$484.2	26	4,782	4,497
2023	K-G	\$481.6	15	3,773	2,836
	Multi PCs	\$30.5	1	206	111
	Total	\$5,555.9	205	50,504	41,390

**82% of units** financed are  
affordable to tenants making  
**80% AMI** or less



# Social Bonds



## Social Bonds Program

Social Bonds go beyond affordability by supporting targeted populations and providing liquidity to social impact institutions

- To increase our impact and attract capital to support social impact initiatives, we introduced Social Bonds in 2020 to target opportunities that go deeper into our mission of supporting affordable housing
- The Freddie Mac Multifamily [Social Bonds Framework](#) is aligned with the four core components of the [Social 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
- Freddie Mac engaged an independent third party, [Sustainalytics](#), to evaluate our Social Bonds Framework
  - Sustainalytics is confident that Freddie Mac Multifamily is well positioned to issue Social Bonds and that the Freddie Mac Multifamily Social Bonds Framework is robust, transparent and in alignment with the core components of the Social Bond Principles
- Our annual [Impact Bonds Report](#) quantifies the social impact our Social Bonds have on our community

### Social Bonds Framework



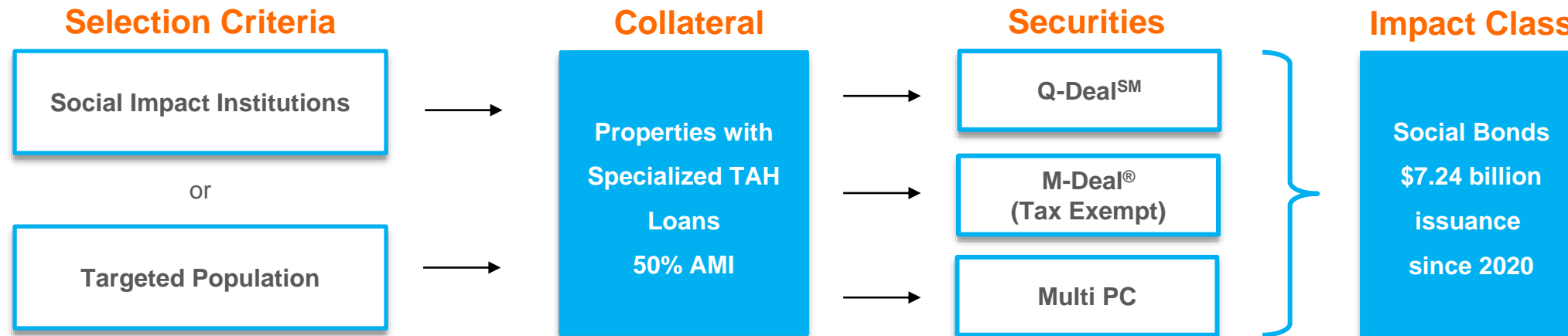
### Second Opinion by Sustainalytics



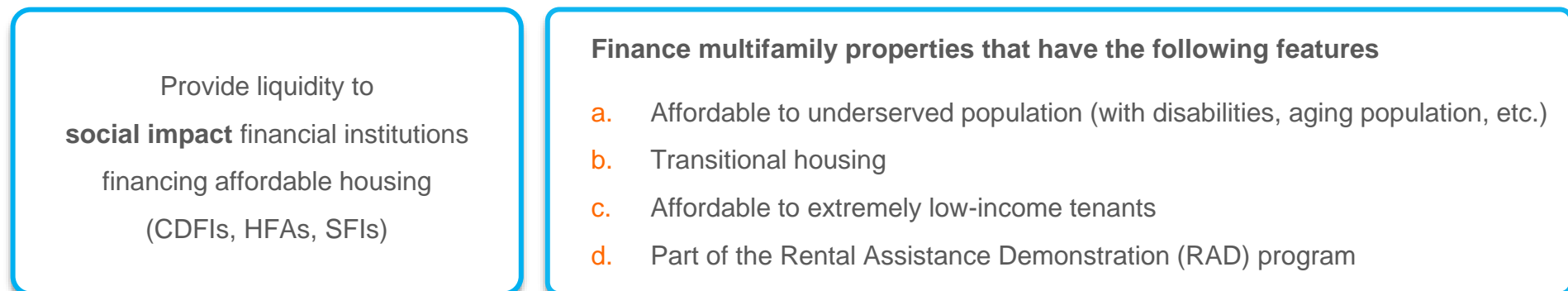
### Impact Bonds Report



## Looking Deeper into Our Mission of Supporting Affordable Housing by Targeting Additional Social Impact Causes

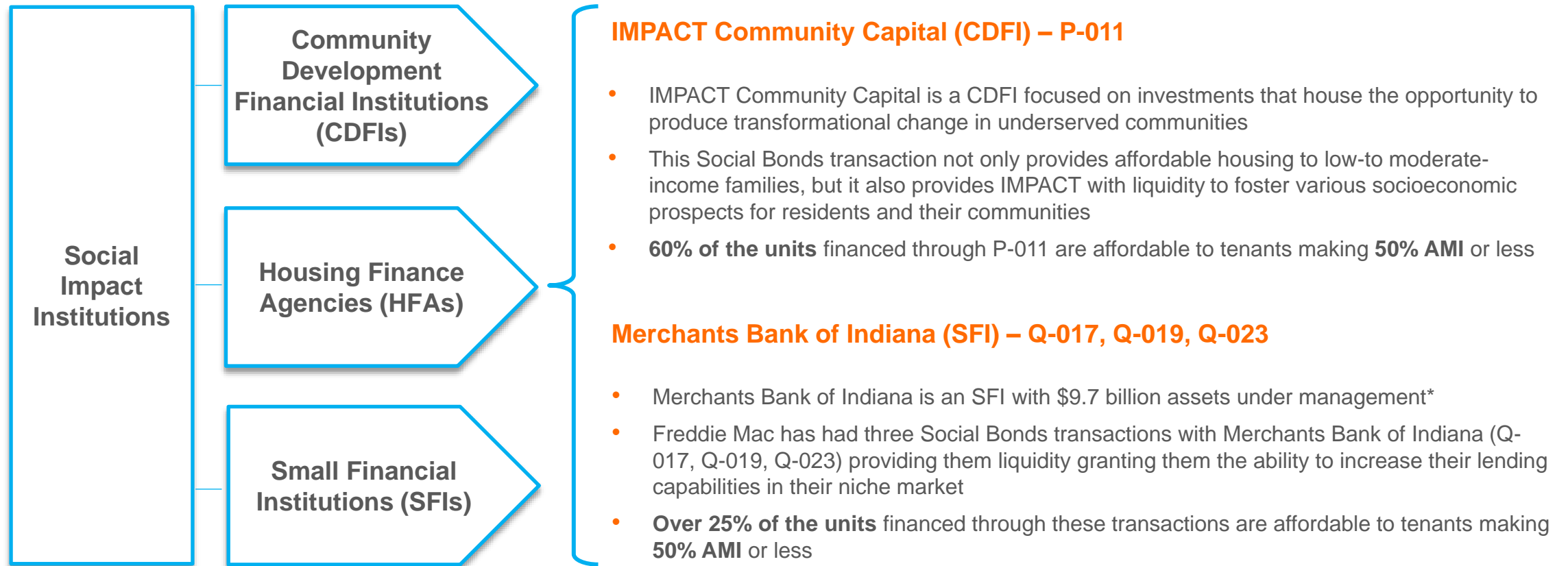


### Selection Criteria Details



## Providing Liquidity to Social Impact Institutions

Extra layer of impact to our Social Bonds: Social bonds support institutions that make positive impacts



\* As of March 31, 2022

## Social Bonds Support Targeted Populations

Extra layer of impact to our Social Bonds: Financing housing for targeted populations



## Utilizing Our Existing Securitization Platforms to Issue Social Bonds

Social Bonds Issuance Snapshot, as of 12/31/2023

Year	Deal Type	Volume (\$ millions)	# of Loans**	# of Units	# of Units Affordable at 30% AMI or Less	# of Units Affordable at 50% AMI or Less
2020	Q-Deal	\$189.5	66	3,795	753	2,871
	P-Deal	\$106.6	61	4,585	767	2,919
	M-Deal	\$398.9	27	3,289	8	177
	Multi PCs	\$181.9	9	1,413	1,102	1,369
2021	P-Deal*	\$333.7	44	7,568	870	6,324
	Multi PCs	\$1,090.9	90	11,412	5,903	7,754
2022	Q-Deal	\$498.2	30	5,432	347	1,680
	P-Deal	\$92.8	4	1,568	301	809
	M-Deal	\$95.4	5	921	343	464
	Multi PCs	\$1,593.1	121	15,515	6,140	9,166
2023	Q-Deal	\$438.1	43	4,075	627	1,767
	M-Deal	\$129.8	10	1,516	668	948
	Multi PCs	\$2,091.1	148	18,442	11,328	14,949
Total		\$7,240.0	658	79,531	29,157	51,197

- **64% of units** financed are affordable to tenants making **50% AMI** or less
- **37% of units** financed are affordable to tenants making **30% AMI** or less

\* Includes P-009, a HIDD transaction, that supported 4,462 beds in 1,267 rental homes. For additional details, [read the press release](#).

\*\* Taxable Tails are excluded from loan totals.

# Sustainability Bonds



## Sustainability Bonds Program

Our Sustainability Bonds finance affordable housing that also has an environmental impact

- Sustainability Bonds are intended to attract capital to support economic mobility for residents and economic growth for communities
  - The availability of affordable and workforce housing is fundamental to sustainable communities, because we believe that a safe and decent place to live provides the foundation for creating economic opportunity for residents and communities alike
- The Freddie Mac Multifamily [Sustainability Bonds Framework](#) aligns with the four core components of the [Sustainability Bond Guidelines](#) and focuses on our use of proceeds, the process for project evaluation and selection, the management of proceeds, and transparency through regular reporting
- Freddie Mac engaged an independent third party, [Sustainalytics](#), to evaluate our Sustainability Bonds Framework
  - Sustainalytics reported that it is confident that Freddie Mac Multifamily is well positioned to issue Sustainability Bonds and that the Freddie Mac Multifamily Sustainability Bonds Framework is robust, transparent and in alignment with the four core components of the [Green Bond Principles](#) and [Social Bond Principles](#)
- Our annual [Impact Bonds Report](#) quantifies the environmental and social impacts Sustainability Bonds have on our community

### Sustainability Bonds Framework



### Second Opinion by Sustainalytics

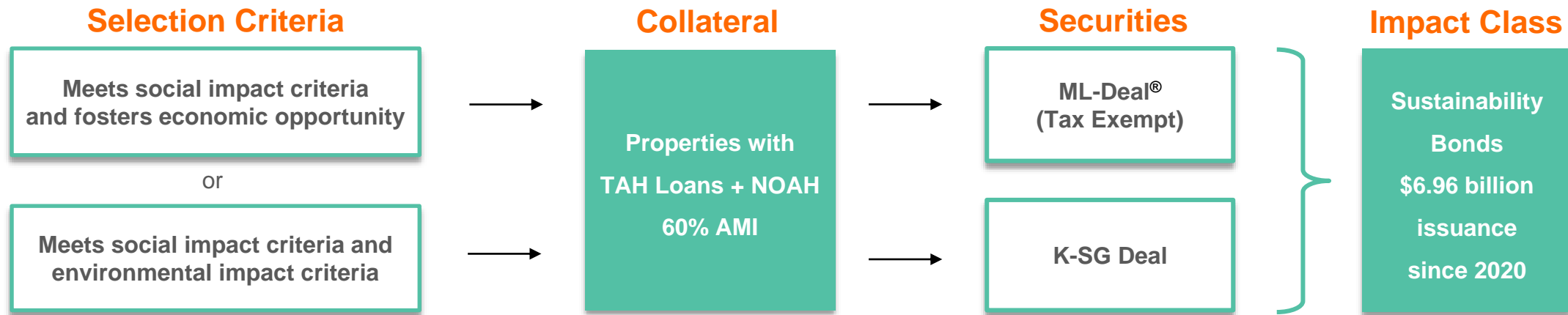


### Impact Bonds Report

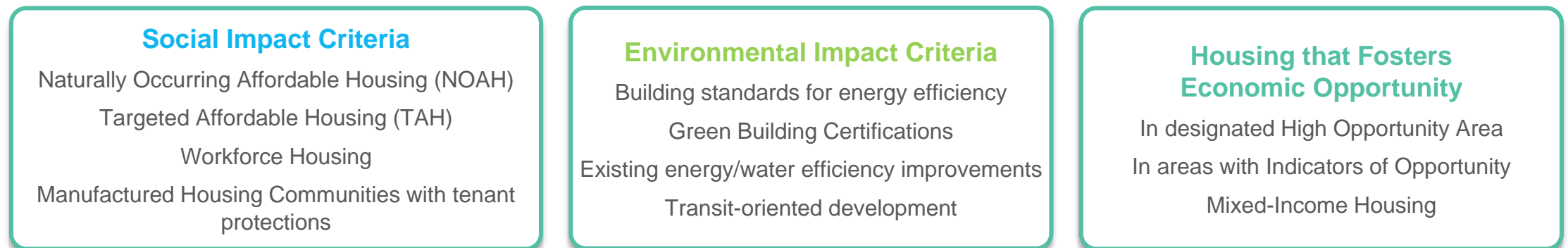




## Supporting Sustainable Communities by Financing Affordable and Workforce Housing



### Selection Criteria Details



## Utilizing Our Existing Securitization Platforms to Issue Sustainability Bonds

Sustainability Bonds Issuance Snapshot, as of 12/31/2023

Year	Deal Type	Volume (\$ millions)	# of Loans	# of Units	# of Units Affordable at 60% AMI or Less	# of Units Affordable at 80% AMI or Less
2020	K-SG	\$579.1	28	5,881	4,095	5,247
	ML-Deal	\$392.4	23	3,879	3,005	3,872
2021	K-SG	\$659.7	41	7,847	6,381	7,514
	ML-Deal	\$1,761.0	108	17,019	15,466	16,719
2022	K-SG	\$1,215.7	66	13,057	11,233	12,330
	ML-Deal	\$695.8	66	8,602	8,194	8,534
	M-Deal	\$121.1	5	900	856	900
2023	ML-Deal	\$1,534.5	87	13,970	12,905	13,485
	Total	\$6,959.3	424	71,155	62,135	68,601

- **87% of units** financed are affordable to tenants making **60% AMI** or less
- **96% of units** financed are affordable to tenants making **80% AMI** or less

## Properties Highlights: Social Impact along with Environmental Impact or Economic Opportunity

### Mobley Park Apartments – Tampa, Florida



#### Social Impact

71% of units are affordable to tenants making 60% AMI or less

#### Economic Opportunity

Mixed-income property in an area of concentrated poverty

### The Renaissance at West River – Tampa, Florida



#### Social Impact

100% of the units are affordable to tenants making 60% AMI or less and units must be reserved for the aging population, persons with disabilities, and elderly persons experiencing homelessness

#### Environmental Impact

Existing energy- and water-efficiency improvements and Transit-Oriented Development

#### Economic Opportunity

The property is located in an Area of Concentrated Poverty

## Green Retrofits

Giving borrowers a pricing benefit for recent efficiency improvements to help secure deeply affordable, mission-driven business

### Program Overview

Green Retrofits allows borrowers to receive a pricing discount if qualified energy and/or water efficiency improvements have been made within the current or the preceding two calendar years of the form completion; it is a feature of the Green Advantage program

### Loan Eligibility

- Targeted Affordable cash preservation
- Conventional, with at least 50% of the units affordable at 60% AMI
- 10-year fixed-rate execution type only
- The improvement must result in a projected total efficiency reduction of 15%

### Form 1209: Green Retrofits Certification

<b>HVAC (thermostat)</b>	<b>100</b>	<b>Update / Tell Me More</b>
Lighting (LED unit interior)		<b>Add / Tell Me More</b>
<b>Showerhead (replace)</b>	<b>95</b>	<b>Update / Tell Me More</b>
Showerhead (thermostatic diverter)		<b>Add / Tell Me More</b>
Toilet		<b>Add / Tell Me More</b>
<b>Water heater</b>	<b>150</b>	<b>Update / Tell Me More</b>
Window		<b>Add / Tell Me More</b>
<b>Buildings</b>		
Central mechanical (boiler)		<b>Add / Tell Me More</b>
Central mechanical (chiller)		<b>Add / Tell Me More</b>
Central mechanical (domestic hot water)		<b>Add / Tell Me More</b>
Central mechanical (VFD, VSD or HE motor)		<b>Add / Tell Me More</b>
Insulation - attic (only)		<b>Add / Tell Me More</b>
Insulation - building (other than attic)		<b>Add / Tell Me More</b>
Insulation (DHW piping)		<b>Add / Tell Me More</b>
Lighting (control)		<b>Add / Tell Me More</b>
<b>Lighting (LED exterior and/or common area)</b>	<b>12</b>	<b>Update / Tell Me More</b>
Water feature (irrigation)		<b>Add / Tell Me More</b>
Water feature (pool and pool equipment)		<b>Add / Tell Me More</b>

<b>Expected Savings</b>		
Energy Savings:	10.2%	
Water Savings:	6.1%	
<b>Total Savings:</b>	<b>16.4%</b>	

## Green Certified

Giving borrowers a pricing benefit for receiving an industry-standard green building certification

### Loan Eligibility

We give discounted loan pricing for 10-year fixed-rate loans — if at least 40% of the property's units are affordable at workforce housing levels; and if the property has received one of the following industry-standard green building certifications:

1. EarthCraft, Southface
2. ENERGYSTAR® 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

# Appendices and Investor Resources



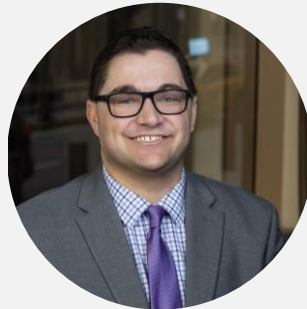
## Our Dedicated ESG Team Manages the Strategy and Execution of Our Impact Bonds

### ESG Initiatives Team



**Luba Kim-Reynolds**

Senior Director  
Investor Relations & ESG Initiatives



**Christopher Lopez**

Associate  
ESG Initiatives

Our ESG Initiatives 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.



**Jason Griest**

Vice President, Securitization

Jason leads the Securitization Team and is responsible for the execution of our Impact Bonds



**Justin Thomson**

Director, Asset Management

Justin leads the Physical Risk team in our Asset Management group and leads the data management for reporting on our Impact Bonds

For additional information, please contact: [MF\\_CM\\_InvestorRelations@freddiemac.com](mailto:MF_CM_InvestorRelations@freddiemac.com) or visit our website at [mf.freddiemac.com](http://mf.freddiemac.com)



## Impact Resources

We provide robust resources to support our Impact Bonds offerings



### Impact Bonds Webpage

Our [Impact Bonds webpage](#) is a one-stop shop for all our Impact Bonds resources

### Impact Dictionary

Our [Impact Dictionary](#) helps clarify frequently used terms that relate to housing affordability and underserved markets

### Impact Issuance Calendar

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

### Impact Bonds Report

For full details on the environmental, social, and sustainability impacts of our offerings, check out the [2022 Impact Bonds Report](#)

### 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


### Historic Impact Issuance

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





## Loan Performance Resources at Your Fingertips

**Loan-level performance** can be accessed in our [Multifamily Securities Investor Access](#) tool.

 **Multifamily Securities Investor Access** [LOG IN](#)

Multifamily Securities Investor Access (MSIA) is an online tool that provides investors and analysts with information related to Freddie Mac Multifamily K-Deals, ML-Deals, Q-Deals, SB-Deals, and PC mortgage-backed securities and their underlying collateral. It also provides information about SCR Notes. The available data includes the standard Investor Reporting Package provided monthly by the master servicer and trustee for a given security issuance. For a single deal or a portfolio, this tool provides a combination of standard and custom reporting capabilities.

[MSIA Reference Manual](#) 

[MSIA Quick Start Tips](#) 

**Performance data** for our Impact Bonds is updated monthly at <https://mf.freddiemac.com/investors/data.html>.

### Impact Deal Performance

#### Performance through December 2023

COMBINED ISSUANCE	DEALS	LOANS	PAID OFF LOANS
\$13.38 B	35	804 <small>original loan count</small>	7
DELINQUENCY STATUS	AGGREGATE LOSSES	LOANS IN SPECIAL SERVICING	UNPAID BALANCE ON WATCHLIST*
0%	\$0 M	0	17.53%



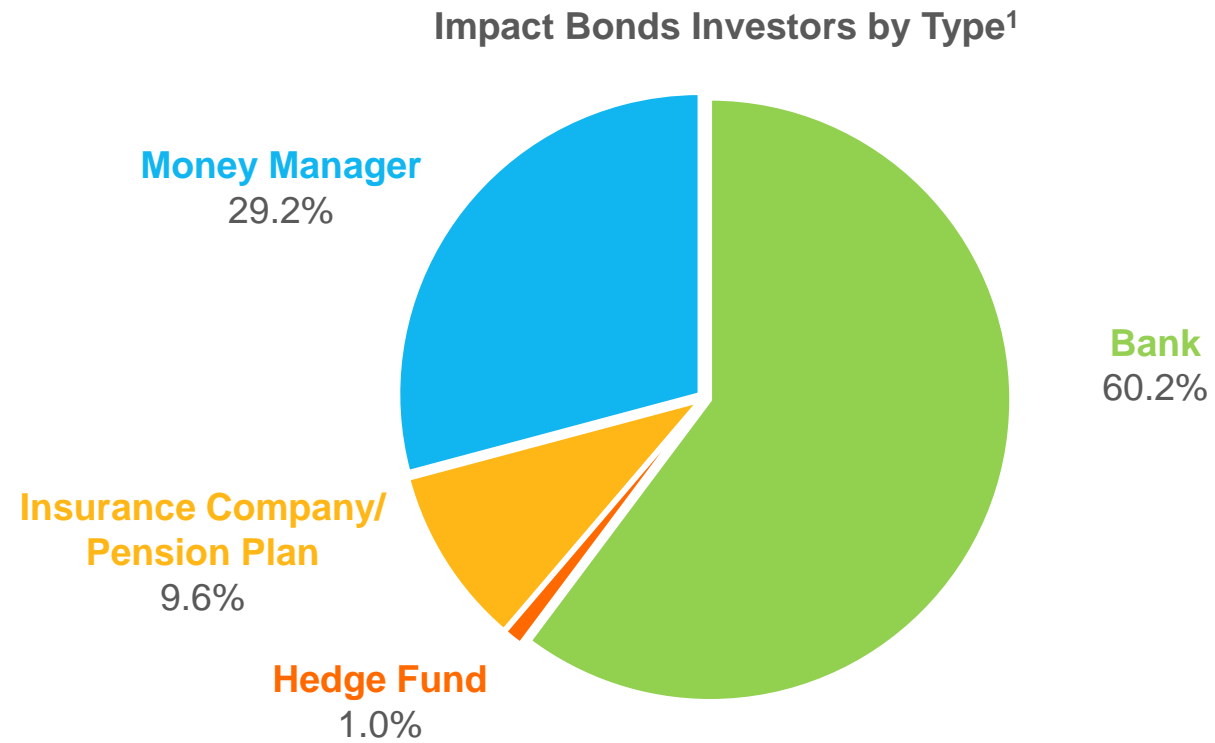
[View the Impact Deal Performance Presentation](#) 

Note: Green, Social and Sustainability Impact deals for K-G, K-SG and Multi PCs are included in both the Impact Bonds Performance report as well as the K-Deal and Multi PC Performance reports.

\*The respective master servicers maintain a watchlist for each securitization. Loans are added to and removed from the watchlist in accordance with criteria established by CREFC.

## Impact Bonds Investor Breakdown

Our Impact Bonds are designed to provide targeted support for our investors' ESG goals



<sup>1</sup> Data reflects senior bond allocations for all K-G and K-SG deals since the life of the program

The information in this presentation is presented as of the date indicated on the cover page and may become out of date and/or inaccurate. Freddie Mac does not undertake any obligation, and disclaims any duty, to update any of the information in this presentation. Previously reported data is subject to change due to information updates and data corrections. In addition, Freddie Mac may reflect some data changes in this presentation for the current period without adjusting prior periods.

This presentation is provided for information purposes only and is not intended to provide any prediction regarding the future performance of loans or securities owned or guaranteed by Freddie Mac. Freddie Mac's future performance, including financial performance, is subject to various risks and uncertainties that may cause actual results to differ materially from expectations. The factors that could affect the company's future results are discussed more fully in its reports filed with the Securities and Exchange Commission.

This presentation is not an offer to sell or a solicitation of an offer to buy any Freddie Mac securities. Offers for any given security are made only through applicable offering circulars and related supplements, which incorporate Freddie Mac's Annual Report on Form 10-K and certain other reports filed with the Securities and Exchange Commission. This Impact Bonds Performance presentation contains information related to, or referenced in the offering documentation for, certain Freddie Mac mortgage securities. The information contained herein is provided for your general information only, is current only as of its date and does not constitute an offer to sell or a solicitation of an offer to buy securities. The information contained herein does not constitute a sufficient basis for making a decision with respect to the purchase and sale of any security and is directed only at, and is intended for distribution to and use by, qualified persons or entities in jurisdictions where such distribution and use is permitted and would not be contrary to law or regulation. All information contained herein regarding or relating to Freddie Mac securities is qualified in its entirety by the relevant offering circular and any related supplements. You should review the relevant offering circular and any related supplements before making a decision with respect to the purchase or sale of any security. In addition, before purchasing any security, please consult your legal and financial advisors for information about and analysis of the security, its risks and its suitability as an investment in your particular circumstances. The examples set forth above are for illustrative purposes only. Opinions contained in this Impact Bonds Performance presentation are those of Freddie Mac currently and are subject to change without notice. Please visit [mf.freddiemac.com](http://mf.freddiemac.com) for more information.

