

Freddie Mac Multifamily is a mission-driven company and supporting affordable housing is in our DNA. Since inception, we’ve worked diligently to provide safe and affordable rental housing for millions of Americans. In 2019, over 86% of the units we financed were affordable to moderate- and low-income families at or below 100% of the area median income (AMI).

Social Bonds Program Overview

We confront persistent affordable and workforce housing challenges through innovative 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 are introducing Social Bonds to target opportunities that go **deeper into our mission** of supporting **affordable housing**.



Our Social Bonds proceeds will be dedicated to either:

- providing liquidity to financial institutions with a distinct mission of addressing housing affordability challenges; or
- providing financing to housing for targeted underserved populations considered to be among the most vulnerable

Our Social Bonds Framework aligns with the four core components of the International Capital Market Association’s (ICMA) Social Bond Principles.

- Use of Proceeds
- Process for Evaluation and Selection
- Management of Proceeds
- Reporting

2020 Deal Pipeline

Each deal is reviewed by the Capital Markets Impact Committee for alignment with the Social Bonds Framework. Supplemental impact data is provided for each deal in the form of a Supplemental Impact Annex to the related offering document.

Impact Series	Size	# of Loans	Month	Tax Exempt?	Eligible Collateral
Multi PCs (Including PC Swaps)	TBD	Multi Loan	September	Could be either	Targeted Affordable Housing (TAH) for those earning 60% AMI and eligible projects based off specified social impact criteria
M-Deals	TBD	Multi Loan	TBD	Yes	
Q-Deals	TBD	Multi Loan	November	No	



Use of Proceeds

Institutions receiving liquidity and properties financed from Social Bonds proceeds are intended to foster opportunities for residents and their communities, in addition to providing affordable housing to low- to moderate-income families.

The proceeds of Freddie Mac Multifamily’s Social Bonds are used to:

- Provide liquidity to social impact financial institutions financing multifamily affordable housing; or
- Finance multifamily properties originated by our Optigo® network with one or more of the following characteristics:
 - i. Affordable to an underserved population
 - ii. Owned and operated by targeted sponsors and are affordable to low-to-moderate-income families
 - iii. Designed for social impact projects that are evaluated and selected through the details below

Process for Project Evaluation and Selection

In general, Social Bonds are backed by newly acquired mortgages or seasoned mortgages underwritten to Freddie Mac’s industry-leading underwriting standards. All underwriting and credit reviews are completed by Freddie Mac. The intended use of proceeds from Social Bonds must satisfy at least one of the below social impact selection criteria as of loan underwriting:

I. Provide liquidity to:

- Community Development Financial Institutions (CDFIs)
- Housing Finance Agencies (HFAs)
- Small Financial Institutions (SFIs) operating in underserved markets

II. Finance loans for:

- Properties for underserved populations (persons with disabilities, aging population, refugees and others)
- Transitional housing
- Housing for extremely low-income households (at or below 30% AMI)
- Minorities, Women and Disabled Individuals-Owned Borrowers (MWDIOB)
- The Rental Assistance Demonstration (RAD) program

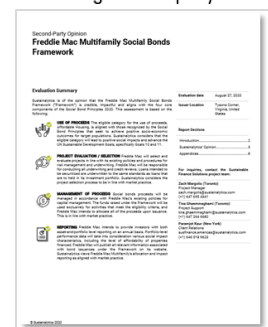
Second Opinion by Sustainalytics

Freddie Mac engaged an independent third party, Sustainalytics, to evaluate our Social Bonds Framework. This opinion will be published on the Freddie Mac Multifamily website at <https://mf.freddiemac.com> and will also be made available in the applicable offering documents.

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 Principals.



a Morningstar company





CRA Investment Opportunity

Investments in Guaranteed Certificates may qualify for Community Reinvestment Act (CRA) credit, subject to individual bank 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

Appendix – Impact Offerings Comparison

Impact Bonds*	Description	Collateral	Eligible Securities
Green	<i>Environmental impact in workforce housing</i>	Green Advantage® loans – Workforce Green	K-G, Multi PC
Social	<i>Looking deeper into our mission of supporting affordable housing, targeting additional social impact causes</i>	TAH – Very Specialized Projects	Multi PC (Including PC Swaps), M, Q
Sustainability	<i>Supporting sustainable communities by financing affordable housing, may include certain environmental features</i>	TAH, NOAH and Workforce	K-SG, ML

*For more information please refer to the applicable bond framework posted on <https://mf.freddiemac.com>

Green Bonds – Environmental Impact in Workforce Housing

\$2 billion in securitizations in 2019. K-G03 closed August 2020.

Green Bonds proceeds are used to finance Green Advantage loans designed to support water and/or energy efficiency improvements in workforce housing, benefiting tenants and borrowers through lower monthly expenses, and benefiting the environment.

Social Bonds – Looking Deeper into Our Mission of Supporting Affordable Housing

Beginning in September 2020.

Social Bonds proceeds are used to (i) provide liquidity to social impact financial institutions financing affordable housing (CDFIs, HFAs, SFIs) or (ii) finance multifamily loans originated by the Freddie Mac Optigo network that are: (a) affordable to a underserved population; (b) owned and operated by targeted sponsors (MDWOB) and are affordable to low-to-moderate-income families; or (c) designed for social impact projects (RAD), as detailed in the Social Bonds Framework.

All presented information in this handout is as of August 31, 2020. This product overview is not an offer to sell or a solicitation of an offer to buy any Freddie Mac securities or any other issuers. 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 document contains information related to, or that may be referenced in the offering documentation for, certain Freddie Mac mortgage securities. This information is provided for your general information only and is current only as of its date. The examples set forth above are for illustrative purposes only. Past performance is not indicative of future results. Numerous assumptions were used in preparing this information, which may or may not be reflected herein. As such, no assurance can be given as to this information's accuracy, appropriateness or completeness in any particular context; or as to whether this information and/or the assumptions upon which the information herein is based reflect present market conditions or future market performance. Opinions contained in this document are those of Freddie Mac currently and are subject to change without notice. The information 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 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