

Freddie Mac is a mission-driven company and supporting workforce 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 low- to moderate-income families at or below 100% of the area median income.

Sustainability Bonds Program Overview

The availability of [affordable](#) and [workforce housing](#) is fundamental to sustainable communities. A safe and decent place to live provides a foundation for creating economic opportunity for residents and communities alike. We have a long history of supporting sustainable communities through our financing of affordable and workforce housing in markets across the country.



To target our efforts and attract capital to support economic mobility for residents and economic growth for communities, we are introducing Sustainability Bonds.

Sustainability Bonds will be issued based on the intended use of proceeds to finance multifamily properties that: (a) finance affordable housing for low- to moderate-income families, at loan underwriting; (b) have features, or are located in areas, that further economic opportunity for residents; and (c) may include certain environmental impact features.

Additionally, by applying the International Capital Market Association's High-Level Mapping to the Sustainable Development Goals, Freddie Mac has determined that its Sustainability Bonds designation reflects the intended use of the Sustainability Bonds program's proceeds to support affordable housing and that energy efficiency is consistent with the following United Nations Sustainable Development Goals (SDGs):

- **Goal 1:** No Poverty
- **Goal 7:** Affordable and Clean Energy
- **Goal 10:** Reduced Inequalities
- **Goal 11:** Sustainable Cities and Communities

2020 Deal Pipeline

Each deal is reviewed by the Capital Markets Impact Committee for alignment with the Sustainable 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
K-SG	\$600	Multi Loan	October	No	TAH, NOAH and Workforce
ML	\$400	Multi Loan	October	Yes	

Process for Project Evaluation and Selection

In general, K-Deals® are backed by newly acquired or seasoned mortgages underwritten to Freddie Mac’s industry-leading standards. Underwriting and credit reviews are completed by Freddie Mac, and securitized loans are underwritten to the same standards as loans held in our investment portfolio.

Eligible loans backing Sustainability Bonds must satisfy at least one of the social impact criteria and may include one of the environmental impact criteria discussed below, as of loan underwriting:

Social Impact Criteria

- [Affordable Housing](#) (TAH, NOAH)
- [Workforce Housing](#)
- [Manufactured Housing Communities](#) with tenant protections or owned by residents
- [Housing that Fosters Economic Opportunity](#)
 - In Designated High Opportunity Areas
 - In Areas with Indicators of Opportunity
 - Mixed-Income Housing

Environmental Impact Criteria

- Building Standards for Energy Efficiency
- Green Building Certifications
- Existing Energy/Water Efficiency Improvements
- Transit Oriented Development

Detailed explanations of this criteria are available in the [Sustainability Bonds Framework](#).

CRA Investment Opportunity

Investments in Guaranteed Certificates may qualify for CRA credit, subject to 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

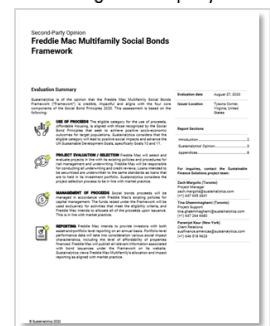
Second Opinion by Sustainalytics

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

Sustainalytics is confident that Freddie Mac Multifamily is well positioned to issue sustainability bonds and that Freddie Mac Multifamily Sustainability Bonds Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020).



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Appendix I – 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 bonds framework posted on the [Impact Bonds webpage](#).

Green Bonds – Environmental Impact in Workforce Housing

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

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 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](#).

Sustainability Bonds – Supporting Sustainable Communities by Financing Affordable Housing

Sustainability Bonds proceeds are used to finance multifamily properties that: (a) finance affordable housing for low- to moderate-income families, at loan underwriting; (b) have features, or are in areas that, further economic opportunity for residents; and (c) may include certain environmental impact features and is consistent with the following United Nations SDGs:

Goal 1: No Poverty

Goal 7: Affordable and Clean Energy

Goal 10: Reduced Inequalities

Goal 11: Sustainable Cities and Communities

Additional details are provided in the [Sustainability Bonds Framework](#).



Appendix II – Our Impact Resources

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 Dictionary

We've compiled this [Impact Dictionary](#) to help clarify frequently used terms that relate to housing affordability and underserved markets.



Impact Calendar

Find information on all of our upcoming Impact Bonds series offerings in our multifamily [issuance calendar](#).



Impact Performance Data

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



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 its suitability as an investment in your particular circumstances. Please visit mf.freddie.com for more information. The multifamily investors section of the company's website at <https://mf.freddie.com/investors/> will also be updated, from time to time, with any information on material developments or other events that may be important to investors, and we encourage investors to access this website on a regular basis for such updated information.