



Multifamily Sustainability Bonds Program Overview

The availability of affordable and workforce housing is fundamental to creating and maintaining 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 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.

Sustainability Bonds will be issued based on the intended use of proceeds to finance multifamily properties that:



(a) finance affordable housing to low- to moderate-income families;



(b) have features, or are in areas, that further economic opportunity for residents; and



(c) may include certain environmental impact features.

Multifamily Sustainability Bonds Framework

The Freddie Mac Multifamily [Sustainability Bonds Framework](#) aligns with the four core components of the International Capital Market Association's [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.



Our use of
proceeds



The process for
project evaluation
and selection



The management
of proceeds



Transparency through
regular reporting

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](#) and is also available in applicable offering documents.

Multifamily Impact Bonds Report

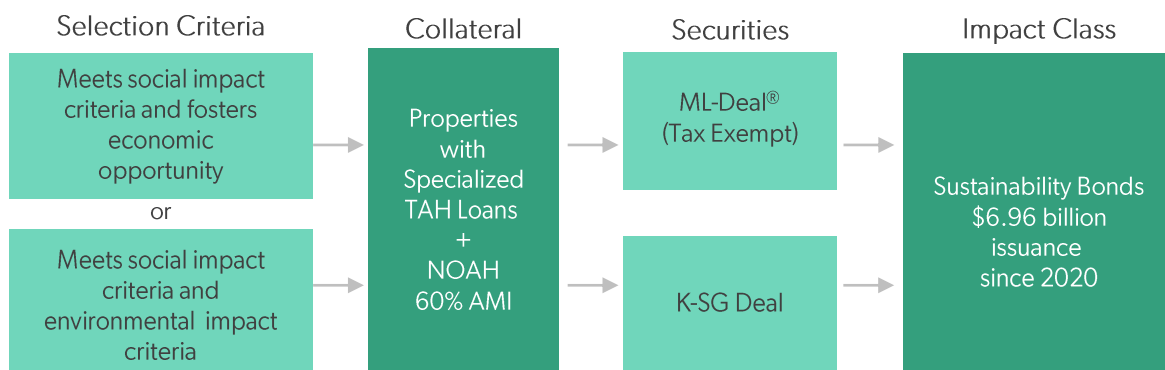


In accordance with our Sustainability Bonds Framework, we publish an annual [Impact Bonds Report](#). The report highlights each of the Impact Bonds as well as many additional details about our corporate sustainability strategy and our community partnerships that are helping to benefit our investors, 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 Sustainability Bonds must satisfy **at least one** of the social impact criteria **and** include **one** of the **environmental impact** criteria or **economic opportunity characteristics** discussed below, as of loan underwriting. 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 [Sustainability Bonds Framework](#).



For our loan offerings, **Targeted Affordable Housing (TAH)** properties are those that **receive federal, state or municipal government subsidies to pay for a portion of development or operating costs**. In exchange, developers/borrowers agree to keep all or a portion of the units affordable to renters at certain area median income (AMI) levels for defined periods of time, depending on the jurisdiction and type of governmental support involved. The government subsidies can be either direct (e.g., Section 8 vouchers) or indirect (e.g., tax credits).

For our loan offerings and Impact Bonds, we define **Naturally Occurring Affordable Housing (NOAH)** as units affordable to households earning **60% AMI** or less in most markets. There is some variation for cost-burdened markets, for households located in properties that are not supported by major public subsidies, and for associated regulatory agreements.





Sustainability Bonds Highlights

\$6.96B

Since 2020 Freddie Mac Multifamily has issued approximately **\$6.96 billion** of Sustainability Bonds



87% of units are affordable to tenants earning at or below **60% AMI**



96% of units are affordable to tenants earning at or below **80% AMI**



In 2022, **nine properties** that reported projected savings from existing energy- and water-efficiency improvements are, on average, expected to reduce **energy consumption by 20%** and **water consumption by 16%**



In 2022, Sustainability Bonds proceeds financed **eight mixed-income properties**, or 5.6% of all properties backing the Sustainability Bonds, with units affordable to tenants earning at or below **50% AMI** and above **80% AMI**

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





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 or visit our website at 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

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