



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



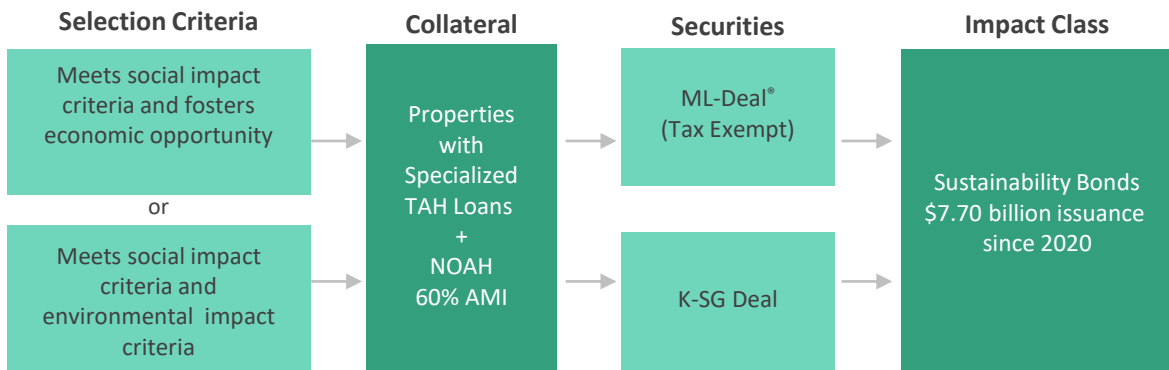
In accordance with our Sustainability Bonds Framework, we publish an annual [Impact Bonds Report](#). The report highlights each of the Impact Bonds as well as many additional details about our corporate sustainability strategy and our community partnerships that are helping to benefit our investors,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

\$7.70B

Since 2020 Freddie Mac Multifamily has issued approximately **\$7.70 billion** of Sustainability Bonds



88% of units are affordable to tenants earning at or below **60% AMI**



97% of units are affordable to tenants earning at or below **80% AMI**



In 2023, **eight properties** that reported projected savings from existing energy- and water-efficiency improvements are, on average, expected to reduce **energy consumption by 31.8%** and **water consumption by 24.3%**



In 2023, Sustainability Bonds proceeds financed **six mixed-income properties**, or 6.4% of all properties backing the Sustainability Bonds, with units affordable to tenants earning at or below **50% AMI** and above **80% AMI**

Costa Azul Senior Apartments – Santa Fe Springs, California

Social Impact

75% of units are affordable to tenants making **60% AMI** or less and all units must be reserved for the aging population

Economic Opportunity

This is a mixed-income property in an Area of Concentrated Poverty and High Opportunity Area



Westgate Apartments – Jacksonville, Florida

Social Impact

100% of the units are affordable to tenants making **60% AMI** or less

Environmental Impact

Existing energy- and water-efficiency improvements



Sustainability bond of the year
– agency

In spring 2024, the ML-20 transaction was recognized by *Environmental Finance*, an online news and analysis service that reports on sustainable investment, green finance and companies active in the environmental market. Designated as Sustainability Bonds, ML-20 is a \$217.96 million transaction financing 14 loans, playing an important role in preserving affordability as well as helping further economic opportunity for renters and supporting economic growth for communities.



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 sustainability strategy. The team also includes Christopher Lopez, a senior 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 2023 Impact Bonds Report at mf.freddiemac.com/docs/2023_impact_bonds_report.pdf

All presented information in this handout is as of June 30, 2024. 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.freddiemac.com for more information. The multifamily investors section of the company's website at <https://mf.freddiemac.com/investors/> will also be updated, from time to time, with any information on material.