Sustainability Accounting Standards Board (SASB) Report

2021 / 2020

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About Freddie Mac

We are leading the U.S. housing market forward, making homeownership and rental housing more accessible and affordable nationwide.

What We Do

Freddie Mac is a Congressionally-chartered corporation with a public mission: to advance the housing finance system and make home possible for families across the country.

Liquidity

We keep mortgage money flowing through the housing market in communities from coast to coast

Stability

Our support for the housing market in good times and bad, helps families rent, buy, and keep homes they can afford

Affordability

We are committed to finding new ways of ensuring that quality, affordable housing remains within reach

Rather than lending directly to borrowers, Freddie Mac operates in the U.S. secondary mortgage market, buying loans that meet our standards from approved lenders. Those lenders are then able to provide more loans to qualified borrowers and keep capital flowing into the housing market. Freddie Mac then pools the mortgages it buys into securities, which are sold to investors around the world.

We conduct business through two business segments that are integral to our Environmental, Social, and Governance (ESG) strategy and our ability to make an impact through our mission: Single-Family and Multifamily. For more information, see "Our Business Segments" on page 29 of our 2021 Annual Report on Form 10-K.

Our Mission and Strategic Priorities

Our mission has long been understood as delivering liquidity, stability, and affordability to the housing market. We interpret that mission expansively to meet the country's broader housing needs by providing affordable, safe, sustainable, and equitable housing, to include:

- Enhancing liquidity within the mortgage and capital markets
- Stabilizing the housing market throughout the economic cycle, including helping families facing hardship remain in their homes
- Working with an array of housing market participants, creating both public and private partnerships to promote greater access to, and supply of, affordable and sustainable homes throughout the country

- Addressing longstanding issues of inequity in housing
- Working with lenders of all sizes to better serve their communities, and finally
- Integrating ESG strategies into our business and operations

To deliver on this mission, Freddie Mac aligns its work under three strategic priorities: deliver results, practice risk management excellence, and grow talent for today and tomorrow.

Conservatorship

Since 2008, Freddie Mac has been operating in conservatorship, with the Federal Housing Finance Agency (FHFA) as Conservator. FHFA is also our regulator. The conservatorship significantly affects our business and activities. For more information, see "Conservatorship and Related Matters" on pages 111-115 of our 2021 Annual Report on Form 10-K.

Corporate Governance

We are committed to best practices in corporate governance. Our Board of Directors adopted Corporate Governance Guidelines (the Guidelines) that embody many of our long-standing practices, policies, and procedures. Our Board of Directors revisits the Guidelines annually and regularly assesses them against the regulatory and legislative environment in which we operate, as well as evolving best practices.

We have instituted the following specific corporate governance practices:

- Our Board of Directors has an independent Non-Executive Chair, whose responsibilities include presiding over Board meetings and executive sessions of the non-employee or independent directors
- Each of our directors is independent, except for the CEO
- Our directors are elected annually
- With the exception of the Executive Committee, each Board committee consists entirely of independent directors
- Each committee operates pursuant to a written charter that has been approved by the Board of Directors
- Independent directors meet regularly without management
- The Board of Directors and each committee, with the exception of the Executive Committee, conduct an annual self-evaluation
- New directors receive a full orientation regarding the company and issues specific to the committees to which they have been appointed
- All directors are provided with access to, and are encouraged to utilize, third-party continuing education
- Management provides the Board of Directors and its committees with in-depth technical briefings on substantive issues affecting the company
- The Board of Directors reviews management talent and succession planning at least annually

For more information, see "Corporate Governance" on pages 245-252 of our 2021 Annual Report on Form 10-K.

Our 2021 Impact

PURPOSE

Helped nearly **5 million** families buy, refinance, or rent a home

Helped **858,000** families stay in their homes through forbearance during the pandemic

94% of the **655,000** rental units we financed were affordable to low- and moderate-income renters

Financed nearly **1.4 million** purchases, including **554,000** loans for first-time homebuyers

Issued **$5.2 billion** in Social, Sustainable, and Green Impact Bonds

PLANET

Issued our first Single-Family Green Bond in April 2021

Issued a total of **$4.6 billion** in Green Multifamily Impact Bonds by the end of 2021

Since its inception through the third quarter of 2021, the Multifamily Green Up and Green Up Plus offerings were utilized on loans totaling **$64 billion** impacting nearly **630,000** units. The improvements at these properties saved renters an average of **$129** per year based on reported property data

Made several enhancements to our GreenCHOICE Mortgage offering, which finances energy and/or water improvements or pays off existing related debt incurred to make energy efficient improvements through refinance

Established a Climate Risk team within the Enterprise Risk Management Division to lead climate risk management for the firm and collaborate with the Corporate Sustainability Office (CSO) on Climate Impact work

Created the Chief Diversity and Inclusion Officer (CDIO) role to focus specifically on workforce diversity, supplier diversity, and relevant financial transactions

PRACTICES

Required annual cybersecurity, data privacy, code of conduct, and anti-money laundering training for Freddie Mac employees and certain contractors

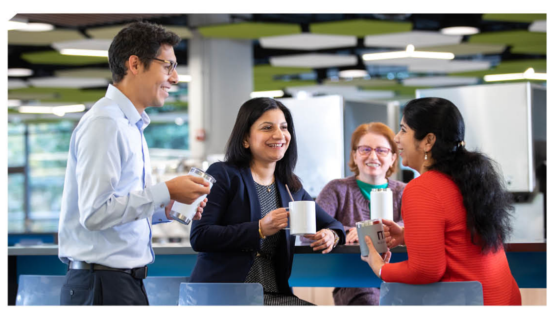
Over **50%** of our workforce identifies as racially diverse

We use data, analytics, and insights to ensure equitable pay and talent decisions

PEOPLE

Received **100%** score on Human Rights Campaign Corporate Equality Index 2022 Best Place to Work for LGBTQ equality. Freddie Mac has received this score every year since 2010

Since its creation in 2016, more than **50** minority and women-owned businesses have completed our Supplier Academy, and new spending with their small businesses totals more than **$40 million**



About ESG at Freddie Mac

Freddie Mac established its Corporate Sustainability Office (CSO) in 2020 to serve as an integration point for ESG-related initiatives across the company. We have since conducted a materiality analysis and developed an ESG Strategic Framework. We view effective management of our ESG strategy as a business fundamental that supports our mission and our corporate strategic priorities: deliver results, practice risk management excellence, and grow talent for today and tomorrow.

Our ESG Strategy

Our ESG Strategy was informed by a robust materiality assessment completed in 2020 in partnership with Business for Social Responsibility (BSR). This process involved engagement with internal leaders and external partners, as well as research on relevant industry standards, to identify and prioritize ESG issues of importance to our stakeholders, long-term business, and mission.

Leveraging both interviews and survey results, BSR developed Freddie Mac's initial Materiality Matrix and structured it in accordance with the standard, four quadrant methodology (see Appendix A, which provides a relative view of material ESG issues, all of which are important to Freddie Mac). Ultimately, this effort and the Materiality Matrix led to the development of the ESG Strategic Framework composed of four thematic pillars: Purpose, Planet, Practices, and People. These pillars align to the ESG construct as follows:

- **Environment:** Purpose, Planet, and Practices
- **Social:** Purpose, Planet, and People
- **Governance:** Practices

ESG Strategic Framework

We regularly review our ESG Strategic Framework to respond to shifting market demands, internal and external stakeholders, and industry changes.

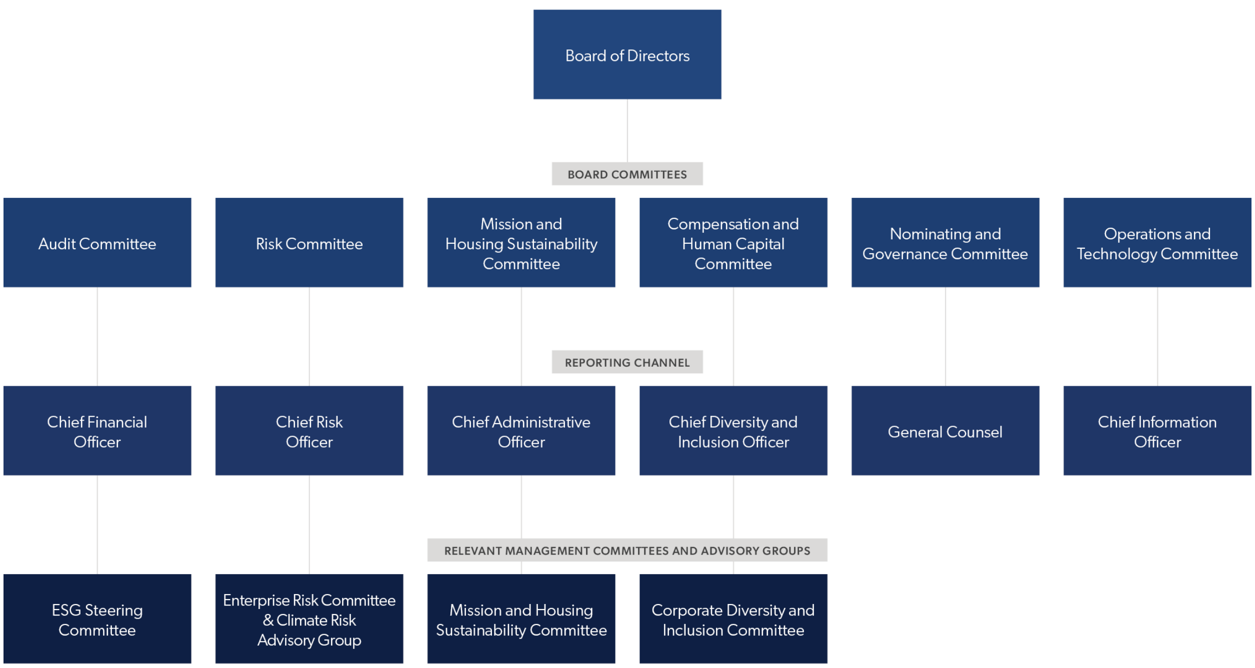
ESG Governance at Freddie Mac

The Chief Financial Officer (CFO) oversees the CSO, including the development of our corporate ESG strategy. The CFO regularly reports on ESG priorities and progress to the Board of Directors.

Board Governance

The effective management of ESG-related risks and opportunities supports our mission and helps create long-term value for our stakeholders. Our governance structure is designed to promote accountability, transparency, and ethical behavior, consistent with our corporate values and priorities. As our ESG Strategic Framework evolves, the governance structure also evolves.

Our current ESG governance structure reflects the integration of our ESG strategy across the company and includes the following Board committees that oversee various aspects of our work.



Board Committees

Audit Committee: Oversees external reporting and disclosure on all matters, including ESG-related reporting.

Risk Committee: Oversees Freddie Mac's enterprise-wide risk management framework, including climate risk. Responsible for reviewing potential impacts of climate risk as a transversal risk driver of other risk types. Climate risk was added to the Committee's charter in July 2022.

Mission and Housing Sustainability Committee: Oversees the development, planning, implementation, performance, and execution of Freddie Mac's strategies and significant initiatives related to delivering on its commitment to promote affordability, equity, and sustainability in housing. This is a new committee that was formed in July 2022.

Compensation and Human Capital Committee: Oversees Freddie Mac's inclusion and diversity and talent development programs, strategies, and initiatives.

Nominating and Governance Committee: Oversees all corporate governance matters.

Operations and Technology Committee: Oversees information, operations, and technology strategies and initiatives.

Management Committees

While all the divisions are responsible for implementing the ESG strategy, the company has four specific management committees and an advisory group that regularly discuss and influence various aspects of our ESG strategy:

ESG Steering Committee: Reporting through the CFO, the ESG Steering Committee is an officer-level, cross-functional committee that was formed to:

- Define ESG strategic objectives
- Identify and prioritize ESG-related activities
- Determine our target ambition
- Increase awareness of ESG impacts and opportunities

Enterprise Risk Committee: Reporting through the Chief Risk Officer, this management committee was created to review and discuss business-specific and enterprise-wide risks, mitigation actions, and risk matters.

Climate Risk Advisory Group: Reporting to the Enterprise Risk Committee chaired by the Chief Risk Officer, this group was created to engage senior leadership on climate risk topics and facilitate cross-divisional collaboration and decision-making around climate risk-related activities.

Mission and Housing Sustainability Committee: Reporting through the Chief Administrative Officer up to the newly created Board committee of the same name, this management committee was created in 2022 to enhance discussions of significant affordable housing-related issues in a forum of cross-functional executives.

Corporate Diversity and Inclusion Committee: Reporting through the Chief Diversity and Inclusion Officer, this management committee was created to direct and exercise oversight over an integrated corporate strategy of promoting Diversity, Equity, and Inclusion (DEI) in all aspects of our business, with particular focus on the three Diversity and Inclusion Pillars (Workforce Diversity, Supplier Diversity, and Financial Transactions).

ESG Reporting at Freddie Mac

This second annual SASB Report is part of a broader focus on providing transparency on our ESG-related work.

We provide additional ESG-related information through the following:

- Our Annual Housing Activities Report provides information on how Freddie Mac supported affordable single-family and multifamily housing, served minority and lower-income borrowers, expanded access to credit for first-time homebuyers and underserved communities, and promoted sustainable homeownership in the previous year

- Our Multifamily Impact Bonds website and Annual Report and our Single-Family Green Mortgage-Backed Securities (MBS) website and Annual Report detail the Impact Bonds we have designed to help investors focus on overcoming housing challenges and provide support for environmental and social goals

- Our Duty to Serve Plan details the ways we are leading the industry in developing innovative solutions for rural housing, manufactured housing, and affordable housing preservation that will benefit the nation for generations to come. Reporting on progress is delivered to FHFA on a quarterly and annual basis

- Our Equitable Housing Finance Plan is designed to promote equity and increase sustainable homeownership and rental opportunities for traditionally underserved communities across the nation. The plan, covering 2022-2024, sets ambitious goals, outlines actions to achieve those goals, and includes annual progress reports

- Our corporate financial reporting, including our 2021 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, provide additional information on our business and financial performance

- Our online Media Room and external ESG website provide timely updates on ESG initiatives and program-related news and milestones

ESG Impact Features

The following features highlight our efforts and progress on key material issue areas that are addressed by the SASB metrics that follow.

Lending Practices and Discriminatory Lending

For over five decades, Freddie Mac has supported the U.S. housing finance system and fostered a reliable and affordable supply of mortgage funds across the country. We promote access to housing and housing affordability in many ways, including programs and activities that support our achievement of our affordable housing goals, our Duty to Serve (DTS) Underserved Markets Plan, contributions to national affordable housing funds, consumer education, market research and insights, and partnerships with stakeholders across the housing industry.

Freddie Mac is steadfast in our commitment to eliminate abusive and unfair lending practices. We are a leader in developing and promoting responsible mortgage lending practices. We work with responsible lenders and servicers to ensure consumers have access to affordable home mortgage financing. We have instituted a set of measures to protect consumers from discriminatory or predatory lending practices. These measures include our corporate policies, fair lending analytics, targeted fair lending reviews of policy changes, targeted mortgage products, and educational curriculums in communities and universities across the country.

Annually, we are required to achieve affordable housing goals established by FHFA and we publish an Annual Housing Activities Report that describes our efforts to support affordable single-family and multifamily housing, serve minority and lower-income borrowers, expand access to credit for first-time homebuyers and underserved communities, and promote sustainable homeownership.

Through our DTS plan, we have a specific obligation to develop innovative solutions that will increase liquidity and distribution of capital to very low-, low- and moderate-income populations in three historically underserved markets: manufactured housing, rural housing, and affordable housing preservation.

For purposes of DTS and affordable housing goals, policies, and program eligibility, we use Area Median Income (AMI) to identify very low-, low-, and moderate-income homeowners and tenants. These AMI thresholds are:

a. **Very low-income (VLI):** at or below 50% of AMI
b. **Low-income (LI):** 51% to 80% of AMI
c. **Moderate-income (MI):** 81% to 100% AMI

Our current DTS plan and related programs can be found on our DTS website.

In 2021, FHFA directed Freddie Mac to prepare and implement a new three-year Equitable Housing Finance Plan to promote equity and increase sustainable homeownership and rental opportunities for traditionally underserved minority communities nationwide. Our plan, which covers 2022-2024 and will be updated annually, sets ambitious goals, outlines actions to achieve those goals, and includes annual progress reports. The plan outlines action in five key areas:

- Addressing the homeownership gap
- Strengthening investment within formerly redlined areas

- Financing the creation and preservation of affordable housing
- Increasing opportunities for renters
- Helping to eliminate disparities experienced by Black and Latino communities

Other highlights from 2021 that illustrate our efforts to make progress for our company, and the housing finance system as a whole, include:

- **June:** Multifamily issued its first Social Bonds supporting housing for those with intellectual or developmental disabilities, helping provide community-based homes critical to the deinstitutionalization of care

- **July:** We launched a new, comprehensive CreditSmart® financial capability curriculum aimed at helping consumers learn about the importance of building, maintaining, and using credit to take the reins on their financial futures

- **October:** We began executing on a commitment to offer at least $3 billion in single-family affordable housing bonds by year-end 2022 to support affordable homeownership and serve historically underserved markets. We achieved this goal within 12 months

- **November:** We announced a new initiative to help renters build credit by encouraging operators of multifamily properties to report on-time rental payments to the three major credit-reporting bureaus

Looking ahead, we will continue to report on our efforts to responsibly make home possible by providing liquidity, stability, and affordability in all communities and across all market cycles.

Climate and Natural Disaster Risk

We know that natural disaster risk is inextricably linked to climate risk: climate change is likely to increase the country's exposure to extreme weather events, and as development continues in hazard-prone areas, the risk we face from natural disasters will grow. Additionally, climate change brings transition risk, which is the adverse impact of policies and market changes that will be part of the move toward a low-carbon economy. These interrelated risks could affect our business and mission, as well as the housing market and mortgage industry. For example:

- **Increasing recognition of unpriced risks**: Changes in asset valuation, availability, and rapidly rising cost of insurance and reinsurance are already impacting borrowers

- **Livability and desirability:** Heatwaves, rising average temperature, water shortages, wildfires, hurricanes, and flooding are impacting people's livelihoods and affect where people can, and choose to, live. However, it is important to note that many people do not have the means to relocate

- **Rising energy costs:** Rising temperatures and frequent heat waves will increase energy consumption, and the transition to lower-carbon energy sources may result in higher energy prices in the near term. This increase in energy costs will disproportionately affect low-income and minority households

- **Aging housing stock:** There are various costs to consider such as local energy taxes and changes in building codes that may continue to increase because of transition risk. In addition, repair costs, especially for those impacted by natural disasters, and energy efficiency upgrade costs can become significant financial burdens

- **Economic viability:** As industry dynamics change with the transition to a low-carbon economy, communities highly dependent on carbon-intensive sectors may experience outward migration. For example, fossil fuel-dependent communities may suffer significant outward migration in the face of declining reliance on fossil fuels

- **Market dynamics that favor low-carbon properties:** This may require potentially higher capital for retrofitting or "green builds" for both single-family and multifamily housing

- **Increasing income and wealth disparity:** Historically, vulnerable communities are disparately impacted by the effects of climate change, which may pose further challenges to successful execution of our mission

Historically, our losses from natural or environmental disasters have not been significant. We require all homes underlying single-family mortgages in our portfolio to have homeowners' insurance coverage throughout the life of the loan. In addition, for homes located in Special Flood Hazard Areas (SFHAs), we also require flood insurance coverage. Sellers are required to determine whether homes underlying single-family mortgages are located in a SFHA and, if so, to confirm that flood insurance coverage exists at the time the loan is sold to Freddie Mac. Servicers are also required to confirm that flood insurance on these homes is maintained throughout the life of the loan and is in the amount needed to comply with federal government and Freddie Mac requirements. If a borrower fails to obtain and maintain required flood insurance coverage, servicers must directly place such coverage. In addition, our Single-Family segment reviews flood models from other third-party sources to help us assess potential or emerging flood risk exposure.

We also have insurance requirements to address catastrophic risks relevant to the characteristics and location of properties securing multifamily loans we purchase. For properties located in SFHAs, we require flood insurance coverage. Furthermore, we require property insurance to cover earthquake damage if required by a seismic risk assessment. Freddie Mac reviews insurance compliance prior to loan purchase. We also review insurance compliance post purchase and prior to securitization and require our servicers to report details of insurance compliance annually. Our Multifamily segment uses property surveys, virtual maps, and environmental and property condition reports to identify properties that are potentially at higher risk for natural disasters related to flooding and earthquakes.

Our loss exposure is further limited by the geographic diversity of our mortgage portfolio, borrower equity in the properties underlying mortgage loans, relief options for borrowers affected by natural disasters, our credit risk transfer products, and community support provided by the Federal Emergency Management Agency (FEMA) and local and federal governments for areas affected by natural disasters.

We remain exposed to risk, particularly in connection with geographically widespread weather events, changes in weather patterns, and significant climate change effects, such as rising sea levels, wildfires, and increased storms and flooding. Significant long-term climate change effects, including elevated flood and wildfire activity, could increase the vulnerability of an area to natural disasters, which could discourage housing activity, decrease mortgage originations, and negatively affect house prices and property values in affected areas. Investors may place greater weight on these risks when making asset pricing decisions, which could increase our cost or affect our ability to transfer risk. Increases in the intensity and frequency of natural disasters, particularly with respect to flooding in areas not designated as SFHAs, as well as any decrease in the willingness of insurers and reinsurers to provide coverage, or any significant rise in insurance costs, will increase these risks. For additional information, see"Natural Disaster and Climate Risk Management" on page 86 of our 2021 Annual Report on Form 10-K.

In 2020, Freddie Mac formed a Climate Risk Advisory Group charged with developing a strategy around climate risk-related activities. In 2021, the group engaged senior leadership on climate risk topics and facilitated cross-divisional collaboration and decision-making towards the strategy development. Our Climate Risk Team within our Enterprise Risk Management division was formally established in 2022. The team is responsible for ensuring that climate risk is considered in governance structures, business decision-making and risk management processes, and disclosure. Specifically, the Climate Risk Team is working with key stakeholders across the enterprise to develop a comprehensive climate risk framework to identify, assess, control, monitor, and report on the risks that climate change poses to Freddie Mac and to engage employees in climate risk education. The team is also partnering with enterprise stakeholders to quantify climate risk exposure, address data gaps, advance climate risk research initiatives and incorporate climate risk into business processes and practices. These initiatives are aligned with FHFA's climate-related objectives in the 2022 Conservatorship Scorecard.

Diversity, Equity, and Inclusion

At Freddie Mac, not only is our commitment to diversity, equity, and inclusion a business imperative; it reflects our belief that we, as a company, work better together to support affordable housing and to further our public mission of providing liquidity, stability, and affordability to the residential mortgage market. As leaders in DEI, we are committed to igniting innovation through diverse perspectives, addressing biased systems, and instilling a culture where people feel a sense of belonging. We are also committed to addressing the inequities that exist in the housing market for communities of color.

In September 2021, we announced the position of Chief Diversity and Inclusion Officer (CDIO) as a new executive role, separate from our Chief Human Resources Officer (CHRO), both reporting to the CEO. In March 2022, we appointed a CDIO to continue advancing DEI across three regulatory pillars: Workforce Diversity, Supplier Diversity, and Financial Transactions along with our Engagement and Outreach programs.

Workforce Diversity

At Freddie Mac, our inclusive and diverse culture is what powers our work. It is our goal to sustain an inclusive and equitable culture with a highly engaged diverse workforce focused on delivering on our mission. We are committed to equal opportunity in our hiring practices regardless of race, color, national origin, ethnicity, gender, gender identity/expression, sexual orientation, marital status, pregnancy, religion, age, disability status, veteran status, genetic information, and other characteristics protected by law. We also seek to implement competitive compensation programs and practices to help ensure employees are paid similarly for similar work without respect to gender, race, or ethnicity. We are a majority-minority company, which means that more than 50 percent of our workforce identifies as racially diverse, and women make up nearly half of our workforce. We reinforce DEI through organizational decisions and business activities, which include:

- Building and attracting a diverse talent pipeline
- Expanding diversity through a nationally recognized neurodiversity hiring and training initiative
- Promoting a culture of inclusion and allyship
- Offering targeted development and learning opportunities
- Organizing community engagement and volunteer opportunities
- Matching eligible charitable contributions

Our Business Resource Groups (BRGs) are another critical way we foster an inclusive workforce. BRGs are voluntary, employee-led groups that offer unique opportunities for learning, networking, and growth. Each BRG has a stated mission aligned with the mission and goals of the business:

Abilities
Supporting, advocating, and being a resource for enhancing the inclusion and career development opportunities for our community of employees with physical/invisible disabilities. Also provides support to parents of children with special needs and those in need of elder care.

ARISE: African-Americans, Resources, and Information Sharing for Everyone
Building a strong, enabling community of support for employees of the African diaspora, with a focus on promoting professional and personal growth. ARISE seeks opportunities that help drive business results and contribute to Freddie Mac's strategic priorities.

Green
Fostering a culture of environmental sustainability at Freddie Mac by engaging employees to find solutions that positively impact our employees, business, community, and environment at large.

HOLA: Hispanic Organization for Leadership and Achievement
Envisions a Freddie Mac where all employees are aware of and celebrate the unique value Hispanic/Latino employees bring to the organization.

InspirASIAN: Asians Supporting Inclusion and Awareness Network
Enhances the professional development of Asian and Pacific Islander employees while promoting an increased awareness of the value they bring to Freddie Mac.

Military Appreciation
Creates a forum for active military service members, their families, veterans, and supporters to collaborate and share experiences that will promote synergy and awareness within Freddie Mac of military service member challenges and opportunities.

Pride
Supports the LGBTQ+ community by creating a culture of non-discrimination based on sexual orientation and gender identity. Ensures Freddie Mac is seen as an employer of choice with a safe work environment.

Rising Leaders
Promotes opportunities for professional growth through developing leadership skills, behaviors, and experiences at Freddie Mac.

WIN: Women's Interactive Network
Supports the development of a community of women within Freddie Mac by providing opportunities for networking, leadership, and career development.

Working Parents
Supporting employees and their families throughout the many stages and challenges of parenthood while managing a career, with an emphasis on promoting collaboration, inclusiveness, leadership development, and cultural competency at Freddie Mac.

We also provide educational opportunities to provide multiple perspectives on social justice and equity issues such as unconscious bias training, courageous conversations, and book clubs. Additionally, in 2021 we added Juneteenth as a company-paid federal holiday and continue to educate employees on the significance of the day with learning and volunteering opportunities.

Supplier Diversity and Supplier Academy

Freddie Mac has supported diversity in contracting for more than 25 years – awarding millions of dollars in contracts to diverse suppliers that provide the highest-quality products and services at the most competitive prices. Freddie Mac is committed to the principles of equal opportunity in our contracting practices regardless of race, color, national origin, ethnicity, gender, gender identity/ expression, sexual orientation, marital status, pregnancy, religion, age, disability status, veteran status, genetic information, and other characteristics protected by law. Consistent with this commitment, the Housing and Economic Recovery Act of 2008, and FHFA regulations:

- We encourage minority-, women- and disabled-owned businesses (MWDOB) to register as "Diverse Suppliers" on our website
- We encourage diverse suppliers to submit bids in response to Freddie Mac requests for proposals to provide various goods and services to Freddie Mac
- We receive and attempt to resolve complaints of discrimination in contracting

We are committed to helping MWDOB succeed through our Supplier Academy. Our Supplier Academy gives Freddie Mac's existing diverse suppliers the tools and access they need to expand their business with our company. We offer them expert advice on marketing their businesses and introduce them to the people who make buying decisions, including our Enterprise Supply Chain category managers – the experts who guide the contracting process throughout the company.

The Supplier Academy training was delivered online during the COVID-19 pandemic. Over the course of a month, entrepreneurs received this beneficial instruction while still running their businesses.

The Supplier Academy is open to women and minorities, including Black, Asian, Hispanic, veteran, disabled, and LGBTQ+ business owners. Since its creation in 2016, new spending with academy participants totals more than $55 million.

Financial Transactions

We engage MWDOB in Freddie Mac's capital markets transactions and mortgage purchase transactions. Through our capital markets program, we provide training, access, and opportunities to win business. These activities better position diverse firms for future opportunities by familiarizing them with our capital markets programs and facilitating relationship building with investors. In addition, we raise awareness of, and encourage and assist participation in, Single-Family and Multifamily products, programs, and services among current and potential MWDOB Seller/ Servicers.

Data Security

We invest in our cybersecurity programs to strengthen our capability to protect our systems, networks, and other technology assets against unauthorized attempts to access confidential information (including personal information), or to disrupt or degrade our business operations.

Freddie Mac maintains a cybersecurity due diligence and oversight process for its third-party vendors, service providers, and customers that use our IT systems. Our third-party vendors and their supply chain connections remain another significant risk to our company. We have strengthened our capabilities over critical third-party monitoring and surveillance with continued focus on detecting deliberate actions such as malicious exploitation, theft, or destruction of data (including personal information), or the compromise of our systems or networks. We examine the effectiveness and maturity of our cyber defenses through various means, including internal audits, targeted testing, incident response exercises, maturity assessments, and industry benchmarking.

Financial and Homeownership Capability

CreditSmart

In 2001, we developed CreditSmart®, a free suite of financial and homeownership capability resources. The resources, currently available in five languages, help guide people to better credit, money management, and responsible homeownership. The suite includes:

- CreditSmart Essentials, a financial capability curriculum for consumers
- CreditSmart Coach, an interactive financial capability train-the-trainer program
- CreditSmart Homebuyer U, a comprehensive homeownership education course to help guide first-time homebuyers

CreditSmart Coach provides resources to community-based organizations and housing professionals who wish to enhance their consumer outreach and financial education activities. Completion of Homebuyer U satisfies the homebuyer education requirement for our low down payment products and is available in English and Spanish. Additional resources include the Military Financial Readiness module.

In 2021, in celebration of the program's 20th anniversary, we revamped the CreditSmart Essentials and CreditSmart Coach learning paths. Participation in the program in 2021 included:

- More than 3,500 users of the new CreditSmart Essentials program since its mid-July launch
- Nearly 60 industry professionals trained through CreditSmart Coach since the program's launch in the Fall of 2021
- Nearly 75,000 aspiring homebuyers that completed CreditSmart Homebuyer U

Borrower Help Centers and Borrower Help Network

Freddie Mac continues to maintain its Borrower Help Centers and Network (BHC/N) with selected Housing and Urban Development (HUD)-approved non-profit organizations in several metropolitan areas, as a single source of mortgage-related help with professional and tenured housing counselors. Along with the BHC/N, we work with more than 50 local and national non-profit intermediaries to support Freddie Mac's ongoing commitment of preparing prospective buyers for responsible homeownership, helping struggling borrowers avoid foreclosure, and providing rental counseling.

In 2021, the BHC/N and other partners provided approximately 60,000 individuals with one-on-one pre-purchase counseling, homebuyer education to more than 72,000 consumers, financial capability education to more than 150,000 individuals, referred more than 16,000 potential homebuyers to lenders for homeownership opportunities, and provided foreclosure avoidance education and counseling to more than 32,000 households. In addition, rental counseling was provided to approximately 20,000 consumers.

Overview of Reporting at Freddie Mac

Scope of SASB Alignment and Reporting

Freddie Mac is issuing this report in consideration of Industry Standards Version 2018-10 issued by the SASB and additional criteria defined by management for presenting the disclosures. All data are as of or for the years ended December 31, 2021 and 2020, unless otherwise noted.

SASB encourages entities to use the standards to guide disclosures even in the event that certain disclosure topics and/or associated metrics are omitted or modified. Our disclosures, with respect to those standards, are based on the industry within the Financials sector that is most closely aligned with our business: Mortgage Finance. Additionally, within the Financials sector, we have responded to relevant metrics within the Commercial Banks and Investment Banking and Brokerage industries standards. Where applicable, Freddie Mac has made certain modifications to SASB metrics to align with our operations in the secondary mortgage market. These modifications are described in the Metric Modifications table below and are further explained in footnotes on the respective disclosure page. Furthermore, Freddie Mac has omitted certain SASB Mortgage Finance metrics. The nature and rationale for each omitted metric is described in further detail in the table below.

In June 2021, SASB officially merged with the International Integrated Reporting Council to form the Value Reporting Foundation (VRF). VRF has completed a merger with the International Sustainability Standards Board, an organization overseen by the International Financial Reporting Standards Foundation responsible for developing standards regarding climate change and other environmental, social, and governance issues. Freddie Mac is closely following the continued shift towards consolidation of reporting frameworks and regulatory developments, and will report accordingly in future years.

Management Assertion

Management of Federal Home Loan Mortgage Corporation (Freddie Mac) is responsible for the completeness, accuracy, and validity of the Freddie Mac Modified Metrics referenced in the *Metric Modifications* table and included in the *Sustainability Accounting Standards Board (SASB) Index and Metrics, as Modified* section of this Freddie Mac SASB Report as of or for the years ended December 31, 2021 and 2020. Subsequent to the original issuance of Freddie Mac's 2020 metrics, Freddie Mac changed the criteria related to the FN-MF-270a.1, FN-MF-270a.2, FN-MF-270b.1, FN-MF-000.B, and FN-IB-330a.1 metrics. Freddie Mac retrospectively updated the 2020 metrics included herein based on the updated criteria. The changes in criteria are described within the applicable footnotes. All hyperlinks included herein were effective prior to the issuance of this Report. Due to rounding, totals may not foot or add up to 100%.

Management asserts that the metrics are presented in accordance with the assessment criteria set forth on pages 20 to 23 and the footnotes to the metrics presented on pages 24 to 41. Management is responsible for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics.

Metric Modifications

OVERVIEW OF METRIC MODIFICATIONS			
	SASB Criteria	Management Defined/Specified Metric	
SASB Code	SASB Metric	Modified, Not Applicable, or Omitted	Freddie Mac Modified Metric
FN-MF-270a.1	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	Modified to define "Higher Rate" to conform with the Truth in Lending Act and to include "FICO not available"	(1) Number and (2) value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage
FN-MF-270a.2	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660	Modified to also include "FICO not available" We define "foreclosures" to include only completed foreclosures	(1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available
FN-MF-270a.3	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Omitted. Freddie Mac does not originate mortgage loans	
FN-MF-270a.4	Description of remuneration structure of loan originators	Not applicable. Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding requirements for our sellers and servicers that may affect remuneration practices for loan originators

OVERVIEW OF METRIC MODIFICATIONS			
	SASB Criteria	Management Defined/Specified Metric	
SASB Code	SASB Metric	Modified, Not Applicable, or Omitted	Freddie Mac Modified Metric
FN-MF-270b.1	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minority and (b) all other borrowers, by FICO scores above and below 660	Modified this metric to increase transparency by providing granularity aligned with the Home Mortgage Disclosure Act demographic naming conventions Modified to also include "FICO not available"	(1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available
FN-MF-270b.2	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Modified to: (1) Replace "mortgage lending" with "mortgage practices" because Freddie Mac does not originate loans or lend money directly to borrowers, and (2) Establish a threshold of $100,000 for monetary losses	Settlements, judgments, or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	Not applicable. Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding our policies and procedures to promote nondiscriminatory mortgage origination practices

OVERVIEW OF METRIC MODIFICATIONS			
	SASB Criteria	Management Defined/Specified Metric	
SASB Code	SASB Metric	Modified, Not Applicable, or Omitted	Freddie Mac Modified Metric
FN-MF-450a.1	(1) Number and (2) value of mortgage loans in 100-year flood zones	Modified to (1) contextualize data and increase transparency by including multifamily information and (2) include mortgages held for sale We define "mortgage loans in 100-year flood zones" as loans with buildings that are located in areas designated by FEMA as special flood hazard areas and that require flood insurance at origination	(1) Number and (2) value of mortgage loans in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total loans in population
FN-MF-450a.2	(1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	Modified to address data availability	Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default
FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Not applicable. Freddie Mac does not originate mortgage loans	Although we do not originate mortgage loans, we include context regarding our requirements for sellers and servicers with respect to homes located in areas with higher environmental risk
FN-MF-000.A	(1) Number and (2) value of mortgages originated by category: (a) residential and (b) commercial	Omitted. Freddie Mac does not originate mortgage loans	
FN-MF-000.B	(1) Number and (2) value of mortgages purchased by category: (a) residential and (b) commercial	Modified to increase transparency by including multifamily mortgage purchase information. The portion of the metric related to commercial mortgages is not applicable. We do not purchase commercial mortgages	(1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	No modification	Description of approach to identifying and addressing data security risks

OVERVIEW OF METRIC MODIFICATIONS			
	SASB Criteria	Management Defined/Specified Metric	
SASB Code	SASB Metric	Modified, Not Applicable, or Omitted	Freddie Mac Modified Metric
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Modified to focus on specific programs: the CreditSmart® and the Borrower Help Centers and Borrower Help Network	Number of participants in the CreditSmart® program and supported by the Borrower Help Centers and Borrower Help Network
FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	No modification	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities
FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Modified to map categories to EEO-1 job classifications	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees, and (5) all (total) employees
FN-IB-510a.2	Description of whistleblower policies and procedures	No modification	Description of whistleblower policies and procedures
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	No modification	Description of approach to ensuring professional integrity, including duty of care

Assurance Scope

PricewaterhouseCoopers LLP (PwC) performed a limited assurance engagement on the metrics in the Metric Modifications table (see PwC's Report of Independent Accountants on page 42).

SASB Index and Metrics, as Modified
Lending Practices

FN-MF-270a.1 - (1) Number and (2) value of residential mortgages of the following types:
(a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, and (d) Total, by FICO scores above or below 660, and FICO not available, including as a percentage

	Number		Unpaid Principal Balance ($ in millions)	
	2021	**2020**	**2021**	**2020**
Hybrid or Option ARM[1]	**37,335**	**48,020**	**$4,516**	**$6,181**
FICO ≤ 660	6,236	7,935	$756	$1,010
As % of Total	17%	17%	17%	16%
FICO > 660	29,624	38,057	$3,727	$5,120
As % of Total	79%	79%	83%	83%
FICO not available	1,475	2,028	$33	$51
As % of Total	4%	4%	1%	1%
Higher Rate (Higher Priced)[2]	**182,268**	**187,017**	**$30,741**	**$26,753**
FICO ≤ 660	33,267	36,745	$4,729	$5,268
As % of Total	18%	20%	15%	20%
FICO > 660	148,640	149,833	$25,979	$21,443
As % of Total	82%	80%	85%	80%
FICO not available	361	439	$33	$42
As % of Total	0.2%	0.2%	0.1%	0.2%
Total Residential Mortgages	**12,877,393**	**11,727,391**	**$2,748,296**	**$2,282,279**
FICO ≤ 660	711,392	722,798	$107,323	$100,238
FICO > 660	12,146,271	10,978,984	$2,639,646	$2,180,339
FICO not available	19,730	25,609	$1,327	$1,702

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

We discontinued purchases of Prepayment Penalty loans in 2014. As a result, any loan previously acquired with a prepayment penalty has seasoned beyond the effective date of the penalty. As a result, we exclude these loans from our reporting. This is a change from last year's reporting, where they were included in the table.

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category in the current year report.

One loan can be in multiple categories. For instance, one loan can be in both the hybrid or option ARM category and higher rate category.

[1]"Hybrid or Option ARM" loans include hybrid ARMs with initial rate resets of less than 5 years and ARMs with initial rate resets of 5 years or more that have interest only (IO) or negative amortization options. For example, 5/1, 7/1 and 10/1 hybrid ARMs are excluded unless they have an IO or option ARM feature, but if they have an IO or option ARM feature, they will be included. This is a change in criteria from last year where we included 5/1, 7/1, and 10/1 ARM loans. IO product type and the term are based upon purchase information. We entirely discontinued purchases of loans with these features in 2010.

[2]"Higher Rate" has the same meaning as Higher-Priced mortgages under the Truth in Lending Act. Accordingly, loans with an Average Prime Offer Rate (APOR) spread of greater than, or equal to, 150 basis points are considered higher-priced mortgages. This spread is consistent with the Home Mortgage Disclosure Act (HMDA) rate spread that is delivered by the seller. We updated the criteria from that used in last year's reporting to remove the impacts from rounding of basis points in the spread calculation.

None of the approximately 48,000 loans funded prior to 2000 that remain in our active portfolio as of December 31, 2021, are identified as having an APOR rate spread greater than 150 basis points. This may be due to unavailability of the APOR. In addition, prior to 2010, sellers were only required to report rate spreads greater than 300 basis points. Among 794,000 loans funded between 2000 and 2010, there are approximately 12,000 loans we have identified as having a rate spread greater than 300 basis points, and 15,000 loans as having rate spread between 150 and 300 basis points. Of the total higher priced loans, 13,910 have been modified as of December 31, 2021, and represent 7.6% of the higher-priced loans.

To obtain the relevant APOR, we use the "Borrower Price Lock Date" provided in the Uniform Loan Delivery Dataset as the date of the rate lock date to look up the relevant comparable APOR.

FN-MF-270a.2 - (1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available

	Number		Unpaid Principal Balance[1] ($ in millions)	
	2021	**2020**	**2021**	**2020**
Modifications/Payment Deferrals (Total)[2]	**210,986**	**187,092**	**$48,271**	**$40,606**
FICO ≤ 660	36,922	30,116	$6,757	$5,327
FICO > 660	173,510	156,574	$41,458	$35,241
FICO not available	554	402	$57	$38

FN-MF-270a.2 - (1) Number and (2) value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deed in lieu of foreclosure, by FICO scores above and below 660, and FICO not available

	Number		Unpaid Principal Balance[1] ($ in millions)	
	2021	**2020**	**2021**	**2020**
Foreclosures (Total)[3]	**2,965**	**4,005**	**$325**	**$478**
FICO ≤ 660	851	1,201	$93	$143
FICO > 660	2,084	2,765	$231	$333
FICO not available	30	39	$2	$2
Short Sale/Deed in Lieu (Total)[4]	**649**	**1,174**	**$131**	**$241**
FICO ≤ 660	186	347	$37	$74
FICO > 660	463	820	$94	$166
FICO not available	0	7	$0	$1

Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:
- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

FICO score is as of loan origination. For certain loans, FICO is not available and is presented as a separate category in the current year report.

[1]Unpaid Principal Balance (UPB) is as of the month the loan entered into Modification/Payment Deferral/ Foreclosure/Short Sale/Deed in Lieu.

[2]"Modifications/Payment Deferrals" includes settled modifications and payment deferrals during the reporting year.

[3]"Foreclosures" includes completed foreclosures during the reporting year. This is a change in criteria from last year where we also included mortgages referred to foreclosure.
- Note that in rare situations foreclosed loans may return to delinquent status. The number reported above is not adjusted for subsequent reversals of foreclosure.
- Note that third-party sales of foreclosures (loans that went to third-party sale in the reporting year) that did not incur losses to Freddie Mac are excluded. There were 120 and 151 third-party sales that did not incur losses in 2021 and 2020, respectively.

Additionally, not included in the above table, there were:
- 8,623 loans with $1,389M in UPB in process of foreclosure as of December 31, 2021.
- 14,695 loans with $2,384M in UPB in process of foreclosure as of December 31, 2020.

[4]"Short Sale/Deed in Lieu" includes loans that went to either short sale or deed in lieu of foreclosure (settled liquidation workouts) during the reporting year.

FN-MF-270a.4 - Description of remuneration structure of loan originators

Freddie Mac does not originate mortgage loans. Although we do not originate mortgage loans, our Single-Family and Multifamily Seller/Servicer Guides include requirements that may affect remuneration practices for loan originators.

Freddie Mac Sellers are required to comply with all applicable federal, State and local laws, ordinances, regulations, orders, and regulatory guidance.

Single-Family Sellers must ensure that their loan originator compensation practices comply with the loan originator compensation provisions of the Truth in Lending Act and Regulation Z, and that loan originators comply with these requirements when presenting loan options to consumers. (See Single-Family Seller/Servicer Guide, Chapter 1301.2(a) and Chapter 4202.1)

Multifamily Sellers must charge a Minimum Origination Fee in connection with the origination and sale of a mortgage to Freddie Mac. (See Multifamily Seller/Servicer Guide, Chapter 17.1(f))

Discriminatory Lending

FN-MF-270b.1 - (1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available

	Number		Unpaid Principal Balance ($ in millions)		Weighted Average (LTV)	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
American Indian or Alaska Native	**30,056**	**22,698**	**$8,206**	**$6,154**	**73%**	**73%**
FICO ≤ 660	1,875	910	$426	$198	68%	70%
FICO > 660	28,180	21,785	$7,780	$5,955	73%	73%
FICO not available	1	3	$—	$1	90%	85%
Asian	**369,681**	**342,334**	**$133,936**	**$123,252**	**69%**	**68%**
FICO ≤ 660	6,826	4,363	$2,127	$1,284	69%	70%
FICO > 660	362,823	337,946	$131,798	$121,962	69%	68%
FICO not available	32	25	$11	$6	77%	76%
Black or African American	**197,221**	**129,659**	**$52,790**	**$34,431**	**76%**	**77%**
FICO ≤ 660	15,428	7,342	$3,496	$1,637	70%	73%
FICO > 660	181,770	122,294	$49,290	$32,790	76%	78%
FICO not available	23	23	$4	$4	73%	78%
Native Hawaiian or Other Pacific Islander	**15,486**	**13,653**	**$5,085**	**$4,440**	**71%**	**71%**
FICO ≤ 660	820	425	$229	$117	67%	71%
FICO > 660	14,663	13,227	$4,855	$4,323	71%	71%
FICO not available	3	1	$1	$—	78%	80%
Hispanic or Latino	**444,513**	**339,555**	**$128,875**	**$97,337**	**73%**	**74%**
FICO ≤ 660	24,098	12,833	$5,935	$2,997	68%	71%
FICO > 660	420,351	326,657	$122,922	$94,324	73%	74%
FICO not available	64	65	$18	$16	83%	78%
White - Non-Hispanic or Latino	**2,514,327**	**2,361,514**	**$693,676**	**$646,445**	**71%**	**72%**
FICO ≤ 660	86,918	52,318	$19,492	$11,338	68%	71%
FICO > 660	2,427,070	2,308,847	$674,109	$635,033	71%	72%
FICO not available	339	349	$75	$74	73%	75%
Total Mortgage Purchases - Total Minority Borrowers	**1,006,130**	**811,028**	**$312,751**	**$253,832**	**72%**	**72%**
FICO ≤ 660	46,321	24,569	$11,495	$5,896	69%	71%

FN-MF-270b.1 - (1) Number, (2) value, and (3) weighted average Loan-to-Value (LTV) ratio of mortgages purchased and acquired by (a) American Indian or Alaska Native, (b) Asian, (c) Black or African American, (d) Native Hawaiian or Other Pacific Islander, (e) Hispanic or Latino, (f) White - non-Hispanic or Latino, (g) Total Minority Borrowers, (h) Race not reported, (i) Ethnicity not reported, and (j) Minority not reported, by FICO scores above and below 660, and FICO not available

	Number		Unpaid Principal Balance ($ in millions)		Weighted Average (LTV)	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
FICO > 660	959,689	786,348	$301,224	$247,910	72%	72%
FICO not available	120	111	$32	$26	80%	78%
Race not reported	**682,126**	**573,387**	**$204,460**	**$175,483**	**69%**	**69%**
FICO ≤ 660	30,674	15,646	$7,404	$3,721	66%	69%
FICO > 660	651,385	557,672	$197,040	$171,746	69%	69%
FICO not available	67	69	$16	$16	75%	74%
Ethnicity not reported	**653,502**	**579,238**	**$196,143**	**$177,411**	**69%**	**69%**
FICO ≤ 660	27,945	14,911	$6,759	$3,561	66%	69%
FICO > 660	625,491	564,257	$189,368	$173,833	69%	69%
FICO not available	66	70	$16	$17	74%	74%
Minority not reported	**698,432**	**609,504**	**$209,760**	**$186,377**	**69%**	**69%**
FICO ≤ 660	29,662	15,652	$7,171	$3,741	66%	69%
FICO > 660	668,700	593,779	$202,572	$182,618	69%	69%
FICO not available	70	73	$17	$18	74%	74%

Table represents Single-Family mortgage loans purchased and acquired during the reporting year. This is a change in criteria from last year's reporting where the table represented Single-Family mortgage loans on the consolidated balance sheet as of the reporting date.

Borrowers are asked to report both race and ethnicity on their loan application. We rely on our Sellers to provide the information presented at the time of purchase and acquisition of the loan by Freddie Mac. For all protected class groups, in cases where there are more than two borrowers, only the first two borrowers are considered. Note that:

- A loan is considered Hispanic or Latino if either borrower is Hispanic or Latino
- A loan is considered Black or African American, Asian, American Indian or Alaska Native, or Native Hawaiian or Other Pacific Islander if either borrower lists one of those races
- The same loan can be counted as multiple races and Hispanic or Latino at the same time
- A loan is counted as White- non-Hispanic or Latino only when the borrower(s) lists race as White and ethnicity as non-Hispanic or Latino. A loan is not counted as White- non-Hispanic or Latino and another race or ethnicity category at the same time
- A loan is classified as race, ethnicity, or minority not reported if none of the borrowers list a race, ethnicity, or minority, respectively. This is a change in criteria from last year where the loan was not classified in a separate category
- A loan may be included in multiple 'not reported' categories simultaneously depending on the race and ethnicity information provided by the borrowers

Whenever possible, protected class group names align with HMDA demographic naming conventions.

Unpaid Principal Balance (UPB) and Weighted Average (LTV) use information provided at origination.

FICO refers to the FICO score used for loan application decisioning. For certain loans, FICO is not available and is presented as a separate category in the current year report.

FN-MF-270b.2 - Settlements, judgments, or fines exceeding $100,000 as a result of legal proceedings associated with discriminatory mortgage practices

Freddie Mac discloses material legal and regulatory proceedings in its Annual Report.

Freddie Mac has not identified any monetary losses exceeding $100,000 incurred through settlements, judgments or fines as result of legal proceedings associated with discriminatory mortgage practices.

FN-MF-270b.3 - Description of policies and procedures for ensuring nondiscriminatory mortgage origination

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Although Freddie Mac does not originate loans, we require all sellers and servicers with whom we do business to abide by the law and practice the principles of equal opportunity and non-discrimination in all business activities. Our Single-Family and Multifamily Seller/Servicer Guides require that sellers and servicers must not discriminate on the basis of race, color, religion, sex, age, marital status, disability, veteran status, genetic information (including family medical history), pregnancy, parental status, familial status, national origin, ethnicity, sexual orientation, gender identity, or other characteristics protected by law. (See Single-Family Seller/Servicer Guide Chapters 1301.2 and 1301.12 and Multifamily Seller/Servicer Guide Chapter 3.17).

In addition, Freddie Mac has fair lending staff and management professionals that conduct reviews concerning our credit policies, Seller/Servicer Guide requirements, underwriting, and valuation to support Freddie Mac's commitment to fair lending and compliance with its fair lending policy and all federal antidiscrimination laws and regulations.

Environmental Risk

FN-MF-450a.1 - (1) Number and (2) value of mortgage loans in 100-year flood zones by (a) single-family and (b) multifamily, including as a percentage of total loans in population

	Number		Unpaid Principal Balance ($ in millions)	
	2021	**2020**	**2021**	**2020**
Single-Family[1] - Total	**12,877,393**	**11,727,391**	**$2,748,296**	**$2,282,279**
Loans in 100-year Flood Zones	377,273	360,922	$79,340	$68,907
% of Total Loans	3%	3%	3%	3%
Multifamily[2] - Total	**3,123**	**3,267**	**$52,125**	**$56,499**
Loans in 100-year Flood Zones	222	235	$4,040	$4,387
% of Total Loans	7%	7%	8%	8%

We define "Loans in 100-year flood zones" as loans with buildings that are located in areas designated by FEMA as special flood hazard areas (SFHA) and that require flood insurance at origination.

[1] **Single-Family**
Table represents Single-Family mortgage loans on our consolidated balance sheet, which includes:

- Loans held in the consolidated trusts
- Loans held in the retained portfolio
- Loans held for sale

As of December 31, 2021, Freddie Mac Single-Family had 127 real estate owned (REO) properties located in a 100-year flood zone, totaling $14M in REO book value. This represents 8% of our total $176M of REO book value. REO flood zone status is based upon information received at the time of loan origination.

[2] **Multifamily**
Table represents unsecuritized mortgage loans (including mortgage loans designated as held-for-sale), securitized mortgage loans held by consolidated trusts and other mortgage-related guarantees (i.e., guarantees of Housing Finance Agency issued bonds not on the balance sheet) in our Multifamily mortgage portfolio, as this represents Multifamily's exposure to first loss on properties located in these 100-year flood zones. Prior period information for "Loans in 100-year Flood Zones" has been revised.

FN-MF-450a.2 - Description of how weather-related natural catastrophes are considered in determining total expected loss and loss given default

The unpredictability of natural disasters and the complexity of forecasting the long-term effects of climate change negatively impact our ability to forecast losses from such events.

Freddie Mac generally does not attribute mortgage loan default and delinquency to weather-related natural catastrophes in determining total expected loss and loss given default. We apply assumptions to estimate losses that could be attributable to weather-related natural catastrophes. Historically, such estimated economic losses have not been material.

We continue to make progress on understanding, measuring, and mitigating the impacts of climate change.

FN-MF-450a.3 - Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting

Under Section 305(a) of our Charter, Freddie Mac is not permitted to originate mortgage loans. Accordingly, we do not originate mortgage loans or lend money directly to mortgage borrowers.

Our Single-Family division also does not underwrite or re-underwrite loans. We require all homes collateralizing single-family mortgages in our portfolio to have homeowners insurance coverage throughout the life of the loan. In addition, for homes located in SFHAs designated by FEMA, borrowers must have flood insurance coverage. Sellers are required to determine whether homes collateralizing single-family mortgages are located in a SFHA and, if so, to ensure that flood insurance coverage exists at the time the loan is sold to Freddie Mac. Servicers are required to ensure that flood insurance on these homes is maintained throughout the life of the loan and is in the amount needed to comply with federal government and Freddie Mac requirements. If a borrower fails to obtain and maintain required flood insurance coverage, servicers must directly place such coverage. (See our Single-Family Seller/Servicer Guide, including Chapters 3401.22, 4703.1, 4703.3, 6302.8, 8202.3, and 8202.12).

The Multifamily division does re-underwrite the mortgages we purchase. Our Multifamily Seller/Servicer Guide dictates underwriting parameters for loans that are candidates for purchase, including insurance requirements to address catastrophic risks relevant to property characteristics and location. (See Multifamily Seller/Servicer Guide Chapter 31- Insurance Requirements).

Activity Metric

FN-MF-000.B - (1) Number and (2) value of mortgages purchased by category: (a) single-family and (b) multifamily

	Number		Unpaid Principal Balance (in $ millions)	
	2021	**2020**	**2021**	**2020**
Single-Family	**4,218,889**	**3,782,046**	**$1,215,275**	**$1,085,907**
Purchase Loans	1,376,812	1,128,840	$429,156	$323,989
Refinance Loans	2,842,077	2,653,206	$786,119	$761,918
Multifamily			**$69,999**	**$82,534**
Units Financed[1]	654,539	802,953		
Loan Count	4,885	5,335		

Single-Family
Table represents Single-Family mortgage loans purchased during the reporting year. It does not include long-term standby commitments (LTSBs), which is a change in criteria from last year's reporting where we included new LTSBs. Our Single-Family purchases include mortgages collateralized by residences with one to four units.

Multifamily
Table represents Multifamily mortgage loans purchased during the reporting year. Our Multifamily purchases include mortgages collateralized by residences with five or more units or by a manufactured housing community. We do not purchase commercial mortgages.

[1] Cooperative mortgage loans are not included in unit count.

Data Security

FN-CB-230a.2 - Description of approach to identifying and addressing data security risks

Freddie Mac maintains a cybersecurity program that aligns with industry standards, including the National Institute of Standards and Technology (NIST) 800-53 control framework. In addition, we self-assess against a variety of other frameworks, such as the Federal Financial Institutions Examination Council's (FFIEC) Information Technology Examination Handbook (IT Handbook), the Control Objectives for Information and Related Technologies (COBIT) framework created by ISACA for information technology (IT) management and IT governance, the General Data Protection Regulation (GDPR), and the IT Infrastructure Library (ITIL). Our Freddie Mac Code of Conduct reinforces the importance of data privacy and protection. Freddie Mac also leverages additional methodologies such as the MITRE Attack Framework to enhance our cybersecurity program. Our program continues to evolve based on the changing needs of our business, the evolving threat environment, and FHFA regulatory guidance.

The Board and the Risk Committee engage in discussions throughout the year with senior leadership on cybersecurity risk matters and receive periodic reports from our Chief Information Security Officer and other senior officers, including updates on our cybersecurity program, the external threat environment, and the steps we are taking to address and mitigate risks associated with the evolving cybersecurity threat environment. Freddie Mac has procedures to escalate information regarding certain cybersecurity incidents to the appropriate members of the Board in a timely fashion.

We also require annual training regarding the use of information for new and existing employees including contractors and consultants who have access to Freddie Mac technology assets. Our training covers protecting Freddie Mac information, privacy, policy and standards, security best practices, and the identification and reporting potential cyber threats.

As of December 31, 2021, we have not experienced any material losses relating to cyberattacks.

Financial Inclusion and Capacity Building

FN-CB-240a.4 - Number of participants in the CreditSmart® program and supported by the Borrower Help Centers and Borrower Help Network

2021 participation in the CreditSmart® program included:

- More than 3,500 users of the new CreditSmart Essentials program since its mid-July 2021 launch
- Nearly 60 industry professionals trained through CreditSmart Coach since its launch in the Fall of 2021
- Nearly 75,000 aspiring homebuyers completed CreditSmart Homebuyer U. This is an increase from the 68,955 who completed the program in 2020.

In 2021, the Borrower Help Centers and Borrower Help Network and other partners provided approximately 60,000 individuals with one-on-one pre-purchase counseling, homebuyer education to more than 72,000 consumers, financial capability education to more than 150,000 individuals, referred more than 16,000 potential homebuyers to lenders for homeownership opportunities, and provided foreclosure avoidance education and counseling to more than 32,000 households. In addition, rental counseling was provided to approximately 20,000 consumers.

Systemic Risk Management

FN-CB-550a.2 - Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities

Stress Testing

Pursuant to an FHFA rule on stress testing of regulated entities, Freddie Mac is required to conduct annual stress tests using scenarios specified by FHFA to determine whether we have sufficient capital to absorb losses as a result of adverse economic conditions. Under the rule, we must publicly disclose the results of the stress test under the "severely adverse" scenario. Accordingly, in August 2021, we disclosed the results of both our 2021 and 2020 "severely adverse" scenario stress tests.

Enterprise Regulatory Capital Framework (ERCF)

In May 2017, FHFA, as Conservator, issued guidance to us to evaluate and manage our financial risk and to make business decisions utilizing a risk-based Conservatorship Capital Framework (CCF), a capital system with detailed formulae provided by FHFA. We have used FHFA's CCF, and internal capital methodologies, where available, to measure risk for making economically effective decisions. The CCF includes specific requirements relating to risk on our book of business and modeled returns on our new acquisitions. In December 2020, FHFA published the Enterprise Regulatory Capital Framework, establishing a new regulatory capital framework for Freddie Mac and Fannie Mae. In accordance with FHFA guidance, we are transitioning the management of our business from the CCF to the ERCF.

The ERCF establishes risk-based and leverage capital requirements for Freddie Mac, and includes the following:

- Supplemental capital requirements relating to the amount and form of the capital we hold, based largely on definitions of capital used in U.S. banking regulators' regulatory capital framework. The final rule includes leverage-based and risk-based requirements, which together determine the requirements for each tier of capital;
- A requirement that we hold prescribed capital buffers that can be drawn down in periods of financial stress and then rebuilt over time as economic conditions improve. If we fall below the prescribed buffer amounts, we must restrict capital distributions such as stock repurchases and dividends, as well as discretionary bonus payments to executives, until the buffer amounts are restored;
- A requirement to file quarterly public capital reports with FHFA starting in 2022, regardless of our status in conservatorship;
- A requirement to maintain capital for operational and market risk, in addition to our credit risk;
- Specific minimum percentages, or "floors," on the risk weights applicable to single-family and multifamily exposures, which have the effect of increasing the capital required to be held for loans otherwise subject to lower risk weights;
- Specific floors on the risk weights applicable to retained portions of credit risk transfer transactions, which have the effect of decreasing the capital relief obtained from these transactions; and
- Additional elements based on U.S. banking regulators' regulatory capital framework, including the phased implementation of advanced approaches as an alternative to the standardized approach for measuring risk weighted assets.

The ERCF will require us to hold substantially more capital than prior requirements. Our current capital levels are significantly below the levels that would be required under the ERCF. The ERCF, which went into effect in February 2021, has a transition period for compliance. In general, the compliance date for the regulatory capital requirements in the ERCF will be the later of the date of termination of our conservatorship and any later compliance date provided in a consent order or other transition order, and the compliance date for buffer requirements in the ERCF will be the date of termination of our conservatorship.

Diversity and Inclusion

FN-IB-330a.1 - Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, (4) all other employees, and (5) all (total) employees

Representation of Racial or Ethnic Groups and Gender as a Percentage of Job Category by Year

	Executive Management		Non-Executive Management		Professionals		All Other Employees		All Employees	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Asian	**22.4%**	**21.4%**	**31.7%**	**29.0%**	**39.5%**	**39.9%**	**12.4%**	**11.4%**	**37.6%**	**37.4%**
Women	7.1%	5.9%	13.1%	12.0%	18.1%	18.0%	10.7%	9.3%	17.1%	16.7%
Men	15.3%	15.5%	18.6%	17.0%	21.4%	21.8%	1.7%	2.1%	20.5%	20.6%
Black or African American	**5.3%**	**5.3%**	**5.6%**	**5.4%**	**14.0%**	**13.6%**	**26.4%**	**30.0%**	**12.9%**	**12.6%**
Women	2.4%	2.7%	3.1%	3.3%	7.3%	7.3%	24.0%	26.4%	6.9%	7.0%
Men	2.9%	2.7%	2.5%	2.1%	6.7%	6.3%	2.5%	3.6%	5.9%	5.6%
Hispanic or Latino	**3.5%**	**4.3%**	**3.8%**	**4.0%**	**5.8%**	**5.5%**	**11.6%**	**11.4%**	**5.6%**	**5.4%**
Women	0.6%	1.1%	1.0%	1.0%	2.7%	2.6%	10.7%	10.0%	2.5%	2.5%
Men	2.9%	3.2%	2.8%	3.0%	3.1%	2.9%	0.8%	1.4%	3.0%	2.9%
White	**67.1%**	**67.4%**	**57.7%**	**60.6%**	**38.3%**	**38.6%**	**48.8%**	**46.4%**	**41.8%**	**42.4%**
Women	18.8%	20.3%	22.9%	23.4%	15.6%	15.4%	40.5%	37.1%	17.1%	17.0%
Men	48.2%	47.1%	34.8%	37.2%	22.7%	23.2%	8.3%	9.3%	24.7%	25.4%
Native Hawaiian or Other Pacific Islander	**—%**	**—%**	**0.1%**	**—%**	**0.2%**	**0.2%**	**—%**	**—%**	**0.2%**	**0.2%**
Women	—%	—%	—%	—%	0.1%	0.1%	—%	—%	—%	0.1%
Men	—%	—%	0.1%	—%	0.1%	0.1%	—%	—%	0.1%	0.1%
American Indian or Alaska Native	**0.6%**	**0.5%**	**—%**	**—%**	**0.2%**	**0.1%**	**—%**	**—%**	**0.2%**	**0.1%**
Women	—%	—%	—%	—%	0.1%	0.1%	—%	—%	0.1%	0.1%
Men	0.6%	0.5%	—%	—%	0.1%	0.1%	—%	—%	0.1%	0.1%
Two or More Races	**1.2%**	**1.1%**	**1.1%**	**1.0%**	**2.1%**	**2.1%**	**0.8%**	**0.7%**	**1.9%**	**1.9%**
Women	—%	—%	0.5%	0.3%	0.9%	1.0%	—%	—%	0.8%	0.8%
Men	1.2%	1.1%	0.6%	0.7%	1.1%	1.1%	0.8%	0.7%	1.1%	1.0%
Total Employees	**170**	**187**	**971**	**901**	**5,975**	**5,650**	**121**	**140**	**7,237**	**6878**
Women	49	56	394	361	2,676	2,505	104	116	3,223	3,038
Men	121	131	577	540	3,299	3,145	17	24	4,014	3,840

Freddie Mac aligns its workforce to EEO-1 job categories as defined by EEO-1 Component 1 Job Classification Guide.

- Those included in the Executive Management category include those aligned with the EEO-1 category Executive/Senior Level Officials and Managers
- Those included in the Non-Executive Management category include those aligned with the EEO-1 category First/Mid-Level Officials. This is a change in reporting criteria from last year where we included Managers
- Those in the Professionals category include those aligned with the EEO-1 category Professionals. This is a change in reporting criteria from last year where the Professionals category excluded Managers and included Sales Workers and Administrative Support Workers
- Those in the All Other Employees category include those aligned with the EEO-1 categories, which include Sales Workers and Administrative Support Workers. This is a new category this year.

The data provided represents the employee population as of the end of the respective reporting year.

Gender and race/ethnicity is self-reported by the employee and recorded in our Workforce Management system. We have included the categories for Native Hawaiian or Other Pacific Islander, American Indian or Alaska Native, and Two or More Races, which is a change in criteria from last year's reporting, where these categories were combined.

Business Ethics

FN-IB-510a.2 - Description of whistleblower policies and procedures

Our Employee Code of Conduct, pages 15-16 (Section 7), details the various ways that employees can seek advice and report concerns or misconduct.

Resources include:

- Contacting the individual's manager or another manager in their division
- Contacting the Ethics Office
- Contacting the Compliance and Ethics Helpline (phone or website)
- Contacting HR Connect or Employee Relations
- Contacting the Chair of the Audit Committee of the Board of Directors

A specific policy for Audit Committee Complaints outlines the procedure for reporting accounting, internal accounting controls, and auditing matters pertaining to our business.

Professional Integrity

FN-IB-510b.4 - Description of approach to ensuring professional integrity, including duty of care

Our 2021 Annual Report on Form 10-K, pages 251 (Codes of Conduct) and 247 (Authority of the Board and Board Committees), details our codes of conduct and fiduciary duties of our directors, including the duty of care, during conservatorship.

Codes of Conduct
We have separate Codes of Conduct for our employees and Board members.

The Employee Code of Conduct serves as the code of ethics for all full- and part-time employees, including senior management and executives. All employees are required to sign an annual acknowledgment that they have read the employee code of conduct and agree to abide by it, and will report suspected deviations from the Employee Code of Conduct.

When joining our Board of Directors, our directors acknowledge that they have reviewed and understand the Director Code of Conduct and agree to be bound by its provisions, and each director re-executes such confirmation annually.

Copies of our Employee and Director Codes of Conduct are available, and any amendments or waivers that would be required to be disclosed are posted on our website.

Authority of the Board and Board Committees
The directors serve on behalf of, and exercise authority as directed by, the Conservator and owe their fiduciary duties of care and loyalty to the Conservator. Although the Conservator has provided authority for the Board of Directors and its committees to function in accordance with the duties and authorities set forth in applicable statutes, regulations, guidance, orders, directives, and our Bylaws and committee charters, the Conservator has reserved certain powers of approval for itself. The Conservator provided instructions to the Board of Directors in 2008, 2012, and 2017 to consult with and obtain the Conservator's decision before taking certain actions.

Report of Independent Accountants

Report of Independent Accountants

To the Board of Directors of Federal Home Loan Mortgage Corporation

We have reviewed the management assertion of Federal Home Loan Mortgage Corporation (Freddie Mac) that the Freddie Mac Modified Metrics referenced in the *Metric Modifications* table and included in the *Sustainability Accounting Standards Board (SASB) Index and Metrics, as Modified* section of the accompanying Freddie Mac SASB Report as of or for the years ended December 31, 2021 and 2020 are presented in accordance with the assessment criteria set forth in the *SASB Index and Metrics, as Modified* section. Freddie Mac's management is responsible for its assertion and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the metrics. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, *Concepts Common to All Attestation Engagements,* and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

Our firm applies the Statements on Quality Control Standards established by the AICPA and, accordingly, maintains a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we performed inquiries, read relevant policies to understand terms related to relevant information about the metrics, reviewed supporting documentation in regard to the completeness and accuracy of the data in the metrics on a sample basis, and performed analytical procedures.

As discussed in management's assertion, in 2021, Freddie Mac changed the criteria related to the FN-MF-270a.1, FN-MF-270a.2, FN-MF-270b.1, FN-MF-000.B, and FN-IB-330a.1 metrics.

Based on our review, we are not aware of any material modifications that should be made to Freddie Mac's management assertion in order for it to be fairly stated.

PricewaterhouseCoopers LLP

Washington, DC
September 22, 2022

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Appendix A: Materiality Matrix as of 2020