



Fannie Mae 2021
Affordable Housing Preservation
Outreach

ACTIVITY:

I. Regulatory Activity: Shared equity programs for affordable housing preservation (12 C.F.R. § 1282.34 (d) (4)).

OBJECTIVE:

2. Increase liquidity for shared equity homeownership through outreach, research, and loan product solutions (Analyze, Partner and Innovate, Test and Learn).

SUMMARY OF RESULTS:

Following are the 2021 Actions under this Objective per the [January 1, 2021 Duty to Serve Plan]:

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions taken</i>	<i>Explanation of any deviations from the Plan (if applicable)</i>
<input checked="" type="checkbox"/> Support strategies that expand the supply of shared equity units	We launched marketing and training outreach to lenders to promote awareness and participation in shared equity products.	N/A
<input checked="" type="checkbox"/> Engage with local stakeholders to enable the creation of at least one new strategy designed to increase the supply of affordable shared equity homes in a targeted MSA	<p>Fannie Mae conducted trainings and webinars with housing authorities, community land trusts (CLTs) and in partnership with industry trade groups.</p> <p>We worked with prominent trade groups to engage their networks and membership base to acquire key inputs and feedback to guide efforts to streamline access to liquidity for the shared-equity market.</p> <p>Fannie Mae also engaged the University of Pittsburgh Medical Center to advise their efforts to create a line of credit specifically designed to develop or rehabilitate housing and place properties into a CLT.</p> <p>We hosted manufactured housing (MH) in CLTs webinars which</p>	N/A



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	educated both public and non-profit organizations about using MH to increase supply.	
<input checked="" type="checkbox"/> Maintain engagement efforts to strengthen awareness of Fannie Mae shared equity product offerings, and inform future product and program development through webinar, conference(s), and/or seminar participation, and facilitation of at least one roundtable.	<p>Fannie Mae conducted multiple trainings and webinars: training session with Virginia Housing Development Authority on 3/17/21; session with Northwest Community Land Trust Coalition including Housing Finance Authorities from ID, WA, MT, ID and OR on 5/5/21; we hosted a joint roundtable with Center for CLT Innovation on 11/3/21.</p> <p>Leveraging marketing materials updated in 2020, we conducted joint lender and community land trust training webinars for stakeholders in Virginia, the Pacific Northwest, Minnesota, and other markets.</p> <p>We hosted a roundtable for shared-equity practitioners associated with some of our larger-volume shared-equity programs.</p> <p>We also partnered with the Florida Housing Coalition to produce a community land trust best practices manual, which was promoted to their membership at their annual conference.</p>	N/A
<input checked="" type="checkbox"/> Leveraging webinar content and other informational resources created in 2020, offer at least two webinars to educate CLTs on strategies for using manufactured	Fannie Mae hosted two webinars promoting the use of manufactured housing in CLTs—one with the Housing Land Trust of Sonoma County on 7/20/21, and another with the National Association for	N/A



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housing units to expand CLT supply.	County Community and Economic Development (NACCED) on 9/23/21 during its annual conference.	
<input checked="" type="checkbox"/> Based upon feedback, and lessons learned through interactions with practitioners, evaluate opportunities for new research or educational efforts that contribute to the growth and liquidity of the shared equity sector.	<p>We hosted a shared equity practitioner roundtable in November which exposed several educational and awareness opportunities for lenders and appraisers.</p> <p>Fannie Mae also tested the launch of a shared equity certification platform with a select list of shared equity programs and lenders to create the opportunity to streamline the loan origination process for lenders and leverage the platform to both educate lenders about shared equity lending and receive their feedback on how Fannie Mae can reduce barriers to shared equity lending.</p>	N/A
<input checked="" type="checkbox"/> Execute our business-to-business marketing efforts and outreach aimed at increasing loan deliveries by promoting lender awareness and participation in shared equity programs.	<p>To inform and educate lenders about shared-equity and CLT programs and products, we published an overview of shared-equity programs, FAQs, a fact sheet, a compliance checklist, underwriting guidance, appraisal guidance, a resale restriction fact sheet, a portfolio analysis of shared-equity loans and promotion of a whitepaper about using manufactured housing within CLT structures.</p> <p>We maintained an informational webpage about shared-equity programs and requirements, including originating and</p>	N/A



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	underwriting shared-equity programs.	
<input checked="" type="checkbox"/> Update product and training materials to incorporate policy enhancements enacted in 2020.	Fannie Mae updated shared-equity materials in early 2021 to reflect 2020 policy changes, including adding a banner to our shared-equity website to highlight that we now allow financing for CLT loans secured by properties in land trusts created in the last two years.	N/A
<input checked="" type="checkbox"/> Work with internal partners to develop and execute a lender outreach strategy focused on increasing the participation and production of 10 targeted lender partners.	Fannie Mae engaged with ten lenders to co-develop the shared-equity certification platform and promote the sale of Duty to Serve eligible shared-equity loans to Fannie Mae. In making the CLT eligibility variance available in Q4 as part of the program certification work, we identified customers who had relationships with approved shared-equity programs and targeted them for proactive outreach. This outreach has begun and will continue into 2022 as more programs are certified.	N/A
<input checked="" type="checkbox"/> Assess the effectiveness of marketing and outreach efforts to identify the most valuable activities and materials.	Webpage analytics confirmed that our manufactured housing (MH) in CLT research was of interest to the lender and non-lender stakeholders engaging with Fannie Mae’s shared-equity content.	N/A
<input checked="" type="checkbox"/> Analyze insights obtained during lender engagement efforts and identify opportunities to further address any potential	The shared-equity DTS certification platform was designed with input from select lenders who produce shared-equity volume. Ongoing	N/A



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<p>lender concerns and/or barriers which limit their ability to participate in shared equity programs.</p>	<p>engagement and feedback resulted in Fannie Mae adding certification of CLT programs per Selling Guide requirements, not just Duty to Serve criteria, to further reduce additional barriers to lending</p>	
<p><input checked="" type="checkbox"/> Leveraging webinar content and other informational resources created in 2020, offer at least two webinars to educate CLTs on strategies for using manufactured housing units to expand CLT supply.</p>	<p>Fannie Mae hosted two webinars promoting the use of manufactured housing in CLTs—one with the Housing Land Trust of Sonoma County on 7/20/21, and another with the National Association for County Community and Economic Development (NACCED) on 9/23/21 during its annual conference.</p>	<p>N/A</p>

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
- Target exceeded
- Target partially completed
- No milestones achieved

IMPACT:

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact

IMPACT EXPLANATION:

1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?

Engagements to promote supply-side innovations for shared-equity portfolio expansion

At the time of writing, FHFA’s House Price Index is reporting the largest-ever yearly gain in home prices, at 18.5%. Housing affordability is becoming an ever-greater challenge, and industry support for shared-equity



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homeownership as one tactic for combatting it. Fannie Mae believes that our 2021 outreach work was vital in supporting and amplifying innovative strategies to increase the supply of shared-equity units and will help to create more homeownership opportunities for low- and moderate-income households. More than 160 people participated in our manufactured housing (MH) in community land trusts (CLTs) webinars, proof of the interest local government and shared-equity practitioners have in strategies to grow shared-equity homeownership opportunities with novel housing supply tactics such as manufactured housing. The initial development project, which will produce five MH units in a CLT in Sonoma County, CA, is slated for initial home sales in Q1 2022, and we have positioned our lenders to deliver these MH in CLT loans to us via our variance offering.

Business-to-business lender engagement

In addition to promoting new supply tactics, Fannie Mae's work to inform and educate lenders about our product offerings and policies helps to ensure the availability of liquidity for shared-equity homebuyers and programs. Virtual training sessions held for strategic lending and program partners in the Pacific Northwest expanded the visibility and usage of our lending products. Year-to-date through November in 2021, our primary shared-equity lending partner in the Pacific Northwest had delivered 27% more shared-equity loans than in the prior year.

As we brought a beta version of the certification platform to the market, lender feedback collected continued to validate that standardization and accessibility of data related to shared-equity programs are value-adds for lenders. However, it became clear that validating the Duty to Serve criteria alone did not sufficiently reduce the work required by a lender to verify whether a shared equity loan is eligible to sale to Fannie Mae. So, we enhanced the program certification process to operationalize a variance offering, which waives our remaining organizational underwriting criteria for CLT loans. Absolving lenders of the responsibility for underwriting the ground leases used in connection with CLT loans will allow lenders to streamline the loan origination and delivery process for CLT loans. This variance was made available to our lender partners in Q4, and corresponding lender outreach has begun and will continue into 2022.

2. What did the Enterprise learn from its work about the nature of underserved market needs and how to address them?

Fannie Mae can play an important role as a convener and consultant in fostering new strategies and partnerships that leverage shared-equity homeownership to address affordable housing and racial equity challenges.

As Fannie Mae conducted lender outreach last year, we continue to find that shared-equity lending opportunities at a given lender tend to start with one or two loan officers who learn the products to remain competitive in their respective markets. Outreach to lender partners in relation to our list of approved programs has validated that the most value the certification platform can offer will be in its comprehensiveness—lender interest and usage should grow as the list of certified shared-equity programs grows to reflect more programs in more geographic markets.

On the policy side, feedback from shared-equity practitioners who attended our roundtable continued to indicate a large gap in awareness amongst residential appraisers concerning Fannie Mae's appraisal policies for CLT loans. We have responded to this feedback in the past by creating marketing materials that illustrate our



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appraisal policies for CLT loans and provide examples for lenders and appraisers to reference. More outreach and engagement will be necessary to give lenders, appraisers, and practitioners greater confidence when facilitating the sale of CLT units.

3. If applicable, why was the Enterprise unable to achieve the Plan target?

N/A