



Fannie Mae 2021
Manufactured Housing
Outreach

ACTIVITY:

A. Regulatory Activity: Manufactured homes titled as real property (12 C.F.R. § 1282.33 (c) (1)).

OBJECTIVE:

4. Engage with Industry Stakeholders in a Way that Addresses Market Needs (Partner and Innovate).

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"/> Maintain interaction with the broader manufactured housing industry using methods previously shown to be successful, for the purpose of informing future research and product development activities.	All of the underlying activities associated with this action contributed to the completion of this objective's target.	N/A
<input checked="" type="checkbox"/> Host one manufactured housing roundtable with cross-functional industry representation to capture diverse perspectives.	Fannie Mae hosted a series of monthly webinars, beginning in June 2021. These sessions attracted a diverse mix of stakeholders, including lenders, mortgage insurance companies, appraisers, housing finance agencies, non-profits, and real estate organizations. Overall, 93% of attendees rated the content "excellent" or "very good."	N/A
<input checked="" type="checkbox"/> Participate in at least one key industry conference in every quarter, to remain current on activities and developments in the market and to inform future decisions and prioritization.	Fannie Mae attended industry events, including online conferences, webinars, and other forums for collaboration in every quarter of 2021.	N/A
<input checked="" type="checkbox"/> Continue a partnership from 2019 and 2020 with an organization that specializes in counseling and	Throughout 2021, Fannie Mae continued to partner with Next Step to educate counselors and	N/A



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education on factory-built housing, which includes manufactured housing homeowner education.	consumers on why MH is a strong option for affordable housing.	
<input checked="" type="checkbox"/> Expand and improve upon industry interaction strategies to promote the broad set of Fannie Mae manufactured housing products, capabilities, and resources. Potential products to highlight include standard manufactured housing, MH Advantage, manufactured housing single-wides, and manufactured housing with Homestyle® Renovation or Homestyle® Energy. Potential manufactured housing capabilities to highlight include manufactured housing construction-to-permanent, fully amortizing manufactured housing purchase, and manufactured housing refinance. Potential manufactured housing resources include titling and appraisal documents produced and launched in 2020, marketing materials, and other documentation to support manufactured housing lending.	<p>Fannie Mae generated more than 43 million impressions and received more than 56,000 clicks on advertisements through a digital marketing campaign targeted at lenders. The ratio of clicks to impressions, known as click-through rate, was slightly above industry benchmarks for this type of advertising.</p> <p>The campaign aimed specifically at three groups of MH lenders: those with experience with MH but relatively low deliveries in the prior year, lenders who run MH applications through DU® but deliver relatively few loans to Fannie Mae, and MH lenders in the high-needs rural regions.</p> <p>These lenders received a broad set of MH messages and were directed to a robust landing page that included an infographic highlighting recent innovations in Fannie Mae’s MH products, a series of videos describing loan options, including single-wide MH and MH Advantage, and links to a wide variety of resources developed during the Duty to Serve period, including tools on titling and appraisal.</p> <p>The campaign features a broad set of messages related to MH, helping</p>	N/A



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	to cement MH lending as a solution to affordable housing.	
<input checked="" type="checkbox"/> Analyze what was effective and what was not during three prior years' industry outreach activities.	Early in 2021, Fannie Mae solicited feedback from several lenders that we had previously engaged during the first three years of Duty to Serve. We asked a series of questions about their experiences and requested recommendations for outreach strategies in the future. We incorporated that feedback into our 2021 efforts.	N/A
<input checked="" type="checkbox"/> Use that information to engage with 25 lenders that have been identified as reasonably likely to increase loan deliveries; these lenders may or may not have been approached in 2018, 2019, or 2020.	Fannie Mae met with 23 lenders to discuss MH lending in one-on-one settings. In addition, we met with 2 additional lenders in group settings. The most common topic of discussion was MH construction delays. Several lenders reconsidered their construction-to-permanent offerings due to unpredictable project timelines. New MH lenders tended to express curiosity about both single-wide MH and MH Advantage and sought performance data for each product.	N/A
<input checked="" type="checkbox"/> Where appropriate, broaden target stakeholders to include, for example, researchers, non-profit entities, housing counselors, and advocacy organizations.	Going beyond lenders, Fannie Mae promoted MH products with the broader MH stakeholder community, including community land trusts (CLTs) interested in utilizing MH, a research organization inquiring about MH condominiums, and an MH industry journalist.	N/A



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<input checked="" type="checkbox"/> Produce a report on findings from these engagements, describing expectations for product development efforts, accomplishments, and next steps.	Fannie Mae produced and published the 2021 Manufactured Housing Titled as Real Property report .	N/A
<input checked="" type="checkbox"/> Based on analysis of 2020 manufactured housing lending trends in light of the COVID-19 pandemic, provide support to the most pandemic-affected segments of the market.	Building on 2020 analysis that showed MH borrowers were more likely to be delinquent and less likely to utilize forbearance, Fannie Mae ensured that servicers of MH loans received necessary training and information on the tools available to help borrowers through a pandemic-related hardship.	N/A
<input checked="" type="checkbox"/> For example, Fannie Mae will provide resource support to manufactured housing servicers on topics related to loan modifications and forbearance or partner with manufactured housing titling experts to accelerate title conversion in markets where administrative delays have impacted lending volumes.	Fannie Mae conducted four web-based training sessions in March and April, which included participation from 150 servicers of MH loans. These training sessions focused on the tools available to servicers when a borrower faces pandemic-related challenges, including Fannie Mae’s servicing decisioning software, Servicing Management Default Underwriter.	N/A

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



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- 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?

Fannie Mae believes the frequent and detailed communication and outreach contributed to robust loan purchases in 2021. This year, we purchased 22,000 MH loans from 565 distinct lenders, representing a year-over-year increase of 29% and 2%, respectively. This trend suggests most of our progress was made by encouraging more activity from a dedicated base of MH lenders.

Fannie Mae's outreach and training yielded positive results in MH servicing outcomes. We focused on encouraging more uptake of tools such as forbearance in early 2021, since earlier analysis showed that MH borrowers were less likely to use them, resulting in higher levels of delinquency. Four web-based training sessions attracted 150 servicers of MH loans, and, in subsequent months, these servicers were more likely than others to deploy forbearance for their borrowers. While the lack of a formal control group precludes us from claiming any causal relationship between training and forbearance uptake, we believe these trainings made an impact and are promising for potential future interventions on MH servicing.

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

The most common concern that Fannie Mae heard during 2021 one-on-one lender meetings was delayed MH construction timelines. Lenders that are relatively new to or considering entering the MH market said these delays could limit volume potential, reducing the upside of entering a new segment. Experienced MH lenders conveyed similar concerns, but also noted that construction delays would impact their choice of Fannie Mae MH products. Specifically, some lenders noted that the MH construction-to-permanent product was less appealing when facing lengthy project timelines because of the requirement to requalify the borrower if the timeline between the closing of the construction loan and the conversion to permanent financing exceeds a certain threshold. Given the lengthy build times for new MH homes, exacerbated by COVID-related materials and labor shortages, certain lenders are choosing not to originate construction-to-permanent mortgages on MH units, or holding them in portfolio if they have that option. Other lenders noted that single-wide MH production also faced delays, which was a factor in our decision to ease the 10-year collateral age requirements for our single-wide MH through a variance (as discussed in more detail in the narrative for Objective 2.)

While we have the processes in place to monitor the risk associated with our construction-to-permanent product and will make changes to the product that we believe are appropriate based on that risk determination, we continue to invest in the new-construction MH market through our engagements with builders and developers (as described in the Objective 3 narrative.) By introducing builders and developers to our MH offerings and convincing them to incorporate MH and MH Advantage units into development settings, the home is ultimately sold to the end consumer through more traditional means and the mortgage loan is more familiar to consumer and lender alike.



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These lender conversations reinforced the fact that MH lending is inextricably tied to a broader ecosystem of MH industry participants, including manufacturers, housing counselors, and others. We introduced our monthly webinar series to support information sharing across a diverse group of MH stakeholders. Overall, 93% of attendees rated the content “excellent” or “very good,” with 97% of participants noting that they would recommend colleagues to join the next presentation. During 2021, we delivered information to more than 700 attendees. Each training opportunity provided us with the chance to better understand what our lenders need to make this product offering successful and have an impact on the supply of affordable housing.

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

N/A