

Fannie Mae
Manufactured Housing
2021

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

Objective 2: Increase liquidity for manufactured housing titled as real property through industry outreach and increasing purchases (Analyze, Partner and Innovate, Do What We Do Best).

Proposed Modification(s)

Revise target to include activities that aim at serving a specific affordable MH market.

Justification for Proposed Modification(s):

Strengthens our commitment to an underserved market by making our target more ambitious and broadens the scope of our intended activities. Driving adoption of single-width policy offering and executing a variance to enhance and/or simplifying our product requirements for single-width homes provides us the ability to better serve the manufactured housing market. In addition, introducing a loan purchase goal for a new target market affords us the opportunity to measure the impact our recent product changes have had on the overall market.



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

2. Objective #2: Increase liquidity for manufactured housing titled as real property through industry outreach and increasing purchases (Analyze, Partner and Innovate, Do What We Do Best).

SMART Factors

Fannie Mae will undertake the following measurable Actions in the years indicated.

Year	Actions
2021	<ul style="list-style-type: none"> • Drive growth in real property financing for affordable manufactured homes by promoting financing for single-width homes and through additional policy innovation; introduce at least one variance that broadens s or policy change that broadens Fannie Mae’s ability to serve the <u>single wide</u> market. <ul style="list-style-type: none"> ○ Launch a targeted effort through one or more lenders to eventually purchase mortgage loans secured by single-width manufactured homes; Acquire 70:- mortgage loans secured by single-width MH. on a recently launched product resulting from a variance or policy change. • <u>Identify opportunities to enhance and/or simplify single wide product requirements by engaging lenders and collecting feedback.</u> <ul style="list-style-type: none"> ○ Interview a group of Fannie Mae manufactured housing lenders and non-manufactured housing lenders to gather diverse feedback on areas for policy innovation. ○ Prior to introducing the policy change or variance, produce a nonpublic analysis that ensures that the activity will broaden Fannie Mae’s manufactured housing lending, identifies risks and risk mitigants, and summarizes feedback from lender customers. ○ <u>To promote transparency with stakeholders, produce a public document explaining the reasoning behind the variance or policy change, the expected market opportunity, and the potential risks.</u> ○ At launch of new variance or guide change, conduct an <u>produce a marketing and/or outreach campaign to educate lenders</u> _on this variance/policy change and to ensure expanded lender participation in the program. ○ Track loans stemming from changes to our policies on single-width manufactured housing, as described above, this activity alongside other manufactured housing policy innovations introduced between 2018 and 2020. ○ To promote transparency with stakeholders, produce a public document explaining the reasoning behind the variance or policy change, the expected market opportunity, and the potential risks, if feasible. ○ Launch a targeted effort through one or more lenders to eventually purchase loans on a recently launched product resulting from a variance or policy change. ○ This effort will necessarily include quantitative and qualitative analysis to select appropriate lender partners, select target markets, and generate goals. ○ This effort will also consist of managing the relationship with the partner lender and any additional external stakeholders, and will likely involve modifying plans as needed in response to market acceptance of the product.



Objective 3: Develop an enhanced manufactured housing loan product for quality manufactured housing and purchase loans (Partner and Innovate, Do What We Do Best).

Proposed Modification(s)

Add a target which includes executing a variance and change evaluation area from outreach to loan product.

Justification for Proposed Modification(s):

Strengthens our commitment to supporting the development of affordable housing supply through manufactured homes as ADUs and within subdivision settings by expanding our product and outreach commitments.



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

3. Objective #3: Develop an enhanced manufactured housing loan product for quality manufactured housing and purchase loans (Partner and Innovate, Do What We Do Best).

SMART Factors

Fannie Mae will undertake the following measurable Actions in the years indicated.

Year	Actions
2021	<ul style="list-style-type: none"> • As appropriate, continue product development activities initiated in prior years <u>and execute one test and learn variance to facilitate an increase in affordable housing supply through ADUs.</u> <ul style="list-style-type: none"> ○ Engage with lenders and other stakeholders to inform <u>future product development efforts by identifying opportunities whether and how to</u> enhance, modify, or simplify the design <u>and/or</u> implementation of <u>current product offerings-MH Advantage®</u>. ○ Specifically, maintain outreach methods successful in prior years (and described in detail under Objective 4 of this section) to solicit feedback from lenders, manufacturers, retailers, developers, realtors, appraisers, title agents, and others. ○ Share information on MH Advantage financing and MH Advantage eligible homes via popular manufactured housing digital platforms/channels to educate consumers and to provide a cohesive library of information on MH Advantage financing for various manufactured housing stakeholders, such as retailers and lenders. ○ Produce a report on findings from these engagements, describing expectations for product development efforts, accomplishments, and next steps. • Conduct and publicize research in support of MH Advantage. <ul style="list-style-type: none"> ○ Analyze manufactured housing zoning constraints in municipalities across the country. ○ Publish and promote analysis for public consumption to illustrate implications of zoning constraints on manufactured housing and MH Advantage. ○ Develop a comprehensive guide/toolkit to provide direction to builders/developers throughout the manufactured housing construction process. • <u>Build a pipeline of new housing supply by supporting the development of MHAMH Advantage subdivisions. Expand awareness of MH Advantage to facilitate adoption of eligible homes in neighborhood settings.</u> <ul style="list-style-type: none"> ○ <u>Facilitate relationships between private developers and potential sources of development and/or end-loan financing, in at least three geographic areas.</u> three private <u>Engage at least three private land developers to share information on MH Advantage to discuss viability of the product in these settings.</u> ○ <u>Provide additional marketing support for at least three “early adopter” developer partners.s”</u> ○ <u>Assist with the development and implementation of a n-apraiser-training program for appraisers assessing values in MHAMH Advantage subdivisions.</u> ○ Engage at least three community land trusts to share information on MH Advantage to discuss viability of the product in these settings. ○ Engage at least two representatives of a manufactured housing condominium or other form of development to share information on MH Advantage and discuss viability of the product in these settings.



Year	Actions
	<ul style="list-style-type: none"><li data-bbox="316 275 1495 338">○ Develop a proof of concept for this business model by producing a case study on MH Advantage homes in neighborhood settings. Promote this resource to relevant stakeholders.

**Fannie Mae
Manufactured Housing
2021**

Activity: Regulatory Activity: MHC with certain pad lease protections (12 C.F.R. § 1282.33 (c) (4)).

Objective 1: Conduct research and outreach to determine market opportunities for FHFA's minimum tenant pad lease protections (FHFA Pad Requirements), offer one loan product enhancement, and acquire loans (Test and Learn, Partner and Innovate, Do What We Do Best).

Proposed Modification:
Increase loan purchase target from 35 to 111 properties.

Justification for Proposed Modification(s):

Fannie Mae's projected volume for MHC with TSLPs has increased significantly due to market conditions, dedicated outreach and improvements made to the program.



C. Regulatory Activity: MHC with certain pad lease protections (12 C.F.R. § 1282.33 (c) (4)).

1. **Objective #1: Conduct research and outreach to determine market opportunities for FHFA’s minimum tenant pad lease protections (FHFA Pad Requirements), offer one loan product enhancement, and acquire loans (Test and Learn, Partner and Innovate, Do What We Do Best).**

SMART Factors

Fannie Mae will undertake the following measurable Actions in the years indicated.

Year	Actions
2021	<ul style="list-style-type: none"> • Finance 11135 MHC properties which provide residents tenant pad lease protections, representing approximately 3,745 units¹, approximately a 48050 percent increase over <u>our</u> Baseline. <ul style="list-style-type: none"> ○ Baseline: Fannie Mae will use our 2019 acquisition data to set the Baseline at 23 properties.

	2017	2018	2019
MHC properties meeting the FHFA Pad Requirements	n/a	n/a	23

¹ Unit count based on average Duty to Serve-eligible units per MHC property providing residents tenant pad lease protections.

Fannie Mae
Affordable Housing Preservation
2021

Activity: 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).

Proposed Modification(s):

Revise target to focus on supporting strategies that expand the supply of shared equity units.

Justification for Proposed Modification(s):

Strengthen our commitment to an underserved market by making our target more ambitious and broadening the scope of activities. The shared equity market is currently very limited in size and we are directing more resources toward supporting strategies that could grow the supply of long-term affordable homeownership units over time.



- I. Regulatory Activity: Shared equity programs for affordable housing preservation (12 C.F.R. § 1282.34 (d) (4)).
2. **Objective #2: Increase liquidity for shared equity homeownership through outreach, research, and loan product solutions (Analyze, Partner and Innovate, Test and Learn).**

SMART Factors

Fannie Mae will undertake the following measurable Actions in the years indicated.

Year	Actions
2021	<ul style="list-style-type: none">• Support strategies that expand the supply of shared equity units. Identify future product improvement opportunities by enhancing and sustaining our industry presence through outreach, marketing, and educational efforts.<ul style="list-style-type: none">○ 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.○ 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.○ 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.○ 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. Analyze insights obtained during stakeholder engagement efforts and identify opportunities to further address any potential lender concerns and/or barriers which limit their ability to participate in shared equity programs.• Execute our business-to-business marketing efforts and outreach aimed at increasing loan deliveries by promoting lender awareness and participation in shared equity programs.<ul style="list-style-type: none">○ Update product and training materials to incorporate policy enhancements enacted in 2020.○ Work with internal partners to develop and execute a lender outreach strategy focused on increasing the participation and production of 10 targeted lender partners.○ Assess the effectiveness of marketing and outreach efforts to identify the most valuable activities and materials.○ Analyze insights obtained during lender engagement efforts and identify opportunities to further address any potential lender concerns and/or barriers which limit their ability to participate in shared equity programs.

Fannie Mae
Affordable Housing Preservation
2021

Additional Activity: Residential Economic Diversity Activity (12 C.F.R. §§ 1282.32 (d)(3) and 1282.36(c)(3)).

Objective 7: Establish an initiative which aims at preserving access to affordable rental housing in areas of high opportunity through outreach, research, and product development efforts (Partner and Innovate, Analyze, Test and Learn).

Proposed Modification

Add a new RED objective which aims at preserving access to rental housing in low-poverty areas.

Justification for Proposed Modification

Strengthen our commitment to an underserved market by adding an objective which creates a pathway for economic opportunity by improving landlord participation in low-poverty areas.



M. Additional Activity: Residential Economic Diversity Activity (12 C.F.R. §§ 1282.32 (d)(3) and 1282.36(c)(3)).

Objective # 7: Establish an initiative which aims at improving future access to rental housing through outreach, research, and product development efforts (Partner and Innovate, Analyze, Test and Learn).

Meeting the Challenges

One-third of all voucher holders are unable to secure a rental unit because finding a property that will accept their voucher is difficult. Securing a rental unit which accepts vouchers is particularly pronounced in low-poverty areas with access to transit. In addition, the demand for market rate rental units is strong in such areas. About half of all voucher holders live in areas with concentrated poverty.

To meet this challenge, Fannie Mae will:

Create a pathway(s) for economic opportunity by improving landlord participation in the program, particularly in low-poverty areas.

SMART Factors

Fannie Mae will undertake the following measurable Actions in the years indicated.



Year	Actions
2021	<ul style="list-style-type: none"> • <u>Improve future access to rental housing among Section 8 voucher holders in areas of opportunity by identifying incentives and educational resources to improve landlord participation in the housing choice voucher program.</u> <ul style="list-style-type: none"> ○ <u>Design an incentive program that would encourage landlord participation in the HCV program and assess risks and potential market size associated with the program.</u> ○ <u>Solicit feedback from at least 15 academics and MF industry participants with special focus on vouchers to test the program design, including at least three MF borrowers who own properties in high opportunity areas.</u> ○ <u>Create marketing materials to communicate with lenders and borrowers about the program.</u> ○ <u>Create educational materials including public housing authority best practices for voucher administration that have streamlined HCV program participation for property owners.</u>

This is a new area of focus for Fannie Mae. Research efforts began in mid-2020 to identify challenges to landlord participation in the voucher program. The primary challenges that surfaced through this research were the administrative costs associated with participation.

Criteria	2018	2019	2020	2021
Evaluation Factor:	N/A	N/A	N/A	Loan Product
Income Levels:	Very Low-, Low-, and Moderate Income Levels			