



Fannie Mae Rural Housing Loan Purchase

ACTIVITY:

A. Regulatory Activity: Housing in high-needs rural regions (12 C.F.R. § 1282.35 (c)(1)).

OBJECTIVE:

1. Fannie Mae will increase single-family loan purchases in high-needs rural regions (Do What We Do Best).

SUMMARY OF RESULTS:

In 2016, Fannie Mae worked to establish an aggressive Baseline and incremental increased loan targets for each year of the plan. Fannie Mae set as its Baseline 10,377, the number of loans purchased in 2016, highest volume over the three-year period preceding the start of the Duty to Serve plan cycle.

In 2018, Fannie Mae purchased 11,700 single-family loans in high-needs rural regions. Despite significant headwinds including rising interest rates and persistent economic challenges, Fannie Mae surpassed its loan target in high needs rural regions by 1,000 loans.

Fannie Mae's rural outreach efforts, kicked off in 2017 and deepened throughout 2018, were likely partly responsible for the increase in loan purchases from high needs rural regions. Fannie Mae's focus on manufactured housing also supported the increase in loan purchases – deliveries of manufactured housing titled as real property in high needs rural regions increased in 2017 and 2018.

Following are the 2018 Actions under this Objective as published in the December 14, 2018 Duty to Serve Plan:

Purchase between 10,700 and 11,000 single-family loans in high-needs rural regions, representing a three to six percent increase over the Baseline.

SELF-ASSESSMENT RATING OF PROGRESS:

- Objective met
- Objective exceeded
- Objective partially completed: 75-99% (substantial amount)
- Objective partially completed: 50-74% (limited amount)
- Objective partially completed: 25-49% (minimal amount)
- Objective partially completed: 0-24% (less than a minimal amount)

IMPACT:

- 50-Substantial 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 laying the foundation for future impact in addressing underserved market needs?

Fannie Mae's significant outreach efforts, described under a separate narrative, supported loan production in 2018 and laid the foundation for future loan deliveries from high needs rural regions.



2. (Optional): How do actions under this objective support future actions detailed in the Plan for the underserved market? If there have been any changes in the planned next steps or timeline for work under or related to this objective, describe the changes and provide a brief explanation.

The outreach efforts undertaken this year will allow us to evaluate future product and policy updates, test concepts, and refine the tactics within our initiatives. Our 2019 plan also calls Fannie Mae to opportunities to customize, enhance, or simplify products and establish a test and learn approach issuing one negotiated variance to select lenders in high-needs rural regions addressing affordable supply or aging housing stock or renovation.

We will also assess the learnings from policy changes completed in 2018 and making appropriate adjustments to support loan purchases.

3. (Optional): Are there any market factors that adversely impacted the actions under this objective? If so, describe.

Even though Fannie Mae exceeded the target in 2018, rising interest rates, the lack of affordable supply for lower income families, and persistent economic challenges severely limit homeownership opportunities in high needs rural regions.

4. (Optional): How did the actions under this objective contribute to increased or future loan purchases for the underserved market?

The outreach and product development enhancements described in other narratives all have the potential to support an increase in loan purchases in future years.



Fannie Mae

Rural Housing

Loan Purchase

First Quarter: January 1 - March 31, 2018

ACTIVITY:

A. Regulatory Activity: Housing in high-needs rural regions (12 C.F.R. 1282.35 (c)(1)).

OBJECTIVE:

1. Fannie Mae will increase single-family loan purchases in high-needs rural regions (Do What We Do Best).

SUMMARY OF RESULTS:

Following are the 2018 Actions under this Objective:

- Purchase between 10,700 and 11,000 single-family loans in high-needs rural regions, representing a three to six percent increase over the Baseline.

SELF-ASSESSMENT RATING OF PROGRESS:

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):



**Fannie Mae
Rural Housing
Second Quarter Report: January 1 - June 30, 2018
Loan Purchase**

ACTIVITY:

A. Regulatory Activity: Housing in high-needs rural regions (12 C.F.R. § 1282.35 (c)(1)).

OBJECTIVE:

1. Fannie Mae will increase single-family loan purchases in high-needs rural regions (Do What We Do Best).

SUMMARY OF RESULTS:

Fannie Mae continues to purchase Single Family loans in high-needs rural regions. Through June 30, 2018, we have purchased 5,459 loans and are projected to surpass the lower range of our 2018 loan purchase target of 10,700 loans.

Following are the 2018 Actions under this Objective:

- Purchase between 10,700 and 11,000 single-family loans in high-needs rural regions, representing a three to six percent increase over the Baseline.

SELF-ASSESSMENT RATING OF PROGRESS:

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):



**Fannie Mae
Rural Housing
Third Quarter Report: January 1 - September 30, 2018
Loan Purchase**

ACTIVITY:

A. Regulatory Activity: Housing in high-needs rural regions (12 C.F.R. § 1282.35 (c)(1))

OBJECTIVE:

1. Fannie Mae will increase single-family loan purchases in high-needs rural regions (Do What We Do Best).

SUMMARY OF RESULTS:

We have purchased 8,863 single family loans in high-needs rural regions, placing us on track to reach our loan purchase goal of 10,700 loans this year.

Following are the 2018 Actions under this Objective:

- Purchase between 10,700 and 11,000 single-family loans in high-needs rural regions, representing a three to six percent increase over the Baseline.

SELF-ASSESSMENT RATING OF PROGRESS:

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

ADDITIONAL INFORMATION (IF APPLICABLE):