

**2022  
Manufactured Housing  
Outreach**

**ADDITIONAL ACTIVITY:**

D. Additional Manufactured Housing Communities Activities (12 C.F.R. § 1282.33 (d)).

**OBJECTIVE:**

2. Supporting renters in manufactured housing communities through credit-building activities.

**INFEASIBILITY:**

Check here if the Enterprise is submitting an infeasibility request for the objective.

**SUMMARY OF RESULTS:**

Objective’s components detailed in the Plan	Corresponding actions taken	Explanation of any deviations from the Plan (if applicable)
<input checked="" type="checkbox"/> Conduct research and market outreach to evaluate the viability and effectiveness of having manufactured housing community owners and operators report rental payment data to credit bureaus through third party vendors.	The implementation steps that follow, collectively, constitute completion of this target.	N/A
<input checked="" type="checkbox"/> Develop and implement an outreach strategy aimed at identifying and selecting external partner(s) who are well-positioned to expand access to credit-building services for manufactured housing community residents, based upon familiarity with MHC operating models and tailored technological product offerings for MHC community operators.	In developing its Positive Rent Payment (PRP) pilot, Fannie Mae researched several potential vendors and ultimately chose to partner with three vendors offering credit reporting services to multifamily borrowers. Each of these vendors had experience in working with manufactured housing community operators.	N/A
<input checked="" type="checkbox"/> Establish partnership with third-party vendor to create a proactive working relationship and position the pilot for launch.	Fannie Mae developed processes for sharing adoption and impact data and provided flexibility to its pilot vendors to enable each to develop their own approach to implementing their rent payment software.	N/A



<input checked="" type="checkbox"/> Research and develop an implementation strategy with 1 - 2 vendors and 1 - 2 MHC owners targeting a sample group of properties to participate, identifying incentives needed to entice participation.	Fannie Mae secured commitments from two MHC property owners with outstanding Fannie Mae debt to commit to implementing rental payment reporting services at communities in their portfolios. One of these borrowers committed to implementing the program across their entire portfolio, a decision that will extend the benefits of rent payment reporting services to more than 20,000 potential tenants. With roughly 100,000 units enrolled at the end of 2022, roughly one in five units benefitting from the early adoption of this service will reside in a manufactured home community, far exceeding the initial MHC adoption rate anticipated under the program.	N/A
<input checked="" type="checkbox"/> Launch rental payment reporting pilot by end of Q4.	Fannie Mae launched its rental payment reporting pilot on September 27, 2022.	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
- 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?**

In 2022, Fannie Mae developed and launched its Positive Rent Payment (PRP) Reporting pilot. The pilot is intended to broadly address credit invisibility amongst renters by working with third-party financial technology companies to improve renters' access to credit by incorporating their positive rental payment history into the calculation of their credit scores. In conducting research to inform the pilot's rollout, we found that roughly 15% of the U.S. population has little or no established credit history. Furthermore, while monthly rent payments represent the largest monthly expense for many renters, less than 15% of renters have their rent payments reported to the credit bureaus for consideration in their credit score calculation despite the development of technology to do this at scale. While Fannie Mae is choosing to address the problem by casting a broad net with respect to pilot promotion and adoption, the pilot's specific application for tenants living in manufactured housing communities has the potential to improve access to credit amongst consumers for whom the trends noted above may be acute. According to the CFPB's 2021 publication "Manufactured Housing Finance: New Insights from the Home Mortgage Disclosure Act Data," only 31.4% of chattel borrowers without a credit score were approved for a loan in 2019, compared with an approval rate of almost 90% for site-built borrowers without a credit score. This highlights the disparity experienced by renters living in MHCs who may be attempting to finance the purchase of their MH unit without a sufficient or established credit history, and it further illustrates the disparity that we seek to address by specifically including MHCs in our outreach strategy for this program.

In all, 21,956 units across 119 MH properties were successfully enrolled in the program by the end of 2022, far exceeding our initial target of one to two properties. One MHC borrower agreed to implement rental payment reporting services at all of its MH properties, enabling us to track portfolio-wide implementation over time to inform best practices for engaging with larger institutional property owners with the ability to bring this program to greater scale in future years.

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

The pilot is structured with Fannie Mae absorbing the cost of program implementation for 12 months—thereby reducing barriers to entry and allowing Fannie Mae to engage with a larger pool of participants whose feedback will inform future outreach and product enhancements. As a condition of participating, borrowers agree to remit certain data points to the pilot vendors, including the number of credit scores established through the initiative, the magnitude of credit score increases, and any renters who can move from subprime to prime credit scores. While we have not yet received this impact data, we will share this information for the MHCs enrolled in the pilot in 2023 and use that data to inform our strategy moving forward.

### **3. Optional: If applicable, why was the Enterprise unable to achieve the Plan target?**

Not Applicable