



DUTY TO SERVE FINAL RULE

DECEMBER 19, 2016

AGENDA

Overview of the Final Rule

Public Listening Sessions

Planning Timeline

Questions and Answers

WHAT IS THE DUTY TO SERVE?

The Housing and Economic Recovery Act of 2008 established for Fannie Mae and Freddie Mac a duty to serve very low-, low-, and moderate-income families in three specified underserved markets:

Manufactured
Housing

Affordable Housing
Preservation

Rural Housing

Each year, FHFA is required to evaluate and rate each Enterprise's compliance with the Duty to Serve requirements in each underserved market and report the results to Congress.

UNDERSERVED MARKETS PLANS

Underserved Markets Plan



UNDERSERVED MARKETS PLAN REQUIREMENTS

Activities	Objectives	Evaluation Areas	Extra Credit
<p>3 categories:</p> <ul style="list-style-type: none">• Statutory• Regulatory• Additional	<p>Specific, measurable tasks for each activity</p>	<p>Objective meets one of 4 evaluation areas:</p> <ul style="list-style-type: none">• Outreach• Loan Products• Loan Purchase• Investments	<p>Opportunity to earn extra credit for accomplishing certain challenging or impactful activities or objectives</p>



MANUFACTURED HOUSING MARKET

Statutory Activities	Regulatory Activities	Additional Activities
None	<p>Manufactured Homes:</p> <ul style="list-style-type: none"> • Support manufactured homes titled as personal property (chattel) • Support manufactured homes titled as real property <p>Manufactured Housing Communities:</p> <ul style="list-style-type: none"> • Small (≤ 150 pads) • Support manufactured housing communities owned by government entities or instrumentalities, nonprofits, or residents • Manufactured housing communities with specified minimum tenant pad lease protections 	Eligible Additional Activities proposed by the Enterprises in their Plans and consistent with the HERA household income-eligibility categories

Note: Changes in activities from the proposed rule are shown in red.



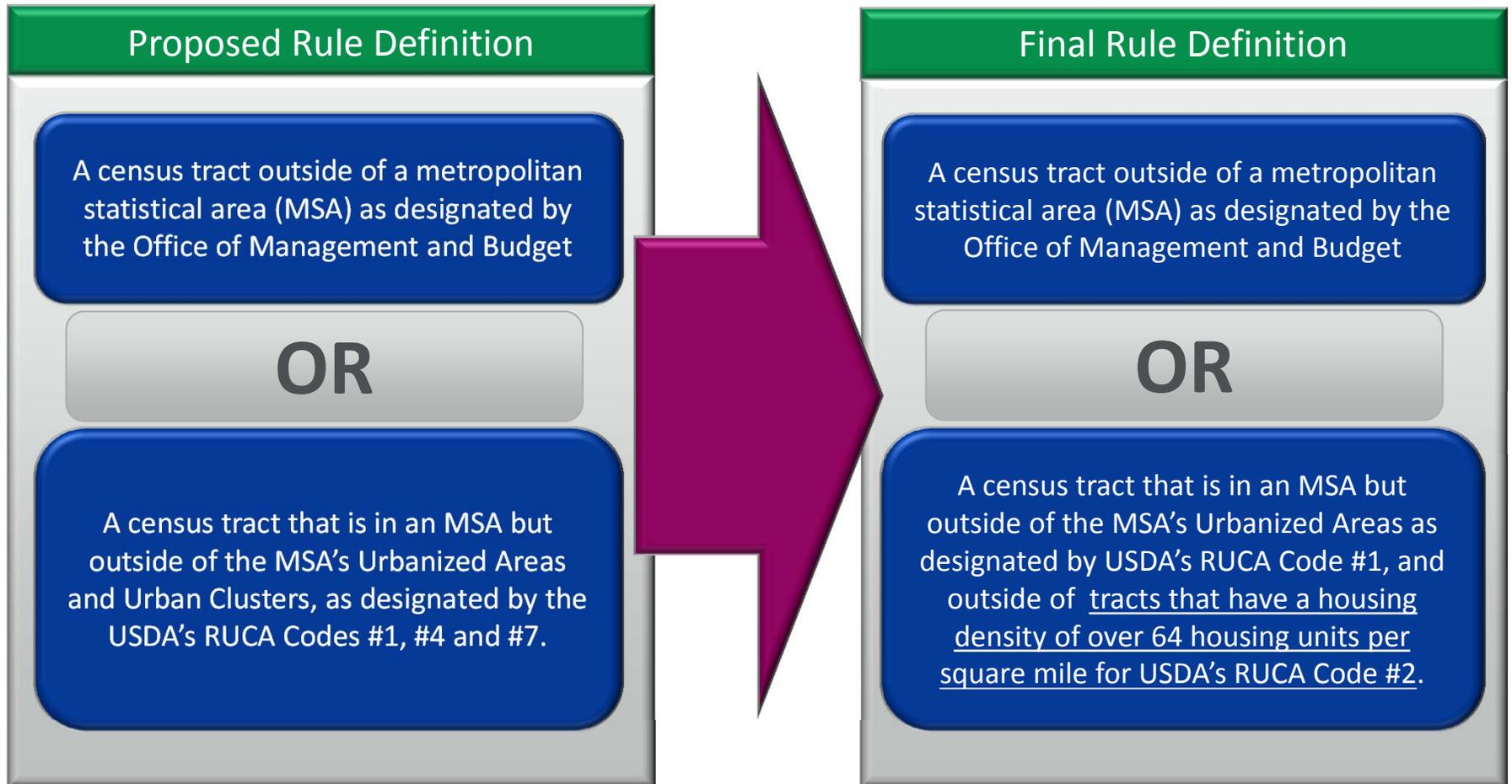
AFFORDABLE HOUSING PRESERVATION MARKET

Statutory Activities	Regulatory Activities	Additional Activities
<ul style="list-style-type: none"> • Section 8 programs • Section 236 (rental and cooperative housing program) • Section 221(d)(4) (moderate-income and displaced families) • Section 202 (elderly) • Section 811 (persons with disabilities) • Permanent supportive housing projects (Homeless Assistance) • Section 515 (rural rental) • Low-Income Housing Tax Credits • Comparable state or local affordable housing programs 	<p>Support for :</p> <ul style="list-style-type: none"> • Small multifamily rental property financing activity (5-50 units, lender size less than \$10B) • Financing of multifamily energy or water efficiency improvements • Financing of single-family energy or water efficiency improvements • Affordable homeownership preservation (shared equity) financing • HUD’s Choice Neighborhoods Initiative (CNI) • HUD’s Rental Assistance Demonstration (RAD) Program • Financing of purchase or rehabilitation of certain distressed properties 	<p>Eligible Additional Activities proposed by the Enterprises in their Plans and consistent with the HERA household income-eligibility categories</p>

Note: Changes in activities from the proposed rule are shown in red.



“RURAL AREA” DEFINITION



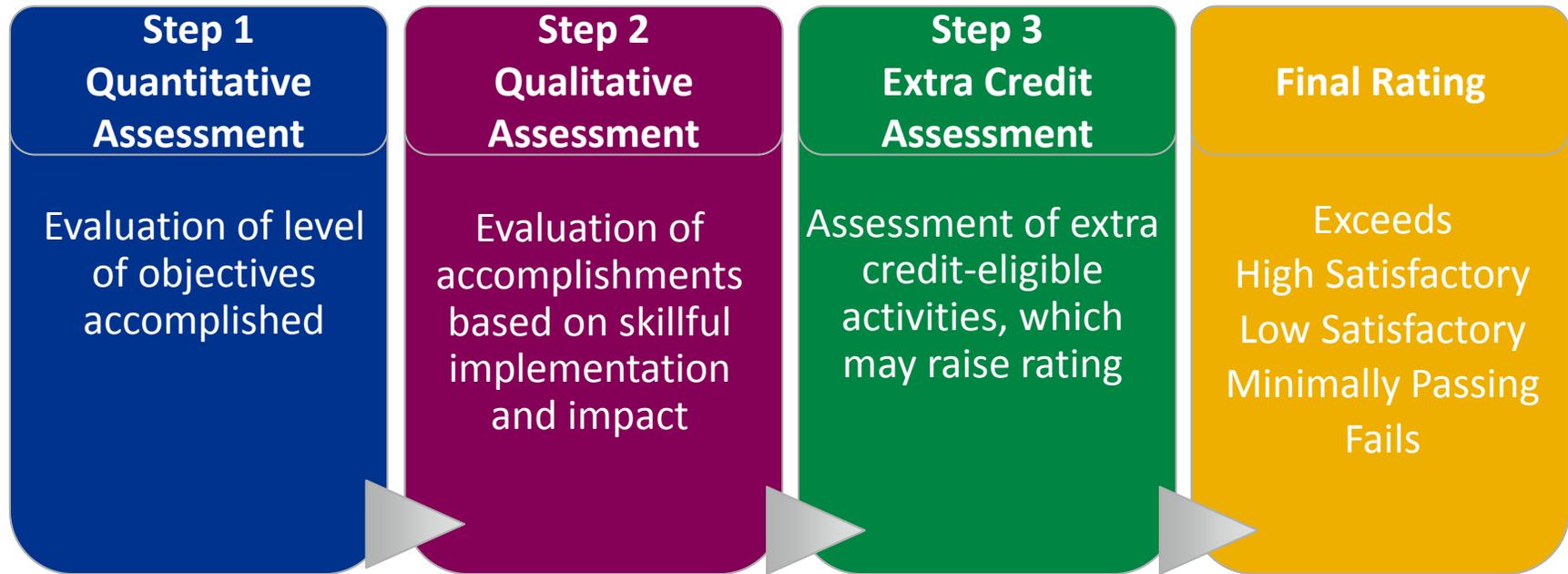
RURAL HOUSING MARKET

Statutory Activities	Regulatory Activities	Additional Activities
None	<ul style="list-style-type: none"> • Support housing in high-needs rural regions: <ul style="list-style-type: none"> • Middle Appalachia • The Lower Mississippi Delta • Colonias along the U.S. - Mexico border • Rural tracts in persistent poverty counties not in above three regions • Support housing for high-needs rural populations: <ul style="list-style-type: none"> • Native Americans in Indian Areas • Migrant and seasonal Agricultural workers • Support financing by small financial institutions of rural housing • Support small multifamily rental property (5- 50 units) activity in rural areas 	Eligible Additional Activities proposed by the Enterprises in their Plans and consistent with the HERA household income-eligibility categories

Note: Changes in activities from the proposed rule are shown in red.



EVALUATIONS AND RATINGS



PUBLIC LISTENING SESSIONS

January 25, 2017

Federal Reserve Bank of Chicago

February 1, 2017

Federal Reserve Bank of San Francisco

February 8, 2017

FHFA Headquarters, Washington, DC

February 9, 2017

Webinar

DUTY TO SERVE WEBPAGE

www.fhfa.gov/dts



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Programs

Affordable Housing &
Community Investment

American Survey of Mortgage
Borrowers

Duty to Serve Program

Fraud Program

Home Affordable Refinance
Program

Housing Finance Examiner
Commission Program

National Mortgage Database

National Survey of Mortgage
Originations

Neighborhood Stabilization
Initiative (NSI)

Meet the Experts

Overview

Federal law requires the Federal Housing Finance Agency (FHFA) to issue a regulation to implement the Duty to Serve requirements specified in the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended by the Housing and Economic Recovery Act of 2008. The statute requires Fannie Mae and Freddie Mac (the Enterprises) to provide leadership to facilitate a secondary market for mortgages on housing for very low-, low-, and moderate-income families in three underserved markets specified in the statute:

- Manufactured housing
- Affordable housing preservation
- Rural housing

FHFA has issued a final rule to serve families in these markets, without compromising on safety and soundness.

Final Rule



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The Housing and Economic Recovery Act of 2008 (HERA) amended the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) to establish a duty for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the Enterprises) to serve three specified underserved markets — manufactured housing, affordable housing preservation, and rural markets — in order to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing for very low-, low-, and moderate-income families in those markets. The Federal Housing Finance Agency (FHFA) has issued a final rule that sets forth specific activities that the Enterprises may consider undertaking, at their discretion, to be eligible to receive Duty to Serve credit, and provides that the Enterprises may propose additional activities.



FOR MORE INFORMATION

DutytoServeStakeholders@fhfa.gov







D U T Y T O S E R V E