2025
Affordable Housing Preservation
Loan Purchase

ACTIVITY:

A. The project-based and tenant-based rental assistance housing programs under Section 8 of the U.S. Housing Act of 1937, 42 U.S.C. § 1437f (C.F.R. § 1282.34 (c) (1)).

OBJECTIVE:

1. Purchase loans financing 23,100 Section 8 units.

INFEASIBILITY:

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

In 2025, we faced challenges in in meeting our target of 23,100 units due to delays in closing 17 deals totaling approximately 2,461 Duty to Serve (DTS)-eligible units, representing 10% of our target, that were affected by the 43-day government shutdown beginning in Q4. Although the government reopened in November, there was insufficient time remaining in the year to close and deliver these loans to count toward our 2025 goal. This delayed volume represents the loan purchases that would have allowed us to meet an ambitious Section 8 target. Because this shortfall resulted in factors outside of Fannie Mae's control, we have requested infeasibility for this loan purchase target.

As of October 1, 2025, the start of the government shutdown, our pipeline had Section 8 loans totaling 4,710 units that were Committed or Under Application and scheduled for 2025 delivery. Of that pipeline, loans totaling 2,461 units delivered in January 2026 and loans totaling 2,249 units are still in process as of February 1, 2026. It seems likely that most of the loans that delivered in January would have delivered in 2025 as planned if not for the processing delays caused by the shutdown, which would have allowed us to exceed our target.

2025 vs. 2026 Deliveries	DTS Unit Count	% of Target
Total 2025 Section 8 units delivered	21,306	92.2%
2025 deliveries as of October 1 that delivered in January 2026	2,461*	10.7%
Likely total 2025 acquisitions without shutdown	**23,767**	**102.9%**

**This does not represent all January 2026 deliveries, only the loans that were scheduled for 2025 delivery prior to the shutdown.*

SUMMARY OF RESULTS:

Objective's components detailed in the Plan	*Corresponding actions taken*	*Explanation of any deviations from the Plan (if applicable)*
☐ Purchase loans financing 23,100 Section 8 units.	In 2025, Fannie Mae purchased 135 loans that financed 139 Section 8 properties, accounting for 21,306 rental units.	

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?

Across the country, many renters struggle to afford their homes. Per American Community Survey data, in 2023, more than 21 million renter households — nearly half of all renter households in the U.S. — spent over 30% of their income on housing costs.[1] This rent burden continues to grow as rental costs rise faster than incomes. When rents grow faster than incomes, low-income families face even greater challenges in maintaining stable housing. Programs like Section 8 Project-Based Rental Assistance (PBRA) are critical because they help keep housing affordable. Under PBRA, property owners receive rental assistance payments so tenants pay no more than 30% of their income toward rent. This program supports a large share of federally assisted housing, about 21% of all units.[2] By purchasing loans secured by Section 8 properties, Fannie Mae provides liquidity to lenders and property owners, helping preserve these deeply affordable units for families who need them most.

In 2025, we supported the Section 8 market by purchasing 135 loans that financed properties with PBRA contracts. These loans helped maintain affordability for approximately 21,306 rental units. While this is short of our target of 23,100 units, it is in line with 2024 on a unit basis, when we purchased 171 loans supporting over 21,000 units. The impact remains significant during a year of unexpected challenges. Our loan purchases included properties in 32 states, with the largest concentrations in New York, Pennsylvania, California, and Kentucky. The projects ranged from 24 to 1,669 units, showing our commitment to supporting a variety of property sizes. Importantly, these units serve a critical affordability need: 86.4% are affordable to very low-income households at or below 50% of area median income (AMI), and 97.6% affordable to low-income households at or below 80% of AMI.

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

Through our work to support the market for properties utilizing Section 8 PBRA, we have observed the following common trends in 2025:

- **Competition:** We continued to observe strong competition for Section 8 opportunities given the deep affordability of these properties and alignment with our goals. As a result, there was demand for favorable pricing and more flexible credit terms such as interest-only components and 35- or 40-year amortization periods. We continue to strive to be responsive to these types of requests while balancing our appetite for concessions in the interest of maintaining safe and sound lending practices.

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[1] U.S. Census Bureau. "Nearly Half of Renter Households Are Cost-Burdened." *American Community Survey*, September 12, 2024. https://www.census.gov/library/stories/2024/09/acs-rent-burden.html

[2] Picture of Preservation 2024 (Public and Affordable Housing Research Corporation and National Low Income Housing Coalition, December 2024), https://resources.haigroup.com/hubfs/Picture%20of%20Preservation%202024.pdf

- **Deal sourcing:** We learned that early and collaborative engagement with our Delegated Underwriting and Servicing (DUS®) lenders is critical to identifying opportunities and structuring solutions that meet borrower needs. By working closely with lenders, we can tailor offerings that not only help win business but also expand access to financing for properties serving very low-income households. This proactive approach strengthens market impact and positions us as a reliable partner in preserving affordability.
- **Interest rate trends:** In the first half of 2025, we continued to experience challenges associated with the high-interest rate environment as observed in 2024, with longer timelines to rate-lock given market anticipation of potential rate cuts. These challenges have eased in the second half of the year and deals have returned to progressing through the pipeline in the normal course.

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

Please see the above infeasibility request, where we have outlined our reasons as to why we were unable to achieve the Plan target.