

2025
Affordable Housing Preservation
Loan Product

ACTIVITY:

E. Energy or water efficiency improvements on single-family, first-lien properties that meet FHFA criteria (12 C.F.R. § 1282.34 (d) (3)).

OBJECTIVE:

1. Reduce homeowner utility costs through consumer tools, new programs, and loan products.

SUMMARY OF RESULTS:

Technical edits were made to this objective as permitted under the Plan Revision Process specified in Chapter 1, Section IV of the Duty to Serve Evaluation Guidance (2025-8).

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions taken</i>	<i>Explanation of any deviations from the Plan (if applicable)</i>
<input checked="" type="checkbox"/> Promote and expand cost-saving initiatives that support very low- and low-income homebuyers and homeowners.	In 2025, we took a multi-faceted approach to promotion of cost-saving initiatives to influence utility cost burden for homeowners. This included our work to host and support the Home Improvement Savings Finder (HISF) publicly on our website; our engagement with lenders to promote adoption of the HomeStyle® Refresh (formerly HomeStyle® Energy) product to finance utility-saving improvements; and our work in partnership with Auburn University Rural Studio (AURS) to identify efficiencies that reduce utility cost burden in newly constructed homes.	
<input checked="" type="checkbox"/> Evaluate the effectiveness of the Home Improvement Savings Finder; if appropriate, add new features to the tool.	In addition to coverage of all U.S. states, territories, and Washington, D.C., the tool has been rebranded as the HISF, and multiple enhancements have been made to improve functionality and integration with our HomeStyle products page.	
<input checked="" type="checkbox"/> Develop an outreach and engagement strategy for the Home Improvement Savings Finder to increase adoption; conduct stakeholder mapping to identify key partners.	We completed a thorough stakeholder mapping exercise to identify key external partners and stakeholders that would benefit from the information contained within the tool. In 2025, we pivoted our promotion strategy on the HISF to focus on key industry partnerships and home repair forums, as opposed to direct-to-consumer engagement. Our goal was to re-brand the tool as a resource that housing counselors, lenders, servicers, realtors, contractors, etc. can direct homebuyers to in their course of business.	



<input checked="" type="checkbox"/> Utilizing research conducted in previous years and through learnings from the high-performance homes pipeline (2022-2024), continue to develop strategies and approaches to reducing costs associated with resiliency upgrades.	<p>We continued partnering with AURS to advance cost-saving design and construction strategies that improve energy efficiency, resilience, and long-term affordability in rural housing. Key efforts included developing technical resources on energy efficiency; testing capital and process strategies such as sweat equity flexibility; and collaborating on initiatives like Houston’s “Finding Home” to expand development capacity for high-performance homes. These activities aim to reduce costs, improve borrower access, and create scalable solutions for underserved markets.</p>	
<input checked="" type="checkbox"/> Engage with lenders to increase awareness and adoption of HomeStyle products.	<p>We engaged with 15 lenders through various training webinars and direct conversations, reaching over 150 individual attendees, and two additional webinars that included another 66 lenders to promote our HomeStyle products. Through these engagements, we gleaned important feedback around the barriers to participation and the challenges of trying to influence homeowner utility cost burden through a mortgage loan product.</p>	

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?

Many homes in the U.S. are aging and need repairs or upgrades to help control utility costs and stabilize household financial health. Without these improvements, households often face higher energy bills that may contribute to instability. Financial stress makes it difficult for many families to afford these repairs as well as keep up with monthly utility costs. These challenges disproportionately affect low- and moderate-income homeowners, making utility costs a significant driver of housing instability



and affordability concerns. In response to these challenges, Fannie Mae implemented several workstreams designed to improve access to resources in home financing and development that may alleviate cost burden.

Home Improvement Savings Finder

In 2025, we expanded and promoted the Home Improvement Savings Finder, a free online tool that includes over 4,000 programs offering incentives, rebates, tax credits, and grants. These programs offer access to: (i) upgrades that may help homeowners save on water and power bills; (ii) repairs that make it easier to control the conditions inside a home; (iii) health and safety improvements; and (iv) utility bill assistance. We maintained accurate program data through one national launch in January 2025 and two subsequent data refreshes during the year. We also executed a multi-channel outreach strategy that included a mix of industry partner engagements, conferences, and promotions directly to consumers:

- Industry partner engagements informed by our stakeholder mapping exercise:
 - Lenders: Tool demonstration for the National Council of State Housing Agencies was featured in a lender email campaign distributed to more than 21,000 individuals associated with lender organizations; and was shared with 46 lenders during two Rural Lending Webinars.
 - Servicers: Tool was promoted at the Fannie Mae Servicing Conference to approximately 150 servicers.
 - Housing Counselors and Financial Coaches: Tool was shared at the RAISE Texas Summit housing stability listening session, and with the National Community Reinvestment Coalition Housing Counseling Network.
 - Contractors: Tool was included in a HomePath® training module that is available 24 hours a day, 7 days a week.
 - Realtors: Tool was promoted to 164 realtors within the real estate owned (REO) network during the New Public Funds Agent Training.
 - Nonprofits: Tool was shared with the Green and Healthy Homes Initiative.
- Direct-to-consumer promotions:
 - Two video posts on Fannie Mae’s “X” channel that featured the HISF.
 - Featured in the New Homeowner Journey email series, an email campaign shared with new homeowners.
 - Incorporated into HomeStyle Refresh landing page.

We also engaged lenders to increase awareness of our HomeStyle products, including HomeStyle Refresh, which allows borrowers to finance improvements that may lower utility cost burden. Activities included meetings and/or trainings with 15 individual lenders, reaching over 150 attendees, and two webinars that included another 66 individual lenders, helping lenders understand how these products can finance home improvements that reduce utility costs and improve long-term affordability.

Partnership with Auburn University Rural Studio (AURS)

We also continued our collaboration with AURS in 2025 to identify cost-saving design and efficient construction strategies for homes in rural areas. This work focuses on improving the process of delivering efficient properties that result in lower long-term utility costs for the homeowner. The workstreams in 2025 are described below:

Technical resources for energy efficiency and resilience: Our partnership with AURS supported the development of resources that translate complex design and construction practices into actionable guidance for housing providers, builders, and homeowners. The Energy Efficiency resource, which is in the drafting stage for field testing with partners, provides guidance on components of an efficient home, outlines criteria and guidelines for decision-making, and best practices and improvement strategies that are cost-effective. Topics include site planning, construction practices and prioritizing insulation quality, thermal comfort systems, appliance selection, and policy incentives. A third resource on Resilience, which addresses environmental hazards and resilient design strategies (certifications, barriers to implementation, etc.) is in the development stage.

Testing capital and process strategies to improve access: Our partnership with AURS also supported work to address capital barriers of owning energy-efficient and resilient properties.

Sweat equity flexibility: AURS, in partnership with Fannie Mae, key lenders, and housing providers, continues to promote the sweat equity flexibility available through HomeReady®. This construct reduces loan-to-value ratios, eliminating mortgage insurance in some cases and further lowering costs in addition to utility savings on the property, which is a critical outcome for preserving long-term affordability. Technical assistance provided by AURS resulted in process standardization for originating



sweat equity mortgages. AURS has also begun engagements with Habitat for Humanity of Northwest Arkansas (HFHNWAR) on this type of lending.

Houston “Finding Home Initiative”: Fannie Mae and AURS began collaborating with Houston Land Bank (HLB) and Houston Community Land Trust (HCLT) in 2025 to pair parcels owned by HLB with ready-to-build designs optimized for energy efficiency, accessibility, and resilience per the FORTIFIED® standard. Three local design firms will be involved in the creation of a catalog for high-performance homes, which will continue into 2026. A sliding-scale pricing model aims to incentivize affordable housing development by adjusting land parcel prices for participating developers, thereby lowering costs and supporting supply growth.

Capital stacking documentation: To document examples of how housing providers may creatively layer capital sources and financial tools to lower homeownership costs, AURS developed a capital stack template to capture construction costs, appraised values, sales prices, down payments, and mortgage amounts for partner projects, alongside key takeaways on incentives, sweat equity valuation, state programs, and affordability preservation. Draft materials are being assembled for broad sharing in print and presentation formats. Areas identified for strategic use include construction finance, setting the sales price, preserving affordability, utilizing state-level incentives, regulatory encouragements, valuing sweat equity and nontraditional capital, treating land and infrastructure as part of the capital stack, supporting organizational sustainability through developer and builder fees, and aligning high-performance design with long-term affordability.

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

Throughout 2025, our outreach to lenders highlighted market-driven barriers to adoption of products like HomeStyle Refresh: High interest rates have reduced refinancing activity, as it is likely to increase monthly payments, offsetting the value of utility savings over time. Particularly among low- to very-low-income homeowners, this has limited the effectiveness of utilizing mortgage loan products as a singular means of impacting utility cost-burdened households. This segment of the market remains highly dependent on subsidy to lessen cost-burden, underscoring the need for flexible solutions that may be integrated with incentives.

As we sought to promote HISF, we considered how these efforts translated to tool usage. Engagement data suggests approximately 5,600 users were engaged in 2025 and the tool had over 13,600 pageviews. This suggests that HISF is relevant for homeowners actively seeking cost-saving solutions, and users connected with the right information tend to stay engaged in a way that suggests it is useful to them. Tracking downstream outcomes, such as whether a homeowner applied for and received rebate funds, remains challenging outside of more structured engagements like housing counseling sessions. We have strategically shifted our outreach from direct-to-consumer marketing toward promoting HISF as a resource for industry stakeholders (e.g., lenders, housing counselors, servicers, real estate professionals) to maintain in their toolkit. In addition to the national expansion of program coverage in January, including all 50 states, Washington, D.C., and U.S. territories, improvements made to the tool throughout the year helped to improve functionality and integrate more seamlessly with information about our loan products. We integrated a call-out box in each search results page that directly links to our HomeStyle products page for easier direction. We also revised the “required fields” indication in the search page to make the tool easier to use. Further, we expanded the number and type of programs included, increasing the overall program count by 37%, from 2,582 programs in January to 4,082 by the end of 2025.

Reducing utility costs is essential for housing stability, particularly for households already facing affordability challenges. Our work highlighted three key insights: (i) access to information matters, as tools like HISF help homeowners seeking assistance but require strong industry partnerships to scale impact; (ii) financing alone is insufficient, especially in high-rate environments where layering subsidies with loan products makes improvements feasible for cost-burdened households; and (iii) design innovation plays a critical role, as partnerships like AURS demonstrate that integrating efficiency into homes from the start can lower long-term costs and reduce future need for subsidies. These lessons will guide future strategies that combine education, incentives, and financing to better serve underserved markets.

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

N/A