Fannie Mae

2025
Affordable Housing Preservation
Loan Purchase

ACTIVITY:

F. Shared equity programs for affordable housing preservation (12 C.F.R. § 1282.34 (d) (4)).

OBJECTIVE:

2. Increase the purchase of mortgage loans that finance shared equity homes.

SUMMARY OF RESULTS:

Objective's components detailed in the Plan	*Corresponding actions taken*	*Explanation of any deviations from the Plan (if applicable)*
☒ Purchase 284 loans used to finance shared equity properties, which represents approximately a 5% increase from the baseline.	Fannie Mae purchased 476 loans that financed shared equity properties, which represents a meaningful increase of 50.2% over 317 loans purchased in 2024 and 76.3% over the baseline of 270 loans.	

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, affordable single-family housing supply continues to fall short of demand. Without targeted action, this gap will worsen, making homeownership unattainable for many low- and moderate-income families. Shared equity programs, such as community land trusts (CLTs) and income and resale price-restricted (IRPR) programs, offer a solution by applying subsidies to reduce the purchase price of a home and use long-term affordability restrictions through ground leases or deed restrictions. This approach helps address the shortage of the affordable supply of homes by not only making the initial home purchase affordable for low- and moderate-income families, but also by ensuring the homes remain affordable upon resale — in some cases for up to 99 years — while allowing buyers to build equity. Shared equity fills a critical gap by creating sustainable pathways to homeownership for underserved markets. By purchasing loans that finance shared equity properties, Fannie Mae helps provide more financing options for homebuyers. We additionally promote market standardization designed to encourage greater lender participation by removing financing barriers. These efforts all ultimately support more attainable homeownership.

In 2025, we purchased 476 loans that financed shared equity properties, including homes in CLTs and IRPR programs. These purchases supported homebuyers in 28 states, an increase of 4 states year-over-year. Of these loans, 93% supported first-time homebuyers. Providing liquidity through loan purchases is one of the most direct ways we can support underserved markets. Shared equity programs are especially important following years of significant home price appreciation, which has made affordability an even greater challenge for low- and moderate-income families. The subsidy embedded in shared equity models reduces the cost of the home, making homeownership possible for families who might otherwise be priced out.

There are several precursors to our ability to impact this market through our loan purchases, including market standardization and lender participation. To encourage market standardization, we maintain and promote use of the Shared Equity Program Platform (SEPP) where shared equity programs can have their ground lease or deed restriction document reviewed for certain Duty to Serve and *Selling Guide* requirements. Through SEPP, we have certified over 140 programs in 35 states, and published the results for review by the public, including lenders and shared equity programs, via the Certified Shared Equity Program (CSEP) List, which has become an industry standard and helps lenders confidently serve this market. In 2025, we observed a four-fold increase in the number of loans delivered that financed a property that was under a shared equity program on the CSEP List, from 25 loans in 2024 to 107 loans in 2025. This suggests increasing levels of engagement and market acceptance of certification as a standard. To further encourage lender participation, we engaged directly with 18 lenders to provide training and education on shared equity lending. We also worked with 12 shared equity programs in 9 states, offering guidance on certification benefits and how certification can strengthen lender relationships and create more options for the homebuyers they work with. These actions laid the foundation for future impact by (i) expanding lender knowledge and readiness to originate shared equity loans, (ii) increasing the number of certified programs, which promotes consistency and trust in the market, and (iii) demonstrating that shared equity financing is viable and scalable, encouraging broader adoption of a model that addresses widespread affordability challenges.

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

In 2025, we saw meaningful growth in shared equity loan purchases and lender participation. 59 lenders delivered shared equity loans, including 17 lenders that delivered one for the first time since the inception of Duty to Serve (DTS). This represents an increase of 31.1% over 45 lenders participating in this market in 2024. While most of our overall volume continues to come from a small group of lenders with significant shared equity business, 72.9% of lenders delivered fewer than five loans. This suggests that many lenders participated on an ad hoc basis when opportunities arose and did not find it particularly difficult to deliver a shared equity loan on a one-off basis. This reinforces the importance of our work to reduce barriers through product development and outreach. Small-scale participation plays an important role in serving homebuyers and contributes to market growth. State housing finance agencies (HFAs) continued to play a leading role in shared equity lending, demonstrating their importance in supporting affordable homeownership options.

Certifying shared equity programs remains critical for lender confidence, but certification alone does not guarantee loan volume growth. The market continues to be supply-driven, which is a key dependency for future scalability. Supply growth in shared equity occurs through two main strategies: new construction of homes facilitated by a shared equity program and acquisition of existing homes by programs. The economics of each approach vary by market. In areas with significant home price appreciation, a high proportion of subsidy is required to bring a single shared equity property online. This financial reality may be driving demand for program features such as restrictions that survive foreclosure. This further suggests that broad strategies that increase overall housing supply — such as zoning flexibility or subsidy programs available at the state or local level—will also influence shared equity availability.

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

N/A