Exhibit C:

Plan Modification Request

Fannie Mae
Affordable Housing Preservation
2026, 2027
Outreach

ACTIVITY:

I. Additional Activity: Support disaster preparedness and weather resiliency (12 C.F.R. §§ 1282.34 (e) and 1282.36(c)(3*)).*

OBJECTIVE:

2. Expand knowledge of financing pathways for development and affordable homeownership of weather-resilient homes.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

We propose to add a new Outreach objective under the Additional Activity: Support disaster preparedness and weather resiliency. The objective will focus on evaluating and promoting financing approaches that support the development and purchase of weather-resilient homes for low- and moderate-income households, including the use of conventional mortgage financing.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Access to affordable housing that can better withstand severe weather events remains an important challenge for many low- and moderate-income households. While advances in resilient construction techniques have improved the ability of homes to withstand natural disasters, financing structures that support the development and purchase of these homes remain complex and often require the coordination of multiple sources of capital, subsidies, incentives, and affordability preservation tools.

Through key partnerships, Fannie Mae has identified an opportunity to evaluate how housing providers, lenders, land banks, municipalities, and community organizations combine these financing resources to support affordable, high-performance, weather-resilient homes. Initial work has demonstrated that affordable, weather-resilient homeownership often depends on the successful coordination of land strategy, construction financing, subsidies, buyer assistance, appraisal practices, affordability preservation mechanisms, and conventional mortgage financing. The proposed objective will build upon these findings by testing how capital stack approaches can be applied to active housing developments and identifying opportunities to expand access to high-performance, weather-resilient homes for low- and moderate-income households.

The proposed objective will support outreach, the gathering of stakeholder feedback, and testing of approaches that may increase the feasibility of weather-resilient homeownership opportunities for low- and moderate-income households. The work will also support identification of market barriers and opportunities for conventional financing to better serve this segment of the market. This objective is responsive to evolving market needs and advances our efforts to improve access to sustainable homeownership opportunities.

I. Additional Activity: Support disaster preparedness and weather resiliency (12 C.F.R. §§ 1282.34 (e) and 1282.36(c)(3)).

2. Objective: Expand knowledge of financing pathways for development and affordable homeownership of weather-resilient homes.

Affordable, weather-resilient housing can help reduce the long-term impacts of natural disasters while lowering housing-related costs for homeowners. However, development of these homes often requires the coordination of multiple financing sources, incentives, subsidies, and affordability tools that can be difficult for housing providers and lenders to navigate. With the support of key partners, Fannie Mae will study and test financing approaches that support the production and purchase of weather-resilient homes and identify opportunities for conventional mortgage financing to better serve this market.

Baseline: Fannie Mae has previously supported affordable housing resilience efforts through outreach, research, and technical assistance activities focused on disaster preparedness and weather resiliency. In 2026 and 2027, Fannie Mae will build upon this work by evaluating how housing providers combine construction financing, subsidies, incentives, affordability preservation tools, and mortgage financing to facilitate the development and purchase of weather-resilient homes for low- and moderate-income households.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2026	Partner with industry stakeholders to evaluate financing strategies that support weather-resilient home development and homeownership and identify opportunities for conventional mortgage financing. • Finalize a resource on capital stack strategies for affordable, high-performance, weather-resilient homes. • Analyze stakeholder feedback on the applicability of these financing approaches and identify market barriers to development, financing, appraisal, affordability preservation, and homebuyer access. • Design and launch a test-and-learn initiative to apply capital stack recommendations to active developments and assess opportunities for conventional mortgage financing.	Outreach
2027	Leverage lessons learned from 2026 activities to increase stakeholder understanding of financing models that support weather-resilient homeownership. • Assess outcomes and lessons learned from the test-and-learn initiative and identify opportunities for broader market application. • Engage with housing providers, lenders, land banks, community development organizations, and other stakeholders to discuss strategies that improve access to weather-resilient homeownership for low- and moderate-income households. • Evaluate opportunities for future product, policy, or market interventions that could reduce barriers to financing weather-resilient homes.	Outreach

Exhibit C:

Plan Modification Request

Fannie Mae
Affordable Housing Preservation
2026 and 2027
Loan Product

ACTIVITY:

E. Regulatory Activity: 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.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

We propose to remove this single-family objective from Years 2 and 3 of the Underserved Markets Plan.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

To ensure continued alignment with Fannie Mae's evolving business priorities and strategic direction, we are recommending the removal of this objective from years 2 and 3 of the current Plan. This decision reflects a shift in focus toward initiatives that are better positioned to advance liquidity and impact in underserved markets while supporting our core mission.

While this specific objective will not continue in future Plan years, Fannie Mae remains committed to supporting affordable housing preservation and evaluating opportunities that promote long-term affordability and sustainability for homeowners. We will continue to prioritize activities that are aligned with organizational goals while fulfilling our statutory and regulatory obligations.

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

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

Millions of households in the United States, especially those in Duty to Serve markets, face high utility bills that strain household budgets and force households to engage in coping mechanisms, such as rationing their utility use or forgoing basic household necessities to pay their utility bills.[63] Utility-saving home improvements can help increase household stability but the upfront cost can be expensive; while incentive programs to lessen this cost burden exist they are often underutilized and difficult to access.

Baseline: Financing improvements to save on utility costs is not a viable option for many low-income households, especially in a high-interest-rate environment. Although we continue to improve and innovate our mortgage financing products, we must play a role in connecting low-income households to the existing utility-saving programs and incentives for which they may be eligible. We began this work in the 2022 – 2024 Duty to Serve Plan cycle, and we plan to continue and expand this critical work in the next Plan cycle.

In the 2022 – 2024 Duty to Serve Plan cycle, we began to test new approaches to helping very-low- and low-income homeowners make utility-saving improvements that will lower their utility bills.
The Home Improvement Savings Finder tool was launched in December 2023 with incentive program information for ten states. Fannie Mae is on track to have the tool include program information for all 50 states by the end of 2024. Over the next three years, our plan is to increase awareness and usage of the tool and continuously improve the tool's functionality where appropriate based on stakeholder feedback and the program data we receive. Our first step is to develop an outreach and engagement strategy with an emphasis on expanding awareness of the tool for LMI homeowners. To effectively engage and reach LMI households and households experiencing high cost burdens the team will focus on efforts that increase awareness of the tool and Fannie Mae as a trusted partner to provide access to home improvement incentive program information. The strategy development will include stakeholder mapping to identify key industry partners who can best increase awareness of the tool, such as lenders, community development financial institutions (CDFIs), HFAs, servicers, and direct practitioners.

Additionally, we plan on engaging with key stakeholders by:

• Promoting the tool at key housing industry conferences.

• Engaging with mortgage servicers, lenders, and national organizations such as housing counselors focused on affordable housing and home repair.

Fannie Mae will continue to evaluate the tool's usage and effectiveness and make updates to the tool as appropriate.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Promote and expand cost-saving initiatives that support very low- and low-income homebuyers and homeowners. • Evaluate the effectiveness of the Home Improvement Savings Finder; if appropriate, add new features to the tool. • Develop an outreach and engagement strategy for the Home Improvement Savings Finder to increase adoption; conduct stakeholder mapping to identify key partners. • 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. • Engage with lenders to increase awareness and adoption of HomeStyle products.	Loan Product
~~2026~~	~~Continue to promote and expand the use of cost-saving initiatives that support very low- and low-income homebuyers and homeowners.~~ ~~• Evaluate effectiveness of the Home Improvement Savings Finder to determine next steps for the tool.~~ ~~• Launch outreach and marketing strategies to increase adoption of the Home Improvement Savings Finder.~~ ~~• Continue research strategy and approaches to reducing costs associated with resiliency upgrades and if feasible, design test-and-learn.~~ ~~• Continue lender engagement to increase awareness and adoption of HomeStyle products.~~	~~Loan Product~~

2027	Continue to promote and expand the use of cost saving initiatives that support very low- and low-income homebuyers and homeowners. • Evaluate effectiveness of the Home Improvement Savings Finder to determine next steps for the tool. • If appropriate, continue outreach and marketing strategies to increase adoption of the Home Improvement Savings Finder. • If feasible, launch a test-and-learn based on the resiliency work completed in 2026. • Evaluate lender engagement and its impact to increase awareness and adoption of HomeStyle products.	Loan Product

Exhibit C:

Plan Modification Request

Fannie Mae
Rural Housing
2027
Outreach

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

5. Support Rural CDFIs through the provision of targeted deposits.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses a future Plan year.

Introduce a new target for the 2027 Plan year that replicates the 2025 and 2026 targets and implementation steps.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Fannie Mae has gathered enough experience in 2025 and 2026 to confidently commit to a continuation of its rural CDFI deposit strategy in 2027. At the time of this writing, Fannie Mae successfully placed significant deposits with four rural CDFIs and is actively pursuing several more deposits.

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

5. Objective: Support Rural CDFIs through the provision of targeted deposits.

Dozens of rural CDFIs are community development banks and credit unions (depositories), that are in rural areas or serving rural consumers. Fannie Mae will support the operations of rural CDFIs through targeted deposits made in 2025 and 2026 under its newly established Rural Funding Initiative.

Baseline: Fannie Mae has never targeted its deposits towards CDFIs in this way. As a result, a baseline does not exist and any activity would constitute an incremental increase in the liquidity of rural CDFIs and their ability to provide financial products and services to underserved rural communities, including housing finance activities.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities. • Work with internal and external partners to identify potential depositories to align with Duty to Serve eligibility criteria and to ensure safety and soundness of any potential deposit. • Place deposits with multiple Rural CDFIs totaling at least $20 million. • Assess impact of any deposits deployed on rural housing markets.	Outreach
2026	Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities. • Work with internal and external partners to identify potential depositories to align with Duty to Serve eligibility criteria and to ensure safety and soundness of any potential deposit. • Place deposits with multiple Rural CDFIs totaling at least $20 million. • Assess impact of any deposits deployed on rural housing markets.	Outreach
2027	Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities. • Work with internal and external partners to identify potential depositories to align with Duty to Serve eligibility criteria and to ensure safety and soundness of any potential deposit. • Place deposits with multiple Rural CDFIs totaling at least $20 million. • Assess impact of any deposits deployed on rural housing markets.	Outreach

Exhibit C:

Plan Modification Request

Fannie Mae
Rural Housing
2026, 2027
Loan Purchase

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

1. Develop a strategy to acquire multifamily loans in rural areas.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses a future Plan year(s).

Introduce a new baseline and targets to purchase loans financing multifamily properties in rural areas in 2026 and 2027.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Duty to Serve Evaluation Guidance states, “No later than the 2027 Plan year, FHFA expects each Enterprise to modify its Plan to include two objectives with single-family and multifamily loan purchase targets applicable in all rural areas.” The inclusion of this loan purchase targets meets this expectation.

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

According to the ACS 2018 – 2022 five-year data[4] , as defined by the Duty to Serve Regulation, approximately 25% of the population, 28% of owner-occupied housing units, and 17% of renter-occupied housing units were rural. This significant share of the population and housing market justifies a dedicated strategy. As a new Additional Activity, a mix of outreach, product development, and loan purchase actions are appropriate for supporting the broader rural market during the 2025 – 2027 Plan cycle.

1. Objective: Develop a strategy to acquire multifamily loans in rural areas ~~using programs specifically tailored for LMI households~~.

This Objective will place a numerical target for the purchase of multifamily loans financing rural properties. ~~Sponsor-Dedicated Workforce (SDW) is a loan product that provides a more stringent level of affordability than standard multifamily loans. SDW requires that a minimum 20% of units must be affordable to renters earning up to at 80% area median income (AMI), or in certain metros, up to 100%-120% AMI. This affordability standard exceeds minimum Duty to Serve thresholds and has been selected specifically to increase affordable supply during a time when various trends, including increased rental costs and increased demand for housing related to remote work, have driven rural rents higher. The SDW product also requires this level of affordability for the life of the loan, offering increased rental stability for tenants. This objective will inform a targeted strategy to finance more affordable rental housing in rural communities.~~

Baseline: Over the three-year period from 2023 to 2025, Fannie Mae purchased loans financing an average of 266 multifamily properties annually in rural areas. However, accounting for trends in recent acquisition profiles and in broader market dynamics, Fannie Mae estimates that 45 of these properties would likely seek other financing ~~no longer be available for financing in the current market~~. As a result, we calculate a baseline of 221 properties. ~~At the time of this writing, SDW has not yet been in-market for a full year, making it infeasible to set a reliable loan purchase baseline. Actions in 2025 will be dedicated to socializing SDW and gathering data necessary to inform a future baseline and targets.~~

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Socialize SDW product with rural housing market participants in advance of potential future loan purchases. • Engage with DUS lenders to educate them on the potential benefits of the SDW product. • Analyze loan purchase trends from 2024 and 2025. • Propose 2026 and 2027 loan purchase targets, if feasible. If not, consider product flexibilities which may better accommodate rural markets.	Outreach
2026	Purchase loans financing 223 multifamily properties in rural areas.	Loan Purchase
2027	Purchase loans financing 225 multifamily properties in rural areas.	Loan Purchase

[4] Computations from the ACS 2018 – 2022 five-year estimates at the census tract level.

Exhibit C:

Plan Modification Request

Fannie Mae
Rural Housing
2027
Loan Purchase

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

6. Acquire single-family purchase money mortgage loans in rural areas.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses a future Plan year(s).

Introduce a new baseline and loan purchase target for single-family purchase money mortgage loans for the 2027 Plan year.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Duty to Serve Evaluation Guidance states, "No later than the 2027 Plan year, FHFA expects each Enterprise to modify its Plan to include two objectives with single-family and multifamily loan purchase targets applicable in all rural areas." The inclusion of this loan purchase target meets this expectation.

The target is about one percent higher than the baseline to align with our internal forecasting models which project modest growth and significant variability of possible loan volume outcomes for 2027.

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

6. Objective: Acquire single-family purchase money mortgage loans in rural areas.

Fannie Mae seeks to set a loan purchase target to capture the liquidity it provides in rural areas through its purchase of single-family mortgage loans.

Baseline: To establish a baseline, Fannie Mae calculated the average number of purchase money mortgage loans in rural areas for 2023, 2024, and 2025, which was 61,959 loans.

HISTORICAL SINGLE-FAMILY RURAL PMM LOAN PURCHASES	2023	2024	2025
Loans	59,954	61,311	64,613

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2027	Purchase 62,500 single-family mortgage loans in rural areas.	Loan Purchase