

2025 Manufactured Housing Loan Purchase

ACTIVITY:

B. Manufactured housing communities (MHCs) owned by a governmental entity, nonprofit organization, or residents (12 C.F.R. § 1282.33 (c) (3)).

OBJECTIVE:

1. Increase loan purchases of MHCs owned by government entities, nonprofit organizations, or residents.

INFEASIBILITY:

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

Throughout our engagements, it has become evident that states and localities with well-developed legislative and programmatic frameworks to support resident and mission-driven ownership of manufactured housing communities (MHCs) have also cultivated financing structures that significantly exceed what Fannie Mae can offer through secondary-market execution. These markets routinely provide borrowers with terms—such as loan-to-value ratios above 100%, debt service coverage ratios at or near 1.00, waivers of third-party due-diligence requirements, extended interest-rate guarantees allowing residents to lock terms up to 18 months before closing, and below-market interest rates supported by low-cost capital from state housing finance agencies—that we are unable to replicate within safety-and-soundness constraints.

As in prior years, these market dynamics continue to limit Fannie Mae’s ability to effectively serve this segment. The overall addressable market remains small given the high-leverage financing typically required to transition privately owned MHCs to non-traditional ownership structures. At the same time, communities with seasoned debt positions and strong property fundamentals retain access to multiple commercial funding alternatives that can offer more advantageous terms than those permissible under our current frameworks. Collectively, these structural factors reinforce the infeasibility of meeting meaningful loan purchase volume in this area despite sustained engagement and exploration of potential pathways.

SUMMARY OF RESULTS:

<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 type="checkbox"/> Purchase loans secured by two MHCs owned by residents, government entities, or nonprofit organizations, comprising an estimated 334 units and representing a 150% increase from the baseline.	Fannie Mae financed one resident-owned community comprised of 1,112 units, meeting the baseline of one property but falling short of the target of two properties owned by residents, government entities, or nonprofit organizations.	
<input checked="" type="checkbox"/> Continue efforts to support resident-owned communities through ROC pilot program implementation and other tactics.	We took steps to streamline MHC lending in resident-owned communities (ROCs) by concluding the pilot period for its ROC lending program and transitioning it into a standard business offering, which should streamline deal underwriting and decisioning in future years.	



<input checked="" type="checkbox"/> Perform an assessment of lender outreach and education efforts to identify opportunities to increase non-traditional MHC loan purchases.	We continued to focus our outreach and engagement efforts on lenders and nonprofits active in ROC lending, as this market segment presents greater opportunity for scalability than government- and nonprofit-owned MHCs. We prioritized engagements through our Delegated Underwriting and Servicing (DUS®) platform which led to one loan purchase. In expanding our outreach to include non-DUS lenders, we sourced another potential transaction which would have enabled us to meet the target. This second deal, however, came with significant asset management considerations which pushed the deal timeline out beyond 2025 and into 2026.	
--	---	--

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?

By meeting our baseline for this Objective, we continue to demonstrate that Fannie Mae is willing to tailor its pricing and credit structuring to finance MHCs under non-traditional ownership when those communities can be sustainably underwritten based upon documented operating history and predictable cashflows. Accounting for an estimated 2% of the overall MHC market, non-traditionally owned (NTO) MHCs represent a small but crucial segment of the market given the ability to attract new sources of capital, such as government funding, and the ability to afford residents greater control over property maintenance and operating expenses. While the overall opportunity in this market segment is limited by the extent to which innovative sources of funding can be made available to convert communities from private ownership to these non-traditional structures, we believe our role in providing reliable debt financing as communities reach maturity on their existing financing and need to refinance that debt is a meaningful contribution to this segment of the market and should continue to fuel growth in this sector in future years.

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

Having traded on the open market, communities that are under non-traditional ownership often have unique asset management considerations, which deter private institutions from acquiring those communities. For example, during our outreach in 2025, we identified a possible refinance opportunity for a community with recognized environmental conditions (RECs) and a solar array



that produced income for the property but was not owned by the borrowing entity. While we can lend to communities exhibiting these features, such deals require more intensive guidance and necessitate a higher degree of due diligence to ensure the safety and habitability of the community and that legal agreements are properly developed. While the Multifamily business has carved out reimbursement opportunities to offset some of the costs associated with increased diligence on NTO MHC deals, engagement in 2025 suggests that an increase of the reimbursement cap and/or revisions to the reimbursement process may stimulate appetite for the Fannie Mae execution.

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.