

2025 Manufactured Housing Loan Product

ACTIVITY:

A. Support manufactured homes titled as real property (MHRP) (12 C.F.R. § 1282.33 (c) (1)).

OBJECTIVE:

7. Update policy and pursue industry alignment tactics to contribute to the development of a more robust market for real property manufactured housing (MH), including single-width MH properties.

SUMMARY OF RESULTS:

This objective was added 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"/> Assess and update program standards for MH Advantage®-eligible homes by undertaking the following steps:	Fannie Mae expanded its strategy for developing the secondary market for MH Advantage-eligible properties by completing the action steps indicated below.	
<input checked="" type="checkbox"/> Draft program standards for the inclusion of single-width homes in the MH Advantage program.	Our final program standards for including single-section MH properties within our MH Advantage program were published in our <i>Selling Guide</i> on September 3 rd .	
<input checked="" type="checkbox"/> Socialize program standards with mortgage insurers, lenders, and others to ensure a robust community of practice for single-width MH loans.	To inform our policy development approach, we socialized the proposed MH Advantage expansion with mortgage insurance companies and lenders prior to publication.	
<input checked="" type="checkbox"/> Update Fannie Mae <i>Selling Guide</i> to include single-width MH properties as eligible for MH Advantage by year-end.	On September 3 rd , we updated our <i>Selling Guide</i> policy for MH Advantage properties to include single-section homes meeting certain standards.	
<input checked="" type="checkbox"/> Initiate industry alignment conversations concerning the quality and collateral standards for homes built to the MH Advantage standard.	As part of our Guide update, we began accepting homes built to Freddie Mac's CHOICEHome® program as an equivalent to our MH Advantage manufacturing standards — streamlining program adoption by manufacturers and consumers.	



	<p>Beyond this, we facilitated robust conversation with participating manufacturers and Freddie Mac to agree upon an aligned standard for collateral requirements for our respective MH programs. These aligned standards were announced in a <i>Selling Guide</i> update in February 2026.</p>	
<p><input checked="" type="checkbox"/> If feasible, build one single-wide MH Advantage property on a Fannie Mae REO parcel.</p>	<p>As of year-end, we have signed contracts to build two single-section MH Advantage homes on Fannie Mae real estate owned (REO) properties. We are currently completing demolition of the existing structures and lot preparation while the homes are built by one of the participating manufacturers. We estimate that both homes should be placed on the ground during the second quarter of 2026.</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?

The work completed under this Objective is impactful because it demonstrates that Fannie Mae is willing to expand both front-end selling and collateral policies and back-end property disposition strategies through our REO channels to stimulate net new construction of MH across the country. While the market for single-section MH Advantage properties is in its infancy, participating manufacturers estimated that the MH Advantage program expansion to include single-section properties could unlock around 1,000 new MH units that otherwise would not have been constructed due to lot constraints. Manufacturers also reported an estimated retail price between \$190,000 and \$225,000 for single-section MH Advantage homes. Given the affordable price point and the assumption that manufacturers should be able to quickly implement construction and marketing procedures for these homes, we expect this program enhancement will drive meaningful MH supply and incremental loan volume over the short- to medium-term.



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

As highlighted in other narratives, many lenders still take a risk-off approach to MH lending and assume that certain types of products, including single-section MH, carry higher risk of credit or collateral loss and maintain product overlays to limit their exposure in certain cases. While this may have been a prudent risk management practice decades ago, we have seen that single-section properties have also dramatically improved in quality and aesthetic appeal in recent years as Housing and Urban Development (HUD) code improvements have taken effect and industry marketing efforts have become more mature. The strong performance of our single-section MH business gave us confidence to expand liquidity for certain properties meeting the MH Advantage collateral standards.

Interestingly, we did receive outreach from certain lenders who are offering cash-out refinance loans for traditional single-section MH properties and wanted to know whether we would expand our policies for traditional single-section MH properties that don't meet MH Advantage collateral standards. We will continue to evaluate this opportunity as our risk management capabilities evolve and we can collect more loan performance data for this critical MH sub-market.

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

N/A