

## 2025 Manufactured Housing Loan Purchase

**ACTIVITY:**

C. Manufactured housing communities (MHCs) with certain pad lease protections (12 C.F.R. § 1282.33 (c) (4)).

**OBJECTIVE:**

1. Increase the purchase of MHC loans.

**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 MHC loans that include tenant site lease protections (TSLPs) meeting the FHFA Mission criteria at a rate of 3.3% of overall Fannie Mae multifamily production.	Fannie Mae delivered \$1.5 billion in financing for 206 properties and 29,467 pad sites across the country, which represented 2% of overall Multifamily production in 2025.	

**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?**

While we did not meet our ambitious target of MHC production representing 3.3% of overall Multifamily loan acquisitions in 2025, we believe our efforts were impactful in meeting the need for liquidity for MHC properties. Since rolling out our initial TSLP offering in 2019, we have now extended site lease protections to over 205,061 pad sites across the country while accounting for approximately 64% of all government-sponsored enterprise (GSE) financing in this market segment over that period. In 2025, we grew our MHC loan production by 57% year-over-year despite elevated levels of competition from non-agency debt sources. Aside from early COVID-era transaction levels fueled by extremely low interest rates, the amount of MHC financing secured via commercial mortgage-backed securities (CMBS), depository institutions, debt funds, and public real estate investment trusts



(REITs) in 2025 was the highest recorded level in the last decade.<sup>1</sup> Even in this competitive environment, we estimate that our share of total MHC financing in 2025 remained higher than our share of the overall multifamily market. This indicates our ability to navigate a changing market landscape while continuing to provide meaningful liquidity for MHC properties.<sup>2</sup>

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

Industry data through the third quarter of 2025 showed that sales of institutional-quality MHCs were on track for the lowest levels since 2015.<sup>3</sup> Even with an apparent influx of sales in the final months of the year, both institutional-quality MHCs and smaller MHCs sold in 2025 transacted at higher average capitalization (cap) rates following almost a decade of cap rate compression. These data points are indicative of declining property values and softening net operating income.<sup>4</sup> In keeping with these trends, transactions that were brought to Fannie Mae for consideration in 2025 often required unique credit flexibilities to facilitate deal underwriting. Informed by these engagements, we made the decision to increase underwriting delegation for certain MHC transactions across several dimensions in 2025. This included lowering our minimum number of pad sites from 50 to 40 pads and allowing income from up to 20% of homes built prior to the Housing and Urban Development (HUD) code for manufactured homes located in a community to be included in the net rental income (NRI) for loan sizing purposes. As a result, we streamlined lender underwriting and expanded the pool of eligible transactions, which further contributed to our success this year despite signs of stress in the market.

The increase in non-agency lending cited above combined with elevated cap rates is suggestive of a market that is shifting away from opportunistic acquisitions driven by historically low interest rates and towards compulsory refinances of existing debt and credit-stressed exits by inexperienced or undercapitalized sponsors. In such a changing market environment, our ability to compete for MHC business will continue to depend on delivering competitive product structures and terms, such as our Credit Facility offering. In 2025, we successfully grew our Credit Facility business for MHC properties by 143% year-over-year.

All told, our experience in 2025 suggests that the MHC market is experiencing a meaningful shift in property valuations and deal flow, one in which sponsorship is becoming further consolidated amongst the industry's largest players. Against this backdrop, expanding lender delegation for smaller transactions previously outside our credit tolerance, together with competitive loan terms and executions in a highly competitive market, contributed to our year-over-year growth in MHC financing and had an outsized impact on the lives of the MHC residents who receive TSLPs as a condition of our financing.

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

We established a percentage-based target for this Objective in the current Duty to Serve Plan with the expectation that the broader multifamily financing market would contract during the current Plan period. We anticipated this to mean managing deal flow and opportunities in a nominally smaller market. The conventional multifamily financing market rebounded sharply in 2025 while the MHC market underperformed relative to the broader agency market. This dynamic raised the denominator in our percentage-based calculation and diluted our attainment for Duty to Serve scoring purposes.

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<sup>1</sup> MSCI Real Assets loan origination data for MHC properties, data through Q4 2025.

<sup>2</sup> <https://multifamily.fanniemae.com/media/37196/display>

<sup>3</sup> MSCI Real Assets MHC sales data, 2013-2025.

<sup>4</sup> MSCI Real Assets and CoStar capitalization data for MHC properties, 2013 – 2025.