

## 2025 Rural Housing Outreach

**ACTIVITY:**

A. 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.

**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"/> Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities.	Fannie Mae placed a total of four deposits with FDIC-insured community development financial institutions (CDFIs) serving rural markets in 2025.	
<input checked="" type="checkbox"/> 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.	We stood up a robust internal process to manage operational and counterparty risks. We also partnered with an external firm and deposit administrator to identify CDFI depositories with a mission to serve rural areas.	
<input checked="" type="checkbox"/> Place deposits with multiple Rural CDFIs totaling at least \$20 million.	FDIC-insured deposits placed in 2025 totaled \$40 million.	
<input checked="" type="checkbox"/> Assess impact of any deposits deployed on rural housing markets.	Impact reports covering the first three quarters of 2025 identified a \$22 million increase in affordable housing and home-related lending, as well as a \$32 million increase in total community lending put forth by the CDFIs with whom a deposit was placed. While deposits by nature cannot be causally linked to specific activities, our targeted deposit strategy is intended to provide institutions with increased flexibility as they carry out affordable lending in service to rural communities.	



## 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?

CDFIs play a unique and critical role in underserved markets by offering supportive services and mission-focused lending designed to support low- and moderate-income households. In rural areas especially, these types of lenders make an impact in markets that we may not currently reach through our existing loan purchase activities. Their hyper-local presence and specialized products allow them to meet borrowers where they are, addressing needs that would otherwise remain unmet. As part of a broader strategy to expand our support for CDFIs, thereby reaching underserved markets more directly, Fannie Mae undertook an initiative to place deposits with several institutions serving rural communities. Since 2022, a specific need for deposits has been identified among CDFIs to support their lending activities, including with respect to affordable and small mortgage lending. Due to the money multiplier effect, these deposits have the benefit of enabling new credit creation, in addition to forging new partnerships that may inform our strategy. This approach allows us to extend our impact beyond loan purchases and strengthen the overall financial capacity of institutions that are central to rural housing access.

During 2025, we deposited \$40 million across four rural CDFIs to support their housing lending in rural Oklahoma, Texas, and Arkansas. These institutions were selected based on their role as providers of affordable lending. For reference, prior to the deposits, these banks collectively reported more than \$128 million in affordable housing and home-related financing. This financing included small mortgage lending for the purchase of homes in rural communities that traditional lenders may not serve. By channeling deposits to these institutions, we strengthened their ability to continue this work in regions where access to affordable mortgage credit remains limited.

While deposits by nature cannot be causally linked to specific activities, we can analyze changes in the volume of affordable lending reported among partner institutions over time as a way to gauge potential impact. As of year-end, we have reviewed reporting on activities carried out by partner institutions through September 30, 2025. Impact reports covering Q4 will be available in early 2026. Over the first nine months of the year, our deposit recipient CDFIs reported:

- \$22.1 million increase in affordable housing and home-related lending.
- \$32.9 million increase in total community lending.

One of the recipient lenders shared an example of a prospective homebuyer in Freer, Texas, who sought to purchase a small home for about \$50,000 but experienced challenges finding a lender who would work with them. The CDFI, headquartered in Alamo, Texas, specializes in tailored solutions like portfolio mortgages for rural families, assistance with tangled title issues, and financing for manufactured and modular housing. By providing an in-house portfolio mortgage, the CDFI demonstrated the critical role community banks can play in addressing the affordable housing gap across rural America. Activities such as this can be supported by the deposits placed under this program. Examples like this underscore the tangible, real-world impact of strengthening CDFIs: they are often the only institutions willing and able to finance modest-priced homes in rural communities, which are precisely the types of transactions that help families achieve stability and preserve long-term affordability.



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

Fannie Mae’s targeted deposit strategy works by directing federally insured deposits into institutions that expand access to affordable housing, community development, and financial inclusion for underserved markets. These CDFIs finance affordable housing, grow small businesses, and provide accessible financial services for the communities they serve. By strengthening the balance sheets of these high-impact lenders, these deposits are mobilized in rural markets where they are most needed, achieving Fannie Mae’s Duty to Serve goals by leveraging existing operational activities conducted by the enterprise.

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

N/A