

2025 Rural Housing Loan Purchase

ACTIVITY:

B. Housing in high-needs rural regions (12 C.F.R. § 1282.35 (c)(1)).

OBJECTIVE:

1. Increase liquidity in HNRRs through multifamily loan purchases.

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 financing 51 multifamily properties in high-needs rural regions.	Fannie Mae purchased loans financing 50 properties under this Objective, which met the baseline but fell short of the target.	Fannie Mae's small and rural loan pricing proved to be advantageous for borrowers in the latter part of the year, as shown by a surge in both loan delivery and signed applications in Q4. However, delays in third-party reports and year-end deal delivery management pushed several deals to delivery in early 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?

While Fannie Mae fell short of the target under this Objective by a single property, we nevertheless met the baseline of 50 high-needs rural region (HNRR) properties established in the Plan. Importantly, missing the numeric target by only one property does not diminish the scale or significance of the work accomplished, nor the value delivered to rural communities. In financing these 50 properties, we played a part in delivering or maintaining 4,417 units of housing in HNRRs. This impact surpasses 2024, when the financing of 46 HNRR properties resulted in 4,041 housing units. Viewed through the lens of impact to housing units financed,



2025 represents a year of strong performance that meaningfully advanced liquidity and affordability in some of the nation's most underserved rural markets.

Our acquisition and delivery of eligible loans proved to be distributed irregularly through 2025. There were relatively quiet periods of attainment in the first and third quarters and significant activity in the second and fourth quarters of the year. Internal data, backed by lender feedback, suggests this was due to competition from other financing sources that aggressively priced small and rural deals for portions of the year but pulled back on pricing during others. Conversely, Fannie Mae opted for relatively stable pricing, thereby offering a more consistent execution and offering an important liquidity source while some other market participants retreated in the second half of 2025. This consistency ensured that, even when competitive pressures temporarily constrained our ability to acquire certain HNRR loans, we remained a steady and reliable source of financing ultimately capturing substantial volume when market conditions shifted.

We remain committed to providing rural liquidity by acquiring loans that finance properties in HNRRs. In 2025, 1.4% of all multifamily loan purchases financed such properties, compared to 1% in 2020, 1.1% in 2021, 1.5% in 2022, 2.3% in 2023, and 1.5% in 2024. Apart from an unusually high volume of HNRR loan purchases in 2023, the share of multifamily loan purchases financing properties in the HNRR market remains on par with previous years and notably higher than 5 years ago. This demonstrates consistent and meaningful growth in our support of this underserved market, even as market conditions have suppressed loan volumes in the post-COVID era. Taken together, the unit impact delivered, the stability of our execution amid market fluctuations, and the long-term upward trend in HNRR financing all underscore that our 2025 performance reflects substantial progress and impact in serving this market.

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

While we manage our own pricing and credit standards, we remain subject to the pricing and standards of other market participants as well. Stability in pricing and execution proved to be a prudent and meaningful contribution to liquidity for the multifamily market in high-needs areas, but the reliance on year-end deliveries did not fully pay off for us in attainment metrics. A slightly more dynamic pricing strategy may be prudent in 2026 to avoid complications from potential year-end log jams by potentially shifting attainment earlier in the year.

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

We fell one delivery short of the target largely due to year-end market dynamics. Rural deals — particularly in regions of the country designated as high-needs — experience longer lead times on third-party reports like appraisals and inspection. This trend is especially evident during periods of increased multifamily market activity, such as those observed in late 2025, when demand for these services rises and lenders give priority to larger transactions in primary markets. In contrast, tertiary markets often present logistical challenges for service providers. Fannie Mae's credit and pricing consistency in the high-needs rural regions was successful in providing market impact despite falling one property shy, as shown by the 12 properties where borrowers rate-locked at the end of 2025 but the loans will not deliver until early 2026.