

**2025  
Rural Housing  
Loan Purchase**

**ACTIVITY:**

D. Support small multifamily rental properties financing (12 C.F.R. § 1282.35(c)(4)).

**OBJECTIVE:**

1. Support rural small multifamily rental property activity.

**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 checked="" type="checkbox"/> Purchase loans financing 73 small rural rental properties.	Fannie Mae purchased 76 loans financing 85 small rural rental properties under this Objective, significantly exceeding both the baseline of 71 properties and target of 73 properties.	

**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?**

Fannie Mae’s efforts under the small rural multifamily rental Objective led to the financing of 85 small rural rental (SRR) properties, which was approximately 16 percent higher than the target and 29 percent higher than the prior year’s loan purchases under the same Objective. These deals provided over \$253 million in unpaid principal balance (UPB) and supported 3,000 units of SRR housing. By reaching this volume, we helped sustain and broaden the availability of rental options in rural communities where smaller properties make up a significant share of the housing stock and where affordability pressures have grown in recent years.



Consistent with a long-term upward trend, 2.5% of all our multifamily loan purchases financed SRR properties, a share that remained steady with 2024 and reinforces the durability of our engagement in this market segment. Compared to 2020, the share of loans financing SRR properties has nearly doubled, from 1.3% to 2.5%, demonstrating consistent commitment to this underserved market. This sustained upward trajectory, despite fluctuations in interest rates, overall multifamily volumes, and other shifting conditions, shows that our role as a reliable source of financing for small rural rentals has grown stronger over time. It also underscores the meaningful influence of our efforts in strengthening rural housing stability and ensuring that financing continues to reach communities where capital remains needed.

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

We have observed that some borrowers operating smaller properties intentionally manage non-contiguous assets as a unified operation. We offer flexibilities to facilitate this approach if the properties meet criteria around geographic proximity and similar tenancy, and as long as the properties are independently registered, inspected, and have separate accounting. Because this borrower strategy extends to financing, Fannie Mae and FHFA began measuring attainment and impact for this Objective in total properties financed via loan acquisition (as opposed to total loans acquired). This adjustment better reflects the realities of the small operator market and more accurately reflects our impact within the small rural market.

In 2025, we observed first-hand the value of government-sponsored enterprise (GSE) execution for small properties in rural regions. Notably, attainment was uncharacteristically choppy throughout the year, with eligible deals showing a high degree of sensitivity to the presence of other GSE or commercial mortgage-backed securities (CMBS) options in the market. While feedback is anecdotal and based on discussions from our DUS<sup>®</sup> Lender network, Fannie Mae's surge in acquisitions over the end of the second and fourth quarters coincided with both CMBS and GSE competition substantially reducing their appetite for these deals in those time periods. While our pricing fluctuates slightly through the year, our relative pricing stability in the face of a changing marketplace appears to have greatly benefited liquidity for borrowers financing smaller assets in rural markets.

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

N/A