Affordable Housing Preservation
2025 – 2027
Outreach

ACTIVITY:

E. Regulatory Activity: Increase purchases of loans financing improvements on multifamily properties: (a) which reduce energy or water consumption by tenant or property by at least 15%; and (b) where the savings generated over the improvement's expected life will exceed its cost (FHFA Criteria) (12 C.F.R. § 1282.34 (d) (2))

OBJECTIVE:

1. Increase the positive environmental and social impact of green financing through development of market awareness and understanding of energy and water efficiency improvements and financing.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

We propose to delete this multifamily objective in its entirety across all three years of the Underserved Markets Plan.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

To ensure continued alignment with Fannie Mae's evolving business priorities and strategic direction, we are recommending the removal of this objective from the current plan. This decision reflects a shift in focus toward initiatives that directly impact liquidity in underserved markets while supporting our core mission. While Fannie Mae continues to provide support for stable, resilient multifamily housing through our Green Financing product offerings, we will prioritize activities that are better positioned to advance organizational goals while fulfilling our statutory and regulatory mandates.

~~E. Regulatory Activity: Increase purchases of loans financing improvements on multifamily properties: (a) which reduce energy or water consumption by tenant or property by at least 15%; and (b) where the savings generated over the improvement's expected life will exceed its cost (FHFA Criteria) (12 C.F.R. § 1282.34 (d)(2)).~~

~~We continue to support the integration of green building, sustainability, and energy efficiency into multifamily housing and monitor its influence on long-term affordability. In Duty to Serve, the impact of utility cost burden on low- to moderate-income consumers is a key focus area for the affordable housing preservation market. Data from the American Community Survey suggests that the national average energy burden for low-income households is 8% of income, approximately eight times higher than the average for non-low-income households.64 Accessible financing for energy-efficient improvements can serve to reduce this cost burden and create flexibility for families to meet other critical needs such as transportation or health care and address other expenses that have recently been impacted by high rates of inflation.~~

~~In this Plan, we will continue to build on our historical body of work in Multifamily Green Finance. Since launching our first Multifamily Green Mortgage Loan product in 2012, Fannie Mae Green MBS issuances have exceeded $117 billion through year end 2023.65 Collectively, the projected impact of these MBS issuances includes approximately $187 average annual energy and water cost savings per family, driven by our Green Rewards loan product, and 1 million units that are improved or Green Building Certified. It has been Fannie Mae's experience that continued education of lenders, borrowers, and key industry partners is critical to driving market adoption of energy efficiency financing products. In addition to providing liquidity support as a leader in the green financing market, we continue to prioritize education and resources for lenders and property owners on the benefits of green financing.~~

1. ~~Objective: Increase the positive environmental and social impact of green financing through development of market awareness and understanding of energy and water efficiency improvements and financing~~.

~~The use of Fannie Mae Green Financing can positively influence affordability for renters, in addition to the environmental benefits it provides through more efficient utility consumption. To expand the program and build market capacity, more education on the benefits of environmental, social, and financial metrics is crucial for borrowers and lenders. This outreach promotes the adoption of these loan products for future projects where efficiencies can be realized but also provides further research and evaluation based on the feedback we receive during these engagements. These forums provide an effective way to collaborate with partners, build industry consensus, and develop key learnings that are used to advance our Green Financing initiatives toward more meaningful impact. This also includes research and analysis we conduct to keep our understanding of utility cost trends current and maintain awareness of available solutions.~~

~~**Baseline:** Historically in Duty to Serve, our Multifamily Green Financing outreach has focused on education and awareness for lenders and borrowers about our Green Mortgage Loans. This work has included trainings, conference participation, individual lender engagements, and the hosting of stakeholder convenings. To build upon this work in 2025 – 2027, we will maintain our industry presence and explore new opportunities to continuously improve access to our Green Financing program. We will also study emerging trends and develop informational resources to maximize the impact of new projects.~~

~~YEAR~~	~~TARGETS AND IMPLEMENTATION STEPS~~	~~EVALUATION AREA~~
~~2025~~	~~Promote the advancement of Fannie Mae's Green Financing offering by broadening stakeholder understanding of energy efficiency financing and sharing insights from data analysis.~~ ~~• Participate in two key energy efficiency/green building industry conferences.~~ ~~• Host one convening of the Green Rental Housing Task Force to solicit feedback on increasing the impact of Green Financing and product improvement.~~ ~~• Continue integration of building electrification into Fannie Mae's Green Financing offerings to advance a low-carbon economy per Fannie Mae's Electrification Roadmap.~~ ~~• Host two lender learning series sessions on building electrification and decarbonization.~~ ~~• Inform borrowers and lenders of their options in connecting with Inflation Reduction Act (IRA) funds through webinars or other communications.~~ ~~• Leverage the 2023 Multifamily Energy and Water Survey dataset and develop a report evaluating trends in energy and water consumption in multifamily properties.~~	~~Outreach~~

	~~• Host two convenings of the Chief Asset Manager Green Working Group to gather feedback on current/ proposed guidance, resources, and processes to further improve the Green Financing program.~~ ~~• Hold two webinars to educate asset managers about best practices, emerging trends, and program requirements.~~ ~~• Conduct annual portfolio analysis to understand cost to borrower of meeting Green Rewards eligibility requirements, tenant and owner utility savings, and property and deal characteristics of good candidates for the program. Incorporate findings into borrower and lender outreach.~~ ~~• Conduct two trainings on the updates made to the Green Building Certification program in 2024 that increase the standards of efficiency over local codes.~~	
~~2026~~	~~Partner with stakeholders to increase stakeholder knowledge of energy efficiency financing and explore opportunities to make enhancements.~~ ~~• Continue to show industry presence and leadership by participating at energy efficiency/green building industry conferences.~~ ~~• Host one convening of the Green Rental Housing Task Force, building on the 2025 session. Continue to solicit and evaluate ideas for increasing the impact of Fannie Mae's Green Financing program and product improvement.~~ ~~• Evaluate implementation of Electrification Roadmap in 2025 and share findings by hosting two related sessions for the lender learning series.~~ ~~• Host two convenings of the Chief Asset Manager Green Working Group. Continue to gather feedback on current/proposed guidance, resources, and processes to further improve the Green Financing program.~~ ~~• Hold two webinars to continue to educate asset managers about best practices, emerging trends, and program requirements.~~ ~~• Conduct annual portfolio analysis to understand cost to borrower of meeting Green Rewards eligibility requirements, tenant and owner utility savings, and property and deal characteristics of good candidates for the program. Incorporate findings into borrower and lender outreach.~~	~~Outreach~~
~~2027~~	~~Leverage lessons learned to further stakeholder understanding of best practices and continue Fannie Mae's leadership efforts in energy and water efficiency financing.~~ ~~• Continue to show industry presence and leadership by participating at energy efficiency/green building industry conferences.~~ ~~• Host one convening of the Green Rental Housing Task Force, building on the 2025 and 2026 sessions. Continue to solicit and evaluate ideas for increasing the impact of Fannie Mae's Green Financing program and product improvement.~~ ~~• Evaluate progress of the Electrification Roadmap and refine the plan based on lessons learned in 2025 and 2026.~~ ~~• Explore development of a 2028 Multifamily Energy and Water Survey to support U.S. Environmental Protection Agency's (EPA's) update of the 1 – 100 ENERGY STAR® score and EPA Water score for multifamily housing.~~ ~~• Host two convenings of the Chief Asset Manager Green Working Group. Continue to gather feedback on current/proposed guidance, resources, and processes to further improve the Green Financing program.~~ ~~• Hold two webinars to continue to educate asset managers about best practices, emerging trends, and program requirements.~~ ~~• Continue Lender Learning Series to educate the market on the importance of decarbonization.~~ ~~• Conduct annual portfolio analysis to understand cost of meeting Green Rewards eligibility requirements, tenant and owner utility savings achieved, and property and~~	~~Outreach~~

~~deal characteristics of good candidates for the program. Incorporate findings into borrower and lender outreach.~~

Affordable Housing Preservation
2026 – 2027
Outreach

ACTIVITY:

J. Additional Activity: Support disaster preparedness and weather resiliency (12 C.F.R. §§ 1282.34 (e) and 1282.36(c)(3)).

OBJECTIVE:

1. Support TA programs that help prepare multifamily properties to adapt to weather-related risks or prepare for natural disasters.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

We propose to remove this multifamily objective from Years 2 and 3 of the Underserved Markets Plan.

JUSTIFCIATION FOR PROPOSED PLAN MODIFICATION:

To ensure continued alignment with Fannie Mae's evolving business priorities and strategic direction, we are recommending the removal of this objective from years 2 and 3 of the current plan. This decision reflects a shift in focus toward initiatives that directly impact liquidity in underserved markets while supporting our core mission. While this specific objective will not continue in future plan years, we remain steadfast in our support for multifamily property owners, particularly in their efforts to prepare for and mitigate risks associated with natural disasters. This includes continued engagement in activities that promote risk awareness and long-term health of properties through the lending process.

J. Additional Activity: Support disaster preparedness and weather resiliency (12 C.F.R. §§ 1282.34 (e) and 1282.36(c)(3)).

1. Objective: Support TA programs that help prepare multifamily properties to adapt to weather-related risks or prepare for natural disasters.

Insurance and disaster relief at the federal and state levels have historically helped insulate the multifamily industry from the full financial impact of catastrophic events. However, the volatility of the insurance market in 2023 highlighted how insurance and disaster assistance may not be enough to protect lenders, borrowers, and residents from an increase in the strength and frequency of weather-related events. Fannie Mae has focused our work on understanding opportunities to mitigate the impact of climate-related weather events on multifamily properties and the families that live in them. There are two main challenges driving/ encouraging action on resilience: property owners being uninformed of their risks and the unknown financial impact of those risks.

To combat these challenges, TA will be an important and beneficial tool used to deliver industry best practices and expert knowledge.

Fannie Mae will partner with a nonprofit organization to engage affordable housing providers, local stakeholders, and subject matter experts with the goal of helping participants identify critical vulnerabilities, offer solutions and TA designed to improve building and portfolio resilience to future threats, and incorporate strategies for improving community resilience.

Baseline: Fannie Mae has explored ways to support multifamily property resilience in recent years. In 2020, Fannie Mae partnered with Enterprise Community Partners on the creation of a free, interactive tool to equip multifamily affordable building owners and managers with a plan to address crises called Ready to Respond: Business Continuity Toolkit for Affordable Housing Organizations. Fannie Mae has also supported a roadmap, developed by the National Institute of Building Sciences, that outlines the mitigation investment that can be undertaken to help prepare for and respond to the devastating effects of extreme weather. We commit to building on this historical body of work in the Plan by providing dedicated support for resources that serve to educate and prepare property owners to make decisions about climate resilience.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Partner with a nonprofit organization experienced in resilience outreach to deliver TA to 12 to 20 organizations by educating them on how to preserve affordable housing through increased resilience to severe weather events. • Plan the 2025 TA program, coordinate with the nonprofit in planning where possible, and identify organizations for TA delivery – targeting borrowers with properties that have been identified as vulnerable to weather-related risks and working with its servicers to directly reach out to borrowers regarding available assistance. • Execute the 2025 TA program by working with providers to deliver programs that measure progress toward agreed-upon milestones. • Nonprofit will host at least four educational sessions on resilience-related topics.	Outreach
~~2026~~	~~Continue partnership with nonprofit organization to deliver TA to 12 to 20 organizations by educating them on how to preserve affordable housing through increased resilience to severe weather events.~~ ~~• Assess the results of TA provided in 2025 and identify opportunities and strategies to strengthen the program's effectiveness in 2026.~~ ~~• Plan the 2026 TA program, coordinate with the nonprofit in planning, where possible, and identify organizations for TA delivery – targeting borrowers with properties that have been identified as vulnerable to weather-related risks and working with its servicers to directly reach out to borrowers regarding available assistance.~~ ~~• Execute the 2026 TA program by working with providers to deliver programs that measure progress toward agreed-upon milestones.~~ ~~• Nonprofit will host at least four educational sessions on resilience-related topics.~~	~~Outreach~~

~~2027~~	~~Continue partnership with nonprofit organization to deliver TA to 12 to 20 organizations by educating them on how to preserve affordable housing through increased resilience to severe weather events.~~ ~~• Assess the results of TA provided in 2026 and identify opportunities and strategies to strengthen the program's effectiveness in 2027.~~ ~~• Plan the 2027 TA program, coordinate with the nonprofit in planning, where possible, and identify organizations for TA delivery – targeting borrowers with properties that have been identified as vulnerable to weather-related risks and working with its servicers to directly reach out to borrowers regarding available assistance.~~ ~~• Execute the 2027 TA program by working with providers to deliver programs that measure progress toward agreed-upon milestones.~~ ~~• Nonprofit will host at least four educational sessions on resilience-related topics.~~ ~~• Evaluate lessons learned in 2025 and 2026 to determine if there are additional opportunities for Fannie Mae to support resilience.~~	~~Loan Product~~

Affordable Housing Preservation
2025 – 2027
Loan Purchase

ACTIVITY:

F. Regulatory Activity: Energy or water efficiency improvements on single-family, first-lien properties that meet FHFA criteria (12 C.F.R. § 1282.34 (d) (3)).

OBJECTIVE:

2. Increase the purchase of mortgage loans that finance energy and water improvements or refinance existing energy debt.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

We are proposing to delete this single-family objective from the plan in its entirety.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Given historical challenges meeting this target, we have been limited in our ability to create impact by providing liquidity through the purchase of loans that finance energy or water efficiency improvements. This has been a function of several factors that reflect the nuances of this market:

- Diminished market opportunity to refinance PACE loans in recent years, which have made up a large portion of eligible loan purchases in the past; and
- Reduced refinance activities in a sustained period of high interest rates, particularly among low- to very-low income homeowners.

These challenges are further complicated by the recent announcement of the termination of the EnergyStar program, which has historically been used as a benchmark for improvements to meet the efficiency threshold required under this objective. This is expected to further limit our ability to measure eligible loans in the long-term, absent an alternative widely adopted industry benchmark. As such, we propose to remove this target from the plan to focus on other more impactful targets.

2. ~~**Objective: Increase the purchase of mortgage loans that finance energy and water improvements or refinance existing energy debt.**~~

~~Fannie Mae will purchase loans that support energy and water efficiency improvements, including loans that refinance existing energy debt, such as Property Assessed Clean Energy (PACE) loans. These loans will help homeowners finance energy and water improvements to a home that will reduce utility bills or reduce the cost of existing energy debt, making homeownership more affordable. Our goal is to increase the liquidity of loans that contribute to the preservation of affordable housing by reducing utility bills, which disproportionately impact low-income households.~~

~~In addition to meeting the requirements for all Duty to Serve loans, Fannie Mae considers loans for this purchase target that meet at least one of the following requirements:~~

~~• Is a HomeStyle® Renovation or HomeStyle Energy loan, which includes an ENERGY STAR® certified improvement (see ENERGYSTAR.gov for details);~~

~~• Is a refinance on an existing Property Assessed Clean Energy (PACE) loan; OR~~

~~• Is a HomeStyle Energy loan which is projected to reduce energy or water consumption by at least 15% and provide aggregate utility savings over the life of the improvement that exceeds its cost.~~

~~**Clarification of Excluded Loans**~~

~~Fannie Mae does not count mortgage loans that finance renewable energy, such as solar or geothermal, or newly constructed homes towards Duty to Serve goals. We also do not count HomeStyle Renovation or Homestyle Energy loans that do not have verification of an ENERGY STAR improvement or do not have evidence of a 15% reduction of energy or water consumption.~~

~~***Renewable Energy***~~

~~Renewable energy is a form of energy production. By itself, it does not reduce the energy consumption of a household. Onsite renewable energy can result in lower utility bills over time and a cleaner energy source compared to utility purchased electricity; however, onsite renewable energy still comes at an initial cost if a homeowner is purchasing or financing the system. While renewable energy could have been financed by an original PACE loan, PACE could also have been used for energy efficient upgrades such as a new, high efficiency heat pump or new wall insulation installation. Therefore, we still consider loans which are refinances out of a PACE loan to be Duty to Serve eligible, if the borrower also meets the income and occupancy requirements of Duty to Serve.~~

~~***Newly Constructed Homes***~~

~~The Duty to Serve Rule focuses on financing energy and water improvements of existing homes. Therefore, newly constructed homes are not considered eligible to be counted toward this loan purchase target. One exception, as noted in the final Duty to Serve Rule, is manufactured homes. According to a footnote (No. 74) on Page 112 of the final Duty to Serve Rule, "A manufactured home that has met a credible and generally accepted standard for projecting energy savings, such as the ENERGY STAR certification, would be eligible for Duty to Serve credit under this energy efficiency Regulatory Activity."~~

~~Fannie Mae is not currently counting green manufactured homes for this loan purchase objective but we may in the future.~~

~~***HomeStyle Renovation and Homestyle Energy Loans***~~

~~In the final Duty to Serve Rule for this regulatory activity, a section titled "Credible Projections" states "the projections of energy or water savings must be made based on credible and generally accepted standards that the improvements will reduce energy or water consumption by at least 15 percent." One of our loan purchase requirements is directly aligned with the "Credible Projections" language. Fannie Mae has worked with FHFA during the previous Duty to Serve program cycles to add the ENERGY STAR certified improvements and the refinancing of existing PACE loans as alternative pathways that adhere to the intent of the Duty to Serve credible projections. These are pathways that, we can reasonably assume likely will or have resulted in a reduction of at least 15 percent energy or water consumption. However, Fannie Mae does not count all HomeStyle Renovation or HomeStyle Energy loans. Both loan products can finance improvements that do not result in a reduction of energy or water consumptions, such as projects that finance renewable energy, resilience, or even an addition to a home. Therefore, we only count loans that we can reasonably assume result in the reduction of energy or water consumption.~~

~~Our strategy for developing this market at scale will continue to be centered around relationship and education-focused outreach to lenders. These engagements will aim to bridge knowledge gaps in the application of our requirements for the various categories that make up this loan purchase target and provide iterative feedback to potentially improve the ways that we track eligible loan purchases in the future. Lenders may~~

~~require assistance to establish the necessary level of detail in their loan identification process because of the nuances of how energy- and water-efficiency improvements are measured, which can create challenges for loan delivery. Maintaining consistent engagement and feedback channels is key to addressing these challenges and building on the liquidity support we provide to this market.~~

~~**Baseline:** Broader market trends have resulted in significantly lower single-family energy loan volume in 2023. Specific drivers for this decline include factors affecting the broader housing market, such as higher interest rates and the associated "lock in" effect for existing homeowners, historically high home prices, and limited housing supply. With the higher interest rates, refinances were down considerably.~~

~~This is particularly impactful for singlefamily energy and water loans. In the past, homeowners have used HomeStyle Energy and, to a lesser extent, HomeStyle Renovation during a refinance to fund home energy improvements or refinance existing energy-related debt. The higher interest rates are reducing refinance volume, which in turn is reducing the number of HomeStyle Energy and HomeStyle Renovation loans. In 2023, Fannie Mae purchased 36 loans under this objective, which represents the baseline. We have opted for a one-year baseline as this is believed to be representative of current market conditions. Our proposed loan purchase targets for 2025-2027 reflect volume expectations over the upcoming plan years, including refinance volume.~~

~~Below is a breakdown of our 2023 energy loan purchases by energy improvement category and loan type:~~

~~ENERGY LOAN PURCHASES~~	~~2023~~	~~%~~
~~Total Loans~~	~~36~~	~~100~~
~~Energy Improvement Category~~		
~~PACE Loans~~	~~20~~	~~55.6~~
~~ENERGY STAR® Improvements~~	~~16~~	~~44.4~~
~~Loan Type~~		
~~— Purchase Loans~~	~~15~~	~~41.7~~
~~— Refinance Loans~~	~~21~~	~~58.3~~

~~YEAR~~	~~TARGETS AND IMPLEMENTATION STEPS~~	~~EVALUATION AREA~~
~~2025~~	~~Purchase 40 loans used to purchase or refinance homes with energy, water, or energy debt refinance, which represents approximately an 11% increase over the baseline.~~	~~Loan Purchase~~
~~2026~~	~~Purchase 45 loans used to purchase or refinance homes with energy, water, or energy debt refinance, which represents approximately a 12.5% increase over the 2025 target.~~	~~Loan Product~~
~~2027~~	~~Purchase 50 loans used to purchase or refinance homes with energy, water, or energy debt refinance, which represents approximately an 11% increase over the 2026 target.~~	~~Loan Product~~

Fannie Mae

Manufactured Housing
2025 – 2027
Loan Product & Loan Purchase

ACTIVITY:

D. Additional Activity: Additional Manufactured Housing Communities Activities (12 C.F.R. § 1282.33 (d)).

OBJECTIVE:

1. Increase the purchase of MHC loans with affordability created by rent restrictions.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

Remove this Objective for 2025 – 2027 in response to changing business priorities and after early assessments of product-market fit.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

This Objective was constructed around the belief that manufactured housing operators would be willing to moderate rent increases in exchange for competitive pricing and/or credit structures from Fannie Mae. In observing industry trends, we note persistently low volume of MHC loan originations continuing into 2025 with a meaningful increase in utilization of alternative sources of debt capital, such as bridge funding and commercial mortgage-backed securities conduits.[1] These executions are often tailored to MHC assets which do not meet Fannie Mae's property condition standards and are indicative of an industry which is reaching an inflection point after several years of low interest rates fueled an influx of new, inexperienced sponsors into the MHC market. As these operators appear to be refinancing this initial short-term debt with more costly funding sources, we suspect that many assets are not suitable for Fannie Mae debt and thus could not benefit from the financing program contemplated under this Objective.

In addition to the industry trends noted above, this proposal displays a willingness to respond to changing business priorities in 2025 while staying focused on emerging opportunities in the MH market. While we are proposing to delete this Objective, we are also proposing to add other implementation steps and new Objectives which are aimed at continuing to help the MH industry grow its market share through new products and programs.

[1] "Monthly Manufactured Housing Insights" Berkadia Research, June 2025.

D. Additional Activity: Additional Manufactured Housing Communities Activities (12 C.F.R. § 1282.33 (d)).

1. ~~Objective: Increase the purchase of MHC loans with affordability created by rent restrictions.~~

~~Fannie Mae is proud to have helped standardize minimum tenant site lease protections offered to residents and believes that expanding these protections to include greater certainty in future pad rent increases would benefit residents and may align with the investment strategies of certain MHC owners. Recent industry outreach conducted by FHFA suggests that the broader multifamily industry has differing views on the depth and breadth of potential resident stability tactics that the government-sponsored enterprises (GSEs) could pursue, with FHFA highlighting that significant work would be required to advance any resident-centered practices at properties funded by the GSEs.[31]~~

~~Against this market backdrop, Fannie Mae has expended considerable effort in recent years to develop new products that incentivize affordability for renters. Fannie Mae's Sponsor-Dedicated Workforce (SDW) program was launched in late 2023 and offers pricing and underwriting flexibilities for borrowers agreeing to make at least 20% of a property's units affordable to tenants making 80% or less of the area median income (AMI) with flexibility of up to 100 – 120% AMI in certain high-cost markets. While the product is new, we believe further refinement to tailor SDW for the MHC asset class can improve resident outcomes while ensuring that MHC owners can build a business model around sustainable economic returns on their investment~~.

~~Baseline: Fannie Mae's SDW loan product was created in Q4 2023 to incentivize multifamily borrowers to adopt voluntary restrictions on annual rent increases for a portion of units at a property for the life of the Fannie Mae loan. The program's first iteration assesses tenant rent affordability by comparing total monthly housing costs for residents at a property to the area's median income. Given that the total monthly housing costs of residents of MHCs are generally not known to the community owner, a new rent affordability calculation would need to be developed to ensure MHC borrowers employ pad rent restrictions that have a measurable impact on tenant outcomes. Therefore, we have no baseline for loan purchases. The first year of the Plan contemplates additional product development work to develop an MHC-specific iteration of the SDW product, if feasible, followed by loan purchases and additional product development work if needed.~~

~~YEAR~~	~~TARGETS AND IMPLEMENTATION STEPS~~	~~EVALUATION AREA~~
~~2025~~	~~Develop, if feasible, a product that incentivizes MHC operators to moderate annual rent increases and incorporates the following:~~ ~~• Accompanying legal framework, including any specific loan modifications or attestations needed to monitor borrower compliance over time.~~ ~~• An appropriate unit threshold for product eligibility, including whether a higher percentage of pads could be subject to restrictions on site rent increases in the MHC version of the product.~~ ~~• Expansion to include MHC properties by end of year.~~	~~Loan Product~~
~~2026~~	~~Purchase three MHC loans with restrictions on site rent increases.~~	~~Loan Purchase~~
~~2027~~	~~Refine product approach pursuant to borrower and stakeholder feedback, considering the following:~~ ~~• Performance of MHC asset class and SDW loan cohort to determine potential product expansion features, such as longer amortization timelines or interest-only features.~~ ~~• Based upon market and stakeholder feedback, consider feasibility of increasing the threshold for product eligibility, including a consideration of whether all sites in a community must be subject to restrictions on site rent increases to be considered for preferential pricing and/or product expansion features.~~ ~~• Measure impact of changes in ownership or financing on the program requirements, and assess the feasibility of conditioning the community sale, refinance, and/or loan assumption to be conditioned on the successive obligor agreeing to keep rent restrictions in place.~~ ~~• Launch revised MHC with product approach by end of year, if needed.~~	~~Loan Product~~

Rural Housing
2025 – 2026
Outreach

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

3. Conduct research on conditions facing current and prospective homeowners in rural areas.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

Fannie Mae proposes the modification of Rural objective A.3. “Conduct research on conditions facing current and prospective homeowners in rural areas” for 2025 and 2026. Specifically, we propose removal of the 2025 target and implementation steps as well as updates to the 2026 target and implementation steps.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

The current objective envisions this foundational research as being the basis for “product flexibilities that respond to opportunities identified by the research” but existing strategies, such as those being developed under Rural objectives A.4, A.5, and proposed Rural objective A.6, all position Fannie Mae to expand single-family mortgage liquidity.

The proposed modification refocuses the research under this objective to conduct market analysis and capture stakeholder feedback to understand market conditions in order to determine feasibility of setting future loan purchase targets.

3. Objective: Conduct research on conditions facing current and prospective homeowners in rural areas.

As a new Additional Activity for the 2025 – 2027 Plan, the broader rural housing market is ripe for analysis to establish loan purchase targets in future years. Fannie Mae commits to analyzing its history of loan purchases in the rural single-family housing market to identify potential targets that would drive increased liquidity that benefits rural homebuyers. ~~As a new Additional Activity for the 2025 – 2027 Plan, the broader rural housing market is ripe for foundational research. Fannie Mae commits to conducting, socializing, and utilizing new research on the rural single-family housing market to drive increased liquidity that benefits rural homebuyers.~~

Baseline: Historically, Fannie Mae has provided liquidity to the rural single-family housing market through its normal course of business as well as through targeted efforts, such as those described under past and current Duty to Serve Plans. However, it has never established a loan purchase target that included the entirety of the broader rural geography. ~~Under prior Duty to Serve rural efforts, Fannie Mae has published several research reports to advance the industry's collective knowledge of rural homeownership, including the following reports:~~

~~• *A Methodological Approach to Estimate Residential Heirs' Property in the United States.*~~

~~• *Can Service Learning Programs at Anchor Institutions Contribute to Increasing Homebuyer Readiness Through Financial Capability?*~~

~~• *Small Balance Loan Origination Analysis in Rural and High Needs Rural Areas.*~~

~~• *Native American Homeownership – Qualitative Research.*~~

~~• *Understanding the Colonias Investment Areas.*~~

~~These Reports demonstrate a commitment from Fannie Mae to contribute information in support of various segments of the single-family rural housing market and establish a foundation for additional research to holistically define challenges and opportunities within the broader rural housing market.~~

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
~~2025~~	~~Develop and publish a research document that captures the unique barriers facing rural homeowners and homebuyers.~~ ~~• Conduct a literature review of publicly available research on rural homeownership.~~ ~~• Conduct analysis of publicly available data on rural demographics, housing characteristics, and mortgage lending patterns.~~ ~~• Conduct analysis of Fannie Mae single-family data to focus on areas for potential future product flexibilities.~~ ~~• Summarize findings on both homeownership barriers and opportunities in a publicly available document.~~	~~Outreach~~
2026	~~Socialize research on rural homeownership, refine research if necessary, and develop~~ Develop ~~continued loan product or~~ loan purchase strategy for 2027. • Conduct analysis of Fannie Mae single-family data to understand the historical baseline and any emerging trends related to rural mortgage lending. ~~Socialize existing research with lenders and other rural stakeholders through direct meetings, online promotion, and presentations to at least two industry events.~~ • Conduct market analysis and gather stakeholder feedback to understand current market conditions and determine the feasibility of setting a loan purchase target.~~Refine and/or supplement existing research based on findings from socialization.~~	Outreach

• If justified by the research and feasible, propose a 2027 loan purchase target.~~Based on industry feedback, consider product flexibilities that respond to opportunities identified by the research, if appropriate.~~

~~• If justified by the research and feasible, propose a 2027 loan purchase target or a 2027 loan product target that is informed by prior years' research.~~

Rural Housing
2025 – 2026
Outreach

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

2. Conduct research on conditions facing current and prospective renters in rural areas.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

Fannie Mae proposes the deletion of Rural objective A.2 “Conduct research on conditions facing current and prospective renters in rural areas” for 2025 and 2026.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

This objective envisions foundational research as being the basis for “product flexibilities that respond to opportunities identified by the research” but an existing product strategy to bolster multifamily rural lending is already primed to expand Fannie Mae’s role in this market without the need for additional research.

Specifically, Rural objective A.1 “Develop a strategy to acquire multifamily loans in rural areas using programs specifically tailored for LMI households” promotes a loan option with affordability incentives, streamlined compliance requirements, and flexible loan terms. Progress made to date under objective A.1 lays the groundwork for increased SDW loan purchases in rural markets. As described in the existing implementation step, Fannie Mae will propose a future loan purchase target for SDW loans in rural markets, if feasible.

2. **~~Objective: Conduct research on conditions facing current and prospective renters in rural areas.~~**

~~The broader rural housing market is ripe for foundational research, therefore we have added it as a new Additional Activity for the 2025 – 2027 Plan. Fannie Mae commits to conducting, socializing, and utilizing new research on the rural multifamily housing market to drive increased liquidity that benefits rural renters.~~

~~Baseline:~~ ~~Under prior Duty to Serve rural efforts, Fannie Mae has published research reports to advance the industry's collective knowledge of rural multifamily housing, including the following reports:~~

~~• *Multifamily Challenges and Opportunities in Middle Appalachia.*~~

~~• *Multifamily Challenges and Opportunities in the Mississippi Delta.*~~

~~• *Understanding the Colonias Investment Areas.*~~

~~These reports demonstrate a commitment from Fannie Mae to contribute information in support of various segments of the multifamily rural housing market and establish a foundation for additional research to holistically define challenges and opportunities within the broader rural housing market.~~

~~YEAR~~	~~TARGETS AND IMPLEMENTATION STEPS~~	~~EVALUATION AREA~~
~~2025~~	~~Develop and publish a research document that captures the unique barriers facing rural renters.~~ ~~• Conduct a literature review of publicly available research on rural multifamily rental housing.~~ ~~• Supplement literature review with analysis of Fannie Mae's multifamily data or otherwise publicly unavailable data to identify focus areas for potential future product flexibilities.~~ ~~• Summarize findings on both rental housing barriers and opportunities in a publicly available document.~~	~~Outreach~~
~~2026~~	~~Socialize research on rural renters, refine research if necessary, and develop a continued outreach strategy for 2027.~~ ~~• Socialize existing research with DUS lenders and other rural stakeholders through direct meetings, online promotion, and presentation to at least two industry events.~~ ~~• Refine and/or supplement existing research based on findings from socialization.~~ ~~• Based on industry feedback, consider product flexibilities that respond to opportunities identified by the research, if appropriate.~~ ~~• If justified by the research and feasible, propose a 2027 outreach target that is informed by prior years' research, such as a lender marketing campaign that highlights products suited for rural rental housing.~~	~~Outreach~~

Fannie Mae

Rural Housing
2026
Outreach

ACTIVITY:

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

OBJECTIVE:

3. Develop a strategy to increase single-family lending in colonias.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

Fannie Mae proposes the deletion of Rural objective B.3 “Develop a strategy to increase single-family lending in colonias” for 2026. No changes to the objective are proposed for 2025.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

The introductory text to this objective states “Given the recency of the formal definition and the unique housing needs in the colonias, a focused, multiyear outreach effort is justified.”

However, after significant engagement with rural housing market participants in 2025, including those in Colonias, Fannie Mae believes there are several strategies under development to increase support of single-family lending in Colonias without additional outreach commitments in 2026. Impact in the Colonias housing market can be made sooner and with greater reach through the following objectives:

- Rural objective A.4 “Develop single-family requirements that enable rural CDFIs to access secondary market liquidity more frequently” is on track to incorporate feedback from CDFIs in the Colonias and improve those lenders’ ability to access Fannie Mae liquidity.
- Rural objective A.5 “Deploy a strategy to increase mortgage opportunities for rural residents of heirs’ property” motivated Fannie Mae to quantify the prevalence of this issue in Colonias and found that, even given systemic undercounting of heirs in Colonias due to nontraditional purchase methods like contracts for deed complicating title tracking, heirs’ property rates appear higher than the nationwide average. Promotion of an heirs’ property product strategy under this existing Objective presents an opportunity to address a relevant barrier in the Colonias that Fannie Mae intends to pursue.
- Proposed Rural objective A.6 “Support Rural CDFIs through the provision of targeted deposits” will include at least one lender investee that specializes in the Colonias, empowering that lender to expand its single-family mortgage lending activities.

While not required by the Plan, Fannie Mae intends to launch a series of training webinars intended to promote rural mortgage lending beginning in Q3 2025 and continuing into 2026. Those training events will include Colonias lenders.

3. Objective: Develop a strategy to increase single-family lending in colonias.

FHFA added a definition of "colonia census tract" to the Duty to Serve regulation and amended the definitions for high-needs rural regions and rural areas in July 2023. Fannie Mae has worked with lenders, nonprofits, and researchers specializing in high-needs rural regions, including the colonias, for several years to drive awareness and adoption of Fannie Mae loan products. Given the recency of the formal definition and the unique housing needs in the colonias, a focused, multiyear outreach effort is justified.

Baseline: Since 2018, Fannie Mae has engaged with organizations serving the colonias. In fact, even before the colonias definition became final, Fannie Mae provided liquidity to this underserved market. Using the same geographic definition of Duty to Serve eligibility that has applied since July 2023, Fannie would have purchased more than 6,800 Duty to Serve-eligible - loans from 2018 through 2023, with loan purchases made every month. In each year of the 2022 – 2024 Plan, Fannie Mae committed to outreach to lenders, CDFIs and/or housing finance agencies (HFAs), and nonprofits specializing in the colonias to ensure that it would be familiar with market conditions and borrower needs. This outreach is a fitting foundation for outreach and loan product efforts planned for the 2025 – 2027 Plan.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Expand upon prior lender engagement efforts to inform a sustainable outreach strategy to increase liquidity in the colonias. • Summarize, publish, and socialize key learnings from colonia census tracts outreach conducted in prior years. • Gather recommendations from at least three lenders that are reasonably likely to increase loan deliveries. • As needed, support lenders that currently originate but are not delivering conforming loans to Fannie Mae.	Outreach
~~2026~~	~~Explore potential loan product strategies in the colonia census tracts.~~ ~~• Maintain colonia census tracts lender outreach, informed by 2025 best practices, such as a tailored training, one-on-one lender meetings, or an online or in-person gathering of local experts.~~ ~~• With input from lenders, research applicability of existing product strategies to support colonia census tracts residents, such as other rural products, special purpose credit programs, a product designed for rural CDFIs, or potential product flexibilities to support colonia census tract residents, as appropriate.~~ ~~• If feasible, develop a plan to promote mortgage products to colonias lenders and consumers in 2027.~~	~~Outreach~~

Manufactured Housing
2026 – 2027
Outreach & Loan Product

ACTIVITY:

D. Additional Activity: Additional Manufactured Housing Communities Activities (12 C.F.R. § 1282.33 (d)).

OBJECTIVE:

1. Align Single-Family and Multifamily MHC executions to support the adoption of mortgage lending in MHCs.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

Add a new Additional Activity which builds upon emerging product capabilities in Single-Family by further aligning that program with Multifamily MHC product execution and long-term lease product guidelines.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Fannie Mae is planning to launch a new Single-Family product in 2025 which will permit manufactured homes on long-term leasehold estates, provided such homes are treated as real estate and otherwise meet minimum collateral standards. This product will enable Single-Family financing in manufactured housing communities which may also be financeable through Fannie Mae's Multifamily platform. This presents the opportunity to align Single-Family and Multifamily MH program terms to create a unique offering in the marketplace which could spur the development of new manufactured housing communities across the country while supporting long-term tenancy and extending the consumer benefits of mortgage financing to a segment of the MH market which is traditionally served by personal property lending.

The proposed objective entails assessing the Multifamily program terms for MHCs to determine whether they could support the development of new or expansion of existing MHCs and providing related guidance to the marketplace.

1. Objective: Align Single-Family and Multifamily MHC executions to support the adoption of mortgage lending in MHCs.

Fannie Mae has made significant progress in 2025 as it has defined a Single-Family program approach which will enable conventional mortgage financing to be made available in certain land-lease manufactured housing communities. This has the prospect of dramatically reducing interest rates and improving program terms for residents of MHCs who would otherwise be limited to personal property lending options in most cases. This objective will build upon that emerging market and product expertise by revisiting Multifamily program standards to assess the opportunity for supporting the adoption of mortgage lending in MHCs by aligning Single-Family and Multifamily MH program standards.

Baseline: Fannie Mae plans to launch a new Single-Family program for manufactured homes subject to long-term leasehold agreements in 2025. While Fannie Mae has financed MHCs through its Multifamily DUS platform for many years, Fannie Mae has never explicitly contemplated the alignment of Single-Family and Multifamily program standards to enable conventional mortgage financing in the MH communities it finances.

Year	Target and Implementation Steps	Evaluation Area
2026	Conduct market outreach to determine appetite for offering conventional Single-Family financing for homes located in land-leased MHCs, necessarily completing the following: • Evaluate title conversion guide produced by Fannie Mae Single-Family in 2025 to identify markets which are understood to provide for real property treatment of homes on leased land. • Conduct outreach to MHC operators in at least three distinct geographic markets which were identified in the analysis described above. • Based on Home Mortgage Disclosure Act (HMDA) data analysis, identify and engage personal property lenders originating loans in MHCs to discuss feasibility of offering MH mortgage loans. • Discuss Single-Family product framework with MH operators known to be pursuing infill projects in existing MHCs to solicit feedback on product approach.	Outreach
2027	Assess the viability of real property mortgage lending for homes in manufactured housing communities financed by Fannie Mae by undertaking the following tactics: • Evaluate matters of lien priority to determine whether an MHC financed through Multifamily could recognize certain rights of a Single-Family lender with a security interest in the MH units. • Assess program standards related to sale and/or change of use for the MHC, including whether an MHC owner could compensate residents for the value of the MH unit in connection with a community closure. • Review Multifamily Guide requirements for long-term leases to assess whether homes in MHCs can be conveyed and financed as real estate. • Communicate product eligibility determination via a webpage update, Guide publication, or other methods as appropriate.	Loan Product

Manufactured Housing
2025 – 2027
Outreach & Loan Product

ACTIVITY:

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

OBJECTIVE:

6. Pursue policy and industry engagement tactics that reduce the costs of MH homeownership and increase value to the consumer.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☒ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

Delete this objective and then add it back into the Plan in order to reclassify the 2025 objective as a loan product objective and reclassify the 2026 objective as an outreach objective.

Remove several implementation steps from 2025 – 2027 which no longer align with Fannie Mae's strategy for supporting the construction and renovation of value-retentive MH. In most cases, we are proposing to add new implementation steps in response to emerging opportunities in this segment of the market.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

This objective is classified as an outreach activity in 2025 and was framed to anticipate a loan product or eligibility update supporting the construction or renovation of real property MH in 2026. As we have developed an understanding of the opportunities to further support this market in 2025, we believe we will be able to make multiple policy updates concerning the use of MH in 2025 and would like to strengthen our initial commitments by upgrading the 2025 objective to a loan product objective. In a corresponding move, we are reclassifying the 2026 objective as an outreach objective to enable us to assess the impact of our 2025 policy enhancements and continue to look for additional opportunities to serve the MH market.

This objective broadly details Fannie Mae's strategy for tailoring its loan product and industry outreach approach to incentivize both the construction and renovation of real property MH, which included several implementation steps related to energy efficiency. As the federal community of practice regarding energy efficiency has evolved in 2025, we are proposing certain technical edits be made to replace existing implementation steps with new tactics which have greater prospects for success.

Additionally, one implementation step anticipated the development of property insurance guidance specifically for MH which would address issues of underinsurance. Pursuant to regulatory requirements in 2025, Fannie Mae has spent much of the year developing an Enterprise approach to property insurance as part of its Conservator Scorecard, such that MH-specific guidance is not warranted.

Delete

6. ~~Objective: Pursue policy and industry engagement tactics which reduce the costs of MH homeownership and increase value to the consumer~~

~~This Objective entails outreach and product development efforts which support value-retentive manufactured housing, including the conversion of personal property MH to real estate and tactics to promote greater adoption of value-additive home products and features, such as energy efficiency and property resilience. Together, these thematic approaches aim to reduce the cost of homeownership for MH borrowers while facilitating a more vibrant resale market for homes.~~

~~An often-discussed figure when observing financing outcomes for MH borrowers is the striking percentage of borrowers who own their land but choose not to title the home as real estate. This percentage is estimated at roughly 17% of all landowning borrowers and has been observed to be as high as 59% in states with particularly detailed homeownership data, such as Texas.[1] Extensive research has been conducted on the factors influencing this decision, with most researchers concluding that it is a multifaceted issue with no leading determinant. In general, though, choosing a personal property loan has been associated with a desire to keep recordation of the home and land separate. Other factors influencing the borrower's decision may include an inability to convey the underlying land as collateral for a mortgage loan, resulting from the borrower not having clear title to the land or having a fractional ownership stake in the property with other family members.[2]~~

~~While this consumer preference may not be easily influenced, at least one ethnographic study surveying MH borrowers has shown that MH landowners for whom the lender was cited as an important source of loan information have about half the odds of selecting a personal property loan as those for whom the lender was not cited as an important source of information. Similarly, MH landowners for whom a real estate agent was an important source of loan information have about 40% lower odds of selecting a personal property loan.[3] Accordingly, Fannie Mae believes there is some prospect of influencing these financing decisions by positioning lenders and other market participants with knowledge and financing tools that emphasize the benefits of mortgage financing. Despite the complexity of this issue, the basic premise for this Objective is upheld when comparing the difference in median rate spread across manufactured homes titled as real estate and those titled as personal property, which sits around 350 basis points based upon a 2021 Consumer Financial Protection Bureau report.[4] Achieving a lower interest rate over a longer loan term via refinance and conversion of the home to real estate would have a positive impact on household balance sheets while improving the consumer's long-term wealth building prospects.~~

~~In addition to improving wealth-building opportunities via conversion of existing properties to real estate, Fannie Mae also sees additional opportunities to enhance MH programs that add value to the property or reduce the costs of homeownership, such as energy-efficiency features. Considered broadly, these initiatives could take the form of remediating environmental or performance issues with existing MH stock or seeking opportunities to support the construction of new homes built to green building certification standards. Manufactured homes have been documented as having disproportionate exposure to flooding and other environmental hazards[5], and median energy costs as a percentage of income are twice as high for owners of manufactured homes when compared to all homes.[6]~~

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[1] ~~https://planning.unc.edu/wp-content/uploads/sites/399/2020/01/manufactured-homeowners-survey-and-report-on-loan-shopping-experiences.pdf~~
[2] ~~https://www.fanniemae.com/sites/g/files/koqyhd191/files/2023-12/heirs-property-research-report_0.pdf~~
[3] ~~https://planning.unc.edu/wp-content/uploads/sites/399/2020/01/manufactured-homeowners-survey-and-report-on-loan-shopping-experiences.pdf~~
[4] ~~https://files.consumerfinance.gov/f/documents/cfpb_manufactured-housing-finance-new-insights-hmda_report_2021-05.pdf~~
[5] ~~https://www.annualreviews.org/doi/pdf/10.1146/annurev-lawsocsci-050520-094027~~
[6] ~~https://www.aceee.org/sites/default/files/pdfs/manufactured_housing_final_2-7-22.pdf~~

~~Baseline:~~

~~Fannie Mae has never conducted deliberate market outreach to encourage the conversion of personal property MH to real estate. While Fannie Mae has begun to measure the extent of residential heirs' property in the United States, these findings have not been analyzed in the context of a homebuyer's decision to title their MH as personal property instead of real estate.~~

~~Fannie Mae permitted HomeStyle® Renovation and HomeStyle® Energy eligibility for MH properties beginning in 2018, but usage of these products has been scant. Known challenges include lack of industry awareness of energy and resiliency loan product features, low lender adoption due to difficulty identifying eligible improvements in the absence of standardized dataset, and the specificity of Fannie Mae product guidelines as they relate to environmental and property condition issues to be remediated. For new construction homes in particular, energy efficiency features often do not receive contributory value during the appraisal process, constraining LTV limits and potentially putting energy-efficient homes out of reach for prospective homebuyers.~~

~~Year~~	~~Target and Implementation Steps~~	~~Evaluation Area~~
~~2025~~	~~Expand outreach and develop qualitative and quantitative framework for new value-retentive MH initiatives, necessarily undertaking the following tactics:~~ • ~~Analyze the median and incremental costs associated with owning an MH as personal property when compared to real estate, with specific focus on loan terms and rates, property tax burdens, MH insurance availability and coverage amounts, and energy costs.~~ • ~~Research borrower usage of HomeStyle Renovation and HomeStyle Energy products for MH properties, including improvements made and/or issues remediated.~~ • ~~Considering these usage patterns, update HomeStyle lender playbook to specifically reflect MH product eligibility. or ADUs on properties with MH primary dwellings.~~ • ~~Explore alternatives to the "as completed" appraised value for newly constructed MH with energy efficiency features.~~ • ~~Conduct HMDA data analysis to identify personal property MH originations in markets with known title conversion frameworks conducive for real estate conversion.~~ • ~~Consider clarification opportunities to cash-out and limited cash-out refinance policy requirements to encourage conversion of personal property MH to real estate.~~	~~Outreach~~
~~2026~~	~~Operationalize expansion concept researched in 2025 while exploring additional opportunities to broaden the availability of conventional financing for MH homebuyers by undertaking the following tactics:~~ • ~~Consider the applicability of heirs' property/tangled title research on a consumer's decision to pursue personal property financing for MH, and the feasibility of introducing a product or policy solution which remediates the consumer's inability to convey the land.~~ • ~~In partnership with industry stakeholders, consider scalable methods to educate or train local zoning/permitting offices in priority markets about the suite of MH properties that are eligible for Fannie Mae financing. Consider the need to develop MH-specific property insurance guidance in recognition of industry practice of providing actual cash value (ACV) replacement policies for older MH properties.~~ • ~~Assess eligibility of MH with solar photovoltaic (PV) capabilities for inclusion in Single Family social bond securitization structures.~~ • ~~Finalize one program change promoting MH eligibility by end of year.~~	~~Loan Product~~

~~2027~~	~~Pursuant to 2026 learnings, execute a pilot or initiative in at least two markets to offer the benefits of real property mortgage financing for MH mortgage loans.~~ • ~~Build greater awareness and familiarity among lenders, mortgage insurers, hazard insurance providers, or other stakeholders regarding MH programs to reduce barriers to entry.~~ • ~~Depending on the nature of the solution implemented in 2026, consider the need for dedicated post-purchase counseling to support borrower resilience.~~ • ~~Assess product eligibility and messaging framework within the context of federal energy efficiency incentives, such as the Inflation Reduction Act.~~ • ~~If feasible, purchase loans under the pilot initiative.~~	~~Loan Product~~

Add

6. Objective: Pursue policy and industry engagement tactics which reduce the costs of MH homeownership and increase value to the consumer

This Objective entails outreach and product development efforts which support value-retentive manufactured housing, including the conversion of personal property MH to real estate and tactics to promote greater adoption of value-additive home products and features, such as energy efficiency and property resilience. Together, these thematic approaches aim to reduce the cost of homeownership for MH borrowers while facilitating a more vibrant resale market for homes.

An often-discussed figure when observing financing outcomes for MH borrowers is the striking percentage of borrowers who own their land but choose not to title the home as real estate. This percentage is estimated at roughly 17% of all landowning borrowers and has been observed to be as high as 59% in states with particularly detailed homeownership data, such as Texas.[7] Extensive research has been conducted on the factors influencing this decision, with most researchers concluding that it is a multifaceted issue with no leading determinant. In general, though, choosing a personal property loan has been associated with a desire to keep recordation of the home and land separate. Other factors influencing the borrower's decision may include an inability to convey the underlying land as collateral for a mortgage loan, resulting from the borrower not having clear title to the land or having a fractional ownership stake in the property with other family members.[8]

While this consumer preference may not be easily influenced, at least one ethnographic study surveying MH borrowers has shown that MH landowners for whom the lender was cited as an important source of loan information have about half the odds of selecting a personal property loan as those for whom the lender was not cited as an important source of information. Similarly, MH landowners for whom a real estate agent was an important source of loan information have about 40% lower odds of selecting a personal property loan.[9] Accordingly, Fannie Mae believes there is some prospect of influencing these financing decisions by positioning lenders and other market participants with knowledge and financing tools that emphasize the benefits of mortgage financing. Despite the complexity of this issue, the basic premise for this Objective is upheld when comparing the difference in median rate spread across manufactured homes titled as real estate and those titled as personal property, which sits around 350 basis points based upon a 2021 Consumer Financial Protection Bureau report.[10] Achieving a lower interest rate over a longer loan term via refinance and conversion of the home to real estate would have a positive impact on household balance sheets while improving the consumer's long-term wealth building prospects.

In addition to improving wealth-building opportunities via conversion of existing properties to real estate, Fannie Mae also sees additional opportunities to enhance MH programs that add value to the property or reduce the costs of homeownership. Considered broadly, these initiatives could take the form of remediating environmental or performance issues with existing MH stock or seeking opportunities to support the construction of new homes built to performance standards. Manufactured homes have been documented as having disproportionate exposure to flooding and other environmental hazards[11], and median energy costs as a percentage of income are twice as high for owners of manufactured homes when compared to all homes.[12]

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[7] https://planning.unc.edu/wp-content/uploads/sites/399/2020/01/manufactured-homeowners-survey-and-report-on-loan-shopping-experiences.pdf
[8] https://www.fanniemae.com/sites/g/files/koqyhd191/files/2023-12/heirs-property-research-report_0.pdf
[9] https://planning.unc.edu/wp-content/uploads/sites/399/2020/01/manufactured-homeowners-survey-and-report-on-loan-shopping-experiences.pdf
[10] https://files.consumerfinance.gov/f/documents/cfpb_manufactured-housing-finance-new-insights-hmda_report_2021-05.pdf
[11] https://www.annualreviews.org/doi/pdf/10.1146/annurev-lawsocsci-050520-094027
[12] https://www.aceee.org/sites/default/files/pdfs/manufactured_housing_final_2-7-22.pdf

Baseline:

Fannie Mae has never conducted deliberate market outreach to encourage the conversion of personal property MH to real estate. While Fannie Mae has begun to measure the extent of residential heirs' property in the United States, these findings have not been analyzed in the context of a homebuyer's decision to title their MH as personal property instead of real estate.

Fannie Mae permitted HomeStyle® Renovation and HomeStyle® Energy eligibility for MH properties beginning in 2018, but usage of these products has been scant. Known challenges include lack of industry awareness of energy and resiliency loan product features, low lender adoption due to difficulty identifying eligible improvements in the absence of standardized dataset, and the specificity of Fannie Mae product guidelines as they relate to environmental and property condition issues to be remediated.

Year	Target and Implementation Steps	Evaluation Area
2025	Expand outreach and develop qualitative and quantitative framework for new value-retentive MH initiatives, necessarily undertaking the following tactics: • Publish new lender resource highlighting state titling laws which permit homes located on leasehold estate to be considered real property. • Research borrower usage of HomeStyle Renovation and HomeStyle Energy products for MH properties, including improvements made and/or issues remediated. • Assess allowable renovation costs and loan to value limits for HomeStyle Renovation loans financing MH properties. • Considering these usage patterns, update HomeStyle lender playbook to specifically reflect MH product eligibility. • Research policy changes to enable broader adoption of MH as accessory dwelling units or ADUs on properties with MH primary dwellings. • Conduct HMDA data analysis to identify personal property MH originations in markets with known title conversion frameworks conducive for real estate conversion. • Consider clarification opportunities to cash-out and limited cash-out refinance policy requirements to encourage conversion of personal property MH to real estate. • Considering the above, finalize one program change promoting MH eligibility by end of year.	Loan Product
2026	Operationalize expansion concept researched in 2025 while exploring additional opportunities to broaden the availability of conventional financing for MH homebuyers by undertaking the following tactics: • Considering leasehold titling resource published in 2025, conduct outreach to lenders or other market participants in identified "opportunity states" where leasehold title conversions are permissible. • Consider the applicability of heirs' property/tangled title research on a consumer's decision to pursue personal property financing for MH, and the feasibility of introducing a product or policy solution which remediates the consumer's inability to convey the land. • In partnership with industry stakeholders, consider scalable methods to educate or train local zoning/permitting offices in priority markets about the suite of MH properties that are eligible for Fannie Mae financing. • Evaluate the effectiveness of any 2025 HomeStyle Renovation policy enhancement to determine whether future policy updates could be made. • Evaluate the effectiveness of any 2025 ADU policy enhancement to determine whether future policy updates could be made.	Outreach

2027	Pursuant to 2026 learnings, execute a pilot or initiative in at least two markets to offer the benefits of real property mortgage financing for MH mortgage loans. • Build greater awareness and familiarity among lenders, mortgage insurers, hazard insurance providers, or other stakeholders regarding MH programs to reduce barriers to entry. • Depending on the nature of the solution implemented in 2026, consider the need for dedicated post-purchase counseling to support borrower resilience. • Assess product eligibility and messaging framework within the context of federal or local policy. • If feasible, purchase loans under the pilot initiative.	Loan Product

Manufactured Housing
2025 – 2026
Loan Product

ACTIVITY:

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

OBJECTIVE:

7. Pursue policy and industry alignment tactics to contribute to the development of a more robust market for real property MH, including single-width MH properties.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

Add loan product targets for 2025 and 2026 to develop new programs and strategies to support the utilization of single-width MH in the real property market.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Fannie Mae's current Duty to Serve plan for the MH market features a variety of strategies supporting the development of real property MH. As we've interacted with the MH industry in 2025, we have identified additional opportunities to support the adoption of high-quality, modern MH designs and expand affordable housing options. This objective includes updating our MH Advantage program to permit single-width homes and pursuing opportunities to leverage single-width homes through our real estate-owned portfolio (REO) to introduce additional housing stock to the market.

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

Fannie Mae has made significant contributions to the secondary market landscape for MH since launching our MH Advantage program in 2018. Early engagements with manufacturers and other market participants focused on double-width MH with the expectation that this type of construction was the most likely to emulate site-built construction and attract sidelined buyers who may not have previously considered MH as an option. Following the introduction of our single-width MH program in late 2020, we've continued to track market demand for both programs and have determined that single-width construction has the potential to offer cost savings while achieving market acceptance with high-quality build standards. This objective recognizes the opportunity to build upon the emerging market for single-width MH by adopting these homes within the MH Advantage eligibility framework.

Baseline: Fannie Mae launched its MH Advantage program in 2018 and initially limited eligible homes to multi-section properties. Fannie Mae made single-width homes eligible in its Selling Guide beginning in December 2020.

Year	Target and Implementation Steps	Evaluation Area
2025	Assess and update program standards for MH Advantage-eligible homes by undertaking the following steps: • Draft program standards for the inclusion of single-width homes in the MH Advantage program. • Socialize program standards with mortgage insurers, lenders, and others to ensure a robust community of practice for single-width MH loans. • Update Fannie Mae Selling Guide to include single-width MH properties as eligible for MH Advantage by year-end. • Initiate industry alignment conversations concerning the quality and collateral standards for homes built to the MH Advantage standard. • If feasible, build one single-wide MH Advantage property on a Fannie Mae REO parcel.	Loan Product
2026	Build upon industry alignment tactics aimed at increasing adoption of MH Advantage-eligible homes by undertaking the following steps: • Implement operational enhancements into lender-facing loan origination and delivery technology to ensure single-width MH loans are appropriately tagged at delivery. • Partner with manufacturers to analyze insights from build timelines, delivery logistics, financial investment, and market reception to inform future REO deployment strategies. • Assess MH Advantage program standards related to energy efficiency when considering proposed changes to the HUD construction code for MH.[27] • Communicate product eligibility determination via a webpage update, Guide publication, or other methods as appropriate.	Loan Product

[27] https://www.federalregister.gov/documents/2025/07/02/2025-12328/energy-conservation-standards-for-manufactured-housing

Fannie Mae

Rural Housing
2025 – 2026
Outreach

ACTIVITY:

A. Additional Activity: Support the rural housing market, as most broadly defined by the Regulation (12 C.F.R. § 1282.35 (d)).

OBJECTIVE:

6. Support Rural CDFIs through the provision of targeted deposits.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

Fannie Mae proposes the addition of Rural objective A.6 “Support Rural CDFIs through the provision of targeted deposits” for 2025 and 2026.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

This objective would provide critical support to CDFIs already focused on serving rural communities, including mortgage financing for low-income and first-time home buyers (regardless of whether eligible for sale to Fannie Mae).

6. Objective: Support Rural CDFIs through the provision of targeted deposits.

Dozens of rural CDFIs are community development banks and credit unions (depositories), that are in rural areas or serving rural consumers. Fannie Mae will support the operations of rural CDFIs through targeted deposits made in 2025 and 2026 under its newly established Rural Funding Initiative.

Baseline: Fannie Mae has never targeted its deposits towards CDFIs in this way. As a result, a baseline does not exist and any activity would constitute an incremental increase in the liquidity of rural CDFIs and their ability to provide financial products and services to underserved rural communities, including housing finance activities.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities. • 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. • Place deposits with multiple Rural CDFIs totaling at least $20 million. • Assess impact of any deposits deployed on rural housing markets.	Outreach
2026	Make deposits in at least two rural CDFIs having proven records providing mortgage loans to low-income borrowers in underserved rural communities. • 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. • Place deposits with multiple Rural CDFIs totaling at least $20 million. • Assess impact of any deposits deployed on rural housing markets.	Outreach

Fannie Mae

Rural Housing
2025 – 2027
Loan Product

ACTIVITY:

C. Regulatory Activity: Housing for high-needs rural populations (12 C.F.R. § 1282.35 (c) (2)).

OBJECTIVE:

2. Enhance loan products for use in Indian areas.

PROPOSED PLAN MODIFICATION:

☒ This is a proposed Plan modification (new Objective) for the current Plan year.

☒ This is a proposed Plan modification that addresses future Plan year(s).

☐ This is a proposed technical edit.

☒ This is a proposed deletion from the 2025 Plan.

Fannie Mae proposes the deletion of Rural objective "Acquire single-family purchase loans made to tribal members living in Indian areas" for 2025, 2026, and 2027. In lieu of loan purchase targets, Fannie Mae will commit to actions to improve the way its loan products serve this high-needs rural population, as reflected below in the proposed addition of a new Rural objective.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

The loan purchase targets under this objective were significantly higher (2.5 times) than the historical baseline of four loans. While loan purchase performance in 2025 is on track to meet the baseline, it does not reflect the necessary growth to meet the targets. There are several reasons impeding the achievement of loan purchase targets, including:

- **Insurmountable Cost Disparity with Government Loans**. Lenders have long-favored HUD's Section 184 loan program to provide financing to tribal members in Indian areas due to the 100% guarantee, lower down payment (2.25%), lower interest rates, more lenient credit eligibility, assumable feature, and foreclosures being handled by HUD. In July 2023, HUD dramatically lowered its pricing, creating an insurmountable cost-to-consumer advantage over conventional loans. Specifically, HUD eliminated the annual guarantee fee and reduced the one-time upfront guarantee fee to 1.0% (can be rolled into the loan), resulting in an average savings of $5,700 over the loan term. In 2024, HUD issued a final rule clarifying Section 184 program requirements and further incentivizing lender participation. As a result, lenders consider conventional loans only as a "fallback option" and unlikely to provide the most cost-effective option for their borrowers.
- **Adverse market conditions and limited tribal resources**. Challenges persist in recruiting new tribes and lenders to participate in Fannie Mae's Native American Conventional Loan Initiative (NACLI). Lenders are inexperienced with loans secured by leaseholds on tribal lands and dissuaded by anecdotal reports of extended delays in BIA's processing and approval timelines. Further, tribes advise they lack resources to evaluate and adopt new loan products, such as NACLI, without a significant potential benefit.
- **Low Housing Inventory on Tribal Lands**. Many tribes focus on providing affordable rental housing units on tribal lands. Low inventory of dwellings available for purchase is often overshadowed by the greater need for potential new construction and infrastructure development to expand affordable housing options.

Fannie Mae proposes the addition of Rural objective C.3 "Enhance loan products for use in Indian areas" for 2025 and 2026. This objective furthers Fannie's Mae's focus on addressing housing needs in Indian Areas while recognizing the impediments to purchasing a significant number of loans in the short-term.

Native American communities face some of the greatest barriers to accessing mortgage finance in the nation. Short-term purchase targets will not promote long-term success in expanding financing in these underserved areas. Instead, Fannie Mae commits to assessing and refining its NACLI product offering for this market to respond to new feedback from tribal entities, lenders, and other market participants to position NACLI for success in increasing liquidity to this underserved housing market.

DELETE

~~**2. Objective: Acquire single-family purchase loans made to tribal members living in Indian areas.**~~

~~Native American communities have some of the greatest barriers to accessing mortgage finance in the nation. Fannie Mae commits to increasing loan purchases made to Native American tribal members living in Indian areas through two channels: Fannie Mae's Native American Conventional Lending Initiative (NACLI) and the purchase and securitization of loans guaranteed under the HUD-184 program.~~

~~Note that certain other eligible loans are likely excluded from the following baseline and target: Fannie Mae's purchase of conventional loans to tribal members on unrestricted fee simple land that FHFA defines is in a qualifying Indian Area. Recent analysis suggests that many loans that are Duty to Serve-eligible in Indian Areas are being acquired by Fannie Mae but are not counted because Fannie Mae does not have an established process for verifying tribal membership for loans – except for loans acquired under the NACLI and HUD-184 programs.~~

~~**Baseline:** Between 2018 and 2023, Fannie Mae acquired an annual average of four loan purchases under the combined NACLI or HUD 184 programs that were eligible for Duty to Serve. This represents a reasonable historical baseline. However, there are several reasons to believe future loan volumes could increase over time for both of these loan programs, including an expansion in the number of tribes executing NACLI Memoranda of Understanding (MOUs) with Fannie Mae, recent updates to NACLI to support the financing of MH on tribal lands, and new connections with lenders active in HUD-184 originations. Targets are set at levels that forecast doubling the historical volume above the baseline.~~

~~YEAR~~	~~TARGETS AND IMPLEMENTATION STEPS~~	~~EVALUATION AREA~~
~~2025~~	~~Purchase a combined 10 NACLI and HUD-184 loans to high-needs rural populations.~~ ~~• In support of increased loan purchases, evaluate product offerings to Native American borrowers and promote existing loan products by:~~ ~~– Pursuing more tribal relationships, including through modifications to the NACLI MOU process.~~ ~~– Evaluate potential product offerings designed for Native American borrowers.~~ ~~– Socializing relevant product offerings to new participating lenders~~	~~Loan Purchase~~
~~2026~~	~~Purchase a combined 15 NACLI and HUD-184 loans to high-needs rural populations:~~ ~~• In support of increased loan purchases, where opportunities exist, continue to strengthen tribal relationships, evaluate products, and partner with lenders.~~	~~Loan Purchase~~
~~2027~~	~~Purchase a combined 20 NACLI and HUD-184 loans to high-needs rural populations.~~ ~~• In support of increased loan purchases, where opportunities exist, continue to strengthen tribal relationships, evaluate products, and partner with lenders.~~	~~Loan Purchase~~

ADD

2. Objective: Enhance loan products for use in Indian areas.

Native American communities face some of the greatest barriers to accessing mortgage finance in the nation. Short-term purchase targets will not promote long-term success in expanding financing in these underserved areas. Instead, Fannie Mae commits to assessing and refining its NACLI product offering for this market to respond to new feedback from tribal entities, lenders, and other market participants to position NACLI for success in increasing liquidity to this underserved housing market.

Baseline: In recent years, Fannie Mae introduced flexibilities under NACLI to encourage lending on manufactured housing properties. Broader changes to NACLI for all structures would encourage more lending and extend Fannie Mae's product development efforts for this underserved housing market.

YEAR	TARGETS AND IMPLEMENTATION STEPS	EVALUATION AREA
2025	Introduce product enhancements to NACLI that respond to market feedback. • Publish enhancements to NACLI document templates, addressing feedback from tribes and tribal organizations. • Develop new tools and communication strategies to support expanded utilization of NACLI. • Gather feedback from three experienced lenders on the opportunities for new construction loans on tribal lands. • Pursue new tribal MOUs by leveraging new flexibilities reflected in 2025 enhancements.	Loan Product
2026	Promote product enhancements in pursuit of additional tribal and lender participation and consider further refining the NACLI program, as needed. • Pursue new tribal MOUs in targeted regions, leveraging momentum of MOUs adopted that reflect 2025 enhancements. • Analyze impact of 2025 enhancements and determine need and feasibility of further product development efforts.	Loan Product

Fannie Mae

Manufactured Housing
2025
Loan Product

ACTIVITY:

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

OBJECTIVE:

4. Advance MH co-op execution in markets that recognize homes on leased land as real estate.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☐ This is a proposed Plan modification that addresses future Plan year(s).

☒ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

The two technical edits contemplated for this objective include:

- Remove the fourth implementation step in 2025 which reads “Update ROC lending program guidance to anticipate the right of first refusal mentioned above, enabling a pipeline of fifty affordable homes to become eligible for conventional financing.”
- Add one implementation step which is currently slated for 2027 completion to the 2025 objective. The implementation step reads “Re-analyze applicable titling legislation in select geographic markets to determine whether legislation enabling MHRP title conversions has evolved or expanded.”

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Our plan was written in early 2024 in anticipation of a new MH ROC being developed in one geographic market which would leverage a novel legal structure concerning resale restrictions for homes sited in the ROC. As we have considered our policy approach to this use case, we believe that our existing policy guidance for resale restrictions in our Selling Guide today will be sufficient to address the risks related to this proposed structure. As such, explicit ROC program guidance for this use case is not necessary.

As we have implemented our 2025 Plan, we have become aware of additional opportunities to expand real property financing for homes in ROCs based upon evolving state titling laws. As such, we are proposing to review known adaptations in state law in 2025 to see whether they conform to Fannie Mae’s expectations concerning the conveyance, taxation, and mortgaging of manufactured homes.

4. Objective: Advance MH co-op execution in markets which recognize homes on leased land as real estate

Cooperative ownership affords residents of manufactured housing communities greater control over community decisions, such as capital expenditures and rent increases. While national and regionally-based non-profit and consumer advocacy groups have championed resident ownership as a legal structure poised to improve resident and community outcomes for many years, recent federal investments in the form of competitive grant opportunities are poised to allocate badly-needed funds to support infrastructure improvements and resiliency measures for low and moderate-income residents of manufactured housing communities.[1] Against the backdrop of these efforts, Fannie Mae's Single Family programs support conventional lending to residents of manufactured housing communities in states which recognize homes subject to a long-term land lease as real estate for the purposes of financing and conveyance. Manufactured homes titled as real estate have been documented as appreciating in value similarly to site-built homes, bolstering both the consumer's wealth-building prospects and improving the loss severity outlook on defaulted loans in strong or moderate housing cycles.[2] In addition to being underwritten through our Desktop Underwriter platform, our product eligibility for ROCs is bolstered by community recognition agreements designed to strengthen collaboration between the borrower, lender, and co-op organization while reducing loss severity in an instance of loan default through well-defined roles and responsibilities.

Baseline: Fannie Mae has financed Single-Family loans located in resident-owned cooperatives ("ROCs") in New Hampshire for many years—a product offering enabled by the state's unique treatment of homes placed on a site and connected to utilities as real estate. In the 2022 – 2024 Duty to Serve plan cycle, Fannie Mae conducted an analysis of titling laws in select states and found additional markets conducive for real estate treatment of manufactured homes placed on cooperatively-owned land. While the applicable laws in these new markets enable homes in ROCs to be considered real estate, the community of practice that exists in New Hampshire to support the financing of homes in ROCs is not robust in these other markets. Through conversations with stakeholders interested in further developing the real property mortgage market for ROCs, we have realized that additional market-making and outreach efforts are needed to continue to bolster the marketplace for conventional mortgage lending in these markets, which have historically relied upon personal property financing for these homes.

Year	Target and Implementation Steps	Evaluation Area
2025	Provide product and engagement support to increase originations of MH ROC loans in identified expansion markets by undertaking the following tactics: • Develop one appraisal resource designed to help appraisers determine market value for MH in ROCs. • Based upon stakeholder feedback, analyze project standards eligibility guidelines and identify those which may be streamlined to reduce borrower costs and encourage greater participation among ROC board members and other industry stakeholders. • To encourage collaboration between ROC communities and anchor institutions, explore the right of first refusal or preemptive option to purchase language in legal covenants related to the resale of the home in instances where such institutions strive to provide homeownership opportunities to their employees or constituents. • Based upon stakeholder feedback, re-analyze applicable titling legislation in select geographic markets to determine whether legislation enabling MHRP title conversions has evolved or expanded.	Loan Product

[1] https://www.hud.gov/program_offices/comm_planning/price

[2] https://www.urban.org/urban-wire/new-evidence-shows-manufactured-homes-appreciate-well-site-built-homes#:~:text=The%20FHFA's%20important%20new%20MH,index%20to%20the%20entire%20market.

	~~Update ROC lending program guidance to anticipate the right of first refusal mentioned above, enabling a pipeline of fifty affordable homes to become eligible for conventional financing.~~	
2026	Assess opportunities to enhance penetration of MHRP in new markets and applications by undertaking the following tactics: • In markets with enabling titling legislation but relatively few real property sales to serve as comparable sales, explore the ability to use cost-based valuation approaches to facilitate MHRP loan volumes—akin to the approach taken for homes on tribal trust land. • Work with newly identified lenders to cultivate knowledge and adoption of an ROC mortgage product in identified expansion markets. • Considering experience in New Hampshire, engage Housing Finance Agencies and local CDFIs to attract additional resources to support loan originations, such as borrower down payment assistance, mortgage credit certificates, or other subsidies. • Finalize one program update which clarifies eligibility for new construction units through construction-to-permanent financing or fully amortizing purchase loans, enabling ROCs to access conventional financing for infill needs.	Loan Product
2027	Reassess current medium and long-term ROC market expansion prospects to catalyze further investment in ROCs by undertaking the following tactics: • Based upon stakeholder feedback, re-analyze applicable titling legislation in select geographic markets to determine whether legislation enabling MHRP title conversions has evolved or expanded. • To the extent titling legislation has evolved to enable real property treatment of homes in ROCs to new states, update ROC program framework to enable originations in additional states. • Continue engagements with lenders, technical assistance (TA) providers, and other stakeholders to assess Fannie Mae's eligibility in the context of borrower needs. • In support of increased loan purchases, continue to innovate on product offerings available to ROC homebuyers and continue to promote existing mortgage products.	Loan Product

Manufactured Housing
2025 – 2027
Loan Product

ACTIVITY:

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

OBJECTIVE:

3. Align product and engagement strategies with new, federally enabled market expansion opportunities.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☐ This is a proposed Plan modification that addresses future Plan year(s).

☒ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

The technical edits contemplated for this Objective include:

- Update the third implementation step in 2025, and the fourth implementation step in 2027, to replace the phrase "federal block grants" with "federal funding"
- Remove 2026 implementation step concerning program standards for MH mortgage loans utilizing special tax increment financing (TIF) structures.
- Add 2026 implementation step regarding an analysis of further policy expansion opportunities arising from the ROAD to Housing Act.
- Given progress on 2025 policy enhancements, remove the 2026 implementation step which reads "If feasible, finalize one policy expansion informed by the implementation steps above by the end of Q4"

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

The 2025 and 2027 implementation steps regarding engagements with recipients of federal block grants were written in anticipation of the availability of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funding—programs which have recently clarified the purchase of new manufactured housing units as an eligible use of such funding. As federal budget conversations have matured in 2025, however, the availability of these funds is in question which necessitates a revision to this Objective.

We are substituting "federal funding" in place of "federal block grants" in recognition of previously disbursed funds supporting the use of manufactured housing, such as the Preservation and Reinvestment Initiative for Community Enhancement (PRICE) funding, and to enable broader engagement with a wider range of community development professionals.

Regarding the removal of the 2026 implementation steps noted above, we are planning to launch two new policy changes in 2025 addressing MH eligibility in response to recent updates to the HUD code for two-story and multi-unit construction. As these steps will be completed in 2025, we do not anticipate further policy updates in 2026.

3. Objective: Align product and engagement strategies with new, federally enabled market expansion opportunities

Despite measurable cost savings and improved aesthetics in recent years, MH has represented roughly 10% of annual housing starts over the last decade.[1] Much of the cost savings attributable to MH are a result of the economies of scale generated from the factory-built process, bolstered by a federal design standard enumerated by HUD which facilitates product adoption by a national network of manufacturers and retailers. While manufactured homes remain largely a rural housing solution, recent updates to the HUD code for manufactured housing have been initiated to cultivate additional demand for the product and allow it to be more seamlessly integrated into urban neighborhoods. In particular, the HUD code was recently updated to allow attached manufactured homes, potentially enabling new 2-4 unit housing supply in urban infill settings.[2] In response, at least one national manufacturer has launched a new product line in an effort to further develop this market segment.[3] HUD has also communicated a host of forthcoming updates, subject to final rule publication, which generally seek to lower the cost of production for new manufactured homes through streamlined and expanded eligibility.[4] In certain cases, there may be an opportunity for Fannie Mae to respond to these updates by reviewing its own MH policy guidelines for efficiencies.

While HUD has direct influence on the MH industry through the construction and safety standards it maintains, it can also have an indirect impact on the utilization of manufactured homes via its efforts to spurn economic development through its federal ~~block~~ funding~~grant~~ programs, notably the HOME Investments Partnerships Program and the Community Development Block Grant (CDBG) program. Recent clarifications to the CDBG program have been made to expressly encourage the use of manufactured housing as grant recipients plan to allocate their funds for affordable housing development. As of October 2023, CDBG funds may now be used to support the acquisition of new construction manufactured homes and related real estate development activities, but only when such manufactured homes are intended to be part of a community's permanent housing stock.[5] Thus, this update provides expanded eligibility for MH in a way that aligns with Fannie Mae's stated policy that eligible homes should be placed on a permanent foundation system and classified as real estate.

Baseline:

Fannie Mae does not currently provide eligibility for 2-unit MH in its Single-Family *Selling Guide*. Further, existing product guidelines for MH Advantage-eligible homes generally support the homes being placed on private lots or in subdivisions but may not be anticipate the use of the product in urban infill settings with smaller lot configurations.

Since the first year of Duty to Serve implementation in 2018, Fannie Mae has not conducted deliberate outreach to recipients of federal ~~block~~ funding~~grants~~ to support their use of MH as a component of their economic development and affordable housing strategies.

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[1] https://www.jchs.harvard.edu/sites/default/files/research/files/harvard_jchs_barriers_manufactured_housing_2024.pdf
[2] 24 CFR Part 3280 Subpart K (July 12, 2021)
[3] The Anthem by Cavco (cavcoanthem.com)
[4] https://www.federalregister.gov/documents/2022/07/19/2022-14701/manufactured-home-construction-and-safety-standards
[5] Notice CPD-2023-10, Issued October 26, 2023.

Year	Target and Implementation Steps	Evaluation Area
2025	Assess policy and/or process improvements needed to facilitate expanded MH eligibility, necessarily incorporating the following: • Analyze loan and property performance for homes with ancillary collateral features, such as driveways and garages, in determining whether MH Advantage financing could be streamlined for homes on infill lots where such features may not be common and customary. • Consider credit and collateral parameters for expanding MH eligibility to include two-to four-unit properties. • Develop value proposition and industry engagement tactics to reach a new audience of community development practitioners receiving federal funding ~~block grants~~ who may be unaware of MH financing opportunities. • If feasible, announce one policy expansion informed by the implementation steps above by end of Q4.	Loan Product
2026	Promote expanded MH eligibility to identified partners benefitting from federal expansion opportunities noted above while undertaking the following tactics: • Engage with regional and municipal economic development and affordable housing professionals to assess potential eligibility expansion(s) within the context of their programmatic objectives. • Research additional infill housing barriers, including infill build envelopes, in determining whether MH eligibility could be expanded to facilitate more placements in urban areas. • Analyze policy enhancement opportunities arising from federal policy considerations outlined in the ROAD to Housing Act. ~~• To spur municipal and developer interest in using MH as an infill housing solution, research eligibility of special taxing programs, such as tax-increment financing, as sources of down payment assistance when structured as subordinate loans/liens.~~ ~~If feasible, announce one policy expansion informed by the implementation steps above by end of Q4.~~	Loan Product
2027	Drive innovation in manufactured housing product and program delivery by expanding outreach efforts to encompass the following: • Identify three to five states or locales whose experiences with MH can serve in the development of use cases that detail state and local planning obstacles, create awareness of solutions to those obstacles, and demonstrate quality build comparisons to educate decision makers in additional markets. • Create industry-facing infill housing product toolkit which reflects these use cases. • Reassess HUD construction code policy landscape to determine additional policy and outreach alignment opportunities. • Catalyze additional investment of federal funding~~block grant dollars~~ in MH projects by socializing MH program offerings and success stories with known and potential recipients.~~grantee(s)~~	Outreach

Manufactured Housing
2026
Loan Product

ACTIVITY:

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

OBJECTIVE:

2. Expand adoption of conventional financing for manufactured homes by addressing risks of MH lending through product and process development.

PROPOSED PLAN MODIFICATION:

☐ This is a proposed Plan modification (new Objective) for the current Plan year.

☐ This is a proposed Plan modification that addresses future Plan year(s).

☒ This is a proposed technical edit.

☐ This is a proposed deletion from the 2025 Plan.

Edit the following Implementation Step for the 2026 Objective: “Considering the loss severity analysis conducted in 2025, implement one process or policy change aimed at reducing MH loss severity, if feasible.”

Specifically, we will change the phrase “reducing MH loss severity” to the phrase “improving the perception of MH lending” to match the wording of the 2025 implementation step and allow for a broader range of policy or process outcomes as we continue to assess our core risk approach to the MH product.

JUSTIFICATION FOR PROPOSED PLAN MODIFICATION:

Initial analyses conducted in 2025 suggest that MH loss severity has improved in recent years, such that more proactive risk mitigants beyond our current pricing and credit standards may not be needed for the broader MH asset class. Instead of implementing a policy change, if feasible, to “reduce” MH loss severity, we will search for additional opportunities to support MH deliveries and, if feasible, implement a policy or process change which improves the perception of MH.

2. Objective: Expand adoption of conventional financing for manufactured homes by addressing risks of MH lending through product and process development

Much of Fannie Mae's prior Duty to Serve efforts in the manufactured housing market have focused on attempting to impact the supply of new manufactured homes, oftentimes through large-scale marketing and industry engagement efforts related to our MH Advantage loan product. While these efforts have produced modest results, our 2022 analysis of the affordable supply challenges in this country highlighted that supply challenges are highly localized with no unilateral solutions.[1] While efforts to directly impact the supply of housing are perhaps best driven at the local level, Fannie Mae does have the ability to use its position in the market to responsibly increase demand for conventional financing for MH by influencing our lender customers to adopt MH as a product offering. While MH serves as an affordable supply option in markets across the country, only half of Fannie Mae sellers originate and deliver MH loans to Fannie Mae on an annual basis. Many lenders who do not participate in MH lending cite their perceived "risk" of the product as being a key consideration in their choice not to originate MH loans.

Baseline: Fannie Mae maintains loan eligibility guidelines for manufactured homes and develops digital products and data standards made available to approved lender customers to help streamline their adoption and origination of conventional mortgage loans.

Regarding loan product and eligibility guidelines, manufactured home mortgage loans sustainably underwritten through Fannie Mae's Desktop Underwriter (DU®) receive generally the same product terms and credit risk weighting considerations as any other loan. Notable differences include a maximum 95% loan-to-value (LTV) ratio and higher mortgage insurance coverage requirements when compared to other Single-Family offerings.

Regarding digital products, Fannie Mae's Collateral Underwriter® (CU®) is a web-based application provided at no charge to help lenders manage collateral risk as part of their underwriting and quality control processes. The application uses appraisal data and advanced analytics to help identify and research appraisals with overvaluation, undervaluation, appraisal quality, or property eligibility/policy compliance risks. CU® is not currently configured to consume manufactured home appraisal data.

Year	Target and Implementation Steps	Evaluation Area
2025	Determine scope and parameters to expand loan and digital product criteria to support additional MH mortgage lending by undertaking the following tactics: • Evaluate existing selling eligibility to determine if opportunities exist to broaden eligibility for MH loans and remove MH exclusion language, where appropriate. • Analyze drivers of MH loan loss severity over time to assess policy or programmatic changes which may reduce credit risk and improve perception of the MH product amongst lenders and market participants. • If appropriate, socialize results of loss severity analysis with key ancillary players such as mortgage insurers and title companies. • Rollout Uniform Appraisal Dataset for early adoption by lenders and other market participants.	Loan Product

[1] https://www.fanniemae.com/media/45106/display

2026	Operationalize loan and digital product eligibility expansion(s) to increase collaboration and buy-in with conventional lenders by undertaking the following tactics: • Considering the loss severity analysis conducted in 2025, implement one process or policy change aimed at ~~reducing~~ improving the perception of MH lending~~MH loss severity~~, if feasible. • Informed by HMDA data analysis, engage with at least ten lenders holding MH loans in their portfolio or not originating MH loans at all to understand opportunities to increase adoption and promote secondary market deliveries. • Include at least five state housing finance agencies and/or CDFIs in the aforementioned lender engagement. • Promote Uniform Appraisal Dataset adoption as a precursor to implementing MH functionality within CU to at least 250 lenders through quarterly product webinars or other high-traffic engagement channels. • Assess MH appraisal data received from the Uniform Appraisal Dataset and complete a first draft outlining business requirements for MH functionality in Collateral Underwriter.	Loan Product
2027	Bolster confidence in the product and generate new insights regarding the risks of MH lending by undertaking the following tactics: • If Collateral Underwriter is updated in 2027, engage early adopters of MH data to understand opportunities and barriers to using this data to support MH loan originations. • If appraisal data collected through CU is sufficient in number, analyze the degree to which manufactured homes may be undervalued–enabling Fannie Mae to be responsive to industry claims that appraisers are biased towards manufactured housing as a construction type. • Prepare communications to socialize MH appraisal data findings through appraiser newsletters, white papers, or other high-traffic communication channels. • Considering the quality of MH appraisal data collected, analyze whether alternative-scope property valuation approaches or rep and warrant relief could be expanded to MH loans.	Outreach