



Fannie Mae 2020 Rural Housing Outreach

ACTIVITY:

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

OBJECTIVE:

5. Develop a data visualization tool to provide rural affordable housing practitioners better insight into the social and economic conditions of high-needs rural regions (Analyze, Test and Learn).

SUMMARY OF RESULTS:

Following are the 2020 Actions under this Objective per the January 1, 2021 Duty to Serve Plan:

Table with 3 columns: Objective's components detailed in the Plan, Corresponding actions taken, and Explanation of any deviations from the Plan (if applicable). It contains two rows of data regarding tool enhancements and access.

SELF-ASSESSMENT RATING OF PROGRESS:

- Objective met
Objective exceeded
Objective partially completed: 75-99% (substantial amount)



Fannie Mae 2020  
Rural Housing  
Outreach

- Objective partially completed: 50-74% (limited amount)
- Objective partially completed: 25-49% (minimal amount)
- Objective partially completed: 0-24% (less than a minimal amount)
- No milestones achieved

**PARTIAL CREDIT JUSTIFICATION:**

N/A

**IMPACT:**

- 50 – Substantial Impact
- 40 – Between Meaningful and Substantial Impact
- 30 – Meaningful Impact
- 20 – Between Minimal and Meaningful Impact
- 10 – Minimal Impact
- 0 – No Impact

**IMPACT EXPLANATION:**

**1. How and to what extent were actions under this objective impactful in addressing underserved market needs, or in laying the foundation for future impact in addressing underserved market needs?**

In 2020, Fannie Mae utilized the visualization tool in various new ways. We provided access and offered training on the visualization tool to 20 state Housing Finance Agencies (HFAs). After listening to needs outlined by some HFAs, the team created customized geospatial solutions for five HFAs and a CDFI. These solutions focused on identifying rural and high-needs rural areas for Single-Family Duty to Serve (DTS) transactions. These customized solutions were significant because DTS geographic eligibility indicators aren't consumable by the general public without specially designed geospatial resources. Three state HFAs used the tool to identify eligibility for a successful Single-Family initiative for loan purchases in the high-needs rural regions. For Fannie Mae's tool to be viable in a crowded market, we enhanced it to offer additional data resources related to underserved markets. This update increased the tool's usage and allowed Fannie Mae to serve more underserved markets. For instance, the maps we created for HFAs included Annual Median Income (AMI) information, a crucial data point for affordable housing practitioners to determine eligibility for secondary financing programs. Several HFAs were interested in financial institutions' location, especially small ones, which are essential partners for loan aggregators. The visualization tool also includes information about Manufactured Home Communities (MHCs), FHFA minority areas, and population, all based on feedback from community-focused housing agencies and organizations.

Through a parallel track, Fannie Mae created a customized mapping solution for our Multifamily lenders to identify rural, high-needs rural, and residential economic diversity areas. Lenders want to know more about DTS-eligibility but need resources and information to serve underserved markets better. The team shared the map with all Multifamily lenders and provided trainings.

As part of the Colonias Investment Areas (CIAs) research program, the visualization tool is available for public consumption on the Fannie Mae website. The map complements and completes the robust partner-based



## Fannie Mae 2020 Rural Housing Outreach

geospatial research around Colonias and is a practical, consumable resource for understanding CIAs down to a census tract or even a single house. The map, the research, and the CIAs datasets have been shared widely with lenders, nonprofits, state HFAs, academics, and policymakers. When we met with Community Development Corporation of Brownsville (CDCB) to share the map in late 2020, the organization was adamant that the visualization tool would be a key component of their strategy operating in the Colonias.

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

Underserved markets (especially rural markets) and market participants have incredibly diverse needs, priorities, and limitations. Many institutions and organizations that serve rural areas are relatively small yet serve broad geographic areas. The need for this expansive outreach can limit the scale and efficiency with which they can implement new tools and programs.

Among the lessons learned from 2019 were that the visualization tool could impact Duty to Serve underserved markets in various ways, many of which can only be realized through persistent networking internally and externally, and creativity about impactful uses of the map.

In a crisis like COVID-19, state HFAs and other organizations that serve underserved rural markets are stretched very thin. Staff often wear multiple hats, and limited resources are diverted to higher risk efforts. Beginning in March, the momentum of externally sharing the tool slowed dramatically as our partners focused on loss prevention and other disaster response measures. Fannie Mae continued to stay in touch with partners and saw increased interest in the visualization tool as the year progressed.

### **3. (Optional): If applicable, why were all components of this objective not completed?**

N/A



**Fannie Mae  
Rural Housing  
Second Quarter Report: April 1 - June 30, 2020  
Outreach**

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**OBJECTIVE:**

5. Develop a data visualization tool to provide rural affordable housing practitioners better insight into the social and economic conditions of high-needs rural regions (Analyze, Test and Learn).

**SUMMARY OF RESULTS:**

Fannie Mae worked across the Enterprise to execute the product strategy for the Housing Visualization Tool (HVT), focusing primarily on underserved rural and high-needs rural markets. We shared the HVT's mapping abilities with our community partners - primarily HFAs that work to increase affordable homeownership opportunities in the Mississippi Delta and Middle Appalachia, consistent with our product strategy. We enhanced the map to improve its effectiveness based on feedback from our partners. We created mapping solutions that addressed data needs both within and outside of Fannie Mae, focusing on use cases that aligned with other Duty to Serve outreach and loan purchase objectives in the rural market.

Progress toward our broader market rollout has been constrained by the gravity of COVID-19. It has limited our ability to partner robustly with HFAs and CDFIs in the high-needs rural regions, as our partners have needed to devote additional resources to address COVID-19 impact to their portfolios and operations. As a result of this reality, we will submit a modification to revise our 2020 planned actions.

Following are the 2020 Actions under this Objective:

- Enhance the tool based on learnings and insights obtained during 2019.
  - Provide access to the rural visualization tool on a test basis to a second small group of affordable housing practitioners in rural America who serve communities in the high-needs regions, which may include smaller financial institutions, CDFIs, nonprofits, and state housing agencies. Determine use cases for each organization, implement mapping solutions for each organization, provide support for the tool, and obtain feedback on the effectiveness and value of the tool.
  - Execute the market strategy for enhancement, use, and implementation of the tool for use by affordable housing organizations in the high-needs rural regions.
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**Fannie Mae  
Rural Housing  
Second Quarter Report: April 1 - June 30, 2020  
Outreach**

Implement broader rollout of the tool, as planned in the market strategy.

**SELF-ASSESSMENT RATING OF PROGRESS:**

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

**ADDITIONAL INFORMATION (IF APPLICABLE):**

Fannie Mae plans to submit a modification to revise 2020 planned Actions.



**Fannie Mae  
Rural Housing  
Third Quarter Report: July 1 - September 30, 2020  
Outreach**

**ACTIVITY:**

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

**OBJECTIVE:**

5. Develop a data visualization tool to provide rural affordable housing practitioners better insight into the social and economic conditions of high-needs rural regions (Analyze, Test and Learn).

**SUMMARY OF RESULTS:**

Fannie Mae leveraged opportunities to combine the functionality of the Housing Visualization Tool (Tool) with other geography-based Duty to Serve Activities, adding precision to complex eligibility criteria. For instance, we incorporated a Residential Economic Diversity map into the Tool and shared the Tool with Multifamily lenders interested in markets that have either RED or rural/high-needs rural eligibility. We developed a map to bring visibility and clarity to colonias, which will be used in conjunction with our efforts to finalize and publish a census tract-based colonias definition and identification methodology to assist with the tracking of loan purchases. We continue to share mapping solutions that address data needs both within Fannie Mae and with our HFA partners, focusing on use cases that align with loan purchase objectives in the rural market.

We have begun to explore potential strategies to broaden the market reach of the Housing Visualization Tool that are aligned with existing Enterprise strategy and are planning the product roadmap for 2021. However, progress toward our broader market rollout this year continues to be constrained by the impact of COVID-19, as our partners have needed to devote additional resources to address impact to their portfolios and operations. As a result of this reality, we have submitted a modification to revise our 2020 planned actions.

Following are the 2020 Actions under this Objective:

- Enhance the tool based on learnings and insights obtained during 2019.
- Provide access to the rural visualization tool on a test basis to a second small group of affordable housing practitioners in rural America who serve communities in the high-needs regions, which may include smaller financial institutions, CDFIs, nonprofits, and state housing agencies. Determine use cases for each organization, implement mapping solutions for each organization, provide support for the tool, and obtain feedback on the effectiveness and value of the tool.



**Fannie Mae  
Rural Housing  
Third Quarter Report: July 1 - September 30, 2020  
Outreach**

- Execute the market strategy for enhancement, use, and implementation of the tool for use by affordable housing organizations in the high-needs rural regions.
- Implement broader rollout of the tool, as planned in the market strategy.

**SELF-ASSESSMENT RATING OF PROGRESS:**

- On-target to meet or exceed the objective
- Progress delayed and/or partial completion of the objective expected
- Unlikely to achieve any milestones of the objective

**ADDITIONAL INFORMATION (IF APPLICABLE):**

Fannie Mae submitted a modification to revise 2020 planned Actions.