



Fannie Mae®

# In Support of Affordable Housing Initiatives

NCSHA - October 2018

# For Today

Central to our mission is the support of affordable housing by providing liquidity to the market. **We are focused on innovating to do more.**



REO Strategies



Duties to Serve



HFAs as a Customer



# Repaired Strategy

Driving more financing opportunities for distressed assets.

- Seasoned local and national Repair Contractor Network
- Proprietary ROI modeling and data-driven decisions at the property level
- Quality Assurance of Repairs
- Negotiated material/labor pricing for Roofing, Plumbing, Carpentry, Electrical, Flooring, etc.
- Specialized products and supplier alliances

## Hi-Definition Professional Photography for Repaired Properties

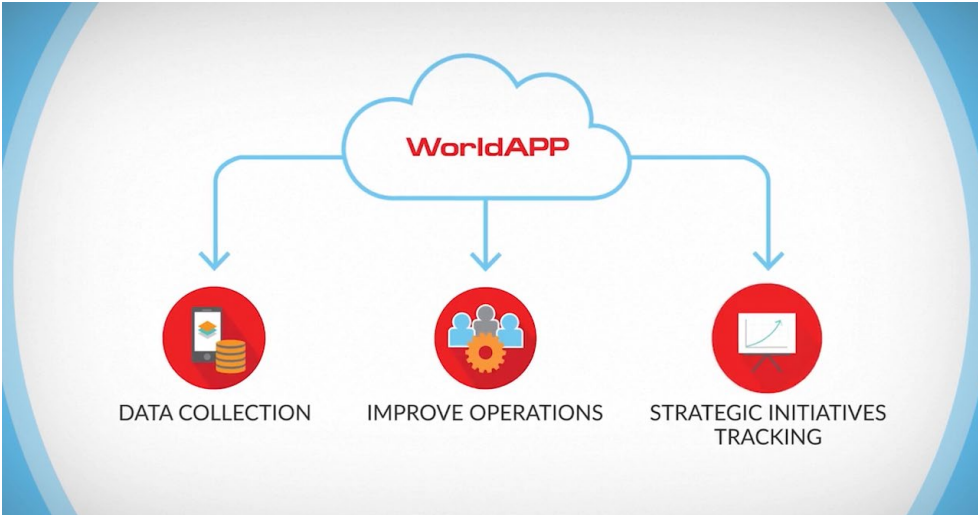


## Virtual Staging for Repaired Properties



# REO Innovation to Support Affordable Housing

Leveraging new ways of thinking to enhancing owner occupant purchase and neighborhood stabilization.



## Mobile Technology to support Neighborhood Stabilization



### HomePath® REO: Affordable Properties, Affordable Financing

Financing HomePath REO properties is as easy as financing any other home purchase, and buyers have access to the same low down payment and renovation mortgage programs as other buyers.

#### Fannie Mae Puts Homeownership Within Reach:

**HomeReady®** - Our low down payment mortgage allows down payments as low as three percent.

**HomeStyle® Energy and HomeStyle Renovation** - Help borrowers save by combining energy efficiency, renovation, and resiliency financing with a conventional mortgage.

**HomePath Ready Buyer® program** - First-time homebuyers who purchase a Fannie Mae REO property through this program may receive up to three percent closing cost assistance.

**HFA Preferred®** - Available through participating state and local Housing Finance Agencies (HFAs) and lenders. This offering pairs the borrower-friendly features of HomeReady with flexibilities from HFAs. Using this offering to purchase a Fannie Mae REO property may qualify borrowers for up to three percent closing cost assistance.

**Community Seconds®** - Leverage public, nonprofit, employer and tribal funds to finance a down payment and/or closing costs.

Visit [HomePath.com](http://HomePath.com) to learn more about Fannie Mae's REO properties and affordable options.

#### Property Information:

[Address Line 1]  
[Address Line 2]  
[City],[ST] [Zip Code]

#### Contact me today:

[Agent Name]  
[Title]  
[Phone Number]  
[Email Address]  
[Web Address]

[LOGO]

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## HomeReady Marketing

HomePath

HomePath @FannieHomePath · 1d

We are partnering with @nest to make home ownership more affordable and eco-friendly in compatible HomePath properties. Ask your agent for details. #DutytoServe [bit.ly/2MLZt64](https://bit.ly/2MLZt64)



## Nest Partnership



# Public Funds Sales

Program active since 2007 capturing sales where buyers use public funds for purchase of a distressed asset.



**Over 25,000**

Homes sold since program inception over all disposition channels



**2,000**

Unique Public Entities & Non-Profits buyers participating in various programs



**\$330 Million**

In sales proceeds



**400 MSA**

Sales across the Country in all 50 states





# Real Estate and Affordable Housing

3 main ways Real Estate is supporting AH Goals and Community minded purchasers

## Public Funds Sales

Supporting Neighborhood Stabilization efforts through sales using public funds since 2009 with dedicated Sales support & customer relationships

## Disposition Channels

FHFA and Internal program participation designed to give community minded buyers exclusive opportunities to purchase

## DTS/Affordable Goals

Helping Single Family achieve objectives by working across internal groups to help consumers, customers, and agencies with new programs and the right tools

- Neighborhood Stabilization Initiative is active in 28 markets yielding over 4,000 sales to community minded purchasers.
- Over 800 unique Down Payment Assistance programs have provided owner occupant financing since our dedicated sales team has been created.
- Low Value Transfers including demolition and donation continue to be tools that contribute to local revitalization.



## Committing to Do More – Duty to Serve

Helping homeowners and communities in some of our nation's most challenging markets



# Duties to Serve

In December 2016, FHFA issued the Duty to Serve Underserved Markets rule, as required by the Housing and Economic Recovery Act (HERA) of 2008, which guides our activities at Fannie Mae every day.

### Why is Duty to Serve important?

**Helps homeowners and communities** – Targets families of modest means and sets the stage for broader economic benefits

**Creates growth opportunities for the industry** – Encourages innovation to help seize market opportunities and reduce costs

**Aligns with our mission** – Promotes access to sustainable and affordable housing options in a safe and sound manner

### Focusing on underserved markets

The Duty to Serve rule directs Fannie Mae to improve access to mortgage financing for those of modest means in three housing markets posing persistent challenges—and significant opportunities.

- **Manufactured housing** – Exploring innovative financing options for one of the largest affordable housing opportunities
- **Affordable housing preservation** – Helping keep established properties available as low-cost housing
- **Rural housing** – Supporting the financing of housing for targeted high-needs rural regions and populations

### Planning and executing our activities

We've developed a three-year Underserved Markets Plan as required by FHFA, outlining activities to address the housing challenges in each market. Our approach is to:

- **Analyze** for a research- and data-driven market understanding
- **Test and learn** from product and program pilots
- **Partner and innovate** with market-based experts
- **Do what we do best** by tapping the power of the secondary market to increase loan purchases

# Duties to Serve

## Key Duties to Serve and Affordable Housing objectives

<b>Energy &amp; Water Efficiency Improvements</b>	Supporting these upgrades leading to lower household costs.
<b>Shared Equity Programs</b>	Deed-restricted homeownership and Community Land Trusts
<b>Key Conference Engagement</b>	Connect with local and national partners to share our visions and keep dialogue open
<b>Housing Roundtables</b>	Forums with CDFIs, non-profits, PEs to help inform DTS product/process development
<b>Consumer Outreach</b>	Establish consumer outreach program to provide product collateral via Real Estate agents
<b>State Partnerships</b>	HFA Preferred Incentive allows buyer up to 6% closing costs when using DPA
<b>Loan Purchase</b>	Purchase loans that were originated for the purchase/rehab of distressed assets
<b>LIHTC</b>	Help to address market challenges and increase purchases of mortgages secured by LIHTC properties
<b>Energy Goals</b>	Deploy NEST smart products increasing Green objectives on distressed assets





# HFA Preferred Incentive Program

Help your borrowers receive closing cost assistance on HomePath Properties.

## How Does HFA Preferred Work?

HFA Preferred is a conventional loan available to eligible first-time or seasoned homebuyers with low to moderate incomes. It's different from some mortgage options because you work directly with your local [housing finance agency \(HFA\)](#) or an approved lender within their network to be considered.

If you qualify for this special financing, the HFA or lender will guide you throughout the loan underwriting process until you complete the purchase of your home. You may even qualify for down payment assistance through the HFA. That's just one of the perks of working with an agency that specializes in making home costs more affordable.

## What Are the Benefits?

An HFA Preferred mortgage offers:

- A down payment as low as 3%
- Down payment assistance (Available through many HFAs)
- No first-time homebuyer requirement (You could be eligible even if you've purchased homes in the past.)
- Low monthly [mortgage insurance](#) (Fees tend to be lower than government-insured mortgages.)
- Cancellable mortgage insurance (Unlike government-insured loans, you may have the option to cancel your mortgage insurance once your home [equity](#) reaches 20%, which means lower monthly payments down the road.)

Equally important, when you work with your local HFA they can determine if you qualify for other types of assistance like money for a down payment or closing costs to help in your home buying journey. If you need additional help, be sure to ask about the options that are best for you.



Thank you.

