



## Committing to Do More – Duty to Serve

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



### What is the Duty to Serve Rule?

In December 2016, the Federal Housing Finance Agency (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.

### 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

#### Learn more

[fanniemae.com/dutytoserve](http://fanniemae.com/dutytoserve) or [FHFA.gov](http://FHFA.gov)

### 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

**“We are excited that the Duty to Serve rule complements our mission to increase access to mortgage credit and housing options for all Americans as we find new ways and new partners to support underserved markets that need help.”**

– Jeffery Hayward,  
Executive Vice President  
and Head of Multifamily,  
Fannie Mae



## What's in our Plan?

### Manufactured Housing (MH) activities

#### Single-family examples:

- Increase the purchase volume of conventional manufactured housing loans.
- Enhance existing products to offer more flexible financing for modern, high-quality manufactured homes
- Purchase and test a pool of chattel loans—personal property loans that make up 80% of MH financing today—subject to approval by our regulator.

#### Multifamily examples:

- Purchase loans secured by Government, non-profit, and resident owned Manufactured Housing Communities (MHC).
- Evaluate opportunities for financing MHC meeting FHFA's minimum tenant pad lease protections

### Affordable Housing Preservation activities

#### Single-family examples:

- Work to increase liquidity for shared equity models such as community land trusts and resale restricted properties.
- Increase financing options for energy and water efficiency improvements and rehabilitation of distressed properties.

#### Multifamily examples:

- Explore preservation strategies and make additional loan purchases under a number of existing federal programs.
- Increase our support for state and local workforce housing initiatives.
- Finance energy or water efficiency improvements on multifamily properties and convene industry to develop standards for multifamily energy efficiency lending.

### Rural Housing activities

#### Single-family examples:

- Enhance mortgage products to meet the needs of rural and Native American families.
- Increase loan purchases in high-needs rural regions, including purchases from small financial institutions.
- Increase our collaboration with lenders, non-profit, and government entities that support affordable housing in rural areas, including the deployment of onsite staff.

#### Multifamily examples:

- Increase purchases of loans secured by multifamily housing for specific high-needs populations and regions, including:
  - Middle-Appalachia, Lower Mississippi Delta, and colonias located along the US-Mexico border region
  - Rural tracts in persistent poverty counties
  - Native Americans
  - Agricultural workers
- Re-enter the Low Income Housing Tax Credit (LIHTC) equity market to help provide capital for affordable multifamily housing.

**Visit [fanniemae.com/dutytoserve](https://fanniemae.com/dutytoserve) to access our Plan and other resources**