

















Underserved Mortgage Market Coalition’s Scorecard for the Approved DTS Plans 2022-2024



September 7, 2022

Objective	Fannie Mae Original Proposed Plan (2024 Targets)	Freddie Mac Original Proposed Plan (2024 Targets)	Fannie Mae Revised Plan (2024 Targets)	Freddie Mac Revised Plan (2024 Targets)	Impact of Final DTS plans
Manufactured Housing					
Mortgage loans for manufactured housing real property	9,500 unit loans UMMC Recommendation: 20,675 loans	4,500-5,500 unit loans UMMC Recommendation: 15,589 loans	 Projected: 9,500 unit loans.	 Projected: 6,300 – 7,500 unit loans.	Neither Fannie Mae nor Freddie Mac is substantially increasing its commitment to help manufactured housing homeowners obtain real property loans. Fannie Mae’s 2021 target was 12,650 loans, and Freddie Mac’s 2021 target was 8,200 loans. Fannie Mae will only acquire purchase money mortgages (PMMs). Freddie Mac will acquire PMMs and refinance loans. Both Enterprises’ targets for 2024 are below their volume of loan purchases in 2021.
Mortgage loans for manufactured housing personal property	 UMMC Recommendation: ✓	 UMMC Recommendation: ✓			Fannie Mae cites risk as a barrier to establishing a chattel loan pilot program. However, Freddie Mac will purchase 1,500-2,500 chattel loans and set a foundation for serving this hard-to-reach market. We encourage Fannie Mae to reconsider investing in loan purchases in the chattel market.

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Rural Housing					
Section 515 property investment	13 loans UMMC Recommendation: 13 loans	1 transaction UMMC Recommendation: 13 loans	 Projected: 13 loans	 Projected: 4 transactions	The USDA anticipates 183 Section 515 properties will exit the program between 2022-2024. Fannie Mae's significant loan purchase will substantially preserve affordability for rural renters. Freddie Mac's lower targets will do much less to mitigate the loss of affordable housing.
Flexible loan products (CDFI preferred product) to serve LMI borrowers in High Needs Rural Regions (HNRR)	 UMMC Recommendation: ✓	 UMMC Recommendation: ✓			Both Fannie Mae and Freddie Mac will conduct research with CDFIs in HNRRs to improve servicing. Freddie Mac takes it one step further with a pledge to introduce product enhancements and tailored solutions for CDFIs. Freddie Mac's initial proposal is to utilize negotiated terms of business with individual CDFIs in HNRRs to introduce new products. While a welcome commitment, the form of these offerings remains ambiguous. Freddie Mac must provide a flexible product that allows for income, credit and CLTV exceptions.
Multifamily Affordable Housing Preservation					
Aggregate loan purchases of multifamily properties with expiring use restrictions	 UMMC Recommendation: Target 10% higher than aggregate target for AHP activities	 UMMC Recommendation: Target 10% higher than aggregate target for AHP activities			Fannie Mae and Freddie Mac both plan to modestly increase loan purchases on properties with expiring use restrictions. Freddie Mac increased its targets in every multifamily AHP category while Fannie Mae only increased their LIHTC and Section 8 loan targets. Neither Enterprise adopted our recommendation to set a target at least 10% higher than the sum of the individual AHP activity targets.

Objective	Fannie Mae Original Proposed Plan (2024 Targets)	Freddie Mac Original Proposed Plan (2024 Targets)	Fannie Mae Revised Plan (2024 Targets)	Freddie Mac Revised Plan (2024 Targets)	Impact of Final DTS plans
Single Family Affordable Housing Preservation					
Loan purchases in high energy burdened areas of the United States	<p>196 loans</p> <p>UMMC Recommendation: Target 10% of all loan purchases for LMI families in targeted localities</p>	<p>200-500 loans</p> <p>UMMC Recommendation: Target 10% of all loan purchases for LMI families in targeted localities</p>	<p> Projected: 225 loans</p>	<p> Projected: 200-500 loans</p>	<p>Fannie Mae and Freddie Mac did not take the coalition's recommendation to target 10% of all loan purchases for LMI families in at least 5 energy burdened localities.¹ However, we applaud Fannie Mae for working to identify five high energy burdened markets and test an outreach and loan pilot in two of those markets. We recognize Freddie Mac's intention to develop a framework to better track and provide credible projections that prove a property's energy and water consumption are reduced by at least a 15% and utility savings generated exceed the cost of installation and the intent to further develop a Single-Family Green Bond framework.</p>
Loan purchases for shared equity homes	<p>225 loans</p> <p>UMMC Recommendation: 366-440 loans</p>	<p>55-75 loans</p> <p>UMMC Recommendation: 176 loans</p>	<p> Projected: 345 loans</p>	<p> Projected: 150-200 loans</p>	<p>Fannie Mae will increase loan purchases for borrowers of shared equity homes by 100% above its baseline by 2024 and is working to update its Selling Guide to promote standardization. The GSE will adopt the Model Deed Restriction in conjunction with a program certification to reduce lender burden during underwriting. Freddie Mac updated its Selling Guide to promote standardization and use of the Model Deed Restriction and is supporting a CLT/nonprofit shared equity homeownership census to make a directory available and support increasing lender participation.</p>

¹Our evaluation was based on HMDA 2021 data analysis of Fannie Mae's loan purchases in five of the top 10 high-energy burdened areas identified by the ACEEE. Had Fannie Mae taken the coalition's recommendation to purchase 10% of loan purchases in those localities, they would need to purchase over 2,200 loans by 2024. Similarly, Freddie Mac's plans fall short of the roughly 1,900 LMI loans in high energy burdened areas Freddie would need to purchase by 2024 to meet the coalition's recommendations.

Objective	FHFA Original Policy	FHFA Policy Revisions	Impact
FHFA Regulatory Action			
DTS credit for non-rural LIHTC equity investments (FHFA-level decision)	 UMMC Advice: ✓		FHFA provides DTS credit for LIHTC equity investments, but not specific to non-rural markets. There is a critical need to rehabilitate and recapitalize existing affordable multifamily properties in non-rural settings. The Enterprises should be incentivized to make both rural LIHTC equity investments and non-rural LIHTC investments that support true preservation of existing multifamily buildings.
GSE's Total Score²			
Fannie Mae: 10		Freddie Mac: 13	

Scorecard Key:


Green (fully met or exceeded UMMC expectations – 3 points)

Yellow (made substantial improvements – 2 points)

Orange (made minimal improvements – 1 point)

Red (no positive change in DTS plans – 0 points)

 (Did not meet the UMMC's recommendation)

 (Met the UMMC's recommendation)

²The Enterprises are scored based on the color code, listed above. The total score is the sum of the point totals. The highest score possible is 21.