October 28, 2022

Honorable Sherrod Brown
Chairman
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Honorable Patrick J. Toomey
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

Honorable Maxine Waters
Chairwoman
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Honorable Patrick McHenry
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, D.C. 20515

Dear Chairs and Ranking Members:

I am pleased to transmit the Federal Housing Finance Agency (FHFA) Annual Housing Report, covering the affordable and other housing activities of Fannie Mae and Freddie Mac (the Enterprises) in 2021, as required by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended. FHFA plays a vital role in supporting equitable and sustainable access to mortgage credit nationwide, promoting the housing finance system's stability and liquidity, and protecting the safety and soundness of the housing finance system through our supervision of Fannie Mae, Freddie Mac, and the Federal Home Loan Bank System (together, "the regulated entities"). The Annual Housing Report highlights a number of affordable and other housing activities the Enterprises undertook in 2021.

The Enterprises were chartered by Congress to provide stability in the secondary housing finance market, respond appropriately to the private capital market, provide ongoing assistance to the secondary mortgage market including activities relating to mortgages for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities, and to promote access to mortgage credit by increasing the liquidity of mortgage investments. This mission extends not only to homeownership, but also to affordable rental housing across the country.

Today, there is a widespread lack of affordable housing and access to mortgage credit, problems that are especially concentrated in communities of color. FHFA is taking decisive actions to promote equitable access to affordable and sustainable housing opportunities, and requires the Enterprises to actively engage in this work. For example, the Enterprises are playing an increasingly important role in supporting affordable rental housing. Ensuring the safety and soundness of the Enterprises has gone hand-in-hand with all of these actions.

Both the single-family and multifamily housing markets currently face a challenging economic environment. The increases in home prices, rents, and interest rates, combined with supply and inventory issues, are having effects on affordability, especially for low-income households. All parts of the housing industry – home builders, realtors, lenders, and others – must work together to address this issue.

Despite these challenges, FHFA and the Enterprises are tackling affordability issues with major initiatives in a variety of areas.

Affordable Housing Goals. In December 2021, FHFA finalized single-family housing goals for the Enterprises for 2022-2024. The new rule created a new subgoal specifically for communities of color, which measures Enterprise purchases of loans from minority census tracts in order to ensure liquidity for borrowers in those communities. In addition, FHFA has begun to provide data tables on its public website to provide additional insight into the distribution of the Enterprises' loan acquisitions across each of the current single-family housing goals categories by race or ethnicity of the primary borrower.

In August 2022, FHFA proposed new benchmark levels for the multifamily housing goals for Fannie Mae and Freddie Mac for 2023 and 2024. The proposed rule also includes a new methodology for measuring the Enterprise multifamily housing goals. Rather than measuring those goals based on numbers of units, FHFA would use the percentage of each Enterprise's annual multifamily loan acquisitions that are affordable to each income category.

Equitable Housing Finance Plans. In September 2021, FHFA instructed each Enterprise to submit an Equitable Housing Finance Plan that identify and address barriers to sustainable housing opportunities. As part of these plans, FHFA required the Enterprises to take actions to reduce the racial or ethnic homeownership gap and reduce underinvestment or undervaluation in formerly redlined areas that remain underserved.

Federal Advisory Committee on Affordable, Equitable, and Sustainable Housing. In August 2022, FHFA announced its intent to establish an Advisory Committee on Affordable, Equitable, and Sustainable Housing (Committee). The Committee will provide advice and input regarding affordable, equitable, and sustainable housing needs and any regulatory or policy changes that may be necessary or beneficial to address those matters. The Committee's activities will focus on FHFA's regulated entities' respective roles in providing a reliable source of liquidity and funding to support housing finance in the single-family and multifamily housing markets.

Fair Lending. In July 2021, FHFA issued its Policy Statement on Fair Lending, announcing use of the Agency's full suite of its regulatory powers to engage in comprehensive fair lending oversight of its regulated entities. FHFA also issued regulatory orders to both Enterprises requiring them to report fair lending data and information on an ongoing basis.

In September 2021, FHFA released aggregate fair lending data that provide the public with information about the Enterprises' automated underwriting system accept rates by race and ethnicity. As a federal housing finance regulator, FHFA also serves as an active member of the Interagency Task Force on Property Appraisal and Valuation Equity.

Multifamily Loan Purchase Caps. In October 2021, FHFA announced that the 2022 multifamily loan purchase caps for Fannie Mae and Freddie Mac would be $78 billion for each Enterprise, for a combined total of $156 billion to support the multifamily market. The 2022 caps increased from $70 billion for each Enterprise in 2021. In addition, to ensure a strong focus on affordable housing and traditionally underserved markets, FHFA required that at least 50 percent of the Enterprises' multifamily business be mission-driven affordable housing, and that at least 25 percent of the Enterprises' multifamily business be affordable to residents at or below 60 percent of area median income, up from 20 percent in the previous year. The increases in the multifamily loan purchase caps and higher mission-driven business requirements assure that the Enterprises' multifamily businesses have a strong and growing commitment to affordable housing finance, particularly for residents and communities that are the most difficult to serve.

Affordable Housing Supply. High housing prices are squeezing first-time and first-generation homebuyers out of the housing market, and the lack of sufficient housing supply is contributing to the affordability issue. The total supply of housing is insufficient to meet ongoing demand, and new housing production is skewing towards higher priced segments of the market. That leaves low- and moderate-income consumers increasingly cut off from housing opportunities.

FHFA has asked the Enterprises to review how they can support increases in the affordable housing supply, including through mortgage purchases on accessory dwelling units (ADUs) and manufactured housing. FHFA is also part of an interagency housing supply initiative aiming to create 100,000 new units of housing over the next three years.

Duty to Serve. In May 2021, Freddie Mac and Fannie Mae submitted their proposed 2022-2024 Duty to Serve Plans. Neither of those initial Plans met the Duty to Serve Non-Objection standard. In April 2022, FHFA approved the Enterprises' amended 2022-2024 Plans, which make further strides in accomplishing the Enterprises' important missions than their original Plans. The targets and strategies in the 2022-2024 Plans are more comprehensive and build on lessons learned and progress made during the first four years of the Duty to Serve program. The new Plans demonstrate a strengthened commitment to serving the affordable housing preservation, manufactured housing, and rural housing markets.

I encourage you to review this Report describing the Enterprises' affordable and other housing activities in 2021.

Sincerely,

Sandra L. Thompson

ANNUAL HOUSING REPORT

JANUARY 1, 2021 – DECEMBER 31, 2021

RELEASE DATE: OCTOBER 28, 2022

Division of Housing Mission & Goals

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Introduction

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the supervision, regulation, and housing mission oversight of the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Bank (FHLBank) System, which includes 11 FHLBanks and the Office of Finance. FHFA's mission is to ensure its regulated entities fulfill their mission by operating in a safe and sound manner to serve as a reliable source of liquidity for equitable and sustainable housing finance and community investment throughout the economic cycle. Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac (collectively, the Enterprises).

The Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), as amended by HERA, requires FHFA to annually submit a report to Congress describing certain specified activities of the Enterprises.[1] This Annual Housing Report (Report) has been prepared in accordance with this statutory requirement.

The Enterprises perform important roles under their charters in providing a stable source of housing finance that supports access to mortgage credit throughout the nation, including for low- and moderate-income families, as well as those in underserved areas.[2] There is currently a widespread lack of affordable housing and access to mortgage credit, problems that are especially concentrated in communities of color. FHFA plays a vital role in both promoting access to mortgage credit nationwide and protecting the safety and soundness of the housing finance system.

FHFA has encouraged the Enterprises to engage in a number of initiatives that help identify obstacles to accessing mortgage credit, analyze potential solutions, and develop appropriate strategies to improve and maintain availability of mortgage credit for housing in a safe and sound manner.

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[1] 12 U.S.C. § 4544.
[2] *See* Federal National Mortgage Association Charter Act, 12 U.S.C. § 1716, and Federal Home Loan Mortgage Corporation Act, 12 U.S.C. § 1451 Note.

Annual Housing Goals

Under the Safety and Soundness Act, as amended by HERA, FHFA establishes several annual housing goals for both single-family and multifamily mortgages purchased by the Enterprises. The housing goals are designed to ensure the Enterprises responsibly promote equitable access to affordable housing that reaches low- and moderate-income families, minority communities, rural areas, and other underserved populations. They include separate affordable housing categories for single-family and multifamily mortgages. As required by the statute, FHFA established housing goals for the Enterprises for 2021 in a final rule issued in 2020.[3]

In October 2022, FHFA notified Fannie Mae and Freddie Mac of its final determinations on their performance under the 2021 Enterprise housing goals. The final determinations state that during 2021, each Enterprise met all of the single-family and multifamily housing goals. Additional detail about the Enterprises' 2021 housing goals performance is provided later in this Report.

Duty to Serve Underserved Markets

HERA also amended the Safety and Soundness Act to establish a duty for the Enterprises to serve very low-, low-, and moderate-income families in three underserved markets (manufactured housing, affordable housing preservation, and rural housing), in order to increase the liquidity of mortgage investments and improve the distribution of investment capital available for mortgage financing in those markets.[4] FHFA's regulation implementing this Duty to Serve statutory requirement creates a planning, implementation, and evaluation process that occurs in three-year cycles.[5] The Enterprises' first Duty to Serve Underserved Markets Plans (Plans) covered the period 2018-2021, as the first Plan cycle was extended to include 2021 due to the COVID-19 pandemic. FHFA conducts annual evaluations of the Enterprises' performance under the Plans.

In 2022, FHFA evaluated Fannie Mae's and Freddie Mac's 2021 Duty to Serve performance under their respective Plans and determined that each Enterprise complied with its Duty to Serve requirements in all three underserved markets. For 2021, FHFA assigned Fannie Mae a rating of Low Satisfactory for its activities in the manufactured housing market, a rating of Low Satisfactory for its activities in the affordable housing preservation market, and a rating of High

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[3] *See* 85 Fed. Reg. 82881 (Dec. 21, 2020), codified at 12 CFR part 1282.
[4] 12 U.S.C. § 4565.
[5] *See* 12 CFR part 1282.

Satisfactory for its activities in the rural housing market. For 2021, FHFA assigned Freddie Mac a rating of High Satisfactory for its activities in the manufactured housing market, a rating of Low Satisfactory for its activities in the affordable housing preservation market, and a rating of Low Satisfactory for its activities in the rural housing market. Additional details about the Enterprises' 2018-2021 Duty to Serve performance are provided later in this Report.

Annual Conservatorship Scorecard

FHFA, in its role as conservator, sets expectations for Enterprise actions in FHFA's annual Conservatorship Scorecard. Pursuant to the Conservatorship Scorecard, the Enterprises undertook various initiatives in 2021 to identify obstacles to borrowers obtaining mortgage credit, analyze potential solutions, assess market opportunities, and implement promising solutions affecting both homeownership and rental housing.

Affordable Housing Allocations

The Enterprises also make contributions to two funds specifically for affordable housing: the National Housing Trust Fund and the Capital Magnet Fund. The contributions follow a statutory formula, and the funds are allocated at the state and federal levels to address affordable housing needs that are not otherwise served fully by private capital sources. The section of this Report on these affordable housing allocations provides more information about these funds.

Mortgage Data

This Report also provides information on single-family loan purchases by the Enterprises by race or ethnicity, gender, census tract median income, fixed-rate vs. adjustable-rate, loan-to-value ratio, and credit score. The Report also discusses subprime, nontraditional, and higher-priced mortgage loans.[6] In addition, the Report discusses the Enterprises' 2021 Public Use Database (PUDB). Lastly, the Report includes information about the national mortgage market based on the National Mortgage Database (NMDB®), a program jointly funded and managed by FHFA and the Consumer Financial Protection Bureau (CFPB), which has developed and maintains a nationally representative 5 percent sample of residential mortgages in the United States.

[6] These categories are consistent with the reporting required by the Safety and Soundness Act. *See* 12 U.S.C. § 4544.

Housing Goals

I. Housing Goals – Introduction

The Safety and Soundness Act requires FHFA to establish annual housing goals for both single-family and multifamily mortgages purchased by Fannie Mae and Freddie Mac.[7] The housing goals are one measure of the extent to which the Enterprises are meeting their public purposes, which include "an affirmative obligation to facilitate the financing of affordable housing for low- and moderate-income families in a manner consistent with their overall public purposes, while maintaining a strong financial condition and a reasonable economic return."[8]

The Enterprises have continued to support a stable and liquid national market for residential mortgage financing. FHFA establishes annual housing goals for the Enterprises by regulation and evaluates their performance against the housing goals each year.[9] FHFA established housing goals for the Enterprises for 2021 in a final rule published in the *Federal Register* on December 21, 2020.[10] Due to the economic uncertainty related to the COVID-19 pandemic, the final rule established benchmark levels for the housing goals for 2021 only, which were the same benchmark levels from the previous rulemaking cycle, 2018-2020. The goals and subgoals for mortgages on single-family, owner-occupied housing and mortgages on multifamily housing were the following:

Single-Family Goals and Subgoal

1. **A low-income home purchase goal** for home purchase mortgages to families with incomes no greater than 80 percent of area median income (AMI);

2. **A very low-income home purchase goal** for home purchase mortgages to families with incomes no greater than 50 percent of AMI;

3. **A low-income areas home purchase subgoal** for home purchase mortgages to families living in census tracts with tract incomes no greater than 80 percent of AMI, or families with incomes no greater than 100 percent of AMI who live in census tracts with a

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[7] *See* 12 U.S.C. § 4561(a).
[8] *See* 12 U.S.C. § 4501(7).
[9] Under 12 U.S.C. § 4544(b)(1)(A)(i), FHFA is required to discuss in the Annual Housing Report whether and how each Enterprise is achieving the annual housing goals.
[10] *See* 85 Fed. Reg. 82881 (Dec. 21, 2020), codified at 12 CFR part 1282.

minority population of 30 percent or more and a tract median income of less than 100 percent of AMI;

4. **A low-income areas home purchase goal** for mortgages that meet the criteria under the low-income areas home purchase subgoal described above, as well as home purchase mortgages to families with incomes no greater than 100 percent of AMI who live in a federally declared disaster area; and

5. **A low-income refinance goal** for refinance mortgages to families with incomes no greater than 80 percent of AMI.

Multifamily Goal and Subgoals

1. **A low-income multifamily goal** for rental units in multifamily properties affordable to families with incomes no greater than 80 percent of AMI;

2. **A very low-income multifamily subgoal** for rental units in multifamily properties affordable to families with incomes no greater than 50 percent of AMI; and

3. **A small multifamily low-income subgoal** for rental units in multifamily properties with 5-50 units affordable to families with incomes no greater than 80 percent of AMI.

In December 2021, FHFA issued a final rule on the 2022-2024 single-family housing goals and the 2022 multifamily housing goals for Fannie Mae and Freddie Mac. The final rule replaced the low-income areas subgoal with separate area-based subgoals targeting individual components, minority census tracts and low-income census tracts, which are effective starting with the 2022 calendar year. The final rule also established the multifamily housing goals for 2022 only, due to uncertainty in the multifamily housing market, and established separate benchmarks for each Enterprise for the small low-income multifamily subgoal. FHFA is currently engaged in rulemaking to establish the multifamily housing goals for 2023-2024.

II. 2021 Housing Goals Performance

The sections below explain the structure of the housing goals and provide the detailed housing goals performance of each Enterprise in 2021, based on FHFA's final determinations of their performance.

A. 2021 Housing Goals Performance – Single-Family

The single-family housing goal levels for 2021 are expressed as percentages of each Enterprise's purchases of mortgages on single-family owner-occupied properties. FHFA established separate single-family home purchase and refinance goals.

For the single-family housing goals for 2021, an Enterprise achieves a goal if its performance meets or exceeds at least one of the following:

- The specific benchmark levels established in FHFA's final rule published on December 21, 2020; or
- The "market level," which is defined as the share of conventional, conforming mortgage originations that qualified for the goal based on FHFA's analysis of Home Mortgage Disclosure Act (HMDA) data.

The benchmark level serves as a prospective goal that the Enterprises can plan for, while the market level calculation serves as a retrospective look at the year.

FHFA analyzes the single-family mortgage market by calculating the share of home purchase or refinance mortgages originated in the primary mortgage market that qualified for the goal in that year. The market level figures are defined as HMDA-reported conventional loans on owner-occupied properties with principal balances less than or equal to the Enterprises' conforming loan limits. Therefore, the market level figures exclude loans insured or guaranteed by the federal government, such as the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), and U.S. Department of Agriculture Rural Housing Service (RHS).[11] FHFA bases these calculations on its analysis of public HMDA data that is made available by the CFPB based on data submitted to the Federal Financial Institutions Examination Council (FFIEC) by primary market mortgage originators. Typically, public HMDA data is released well after the end of the calendar year.

In October 2022, FHFA notified Fannie Mae and Freddie Mac of FHFA's final determination that each Enterprise met all of the single-family housing goals in 2021. The final determination letters appear in Appendix A of this Report.

[11] FHFA defines the market level figures to include the same kinds of loans that are counted in determining Enterprise performance on the housing goals.

Tables 1 and **2** display the 2021 performance of the Enterprises on each of the single-family housing goals.

Table 1: Fannie Mae Single-Family Housing Goals and FHFA Final Determination of 2021 Performance

	Benchmark Level	Market Level	FHFA Final Determination of Fannie Mae's 2021 Performance
Low-Income Home Purchase Goal	24%	26.7%	28.7%
Very Low-Income Home Purchase Goal	6%	6.8%	7.4%
Low-Income Areas Home Purchase Goal	18%	22.9%	24.5%
Low-Income Areas Home Purchase Subgoal	14%	19.1%	20.3%
Low-Income Refinance Goal	21%	26.1%	26.2%

Source: FHFA analysis of 2021 Fannie Mae and HMDA data.

Table 2: Freddie Mac Single-Family Housing Goals and FHFA Final Determination of 2021 Performance

	Benchmark Level	Market Level	FHFA Final Determination of Freddie Mac's 2021 Performance
Low-Income Home Purchase Goal	24%	26.7%	27.4%
Very Low-Income Home Purchase Goal	6%	6.8%	6.3%
Low-Income Areas Home Purchase Goal	18%	22.9%	21.8%
Low-Income Areas Home Purchase Subgoal	14%	19.1%	18.0%
Low-Income Refinance Goal	21%	26.1%	24.8%

Source: FHFA analysis of 2021 Freddie Mac and HMDA data.

B. 2021 Housing Goals Performance - Multifamily

FHFA establishes the multifamily housing goals as minimum numbers of multifamily units qualifying for the goals. FHFA does not perform a retrospective market share analysis because there is no comprehensive multifamily market data comparable to single-family HMDA data.

In October 2022, FHFA notified Fannie Mae and Freddie Mac of FHFA's final determination that each Enterprise met all of the multifamily housing goals in 2021, as shown in **Tables 3** and **4** below. The final determination letters appear in Appendix A of this Report.

Table 3: Fannie Mae Multifamily Housing Goals and FHFA Final Determination of 2021 Performance

	Benchmark Level	FHFA Final Determination of Fannie Mae's 2021 Performance
Low-Income Multifamily Goal	315,000	384,488
Very Low-Income Multifamily Subgoal	60,000	83,459
Small Multifamily Low-Income Subgoal	10,000	14,409

Source: FHFA analysis of 2021 Fannie Mae data.

Table 4: Freddie Mac Multifamily Housing Goals and FHFA Final Determination of 2021 Performance

	Benchmark Level	FHFA Final Determination of Freddie Mac's 2021 Performance
Low-Income Multifamily Goal	315,000	373,225
Very Low-Income Multifamily Subgoal	60,000	87,854
Small Multifamily Low-Income Subgoal	10,000	31,913

Source: FHFA analysis of 2021 Freddie Mac data.

Enterprise Data Compared to Market Data

In 2021, Fannie Mae purchased approximately $1.4 trillion of single-family mortgages, and Freddie Mac purchased approximately $1.3 trillion in single-family mortgages.[16] **Tables 5** through **9** below show various characteristics of the mortgages purchased by Fannie Mae and Freddie Mac in 2020 and 2021 and the corresponding characteristics of mortgages originated in the conventional, conforming primary market, as determined by FHFA's analysis of publicly available HMDA data.[17] [18]

The tables reflect the Enterprises' acquisitions of conventional home purchase and refinance mortgages on single-family, owner-occupied properties. The market figures in these tables refer to the conventional conforming market including both Enterprise and non-Enterprise loans, measured by HMDA-reported loans originated each year on owner-occupied properties with principal balances less than or equal to the Enterprises' conforming loan limits, excluding any loans insured or guaranteed by the federal government, such as FHA, VA, or RHS loans.

In September 2021, FHFA posted new housing goals data tables on the FHFA website to provide additional insight into the racial and ethnic composition of loans acquired by the Enterprises that are eligible under the housing goals.[19] In October 2022, the tables were updated to include 2021 data.

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[16] *See* https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA-2021-Annual-Report-to-Congress.pdf.
[17] Under 12 U.S.C. § 4544(b)(3), FHFA is required to "aggregate and analyze data on income, race, and gender by census tract and other relevant classifications, and compare such data with larger demographic, housing, and economic trends."
[18] Unless otherwise noted, the data sources for **Tables 5** through **9** are FHFA analysis for 2020 and 2021 Enterprise and HMDA data. Percentages may not add to 100.0% due to rounding.
[19] *See* https://www.fhfa.gov/DataTools/Downloads/Pages/Enterprise-Housing-Goals-Data.aspx.

Table 5 shows the distribution of Enterprise mortgages acquired and the distribution of originations in the conventional, conforming market by borrower income in 2020 and 2021.

Table 5: Enterprise Acquisitions of Mortgages on Single-Family Owner-Occupied Properties by Borrower Income, and Corresponding Shares of the Conventional, Conforming Market

Home Purchase						
	2020			2021		
Borrower Income Ratio*	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<=50%	6.9%	7.3%	6.9%	6.7%	7.4%	6.3%
>50% to <=60%	6.0%	6.4%	6.3%	5.7%	6.2%	6.0%
>60% to <=80%	14.3%	15.3%	15.3%	14.0%	15.1%	15.1%
>80% to <=100%	13.0%	14.5%	13.3%	13.1%	14.7%	13.6%
>100% to <=120%	11.6%	12.7%	12.2%	11.9%	12.9%	12.6%
>120%	46.7%	43.7%	46.0%	47.3%	43.6%	46.4%
Missing Data	1.6%	0.0%	0.0%	1.3%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2020			2021		
Borrower Income Ratio*	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<=50%	4.7%	4.6%	4.0%	6.7%	6.7%	5.8%
>50% to <=60%	4.2%	4.4%	4.1%	5.4%	5.6%	5.2%
>60% to <=80%	11.7%	12.2%	11.7%	13.6%	13.9%	13.8%
>80% to <=100%	13.0%	13.6%	13.5%	14.0%	14.3%	14.6%
>100% to <=120%	12.6%	13.2%	13.3%	12.6%	12.9%	13.3%
>120%	51.9%	52.0%	53.5%	46.3%	46.6%	47.2%
Missing Data	1.8%	0.0%	0.0%	1.3%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
*Borrower Income Relative to AMI.						

Table 6 below shows the distribution of Enterprise mortgages acquired and the originations distribution in the conventional, conforming market by the reported race/ethnicity of the primary borrower in 2020 and 2021. All categories are mutually exclusive.

Table 6: Enterprise Acquisitions of Mortgages on Single-Family Owner-Occupied Properties by Borrower Race/Ethnicity, and Corresponding Shares of the Conventional, Conforming Market

Home Purchase						
	2020			2021		
Race/Ethnicity of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
Hispanic or Latino	9.3%	10.9%	8.4%	10.4%	12.5%	9.4%
American Indian/Alaskan Native	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%
Asian	6.3%	6.2%	6.1%	8.0%	7.8%	7.3%
African American	4.0%	4.0%	3.4%	4.6%	4.7%	4.0%
Native Hawaiian/Pacific Islander	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Non-Hispanic White Alone	68.1%	66.5%	68.4%	63.9%	61.6%	64.8%
Two or More Races	1.0%	1.0%	2.3%	1.1%	1.1%	2.6%
Unknown/Missing	10.9%	11.0%	11.2%	11.7%	11.9%	11.7%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2020			2021		
Race/Ethnicity of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
Hispanic or Latino	7.3%	8.0%	7.0%	8.7%	9.2%	8.7%
American Indian/Alaskan Native	0.2%	0.2%	0.1%	0.2%	0.2%	0.2%
Asian	7.4%	7.7%	7.0%	6.4%	7.3%	5.9%
African American	2.7%	2.6%	2.5%	4.0%	3.6%	3.9%
Native Hawaiian/Pacific Islander	0.1%	0.2%	0.1%	0.1%	0.2%	0.1%
Non-Hispanic White Alone	66.9%	65.3%	65.4%	63.8%	61.9%	62.8%
Two or More Races	0.7%	0.7%	2.0%	0.7%	0.7%	2.0%
Unknown/Missing	14.7%	15.3%	15.9%	15.9%	16.9%	16.6%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 7 below shows the distribution of Enterprise mortgages acquired and the originations distribution in the conventional, conforming market by gender of borrower in 2020 and 2021.

Table 7: Enterprise Acquisitions of Mortgages on Single-Family Owner-Occupied Properties by Borrower Gender, and Corresponding Shares of the Conventional, Conforming Market

Home Purchase						
	2020			2021		
Gender of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
One Borrower (Male)	30.2%	31.3%	30.2%	30.5%	31.6%	30.5%
One Borrower (Female)	21.9%	22.9%	22.0%	22.1%	23.0%	22.2%
Co-Borrowers (All Male)	1.5%	1.6%	1.6%	1.6%	1.8%	1.8%
Co-Borrowers (All Female)	1.3%	1.5%	1.4%	1.5%	1.7%	1.6%
Co-Borrowers (Male and Female)	40.0%	37.5%	39.5%	38.9%	36.5%	38.7%
N.A./Missing/Unknown	5.2%	5.3%	5.3%	5.3%	5.5%	5.2%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2020			2021		
Gender of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
One Borrower (Male)	27.8%	28.3%	28.3%	28.2%	28.6%	28.8%
One Borrower (Female)	18.2%	18.6%	18.0%	20.4%	20.4%	20.3%
Co-Borrowers (All Male)	0.7%	0.8%	0.8%	0.8%	0.9%	0.8%
Co-Borrowers (All Female)	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%
Co-Borrowers (Male and Female)	44.3%	42.5%	43.3%	41.0%	39.5%	40.1%
N.A./Missing/Unknown	8.2%	9.0%	8.9%	8.7%	9.7%	9.1%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 8 below shows the Enterprises' mortgage purchases distribution and the originations distribution in the conventional, conforming market by the minority share of the population in the census tract in 2020 and 2021.

Table 8: Enterprise Acquisitions of Mortgages on Single-Family Owner-Occupied Properties by Minority Share of Census Tract, and Corresponding Shares of the Conventional, Conforming Market

Home Purchase						
	2020			2021		
Minority Share of Census Tract Population	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<10%	26.5%	23.2%	24.5%	25.1%	21.8%	23.8%
>=10% to <20%	25.9%	26.0%	26.7%	25.2%	25.0%	26.2%
>=20% to <30%	15.7%	16.4%	16.4%	15.8%	16.3%	16.4%
>=30% to <50%	17.3%	18.4%	18.0%	17.8%	19.1%	18.3%
>=50% to <80%	10.5%	11.5%	10.7%	11.4%	12.7%	11.2%
>=80%	3.9%	4.5%	3.7%	4.5%	5.2%	4.0%
Missing Data	0.3%	0.1%	0.0%	0.2%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2020			2021		
Minority Share of Census Tract Population	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<10%	25.1%	22.8%	23.4%	24.6%	22.1%	23.2%
>=10% to <20%	25.1%	25.1%	25.1%	24.3%	24.2%	24.7%
>=20% to <30%	15.6%	16.0%	16.0%	15.3%	15.8%	15.7%
>=30% to <50%	17.8%	18.6%	18.6%	17.9%	18.8%	18.4%
>=50% to <80%	11.4%	12.2%	12.0%	12.2%	13.0%	12.4%
>=80%	4.8%	5.4%	4.8%	5.7%	6.1%	5.5%
Missing Data	0.2%	0.0%	0.0%	0.2%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 9 below shows the Enterprises' mortgage purchases distribution and the originations distribution in the conventional, conforming market by the median income level of the population in the census tract in 2020 and 2021.

Table 9: Enterprise Acquisitions of Mortgages on Single-Family Owner-Occupied Properties by Census Tract Median Income Relative to Area Median Income, and Corresponding Shares of the Conventional, Conforming Market

Home Purchase						
	2020			2021		
Census Tract Income Ratio*	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<=60%	3.9%	4.0%	3.9%	4.3%	4.5%	3.9%
>60% to <=80%	10.1%	10.3%	9.7%	11.1%	11.6%	10.4%
>80% to <=100%	21.1%	20.7%	19.6%	21.9%	21.9%	20.7%
>100% to <=120%	23.8%	23.5%	23.1%	23.7%	23.3%	23.4%
>120%	40.8%	41.4%	43.6%	38.6%	38.6%	41.5%
0 or Missing	0.3%	0.1%	0.1%	0.3%	0.1%	0.1%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2020			2021		
Census Tract Income Ratio*	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<=60%	2.8%	2.8%	2.7%	3.4%	3.3%	3.2%
>60% to <=80%	8.2%	8.2%	7.9%	9.9%	9.7%	9.6%
>80% to <=100%	18.5%	18.3%	17.7%	20.6%	20.1%	20.0%
>100% to <=120%	23.3%	23.2%	22.9%	23.8%	23.4%	23.5%
>120%	47.0%	47.4%	48.8%	42.2%	43.4%	43.5%
0 or Missing	0.2%	0.0%	0.1%	0.2%	0.0%	0.1%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
*Median income of the census tract relative to AMI.						

Multifamily Housing

Beginning in 2015, FHFA, as conservator of the Enterprises, has set a yearly cap in the Conservatorship Scorecard that limits the amount of multifamily loans that each Enterprise can purchase. The multifamily cap furthers FHFA's conservatorship goals of maintaining the presence of the Enterprises as a backstop for the multifamily finance market and supporting financing for affordable and underserved markets while not impeding the participation of private capital.

On November 17, 2020, FHFA announced a multifamily mortgage purchase cap of $70 billion for each Enterprise, a combined total of $140 billion, for the four-quarter period beginning in the first quarter of 2021 through the fourth quarter of 2021.[20] The cap applied to the entire multifamily business for each Enterprise. To ensure a strong focus on affordable housing and underserved markets, FHFA directed that at least 50 percent of each Enterprise's multifamily loan purchases be mission-driven affordable housing loans. For 2021, FHFA also required that at least 20 percent of the Enterprises' multifamily business be affordable to residents at 60 percent of AMI or below.

Multifamily loans considered to be mission-driven include:

- subsidized affordable housing,
- manufactured housing communities that receive credit under the Duty to Serve regulation,
- affordable units in small multifamily properties between 5 and 50 units,
- affordable units in properties in rural areas, and
- affordable units in seniors housing assisted living properties.

In 2021, the Enterprises actively managed their multifamily loan purchase production to stay within the cap of $70 billion for each Enterprise and exceeded the requirement that 50 percent of that business be mission-driven and a sub-requirement that 20 percent of acquisition volume be at or below 60 percent of AMI. Fannie Mae's Conservatorship Scorecard year-end multifamily production was $69.460 billion. Of the total, $39.711 billion (57.2 percent) consisted of mission-driven acquisitions in accordance with Appendix A of the 2021 Conservatorship Scorecard. Of the total, $15.244 billion (22.0 percent) met the sub-requirement. Freddie Mac's Conservatorship Scorecard year-end multifamily production was $69.999 billion. Of the total, $39.738 billion (56.8 percent) consisted of mission-driven acquisitions in accordance with Appendix A of the 2021 Conservatorship Scorecard. Of the total, $17.742 billion (25.8

[20] Press release dated November 17, 2020, available at: FHFA Announces 2021 Multifamily Loan Purchase Caps for Fannie Mae and Freddie Mac | Federal Housing Finance Agency.

percent) met the sub-requirement.

The 2021 Conservatorship Scorecard also required the Enterprises to engage in several additional multifamily workstreams.[21] The Enterprises:

- *Continued to assess additional multifamily counterparty risk management controls and requirements that further ensure appropriate safety and soundness.* The Enterprises worked with the Mortgage Bankers Financial Reporting Form (MBFRF) Consortium to implement changes to the MBFRF that improved the granularity of multifamily counterparty information.

- *Reviewed their risk profiles across all business activities and reduced risk and complexity to levels more appropriate for regulated entities with limited capital cushions.* The Enterprises submitted proposals to FHFA that mitigate high complexity and high risk. Their proposals provided a summary of any relevant book of business performance trends, risk management implications, proposed risk mitigation activities and an implementation schedule.

- *Explored the feasibility of setting multifamily caps based upon each Enterprise's stock of multifamily mortgage debt outstanding.*

[21] 2021 Conservatorship Scorecard: https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2021-Scorecard.pdf

Duty to Serve Underserved Markets

The Safety and Soundness Act establishes a duty for Fannie Mae and Freddie Mac to serve very low-, low-, and moderate-income families in three underserved markets — manufactured housing, affordable housing preservation, and rural housing.[22] Specifically, the Safety and Soundness Act directs the Enterprises to improve the distribution and availability of mortgage financing in each of these markets and provide leadership to facilitate a secondary market for such mortgages by developing loan products and underwriting guidelines, conducting outreach, and making loan purchases and investments.

FHFA's Duty to Serve regulation implements these statutory requirements.[23] The regulation sets forth specific activities in each of the three underserved markets that are eligible to receive Duty to Serve credit. Each Enterprise is required to submit a Plan to FHFA for review and Non-Objection. The Plan covers a three-year period and describes the activities and objectives the Enterprise has chosen to carry out to meet its Duty to Serve obligations in each underserved market. Following a public input process and FHFA's Non-Objection, the Enterprises' first Plans covering 2018 to 2021[24] went into effect on January 1, 2018.[25]

Each Plan year, FHFA monitors the Enterprises' Plan implementation by reviewing quarterly reports submitted by the Enterprises, among other activities. On April 1, 2022, the Enterprises submitted annual reports to FHFA detailing their performance under their Duty to Serve Plan objectives during 2021.

The Safety and Soundness Act requires FHFA to annually evaluate the Enterprises' compliance with their Duty to Serve obligations and rate their performance for each underserved market.[26] The Duty to Serve regulation provides a framework for FHFA's method for evaluating and rating the Enterprises' compliance with their Duty to Serve, which is further specified in separate FHFA Evaluation Guidance. The regulation and Evaluation Guidance provide for FHFA to evaluate and rate the Enterprises' performance using a three-step process: Step One: a quantitative assessment of whether the Enterprise achieved the objectives in its Plan; Step Two: a qualitative assessment of the impact of the Enterprise's

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[22] *See* 12 U.S.C. § 4565.
[23] *See* 81 Fed. Reg. 96242 (Dec. 29, 2016), codified at 12 CFR part 1282.
[24] The Enterprises' 2018-2021 Plans can be found at https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Archived-Modified-Underserved-Markets-Plans.aspx.
[25] Due to the COVID-19 pandemic, FHFA instructed the Enterprises to submit their 2021 Plans as a separate Plan year and established the next three-year Plan cycle to start in 2022. The 2021 Plans were submitted in the fall of 2020, and the Enterprises' performance under those Plans was evaluated in 2022.
[26] *See* 12 U.S.C. § 4565(d).

performance of its Plan objectives on affordable housing needs in the underserved markets; and Step Three: an assessment of extra credit-eligible activities undertaken by the Enterprises. This evaluation results in a determination of whether, and the extent to which, an Enterprise has complied with its Duty to Serve obligations in each underserved market.

The Enterprises receive a Step One score for each underserved market that indicates whether the Enterprise has complied with its statutory Duty to Serve obligations in that market. FHFA has evaluated Fannie Mae's and Freddie Mac's Duty to Serve performance under their Plans in 2021, the final year of their first Duty to Serve Plans, which covered 2018-2021. FHFA has determined that each Enterprise complied with its Duty to Serve requirements in all three underserved markets in 2021.

For an Enterprise that achieves compliance under Step One, FHFA will convert its final performance score after completion of Steps Two and Three into one of four passing ratings: Minimally Passing, Low Satisfactory, High Satisfactory, or Exceeds.

For 2021, FHFA assigned Fannie Mae a rating of Low Satisfactory for its activities in the manufactured housing market, a rating of Low Satisfactory for its activities in the affordable housing preservation market, and a rating of High Satisfactory for its activities in the rural housing market. For 2021, FHFA assigned Freddie Mac a rating of High Satisfactory for its activities in the manufactured housing market, a rating of Low Satisfactory for its activities in the affordable housing preservation market, and a rating of Low Satisfactory for its activities in the rural housing market. Additional information about the Enterprises' 2021 Duty to Serve activities is available on the Duty to Serve web page on fhfa.gov.[27]

Throughout the 2018-2021 Plan cycle, both Enterprises made progress towards increasing liquidity, as well as the distribution and availability of mortgage capital in distinct segments of the underserved markets. The following provides a summary of the Enterprises' performance of their Duty to Serve Plan objectives over the first Duty to Serve Plan cycle from 2018 to 2021.

Manufactured Housing Market:

In the first Plan cycle, both Enterprises implemented product enhancements and flexibilities, and conducted outreach to lenders and other market participants, to increase loan purchases for manufactured homes titled as real property. In 2021, Fannie Mae purchased 22,755 loans, compared to

[27] https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/DTS-2021-Enterprise-Quarterly-and-Annual-Reports.aspx.

12,604 loans purchased in 2018, representing an 80 percent increase. In 2021, Freddie Mac purchased 12,788 loans, compared to 3,601 loans purchased in 2018, representing a 255 percent increase.

Fannie Mae and Freddie Mac also made progress purchasing blanket loans on manufactured housing communities (MHCs) with certain tenant pad lease protections. In 2019, both Enterprises developed pricing incentives for borrowers that agree to implement the Duty to Serve tenant pad lease protections in their MHCs, enabling residents in some jurisdictions to receive protections beyond those required by state or local government. Throughout the Plan cycle, both Enterprises conducted outreach and implemented product enhancements to increase awareness and loan purchases. In 2021, Fannie Mae and Freddie Mac acquired loans covering 34,882 units in MHCs with these tenant pad lease protections. Beginning in 2022, both Enterprises required these tenant pad lease protections for all of their MHC loan purchases.

Both Enterprises also participated in research, outreach, and industry engagement activities focused on MHCs owned by a governmental entity, nonprofit organization, or residents (MHROCs). Although Fannie Mae and Freddie Mac pursued MHROC transactions in 2019, neither Enterprise was able to make an MHROC loan purchase due to challenges related to the small pool of eligible deals, difficulties securing subordinate debt, or slower timelines. Both Enterprises took steps to address these and other challenges and lay the groundwork for increasing liquidity to MHROCs in the future. Fannie Mae conducted regular outreach to its Delegated Underwriting and Servicing (DUS) lenders and engaged key stakeholders in its MHROC pilot to evaluate the program and make necessary enhancements, and Freddie Mac continued to market its loan product. In 2021, Freddie Mac purchased an MHROC loan, and Fannie Mae purchased a loan on an MHC owned by a nonprofit.

Affordable Housing Preservation Market

During 2018-2021, Freddie Mac worked to enable small financial institutions to provide greater community benefit through supporting the financing of small multifamily rental properties (5-50 units). Throughout the Plan cycle, Freddie Mac developed and launched four product offerings: an offering for small loan pool securitization, small loan pool credit enhancements, small loan participation certificates securitization[28], and the "SMART Credit Enhancement"[29] for secondary market transactions. In addition, Freddie Mac purchased seasoned small balance loans from small financial institutions

[28] Freddie Mac refers to their mortgage-backed securities as participation certificates.
[29] The SMART Credit Enhancement is a secondary market credit enhancement offering designed to help small financial institutions and Community Development Financial Institutions (CDFIs) transfer credit risk. *See*: https://mf.freddiemac.com/docs/product/smart_credit_enhancement.pdf.

throughout the Plan cycle. In 2018, Freddie Mac engaged in one transaction representing $418 million in unpaid principal balance (UPB) supporting 4,008 units in 216 properties. In 2021, Freddie Mac engaged in two transactions representing $244.4 million in UPB supporting 1,351 units in 71 properties. In total, during the first Duty to Serve plan cycle Freddie Mac engaged in eight transactions representing $1.943 billion in UPB and supporting 11,304 units.

During 2018-2021, Fannie Mae purchased loans on U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) properties. In 2021, Fannie Mae purchased loans on 12 RAD properties with approximately 1,378 units, compared to loan purchases on 13 RAD properties with approximately 2,041 units in 2018.

Both Enterprises engaged in efforts to promote greater preservation of U.S. Department of Agriculture (USDA) Section 515 properties. In October 2021, Fannie Mae and USDA Rural Development finalized a subordination agreement that would allow Fannie Mae to finance new debt on Section 515 properties while still maintaining Section 521 rental assistance. Freddie Mac also completed negotiations with USDA in 2021 and implemented a subordination agreement with USDA to ensure USDA 515 debt will remain on the property with the senior Freddie Mac debt. Although both Fannie Mae and Freddie Mac finalized agreements with USDA, the Enterprises did not acquire any Section 515 loans in 2021.

Rural Housing Market

During 2018-2021, both Enterprises had strong performance in the rural Low-Income Housing Tax Credit (LIHTC) market. FHFA approved the Enterprises' limited re-entry into the LIHTC equity market at the end of 2017, with each Enterprise's activity in this market limited to $500 million in LIHTC investments per year. In 2021, FHFA increased each Enterprise's LIHTC investment cap to $850 million in investments per year. During the first Plan cycle, each Enterprise exceeded its Plan's LIHTC investment target each year, and together invested over $1 billion in rural housing markets supporting 16,004 Duty to Serve units in over 320 LIHTC properties.

In 2018, Fannie Mae took meaningful steps to reestablish its presence in Native American communities. Outreach included hosting roundtables, educating lenders about conventional mortgage products, targeting lenders with experience working on tribal trust lands through Section 184 (the Indian Home Loan Guarantee Program) and within close proximity to Native American communities, and partnering with the National American Indian Housing Council (NAIHC). Fannie Mae expanded its outreach efforts for Duty to Serve high-needs rural populations in 2020, including efforts related to its Native American Conventional Lending Initiative (NACLI). Outreach included developing technical assistance programs and partnering with Native organizations including Native Community Development Financial

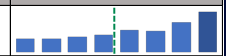
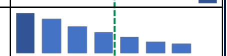
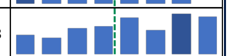
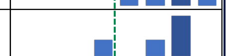
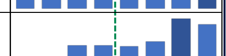
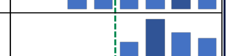
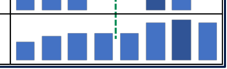
Institutions, Tribally Designated Housing Entities, and Tribal Housing Authorities to develop a targeted curriculum and deliver trainings about the home purchase process. In addition, Fannie Mae executed over five memoranda of understanding (MOU) with Native American Tribes throughout 2018-2021.[30]

In 2019, Freddie Mac used the Duty to Serve innovation modification option[31] for the first time to receive Duty to Serve credit for creating and hosting an inaugural Rural Research Symposium as a forum for advancing research on rural housing. This new event attracted a broad spectrum of housing experts, who shared research findings and insights on topics such as the effectiveness of existing mortgage products and services, who uses them, and their impacts on the rural housing market. In 2020 and 2021, due to the COVID-19 pandemic, the event was held virtually. This allowed Freddie Mac to double its reach and discuss topics and research findings related to the economy and the future of rural housing and homeownership. Panelists and speakers presented on the effects of the COVID-19 pandemic on housing, racial gaps in housing opportunities, housing supply, and Native American housing and homeownership. Each year, Freddie Mac has published the presentations on its website to offer public access to the information.

In preparation for submitting their first DTS Plans, each Enterprise used data from 2014-2016 for submission in 2017. Tables 10 and 11 below provide data on the Enterprises' loan purchase and investment performance from 2014-2017, before the DTS regulation was implemented, and during the first Plan cycle (2018-2021) after the DTS regulation was implemented. The most recent data for performance in 2021 includes the Enterprises targets in addition to actuals.

[30] An MOU must be in place for conventional financing to occur on trust land.
[31] The Evaluation Guidance provides that if an Enterprise identifies a new opportunity during the year for a positive impact on the needs of an underserved market that is not currently included in its Plan, it may propose to FHFA to add the opportunity to its Plan on an expedited basis.

Table 10: 2014-2021 Fannie Mae Loan Purchase and Investment Performance

Enterprise	Market	Objective	2014	2015	2016	2017	2018	2019	2020	2021	2021 Target	Baseline	Trend
Fannie Mae	Manufactured Housing	Manufactured Housing Titled as Real Property	7,806	7,749	8,660	9,946	12,604	11,976	16,962	22,755	12,650	8,660	
		Manufactured Housing Communities with Tenant Protections						3,492	12,456	21,039	3,745	2,500	
		Manufactured Housing Communities not Privately Owned								1	3	0	
	Affordable Housing Preservation	Distressed Properties	20,606	17,776	14,002	10,967	8,266	6,092	4,708				
		Section 8	13,400	11,517	18,272	19,804	25,370	16,827	28,258	26,603	18,972	15,748	
		LIHTC Debt	63	44	65	80	84	118	138				
		Rental Assistance Demonstration					13	5	29	12	11	7	
		Section 202			0	2	0	2	5				
		Section 515								0	6	0	
		State and Local	13	20	21			51	72	78	59	51	
		Residential Economic Diversity	6	6	7	4	10	10	14	16	12	9	
	Rural	High Needs Rural	10,042	9,632	10,377	11,081	11,700	12,093	21,591	27,388	12,000	10,377	
		Small Financial Institutions of Rural Housing			7,412	7,021	6,878	9,432	21,522	18,699	8,950	7,104	
		LIHTC Investments					42	98	65	52	42	45	
		Small Multifamily Rental	26	38	37			82	66				
		High Needs Rural	23	30	34	34	34	47	50	47	45	38	

Note: Dotted green line indicates the start of the DTS Plans.

Table 11: 2014-2021 Freddie Mac Loan Purchase and Investment Performance

Enterprise	Objective	Market	2014	2015	2016	2017	2018	2019	2020	2021	2021 Target	Baseline	Trend
Freddie Mac	Manufactured Housing Titled as Real Property	Manufactured Housing	2,820	3,064	3,071	3,816	3,601	4,390	6,634	12,788	8,200	4,304	
	Manufactured Housing Communities Resident Owned Community (ROC)									1	1	1	
	Manufactured Housing Communities with Tenant Protections							8	14	116	75	8	
	Residential Economic Diversity	Affordable Housing Preservation	1,471	4,425	1,603	2,978	3,647	4,733	3,866	4,142	3,800	2,500	
	Section 8		11,421	20,862	17,881	16,550	27,241	26,332	27,430	27,279	23,400	23,374	
	LIHTC Debt		12,002	21,887	25,432	22,807	41,926	54,302	58,259	52,390	42,000	39,678	
	Rental Assistance Demonstration		0	1,590	1,648	113	1,161	2,073	3,149	1,191	1,000	1,166	
	Financing Small Multifamily Rental Properties					2	1	4	2	1		2	
	Shared Equity									126	110	47	
	High Needs Rural	Rural	6,850	8,020	7,833	8,206	8,754	9,849	16,708	23,529	17,000	10,413	
	Small Financial Institutions of Rural Housing		2,899	4,250	4,533	4,269	3,880	4,611	12,147	10,832	9,100	5,956	
	LIHTC Investments						10	13	20	16	15	12	

Note: Dotted green line indicates the start of the DTS Plans.

Affordable Housing Allocations

The Safety and Soundness Act requires each Enterprise to set aside in each fiscal year an amount equal to 4.2 basis points (0.042 percent) for each dollar of the unpaid principal balance of its total new business purchases. The Enterprises must allocate or otherwise transfer 65 percent of the amount set aside to HUD to fund the Housing Trust Fund (HTF) and 35 percent to the Treasury Department to fund the Capital Magnet Fund (CMF) within 60 days after the end of the Enterprises' fiscal (calendar) years.[32] FHFA is not involved in the administration of either the HTF or the CMF.

The HTF is designed to assist states in meeting the housing needs of the lowest income families. It provides funds to preserve, rehabilitate, and construct housing for extremely low- and very low-income families. HUD allocates funds to states by formula, and states allocate funds to projects. Each state must use at least 80 percent of its funds for rental housing, while up to 10 percent may go to homeownership activities for first-time homebuyers. According to HUD, over 2,700 units have been completed since the program began in 2017.[33]

The CMF is a special account within the Community Development Financial Institutions (CDFI) Fund designed to increase investment in affordable housing, economic development, and community service facilities in low-income or underserved rural areas. The CMF awards funds competitively to CDFIs and qualified nonprofits, aiming to attract private capital to economically distressed communities, including underserved rural areas. Eligible projects are affordable housing activities as well as related economic development activities and community service facilities. The Administration announced that increasing the supply of affordable housing is a significant priority in the near term and listed the CMF as one of the useful tools to make an impact.[34] The Administration also proposed changes to the CMF to ensure that the funds are primarily used for affordable housing production, including a requirement that projects must leverage investments 10 times the size of the funding award.

FHFA is statutorily required to temporarily suspend an Enterprise's affordable housing allocation payments if the allocation would (1) contribute to the financial instability of the Enterprise, (2) cause it to be classified as undercapitalized, or (3) prevent it from successfully completing a capital restoration

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[32] 12 U.S.C. § 4567(a).
[33] *See* https://files.hudexchange.info/reports/published/HTF_Prod_Natl_20210731.pdf.
[34] *See* https://www.whitehouse.gov/briefing-room/statements-releases/2021/09/01/fact-sheet-biden-harris-administration-announces-immediate-steps-to-increase-affordable-housing-supply/.

plan.[35] In November 2008, FHFA directed each Enterprise to suspend its allocation until further notice. Those suspensions were lifted on December 11, 2014, when FHFA directed each Enterprise to set aside amounts for allocation to the affordable housing funds, commencing with payments in 2016, based on business volume in 2015.

Table 12 displays the payments made by each Enterprise from 2016 through 2022 (representing allocations set aside during calendar years 2015 through 2021). Record amounts were paid in 2022, based on total business volumes in 2021. The Enterprises disbursed over $1.1 billion in February 2022, sending $740 million to the HTF and $398 million to the CMF.[36]

Table 12: Affordable Housing Allocation Payments (in millions)

	2016	2017	2018	2019	2020	2021	2022	Total
Fannie Mae	$216.5	$268.0	$239.0	$215.0	$280.0	$603.0	$598.0	$2,419.5
Freddie Mac	$165.4	$187.1	$174.8	$161.7	$222.2	$490.7	$539.8	$1,941.7
Total	$381.9	$455.1	$413.8	$376.7	$502.2	$1,093.7	$1,138.0	$4,361.2

[35] 12 U.S.C. § 4567(b).
[36] See https://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Announces-More-than1pt1-Billion-for-AH-Programs.aspx.

Monthly Survey of Mortgage Markets (National Mortgage Database)

The Safety and Soundness Act requires FHFA to conduct a monthly survey of mortgage markets to collect information on the characteristics of individual mortgages, both those eligible for and those ineligible for Enterprise purchase.[37] The statute requires FHFA to collect the following information for each loan: (1) the price of the house securing the mortgage; (2) the loan-to-value ratio of the mortgage (including secondary financing); (3) the terms of the mortgage; (4) the creditworthiness of the borrower or borrowers; and (5) whether the mortgage (if eligible) was purchased by an Enterprise. The statute also requires FHFA to collect information on the loan and borrower characteristics of subprime mortgages and nontraditional mortgages eligible for purchase by the Enterprises, including the creditworthiness of borrowers and other information needed to determine whether these borrowers could have qualified for prime loans.

At the time Congress enacted HERA, there was no single data source containing all the items required to comply with the Safety and Soundness Act. As a result, FHFA initiated the development of the National Mortgage Database (NMDB®) program to comply with these requirements. In November 2012, FHFA announced a partnership with CFPB to develop the NMDB.

The core NMDB provides comprehensive information about the U.S. mortgage market based on a 5 percent nationally representative sample of single-family, first lien mortgages outstanding as of 1998, as represented in the files of a national credit bureau. The NMDB program also includes data from a nationally representative quarterly survey of new borrowers drawn from a subset of new mortgages added to the core NMDB, the National Survey of Mortgage Originations (NSMO). Finally, the NMDB program includes data drawn from a second survey of a representative sample of borrowers in mortgage distress conducted annually, the American Survey of Mortgage Borrowers (ASMB).[38] In 2020, the ASMB surveyed mortgage borrowers who obtained mortgage forbearance and those with payment difficulties.

FHFA continues to establish strong information security systems and protocols, including continuing to review and evaluate every aspect of these systems and protocols to ensure that the statutory objectives of

[37] *See* 12 U.S.C. § 4544(c).
[38] https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/National-Mortgage-Database.aspx.

the NMDB are achieved. Appendix D to this Report includes information about the national mortgage market based on the NMDB.

FHFA published or updated the following based on the NMDB during 2021:

National Survey of Mortgage Originations Public Use File, released on July 29, 2021, which provides data from the NSMO survey and additional administrative data for sample mortgages originated from 2013 to 2017.

National Mortgage Database Technical Documentation, NMDB Technical Report 1, updated on January 21, 2021, which provides users of the NMDB data with background on the development of the database, as well as an assessment of the quality of its data.

National Survey of Mortgage Originations Technical Documentation, NMDB Technical Report 2, updated on July 29, 2021, which provides background information on how NSMO was developed and the codebook and tabulations for the NSMO Public Use File.

National Statistics for New Residential Mortgages in the United States, updated quarterly in March, June, September and December, which provides a set of national statistics derived from the NMDB as part of the monthly mortgage market survey public data disclosure required by HERA.

National Delinquency Rates in the United States updated quarterly in March, June, September and December, which provides the national delinquency rates for the United States, based on the NMDB.

National and State Level Statistics for Outstanding Residential Mortgages in the United States, updated quarterly in March, June, September and December, which provides a set of national and state statistics on mortgages that are outstanding at the end of the quarter, based on the NMDB.

Mortgage Performance During the COVID-19 Pandemic, February 2, 2021, FHFA Statistical Blog.

What Types of Mortgages Do Fannie Mae and Freddie Mac Acquire?, April 14, 2021, FHFA Statistical Blog.

Subprime and Nontraditional Loans

The Safety and Soundness Act requires FHFA to "identify the extent to which each [E]nterprise is involved in mortgage purchases and secondary market activities involving subprime and nontraditional loans"[39] and to "compare the characteristics of subprime and nontraditional loans both purchased and securitized by each [E]nterprise to other loans purchased and securitized by each [E]nterprise."[40] The Safety and Soundness Act does not define the words "subprime" or "nontraditional," and there is no universally accepted definition for what is considered a subprime or nontraditional loan. In the absence of such definitions, FHFA has provided information on several characteristics that are sometimes used to identify subprime and nontraditional loans. On May 6, 2013, FHFA directed Fannie Mae and Freddie Mac not to purchase interest-only loans, negative amortization loans, loans with terms longer than 30 years, or loans with points and fees exceeding the thresholds established by the Qualified Mortgage rule. This directive became effective on January 10, 2014.[41]

Appendix B of this Report provides a breakdown of the characteristics of mortgage products purchased by the Enterprises in 2020 and 2021, including information on mortgage product types, loan-to-value ratios, credit scores, and whether loans are fully amortizing.

[39] *See* 12 U.S.C. § 4544(b)(4).
[40] *See* 12 U.S.C. § 4544(b)(5).
[41] *See* http://www.fhfa.gov/Media/PublicAffairs/Pages/FHFA-Limiting-Fannie-Mae-and-Freddie-MacLoan-Purchases-to-Qualified-Mortgages.aspx.

Higher-Priced Mortgage Loans

The Safety and Soundness Act requires FHFA to "compare the characteristics of high-cost loans purchased and securitized [by each Enterprise], where such securities are not held on portfolio to loans purchased and securitized, where such securities are either retained on portfolio or repurchased by the [E]nterprise, including such characteristics as (A) the purchase price of the property that secures the mortgage; (B) the loan-to-value ratio of the mortgage, which shall reflect any secondary liens on the relevant property; (C) the terms of the mortgage; (D) the creditworthiness of the borrower; and (E) any other relevant data, as determined by the Director."[42] The Safety and Soundness Act also requires that FHFA release the high-cost loan characteristics data to the public.[43] However, the Safety and Soundness Act does not define the term "high-cost loan," nor does any legislative history state the intent of this provision. After considering various options, FHFA decided to define "high-cost loan" in this context as a loan with a HMDA-reported "rate spread" that is 150 basis points or more above the Average Prime Offer Rate (APOR).[44] In other contexts, FHFA refers to loans exceeding this rate-spread threshold as "higher-priced mortgage loans."[45] To ensure consistency, this Report uses the "higher-priced" terminology when referring to "high-cost loans." In 2021, 1.5 percent of all single-family loans purchased by the Enterprises were higher-priced mortgage loans, down from 1.7 percent in 2020.

For Enterprise mortgage purchases in 2021, the tables in **Appendix C** show the number of higher-priced mortgage loans in securities compared to the number of higher-priced mortgage loans retained in portfolio at year-end by each Enterprise.[46] The tables identify this information according to the following loan characteristics: purchase price, loan-to-value ratio, product type, term at origination,

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[42] *See* 12 U.S.C. § 4544(b)(6).
[43] *See* 12 U.S.C. § 4546(d)(2).
[44] *See* 76 Fed. Reg. 60031 (Sept. 28, 2011) (defining "high-cost loan" for purposes of 12 U.S.C. §§ 4544(b)(6) and 4546(d)(2)).
[45] CFPB has defined "higher-priced mortgage loan" in the same way for most mortgages, although the CFPB definition sets higher rate spread cut-offs for jumbo mortgages (250 basis points or more above the APOR) and for subordinate lien mortgages (350 basis points or more above the APOR). *See* 12 CFR § 1026.35(a). In amending the Truth in Lending Act, the Home Ownership and Equity Protection Act (HOEPA) (15 U.S.C. § 1602(bb)) established a separate category of loans designated as "high-cost mortgages." Mortgages on primary residences that exceed the applicable mortgage interest rate and total point and fee thresholds established under HOEPA are not eligible for sale to the Enterprises.
[46] Loans identified as "retained in the portfolio" are generally loans that the Enterprises hold as assets in their mortgage portfolios. Examples of these loans would be loans that are not eligible for securitization, defaulted loans purchased out of mortgage-backed securities, and loans that the Enterprises purchase directly either to hold in portfolio and/or to aggregate for securitization at a future date. Loans identified as "not held in the portfolio" are generally loans that the Enterprises have pooled into mortgage-backed securities and sold to investors.

interest rate at origination, credit score, borrower income ratio, tract income ratio, census tract demographics, purpose of the loan, and federal guarantee status.[47]

[47] These loan characteristics are further described in FHFA's September 28, 2011, Notice of Order. *See* 76 Fed. Reg. 60031.

Public Access to Mortgage Information

The Safety and Soundness Act requires FHFA to make available to the public loan-level data submitted by the Enterprises on the loans they purchase, except for certain proprietary information and borrower privacy information.[48] The Safety and Soundness Act also requires FHFA to make available to the public loan data elements reported under HMDA at the census tract level for loans purchased by the Enterprises.[49] In addition, the Safety and Soundness Act requires FHFA to make available to the public certain high-cost securitized loan data collected by the Enterprises to compare the characteristics of high-cost loans the Enterprises purchase and securitize.[50] The Safety and Soundness Act requires FHFA to release the above-referenced data by September 30 of the year following the year the Enterprises acquired the mortgages.[51] On September 20, 2022, FHFA posted on its public website applicable data for 2021 through its Public Use Database (PUDB).[52]

[48] *See* 12 U.S.C. §§ 4543, 4546. *See also* Notice of Order: Revisions to Data Requirements for Enterprise Public Use Database To Include New Home Mortgage Disclosure Act Data Elements, Federal Housing Finance Agency, 85 Fed. Reg. 34196 (June 3, 2020).
[49] *Id.*
[50] *See* 12 U.S.C. §§ 4544(b)(6), 4546(d). *See also* Appendix C for the analysis of the higher-priced securitized loan data for 2020.
[51] *See* 12 U.S.C. § 4543(d).
[52] *See* http://www.fhfa.gov/DataTools/Downloads/Pages/Public-Use-Databases.aspx.

Appendix A: Final Determination Letters: Enterprise 2021 Housing Goals Performance

FEDERAL HOUSING FINANCE AGENCY
Office of the Director

October 4, 2022

Mr. David C. Benson
President and Interim Chief Executive Officer
Federal National Mortgage Association
1100 15th Street, NW
Washington, DC 20005

Re: Final Determination of Fannie Mae's 2021 Housing Goals Performance

Dear Mr. Benson:

The Federal Housing Finance Agency (FHFA) has completed its review of Fannie Mae's performance under the Enterprise housing goals for 2021 pursuant to 12 U.S.C. 4566. FHFA has determined that for 2021, Fannie Mae met all the single-family housing goals and subgoals. FHFA has also determined that Fannie Mae met the multifamily housing goals and subgoals for 2021.

As specified in 12 CFR 1282.12, the single-family housing goals include both a benchmark level and a market level determined by FHFA based on its analysis of Home Mortgage Disclosure Act (HMDA) data for the year. Fannie Mae achieves a single-family housing goal if its official performance meets or exceeds either the benchmark level or the market level. FHFA's final determinations of Fannie Mae's official performance on the single-family housing goals for 2021 are set forth below:

Single-Family Housing Goals	Benchmark	Market Share	FHFA Final Determination of Fannie Mae's 2021 Performance
Low-Income Home Purchase Goal	24%	26.7%	28.7%
Very Low-Income Home Purchase Goal	6%	6.8%	7.4%
Low-Income Areas Home Purchase Goal	18%	22.9%	24.5%

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Low-Income Areas Home Purchase Subgoal	14%	19.1%	20.3%
Low-Income Refinance Goal	21%	26.1%	26.2%

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. The home purchase goals are based on Fannie Mae's acquisitions of purchase money mortgages, while the refinance goal is based on Fannie Mae's acquisitions of refinance mortgages.

Unlike the single-family housing goals, the multifamily housing goals are based solely on benchmark levels established in advance by FHFA pursuant to 12 CFR 1282.13. FHFA's final determinations of Fannie Mae's official performance on the multifamily housing goals for 2021 are set forth below:

Multifamily Housing Goals	**Benchmark**	**FHFA Final Determination of Fannie Mae's 2021 Performance**
Low-Income Multifamily Goal	315,000	384,488
Very Low-Income Multifamily Subgoal	60,000	83,459
Small Multifamily (5-50 unit) Low-Income Subgoal	10,000	14,409

Based on the above information, FHFA has determined that Fannie Mae achieved each of the single-family and multifamily housing goals for 2021.

If you have any questions, please contact Ted Wartell, Associate Director, Office of Housing & Community Investment, Division of Housing Mission & Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

SThompson

Sandra L. Thompson

400 7th Street, S.W., Washington, D.C. 20219 | (202) 649-3801 | (202) 649-1071 (fax)

FEDERAL HOUSING FINANCE AGENCY
Office of the Director

October 4, 2022

Mr. Michael DeVito
Chief Executive Officer
Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22103-3107

Re: Final Determination of Freddie Mac's 2021 Housing Goals Performance

Dear Mr. DeVito:

The Federal Housing Finance Agency (FHFA) has completed its review of Freddie Mac's performance under the Enterprise housing goals for 2021 pursuant to 12 U.S.C. 4566. FHFA has determined that for 2021, Freddie Mac met all the single-family housing goals and subgoals. FHFA has also determined that Freddie Mac met the multifamily housing goals and subgoals for 2021.

As specified in 12 CFR 1282.12, the single-family housing goals include both a benchmark level and a market level determined by FHFA based on its analysis of Home Mortgage Disclosure Act (HMDA) data for the year. Freddie Mac achieves a single-family housing goal if its official performance meets or exceeds either the benchmark level or the market level. FHFA's final determinations of Freddie Mac's official performance on the single-family housing goals for 2021 are set forth below:

Single-Family Housing Goals	Benchmark	Market Share	FHFA Final Determination of Freddie Mac's 2021 Performance
Low-Income Home Purchase Goal	24%	26.7%	27.4%
Very Low-Income Home Purchase Goal	6%	6.8%	6.3%
Low-Income Areas Home Purchase Goal	18%	22.9%	21.8%

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Low-Income Areas Home Purchase Subgoal	14%	19.1%	18.0%
Low-Income Refinance Goal	21%	26.1%	24.8%

For each housing goal, the percentage shown above reflects the proportion of mortgages that met the criteria for that goal. The home purchase goals are based on Freddie Mac's acquisitions of purchase money mortgages, while the refinance goal is based on Freddie Mac's acquisitions of refinance mortgages.

Unlike the single-family housing goals, the multifamily housing goals are based solely on benchmark levels established in advance by FHFA pursuant to 12 CFR 1282.13. FHFA's final determinations of Freddie Mac's official performance on the multifamily housing goals for 2021 are set forth below:

Multifamily Housing Goals	Benchmark	FHFA Final Determination of Freddie Mac's 2021 Performance
Low-Income Multifamily Goal	315,000	373,225
Very Low-Income Multifamily Subgoal	60,000	87,854
Small Multifamily (5-50 unit) Low-Income Subgoal	10,000	31,913

Based on the above information, FHFA has determined that Freddie Mac achieved each of the single-family and multifamily housing goals for 2021.

If you have any questions, please contact Ted Wartell, Associate Director, Office of Housing & Community Investment, Division of Housing Mission & Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

SThompson

Sandra L. Thompson

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Appendix B: Enterprise Purchases of Subprime and Nontraditional Loans

I. Overview of Single-Family Mortgages Acquired by the Enterprises

Excluding second liens and reverse mortgages, Fannie Mae and Freddie Mac acquired $2.6 trillion of single-family loans in 2021 (See **Tables B1a** and **B1b**), an increase of 5.13 percent from the $2.5 trillion in single-family loans the Enterprises acquired in 2020. These totals include loans that collateralize mortgage-backed securities guaranteed by the Enterprises and loans purchased for cash. While **Tables 1, 2, and 5 through 9** report on owner-occupied single-family purchases, this Appendix reports on both owner-occupied and investor-owned single-family purchases.

Fully amortizing mortgages comprised 100 percent of the single-family loans acquired by the Enterprises in 2021, per conservatorship guidance. Fully amortizing fixed-rate mortgages accounted for 99.5 percent of combined acquisitions, a decrease from 99.64 percent in 2020 (See **Tables B1a and B1b**). Fully amortizing hybrid adjustable-rate mortgages (ARM) accounted for 0.47 percent of 2021 acquisitions, an increase from 0.33 percent in 2020. The Enterprises did not acquire any interest-only mortgages in 2021, as was the case in 2020.

All data in the following tables are based on FHFA analysis of Enterprise data.

Table B1a: Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2020 and 2021 by Payment and Product Type ($ in millions)[53]

	2020				2021			
Product Type	**Fully Amortizing**	**Interest Only**	**Negatively Amortizing**	**Total**	**Fully Amortizing**	**Interest Only**	**Negatively Amortizing**	**Total**
Fixed-Rate Mortgages	$2,441,762.4	$0.0	$0.0	$2,441,762.4	$2,563,432.5	$0.0	$0.0	$2,563,432.5
ARMs–Traditional	$47.8	$0.0	$0.0	$47.8	$5.4	$0.0	$0.0	$5.4
ARMs-Hybrid	$8,034.0	$0.0	$0.0	$8,034.0	$12,189.9	$0.0	$0.0	$12,189.9
Balloon Mortgages	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Mortgages[54]	$682.5	$0.0	$0.0	$682.5	$620.2	$0.0	$0.0	$620.2
Total	$2,450,526.7	$0.0	$0.0	$2,450,526.7	$2,576,248.0	$0.0	$0.0	$2,576,248.0

[53] Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages.

[54] Other and unidentified product types. Includes Fixed-Rate Other and Other ARM. Fixed-Rate Other is fixed-rate mortgages with a term other than 40, 30, 20, or 15 years. Other ARM is ARMs with a structure other than 3/1, 5/1, 7/1, or 10/1.

Table B1b: Shares of Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2020 and 2021 by Payment and Product Type (Percent)[55]

	2020				2021			
Product Type	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
Fixed-Rate Mortgages	99.64%	0.00%	0.00%	99.64%	99.50%	0.00%	0.00%	99.50%
ARMs–Traditional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ARMs-Hybrid	0.33%	0.00%	0.00%	0.33%	0.47%	0.00%	0.00%	0.47%
Balloon Mortgages	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Mortgages	0.03%	0.00%	0.00%	0.03%	0.02%	0.00%	0.00%	0.02%
Total	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%

II. Acquisitions of Mortgages by Payment Type and Loan-to-Value Ratio

The distribution of the loan-to-value ratios of single-family mortgages acquired by Fannie Mae and Freddie Mac in 2021 showed some changes from 2020 (See **Tables B2a** and **B2b**). The combined share of loans with loan-to-value ratios above 95 percent increased from 2.17 percent in 2020 to 2.26 percent in 2021. Mortgages with loan-to-value ratios of 80 percent or below increased from 76.78 percent of loans acquired in 2020 to 78.94 percent of loans acquired in 2021.

[55] Percentages may be zero due to rounding.

Table B2a: Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2020 and 2021 by Payment Type and Loan-to-Value Ratio Group ($ in millions)[56]

	2020				2021			
Loan-to-Value Ratio Group	**Fully Amortizing**	**Interest Only**	**Negatively Amortizing**	**Total**	**Fully Amortizing**	**Interest Only**	**Negatively Amortizing**	**Total**
0-70 %	$1,047,125.4	$0.0	$0.0	$1,047,125.4	$1,206,289.1	$0.0	$0.0	$1,206,289.1
70.1-80 %	$834,304.0	$0.0	$0.0	$834,304.0	$827,483.6	$0.0	$0.0	$827,483.6
80.1-90 %	$280,063.3	$0.0	$0.0	$280,063.3	$243,376.3	$0.0	$0.0	$243,376.3
90.1-95 %	$235,769.0	$0.0	$0.0	$235,769.0	$240,733.0	$0.0	$0.0	$240,733.0
95.1-100 %	$53,103.7	$0.0	$0.0	$53,103.7	$58,247.2	$0.0	$0.0	$58,247.2
>100%	$161.4	$0.0	$0.0	$161.4	$118.8	$0.0	$0.0	$118.8
Total	$2,450,526.8	$0.0	$0.0	$2,450,526.8	$2,576,248.0	$0.0	$0.0	$2,576,248.0

[56] Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages.

Table B2b: Shares of Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2020 and 2021 by Payment Type and Loan-to-Value Ratio Group (Percent)[57]

	2020				2021			
Loan-to-Value Ratio Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-70 %	42.73%	0.00%	0.00%	42.73%	46.82%	0.00%	0.00%	46.82%
70.1-80 %	34.05%	0.00%	0.00%	34.05%	32.12%	0.00%	0.00%	32.12%
80.1-90 %	11.43%	0.00%	0.00%	11.43%	9.45%	0.00%	0.00%	9.45%
90.1-95 %	9.62%	0.00%	0.00%	9.62%	9.34%	0.00%	0.00%	9.34%
95.1-100 %	2.17%	0.00%	0.00%	2.17%	2.26%	0.00%	0.00%	2.26%
>100%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%
Total	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%

III. Acquisitions of Nontraditional Mortgages

The Enterprises acquired no interest-only fixed-rate mortgages in 2021 or 2020. The Enterprises acquired no interest-only hybrid adjustable-rate mortgages in 2021 or 2020. Neither Enterprise acquired any negative amortization mortgages in 2021 or 2020.

IV. Acquisitions of Mortgages with Lower Credit Scores

There was some change in the distribution of the borrower credit (FICO) scores of single-family mortgages acquired by Fannie Mae and Freddie Mac in 2021 (See **Tables B3a** and **B3b**). The share of loans with credit scores below 620 increased from 0.04 percent in 2020 to 0.06 percent in 2021. Mortgages with credit scores between 620 and 659 increased from 1.85 percent of loans acquired in 2020 to 2.92 percent of loans acquired in 2021.

[57] Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages.

Table B3a: Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2020 and 2021 by Payment Type and FICO Score Group ($ in millions)[58]

	2020				2021			
FICO Score Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-619	$1,067.7	$0.0	$0.0	$1,067.7	$1,478.0	$0.0	$0.0	$1,478.0
620-659	$45,294.3	$0.0	$0.0	$45,294.3	$75,212.5	$0.0	$0.0	$75,212.5
660-719	$378,258.6	$0.0	$0.0	$378,258.6	$475,735.6	$0.0	$0.0	$475,735.6
720-749	$412,441.1	$0.0	$0.0	$412,441.1	$439,980.2	$0.0	$0.0	$439,980.2
750+	$1,613,142.4	$0.0	$0.0	$1,613,142.4	$1,581,814.2	$0.0	$0.0	$1,581,814.2
Total	$2,450,204.1	$0.0	$0.0	$2,450,204.1	$2,574,220.5	$0.0	$0.0	$2,574,220.5

Table B3b: Shares of Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac and 2021 and 2021 by Payment Type and FICO Score Group (Percent)[59]

	2020				2021			
FICO Score Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-619	0.04%	0.00%	0.00%	0.04%	0.06%	0.00%	0.00%	0.06%
620-659	1.85%	0.00%	0.00%	1.85%	2.92%	0.00%	0.00%	2.92%
660-719	15.44%	0.00%	0.00%	15.44%	18.48%	0.00%	0.00%	18.48%
720-749	16.83%	0.00%	0.00%	16.83%	17.09%	0.00%	0.00%	17.09%
750+	65.84%	0.00%	0.00%	65.84%	61.45%	0.00%	0.00%	61.45%
Total	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%

[58] Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages. Totals in this table do not equal the totals in Table B1a because some loans acquired by the Enterprises do not have FICO Score Group information.
[59] Percentages may be zero due to rounding.

Appendix C: Higher-Priced Mortgage Loans

As discussed in the Higher-Priced Mortgage Loans section of this Report, because the Safety and Soundness Act does not define the term "high-cost loan," FHFA determined that it would define "high-cost loan" by whether its HMDA-reported rate spread is 150 basis points or more above the Average Prime Offer Rate (APOR). In other contexts, FHFA refers to such loans as "higher-priced mortgage loans."

In 2021, 1.5 percent of all single-family loans purchased by the Enterprises were higher-priced mortgage loans. The tables below show the number of higher-priced mortgage loans purchased and securitized by an Enterprise in 2021 that were not held by each Enterprise at year-end, compared to the number of higher-priced mortgage loans purchased and securitized by an Enterprise in 2021 that were retained in portfolio at year-end by each Enterprise.

The Safety and Soundness Act requires FHFA to compare the characteristics of high-cost loans purchased and securitized by each Enterprise "where such securities are not held on portfolio to loans purchased and securitized, where such securities are either retained on portfolio or repurchased by the [E]nterprise." The comparisons should include "such characteristics as— (A) the purchase price of the property that secures the mortgage; (B) the loan-to-value ratio of the mortgage, which shall reflect any secondary liens on the relevant property; (C) the terms of the mortgage; (D) the creditworthiness of the borrower; and (E) any other relevant data, as determined by the Director."[49] Terms of a mortgage include product type, whether a fixed-rate mortgage (FRM) or an adjustable-rate mortgage (ARM), term (or length) of the mortgage at origination, amortization term, and interest rate at origination. Other relevant data included for comparative analysis are borrower income ratio, census tract income ratio, 2010 census tract/percent minority, purpose of loan, and whether the loan has a federal guarantee.

Data in the following tables are based on FHFA analysis of Enterprise data.

[49] *See* 12 U.S.C. § 4544(b)(6).

I. Purchase Price

Table C1 below shows the comparison based on purchase price for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C1: Purchase Price (2021)

Purchase Price	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?						In Portfolio at Year-End?					
	Not Held		Retained		Totals		Not Held		Retained		Totals	
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
<= $417,000	49,082	60.7	2,636	69.0	51,718	61.1	22,096	55.4	6,177	98.8	28,273	61.2
> $417,000, <= $625,500	15,345	19.0	819	21.4	16,164	19.1	6,304	15.8	51	0.8	6,355	13.8
> $625,500, <= $729,750	4,624	5.7	177	4.6	4,801	5.7	2,630	6.6	7	0.1	2,637	5.7
> $729,750	11,799	14.6	188	4.9	11,987	14.2	8,889	22.3	17	0.3	8,906	19.3
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

II. Combined Loan-to-Value Ratio

Table C2 below shows the comparison based on the combined loan-to-value ratio of the mortgages, including secondary liens, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C2: Combined LTV (or LTV if missing) (2021)

Combined LTV (or LTV if missing)	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?						In Portfolio at Year-End?					
	Not Held		Retained		Totals		Not Held		Retained		Totals	
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
0% < LTV <= 60%	20,626	25.5	758	19.8	21,384	25.3	9,093	22.8	1,190	19.0	10,283	22.3
60% < LTV <= 80%	37,735	46.7	1,848	48.4	39,583	46.7	23,228	58.2	4,066	65.0	27,294	59.1
80% < LTV <= 90%	8,016	9.9	431	11.3	8,447	10.0	4,055	10.2	468	7.5	4,523	9.8
90% < LTV <= 95%	9,246	11.4	509	13.3	9,755	11.5	2,570	6.4	464	7.4	3,034	6.6
LTV > 95%	5,227	6.5	274	7.2	5,501	6.5	968	2.4	62	1.0	1,030	2.2
Missing	0	0.0	0	0.0	0	0.0	5	0.0	2	0.0	7	0.0
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

Table C2a below shows the distribution based on combined loan-to-value ratio for the higher-priced fixed-rate mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C2a: Combined LTV (or LTV if missing) of Fixed-Rate Mortgages (2021)

Combined LTV (or LTV if missing)	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?						In Portfolio at Year-End?					
	Not Held		Retained		Totals		Not Held		Retained		Totals	
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
0% < LTV <= 60%	20,625	25.5	758	19.9	21,383	25.3	9,093	22.8	1,190	19.0	10,283	22.3
60% < LTV <= 80%	37,732	46.7	1,847	48.4	39,579	46.7	23,228	58.2	4,066	65.0	27,294	59.1
80% < LTV <= 90%	8,016	9.9	430	11.3	8,446	10.0	4,055	10.2	468	7.5	4,523	9.8
90% < LTV <= 95%	9,246	11.4	509	13.3	9,755	11.5	2,570	6.4	464	7.4	3,034	6.6
LTV > 95%	5,227	6.5	274	7.2	5,501	6.5	968	2.4	62	1.0	1,030	2.2
Missing	0	0.0	0	0.0	0	0.0	5	0.0	2	0.0	7	0.0
Totals	80,846	100.0	3,818	100.0	84,664	100.0	39,919	100.0	6,252	100.0	46,171	100.0

III. Product Type

Table C3 below shows the comparison based on product type for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C3: Product Type (2021)

Product Type	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?						In Portfolio at Year-End?					
	Not Held		Retained		Totals		Not Held		Retained		Totals	
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
FRM	80,846	100.0	3,818	99.9	84,664	100.0	39,919	100.0	6,252	100.0	46,171	100.0
ARM	4	0.0	2	0.1	6	0.0	0	0.0	0	0.0	0	0.0
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

IV. Term at Origination

Tables C4 and **C4a** below show the comparison based on term at origination for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021. While **Table C4** displays the term at origination and **Table C4a** displays the amortization term, there is no difference in the data as the Enterprises acquire very few, if any, high-cost ARMs.

Table C4: Term at Origination (2021)

Term at Origination	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
30 Years	66,537	82.3	3,253	85.2	69,790	82.4	33,598	84.2	3,924	62.8	37,522	81.3
15 Years	7,891	9.8	187	4.9	8,078	9.5	3,724	9.3	1,334	21.3	5,058	11.0
All Others	6,422	7.9	380	9.9	6,802	8.0	2,597	6.5	994	15.9	3,591	7.8
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

Table C4a: Amortization Term (2021)

Amortization Term	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
30 Years	66,537	82.3	3,253	85.2	69,790	82.4	33,598	84.2	3,924	62.8	37,522	81.3
15 Years	7,891	9.8	187	4.9	8,078	9.5	3,724	9.3	1,334	21.3	5,058	11.0
All Others	6,422	7.9	380	9.9	6,802	8.0	2,597	6.5	994	15.9	3,591	7.8
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

V. Interest Rate at Origination

Tables C5 and **C5a** below show the comparison based on the interest rate at origination for the higher-priced mortgage loans and higher-priced fixed-rate mortgage loans, respectively, that were purchased and securitized by an Enterprise in 2021.

Table C5: Interest Rate at Origination (2021)

Interest Rate at Origination	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
< 4.0%	61,638	76.2	2,602	68.1	64,240	75.9	24,348	61.0	1,903	30.4	26,251	56.9
>= 4.0%, < 4.5%	12,019	14.9	824	21.6	12,843	15.2	8,715	21.8	3,418	54.7	12,133	26.3
>= 4.5%, < 5.0%	6,320	7.8	368	9.6	6,688	7.9	5,876	14.7	807	12.9	6,683	14.5
>= 5.0%, < 5.5%	789	1.0	26	0.7	815	1.0	893	2.2	99	1.6	992	2.1
>= 5.5%, < 6.0%	84	0.1	0	0.0	84	0.1	87	0.2	25	0.4	112	0.2
>= 6.0%, < 6.5%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 6.5%, < 7.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 7.0%, < 7.5%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 7.5%, < 8.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 8.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

Table C5a: Interest Rate at Origination of Fixed-Rate Mortgages (2021)

Interest Rate at Origination	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
< 4.0%	61,634	76.2	2,600	68.1	64,234	75.9	24,348	61.0	1,903	30.4	26,251	56.9
>= 4.0%, < 4.5%	12,019	14.9	824	21.6	12,843	15.2	8,715	21.8	3,418	54.7	12,133	26.3
>= 4.5%, < 5.0%	6,320	7.8	368	9.6	6,688	7.9	5,876	14.7	807	12.9	6,683	14.5
>= 5.0%, < 5.5%	789	1.0	26	0.7	815	1.0	893	2.2	99	1.6	992	2.1
>= 5.5%, < 6.0%	84	0.1	0	0.0	84	0.1	87	0.2	25	0.4	112	0.2
>= 6.0%, < 6.5%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 6.5%, < 7.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 7.0%, < 7.5%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 7.5%, < 8.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
>= 8.0%	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	80,846	100.0	3,818	100.0	84,664	100.0	39,919	100.0	6,252	100.0	46,171	100.0

VI. Credit Score

Tables C6 and **C6a** below show the comparison based on credit score for the higher-priced mortgage loans and higher-priced fixed-rate mortgage loans, respectively, that were purchased and securitized by an Enterprise in 2021.[56]

Table C6: Credit Score (2021)

Credit Score	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
Less than 620	33	0.0	34	0.9	67	0.1	208	0.5	68	1.1	276	0.6
620 - < 660	9,036	11.2	629	16.5	9,665	11.4	5,047	12.6	1,246	19.9	6,293	13.6
660 - < 700	13,603	16.8	832	21.8	14,435	17.0	6,777	17.0	1,556	24.9	8,333	18.0
700 - < 760	24,122	29.8	1,151	30.1	25,273	29.8	10,702	26.8	1,667	26.7	12,369	26.8
760 or Greater	34,002	42.1	1,169	30.6	35,171	41.5	17,116	42.9	1,679	26.9	18,795	40.7
Missing/Bad	54	0.1	5	0.1	59	0.1	69	0.2	36	0.6	105	0.2
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

[56] Credit scores referred to in these tables are Classic FICO scores.

Table C6a: Credit Score of Fixed-Rate Mortgages (2021)

Credit Score	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
Less than 620	33	0.0	34	0.9	67	0.1	208	0.5	68	1.1	276	0.6
620 - < 660	9,036	11.2	629	16.5	9,665	11.4	5,047	12.6	1,246	19.9	6,293	13.6
660 - < 700	13,603	16.8	832	21.8	14,435	17.0	6,777	17.0	1,556	24.9	8,333	18.0
700 - < 760	24,121	29.8	1,151	30.1	25,272	29.8	10,702	26.8	1,667	26.7	12,369	26.8
760 or Greater	33,999	42.1	1,167	30.6	35,166	41.5	17,116	42.9	1,679	26.9	18,795	40.7
Missing/Bad	54	0.1	5	0.1	59	0.1	69	0.2	36	0.6	105	0.2
Totals	80,846	100.0	3,818	100.0	84,664	100.0	39,919	100.0	6,252	100.0	46,171	100.0

VII. Borrower Income Ratio

Table C7 below shows the comparison based on borrower income relative to AMI for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C7: Borrower Income Ratio (2021)

Borrower Income Ratio	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
>= 0%, <= 50%	5,875	7.3	296	7.7	6,171	7.3	2,480	6.2	1,033	16.5	3,513	7.6
> 50%, <= 80%	17,929	22.2	850	22.3	18,779	22.2	8,510	21.3	2,653	42.4	11,163	24.2
> 80%	56,345	69.7	2,649	69.3	58,994	69.7	28,328	71.0	2,306	36.9	30,634	66.3
Not Applicable	701	0.9	25	0.7	726	0.9	601	1.5	260	4.2	861	1.9
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

VIII. Tract Income Ratio

Table C8 below shows the comparison based on the tract income ratio, which is the ratio of the 2010 census tract median income to the 2010 local AMI, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C8: Tract Income Ratio (2021)

Tract Income Ratio	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
<= 80%	17,200	21.3	903	23.6	18,103	21.4	8,253	20.7	2,506	40.1	10,759	23.3
> 80%, <= 120%	36,078	44.6	1,877	49.1	37,955	44.8	16,594	41.6	3,019	48.3	19,613	42.5
> 120%	27,482	34.0	1,036	27.1	28,518	33.7	15,013	37.6	719	11.5	15,732	34.1
Missing	90	0.1	4	0.1	94	0.1	59	0.1	8	0.1	67	0.1
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

IX. 2010 Census Tract Percent Minority

Table C9 below shows the comparison based on the composition of minority population in a census tract where the property securing a loan is located, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C9: Percent Minority in Census Tract (2021)

Percent Minority in Census Tract	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
0% - < 10%	14,039	17.4	751	19.7	14,790	17.5	7,236	18.1	1,571	25.1	8,807	19.1
10% - < 30%	28,737	35.5	1,382	36.2	30,119	35.6	13,767	34.5	1,878	30.0	15,645	33.9
30% - 100%	38,044	47.1	1,686	44.1	39,730	46.9	18,900	47.3	2,803	44.8	21,703	47.0
Missing	30	0.0	1	0.0	31	0.0	16	0.0	0	0.0	16	0.0
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

X. Purpose of Loan

Table C10 below shows the comparison based on the purpose of the loan, whether for home purchase, refinancing of an existing loan, or other, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C10: Loan Purpose (2021)

Loan Purpose	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
Purchase	31,165	38.5	1,813	47.5	32,978	38.9	12,055	30.2	2,498	40.0	14,553	31.5
Refinance/Other	49,685	61.5	2,007	52.5	51,692	61.1	27,864	69.8	3,754	60.0	31,618	68.5
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

XI. Federal Guarantee

Table C11 below shows the comparison based on whether the loan is federally guaranteed or insured, for example by FHA, VA, or RHS, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2021.

Table C11: Federal Guarantee (2021)

Federal Guarantee	Fannie Mae						Freddie Mac					
	In Portfolio at Year-End?				Totals		In Portfolio at Year-End?				Totals	
	Not Held		Retained				Not Held		Retained			
	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent	Loans	Percent
No	80,849	100.0	3,818	99.9	84,667	100.0	39,878	99.9	6,252	100.0	46,130	99.9
Yes	1	0.0	2	0.1	3	0.0	41	0.1	0	0.0	41	0.1
Totals	80,850	100.0	3,820	100.0	84,670	100.0	39,919	100.0	6,252	100.0	46,171	100.0

Appendix D: National Mortgage Database

The tables in **Appendix D** rely on the core NMDB to provide information on conventional conforming residential mortgages originated in 2021. The core NMDB is a 5 percent representative sample of single-family, first lien mortgages in the United States.[57]

The tables present separate statistics for all purchase-money and refinance mortgages separately. In each table, the conforming-sized conventional mortgages originations are further divided into Enterprise acquired mortgages, and non-Enterprise acquired conventional, conforming-sized mortgages. Conventional mortgages are mortgages not insured or guaranteed by the government. Conforming-sized loans are loans with amounts that are at or below the applicable conforming loan limits. Enterprise mortgages are loans purchased by Fannie Mae or Freddie Mac.

In these tables, loan to value (LTV) and combined loan to value (CLTV) ratios are as of the origination date. Credit scores in these tables are based on the average borrower's VantageScore® 3.0 credit score, also at the time of origination.

- **Table D1a** below shows the average property value, loan amount, mortgage term, contract interest rates, and percent first-time homebuyer for purchase-money mortgages.
- **Table D1b** below shows the average LTV ratio, average CLTV ratio, and percentage of mortgage in each of the four LTV classes for purchase-money mortgages.
- **Table D1c** below shows the average credit score, percentage of mortgages in five credit score classes, and the Enterprise share of conventional conforming-sized mortgages for purchase-money mortgages.[58]
- **Table D2a** below shows the average property value, loan amount, mortgage term, contract interest rates, and percent cash-out refinancing for refinance mortgages.
- **Table D2b** below shows the average LTV ratio, average CLTV ratio, and percentage of mortgage in each of the four LTV classes for refinance mortgages.
- **Table D2c** below shows the average credit score, percentage of mortgages in five credit score classes, and the Enterprise share of conventional conforming-sized mortgages refinance mortgages.

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[57] NMDB Technical Documentation is available at: https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/NMDB-Technical-Documentation-20210121.pdf.

[58] https://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-is-a-good-credit-score/.

Table D1a: Property Value, Loan Amount, Term to Maturity, and Contract Interest Rate 2021 Purchase-Money Mortgages

Origination Month	Average Loan Amount (in $1,000)	Average Property Value (in $1,000)	Mortgage Terms (Percent)			Average Contract Interest Rate (Percent)	Percent First Time Homebuyer
			Adjustable Rate Mortgage	15-Year Fixed Rate Mortgages	20- and 30-Year Fixed Rate Mortgages		
All Conventional, Conforming-Sized Purchase-Money Mortgages							
January	276	360	2.1	11.0	86.9	2.9	46.0
February	279	365	1.6	10.9	87.5	3.0	48.0
March	284	372	1.4	11.0	87.6	3.1	46.3
April	281	367	1.0	12.6	86.4	3.3	47.0
May	284	372	1.3	12.8	85.9	3.2	47.7
June	289	379	1.6	11.7	86.7	3.2	47.5
July	286	375	1.4	12.4	86.2	3.2	47.1
August	289	378	1.4	11.7	86.9	3.1	46.5
September	287	377	1.1	11.7	87.2	3.1	44.7
October	291	382	1.6	10.8	87.6	3.2	44.9
November	296	389	1.6	11.0	87.4	3.3	45.2
December	304	398	1.6	9.5	88.9	3.3	43.7
Enterprise Purchase-Money Mortgages							
January	297	380	0.3	5.3	94.4	2.8	45.9
February	299	385	0.2	5.9	93.9	2.8	48.9
March	305	393	0.2	6.2	93.6	2.9	46.9
April	305	390	0.4	6.6	93.1	3.2	48.3
May	310	398	0.5	6.6	92.9	3.2	49.1
June	311	400	0.7	5.8	93.5	3.1	48.7
July	314	403	0.5	5.7	93.8	3.1	48.9
August	314	402	0.3	5.6	94.0	3.0	48.1
September	311	399	0.2	5.7	94.1	3.0	45.9
October	312	401	0.2	5.4	94.4	3.1	45.3
November	320	412	0.3	5.3	94.4	3.2	46.3
December	322	415	0.2	5.3	94.4	3.3	44.4
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages							
January	186	273	10.1	35.8	54.1	3.5	46.8
February	191	276	7.9	32.7	59.4	3.5	43.7
March	195	284	6.8	32.1	61.1	3.6	43.4
April	197	288	3.4	34.0	62.6	3.6	42.9
May	200	286	4.0	33.1	62.9	3.5	43.5
June	214	311	4.6	31.6	63.8	3.5	43.6
July	199	289	4.1	33.6	62.2	3.5	41.4
August	208	301	4.8	31.7	63.5	3.4	41.3
September	213	306	4.3	30.8	64.9	3.4	40.3
October	220	321	6.4	29.9	63.7	3.6	43.6
November	217	313	5.8	30.3	63.9	3.7	41.8
December	238	336	6.5	25.0	68.4	3.6	41.1

Table D1b: Loan-to-Value and Combined Loan-to-Value
2021 Purchase-Money Mortgages

Origination Month	Average Loan-to-Value Ratio (percent)	Average Combined Loan-to-Value Ratio (Percent)	Percent of Loans by Loan-to-Value Ratio Class / Combined Loan-to-Value Percentage			
			70.0 or Less	70.1 to 80	80.1 to 90	Over 90
All Conventional, Conforming-Sized Purchase-Money Mortgages						
January	78.1	78.2	21.6	32.8	16.2	29.4
February	77.8	78.1	21.9	33.8	15.1	29.3
March	77.7	78.0	22.3	33.0	16.5	28.3
April	77.4	77.6	23.4	31.9	15.8	28.9
May	77.2	77.5	23.5	31.3	15.6	29.7
June	77.3	77.6	23.8	30.6	16.0	29.5
July	77.1	77.3	24.0	30.6	15.8	29.5
August	77.1	77.3	23.9	31.0	16.1	29.0
September	77.0	77.3	24.1	31.8	15.6	28.6
October	77.4	77.6	22.9	32.5	15.5	29.0
November	77.2	77.4	23.3	32.4	16.2	28.1
December	78.0	78.2	22.8	32.6	16.2	28.4
Enterprise Purchase-Money Mortgages						
January	81.0	81.2	15.9	35.7	17.2	31.2
February	80.7	80.9	16.5	36.5	16.0	31.0
March	80.6	80.8	17.0	35.4	17.5	30.2
April	81.0	81.2	16.5	34.9	17.0	31.6
May	80.9	81.1	16.8	34.0	16.7	32.5
June	81.0	81.2	17.0	33.2	17.2	32.6
July	81.1	81.3	16.5	33.5	17.2	32.7
August	80.9	81.1	16.7	33.6	17.2	32.5
September	80.6	80.7	17.4	34.4	16.5	31.7
October	80.6	80.8	16.8	35.0	16.6	31.7
November	80.5	80.7	17.1	34.9	17.2	30.7
December	80.3	80.4	17.9	34.3	17.2	30.5
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages						
January	65.2	65.4	46.2	20.3	11.7	21.9
February	65.0	65.8	45.7	21.7	11.0	21.6
March	65.1	65.7	45.6	22.5	12.0	19.9
April	64.5	65.2	48.0	21.1	11.4	19.5
May	65.2	65.5	45.6	22.0	11.9	20.5
June	65.1	65.4	46.5	21.8	12.0	19.6
July	64.3	64.5	48.0	21.4	11.4	19.3
August	64.6	65.0	47.5	22.5	12.5	17.5
September	65.6	66.1	45.8	22.9	12.8	18.6
October	66.0	66.2	44.4	23.5	11.7	20.3
November	66.2	66.3	44.1	23.7	12.8	19.4
December	69.7	69.9	41.0	26.0	12.5	20.5

Table D1c: Credit Scores and Enterprise Shares – 2021 Purchase-Money Mortgages

Origination Month	All Borrowers' Credit Score						Enterprise Share (Percent)
	Average Credit Score	Percent Share of Loans by Borrowers' Credit Score Category*					
		Very Poor Credit (300-499)	Poor Credit (500-600)	Fair Credit (601-660)	Good Credit (661-780)	Excellent Credit (781-850)	
All Conventional, Conforming-Sized Purchase-Money Mortgages							
January	751	0.1	1.4	5.7	58.4	34.3	81.1
February	751	0.2	1.5	5.2	58.6	34.5	81.1
March	753	0.1	1.7	5.0	56.9	36.3	81.1
April	753	0.1	1.6	5.0	57.4	35.9	77.7
May	753	0.1	1.4	5.0	57.8	35.6	76.3
June	753	0.1	1.7	5.2	56.7	36.2	76.6
July	752	0.1	1.9	5.2	58.4	34.4	75.8
August	750	0.1	1.5	5.5	59.6	33.3	76.2
September	750	0.1	1.5	6.0	58.5	34.0	75.8
October	750	0.1	1.7	6.2	58.3	33.7	77.3
November	749	0.1	1.6	6.7	58.2	33.4	76.7
December	751	0.0	1.1	6.1	59.0	33.8	78.5
Enterprise Purchase-Money Mortgages							
January	758	0.0	0.3	3.6	60.1	36.0	NA
February	758	0.0	0.3	3.5	60.0	36.2	NA
March	759	0.0	0.3	3.5	58.1	38.1	NA
April	760	0.0	0.3	3.1	58.9	37.7	NA
May	760	0.0	0.2	3.0	59.0	37.9	NA
June	760	0.0	0.4	3.3	58.0	38.2	NA
July	758	0.0	0.3	3.2	60.9	35.6	NA
August	756	0.0	0.3	3.4	61.8	34.5	NA
September	756	0.0	0.4	3.8	60.7	35.1	NA
October	756	0.0	0.4	4.4	60.0	35.2	NA
November	755	0.0	0.4	5.1	59.8	34.8	NA
December	754	0.0	0.5	4.8	60.3	34.4	NA
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages							
January	724	0.4	6.3	14.9	51.3	27.2	NA
February	724	1.0	6.8	12.5	52.2	27.5	NA
March	724	0.6	8.0	11.9	51.4	28.1	NA
April	729	0.4	6.4	11.9	52.0	29.3	NA
May	730	0.3	5.7	11.7	53.9	28.4	NA
June	731	0.4	6.4	11.3	52.2	29.7	NA
July	730	0.6	7.1	11.6	50.4	30.3	NA
August	731	0.3	5.5	12.4	52.6	29.3	NA
September	731	0.2	5.3	12.8	51.0	30.6	NA
October	730	0.3	6.2	12.5	52.6	28.5	NA
November	730	0.3	6.0	12.1	52.7	28.9	NA
December	739	0.1	3.4	10.9	53.9	31.7	NA

*https://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-is-a-good-credit-score/

Table D2a: Property Value, Loan Amount, Term to Maturity, and Contract Interest Rate 2021 Refinance Mortgages

Origination Month	Average Loan Amount (in $1,000)	Average Property Value (in $1,000)	Mortgage Terms (Percent)			Average Contract Interest Rate (Percent)	Percent Cashout Refinance (Percent)
			Adjustable Rate Mortgage	15-Year Fixed Rate Mortgages	20- and 30-Year Fixed Rate Mortgages		
All Conventional, Conforming-Sized Refinance Mortgages							
January	280	477	0.6	24.1	75.3	2.8	31.9
February	278	478	0.6	25.8	73.5	2.8	32.1
March	271	469	0.9	28.2	70.9	2.8	35.6
April	262	457	0.8	30.0	69.3	3.0	41.2
May	260	455	1.5	31.2	67.3	3.0	45.9
June	261	457	1.8	30.2	68.0	3.0	47.8
July	262	459	1.6	29.6	68.8	3.0	51.4
August	269	473	1.1	29.2	69.7	2.9	49.2
September	267	475	0.9	28.5	70.5	2.9	50.8
October	266	475	1.2	27.8	71.0	2.9	52.6
November	261	467	1.6	27.0	71.4	3.1	56.7
December	270	475	1.4	24.4	74.2	3.1	57.3
Enterprise Refinance Mortgages							
January	286	486	0.0	21.9	78.0	2.8	30.8
February	284	484	0.1	23.9	76.0	2.8	31.0
March	276	473	0.2	26.3	73.5	2.8	34.9
April	268	461	0.3	27.7	72.0	3.0	40.5
May	268	463	1.1	28.4	70.6	3.0	44.9
June	269	464	1.4	27.5	71.1	3.0	46.9
July	269	465	1.0	27.2	71.8	3.0	50.6
August	276	482	0.5	27.0	72.5	2.9	48.0
September	273	480	0.4	26.4	73.3	2.9	50.0
October	272	478	0.4	25.7	73.9	2.9	52.4
November	271	476	0.8	23.3	75.9	3.0	56.4
December	275	478	0.5	22.2	77.3	3.1	57.7
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages							
January	222	405	5.4	45.1	49.5	2.9	42.2
February	232	430	5.4	42.5	52.1	2.9	40.8
March	240	443	5.6	41.4	53.1	2.9	40.2
April	232	436	3.5	42.9	53.6	3.1	45.0
May	221	420	3.8	45.3	50.9	3.1	50.3
June	223	427	4.0	43.9	52.1	3.1	51.7
July	229	431	4.7	42.5	52.8	3.1	55.3
August	229	431	4.6	41.7	53.7	3.0	56.2
September	233	447	4.2	41.8	54.0	3.0	55.1
October	236	462	5.8	39.8	54.4	3.0	53.7
November	215	427	5.7	44.6	49.7	3.2	58.2
December	244	460	5.8	36.3	58.0	3.3	55.2

Table D2b: Loan-to-Value and Combined Loan-to-Value 2021 Refinance Mortgages

Origination Month	Average Loan-to-Value Ratio (percent)	Average Combined Loan-to-Value Ratio (Percent)	Percent of Loans by Loan-to-Value Ratio Class			
			Combined Loan-to-Value Percentage			
			70.0 or Less	70.1 to 80	80.1 to 90	Over 90
All Conventional, Conforming-Sized Refinance Mortgages						
January	62.5	62.6	63.3	27.4	7.2	2.0
February	62.0	62.1	64.4	27.1	6.7	1.8
March	61.7	61.8	65.1	27.0	6.1	1.8
April	61.2	61.3	66.1	26.0	6.0	1.9
May	60.8	60.9	66.6	26.2	5.3	1.9
June	60.8	60.9	66.4	26.8	4.9	2.0
July	60.6	60.7	67.7	26.5	4.1	1.7
August	60.1	60.2	69.9	25.2	3.5	1.4
September	60.0	60.1	70.4	24.8	3.3	1.5
October	59.6	59.7	70.8	24.9	2.9	1.4
November	59.3	59.4	70.8	24.7	3.0	1.5
December	60.4	60.5	69.2	26.2	3.0	1.7
Enterprise Refinance Mortgages						
January	63.1	63.2	62.6	28.2	7.3	1.9
February	62.7	62.8	63.5	27.9	6.9	1.7
March	62.5	62.5	64.1	27.9	6.3	1.8
April	62.3	62.3	64.3	27.7	6.1	1.9
May	62.2	62.2	64.7	28.2	5.3	1.8
June	62.3	62.3	64.3	28.9	5.0	1.8
July	61.8	61.8	66.3	28.2	3.8	1.6
August	61.1	61.2	68.8	26.7	3.1	1.3
September	61.0	61.1	69.4	26.2	3.0	1.4
October	60.7	60.8	69.9	26.3	2.6	1.3
November	60.9	61.0	69.4	26.5	2.7	1.5
December	61.2	61.3	68.3	27.5	2.6	1.5
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages						
January	56.6	56.9	71.2	19.9	6.5	2.4
February	55.7	56.1	73.5	19.0	5.4	2.1
March	56.4	56.8	72.9	19.7	5.0	2.4
April	55.0	55.5	76.6	15.8	5.2	2.5
May	53.6	53.9	76.4	16.1	5.2	2.4
June	53.6	54.0	77.2	16.1	4.3	2.4
July	54.0	54.6	75.7	16.7	5.4	2.2
August	54.2	54.6	76.7	15.8	5.3	2.2
September	53.6	54.1	76.8	15.9	5.1	2.2
October	53.3	53.8	76.8	17.0	4.3	1.8
November	51.3	51.7	77.6	16.1	4.3	1.9
December	56.0	56.6	74.2	18.6	4.9	2.1

Table D2c: Credit Scores and Enterprise Shares
2021 Refinance Mortgages

Origination Month	All Borrowers' Credit Score						Enterprise Share (Percent)
	Average Credit Score	Percent Share of Loans by Borrowers' Credit Score Category*					
		Very Poor Credit (300-499)	Poor Credit (500-600)	Fair Credit (601-660)	Good Credit (661-780)	Excellent Credit (781-850)	
All Conventional, Conforming-Sized Refinance Mortgages							
January	762	0.0	0.6	3.9	51.0	44.4	90.0
February	762	0.1	0.6	3.9	50.9	44.5	89.0
March	761	0.0	0.5	4.3	51.1	44.1	86.8
April	759	0.0	0.7	4.7	52.4	42.1	84.8
May	755	0.1	1.2	5.6	53.2	39.9	82.7
June	753	0.0	1.0	6.5	53.3	39.3	82.5
July	750	0.0	1.2	6.9	55.3	36.6	83.5
August	752	0.1	1.0	6.4	55.1	37.4	84.5
September	752	0.1	1.0	6.8	54.4	37.7	84.9
October	750	0.0	1.1	7.4	54.7	36.8	84.5
November	745	0.0	1.8	8.7	55.2	34.2	82.1
December	746	0.0	1.1	8.5	56.4	34.0	83.5
Enterprise Refinance Mortgages							
January	763	0.0	0.3	3.6	51.6	44.4	NA
February	764	0.0	0.3	3.6	51.6	44.5	NA
March	762	0.0	0.2	4.0	51.7	44.1	NA
April	759	0.0	0.3	4.5	53.7	41.6	NA
May	757	0.0	0.4	5.2	54.5	39.9	NA
June	754	0.0	0.4	6.1	54.6	38.9	NA
July	751	0.0	0.6	6.7	56.4	36.3	NA
August	753	0.0	0.5	6.1	56.0	37.4	NA
September	753	0.0	0.6	6.4	55.3	37.8	NA
October	751	0.0	0.6	7.2	56.0	36.2	NA
November	747	0.0	0.8	8.2	57.2	33.9	NA
December	745	0.0	0.9	8.5	57.5	33.1	NA
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages							
January	752	0.3	3.2	6.7	45.4	44.4	NA
February	753	0.3	3.5	6.8	45.1	44.3	NA
March	756	0.2	2.5	6.4	47.0	43.9	NA
April	756	0.1	3.2	6.0	45.4	45.2	NA
May	746	0.3	5.1	8.0	46.8	39.9	NA
June	749	0.1	3.7	8.1	46.8	41.3	NA
July	746	0.2	4.1	8.1	49.4	38.2	NA
August	744	0.3	4.0	8.2	50.0	37.5	NA
September	743	0.2	3.7	9.4	49.7	36.9	NA
October	747	0.1	3.9	8.5	47.6	40.0	NA
November	736	0.1	6.5	11.2	46.2	36.0	NA
December	749	0.1	2.1	8.3	50.5	38.9	NA

*https://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-is-a-good-credit-score/