

2023 Affordable Housing Preservation Outreach

ACTIVITY:

J. Residential Economic Diversity (RED) Activity (12 C.F.R. §§ 1282.32 (d)(3) and 1282.36(c)(3))

OBJECTIVE:

2. Introduce a pilot product to accept Housing Choice Vouchers (HCVs) in markets without source of income (SOI) protections.

SUMMARY OF RESULTS:

<i>Objective's components detailed in the Plan</i>	<i>Corresponding actions taken</i>	<i>Explanation of any deviations from the Plan (if applicable)</i>
<input checked="" type="checkbox"/> Conduct outreach and implementation activities to assess pilot expansion into new markets and determine impact towards residential economic diversity.	Fannie Mae launched the Expanded Housing Choice (EHC) pilot on April 4, 2022. Detailed below are the specific steps we took to assess pilot expansion and impact.	
<input checked="" type="checkbox"/> Assess the impact of standard HCV quote option on adoption and ability to manage to our risk and return metrics. Expand HCV quote to entire states of TX and NC as assessment confirms.		
<input checked="" type="checkbox"/> Continue product trainings and marketing communications for lenders and borrowers, updating content as needed.	We hosted one lender training in 2023 and incorporated EHC into our broader Social Impact product strategy. In 2023, we posted an EHC case study, updated the FAQ on the EHC webpage, and published an article with Multifamily Impact Council and a newsletter with the National Apartment Association.	
<input checked="" type="checkbox"/> Conduct five (5) lender and borrower meetings to determine progress toward goals, using information gathered to inform potential product into more markets.	In addition to ongoing lender engagement, the team conducted focused borrower sessions. The team also conducted targeted Social Impact training and attended lender pipeline calls to continue discussions on EHC. Additional EHC touchpoints included	



	conferences and the ongoing product team roadshow.	
<input checked="" type="checkbox"/> Launch Fair Housing Testing to monitor borrower compliance.		
<input checked="" type="checkbox"/> Conduct research and pilot launch activities to reduce upfront security deposit costs for HCV renters.		
<input checked="" type="checkbox"/> If feasible and pending results from research conducted in 2022, construct and launch a pilot to evaluate options available to reduce upfront security deposit costs for HCV renters and the effectiveness of those options. Develop a research plan with 1-2 vendors and 3-5 multifamily landlords who accept HCVs targeting a sample group of properties to participate.		
<input checked="" type="checkbox"/> Build our ability to track rates of renter and landlord usage of security deposit alternatives and magnitude of renter savings afforded by use of the alternatives, relative to traditional security deposits.		

SELF-ASSESSMENT RATING OF PROGRESS:

- Target met
- Target exceeded
- Target partially completed
- No milestones achieved

IMPACT:

- 50 – Very Large Impact
- 40
- 30 – Meaningful Impact
- 20
- 10 – Minimal Impact
- 0 – No Impact



IMPACT EXPLANATION:

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

The EHC initiative offers multifamily borrowers a pricing incentive to accept HCVs as a source of income in North Carolina and Texas, widening housing options available to HCV holders. Fannie Mae launched the program on April 4, 2022, and in 2023 we focused efforts on continuing to market the program and exploring opportunities to expand its reach. The pilot was also formally extended another year to April 2024.

We exceeded engagement targets for 2023, took advantage of opportunities to engage broadly across our entire lender base, and conducted three focused borrower sessions on EHC.

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

3. Optional: If applicable, why was the Enterprise unable to achieve the Plan target?

N/A