

**2023  
Manufactured Housing  
Loan Product**

**ACTIVITY:**

E. Support manufactured home lending on tribal trust land (12 C.F.R. § 1282.33 (d))

**OBJECTIVE:**

1. Develop product and process flexibilities to streamline manufactured home lending on tribal trust land.

**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"/> To develop product and industry engagement strategies which further the availability of conventional financing for MH units on tribal trust land, Fannie Mae will pursue the following tactics:	Target met through 2023 actions; see subsequent implementation steps.	
<input checked="" type="checkbox"/> Considering lender and industry feedback, research legal and collateral standards applicable to homes on trust land which may be streamlined to promote adoption of MH as a housing supply option.	Fannie Mae engaged with lenders active in tribal trust lending to better understand existing business practices regarding lending for manufactured homes on trust land. These engagements informed our approach to updating the Native American Conventional Lending Initiative (NACLI) variance, which is described in greater detail below.	
<input checked="" type="checkbox"/> Develop an outreach and training plan to understand the replicability of tribal ordinances and business processes for de-titling new and re-titling existing manufactured homes from personal to real property, identifying barriers to adoption and proposing solutions to address those barriers.	Fannie Mae engaged with third-party expertise to develop an outreach and training curriculum specific to manufactured housing (MH). The training included both national webinars on MH titling, with content tailored for one-on-one engagements with individual tribes. A synopsis of these engagements and actionable findings are included in the sections below.	



<input checked="" type="checkbox"/> Issue one programmatic change to the NACLI variance which responds to feedback collected in 2023.	Fannie Mae updated its NACLI variance with participating lenders and its memorandum of understanding (MOU) available to participating tribes to reflect processes applicable to loans secured by manufactured homes on trust land.	
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**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?**

There is the potential for considerable impact to be realized in reducing barriers to accessing mortgage products for manufactured homes on tribal land. As noted in a 2023 report by the Center for Indian Country Development (CICD,) the higher rate spread observed among on-reservation American Indian and Alaskan Native borrowers is largely explained not by individual borrower characteristics but by the significant presence of MH in the form of home-only personal property loans.<sup>1</sup> Fannie Mae believes that additional loan product development work is warranted to streamline the treatment of MH on tribal land and specifically focused on the needs of these buyers.

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

While we remain optimistic about the opportunities to expand homeownership on tribal lands, our market and industry engagements reinforced that significant barriers remain to making conventional loan products more readily accessible for tribal members living on reservation. In addition to programmatic hurdles and staffing limitations, we found that the willingness of tribal housing authorities to consider MH as an affordable housing solution varies widely from tribe to tribe. Factors influencing these decisions may include negative perceptions of MH in favor of site-built homes or preference for traditional multifamily rental apartments for low-income tribal members. Further, the intersection of tribal housing and climate change presents both opportunities and challenges in promoting manufactured housing as a supply solution. On the one hand, negative perceptions of MH quality seem to have reinforced a belief that MH units have shorter economic lifespans relative to other types of housing. Conversely, we found some stakeholders who believed that MH, with its comparatively faster construction timeline, could aid tribes in responding to the urgent need for housing in areas affected by natural disasters, addressing significant changes in tribal population and demographics, or replacing deteriorating housing units. Notably, several lenders reported the use of “twice-moved” MH as an option to expand homeownership in an era that has seen increasing construction housing costs of all types. These MH units are moved from one residential location to another, often in connection with a mass relocation due to the closure

<sup>1</sup><https://www.minneapolisfed.org/-/media/assets/papers/cicdwp/2023/cicd-wp-2023-04.pdf>



of an existing MH community or following repossession and remarketing by a lender-affiliated manufactured home dealer. While Fannie Mae's long-standing collateral requirements anticipate homes have only been moved in connection with their initial transport from the factory, further exploring the opportunity to support the "twice-moved" MH market within the bounds of our sustainable underwriting criteria could identify additional opportunities to support the use of MH as an affordable housing option for tribal members.

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

N/A