FEDERAL HOUSING FINANCE AGENCY
Office of the Director

October 30, 2024

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

Honorable Tim Scott
Ranking Member
Committee on Banking, Housing,
and Urban Affairs
United States Senate
Washington, D.C. 20510

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

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

Dear Chairs and Ranking Members:

I am pleased to submit 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 2023. Through the oversight of the Enterprises and the Federal Home Loan Bank (FHLBank) System (together, "the regulated entities"), FHFA plays a vital role in supporting equitable and sustainable access to mortgage credit nationwide. This includes working to ensure the regulated entities operate in a safe and sound manner, do not pose a risk to financial stability, and remain a stable source of liquidity for the housing finance system. This Report — required by the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, as amended — highlights the Enterprises' 2023 affordable housing performance, including their activities to meet the housing goals and other affordable housing objectives.

Together, the Enterprises and the FHLBank System provide more than $8.4 trillion in funding for the U.S. mortgage markets and financial institutions and perform a vital function in the American economy by providing liquidity and stability to the secondary mortgage market. The Enterprises and the FHLBank System promote affordable homeownership throughout the country by channeling funds from the capital markets into the mortgage markets. In doing so, they make mortgage credit more broadly available, on more affordable terms, than would be provided by the market in their absence. Their activities, for example, support the widespread availability of the 30-year, fixed-rate mortgage in the United States. Their mission extends not only to homeownership, but also to affordable rental housing across the country.

Housing affordability remains a persistent challenge nationwide. While home price growth has moderated from the rapid increases observed in 2020 and 2021, the ongoing imbalance between the robust demand for single-family housing and an inadequate supply has caused prices to rise steadily throughout 2023 and 2024. Combined with interest rates that are elevated from the historic lows observed during the COVID-19 pandemic, many aspiring homebuyers have faced difficulty finding affordable homes.

Renters throughout the country face their own unique challenges. Rising rents in many areas have put pressure on affordability over the past few years while some renters also report issues related to inadequate property maintenance, unclear or harmful lease terms, and costly and confusing application processes. At the same time, multifamily housing providers face challenges maintaining properties, driven in part by elevated property management costs. Taken together, these conditions can exacerbate affordability concerns and lead to other negative outcomes such as deferred maintenance.

Despite these challenges, FHFA and its regulated entities continue to work to meet the following objectives to support mission-critical activities:

- *Promote equitable access to affordable and sustainable housing,* including efforts that further energy efficiency and resilience.

- *Improve outcomes for homebuyers* with initiatives to promote fair lending, combat predatory practices, reduce closing costs, modernize appraisals, and expand access for creditworthy borrowers in a safe and sound manner.

- *Support the stability of the housing finance system* by ensuring the regulated entities provide liquidity to the mortgage market across the economic cycle and strengthening the Enterprises' financial condition and risk management.

This Report highlights key initiatives by FHFA and the Enterprises to encourage affordable and sustainable housing opportunities in the single-family and multifamily markets.

Affordable Housing Goals: FHFA establishes annual housing goals for the Enterprises by regulation and evaluates their performance against the housing goals each year. FHFA established single-family housing goals for 2022-2024 in December 2021, and multifamily housing goals for 2023-2024 in December 2022. The housing goals require the Enterprises, through their mortgage purchases, to responsibly promote access to affordable housing that reaches low- and moderate-income families, minority communities, and other underserved populations. In August 2024, FHFA issued a proposed rule to establish the Enterprise housing goals for 2025-2027.

Equitable Housing Finance Plans and Fair Lending: FHFA requires the Enterprises, through their Equitable Housing Finance Plans, to take actions to reduce the racial or ethnic homeownership gap and address underinvestment or undervaluation in underserved, formerly redlined areas. In April 2023, the Enterprises modified their Equitable Housing Finance Plans to include further consideration of barriers facing renters, homeowners of color, and underserved communities. In May 2023, FHFA proposed a rule to address barriers to sustainable housing opportunities for underserved communities by codifying existing FHFA practices in regulation and adding new requirements related to fair lending, fair housing, and the Equitable Housing Finance Plans. FHFA reviewed and considered public comments, many of which discussed particular challenges among communities such as Asian Americans and Pacific Islanders, before adopting the final rule in July 2024.

Multifamily Housing: In 2023, FHFA created a new mission-driven category in the Conservatorship Scorecard to support the preservation of workforce housing. The Enterprises collectively supported the financing of $2.3 billion in workforce housing loans, representing more than 17,000 rental units that same year. Beginning in 2024, FHFA also allowed Enterprise-purchased loans that preserve workforce housing to be exempt from the annual multifamily cap for each Enterprise (currently set at $70 billion). Both changes help Fannie Mae and Freddie Mac support affordability and the availability of more rental housing choices closer to tenants' places of employment, hospitals, and schools.

Duty to Serve: To support access to credit in certain high-needs communities, FHFA published a final rule, effective in July 2023, establishing incentives for Fannie Mae and Freddie Mac to facilitate improvements in housing conditions for colonias, which are low-income, rural areas along the U.S.-Mexico border lacking basic services such as potable water. The rule designates the Enterprises' activities in all census tracts containing colonias as activities in "high-needs rural regions," which qualifies those activities for Duty to Serve credit. Additionally, in 2024, both Enterprises have been working to serve high-needs rural regions through partnerships with Native Community Development Financial Institutions that support the financing needs of American Indian and Alaska Native borrowers.

Low-Income Housing Tax Credits: In December 2023, FHFA announced that it would increase the Low-Income Housing Tax Credit (LIHTC) equity investment cap to $1 billion annually per Enterprise, up from $850 million. Investments above $500 million in a given year must fund projects that have difficulty attracting investors. This adjustment allows for more Enterprise LIHTC investments that support housing in Duty to Serve-designated rural areas or meet other affordable housing objectives.

In addition to describing the affordable housing activities of the Enterprises during 2023, this Report provides information on the Enterprises' single-family loan purchases by metrics such as the borrower's race or ethnicity, gender, and credit score, as well as the median income of the census tract, loan-to-value ratio, and whether the loan has a fixed or adjustable interest rate. The Report also discusses findings from the Enterprises' 2023 Public Use Database (PUDB). Lastly, the Report includes updated information for 2023 about the national mortgage market based on the National Mortgage Database (NMDB®), which is jointly funded and managed by FHFA and the Consumer Financial Protection Bureau. The NMDB provides relevant data on a nationally representative 5 percent sample of residential mortgages in the United States.

I encourage you to review this Report describing the Enterprises' affordable and other housing activities in 2023.

Sincerely,

S Thompson

Sandra L. Thompson

ANNUAL HOUSING REPORT

JANUARY 1, 2023 – DECEMBER 31, 2023

RELEASE DATE: OCTOBER 30, 2024

Division of Housing Mission and Goals

Table of Contents

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 serving as a stable source of housing finance supporting 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 both affordable housing and access to mortgage credit, problems that are especially concentrated in certain geographic and demographic communities. FHFA plays a vital role in both promoting support for 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 intended to identify obstacles to borrowers accessing mortgage credit, analyze potential solutions, and develop appropriate strategies to improve and maintain the availability of mortgage credit for housing in a safe and sound manner.

Annual Housing Goals

Under the Safety and Soundness Act, as amended by HERA, FHFA establishes several annual housing goals related to 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

[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.

for single-family and multifamily mortgages. As required by the statute, FHFA established housing goals for single-family and multifamily mortgages acquired by the Enterprises for 2023 in final rules issued in 2021 and 2022, respectively.[3]

In October 2024, FHFA notified Fannie Mae and Freddie Mac of its final determinations on their performance under the 2023 Enterprise housing goals. The final determination for Freddie Mac states that during 2023, Freddie Mac met all of the single-family and multifamily housing goals and subgoals. The final determination for Fannie Mae states that during 2023, Fannie Mae met the single-family low-income areas purchase goal; the single-family minority census tracts purchase subgoal; the single-family low-income census tracts purchase subgoal; the single-family low-income refinance goal; and all of the multifamily goals and subgoals. However, Fannie Mae failed to meet the single-family low-income purchase goal and the single-family very low-income purchase goal. FHFA also determined that, considering the financial condition of the Enterprise, macroeconomic conditions, feedback from stakeholders during the year, and the liquidity and stability of the housing market, the low-income and very low-income home purchase goals were not feasible for Fannie Mae to achieve for 2023. Additional detail about the Enterprises' 2023 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 develop loan products and flexible underwriting guidelines to facilitate a secondary market for mortgages for very low-, low-, and moderate-income families in three underserved markets: manufactured housing, affordable housing preservation, and rural housing.[4] The statutory aim is to increase the "liquidity of mortgage investments" and improve the distribution of investment capital available for mortgage financing in those markets. 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' current Duty to Serve Underserved Markets Plans (Plans) cover 2022 through 2024. FHFA conducts annual evaluations of the Enterprises' performance under the Plans.

In 2024, FHFA evaluated Fannie Mae's and Freddie Mac's 2023 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 2023, FHFA assigned Fannie Mae a rating of Low Satisfactory for its activities in each of the three underserved markets. For 2023, FHFA assigned Freddie Mac a rating of Low Satisfactory for its activities in each of the three

---

[3] *See* 86 Fed. Reg. 73641 (Dec. 28, 2021) and 87 Fed. Reg. 78837 (Dec. 23, 2022), codified at 12 CFR part 1282, subpart B.
[4] 12 U.S.C. § 4565.
[5] *See* 12 CFR part 1282, subpart C.

underserved markets. Additional details about the Enterprises' 2018-2023 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. The Conservatorship Scorecard sets specific objectives within the overall *Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac*. Pursuant to the Conservatorship Scorecard, the Enterprises undertook various initiatives in 2023 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 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 Affordable Housing Allocations section of this Report 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' 2023 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). The NMDB provides relevant information on 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

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. Those public purposes 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 single-family housing goals for the Enterprises for 2022-2024 in a final rule published in the *Federal Register* on December 28, 2021.[10] Multifamily housing goals for the Enterprises for 2023-2024 were established by FHFA in a final rule published in the *Federal Register* on December 23, 2022.[11] For mortgages on single-family, owner-occupied housing and on multifamily housing, the Enterprises must meet goals and subgoals based on the following definitions:

Single-Family Goals and Subgoals

1. **Low-income home purchase goal** for home purchase mortgages to families with incomes no greater than 80 percent of area median income (AMI);
2. **Very low-income home purchase goal** for home purchase mortgages to families with incomes no greater than 50 percent of AMI;
3. **Low-income areas home purchase goal** for mortgages to families with incomes no greater than 100 percent of AMI living in a federally declared disaster area, as well as mortgages that meet the criteria for the following new subgoals:
   - **Minority census tracts subgoal** for home purchase mortgages to families with incomes no greater than 100 percent of AMI in minority census tracts (census tracts that have a minority population of at least 30 percent and a median income of less than 100 percent of AMI);

[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* 86 Fed. Reg. 73641 (Dec. 28, 2021), codified at 12 CFR part 1282, subpart B.
[11] *See* 87 Fed. Reg. 78837 (Dec. 23, 2022), codified at 12 CFR part 1282, subpart B.

- **Low-income census tracts subgoal** for mortgages to families in low-income census tracts (census tracts where the median income is no greater than 80 percent of AMI) that are not minority census tracts, and to families with incomes greater than 100 percent of AMI in low-income census tracts that are also minority census tracts; and

4. **Low-income refinance goal** for refinance mortgages to families with incomes no greater than 80 percent of AMI.

Multifamily Goal and Subgoals

1. **Low-income multifamily goal** for rental units in multifamily properties affordable to families with incomes no greater than 80 percent of AMI;
2. **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. **Small multifamily low-income subgoal** for rental units in multifamily properties with between 5 and 50 units affordable to families with incomes no greater than 80 percent of AMI.

II. 2023 Housing Goals Performance

The sections below further explain the structure of the housing goals and provide the detailed housing goals performance of each Enterprise in 2023, based on FHFA's final determinations. The final determination letters appear in Appendix A of this Report.

A. 2023 Housing Goals Performance — Single-Family

The single-family housing goals for 2023 are expressed as percentages of each Enterprise's acquisitions of mortgages on single-family, owner-occupied properties. FHFA established separate single-family goals for purchase loans and refinance loans.

For the 2023 single-family housing goals, 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 28, 2021; or
- The "market level," which is defined as the share of conventional, conforming mortgage originations that qualified for meeting the goal based on FHFA's analysis of Home Mortgage Disclosure Act (HMDA) data.

The benchmark level serves as a prospective goal for which the Enterprises can plan, while the market level calculation serves as a retrospective analysis for 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 excludes loans insured or guaranteed by a federal government agency, such as the Federal Housing Administration (FHA), U.S. Department of Veterans Affairs (VA), and U.S. Department of Agriculture Rural Housing Service (RHS).[12] FHFA bases these calculations on its analysis of public HMDA data made available by the CFPB based on data that mortgage originators submit to the Federal Financial Institutions Examination Council (FFIEC). Typically, public HMDA data for a given year is released well after the end of that calendar year.

In October 2024, FHFA notified Freddie Mac of FHFA's final determination that Freddie Mac had met all single-family housing goals in 2023. In October 2024, FHFA notified Fannie Mae of FHFA's final determination that in 2023 Fannie Mae had met the low-income census tracts home purchase subgoal, the minority census tracts home purchase subgoal, the low-income areas home purchase goal, and the low-income refinance goal, but had failed to meet the low-income and very low-income home purchase goals. The final determination letters appear in Appendix A of this Report.

FHFA also determined that, considering the financial condition of the Enterprise, macroeconomic conditions, feedback from stakeholders during the year, and the liquidity and stability of the housing market, the low-income and very low-income home purchase goals were not feasible for Fannie Mae to achieve for 2023. For that reason, FHFA did not require Fannie Mae to submit a housing plan based on its performance related to those goals for 2023.

Tables 1 and **2** display the 2023 performance of the Enterprises on each of the single-family housing goals and subgoals.

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

Table 1: Fannie Mae 2023 Single-Family Housing Goals and Subgoals and FHFA Final Performance Determination

	Benchmark Level	Market Level	FHFA Final Determination of Fannie Mae's 2023 Performance
Low-Income Home Purchase Goal	28%	26.3%	26.1%
Very Low-Income Home Purchase Goal	7%	6.5%	6.0%
Low-Income Areas Home Purchase Goal	20%	28.1%	28.1%
Low-Income Census Tracts Purchase Subgoal	4%	9.8%	9.3%
Minority Census Tracts Purchase Subgoal	10%	12.2%	12.6%
Low-Income Refinance Goal	26%	40.3%	38.4%

Source: FHFA analysis of 2023 Fannie Mae and HMDA data.

Table 2: Freddie Mac 2023 Single-Family Housing Goals and FHFA Final Performance Determination

	Benchmark Level	Market Level	FHFA Final Determination of Freddie Mac's 2023 Performance
Low-Income Home Purchase Goal	28%	26.3%	28.5%
Very Low-Income Home Purchase Goal	7%	6.5%	6.8%
Low-Income Areas Home Purchase Goal	20%	28.1%	29.5%
Low-Income Census Tracts Purchase Subgoal	4%	9.8%	9.4%
Minority Census Tracts Purchase Subgoal	10%	12.2%	13.2%
Low-Income Refinance Goal	26%	40.3%	43.2%

Source: FHFA analysis of 2023 Freddie Mac and HMDA data.

B. 2023 Housing Goals Performance — Multifamily

For 2023, FHFA established the benchmark levels for the multifamily housing goals as the percentage share of multifamily units nationally that qualify for the goals. FHFA does not perform a retrospective market share analysis for the multifamily housing goals because there is no comprehensive multifamily market data comparable to single-family HMDA data.

In October 2024, FHFA notified Fannie Mae and Freddie Mac of FHFA's final determinations that each Enterprise had met all multifamily housing goals in 2023, as shown in **Tables 3** and **4** below. The final determination letters appear in Appendix A of this Report.

Table 3: Fannie Mae 2023 Multifamily Housing Goal and Subgoals and FHFA Final Performance Determination

	Benchmark Level	FHFA Final Determination of Fannie Mae's 2023 Performance
Low-Income Multifamily Goal	61%	76.3%
Very Low-Income Multifamily Subgoal	12%	18.7%
Small Multifamily Low-Income Subgoal	2.5%	3.2%

Source: FHFA analysis of 2023 Fannie Mae data.

Table 4: Freddie Mac 2023 Multifamily Housing Goal and Subgoals and FHFA Final Performance Determination

	Benchmark Level	FHFA Final Determination of Freddie Mac's 2023 Performance
Low-Income Multifamily Goal	61%	67.1%
Very Low-Income Multifamily Subgoal	12%	20.6%
Small Multifamily Low-Income Subgoal	2.5%	4.1%

Source: FHFA analysis of 2023 Freddie Mac data.

Enterprise Data Compared to Market Data

In 2023, Fannie Mae purchased approximately $317 billion of single-family mortgages, and Freddie Mac purchased approximately $300 billion of single-family mortgages.[13] **Tables 5** through **9** below show various characteristics of the mortgages purchased by Fannie Mae and Freddie Mac in 2022 and 2023, and the corresponding characteristics of mortgages originated in the conventional, conforming primary market, as determined by FHFA's analysis of publicly available HMDA data.[14] [15]

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, based on HMDA data for loans originated each year on owner-occupied properties with principal balances less than or equal to the Enterprises' conforming loan limits. These figures exclude any loans insured or guaranteed by the federal government, such as FHA, VA, or RHS loans.

In September 2021, FHFA posted on its website new data tables to provide additional insight into the racial and ethnic composition of loans acquired by the Enterprises that are eligible under the housing goals.[16] Since then, FHFA has been updating the tables with more recent data for the prior year. In October 2024, FHFA added tables that include 2023 data.

[13] *See* https://www.fhfa.gov/sites/default/files/2024-07/FHFA-2023-Annual-Report-to-Congress.pdf.
[14] 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."
[15] Unless otherwise noted, the data sources for **Tables 5** through **9** are FHFA analysis for 2022 and 2023 Enterprise and HMDA data. Percentages may not add to 100.0% due to rounding.
[16] *See* https://www.fhfa.gov/DataTools/Downloads/Pages/Enterprise-Housing-Goals-Data.aspx.

Table 5 shows the distribution of Enterprise-acquired mortgages and the distribution of originations in the conventional, conforming market by borrower income in 2022 and 2023.

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						
	2022			2023		
Borrower Income Ratio*	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<=50%	6.7%	6.9%	7.1%	6.4%	6.0%	6.8%
>50% to <=60%	5.8%	6.0%	6.4%	5.6%	5.6%	6.3%
>60% to <=80%	13.9%	14.6%	15.4%	14.0%	14.4%	15.4%
>80% to <=100%	13.3%	15.0%	13.7%	13.0%	13.7%	14.0%
>100% to <=120%	12.2%	13.4%	12.7%	11.7%	12.6%	12.4%
>120%	46.6%	44.1%	44.7%	48.1%	47.6%	45.2%
Missing Data	1.3%	0.0%	0.0%	1.2%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100%
Refinance						
	2022			2023		
Borrower Income Ratio*	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
<=50%	12.1%	10.7%	11.2%	14.6%	13.1%	16.3%
>50% to <=60%	7.9%	7.4%	8.0%	8.2%	8.2%	9.1%
>60% to <=80%	16.9%	16.6%	17.8%	16.8%	17.0%	17.9%
>80% to <=100%	14.9%	15.5%	15.4%	14.2%	15.0%	14.4%
>100% to <=120%	11.9%	12.6%	12.3%	11.0%	11.8%	10.9%
>120%	35.1%	37.2%	35.2%	33.5%	34.8%	31.5%
Missing Data	1.3%	0.0%	0.0%	1.7%	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-acquired mortgages and the distribution of originations in the conventional, conforming market by the reported race/ethnicity of the primary borrower in 2022 and 2023. 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						
	2022			2023		
Race/Ethnicity of Borrower(s)	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
Hispanic or Latino	10.6%	12.7%	10.2%	11.1%	12.2%	10.8%
American Indian/Alaska Native	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Asian	8.6%	8.5%	7.7%	9.0%	9.4%	8.0%
African American	4.8%	4.9%	4.6%	4.7%	4.5%	4.7%
Native Hawaiian/Pacific Islander	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Non-Hispanic White Alone	62.7%	60.3%	62.6%	62.0%	60.0%	61.4%
Two or More Races	1.2%	1.1%	2.7%	1.2%	1.1%	2.7%
Unknown/Missing	11.8%	12.1%	12.0%	11.7%	12.4%	12.2%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2022			2023		
Race/Ethnicity of Borrower(s)	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
Hispanic or Latino	9.9%	11.1%	10.8%	8.7%	9.7%	10.1%
American Indian/Alaska Native	0.3%	0.3%	0.2%	0.3%	0.3%	0.3%
Asian	3.7%	4.2%	3.5%	2.9%	2.9%	2.8%
African American	6.1%	5.8%	6.5%	6.6%	7.0%	8.0%
Native Hawaiian/Pacific Islander	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Non-Hispanic White Alone	63.7%	60.6%	60.3%	68.4%	63.8%	62.3%
Two or More Races	0.7%	0.7%	1.8%	0.7%	0.7%	1.8%
Unknown/Missing	15.3%	17.1%	16.8%	12.3%	15.5%	14.8%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 7 below shows the distribution of Enterprise-acquired mortgages and the distribution of originations in the conventional, conforming market by gender of borrower in 2022 and 2023.

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						
	2022			2023		
Gender of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
One Borrower (Male)	29.8%	30.9%	30.4%	29.4%	30.0%	30.2%
One Borrower (Female)	21.5%	22.0%	22.4%	21.2%	21.2%	22.5%
Co-Borrowers (All Male)	1.8%	2.1%	2.0%	2.0%	2.3%	2.1%
Co-Borrowers (All Female)	1.7%	2.0%	1.9%	1.8%	2.0%	2.0%
Co-Borrowers (Male and Female)	39.8%	37.8%	38.3%	40.7%	39.3%	37.9%
N.A./Missing/Unknown	5.3%	5.2%	5.1%	5.0%	5.2%	5.2%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2022			2023		
Gender of Borrower(s)	**Market**	**Fannie Mae**	**Freddie Mac**	**Market**	**Fannie Mae**	**Freddie Mac**
One Borrower (Male)	29.1%	30.1%	30.3%	27.4%	29.1%	29.1%
One Borrower (Female)	22.9%	22.9%	23.7%	24.6%	25.0%	26.8%
Co-Borrowers (All Male)	0.9%	1.0%	0.9%	1.0%	1.2%	1.2%
Co-Borrowers (All Female)	1.0%	1.1%	1.1%	1.3%	1.4%	1.5%
Co-Borrowers (Male and Female)	37.4%	35.1%	34.9%	38.7%	34.0%	33.2%
N.A./Missing/Unknown	8.7%	9.8%	9.1%	7.1%	9.3%	8.2%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 8 below shows the distribution of the Enterprises' mortgage purchases and distribution of originations in the conventional, conforming market by the relative percentages of minority households in a census tract in 2022 and 2023.

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						
	2022			2023		
Minority Share of Census Tract Population	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<10%	11.6%	8.7%	9.7%	12.1%	9.1%	10.1%
>=10% to <20%	23.3%	21.9%	23.1%	23.4%	22.3%	23.0%
>=20% to <30%	19.4%	19.8%	20.0%	19.2%	20.1%	19.8%
>=30% to <50%	23.0%	24.5%	24.1%	22.7%	24.6%	23.9%
>=50% to <80%	16.5%	18.4%	17.1%	16.2%	17.7%	17.0%
>=80%	6.0%	6.8%	5.9%	6.2%	6.2%	6.1%
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%
Refinance						
	2022			2023		
Minority Share of Census Tract Population	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<10%	13.5%	10.1%	10.6%	17.9%	12.6%	13.5%
>=10% to <20%	22.7%	21.5%	21.4%	24.6%	23.3%	22.5%
>=20% to <30%	17.3%	17.9%	17.5%	16.5%	17.9%	16.5%
>=30% to <50%	21.2%	22.8%	22.5%	18.7%	21.2%	20.5%
>=50% to <80%	16.4%	18.0%	18.1%	13.8%	16.0%	16.5%
>=80%	8.8%	9.6%	9.8%	8.1%	9.0%	10.5%
Missing Data	0.2%	0.0%	0.0%	0.3%	0.0%	0.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 9 below shows the distribution of the Enterprises' mortgage purchases and the distribution of originations in the conventional, conforming market by the median income-to-AMI ratio in the census tract in 2022 and 2023.

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						
	2022			2023		
Census Tract Income Ratio*	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<=60%	4.8%	5.0%	4.7%	5.0%	4.7%	5.0%
>60% to <=80%	12.0%	12.3%	11.9%	12.3%	12.1%	12.4%
>80% to <=100%	22.4%	22.3%	22.0%	22.3%	21.9%	22.0%
>100% to <=120%	23.0%	22.5%	22.8%	23.1%	23.0%	23.0%
>120%	37.2%	37.4%	38.2%	36.7%	37.9%	37.1%
0 or Missing	0.6%	0.5%	0.4%	0.7%	0.5%	0.5%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Refinance						
	2022			2023		
Census Tract Income Ratio*	Market	Fannie Mae	Freddie Mac	Market	Fannie Mae	Freddie Mac
<=60%	4.6%	4.4%	4.9%	4.9%	4.8%	6.0%
>60% to <=80%	12.6%	12.4%	12.9%	13.4%	13.6%	14.7%
>80% to <=100%	23.7%	23.0%	23.5%	25.1%	24.6%	25.0%
>100% to <=120%	23.5%	23.0%	23.0%	24.5%	24.3%	23.7%
>120%	35.1%	36.8%	35.4%	31.4%	32.4%	30.2%
0 or Missing	0.5%	0.4%	0.4%	0.6%	0.4%	0.4%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
*Median income of the census tract relative to AMI						

Multifamily Housing

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

On November 10, 2022, FHFA announced a multifamily mortgage purchase cap of $75 billion for each Enterprise, a combined total of $150 billion for calendar year 2023.[17] The cap applied to the entire multifamily business for each Enterprise. To ensure a focus on affordable housing and underserved markets, FHFA required at least 50 percent of each Enterprise's multifamily loan purchases to be mission-driven, in accordance with the definitions in the Appendix A of the Conservatorship Scorecard.

Multifamily loans considered mission-driven under the Scorecard for 2023 were:

- subsidized affordable housing,
- preservation loans at workforce housing properties,
- manufactured housing communities that receive credit under FHFA's Duty to Serve regulation,
- green loans that finance energy or water improvements,
- affordable units with unsubsidized/market rents, including those in small multifamily (between 5 and 50 units) and seniors multifamily properties, and
- affordable units in properties located in rural areas.

In 2023, each Enterprise actively managed its multifamily loan purchase production to stay within the $75 billion cap and exceeded the requirement that 50 percent of that business be mission-driven. Fannie Mae's year-end multifamily loan acquisitions totaled $52.9 billion. Of the total, $39.1 billion (74 percent) consisted of mission-driven acquisitions in accordance with Appendix A of the Conservatorship Scorecard. Freddie Mac's year-end multifamily loan acquisitions totaled $48.4 billion. Of the total, $31.8 billion (66 percent) consisted of mission-driven acquisitions in accordance with Appendix A of the Conservatorship Scorecard.

The Conservatorship Scorecard also required the Enterprises to engage in several additional multifamily workstreams.[18] The Enterprises:

---

[17] Press release dated November 10, 2022, available at: https://www.fhfa.gov/news/news-release/fhfa-announces-2023-multifamily-loan-purchase-caps-for-fannie-mae-and-freddie-mac.
[18] Conservatorship Scorecard: https://www.fhfa.gov/sites/default/files/2023-04/2023-Scorecard.pdf.

- *Analyzed strategies and activities to facilitate greater affordable housing supply within the limits of their charter authorities.* The Enterprises produced plans to facilitate additional affordable housing supply through new and preserved multifamily rental units.
- *Explored ways to enhance protections for tenants in Enterprise-backed multifamily properties.* The Enterprises engaged in extensive research and outreach to determine how they can improve resident-centered practices.
- *Identified areas of needed improvement in existing asset management processes and systems.* The Enterprises developed and finalized asset management improvement plans to be implemented in 2024.
- *Examined strategies to support and advance sustainable affordable rental housing, including efforts to expand energy efficiency.* The Enterprises developed plans on how to improve the resilience of multifamily buildings, electrify certain buildings, and pursue energy efficiency measures to reduce emissions.

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. Specifically, the Safety and Soundness Act directs the Enterprises to improve the distribution and availability of mortgage financing in each of these markets. The law also calls on the Enterprises to 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. 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 an Underserved Markets Plan to FHFA for review and Non-Objection. The Plan covers a three-year period and describes the activities and objectives that the Enterprise has chosen to undertake to meet its Duty to Serve obligations in each underserved market. Following a public input process and FHFA's Non-Objection for each Enterprise, their Plans covering 2022-2024 went into effect on January 1, 2022.

During each year of a Plan, FHFA monitors the Enterprise's implementation progress by reviewing quarterly reports that the Enterprise submits, among other activities. On March 15, 2024, the Enterprises submitted annual reports to FHFA detailing their performance under their Duty to Serve Plan objectives during 2023.

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. The Duty to Serve regulation provides a framework for FHFA's method for evaluating and rating the Enterprises' compliance. That framework is detailed further in separate FHFA 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 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 Enterprise.

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 2023 (the second year of their 2022-2024 Plans) and has determined that each Enterprise complied with its Duty to Serve requirements in all three underserved markets in 2023.

For an Enterprise that achieves compliance under Step One, FHFA converts its final performance score (following completion of Steps Two and Three) into one of four passing ratings: Minimally Passing, Low Satisfactory, High Satisfactory, or Exceeds. For 2023, FHFA assigned Fannie Mae a rating of Low Satisfactory for its activities in each of the three underserved markets. FHFA also assigned Freddie Mac a rating of Low Satisfactory for its activities in each of the three underserved markets. Additional information about the Enterprises' 2023 Duty to Serve activities is available on FHFA's Duty to Serve web page.[19] The following sections summarize the Enterprises' performance on their Duty to Serve Plan objectives in each underserved market in 2023.

Manufactured Housing Market

In 2023, both Enterprises continued work initiated in the previous Duty to Serve Plan cycle (2018-2021), and built on work begun in 2022, by purchasing manufactured housing loans titled as real property and loans for manufactured housing communities (MHCs) with Duty to Serve Tenant Site Lease Protections (TSLPs). More information about Fannie Mae's and Freddie Mac's investments and loan purchases in the manufactured housing market can be found in the charts below.

In 2023, both Enterprises also participated in research, outreach, and industry engagement activities focused on MHCs owned by a governmental entity, nonprofit organization, or residents (MHROCs). The Enterprises continued to encounter challenges in the MHROC Market,[20] and neither met its Plan targets for MHROC loan purchases. Fannie Mae did not purchase any MHROC loans, falling short of its target of seven loan purchases. Freddie Mac completed one MHROC transaction in 2023, falling short of its target of four transactions. Each Enterprise requested an infeasibility determination from FHFA for this objective in their respective Plans, which FHFA approved.

In 2023, both Enterprises exceeded their loan purchase targets for MHCs with TSLPs. Fannie Mae exceeded its target by purchasing loans on 331 MHC properties with TSLPs, totaling 61,833 pads and $2.875 billion in mission-adjusted unpaid principal balance (UPB). This exceeded a target of $2 billion in mission-adjusted UPB. Freddie Mac purchased 161 MHC loans with TSLPs, supporting 28,994 pads. This exceeded a target of the lesser of 105 transactions or 10,500 pads.

In 2023, Fannie Mae added loans on 142 MHC properties, totaling 22,828 units, to its rent reporting pilot program. Fannie Mae also increased the number of MHC property-owner borrowers participating in the pilot from two to eight. Fannie Mae also exceeded its Plan target of purchasing 2,100 loans for

[19] *See* https://www.fhfa.gov/programs/duty-to-serve.

[20] The Enterprises reported challenges related to difficulty finding ROCs interested in pursuing financing.

MHCs with rental flexibilities, allowing for a higher percentage of pads and units that may be rented (i.e., "park-owned homes") by supporting 11,247 units.

Affordable Housing Preservation Market

In 2023, both Enterprises continued work initiated in the previous Duty to Serve Plan cycle (2018-2021), and built on work begun in 2022, by purchasing loans on properties with Section 8, State and Local, and Low-Income Housing Tax Credit (LIHTC) financing, in addition to purchasing loans on properties advancing Residential Economic Diversity. More information about Fannie Mae's and Freddie Mac's investments and loan purchases in the affordable housing preservation market can be found in the charts below.

In 2023, both Enterprises engaged in outreach activities to promote shared equity loans. Fannie Mae promoted best practices and standardization for shared equity programs through a model deed restriction and a certification system by performing a document review for more than 100 shared equity programs, releasing a selling guide announcement allowing lenders to simplify their review of programs on its Certified Shared Equity Program List, and launching the program certification Shared Equity Program Platform (SEPP) on a Fannie Mae-hosted website. Freddie Mac enhanced its offerings to drive standardization and facilitate the origination of shared equity mortgages by introducing policy updates in its Selling Guide Bulletin 2023-24, and executed a marketing campaign to expand awareness and promote the use of the model documents.

Both Enterprises also supported Department of Housing and Urban Development (HUD) programs in 2023. Fannie Mae exceeded its Plan target for purchases of loans on HUD Rental Assistance Demonstration (RAD) properties by completing four RAD transactions with 2,035 units, exceeding its target of financing 1,100 units. Freddie Mac exceeded both its original Plan target of 27,200 units, and its modified Plan target of 20,400 units, for purchases of loans on Section 8 properties, including project-based Section 8 properties and properties with tenant-based Housing Choice Voucher units, by purchasing loans on such properties with a total of 27,849 units.

Rural Housing Market

In 2023, Fannie Mae purchased 64 multifamily loans in high-needs rural regions,[21] exceeding its Plan target of 50 loans. These loans financed 7,649 units affordable to renters earning at or below 100 percent of AMI. Freddie Mac purchased 9,503 single-family loans in high-needs rural regions, exceeding its Plan target of 6,400 loans. More information about Fannie Mae's and Freddie Mac's investments and

[21] The Duty to Serve regulation defines "high-needs rural region" as any of the following regions, provided they are located in a rural area (as defined by the Duty to Serve regulation): Middle Appalachia; the Lower Mississippi Delt; a colonia census tract; or a tract located in a persistent poverty county and not included in any of the preceding regions. 12 CFR 1282.1.

loan purchases in the rural housing market can be found in the charts below.

In 2023, Freddie Mac continued to conduct research to support rural housing. Freddie Mac held its fifth annual Rural Research Symposium, with 100 attendees from academia, government agencies, financial institutions, and nonprofit agencies. The symposium highlighted research findings on matters that affect housing in rural communities and potential solutions. Presenters shared new insights on topics of continuing and growing interest including:

- Macroeconomic trends;
- Housing challenges and opportunities in Indian Country;
- Rural rental housing affordability, rental assistance, and the COVID-19 pandemic's effect on small-balance mortgages; and
- Homebuyer migration to and from rural areas resulting from the COVID-19 pandemic.

In 2023, both Enterprises worked to support housing for members of federally recognized tribes living in tribal areas. Fannie Mae supported technical assistance (TA) programs that enhance the development capacity of organizations serving Native American populations. In 2023, the TA contributed to 11 organizations applying for state funding for multifamily housing development. In 2023, Freddie Mac launched its HeritageOne Mortgage offering developed in 2022, to facilitate conventional mortgage lending to members of federally recognized tribes living in tribal areas.

Table 10: 2023 Fannie Mae Loan Purchase and Investment Performance

Market	Activity / Objective	Baseline	2023 Plan Target	2023 Modified Plan Target	2023 Purchases	Enterprise Reported Status	Percent of Plan Target Completed
Manufactured Housing	Manufactured Homes Titled as Real Property	8,196 loans	9,300 loans	4,800 loans	5,689 loans	**Met Target**	**119%**
	MHCs not Privately Owned – ROC/NPO/Gov*	2 properties	7 properties		0 properties 0 units	**Below Target**	**0%**
	MHCs with Duty to Serve Tenant Pad Lease Protections	$1.85 B	$2.0 B		$2.87 B 331 properties 61,833 units	**Met Target**	**144%**
	Purchases of Loans Financing Manufactured Homes Purchased by an MHC Owner for Purpose of Renting to MHC Tenants	1,708 units	2,100 units		11,247 units	**Met Target**	**536%**
Affordable Housing Preservation	Section 8*	159 loans	159 loans		105 loans 14,139 units	**Below Target**	**66%**
	Section 515	0 loans	9 loans		4 Loans 248 Units	**Below Target**	**44%**
	LIHTC Debt	190 loans	205 loans		202 loans 27,552 units	**Below Target**	**99%**
	Other State or Local Affordable Housing Programs	62 loans	66 loans		67 loans 9,694 units	**Met Target**	**102%**
	Rental Assistance Demonstration (RAD)	11 loans	1,100 units		4 loans 2,035 units	**Met Target**	**185%**
	Residential Economic	20 loans	30 loans		39 loans 5,026 units	**Met Target**	**130%**

	Diversity - Affordable Housing in High Opportunity Areas[22] or Mixed-Income Housing in Areas of Concentrated Poverty						
	Energy and Water Efficiency (SF)**	178 loans	187 loans	28-33 loans	36 loans	**Met Target**	**129%**
	Shared Equity	155 loans	230 loans	155 loans	301 loans	**Met Target**	**194%**
Rural Housing	LIHTC Investments in Rural Areas	59 investments	70 investments	20-40 investments	33 investments 1,342 units	**Met Target**	**165%**
	High-Needs Rural Regions (SF)	6,526 loans	7,900 loans	5,400 loans	6,470 units	**Met Target**	**120%**
	High-Needs Rural Regions (MF)	43 loans	50 loans		64 loans 7,649 loans	**Met Target**	**128%**
	Small Financial Institutions	5,749 loans	6,339 loans	2,200 loans	2,885 units	**Met Target**	**131%**
	Small Rental Properties (5-50 units)	65 loans	72 loans		73 loans 2,641 units	**Met Target**	**101%**

*Enterprise submitted an infeasibility request for this objective, which was approved by FHFA. ** SF and MF indicate single-family and multifamily.

[22] Section 1282.1 of the Duty to Serve final rule defines "high opportunity area" primarily to mean an area designated by HUD as a Difficult-to-Develop Area (DDA) during any year covered by a Plan or in the year prior to a Plan's effective date, whose poverty rate is lower than the rate specified by FHFA in the Evaluation Guidance. DDAs are areas where it is difficult to create affordable housing due to high rents relative to area median income, and they are generally considered to be a proxy for higher opportunity areas.

Table 11: 2023 Freddie Mac Loan Purchase and Investment Performance

Market	Activity / Objective	Baseline	2023 Original Plan Target	2023 Modified Plan Target	2023 Purchases	Enterprise Reported Status	Percent of Target Completed
Manufactured Housing	Manufactured homes titled as real property	6,247 loans	5,800 loans		7,963 loans	**Met Target**	**137%**
	MHC Resident-Owned Community (ROC)*	1 transaction	4 transactions		1 transaction 150 units	**Below Target**	**25%**
	MHCs with Duty to Serve Tenant Pad Lease Protections	11 transactions 1,280 units	110 transactions or 11,000 units		161 transactions 28,994 units	**Met Target**	**264%**
Affordable Housing Preservation	Section 8	27,001 units	27,200 units	20,400 units	427 properties 27,849 units	**Met Target**	**137%**
	Other State or Local Affordable Housing Programs	31,095 units	45,000 units	40,000 units	471 properties 55,750 units	**Met Target**	**139%**
	LIHTC Debt	364 properties 51,946 units	55,000 units	34,100 units	339 properties 43,127 units	**Met Target**	**126%**
	Small (5-50 unit) Rentals from Small Financial Institutions*	2 transactions $567 M	3 transactions $450 M		1 transaction $26 M	**Below Target**	**33%**
	Support for Residential Economic Diversity	42 properties 4,082 units	4,200 units		92 properties 7,867 units	**Met Target**	**187%**
	Shared Equity Loans	47 loans	125 loans		154 Loans	**Met Target**	**123%**
Rural Housing	High-Needs Rural Regions (SF)	10,527 loans	13,900 loans	6,400 loans	9,503 loans	**Met Target**	**148%**

	Small Financial Institutions	2,645 loans	2,400 loans	1,475 loans	1,937 loans	**Met Target**	**131%**
	Section 515*	0 properties	2 properties		0 properties	**Below Target**	**0%**
	LIHTC Investments		22 transactions		26 transactions	**Met Target**	**118%**
	LIHTC Investments in Properties with High-Needs Rural Populations		3 transactions		4 transactions	**Met Target**	**133%**
	LIHTC Investments in High-Needs Rural Regions		7 transactions		7 transactions	**Met Target**	**100%**

*Enterprise submitted an infeasibility request for this objective, which was approved by FHFA.

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 years.[23] 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 4,000 units have been completed since the program began in 2017.[24]

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.

FHFA is statutorily required to temporarily suspend an Enterprise's affordable housing allocations 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 plan.[25] 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.

[23] 12 U.S.C. § 4567(a).
[24] *See* https://files.hudexchange.info/reports/published/HTF_Prod_Natl_20230731.pdf.
[25] 12 U.S.C. § 4567(b).

Table 12 displays the payments made by each Enterprise from 2016 through 2024 (representing allocations set aside during calendar years 2015 through 2023). The Enterprises disbursed $301 million in February 2024, sending $196 million to the HTF and $105 million to the CMF.[26]

Table 12: Affordable Housing Allocation Payment (in millions)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Fannie Mae	$216.5	$268.0	$239.0	$215.0	$280.0	$603.0	$598.0	$287.0	$155.0	$2,861.5
Freddie Mac	$165.4	$187.1	$174.8	$161.7	$222.2	$490.7	$539.8	$258.0	$146.0	$2,345.7
Total	$381.9	$455.1	$413.8	$376.7	$502.2	$1,093.7	$1,137.8	$545.0	$301.0	$5,207.4

[26] See https://www.fhfa.gov/news/news-release/fhfa-announces-301-million-for-affordable-housing-programs#:~:text=%E2%80%93%20Today%2C%20the%20Federal%20Housing%20Finance%20Agency%20%28FHFA%29,from%20Fannie%20Mae%20and%20Freddie%20Mac%20%28the%20Enterprises%29

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.[27] 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 the statute was enacted, there was no single data source containing all the items required to comply with the statute. 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 the National Survey of Mortgage Originations (NSMO), which is a nationally representative quarterly survey of new borrowers drawn from a subset of new mortgages added to the core NMDB. Finally, the NMDB program also includes data from the American Survey of Mortgage Borrowers (ASMB), which is conducted annually and reflects a representative sample of borrowers in mortgage distress.[28] In 2023, the ASMB surveyed mortgage borrowers who had obtained mortgage forbearance and those who had experienced payment difficulties.

FHFA continues to establish strong information security systems and protocols, including continuing to review and evaluate these systems and protocols, to ensure that the statutory objectives of the NMDB are achieved. Appendix D to this Report includes information about the national mortgage market based on the NMDB.

---

[27] *See* 12 U.S.C. § 4544(c).
[28] *See* https://www.fhfa.gov/programs/national-mortgage-database-program.

FHFA published or updated the following based on the NMDB in 2023:

National Survey of Mortgage Originations Public Use File, released on March 3, 2023, and updated on July 1, 2024, provides data from the NSMO survey and additional administrative data for sample mortgages originated from 2013 to 2020.

National Survey of Mortgage Originations Technical Documentation, NMDB Technical Report 2, — updated on March 3, 2023, and July 1, 2024 — provides background information on how the 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 — 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 — provides the national mortgage 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 — provides a set of national and state statistics on mortgages that are outstanding at the end of the quarter, based on the NMDB.

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"[29] 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."[30] 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 certain thresholds. This directive became effective on January 10, 2014.[31]

Appendix B of this Report provides a breakdown of the characteristics of mortgage products purchased by the Enterprises in 2022 and 2023, including information on mortgage product types, loan-to-value ratios, credit scores, and whether loans are fully amortizing.

---

[29] *See* 12 U.S.C. § 4544(b)(4).
[30] *See* 12 U.S.C. § 4544(b)(5).
[31] *See* https://www.fhfa.gov/news/news-release/fhfa-limiting-fannie-mae-and-freddie-mac-loan-purchases-to-qualified-mortgages.

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."[32] The statute also requires that FHFA release the high-cost loan characteristics data to the public.[33] FHFA has defined "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).[34] In 2023, 2.8 percent of all single-family loans purchased by the Enterprises were "high-cost loans" based on this definition.

FHFA uses the HMDA reported "rate spread" to define "high-cost loan" because it has a logical relation to heightened cost and is widely understood. FHFA opted to use a relatively low rate spread threshold for its definition to ensure that there is meaningful data available on Enterprise purchases. For example, if FHFA had instead defined "high-cost loan" based on the applicable mortgage interest rate and total point and fee thresholds established under the Home Ownership and Equity Protection Act (HOEPA),[35] there would be no high-cost loan data to report from the Enterprises because mortgages on primary residences that exceed the applicable HOEPA thresholds are not eligible for sale to the Enterprises.

This Report generally refers to "high-cost loans" under the Safety and Soundness Act as "higher-priced mortgage loans," to promote consistency with terms used in other contexts. For example, CFPB has defined "higher-priced mortgage loan" using the same 150 basis point spread above the APOR 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).[36] CFPB has defined separate price-based thresholds for certain mortgage loans covered by the CFPB's regulation on qualified mortgages under the Truth in Lending Act.[37] This Report does not include data on Enterprise purchases of loans relative to the CFPB's thresholds for qualified mortgages.

[32] *See* 12 U.S.C. § 4544(b)(6).
[33] *See* 12 U.S.C. § 4546(d)(2).
[34] *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)).
[35] *See* 15 U.S.C. § 1602(bb).
[36] *See* 12 CFR § 1026.35(a).
[37] *See* 12 CFR § 1026.43.

For Enterprise mortgage purchases in 2023, 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.[38] The tables identify this information according to the following loan characteristics: purchase price, loan-to-value ratio, product type, term at origination, interest rate at origination, credit score, borrower income ratio, tract income ratio, census tract demographics, purpose of the loan, and federal guarantee status.[39]

[38] 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.
[39] These loan characteristics are further described in FHFA's Notice of Order, dated September 28, 2011. *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.[40] The statute 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.[41] In addition, the statute 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 that the Enterprises purchase and securitize.[42] The statute requires FHFA to release the above-referenced data by September 30 of the year following the year the Enterprises acquired the mortgages.[43] In September 2024, FHFA posted on its website applicable data for 2023 in its Public Use Database (PUDB).[44]

[40] *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, 85 Fed. Reg. 34196 (June 3, 2020).
[41] *Id*.
[42] *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 2023.
[43] *See* 12 U.S.C. § 4543(d).
[44] *See* https://www.fhfa.gov/data/public-use-database-fannie-mae-and-freddie-mac.

Appendix A: Final Determination Letters: Enterprise 2023 Housing Goals Performance

Federal Housing Finance Agency
Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

October 16, 2024

Ms. Priscilla Almodovar
Chief Executive Officer
Federal National Mortgage Association
1100 15th Street, NW
Washington, DC 20005

Re: Final Determination of Fannie Mae's 2023 Housing Goals Performance

Dear Ms. Almodovar:

The Federal Housing Finance Agency (FHFA) has reviewed Fannie Mae's performance under the Enterprise housing goals and subgoals for 2023 and is providing this notice of FHFA's final determination of Fannie Mae's performance pursuant to 12 U.S.C. 4566.

FHFA established single-family housing goals for 2023 at 12 CFR 1282.12. FHFA evaluated Fannie Mae's performance on the single-family housing goals for 2023 based on the following numbers:

Single-Family Housing Goal or Subgoal	2023		
	Benchmark Level	Market Share	FHFA Final Determination of Fannie Mae's Performance
Low-Income Home Purchase	28%	26.3%	26.1%*
Very Low-Income Home Purchase	7%	6.5%	6.0%*
Low-Income Areas Home Purchase	20%	28.1%	28.1%
Minority Census Tracts Home Purchase Subgoal	10%	12.2%	12.6%
Low-Income Census Tracts Home Purchase Subgoal	4%	9.8%	9.3%
Low-Income Refinance	26%	40.3%	38.4%

**Reflects goal not met.*

For each single-family housing goal, the percentage shown above reflects the proportion of mortgages on owner-occupied, single-family housing purchased by the Enterprise 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.

Based on the above information, FHFA has determined that Fannie Mae met the low-income areas housing purchase goal, the minority census tracts housing subgoal, the low-income census tracts subgoal and the low-income refinance housing goal. FHFA also has determined that Fannie Mae failed to meet the low-income housing purchase goal and very low-income housing purchase goal. However, FHFA has determined that, considering the financial condition of the Enterprise, macroeconomic conditions, feedback from stakeholders during the year, and the liquidity and stability of the housing market, the low-income housing purchase goal and very low-income housing purchase goal were not feasible for Fannie Mae to achieve for 2023. For that reason, Fannie Mae is not required to submit a housing plan based on its failure to meet the low-income housing purchase goal and very low-income housing purchase goal for 2023.

FHFA also established multifamily housing goals for 2023 at 12 CFR 1282.13. FHFA evaluated Fannie Mae's performance on the multifamily housing goals for 2023 based on the following numbers:

Multifamily Housing Goal or Subgoal	2023	
	Benchmark Level	FHFA Final Determination of Fannie Mae's Performance
Low-Income	61%	76.3%
Very Low-Income Subgoal	12%	18.7%
Small (5-50 unit) Low-Income Subgoal	2.5%	3.2%

For each housing goal or subgoal, the percentage shown above reflects the proportion of units in multifamily residential properties financed by mortgages purchased by Fannie Mae that met the criteria for that benchmark. Based on this information, FHFA has determined that Fannie Mae met each of the multifamily housing goals and subgoals for 2023.

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

Sincerely,

Naa Awaa Tagoe

Naa Awaa Tagoe
Deputy Director, Division of Housing Mission and Goals

Federal Housing Finance Agency
Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

October 16, 2024

Ms. Diana Reid
Chief Executive Officer
Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive
McLean, VA 22103-3107

Re: Final Determination of Freddie Mac's 2023 Housing Goals Performance

Dear Ms. Reid:

The Federal Housing Finance Agency (FHFA) has reviewed Freddie Mac's performance under the Enterprise housing goals and subgoals for 2023 and is providing this notice of FHFA's final determination of Freddie Mac's performance pursuant to 12 U.S.C. 4566.

FHFA established single-family housing goals for 2023 at 12 CFR 1282.12. FHFA evaluated Freddie Mac's performance on the single-family housing goals for 2023 based on the following numbers:

Single-Family Housing Goal or Subgoal	**2023**		
	Benchmark Level	**Market Share**	**FHFA Final Determination of Freddie Mac's Performance**
Low-Income Home Purchase	28%	26.3%	28.5%
Very Low-Income Home Purchase	7%	6.5%	6.8%
Low-Income Areas Home Purchase	20%	28.1%	29.5%
Minority Census Tracts Home Purchase Subgoal	10%	12.2%	13.2%
Low-Income Census Tracts Home Purchase Subgoal	4%	9.8%	9.4%
Low-Income Refinance	26%	40.3%	43.2%

For each single-family housing goal, the percentage shown above reflects the proportion of mortgages on owner-occupied, single family housing purchased by the Enterprise 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.

Based on the above information, FHFA has determined that Freddie Mac met each of the single-family housing goals for 2023.

FHFA also established multifamily housing goals for 2023 at 12 CFR 1282.13. FHFA evaluated Freddie Mac's performance on the multifamily housing goals for 2023 based on the following numbers:

Multifamily Housing Goal or Subgoal	**2023**	
	Benchmark Level	**FHFA Final Determination of Freddie Mac's Performance**
Low-Income	61%	67.1%
Very Low-Income Subgoal	12%	20.6%
Small (5-50 unit) Low-Income Subgoal	2.5%	4.1%

For each housing goal, the percentage shown above reflects the proportion of units in multifamily residential properties financed by mortgages purchased by Freddie Mac that met the criteria for that goal.

Based on this information, FHFA has determined that Freddie Mac met each of the multifamily housing goals for 2023.

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

Sincerely,

Naa Awaa Tagoe

Naa Awaa Tagoe
Deputy Director, Division of Housing Mission and Goals

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 $616.5 billion in single-family mortgages in 2023 (See **Tables B1a** and **B1b**), a decrease of 47 percent from the $1.2 trillion of such single-family mortgages that the Enterprises acquired in 2022. These totals include mortgages that collateralize mortgage-backed securities guaranteed by either of the two Enterprises, and mortgages purchased for cash. While **Tables 1** through **9** report on only owner-occupied single-family mortgage purchases, this Appendix reports on both owner-occupied and investor-owned single-family mortgage purchases.

Fully amortizing mortgages comprised 100 percent of the single-family mortgages acquired by the Enterprises in 2023, per conservatorship directive. Fully amortizing, fixed-rate mortgages accounted for 98.84 percent of combined acquisitions, an increase from 98.80 percent in 2022 (See **Tables B1a** and **B1b**). Fully amortizing, hybrid adjustable-rate mortgages accounted for 1.06 percent of 2023 acquisitions, a decrease from 1.14 percent in 2022. The Enterprises did not acquire any interest-only mortgages in 2023, as was the case in 2022.

Table B1a. Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2022 and 2023 by Payment and Product Type ($ in millions)[45]

	2022				2023			
Product Type	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
Fixed-Rate Mortgages	$1,142,532.1	$0.0	$0.0	$1,142,532.1	$609,284.3	$0.0	$0.0	$609,284.3
ARMS–Traditional	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
ARMS-Hybrid	$13,192.0	$0.0	$0.0	$13,192.0	$6,535.4	$0.0	$0.0	$6,535.4
Balloon Mortgages	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other and Unidentified Mortgages	$717.9	$0.0	$0.0	$717.9	$637.8	$0.0	$0.0	$637.8
Total	$1,156,442.0	$0.0	$0.0	$1,156,442.0	$616,457.5	$0.0	$0.0	$616,457.5

45 *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac*. Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages. Other and unidentified product types include 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 2022 and 2023 by Payment and Product Type (Percent)[46]

	2022				2023			
Product Type	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
Fixed-Rate Mortgages	98.80%	0.00%	0.00%	98.80%	98.84%	0.00%	0.00%	98.84%
ARMS–Traditional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ARMS-Hybrid	1.14%	0.00%	0.00%	1.14%	1.06%	0.00%	0.00%	1.06%
Balloon Mortgages	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Mortgages	0.06%	0.00%	0.00%	0.06%	0.10%	0.00%	0.00%	0.10%
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 2023 showed some changes from 2022 (See **Tables B2a** and **B2b**). The combined share of mortgages with loan-to-value ratios above 95 percent increased from 3.73 percent in 2022 to 5.70 percent in 2023. Mortgages with loan-to-value ratios of 80 percent or below decreased from 68.24 percent of mortgages acquired in 2022 to 58.52 percent of mortgages acquired in 2023.

46 Percentages may be zero due to rounding. *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac.*

Table B2a. Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2022 and 2023 by Payment Type and Loan-to-Value Ratio Group ($ in millions)[47]

	2022				2023			
Loan-to-Value Ratio Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-70 %	$399,092.8	$0.0	$0.0	$399,092.8	$156,031.1	$0.0	$0.0	$156,031.1
70.1-80 %	$390,012.0	$0.0	$0.0	$390,012.0	$204,690.5	$0.0	$0.0	$204,690.5
80.1-90 %	$139,680.2	$0.0	$0.0	$139,680.2	$98,150.5	$0.0	$0.0	$98,150.5
90.1-95 %	$184,540.9	$0.0	$0.0	$184,540.9	$122,423.1	$0.0	$0.0	$122,423.1
95.1-100 %	$43,070.3	$0.0	$0.0	$43,070.3	$35,142.7	$0.0	$0.0	$35,142.7
>100%	$45.7	$0.0	$0.0	$45.7	$19.7	$0.0	$0.0	$19.7
Total	$1,156,441.9	$0.0	$0.0	$1,156,441.9	$616,457.6	$0.0	$0.0	$616,457.6

Table B2b. Shares of Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2022 and 2023 by Payment Type and Loan-to-Value Ratio Group (Percent)[48]

	2022				2023			
Loan-to-Value Ratio Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-70 %	34.51%	0.00%	0.00%	34.51%	25.31%	0.00%	0.00%	25.31%
70.1-80 %	33.73%	0.00%	0.00%	33.73%	33.20%	0.00%	0.00%	33.20%
80.1-90 %	12.08%	0.00%	0.00%	12.08%	15.92%	0.00%	0.00%	15.92%
90.1-95 %	15.96%	0.00%	0.00%	15.96%	19.86%	0.00%	0.00%	19.86%
95.1-100 %	3.72%	0.00%	0.00%	3.72%	5.70%	0.00%	0.00%	5.70%
>100%	0.00%	0.00%	0.00%	0.00%	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%

[47] Includes mortgages purchased for cash and financed with guaranteed mortgage-backed securities. Excludes second liens and reverse mortgages. *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac.*
[48] Percentages may be zero due to rounding. *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac.*

III. Acquisitions of Nontraditional Mortgages

The Enterprises acquired no interest-only fixed-rate mortgages, interest-only hybrid adjustable-rate mortgages, or negative amortization mortgages in either 2022 or 2023.

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 2023 (See **Tables B3a** and **B3b**). The share of mortgages with credit scores below 620 decreased from 0.20 percent in 2022 to 0.13 percent in 2023. Mortgages with credit scores between 620 and 659 decreased from 4.15 percent of mortgages acquired in 2022 to 2.51 percent of mortgages acquired in 2023.

Table B3a: Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2022 and 2023 by Payment Type and FICO Score Group ($ in millions)[49]

	2022				2023			
FICO Score Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-619	$2,309.4	$0.0	$0.0	$2,309.4	$789.2	$0.0	$0.0	$789.2
620-659	$48,047.1	$0.0	$0.0	$48,047.1	$15,465.4	$0.0	$0.0	$15,465.4
660-719	$253,361.1	$0.0	$0.0	$253,361.1	$108,107.0	$0.0	$0.0	$108,107.0
720-749	$223,780.1	$0.0	$0.0	$223,780.1	$116,918.8	$0.0	$0.0	$116,918.8
750+	$622,444.9	$0.0	$0.0	$622,444.9	$368,123.6	$0.0	$0.0	$368,123.6
No FICO Score	$6,499.3	$0.0	$0.0	$6,499.3	$7,053.5	$0.0	$0.0	$7,053.5
Total	$1,156,441.9	$0.0	$0.0	$1,156,441.9	$616,457.5	$0.0	$0.0	$616,457.5

[49] 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 mortgages acquired by the Enterprises do not have FICO Score Group information. *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac.*

Table B3b: Shares of Single-Family Mortgages Acquired by Fannie Mae and Freddie Mac in 2022 and 2023 by Payment Type and FICO Score Group (Percent)[50]

	2022				2023			
FICO Score Group	Fully Amortizing	Interest Only	Negatively Amortizing	Total	Fully Amortizing	Interest Only	Negatively Amortizing	Total
0-619	0.20%	0.00%	0.00%	0.20%	0.13%	0.00%	0.00%	0.13%
620-659	4.15%	0.00%	0.00%	4.15%	2.51%	0.00%	0.00%	2.51%
660-719	21.91%	0.00%	0.00%	21.91%	17.54%	0.00%	0.00%	17.54%
720-749	19.35%	0.00%	0.00%	19.35%	18.97%	0.00%	0.00%	18.97%
750+	53.82%	0.00%	0.00%	53.82%	59.72%	0.00%	0.00%	59.72%
No FICO Score	0.56%	0.00%	0.00%	0.56%	1.14%	0.00%	0.00%	1.14%
Total	100.00%	0.00%	0.00%	100.00%	100.00%	0.00%	0.00%	100.00%

50 Percentages may be zero due to rounding. *Source: Federal Housing Finance Agency based on information from Fannie Mae and Freddie Mac.*

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, including this Report, FHFA refers to such loans as "higher-priced mortgage loans."

In 2023, 2.8 percent of all single-family mortgage loans purchased by the Enterprises were higher-priced mortgage loans based on this definition. The tables below show the number of higher-priced mortgage loans purchased and securitized by an Enterprise in 2023 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 2023 that were retained in portfolio at year-end by each Enterprise.

The Safety and Soundness Act requires FHFA to compare the characteristics of higher-priced 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 (LTV) 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."[51] 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.

[51] *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 2023.

Table C1: Purchase Price (2023)

Purchase Price	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
<= $417,000	18,868	73.0	998	45.2	19,866	70.8	15,854	79.8	2,124	98.6	17,978	81.6
> $417,000, <= $625,500	4,441	17.2	632	28.6	5,073	18.1	2,752	13.8	25	1.2	2,777	12.6
> $625,500, <= $729,750	1,119	4.3	201	9.1	1,320	4.7	637	3.2	5	0.2	642	2.9
> $729,750	1,419	5.5	375	17.0	1,794	6.4	628	3.2	1	0.0	629	2.9
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023.

Table C2: Combined LTV (or LTV if missing) (2023)

Combined LTV (or LTV if missing)	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% < LTV <= 60%	3,986	15.4	281	12.7	4,267	15.2	2,468	12.4	291	13.5	2,759	12.5
60% < LTV <= 80%	10,166	39.3	871	39.5	11,037	39.3	6,531	32.9	780	36.2	7,311	33.2
80% < LTV <= 90%	4,318	16.7	428	19.4	4,746	16.9	3,457	17.4	303	14.1	3,760	17.1
90% < LTV <= 95%	4,673	18.1	453	20.5	5,126	18.3	4,836	24.3	434	20.1	5,270	23.9
LTV > 95%	2,704	10.5	173	7.8	2,877	10.3	2,529	12.7	347	16.1	2,876	13.1
Missing	0.0	0.0	0.0	0.0	0.0	0.0	50	0.3	0.0	0.0	50	0.2
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023.

Table C2a: Combined LTV (or LTV if missing) of Fixed-Rate Mortgages (2023)

Combined LTV (or LTV if missing)	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% < LTV <= 60%	3,967	15.4	281	12.7	4,248	15.2	2,461	12.4	291	13.5	2,752	12.5
60% < LTV <= 80%	10,094	39.2	871	39.5	10,965	39.3	6,496	32.8	778	36.2	7,274	33.1
80% < LTV <= 90%	4,304	16.7	428	19.4	4,732	16.9	3,440	17.4	302	14.0	3,742	17.0
90% < LTV <= 95%	4,660	18.1	453	20.5	5,113	18.3	4,826	24.4	433	20.1	5,259	24.0
LTV > 95%	2,704	10.5	173	7.8	2,877	10.3	2,529	12.8	347	16.1	2,876	13.1
Missing	0	0.0	0	0.0	0	0.0	50	0.3	0	0.0	50	0.2
Totals	25,729	100.0	2,206	100.0	27,935	100.0	19,802	100.0	2,151	100.0	21,953	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 2023.

Table C3: Product Type (2023)

Product Type	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
FRM	25,729	99.5	2,206	100.0	27,935	99.6	19,802	99.7	2,151	99.8	21,953	99.7
ARM	118	0.5	0	0.0	118	0.4	69	0.3	4	0.2	73	0.3
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023. 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 (2023)

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	23,216	89.8	2,093	94.9	25,309	90.2	17,874	90.0	1,879	87.2	19,753	89.7
15 Years	1,104	4.3	5	0.2	1,109	4.0	1,137	5.7	108	5.0	1,245	5.7
All Others	1,527	5.9	108	4.9	1,635	5.8	860	4.3	168	7.8	1,028	4.7
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	100.0

Table C4a: Amortization Term (2023)

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	23,216	89.8	2,093	94.9	25,309	90.2	17,805	89.6	1,875	87.0	19,680	89.3
15 Years	1,104	4.3	5	0.2	1,109	4.0	1,137	5.7	108	5.0	1,245	5.7
All Others	1,527	5.9	108	4.9	1,635	5.8	929	4.7	172	8.0	1,101	5.0
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023. Certain loans are missing their original mortgage interest rate (OMIR) from the data source.

Table C5: Interest Rate at Origination (2023)

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%	11	0.0	0	0.0	11	0.0	5	0.0	0	0.0	5	0.0
>= 4.0%, < 4.5%	51	0.2	1	0.0	52	0.2	11	0.1	0	0.0	11	0.0
>= 4.5%, < 5.0%	151	0.6	5	0.2	156	0.6	13	0.1	1	0.0	14	0.1
>= 5.0%, < 5.5%	191	0.7	3	0.1	194	0.7	35	0.2	2	0.1	37	0.2
>= 5.5%, < 6.0%	621	2.4	93	4.2	714	2.5	171	0.9	5	0.2	176	0.8
>= 6.0%, < 6.5%	1,384	5.4	231	10.5	1,615	5.8	460	2.3	29	1.3	489	2.2
>= 6.5%, < 7.0%	4,166	16.1	403	18.3	4,569	16.3	2,103	10.6	216	10.0	2,319	10.5
>= 7.0%, < 7.5%	5,247	20.3	364	16.5	5,611	20.0	3,895	19.6	422	19.6	4,317	19.6
>= 7.5%, < 8.0%	10,324	39.9	568	25.7	10,892	38.8	9,622	48.4	910	42.2	10,532	47.8
>= 8.0%	3,701	14.3	538	24.4	4,239	15.1	3,556	17.9	570	26.5	4,126	18.7
Missing OMIR	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	100.0

Table C5a: Interest Rate at Origination of Fixed-Rate Mortgages (2023)

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%	4	0.0	0	0.0	4	0.0	1	0.0	0	0.0	1	0.0
>= 4.0%, < 4.5%	34	0.1	1	0.0	35	0.1	5	0.0	0	0.0	5	0.0
>= 4.5%, < 5.0%	125	0.5	5	0.2	130	0.5	7	0.0	0	0.0	7	0.0
>= 5.0%, < 5.5%	169	0.7	3	0.1	172	0.6	29	0.1	1	0.0	30	0.1
>= 5.5%, < 6.0%	609	2.4	93	4.2	702	2.5	161	0.8	5	0.2	166	0.8
>= 6.0%, < 6.5%	1,375	5.3	231	10.5	1,606	5.7	455	2.3	28	1.3	483	2.2
>= 6.5%, < 7.0%	4,166	16.2	403	18.3	4,569	16.4	2,099	10.6	216	10.0	2,315	10.5
>= 7.0%, < 7.5%	5,245	20.4	364	16.5	5,609	20.1	3,892	19.7	422	19.6	4,314	19.7
>= 7.5%, < 8.0%	10,310	40.1	568	25.7	10,878	38.9	9,601	48.5	909	42.3	10,510	47.9
>= 8.0%	3,692	14.3	538	24.4	4,230	15.1	3,552	17.9	570	26.5	4,122	18.8
Missing OMIR	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	25,729	100.0	2,206	100.0	27,935	100.0	19,802	100.0	2,151	100.0	21,953	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 2023.[52]

Table C6: Credit Score (2023)

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	127	0.5	6	0.3	133	0.5	60	0.3	15	0.7	75	0.3
620 - < 660	2,283	8.8	104	4.7	2,387	8.5	2,795	14.1	366	17.0	3,161	14.4
660 - < 700	5,222	20.2	257	11.7	5,479	19.5	6,227	31.3	645	29.9	6,872	31.2
700 - < 760	9,510	36.8	814	36.9	10,324	36.8	6,851	34.5	692	32.1	7,543	34.2
760 or Greater	8,662	33.5	1,023	46.4	9,685	34.5	3,632	18.3	410	19.0	4,042	18.4
No FICO Score	43	0.2	2	0.1	45	0.2	306	1.5	27	1.3	333	1.5
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	100.0

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

Table C6a: Credit Score of Fixed-Rate Mortgages (2023)

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	127	0.5	6	0.3	133	0.5	60	0.3	15	0.7	75	0.3
620 - < 660	2,282	8.9	104	4.7	2,386	8.5	2,793	14.1	366	17.0	3,159	14.4
660 - < 700	5,216	20.3	257	11.7	5,473	19.6	6,219	31.4	645	30.0	6,864	31.3
700 - < 760	9,468	36.8	814	36.9	10,282	36.8	6,834	34.5	689	32.0	7,523	34.3
760 or Greater	8,593	33.4	1,023	46.4	9,616	34.4	3,594	18.1	409	19.0	4,003	18.2
No FICO Score	43	0.2	2	0.1	45	0.2	302	1.5	27	1.3	329	1.5
Totals	25,729	100.0	2,206	100.0	27,935	100.0	19,802	100.0	2,151	100.0	21,953	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 2023.

Table C7: Borrower Income Ratio (2023)

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%	2,527	9.8	124	5.6	2,651	9.4	2,307	11.6	413	19.2	2,720	12.3
> 50%, <= 80%	6,299	24.4	324	14.7	6,623	23.6	5,010	25.2	831	38.6	5,841	26.5
> 80%	16,941	65.5	1,757	79.6	18,698	66.7	12,446	62.6	864	40.1	13,310	60.4
Not Applicable	80	0.3	1	0.0	81	0.3	108	0.5	47	2.2	155	0.7
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	100.0

VIII. Tract Income Ratio

Table C8 below shows the comparison based on the tract income ratio, which is the ratio of the 2020 census tract median income to the 2020 local AMI, for the higher-priced mortgage loans that were purchased and securitized by an Enterprise in 2023.

Table C8: Tract Income Ratio (2023)

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%	7,334	28.4	430	19.5	7,764	27.7	6,374	32.1	889	41.3	7,263	33.0
> 80%, <= 120%	12,063	46.7	1,005	45.6	13,068	46.6	9,177	46.2	1,027	47.7	10,204	46.3
> 120%	6,267	24.2	765	34.7	7,032	25.1	4,177	21.0	226	10.5	4,403	20.0
Missing	183	0.7	6	0.3	189	0.7	143	0.7	13	0.6	156	0.7
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	100.0

IX. 2023 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 2023.

Table C9: Percent Minority in Census Tract (2023)

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%	2,862	11.1	231	10.5	3,093	11.0	2,639	13.3	368	17.1	3,007	13.7
10% - < 30%	9,552	37.0	947	42.9	10,499	37.4	6,709	33.8	720	33.4	7,429	33.7
30% - 100%	13,425	51.9	1,028	46.6	14,453	51.5	10,521	52.9	1,066	49.5	11,587	52.6
Missing	8	0.0	0	0.0	8	0.0	2	0.0	1	0.0	3	0.0
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023.

Table C10: Loan Purpose (2023)

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	19,813	76.7	1,912	86.7	21,725	77.4	14,600	73.5	1,600	74.2	16,200	73.5
Refinance/Other	6,034	23.3	294	13.3	6,328	22.6	5,271	26.5	555	25.8	5,826	26.5
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023.

Table C11: Federal Guarantee (2023)

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	25,847	100.0	2,199	99.7	28,046	100.0	19,864	100.0	2,155	100.0	22,019	100.0
Yes	0	0.0	7	0.3	7	0.0	7	0.0	0	0.0	7	0.0
Totals	25,847	100.0	2,206	100.0	28,053	100.0	19,871	100.0	2,155	100.0	22,026	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 2023. The core NMDB is a 5 percent representative sample of single-family, first lien mortgages in the United States.[53]

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 mortgages 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.[54]
- **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 mortgages 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 for refinance mortgages.

---

[53] NMDB Technical Documentation is available at: https://www.fhfa.gov/sites/default/files/documents/NMDB-Technical-Documentation-20221228.pdf.
[54] 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
2023 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	298	397	8.9	11.1	80.0	6.2	47.6
February	309	408	6.8	10.4	82.8	6.1	47.3
March	309	409	6.9	10.1	83.0	6.3	49.3
April	306	408	4.8	11.4	83.8	6.3	48.3
May	312	419	3.9	10.5	85.6	6.3	49.3
June	313	425	5.0	10.0	85.0	6.4	48.6
July	309	419	4.7	11.2	84.2	6.6	49.4
August	307	419	5.0	10.2	84.8	6.7	47.1
September	302	417	5.6	10.3	84.1	6.9	47.6
October	304	419	7.3	9.6	83.1	7.2	48.9
November	304	422	7.9	9.2	82.9	7.5	46.6
December	309	423	6.7	9.4	83.9	7.2	49.3
Enterprise Purchase-Money Mortgages							
January	319	415	1.5	3.5	95.0	6.3	48.6
February	332	430	1.3	3.7	95.0	6.1	48.6
March	330	427	1.1	3.5	95.3	6.4	50.6
April	332	433	1.4	3.4	95.2	6.4	50.5
May	340	448	0.9	3.0	96.1	6.3	50.7
June	338	452	0.7	3.0	96.3	6.5	49.5
July	338	449	0.6	3.4	96.0	6.7	50.5
August	336	450	0.4	3.1	96.5	6.8	48.6
September	333	451	0.6	2.6	96.8	7.0	49.6
October	328	444	0.9	2.6	96.5	7.2	50.2
November	327	444	1.5	2.7	95.8	7.4	48.5
December	335	449	2.0	2.7	95.2	7.2	50.6
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages							
January	256	362	23.2	25.8	51.0	6.1	45.5
February	253	354	20.2	26.8	53.1	6.0	44.2
March	260	368	20.4	25.5	54.0	6.2	46.4
April	249	354	12.2	28.8	59.1	6.0	43.4
May	248	353	10.7	27.4	61.9	6.1	46.2
June	257	368	14.4	25.2	60.4	6.2	46.7
July	243	349	14.0	29.2	56.9	6.5	46.8
August	241	350	15.5	26.5	58.1	6.6	43.7
September	235	342	16.6	27.3	56.1	6.8	43.1
October	254	367	20.6	23.9	55.5	7.2	46.1
November	256	376	21.3	22.8	55.9	7.5	42.8
December	253	365	17.2	24.3	58.5	7.4	46.3

Table D1b: Loan-to-Value and Combined Loan-to-Value
2023 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	76.0	76.0	28.1	29.1	16.4	26.3
February	76.0	77.0	26.6	28.9	16.1	28.3
March	76.0	76.0	26.7	29.0	16.1	28.1
April	75.0	75.0	30.1	27.8	15.4	26.7
May	75.0	75.0	29.6	28.6	15.0	26.9
June	75.0	75.0	31.1	27.9	15.4	25.6
July	74.0	75.0	31.3	28.3	14.8	25.6
August	74.0	74.0	32.5	28.1	14.7	24.7
September	74.0	74.0	32.5	28.0	15.1	24.3
October	74.0	74.0	32.1	29.3	14.2	24.5
November	73.0	74.0	33.3	29.2	14.7	22.9
December	75.0	75.0	30.6	29.5	14.7	25.3
Enterprise Purchase-Money Mortgages						
January	79.0	79.0	20.2	31.9	18.1	29.8
February	80.0	80.0	19.0	31.6	18.1	31.3
March	80.0	80.0	19.2	32.2	17.7	30.8
April	79.0	79.0	21.2	31.8	16.8	30.2
May	79.0	79.0	21.7	32.5	16.5	29.3
June	78.0	78.0	23.5	31.4	16.0	29.2
July	78.0	78.0	23.2	32.1	16.2	28.7
August	78.0	78.0	24.5	31.9	16.1	27.4
September	78.0	78.0	24.2	31.8	16.3	27.7
October	77.0	77.0	24.8	32.8	15.1	27.3
November	77.0	77.0	26.3	32.0	15.8	25.9
December	78.0	78.0	24.1	32.0	15.5	28.4
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages						
January	68.0	69.0	43.2	23.8	13.2	19.8
February	68.0	68.0	45.2	22.3	11.3	21.2
March	68.0	68.0	44.1	21.6	12.4	21.8
April	66.0	66.0	49.2	19.4	12.2	19.2
May	67.0	67.0	47.4	19.6	11.6	21.3
June	66.0	67.0	47.6	20.5	14.1	17.8
July	65.0	66.0	50.1	19.6	11.6	18.7
August	65.0	66.0	50.6	19.5	11.4	18.6
September	65.0	65.0	50.9	19.7	12.5	16.9
October	67.0	67.0	47.0	21.9	12.3	18.8
November	66.0	67.0	48.0	23.3	12.3	16.4
December	68.0	68.0	45.0	23.8	12.7	18.5

Table D1c: Credit Scores and Enterprise Shares

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	749	0.2	1.5	5.9	60.3	32.0	65.8
February	751	0.2	1.6	5.8	58.3	34.1	70.9
March	750	0.2	1.6	5.8	58.5	33.8	70.1
April	752	0.2	1.6	5.6	57.4	35.2	68.3
May	755	0.1	1.1	4.9	57.1	36.8	69.3
June	754	0.1	1.5	5.4	56.2	36.7	68.4
July	753	0.2	1.7	5.3	56.8	36.0	69.9
August	752	0.2	1.5	5.6	56.7	36.0	69.5
September	754	0.1	1.4	5.6	56.1	36.8	68.8
October	754	0.1	1.3	5.8	55.8	37.0	67.4
November	754	0.1	1.3	5.8	54.2	38.6	67.6
December	751	0.2	1.7	6.3	55.7	36.1	69.1
Enterprise Purchase-Money Mortgages							
January	757	0.0	0.3	3.5	61.9	34.2	NA
February	759	0.0	0.3	3.4	60.2	36.1	NA
March	758	0.0	0.4	3.7	60.4	35.4	NA
April	760	0.0	0.3	3.4	58.5	37.8	NA
May	762	0.0	0.2	2.8	57.4	39.6	NA
June	761	0.0	0.4	3.4	56.9	39.3	NA
July	762	0.0	0.5	2.9	57.8	38.9	NA
August	761	0.0	0.3	3.5	56.8	39.3	NA
September	761	0.0	0.5	3.3	56.9	39.3	NA
October	761	0.0	0.5	3.8	55.9	39.8	NA
November	762	0.0	0.4	3.5	54.2	41.9	NA
December	759	0.0	0.5	4.1	56.9	38.6	NA
Non-Enterprise, Conventional, Conforming-Sized Purchase-Money Mortgages							
January	735	0.7	3.8	10.5	57.2	27.8	NA
February	732	0.6	4.7	11.7	53.8	29.3	NA
March	733	0.8	4.5	10.7	53.9	30.1	NA
April	734	0.7	4.5	10.2	54.9	29.7	NA
May	739	0.4	3.0	9.7	56.5	30.4	NA
June	738	0.3	4.0	9.8	54.9	31.0	NA
July	732	0.8	4.6	10.9	54.5	29.2	NA
August	733	0.5	4.2	10.4	56.3	28.5	NA
September	738	0.4	3.4	10.6	54.4	31.3	NA
October	739	0.3	2.9	10.0	55.6	31.1	NA
November	739	0.4	3.4	10.4	54.1	31.8	NA
December	733	0.6	4.3	11.3	53.1	30.7	NA

Table D2a: Property Value, Loan Amount, Term to Maturity, and Contract Interest Rate
2023 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 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	236	439	7.6	22.3	70.1	6.3	62.7
February	239	447	6.1	20.8	73.1	6.2	65.5
March	229	423	6.4	21.2	72.4	6.3	62.4
April	238	434	3.8	19.8	76.4	6.3	65.0
May	250	449	3.2	18.2	78.6	6.3	68.2
June	253	450	4.0	18.2	77.8	6.4	67.5
July	249	452	4.8	18.9	76.3	6.6	70.2
August	235	436	4.3	20.2	75.5	6.8	68.9
September	250	457	5.4	19.0	75.6	7.0	67.2
October	228	441	6.4	20.4	73.2	7.2	61.9
November	225	437	6.5	21.1	72.4	7.5	61.7
December	229	439	7.2	20.4	72.5	7.3	63.2
Enterprise Refinance Mortgages							
January	257	449	0.8	11.6	87.6	6.4	66.1
February	257	453	0.4	12.2	87.4	6.2	68.1
March	251	439	0.8	10.2	89.0	6.4	63.7
April	255	450	0.6	10.4	88.9	6.3	62.3
May	264	465	0.4	8.7	90.8	6.4	65.7
June	271	469	0.4	8.9	90.7	6.5	65.8
July	270	469	0.6	8.7	90.6	6.7	68.6
August	259	465	0.3	8.4	91.3	6.8	66.0
September	273	486	0.4	8.1	91.6	7.1	65.8
October	253	466	0.9	6.6	92.5	7.2	63.0
November	256	479	0.5	5.8	93.7	7.5	62.2
December	259	465	2.0	6.5	91.5	7.2	65.7
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages							
January	199	423	19.7	40.8	39.6	6.1	56.6
February	196	431	19.3	40.3	40.4	6.1	59.7
March	185	392	17.8	43.5	38.7	6.2	59.9
April	203	399	10.7	40.2	49.1	6.1	70.7
May	221	415	8.9	37.8	53.3	6.0	73.5
June	215	412	11.6	37.7	50.7	6.3	70.9
July	205	418	13.3	40.2	46.5	6.4	73.6
August	186	376	12.6	44.4	43.0	6.6	74.8
September	205	399	15.5	40.7	43.7	6.8	70.1
October	185	398	15.8	43.8	40.4	7.1	60.0
November	176	369	15.9	45.5	38.6	7.5	60.9
December	177	397	15.9	43.8	40.3	7.5	59.0

Table D2b: Loan-to-Value Ratio and Combined Loan-to-Value Ratio
2023 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	56.0	57.0	69.5	19.1	6.0	5.4
February	57.0	57.0	68.4	20.4	4.8	6.5
March	56.0	56.0	69.7	19.6	5.1	5.5
April	57.0	57.0	69.7	19.8	4.7	5.8
May	58.0	58.0	66.9	20.0	6.1	6.9
June	58.0	58.0	68.2	19.7	5.1	6.9
July	57.0	57.0	68.9	19.0	5.5	6.5
August	55.0	55.0	71.2	18.1	5.3	5.4
September	57.0	57.0	69.0	18.6	5.8	6.7
October	54.0	54.0	73.3	16.4	4.7	5.6
November	54.0	54.0	71.1	18.6	5.2	5.1
December	55.0	55.0	71.3	18.6	4.6	5.5
Enterprise Refinance Mortgages						
January	61.0	61.0	65.8	22.7	5.6	6.0
February	61.0	61.0	64.6	23.6	5.1	6.7
March	61.0	61.0	65.7	22.8	5.3	6.3
April	60.0	60.0	66.1	22.9	5.1	5.8
May	61.0	61.0	63.4	23.9	5.1	7.5
June	61.0	61.0	64.7	22.5	5.0	7.8
July	61.0	61.0	63.6	23.2	5.6	7.5
August	59.0	59.0	67.3	21.5	5.4	5.9
September	60.0	60.0	66.0	21.8	5.2	6.9
October	59.0	59.0	69.1	19.0	5.7	6.2
November	59.0	59.0	66.0	22.7	5.8	5.4
December	60.0	60.0	65.7	22.9	5.0	6.6
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages						
January	48.0	48.0	76.0	12.9	6.8	4.4
February	48.0	49.0	77.0	12.8	4.0	6.0
March	47.0	47.0	77.9	13.3	4.7	4.0
April	49.0	50.0	77.4	13.0	3.9	5.7
May	51.0	52.0	74.2	12.0	8.0	5.7
June	50.0	50.0	75.7	14.0	5.3	5.0
July	48.0	48.0	80.0	10.0	5.3	4.6
August	47.0	47.0	79.3	11.1	5.2	4.5
September	50.0	50.0	75.2	12.2	6.8	5.9
October	46.0	47.0	80.5	11.9	3.0	4.6
November	46.0	46.0	79.4	11.9	4.3	4.5
December	45.0	47.0	80.8	11.4	4.0	3.9

Table D2c: Credit Scores and Enterprise Shares
2023 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	727	0.2	3.6	13.6	58.2	24.4	63.6
February	730	0.3	2.9	13.3	56.4	27.1	69.6
March	733	0.2	2.7	12.1	57.7	27.2	66.9
April	733	0.2	2.6	11.9	57.5	27.8	68.5
May	735	0.1	2.5	11.1	58.0	28.3	67.5
June	738	0.1	2.4	10.5	56.0	30.9	67.7
July	734	0.0	3.1	11.7	56.0	29.3	67.6
August	732	0.1	3.4	12.3	55.5	28.6	67.1
September	734	0.1	2.9	12.5	56.3	28.3	66.5
October	733	0.2	3.5	11.7	55.6	28.9	63.0
November	733	0.1	4.3	11.4	55.7	28.5	61.4
December	733	0.2	3.0	12.3	56.4	28.2	62.8
Enterprise Refinance Mortgages							
January	730	0.0	2.8	12.0	61.8	23.4	NA
February	734	0.0	1.7	12.6	58.4	27.3	NA
March	739	0.0	1.0	10.8	60.4	27.8	NA
April	738	0.0	1.3	10.6	60.1	28.0	NA
May	739	0.1	1.2	10.6	59.1	29.1	NA
June	743	0.0	1.3	9.6	57.2	31.9	NA
July	739	0.0	1.6	9.6	58.6	30.2	NA
August	739	0.0	1.1	10.8	58.1	30.0	NA
September	738	0.0	1.4	11.7	58.4	28.5	NA
October	739	0.1	1.6	11.0	55.5	31.8	NA
November	738	0.0	2.7	9.5	59.5	28.3	NA
December	738	0.0	1.2	11.1	58.5	29.2	NA
Non-Enterprise, Conventional, Conforming-Sized Refinance Mortgages							
January	723	0.5	5.0	16.5	51.8	26.2	NA
February	721	0.9	5.8	14.8	51.8	26.7	NA
March	720	0.6	6.3	14.8	52.1	26.1	NA
April	723	0.5	5.6	14.8	51.9	27.2	NA
May	728	0.3	5.1	12.2	55.7	26.6	NA
June	728	0.4	4.8	12.5	53.4	28.9	NA
July	723	0.0	6.2	15.9	50.7	27.2	NA
August	718	0.4	8.0	15.3	50.3	26.0	NA
September	726	0.2	6.0	13.9	52.0	27.8	NA
October	722	0.4	6.8	12.9	55.8	24.2	NA
November	724	0.3	6.9	14.2	49.7	28.9	NA
December	724	0.4	6.0	14.2	52.9	26.5	NA