Fannie Mae

Equitable Housing Finance Plan

2022 Performance Report

Table of Contents

I. 2022 Progress Summary

The goal of Fannie Mae's three-year Equitable Housing Finance Plan is to advance greater equity in America's housing finance system, its practices, and its outcomes. To do this, Fannie Mae is systematically identifying barriers to sustainable mortgage finance and affordable rental housing confronted by people who – by design, neglect, or indifference – have historically been excluded or ignored by the housing finance system. Where we can knock down those barriers, we will.

In this performance report, Fannie Mae offers its first-year assessment of the progress made against this goal. Overall, we measure this Plan's success by how many barriers we knock down, who benefits when they are removed, and whether we do both in a safe and sound manner for the housing finance system and the renters and borrowers we serve.

Black consumers were the focus of year one of our Plan. Using consumer journey mapping to document and understand housing barriers for Black renters and borrowers across the housing lifecycle, Fannie Mae identified specific actions, many of which it began implementing before 2022 (the year covered by this Performance Report). These actions are detailed in this report and in our concurrently published 2023 Update to the Equitable Housing Finance Plan. Summaries of progress and, where applicable, supporting data are included for each of the 17 Plan actions we undertook in 2022.

Fannie Mae believes it took several meaningful steps to achieve greater equity, particularly in how the mortgage and housing industry serves Black renters and borrowers.

Millions of people in the U.S. are credit invisible, with Black and Latino people disproportionately represented. The Consumer Financial Protection Bureau estimates that 15% of Black and Latino/Hispanic people are credit invisible. Lack of a credit history that can be documented and measured by traditional means (such as in a credit report or a person's credit score) can impact a renter's ability to access housing in higher-opportunity neighborhoods, get a mortgage, and obtain lower-cost credit, such as auto and education loans.

In September 2022, Fannie Mae launched a pilot program to **encourage multifamily property owners to report resident positive rent payments** to credit bureaus. By the end of the year, positive rental payment data was being reported by more than 550 multifamily property owners across 100,000 rental units to credit bureaus, and these numbers are growing.

Since the 2021 launch of **positive rent payment history** in Desktop Underwriter® (DU®), approximately 3,400 applications have benefited from positive rent payment history – eligible for approval when otherwise they might not have been. And of the applications that benefited, about half self-identified as minority borrowers, including 41% who identified as Black or Latino/Hispanic. In late 2022, we introduced a **cash flow assessment** capability in DU that will allow potential first-time homebuyers with no credit score to qualify for a conventional mortgage.

In late 2022, Fannie Mae made good on its commitment to launch a **special purpose credit program** (SPCP) pilot. Our SPCP pilot began with a diverse group of lenders serving majority Black census tracks in six major metropolitan markets: Atlanta, Baltimore, Chicago, Detroit, Memphis, and Philadelphia. The purpose of the pilot is to understand how both lenders and borrowers will respond to and use SPCP programs that have various features that address obstacles on the housing journey, such as down payment/closing cost assistance and post-purchase financial and housing counseling support. Interest in SPCPs in the mortgage lending industry remains high, and we will continue to apply lessons learned from our own SPCP, as well as those learned by individual mortgage lender SPCPs.

Fannie Mae has developed a comprehensive approach to reducing the incidence of racial bias in single-family appraisals. Through research, quality control and monitoring, working with the appraisal profession, and taking steps to foster diversity in the profession , and by using technology and data to rethink how appraisals are conducted and evaluated, Fannie Mae is building and deploying new ways to modernize the home appraisal. Our goal is a more useful, efficient, reliable, and fair appraisal for both lenders and homeowners.

These examples, as well as the many other actions reviewed in this Report and detailed in our 2023 Update to the Equitable Housing Finance Plan, are geared toward helping historically underserved borrowers and renters overcome two primary housing obstacles:

1. **Reducing up-front rental and homeownership costs and eliminating outdated barriers related to insufficient credit** to directly drive meaningful and measurable improvements in housing access and stability.
2. **Improving the chances for long-term success for underserved borrowers and renters** by focusing on education and counseling, successfully navigating the mortgage process, and housing stability.

Overall, our specific actions to address these obstacles – which are disproportionally experienced by Black, Latino, and other historically underserved consumers – remain in their early stages. We have much to learn, and much more to do. As the housing inequities in our nation are deep and long-standing, they will take years — if not decades — of sustained attention and effort by housing industry stakeholders and Fannie Mae to correct. We believe Fannie Mae in 2022 continued to lay a solid foundation that can be built on in the years ahead.

As we make clear in this Performance Report and in our Equitable Housing Finance Plan, advancing greater equity in housing is central to Fannie Mae's long-term strategy and is a critical component of our mandate to remain a relevant and vital pillar of the United States housing finance system. Though this report covers just one year, this effort and its outcomes are a years-long project for Fannie Mae and the many partners we work with in the housing finance system.

II. Progress and Highlights: The 17 Equitable Housing Finance Plan Actions in 2022

Action: Pilot rental payment reporting across the multifamily industry to help Black renters with no credit score establish a credit history and help those with low credit scores to increase them. *(“Action 1” in original plan.)*

Progress Summary

Fannie Mae performed extensive research into the landscape of the rental payment reporting ecosystem, including vendor analysis, resident/housing provider analysis, and market research.

Fannie Mae launched the pilot in the third quarter of 2022 with three approved vendors (Esusu Financial, Inc., Jetty Credit, and Rent Dynamics). The pilot will conclude in September 2023. By the end of 2022, the pilot had more than 550 properties with more than 100,000 units contracted for inclusion, and tracking will continue through the pilot conclusion.

Fannie Mae has compiled some early metrics regarding the impact on residents in the pilot, though for only about half of the total units in the pilot as of the end of 2022.

- 7,000 residents have established credit scores.
- 65% of residents saw an increase in their credit score.
- Residents with an existing credit score who also saw an improvement experienced a 45-point increase in their score.

The capabilities of financial technology and so-called proptech are evolving rapidly, which means the solutions we pilot will need to remain agile and adaptable to new approaches. Lastly, raising residents’ awareness and trust levels remains a major opportunity and challenge.

Multifamily positive rent payment pilot

Property location and resident by census tract

Minority percent of census tracts*	Properties reporting	Units in properties	Units reporting	Residents reporting	Number of credit scores established	Number of credit scores improved
0% to 10%	2	213	138	140	21	19
10% to 20%	18	2,160	1,699	2,266	330	728
20% to 30%	20	3,529	2,748	3,571	573	1,147
30% and 50%	43	10,996	8,634	11,611	1,194	3,742
50% to 80%	67	17,763	13,247	18,851	2,616	6,136
80% to 100%	50	12,822	9,538	14,803	2,429	4,130
Total	200	47,483	36,004	51,242	7,163	15,902

** This represents the minority makeup of the census tract where the property is located. For example, the two properties in the top row are in census tracts where the minority population comprises less than 10% of the entire population of that census tract. This pilot does not collect any demographic information for individual tenants.*

The above data shows that thus far, roughly two-thirds of the residents with rent reporting through the pilot are in census tracts greater than 50% minority population. More than 7,000 residents in the properties have established credit scores, 5,000 of which are in properties located in majority-minority census tracts.

Action: Pilot options to defray and/or decrease the cost of renter security deposits. Decreasing renter security deposits would help Black renters qualify for quality rental housing and help them increase their savings. (*"Action 2" in original plan.)*

Progress Summary

Fannie Mae conducted extensive research into available security deposit alternatives, security deposit implementation practices by housing providers, and renter/housing provider sentiment. The research findings led Fannie Mae to move the pilot launch to 2023 to ensure that any program we pilot has a clear impact and benefits underserved renters.

Action: Build and Launch Fannie Mae First-Time Homeownership Education Curriculum that aims to provide consumers with education on the full spectrum of the homebuying process. *("Action 3" in original plan.)*

Progress Summary

Fannie Mae exceeded the milestones and objectives for this action in 2022. Fannie Mae launched HomeView® in January 2022, which is required for many first-time homebuyers for certain mortgage products, including low down payment loans. By May 2022, HomeView Spanish launched. By the end of December 2022, more than 178,000 first-time homebuyers completed the course and earned their certificate of completion.

In 2022, Fannie Mae conducted national outreach to lenders, housing counseling agencies, and prospective first-time homebuyers to increase awareness of this new offering and highlight course benefits. We increased targeting to consumers in 12 large, predominantly Black metropolitan statistical areas across the country, accelerating campaign engagement. Also in 2022, we began building the infrastructure to collect anonymized learner data so that we can monitor relevant engagement trends, course traffic, and engagement to better reach underserved communities.

HomeView		
Module	**Course completions**	**New users**
HomeView	175,209	199,138
HomeView Spanish	3,669	4,245
Total	178,878	203,383

Action: Execute SPCP Pilots to help support the expansion of homeownership eligibility and availability of down payment assistance (DPA), while exploring ways to reduce SPCP participation hurdles for lenders.
Action: Execute SPCP Pilot to support the reduction of borrower closing costs for Black homebuyers via appraisal products, appraisal reimbursements, and/or title products.

Note: These two actions ("Action 4" and "Action 7" in the original plan) were consolidated in 2022 and for the duration of this three-year plan.

Progress Summary

Launching a special purpose credit program (SPCP) pilot in 2022 was a major goal of the Equitable Housing Finance Plan. This pilot gives us an opportunity to test concepts designed to address the needs of people historically underserved by the housing finance system. Fannie Mae launched the SPCP pilot in October 2022. The SPCP seeks to address the barriers of lack of down payment, higher closing costs, and insufficient credit history, which are significant contributors to higher mortgage denial rates for Black applicants. Fannie Mae is using this small-scale and targeted SPCP pilot to test our ability to help borrowers who can afford a monthly mortgage payment but can't rely on traditional sources of generational wealth or savings to achieve homeownership.

The SPCP pilot included a limited yet diverse group of lenders serving first-time homebuyers who currently reside in majority Black census tracts in Atlanta, Baltimore, Chicago, Detroit, Memphis, and Philadelphia. Participating lenders were selected based on their presence in the pilot markets, willingness to participate in co-development research, and commitment to affordable lending and closing the Black homeownership gap.

Three SPCP loans closed and were delivered to Fannie Mae as of December 31, 2022. At the end of the year, lenders reported 26 SPCP loans in their pipelines, most of which were expected to close and be delivered in early 2023. In addition, in 2022 we acquired 884 SPCP loans from one of our lenders that designed its own SPCP.

While the number of SPCP loans in the pipeline continues to grow, there are a number of reports of [local market competition for affordable housing] from cash investors, as well as competition for eligible borrowers from other potential investors, including the Federal Housing Administration. It is too early in the pilot process to draw definitive conclusions on delivery rates, loan performance, and other pilot metrics. Nevertheless, initial feedback from lenders has been positive. We are optimistic SPCPs will show the potential of the loan programs to help historically underserved consumers overcome barriers to sustainable homeownership.

Action: Test add-on features to one or more SPCP pilots aimed at strengthening ongoing borrower stability by helping borrowers deal with unexpected expenses and repairs, or temporary disruptions to income. *("Action 14" in original plan.)*

Progress Summary

Fannie Mae made significant progress designing and planning to operationalize a Mortgage Reserve Account Pilot (MRAP) in 2022, with anticipated launch in late 2023. The pilot will work with up to 200 borrowers to test the effectiveness and utility of mortgage reserve accounts.

Servicers involved in the pilot development emphasized the need to keep the program as simple as possible to ensure efficiency and smooth administration for the lender and the borrower. Even so, the initial implementation of the pilot will involve significant manual processes for servicers, which presents capacity challenges. One potential participant dropped out during the pilot design phase in the fourth quarter of 2022, citing capacity constraints. Nevertheless, other servicers in the pipeline were able to quickly engage to avoid potentially significant delays. Overall, we continue to receive strong interest from lenders for a post-purchase program to support first-time and low- to moderate-income borrowers, with some servicers expressing a desire to produce meaningful loan volumes for the pilot. With that in mind, we believe that if the pilot is successful, opportunities to scale to additional servicers will be available.

Action: Test adding ongoing education and counseling support to one or more SPCP pilots to strengthen borrower housing stability over time. (*"Action 13" in original plan.)*

Progress Summary

Fannie Mae in 2022 worked to identify test markets, potential lenders, and other partners for both pre- and post-loan counseling. Fannie Mae developed a framework of services and a timeframe for the test based on review of housing counseling industry best practices, collaboration with housing counseling partners, and alignment with HUD's housing counseling requirements – all of which focused on first-time homebuyer needs. Fannie Mae selected an experienced housing counseling vendor that will apply best practices to increase the borrower take-up rate for services.

In December 2022, Fannie Mae chose a lender currently participating in Fannie Mae's special purpose credit program (SPCP), to launch the SPCP post-purchase housing counseling "test and learn" project. The participating lender and housing counseling vendor are aligned on a borrower referral process, marketing materials, and operationalizing the process.

Action: Expand Eligibility and Access for credit-invisible borrowers through automated underwriting enhancement and positive rental data implementation to support the expansion of eligibility for Black consumers. (*"Action 5" in original plan.)*

Progress Summary

Fannie Mae introduced borrower positive rent payment history (PRPH) in Desktop Underwriter (DU) in the third quarter of 2021, and spent much of 2022 encouraging lender adoption and raising consumer awareness of the feature.

First, we focused on lender outreach efforts to drive adoption while ensuring lender and vendor operational and system readiness. Our early 2022 efforts emphasized the importance of consumer-permissioned bank statements, which enables DU to identify consistent rent payments. Outreach efforts directed lenders to interactive content to learn about the enhancement, access resources to support borrower outreach, and view peer success stories.

Second, in June, we layered in additional marketing outreach to build consumer awareness, encouraging consumers to "Make Rent Count." The media campaign set out to educate prospective homebuyers about the power of consistent rent payments when working with participating lenders to qualify for a home loan. National outreach was supplemented with increased targeting to consumers in six large, predominantly Black metropolitan statistical areas across the country, which accelerated campaign engagement.

Black and Latino borrowers each represented more than 20% of the applications that benefited from PRPH in 2022, far exceeding the benchmark ratio of all loans acquired by Fannie Mae to Black and Latino borrowers. (See table below).

Building on this success, we announced new DU enhancements to support borrowers without credit scores in the fourth quarter of 2022. These were designed to responsibly expand eligibility and further simplify the borrowing process for loans where homebuyers do not have a credit score by assessing a borrower's cash flow activity through bank statement data to make more predictive risk assessments.

We proactively engaged with general interest and trade media publications to increase awareness of the new offering. These efforts will be further amplified as part of marketing outreach efforts beginning in the first quarter of 2023.

Key to this action's long-term success will be our ability to encourage its adoption by lenders, simplifying the process for both lenders and borrowers, and working to build awareness and trust of the action's key elements with consumers.

Positive rent payment history usage in DU in 2022

Approved/eligible borrower casefiles that benefited from the use of PRPH

Group	Applications	Share of PRPH applications with race/ethnicity data	Benchmark: race/ethnicity of all applications run through Desktop Underwriter in 2022
White non-Latino/Hispanic	1,243	50.4%	65.6%
Black	510	20.7%	7.1%
Latino/Hispanic	539	21.8%	15.1%
Asian	218	8.8%	12.7%
Native American	39	1.6%	1.0%
Pacific Islander	10	0.4%	0.4%
Minority	1,224	49.6%	34.4%
Total with race/ethnicity data	2,467		
Total	2,917		

Action: Enhance Eligibility & Underwriting via Rental Reporting to Credit Bureaus to support the expansion of eligibility for Black consumers. (*"Action 6" in original plan.)*

Progress Summary

Fannie Mae consulted with the Consumer Data Industry Association (CDIA), which represents consumer reporting agencies, including the nationwide credit bureaus, regional and specialized credit bureaus, background check companies, and others to inform this action in 2022. We advised CDIA's "Metro 2" task force members (comprised of representatives from the nation's top credit reporting agencies) on various issues related to rental payment reporting and helped convene a summit of task force members and other stakeholders to discuss its Rental Empowerment Project. We continue to engage with CDIA on this project, but only in an advisory capacity. Because the ultimate outcome of the Rental Empowerment Project lies with the Metro 2 task force members, and not Fannie Mae, we discontinued this action as a formal part of our Enterprise Housing Equity Plan in 2023.

Action: Reduce Closing Costs for Black consumers to help support the removal of the barrier of lack of sufficient funds for closing (down payment plus closing costs) faced by Black homeowners and prospective homeowners. ("Action 8" in original plan.)

Progress Summary

Fannie Mae continues to identify opportunities to alleviate the disproportionate closing-cost burden for Black and Latino borrowers, as well as low- to moderate-income borrowers. We are engaging with industry partners and providers to implement solutions aimed at lowering borrower closing costs by reducing title and escrow expenses. In 2022, we conducted and published further research on closing costs as a driver of total housing costs, announced a closing cost concession for low- and moderate-income purchasers of Fannie Mae real estate owned (REO), updated the *Selling Guide* to allow lenders the option to use an attorney opinion letter in lieu of traditional title insurance, and prepared to pilot options to reduce title costs to borrowers in refinance transactions.

Progress was made in three key areas:

Attorney Opinion Letters: We implemented *Selling Guide* update in April 2022 to allow lenders and borrowers in limited circumstances the option to use an attorney opinion letter in lieu of traditional title insurance. The potential cost savings of attorney opinion letters as an alternative to traditional title insurance is heavily influenced, if not dictated, by state laws and regulations. In some states title insurance practices are highly regulated, including its pricing, while others are not. Thus, whether an attorney opinion letter will be lower cost for a borrower depends on where the property being purchased is located. In 2022, 45 borrowers benefited from the attorney opinion letter option, with an average savings of $1,034.[1] Of these, 42 borrowers reported race/ethnicity data; three identified as Black

[1] Savings is based on comparison against 2020 state averages for like purpose (purchase, cash-out, rate-term).

borrowers, six as Latino/Hispanic, and 26 as white non-Latino/Hispanic. We saw our first loan deliveries with attorney opinion letters in the fourth quarter of 2022 and expect deliveries to increase in the future.

Title Cost Reduction Pilot: We are currently engaged with multiple providers and lenders on potential test-and-learn concepts aimed at reducing the cost of title for borrowers, and plan to finalize pilot opportunity parameters by end of the third quarter 2023.

Closing Cost Concession: We implemented 3% closing cost concession for low- and moderate-income purchasers of Fannie Mae REO properties in the fourth quarter of 2021 and increased our marketing of the concession. In 2022, 151 buyers of our REO properties were able to take advantage of the concession; buyers on average saved $5,910 to help pay for closing costs. In most of these cases, the mortgage used to purchase the REO property was not acquired by Fannie Mae, so demographic information for the buyers is unavailable.

Action: Launch Closing Cost Calculator Tool (*“Action 9” in original plan.)*

Progress Summary

Fannie Mae continues to assess the viability of developing a consumer-facing closing cost calculator tool using Fannie Mae’s aggregated closing costs data provided by lenders via the Uniform Closing Data (UCD) from prior loan acquisitions, with the goal of bringing greater transparency to closing costs and provide empirical data that can help consumers more effectively negotiate those costs.

In 2022, we conducted a feasibility assessment that included canvassing the existing landscape of closing cost tools and the quality and availability of our data to support such a tool. A prototype design of the closing cost tool was developed using co-design sessions and iterative feedback from internal and external stakeholders.

This work included incorporating data and reports of 18 months of UCD data needed for the tool. In the course of this effort, we determined that reporting at the county level would be very difficult in a high number of the 3,000 counties we hoped to cover, although, after adjusting for county density, the effect on the output was minor. We are evaluating different approaches to mitigate this potential obstacle in 2023.

We conducted qualitative national research of prospective first-time homebuyers to:

- Understand their pain points with the closing process.
- Assess their understanding of the costs involved.
- Determine where in their homebuying journey they would be best positioned to consume information related to costs and how to shop.
- Gather feedback on the design prototype. Through this research, we confirmed that consumers are not familiar with many of the processes or costs associated with originating and closing loans.

Additionally, we conducted research with lenders, industry organizations, consumer advocacy groups, realtors, and housing counselors to understand their role in helping consumers understand closing costs, what they perceive the barriers are, and to gather feedback on the prototype.

The research led to a collaboration with the Fannie Mae marketing team to develop focused messaging approaches earlier in the homebuying journey and ensure an inclusive glossary of terms that will be incorporated into a revamped consumer-facing website in 2023.

While Fannie Mae continues to pursue the development of a closing cost calculator tool for consumers, this action was eliminated from the Plan in 2023 after a determination that it did not align with the specific goals of the Plan. When the tool is completed, it will be available on the consumer-facing pages of fanniemae.com.

Action: Valuation Modernization aims to support an equitable appraisal process for Black households and communities of color. (*"Action 10" in original plan.)*

Progress Summary

One of a lender's most important responsibilities in the underwriting process is to ensure sufficient collateral for a mortgage. A lender works directly with an appraiser or an appraisal management company to request an appraisal, which is then reviewed by the lender for both reliability and potential bias. Beginning in 2021 and continuing in 2022, Fannie Mae conducted a post-purchase appraisal text scanning review to identify references to protected classes and subjective terminology, including, but not limited to, the terms found in *Selling Guide* Section B4-1.1-04, Unacceptable Appraisal Practices, which resulted in a number of observed performance improvements, including:

- Of the appraisers notified of the presence of subjective terminology in their reports in 2021, 78.6% had no new text findings in subsequent appraisals.
- The number of appraisers with confirmed findings reduced from 3,193 (based on our 2021 review) to 1,557 in 2022. The confirmed findings rate reduced from 0.15% in 2021 to 0.11% in 2022.
- Based upon the results of 2022's appraisal text scanning review, Fannie Mae sent more than 400 Appraisal Quality Management (AQM) letters to the appraisers with confirmed findings. In addition to the AQM appraiser letters, 16 letters were sent for referral to state regulators in December 2022.

The Collateral Underwriter® (CU®) undervaluation flag, a new awareness data point that complements the CU overvaluation flag, was released on June 24th.The undervaluation flag is an additional tool to help lenders identify and investigate potential misvaluation. If an appraisal is flagged as potentially undervalued, lenders are notified and can then choose to review the appraisal. The flag is not evidence of an undervaluation but is a cue to lenders to review appraisals as potentially inaccurate or incomplete. The undervaluation flag is still in its early stages, and we continue to evaluate ways to make it a more effective tool for lenders to identify potentially inaccurate appraisals.

Lastly, Fannie Mae published *Appraising the Appraisal* in January 2022, which evaluated appraisal values of homes owned by Black and white borrowers refinancing their homes. The analysis of 1.8 million appraisals in 2019 and 2020 found that:

- Black borrowers refinancing their home on average received a slightly lower appraisal value relative to automated valuation models.
- Homes owned by white borrowers were more frequently overvalued than homes owned by Black borrowers.
- Six states, including Georgia, Louisiana, South Carolina, North Carolina, Mississippi, and Alabama, accounted for nearly 50% of the overvalued homes of white owners in majority-Black neighborhoods.

Action: Expand Appraiser Diversity Initiative (ADI) to attract new entrants to the residential appraisal field, overcome barriers to entry (such as education, training, and experience requirements), and foster diversity, which we believe will help to reduce appraisal bias against Black homebuyers, homeowners, and communities over the long term. (*"Action 11" in original plan.)*

Progress Summary

The Appraiser Diversity Initiative™ (ADI) is a Fannie Mae-led initiative to create greater diversity within the housing appraisal industry, particularly as it relates to Black appraisers. We do this by building awareness of the appraisal field as a potential career path for candidates from historically underrepresented groups and providing scholarships for selected individuals to participate in courses offered by the Appraisal Institute. These courses are designed to prepare candidates to begin working as an appraiser trainee and meet the educational requirements to attain a trainee license through their local state board. ADI also helps connect program participants to industry participants who have opportunities available for appraiser trainee positions.

In 2022, Fannie Mae engaged with over 600 aspiring appraisers working through the National Urban League's affiliate Entrepreneurship Centers, hosting seven workshops and eight higher education outreach events (including five historically Black colleges and universities (HBCU)). ADI awarded 330 scholarships, exceeding our goal by 65%. (Complete demographic data on the awardees is not available.) ADI also secured 11 new industry sponsors, exceeding the goal of five new sponsors in 2022. This brings the total ADI sponsors to 20.

Action: Expand Future Housing Leaders® (FHL) to increase the representation of Black people in the housing industry to improve access to economic opportunities while creating an industry that better reflects the diversity of the nation. (*"Action 12" in original plan.)*

Progress Summary

Fannie Mae is undertaking a multi-year effort with 100 industry employer-partners to increase their workforce diversity by committing 1,000 diverse Black, Latino/Hispanic, and other diverse participants to the Future Housing Leaders (FHL) program by 2025.

Fannie Mae began 2022 with the goal of 20 new industry partners and 150 diverse participants. We successfully achieved this goal by adding 86 total industry partners and enrolling 1,067 participants, including both summer interns and full-time hires into the summer program. Sixty percent (60%) of enrollees self-identified as racially or ethnically diverse.[2]

The 2022 summer program enrollees had access to many professional and foundational development opportunities, including Fannie Mae University and industry certifications from the Mortgage Bankers Association, Wall Street Prep, and Polygon Research. Participants also took part in a weekly speaker series where they heard from leaders and experts in the housing and real estate industries. These leaders and experts talked about important topics, pressing issues facing the industry, their own career paths, and the keys to career success.

Providing industry education is a key tool to close the workforce diversity gap. Although FHL's recruiting efforts did result in a large number of diverse applicants in 2022, in 2023 FHL will work to strengthen the quality of applicants by focused improvements in professional education and a deliberate concentration on college sophomores and juniors, which will expand our talent pipeline of qualified diverse students.

In 2022, FHL had 86 employer partners (up 90%, or 40 partners, since 2021). Additionally, 54 of the 86 total industry partners were new to the program.

Demographic data suggest that FHL is both attracting and educating more diverse talent into the program. In 2022, 60% of the FHL summer program enrollees identified as a racial or ethnic minority, up 13% from 2021.

Black FHL enrollee participation was steady at 15% year-over-year in 2022, while Latino/Hispanic enrollees climbed from 14% in 2021 to 20% in 2022. According to recent data highlighting the housing industry's racial and ethnic breakdown, the percentage of Black and Latino/Hispanic FHL enrollees is higher than that of the housing industry. Based on the report, just 7.5% of the industry's workforce identifies as Black and slightly more than 10% identify as Latino.

[2] Due to Equal Employment Opportunity and privacy laws, FHL conducted an "optional" survey to collect summer enrollee demographics. Of the 1,067 summer enrollees, 465 responded to the survey. 281 survey participants identified as ethnically diverse (Asian, Black or African American, Latino/Hispanic, American Indian or Alaskan, Native Hawaiian, or two or more races).

FHL summer program enrollees in 2022		
	Early career summer program enrollees (interns and new hires)	
Group	Enrollees	Ratio of all enrollees with race/ethnicity data
White – non-Latino/Hispanic	168	37.4
Black (African American)	70	15.6
Latino/Hispanic	91	20.3
Asian	63	14.0
Native American	8	1.8
Pacific Islander	1	0.2
Minority	281	62.6
Total with race/ethnicity[3]	449	
Total	1,067	

Action: Expand counseling services for borrowers and renters facing hardship. (*"Action 15" in original plan.)*

Progress Summary

Fannie Mae's housing counseling services include post-modification counseling, which provides housing counseling after a loan modification, the Mortgage Help Network, which provides foreclosure prevention services to borrowers in distress, and the Disaster Response Network™ (DRN), which provides disaster assistance to borrowers and renters. Fannie Mae provided 11,155 housing counseling sessions through December 2022, exceeding the goal of 10,000 sessions. The participation level was aided by a radio advertising campaign in Memphis, TN, and Jackson, MS, in February 2022. The vast majority of this counseling is provided through a network of counseling providers equipped to provide a wide range of housing counseling services for people facing hardship, not just those related to natural disasters.

Fannie Mae exceeded its servicer engagement goal, discussing implementation of a process for referring homeowners to housing counseling following modification with 18 servicers. Three servicers implemented the referral process to refer homeowners for post-modification counseling at the time of permanent modification. A number of servicers not participating in post modification counseling prior to 2022 expressed interest in implementing a referral process, and we will continue to increase the number of servicers participating into 2023.

Fannie Mae undertook to rebrand the post-purchase housing counseling programs and simplify its consumer messaging and marketing in 2022; however, this work proved more complex and time intensive

[3] All participants in the Future Housing Leaders program were asked to participate in an optional demographic survey. Of the 1,067 participants, 449 responded with demographic information.

than originally anticipated. The “unified” branding strategy will align and simplify counseling touchpoints and the user experience, positioning Fannie Mae to make the changes needed to complete this effort in 2023. The goal is to create an easier path for consumers in crisis to get the help they need.

Post-purchase housing counseling in 2022		
Group	**Users**	**Share of all users with race/ethnicity data**
White - Non-Latino/Hispanic	3,184	38.7%
Black (African American)	2,961	36.0%
Latino/Hispanic	1,724	21.0%
Asian	323	3.9%
Native American	104	1.3%
Hawaiian or Pacific Islander	29	0.4%
Minority	5,043	61.3%
Total with Race/Ethnicity Data	8,227	
Total	10,305[4]	

Action: Provide ongoing oversight of Servicer Forbearance/Loss Mitigation efforts. (*“Action 16” in original plan.)*

Progress Summary

Fannie Mae extensively monitored servicer effectiveness in providing loss mitigation in 2022. This included a statistical analysis to determine if there are disparities across certain borrower profiles or protected classes, including non-white vs. white borrowers, gender, and age groups.

The table below evaluates the proportion of loans that are more than 120 days delinquent and not in a loss mitigation workout option, by specific protected classes. Here, a "workout option" is defined as an active forbearance, repayment plan, or active trial modification. Each quarter looks at the data at a point in time (e.g., end of quarter), and thus, the fourth quarter of 2022 identifies the 120+ delinquent population, as of December 31, 2022. As an example, a value of 61.10% for Black borrowers in the fourth quarter indicates that, as of December 31, 2022, 61.10% of all Black borrowers who were 120+ days delinquent were not in a loss mitigation workout option.

[4] Includes post-modification counseling, Mortgage Help Network and Disaster Response Network unique users. Users can have more than one session.

Delinquent borrowers not in workout solutions in 2022

Proportional share of borrowers more than 120 days delinquent and not in a loan workout solution

	Total 120+ delinquent	Share of borrowers not in workout	Share of all borrowers 120+ delinquent not in a workout solution by protected class						
			Asian	Black	Hawaiian	Latino/ Hispanic	Native American	White non-Latino/ Hispanic	Minority
Q1	149,793	44.8%	37.0%	44.6%	44.3%	41.0%	43.3%	46.8%	42.0%
Q2	117,515	48.9%	40.4%	48.4%	50.6%	44.6%	48.5%	50.9%	45.8%
Q3	97,133	53.2%	45.2%	52.7%	49.9%	48.6%	52.3%	55.1%	50.1%
Q4	88,528	62.3%	55.5%	61.1%	63.7%	57.3%	59.4%	64.2%	59.0%

As a result of this analysis, Fannie Mae found no disproportional outcomes across race/ethnic groups or gender in loss mitigation monitoring. Fannie Mae will continue to monitor these metrics but, as a result of our findings and lessons learned, this action will no longer be formally included in the Equitable Housing Finance Plan.

Action: Provide climate analytics to empower communities with data, enabling them to make a stronger case for change and resources. (*"Action 17" in original plan.)*

Progress Summary

Fannie Mae is working to provide climate analytics to help communities prepare for the increasing risk of climate change. The expectation is that the analytics will inform an approach to mitigate the risks to that community. These analytics will use predictive modeling to assess the risk of climate-related events (e.g., flooding, wildfire, heat) to a given community.

Fannie Mae selected two communities, Baltimore and Memphis, that we partnered with to capture climate analytics data for these communities. Fannie Mae met with city officials for the selected communities. Discussions were held in Memphis and Baltimore with officials within the planning and sustainability-related city departments. These departments can leverage the information to provide direction in zoning, planning, and mitigation projects as well as be used to inform residents of climate-related risks.

Government officials from these communities were interested in how analytics could supplement and complement existing analysis completed by the cities. We were able to use insights from their existing climate action plans to guide and inform the analysis that we conducted. Additionally, for future collaboration, government officials asked Fannie Mae to leverage their internal data where appropriate with our analytics to provide a comprehensive view of current and future hazard risk. For Fannie Mae, this was the first time we did climate risk analysis at a community level and communicated the findings with community officials. This engagement helped us mature our capabilities and understanding of how to effectively aggregate data across communities in a way that is digestible and easily interpreted.

Fannie Mae will continue to develop the analysis and program recommendations to direct future actions to advance equity regarding climate-related issues impacting historically underserved groups.

III. Data & Research Considerations

In 2022, Fannie Mae created a **housing journey map for Latino consumers**. This research is designed to help Fannie Mae, its partners, and the broader housing industry find ways to make housing more equitable through business innovation, policy change, and education. The 22-percentage-point gap between Latino household homeownership and white non-Latino/Hispanic homeownership (as of 2021) equates to about 4 million households. The journey map identified five main barriers to housing equity confronted by Latino households more often than non-Latino households:

- Household financial profiles that create barriers to savings, with higher shares of housing cost burdens and higher debt-to-income ratios.
- Smaller savings for post-purchase maintenance, natural disasters, or income disruptions.
- Limited funds for security deposits, down payments/closing costs, lower credit scores, and credit invisibility.
- Inadequate affordable supply.
- Higher rates of housing repair needs, aging housing stock, and disproportionate exposure to hazardous risks and climate effects.

Fannie Mae also undertook an effort to better understand the universe of potential first-time Black homebuyers in the next two decades and how these consumers could overcome **barriers to homeownership**. This research was designed primarily to inform and prioritize our racial equity initiatives, and confirmed that our focus on two key areas represents the most effective means by which Fannie Mae can directly influence homeownership rate in the years to come. These focus areas are:

1. Addressing the lack of sufficient credit that has traditionally hampered access to mortgage credit or rental housing in higher opportunity neighborhoods.
2. Reducing the burden of insufficient funds to cover often-prohibitive up-front costs needed to obtain a home, such as down payment, closing costs, or rental security deposits.

In February 2022, Fannie Mae published "Appraising the Appraisal," a working paper that analyzed appraisal values of homes owned by Black and white borrowers refinancing their homes. According to an analysis of 1.8 million appraisals in 2019 and 2020:

- Black borrowers refinancing their home on average received a slightly lower appraisal value relative to automated valuation models.
- Homes owned by white borrowers were more frequently overvalued than homes owned by Black borrowers.
- Six states, including Georgia, Louisiana, South Carolina, North Carolina, Mississippi, and Alabama, accounted for nearly 50% of the overvalued homes of white owners in majority-Black neighborhoods.

This research has helped inform Fannie Mae's efforts to increase the number of accurate and unbiased appraisals lenders submit to help remedy the legacy of racial inequities in the housing market. The working paper concluded that modernizing the appraisal process, as well as fostering diversity in the appraisal workforce, are two ways the housing industry can help minimize the chance of racial bias in home valuation.

The lack of affordable housing supply is a key driver of housing inequity in the United States. In October 2022, Fannie Mae published a Housing Insights research paper, "The U.S. Housing Shortage from a Local Perspective," focused on the contours of housing supply of 75 major metropolitan markets. The paper examined the potential of local, customized solutions to address the housing supply crisis at the local level.

IV. Outreach Considerations

Fannie Mae consultations related to its Equitable Housing Finance Plan in 2021 and 2022 are summarized below. These consultations were with nonprofit organizations, community groups, consumers, governmental agencies, lenders, technology service partners, and other participants in the housing finance industry. We will continue to consult relevant stakeholders over the course of the Plan's three-year period.

These consultations were generally focused on racial equity, housing stability, consumer housing journey maps, and agreement to support and/or participate in actions or research that are components of the Equitable Housing Finance Plan, and/or to advance the Fannie Mae mission. These engagements and consultations contributed to our development of the actions in this Plan and often included discussion of strategies to more effectively, safely, and soundly serve very low-, low-, and moderate-income borrowers who may also be beneficiaries of the actions in our Equitable Housing Finance Plan.

Non-Profit Organizations / Community Groups / Coalitions

Center for Responsible Lending	Junior Achievement
Oweesta Corp.	LISC: Local Initiatives Support Corporation
Florida Housing Coalition Center for Racial Equity	Minnesota Homeownership Center — Housing Equity
HomeFree-USA	Prosperity Now
Housing Partnership Network	Asian Real Estate Association of America
Balance	Coalition of HUD Approved Intermediaries
Convergence Columbus Inc.	Convergence Memphis Inc.
Credit.org	Credit Advisors Foundation
Florida Minority Community Reinvestment Coalition	Homeownership Council of America
National Community Reinvestment Coalition	National Multifamily Housing Council
Housing Partnership Network	LISC Memphis
Money Management International	National Association of Local Housing Finance Agencies
National Foundation for Credit Counseling	Homeownership Preservation Foundation
UnidosUS	National Fair Housing Alliance
National Association of REALTORS	National Association of Home Builders
Manufactured Housing Institute	American Enterprise Institute
Leadership Conference on Civil and Human Rights	New York Mortgage Coalition

Technology Service Providers/FinTech

Esusu	Jetty
Rent Dynamics	ICE Mortgage Technology
Blend	Black Knight
Simple Nexus	Optimal Blue
DocuTech	Rocket Mortgage
Clarifire	Mueller
Accurate Group	DXC
Amrock	Radian
Meridian Link	Sagent
Fiserv	Stewart
SharperLending	Solidifi
Clear Capital	TrueFootage
IndiSoft LLC	Equifax Mortgage Solutions

Governmental Agencies

Colorado Housing and Finance Authority	State of New York Mortgage Agency (SONYMA)
Illinois Housing Development Authority	Virginia Housing Development Authority
Massachusetts Housing Finance Agency	West Virginia Housing Development Fund
Ohio Housing Finance Agency	Office of Comptroller of the Currency (Project REACh)
U.S. Department of Housing and Urban Development	

Additional Relevant Consultations

Black Homeownership Collaborative	National Housing Conference
National Consumer Law Center	Urban Institute
National Council of State Housing Agencies	Mortgage Bankers Association
Partnership for Equitable and Resilient Communities (PERC)	National Association of Real Estate Brokers
National Association of Hispanic Real Estate Professionals	Fannie Mae Affordable Housing Advisory Council
National Urban League	Appraisal Institute

Other Industry Participants

Consumer Data Industry Association	Experian
Credit Karma	Fair Isaac
Equifax	Finastra
TransUnion	VantageScore
Walker & Dunlop	M&T Bank

V. Equitable Housing through Underwriting

A. Application acceptance rate in Desktop Underwriter by race/ethnicity, 2018 – 2022

Desktop Underwriter acceptance rate*

All Applications

Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
	Race and Ethnicity						
2018	88.1%	78.5%	84.9%	86.2%	85.8%	84.0%	83.9%
2019	88.5%	77.6%	84.3%	87.6%	83.4%	84.2%	83.9%
2020	92.1%	83.5%	88.7%	91.7%	88.0%	89.8%	88.9%
2021	88.5%	80.0%	85.1%	87.5%	84.7%	85.2%	84.8%
2022	83.9%	70.7%	78.4%	83.8%	77.9%	78.2%	78.1%

All Purchase Applications

Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
	Race and Ethnicity						
2018	90.9%	82.3%	88.5%	88.1%	86.4%	87.5%	87.1%
2019	90.7%	80.0%	87.2%	89.0%	85.9%	86.8%	86.3%
2020	91.9%	81.3%	88.9%	91.0%	87.9%	88.8%	88.1%
2021	89.6%	80.7%	87.6%	88.2%	86.5%	86.6%	86.5%
2022	88.7%	78.6%	85.6%	86.7%	85.1%	85.2%	84.6%

All cash-out refinance applications							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	85.6%	75.6%	81.5%	83.0%	87.5%	82.3%	80.7%
2019	84.8%	72.2%	78.5%	81.1%	79.3%	80.2%	77.6%
2020	91.0%	81.0%	86.5%	88.9%	85.9%	88.6%	86.2%
2021	87.0%	77.0%	81.7%	85.4%	82.4%	83.8%	81.5%
2022	76.6%	61.7%	67.8%	74.9%	68.4%	69.6%	67.1%

All non-cash-out refinance applications							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	82.5%	72.1%	78.1%	81.0%	82.7%	76.3%	77.8%
2019	89.0%	79.4%	84.8%	89.1%	85.5%	84.8%	85.4%
2020	93.1%	86.8%	89.7%	92.9%	89.6%	91.2%	90.7%
2021	88.9%	81.9%	85.1%	87.9%	85.1%	85.3%	85.4%
2022	79.1%	69.8%	74.1%	76.1%	74.2%	71.6%	73.5%

*These data points are provided for public transparency and to promote fair lending, but do not by themselves prove or disprove unlawful discrimination. Our automated underwriting system, DU, uses neutral factors to assess borrower creditworthiness.

B. Single-family loan acquisitions by borrower classification, 2018-2022

All single-family acquisitions							
	Race and Ethnicity						
Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	1,242,134	93,291	205,314	133,086	13,040	7,964	434,905
2019	1,474,853	100,688	249,543	179,379	13,921	9,524	529,950
2020	3,098,725	172,506	481,963	438,478	29,133	19,249	1,089,620
2021	2,878,677	218,166	541,779	451,531	34,615	18,585	1,203,635
2022	1,180,347	125,187	269,036	178,370	17,800	7,924	566,893

Share of all single-family acquisitions							
	Race and Ethnicity						
Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	74.1%	5.6%	12.2%	7.9%	0.8%	0.5%	25.9%
2019	73.6%	5.0%	12.4%	8.9%	0.7%	0.5%	26.4%
2020	74.0%	4.1%	11.5%	10.5%	0.7%	0.5%	26.0%
2021	70.5%	5.3%	13.3%	11.1%	0.8%	0.5%	29.5%
2022	67.6%	7.2%	15.4%	10.2%	1.0%	0.5%	32.4%

All purchase acquisitions							
	Race and Ethnicity						
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	797,076	55,128	127,519	95,709	7,201	4,479	279,082
2019	796,621	57,978	141,995	99,528	7,281	4,604	298,247
2020	958,813	68,457	174,519	120,577	9,994	5,595	360,645
2021	888,191	80,396	200,009	148,918	11,853	5,710	423,139
2022	662,572	66,984	161,415	126,587	10,140	4,340	349,218

Share of all purchase acquisitions							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	74.1%	5.1%	11.8%	8.9%	0.7%	0.4%	25.9%
2019	72.8%	5.3%	13.0%	9.1%	0.7%	0.4%	27.2%
2020	72.7%	5.2%	13.2%	9.1%	0.8%	0.4%	27.3%
2021	67.7%	6.1%	15.3%	11.4%	0.9%	0.4%	32.3%
2022	65.5%	6.6%	16.0%	12.5%	1.0%	0.4%	34.5%

All cash-out refinance acquisitions							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	273,500	23,042	48,847	21,077	3,730	2,277	94,630
2019	318,887	23,064	54,471	24,816	3,739	2,495	103,752
2020	645,314	32,839	95,210	52,607	6,594	4,339	182,364
2021	746,204	54,401	124,593	69,171	9,313	5,067	249,655
2022	337,563	40,315	68,673	28,559	5,111	2,497	137,882

Share of all cash-out refinance acquisitions							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	74.3%	6.3%	13.3%	5.7%	1.0%	0.6%	25.7%
2019	75.5%	5.5%	12.9%	5.9%	0.9%	0.6%	24.5%
2020	78.0%	4.0%	11.5%	6.4%	0.8%	0.5%	22.0%
2021	74.9%	5.5%	12.5%	6.9%	0.9%	0.5%	25.1%
2022	71.0%	8.5%	14.4%	6.0%	1.1%	0.5%	29.0%

All non-cash-out refinance acquisitions							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	171,558	15,121	28,948	16,300	2,109	1,208	61,193
2019	359,345	19,646	53,077	55,035	2,901	2,425	127,951
2020	1,494,598	71,210	212,234	265,294	12,545	9,315	546,611
2021	1,244,282	83,369	217,177	233,442	13,449	7,808	530,841
2022	180,212	17,888	38,948	23,224	2,549	1,087	79,793

Share of all non-cash-out refinance acquisitions							
Race and Ethnicity							
Create Date Year	White Non-Latino/ Hispanic	Black	Latino/ Hispanic	Asian	Native American	Pacific Islander	Minority
2018	73.7%	6.5%	12.4%	7.0%	0.9%	0.5%	26.3%
2019	73.7%	4.0%	10.9%	11.3%	0.6%	0.5%	26.3%
2020	73.2%	3.5%	10.4%	13.0%	0.6%	0.5%	26.8%
2021	70.1%	4.7%	12.2%	13.2%	0.8%	0.4%	29.9%
2022	69.3%	6.9%	15.0%	8.9%	1.0%	0.4%	30.7%

C. Other underwriting changes in 2022

In December 2022, Fannie Mae announced an update to DU version 11.0 for loan casefiles submitted or resubmitted on or after December 10, 2022. This update included enhancements to support loans where no applicant has traditional credit. For example, we expanded eligibility guidelines for loan casefiles where no applicant has a credit score and included a capability to conduct a cash flow assessment for loan casefiles where no applicant has a credit score when the lender obtains a 12-month third-party asset verification report. We expect these changes to have a positive impact on minority groups, especially those who historically have been less likely to have a credit score.

To support homeownership opportunities for more underserved borrowers, in 2021 we updated the credit score used by DU in its eligibility assessment. For most loans with multiple borrowers, DU no longer uses the representative credit score to confirm mortgage loans comply with our minimum 620 credit score requirement. For these loan casefiles, DU used an average median credit score. This change benefited 4,522 borrowers in 2022. Of these who reported race/ethnicity, 11% identified as Black, and 36% overall identified as a member of a minority group.

D. Other underwriting innovations

As noted above, and as referenced in our Equitable Housing Finance Plan, Fannie Mae in 2022 implemented a change designed to increase access to credit for borrowers without a credit score by implementing automated underwriting enhancements that use bank statement data to assess or consider a borrower's monthly cash flow over a 12-month period to potentially enhance their credit risk assessment. We believe this will increase access for borrowers without a credit score by implementing capabilities to conduct a cash flow assessment in Fannie Mae's automated underwriting engine, Desktop Underwriter (DU), and simplify the underwriting process by providing an automated option for lenders to document alternative sources of data used in automated underwriting. In 2022, we implemented both enhancements within DU for loans where no borrower has a credit score.

This enhancement followed others implemented in 2021 designed for the same purpose. Specifically, in late 2021, Fannie Mae introduced the option to include an applicant's positive rent payment history in DU. In 2022 and in 2023, Fannie Mae is seeking to increase adoption of lender and borrower use of the positive rent payment history enhancement. We will continue to expand adoption and usage of the positive rent payment history enhancement in DU by further driving adoption of the technical enhancement among lenders, vendors, and other key constituents to ensure broad availability for borrowers. In 2022, we launched a consumer informational marketing campaign to create awareness of the potential ability for consistent, on-time rent payments to help lenders qualify borrowers for a mortgage and encourage borrower outreach to lenders.

VI. Summary of Outcomes

A note about data in this Performance Report

Unless otherwise noted, race and ethnicity categories for individuals (or households) served are based on whether they identify as a race other than non-Hispanic white. Individuals can self-identify as more than one race and ethnicity, and in those cases the individual race/ethnicity total counts may not sum up to 100% of those reporting race/ethnicity. For example, for loan data, if there are two borrowers on a mortgage, one of whom identifies as Black and one as Asian, the loan would be counted as part of both Black and Asian categories. Similarly, if an individual served by a housing counseling service identifies with more than one minority race or ethnicity, the individual will be included in each racial/ethnic group. For these purposes, an individual who identifies as a member of a minority group(s) as well as non-Hispanic white will only be included in the minority group(s).

A. Consumers Served[5]

Table includes individual consumers benefiting from or participating in activities within the Equitable Housing Finance Plan in 2022.

Equitable Housing Finance Plan activity	Consumers/households served
Special purpose credit programs	887
Guide-eligible SPCP loan acquisitions[6]	884
Fannie Mae SPCP pilot loan acquisitions	3
Underwriting Innovations (see Table B)	885
Positive rent payment history[7]	885
Cash flow assessment	0
Education and counseling (see Table D)	192,286
Pre-purchase counseling[8]	3,103
Post-purchase counseling[9]	10,305
HomeView course completions	178,878
Multifamily positive rent payment reporting pilot	51,242
Closing cost reduction	196
Attorney opinion letters	45
REO closing cost concessions	151
Appraisal Diversity Initiative scholarships	330
Future Housing Leaders summer program enrollees	1,067
Total	246,893

[5] Individuals may benefit from or participate in more than one activity.
[6] Lender-designed special purpose credit program loans acquired by Fannie Mae, as reported by the lender.
[7] Includes only PRPH loans acquired by Fannie Mae in 2022.
[8] Number of unique users, not total counseling sessions.
[9] Number of unique users, not total counseling sessions.

Tables organized by demographic makeup of households or individuals benefitting from or participating in activities within the Equitable Housing Finance Plan in 2022.

Consumers/households served									
Group	White – non-Latino/ Hispanic	Black (African American)	Latino/ Hispanic	Asian	Native American	Hawaiian or Pacific Islander	Total Minority	Total with race/ ethnicity	Total without race/ ethnicity
Special Purpose Credit Programs	232	357	203	96	12	5	620	852	35
Guide-eligible SPCP loan acquisitions	231	355	203	96	12	5	618	849	35
Fannie Mae SPCP pilot loan acquisitions	1	2	0	0	0	0	2	3	0
Underwriting Innovations (see Table B)	439	151	160	59	11	5	365	804	81
Positive rent payment history[10]	439	151	160	59	11	5	365	804	81
Cash flow assessment	0	0	0	0	0	0	0	0	0
Education and Counseling (see Table D)	4,851	3,294	2,417	511	145	41	6,242	11,093	181,193
Pre-purchase counseling	1,667	333	693	188	41	12	1,199	2,866	237
Post-purchase counseling	3,184	2,961	1,724	323	104	29	5,043	8,227	2,078
HomeView course completions									178,878
Multifamily positive rent payment reporting pilot									51,242
Closing cost reduction	42	5	7	8	0	0	20	62	134
Attorney opinion letters	26	3	6	7	0	0	16	42	3
REO closing cost concessions	16	2	1	1	0	0	4	20	131
Appraisal Diversity Initiative scholarships									330
Future Housing Leaders summer program enrollees	168	70	91	63	8	1	281	449	618

[10] Includes only loans acquired by Fannie Mae in 2022.

Share of consumers/households served[11]								
Group	White – non-Latino/ Hispanic	Black (African American)	Latino/ Hispanic	Asian	Native American	Hawaiian or Pacific Islander	Total Minority	Total without race/ ethnicity[12]
Special Purpose Credit Programs	27.2%	41.9%	23.8%	11.3%	1.4%	0.6%	72.8%	3.9%
Guide-eligible SPCP loan acquisitions	27.2%	41.8%	23.9%	11.3%	1.4%	0.6%	72.8%	4.0%
Fannie Mae SPCP pilot loan acquisitions	33.3%	66.7%	0.0%	0.0%	0.0%	0.0%	66.7%	0.0%
Underwriting Innovations (see Table B)	54.6%	18.8%	19.9%	7.3%	1.4%	0.6%	45.4%	9.2%
Positive rent payment history[13]	54.6%	18.8%	19.9%	7.3%	1.4%	0.6%	45.4%	9.2%
Cash flow assessment	0	0	0	0	0	0	0	0
Education and Counseling (see Table D)	43.7%	29.7%	21.8%	4.6%	1.3%	0.4%	56.3%	94.2%
Pre-purchase counseling	58.2%	11.6%	24.2%	6.6%	1.4%	0.4%	41.8%	7.6%
Post-purchase counseling	38.7%	36.0%	21.0%	3.9%	1.3%	0.4%	61.3%	20.2%
HomeView course completions								100.0%
Multifamily positive rent payment reporting pilot								100.0%
Closing cost reduction	67.7%	8.1%	11.3%	12.9%	0.0%	0.0%	32.3%	68.4%
Attorney opinion letters	61.9%	7.1%	14.3%	16.7%	0.0%	0.0%	38.1%	6.7%
REO closing cost concessions	80.0%	10.0%	5.0%	5.0%	0.0%	0.0%	20.0%	86.8%
Appraisal Diversity Initiative scholarships								100.0%
Future Housing Leaders summer program enrollees	37.4%	15.6%	20.3%	14.0%	1.8%	0.2%	62.6%	57.9%

[11]. Ratio to consumers with race/ethnicity data.
[12] Ratio to all individuals served by this action or group of actions, including both those with and without race/ethnic data.
[13] Includes only loans acquired by Fannie Mae in 2022.

B. Underwriting Innovations

Includes approved/eligible applications that benefited from the positive rent payment history (PRPH) enhancement in Desktop Underwriter in 2022, and loans acquired by Fannie Mae in 2022. (Note: Fannie Mae acquired no loans that utilized DU enhancements for cash flow assessment or for borrowers without a credit score in 2022).

Group	Approved/eligible applications	Share of PRPH applications	PRPH loans acquired in 2022	Share of PRPH loans acquired
White - Non-Latino/Hispanic	1,243	50.4%	439	54.6%
Black (African American)	510	20.7%	151	18.8%
Latino/Hispanic	539	21.8%	160	19.9%
Asian	218	8.8%	59	7.3%
Native American	39	1.6%	11	1.4%
Hawaiian or Pacific Islander	10	0.4%	5	0.6%
Minority	1,224	49.6%	365	45.4%
Total with race/ethnicity data	2,467		804	
Total	2,917		885	

C. Homeowners Served - Foreclosure Alternatives

Table includes foreclosure alternatives only for loans acquired by Fannie Mae in 2022 that pertain to an Equitable Housing Finance Plan action. (Note: Fannie Mae's Plan contains no foreclosure alternative-related actions.)

Foreclosure alternatives in 2022

Group	Loans	Share of total
White - Non-Latino/Hispanic	1	33.3%
Black (African American)	2	66.7%
Latino/Hispanic	0	0.0%
Asian	0	0.0%
Native American	0	0.0%
Hawaiian or Pacific Islander	0	0.0%
Minority	2	66.7%
Total with Race/Ethnicity Data	3	
Total	3	

D. Consumers Served – Education & Counseling Activities

Pre-purchase counseling (as defined by loans with Special Feature Code 184, used to apply the applicable loan-level price adjustment credit to the lender for HomeReady® loans where the borrower completes housing counseling) for loans acquired in 2022. For HomeView sessions, no demographic data is available.

Pre-purchase counseling

For the year ended December 31, 2022

Group	User	Share of all users
White - Non-Latino/Hispanic	1,667	58.2%
Black (African American)	333	11.6%
Latino/Hispanic	693	24.2%
Asian	188	6.6%
Native American	41	1.4%
Hawaiian or Pacific Islander	12	0.4%
Minority	1,199	41.8%
Total with Race/Ethnicity Data	2,866	
Total	3,103	

Post-purchase counseling

For the year ended December 31, 2022

Group	Users	Share of all users
White - Non-Latino/Hispanic	3,184	38.7%
Black (African American)	2,961	36.0%
Latino/Hispanic	1,724	21.0%
Asian	323	3.9%
Native American	104	1.3%
Hawaiian or Pacific Islander	29	0.4%
Minority	5,043	61.3%
Total with Race/Ethnicity Data	8,227	
Total	10,305	

HomeView[14]

Module	Course Completions	New Users
HomeView	175,209	199,138
HomeView Spanish	3,669	4,245
Total	178,878	203,383

[14] HomeView users do not report race/ethnicity.