Fannie Mae®

2017 Annual Housing Activities Report and Annual Mortgage Report

Introduction

In 2017, America's affordable housing needs continued to evolve and come into sharper focus. New opportunities to expand access to affordable housing took shape, even as persistent challenges remained. Fannie Mae played, and continues to play, a leading role in meeting these challenges. We approached our affordable housing mission in the last year with adaptability, innovation, and a spirit of partnership – always with an eye towards the future needs of the housing market we serve.

In this report, we provide an assessment of Fannie Mae's affordable housing activities in 2017. We outline the numerous ways in which Fannie Mae has sought to increase access to mortgage credit for qualified single-family borrowers as well as describe our work in financing multifamily properties that are affordable to low- and moderate-income renters.

MARCH 12, 2018

SUBMITTED TO:
THE FEDERAL HOUSING FINANCE AGENCY (FHFA)

THE COMMITTEE ON FINANCIAL SERVICES OF THE UNITED STATES HOUSE OF REPRESENTATIVES

THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS OF THE UNITED STATES SENATE

PURSUANT TO:
THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

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Fannie Mae is bringing forward thinking to find solutions for the next generation of lenders, homeowners, and renters. This starts with a clear-eyed view of the markets we serve, a readiness to adapt and innovate, and a willingness to work in partnership with our customers and other stakeholders to create new housing opportunities for all Americans.

Housing Scarcity

Fannie Mae's mission to enable and promote affordable housing has never been so urgent. Many communities in the United States face significant shortages of housing for low- and moderate-income homeowners and renters.

The supply of homes priced in the most affordable-one third of available inventory **fell by more than one-third** between 2012 and 2015.

Half of American households that rent **spend more than 30 percent** of their income on rent and utilities and a quarter spend **more than 50 percent**.

In the single-family market, the shortage of affordable homes is leaving families – particularly those buying homes for the first time – with fewer choices. The sale prices of homes at all price points have grown, but price increases for the smallest, most affordable homes have been most acute.

Similarly, in many communities, the creation of rental units that are affordable to low- and moderate-income households has ground to a virtual standstill, stretching household budgets and adversely impacting savings. Rent growth outpaced real household wage growth for the last seven years.

The factors driving the lack of affordable housing supply are complex and multifaceted, with many outside of Fannie Mae's ability to influence. At the same time, we understand that the central and vital role we play in the housing market calls us to work with customers, partners, and communities to find practical solutions that will allow more families access to affordable, sustainable housing. The following activities outline our recent efforts to meet that objective.

Expanding Eligibility, Enhancing Products

Improvements to HomeReady® – Fannie Mae's low down-payment conventional loan product – simplified underwriting for lenders, allowing them to reach more qualifying very low- and low-income borrowers. In 2017, Fannie Mae increased the availability of HomeReady training for underwriters, loan officers, realtors, and community groups. We also continued a close collaboration with several of our lender customers to find and serve more very low- and low-income borrowers with HomeReady loans, including educational programs for first-time homebuyers in which lenders and non-profits work together to prepare borrowers for homeownership. These efforts have been successful, and deliveries of HomeReady increased from about 42,000 loans in 2016 to more than 110,000 loans in 2017. More than 650 lenders delivered HomeReady loans in 2017.

In July 2017, Fannie Mae announced an update to Desktop Underwriter® (DU®) that enabled our customers to expand homeownership opportunities and better serve creditworthy borrowers. Specifically, the update allowed more loans with debt-to-income (DTI) ratios between 45 and 50 percent to receive a DU Approve/Eligible recommendation. This update has resulted in more low-and moderate-income borrowers qualifying for a Fannie Mae loan.

Nearly half (48.9 percent) of all single-family owner-occupied home purchase loans financed by Fannie Mae in 2017 were to **first-time homebuyers**.

Testing and Learning

Building on the success of HomeReady, in 2017 Fannie Mae launched a number of pilot programs designed to meet the affordability needs of today's homebuyers. Going forward, the pilots will assume a variety of forms, from finding new ways to leverage Fannie Mae's loan data, to working with new types of housing partners, testing new types of financing mechanisms, or providing more liquidity to parts of the housing market that are currently underserved. Each pilot will be of limited duration and involve small numbers of loans. We will use what we learn to enhance promising ideas, scale those that work, and discard the ones that do not meet expectations. All of the pilots are intended to further the mandate set forth in the charter to promote access to mortgage credit and provide stability and assistance to the secondary mortgage market.

In the Multifamily business, Fannie Mae announced that it will resume Low Income Housing Tax Credit (LIHTC) activities to provide reliable sources of capital for affordable rental housing and underserved markets. Our deep experience, long history, strong leadership, and partnership approach in the LIHTC market positions us to provide ongoing support for the production and preservation of affordable rental housing. Fannie Mae's re-entry into the LIHTC market as an equity investor will expand efforts to increase and improve affordable housing stock and help those markets most in need of support.

Empowering our Customers

One understandable after effect of the housing and mortgage crisis was lenders' increased desire for certainty. Lenders want certainty that the loans they originate and deliver to Fannie Mae conform to our standards and will not be subject to a demand that they repurchase those loans. To address this need, Fannie Mae has taken a number of steps, beginning in 2013 with the introduction of the new representation & warranty framework. Most recently, Fannie Mae has implemented Day 1 Certainty™ initiative, which is based on a simple premise: making the single-family mortgage process simpler, faster, and more certain will lower costs and give lenders more confidence to seek out affordable lending opportunities for lower income borrowers.

Day 1 Certainty, through Desktop Underwriter® (DU®), frees lenders from repurchase risk on validated elements. This significantly lowers the possibility that lenders will be asked to repurchase a loan in the event of a default, because the validation we receive lowers the risk that there will be a default. In this way, Day 1 Certainty is not only a customer-centric initiative; it also assists in affordable lending by reducing disincentives to lenders to sell loans to us and allowing lenders to reduce their repurchase reserves and deploy that cash in the form of additional loans.

More than 400,000 multifamily rental units financed by Fannie Mae were affordable to **low-income families.**

In the multifamily market, Fannie Mae remained an essential partner for owners of affordable rental housing. We financed more than $66.1 billion in lending to support approximately 770,000 units of rental housing in 2017. Approximately 90 percent of the multifamily units financed were affordable to families earning at or below 120 percent of the area median income in their area, providing support for both workforce housing and affordable housing.

Fannie Mae's multifamily business relies on the Delegated Underwriting and Servicing® (DUS®) program to finance good quality, sustainable, affordable rental housing across the United States. Delegation and risk sharing are the cornerstones giving lenders the ability to make decisions about their loans while they share risk with Fannie Mae.

Fannie Mae multifamily lender partners also have the flexibility to try new approaches, such as our Green Financing business, which topped $27.6 billion in 2017.

Creating More Affordable Housing

Fannie Mae is engaged in a long-term effort, working with old and new partners, to find innovative solutions to the housing affordability challenges of current and future generations of families. By necessity, this effort will require more work to preserve and increase the supply of affordable housing in America.

Many, but not all, of these efforts are encompassed in our Duty to Serve (DTS) Plans to promote affordable housing options in rural areas, assist in the preservation of affordable housing, and develop financing options for manufactured housing. Fannie Mae collected input from communities, housing advocacy organizations, builders, and mortgage lenders to create the Plans. These Plans become effective in 2018, and we will continue to work with the stakeholders to develop, test, learn from, and implement practical solutions to the country's most difficult housing challenges.

Fannie Mae purchased 59,367 single-family loans from state and local housing finance agencies in 2017, with an **unpaid principal balance of $10.2 billion.**

One of the most promising areas for potentially increasing the supply of affordable housing is the manufactured housing market. As an example, through a partnership with Fannie Mae, the New Hampshire Housing

Finance Agency began offering 30-year, fixed-rate loans on manufactured homes in approved resident-owned communities. Low-cost manufactured housing presents enormous opportunities to solve affordable housing shortages in many communities, and Fannie Mae is committed to finding new ways to make financing for these homes more widely available.

Conclusion

The mounting challenges in housing access and affordability have developed over many years, and there are no easy or fast solutions. Nevertheless, answers do exist and can be realized with diligence and determination. Fannie Mae has committed the talents of our people and the backing of our secondary market capabilities toward developing workable and enduring solutions.

Our record of innovation, practical problem solving, and a long-term perspective has helped our customers, and our customers' customers, navigate the changing dynamics of the housing finance market for many decades. Those qualities guide us today as Fannie Mae works with customers, and all stakeholders in housing finance, to find new ways to solve the housing challenges of America's future.

Structure of Fannie Mae's Housing Goals

When Fannie Mae became a publicly traded company in 1968, we were charged with dedicating a "reasonable portion" of our mortgage purchase business to mortgages affordable to low- and moderate-income families. More detailed statutory requirements were established with the passage of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.[1] As a result, Fannie Mae is required by statute and regulation to meet certain Housing Goals. We report our progress in meeting this responsibility each year to our regulator and to the responsible oversight committees in the United States House of Representatives and the United States Senate. We also make the report available to the public by posting it on our website. This report fulfills the requirements of the Fannie Mae Charter Act.[2]

When Congress passed the Housing and Economic Recovery Act of 2008[3], it preserved the focus of Fannie Mae's affordable housing mission, but changed the regulatory framework to move responsibility for mission oversight and enforcement to the newly-created Federal Housing Finance Agency (FHFA).

In 2015, FHFA established single-family and multifamily Housing Goals for 2015 through 2017. According to FHFA's Director Melvin L. Watt, the goals "establish a solid foundation for affordable and sustainable homeownership and rental opportunities in this country."[4] The following single-family home purchase and refinance housing goal benchmarks were established for 2015 through 2017:

- *Low-Income Families Home Purchase Goal Benchmark*: At least 24 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to low-income families (defined as income no higher than 80 percent of area median income (AMI)).
- *Very Low-Income Families Home Purchase Goal Benchmark*: At least 6 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to very low-income families (defined as families with income no higher than 50 percent of AMI).
- *Low-Income Areas Home Purchase Goal Benchmark*: The benchmark level for our acquisitions of single-family owner-occupied purchase money mortgage loans for families in low-income areas is set annually by notice from FHFA, based on the benchmark level for the low-income and high-minority areas home purchase subgoal (below), plus an adjustment factor reflecting the additional incremental share of mortgages for moderate-income families (defined as income equal to or less than 100 percent of AMI) in designated disaster areas. For 2017, FHFA set the overall low-income areas home purchase benchmark goal at 18 percent.
- *Low-Income and High Minority Areas Home Purchase Subgoal Benchmark*: At least 14 percent of our acquisitions of single-family owner-occupied purchase money mortgage loans must be affordable to families in low-income census tracts or to moderate-income families in high-minority census tracts.
- *Low-Income Families Refinance Goal Benchmark*: At least 21 percent of our acquisitions of single-family owner-occupied refinance mortgage loans must be affordable to low-income families.

1 Pub. L. 102-550, tit. XIII, Oct. 28, 1992, 106 Stat. 3672.
2 12 U.S.C. § 1723a(n).
3 Pub. L. 110-289, July 30, 2008, 122 Stat. 2654.
4 Available at http://www.fhfa.gov/mobile/Pages/public-affairs-detail.aspx?PageName=FHFA-Adopts-Final-Rule-on-2015-to-2017-Housing-Goals-for-Fannie-Mae-and-Freddie-Mac.aspx.

For 2017, we believe that we met four out of five single-family goal benchmarks. Single-family housing goals performance is measured against both the FHFA-set benchmarks and against goals-qualifying originations in the primary mortgage market (Market Share). We will be in compliance with the housing goals if we meet either the benchmarks or the Market Share. For the one single-family goal where our performance fell below the benchmark level, FHFA will compare our performance with that of the Market Share after the release of data reported under the Home Mortgage Disclosure Act (HMDA)[5] in the fall of 2018 and will determine whether Fannie Mae met this goal based on the HMDA market data.

FHFA also established new multifamily goal benchmarks for 2015 through 2017, and included a new subgoal for small multifamily properties (5-50 units) affordable to low-income families:

- *Low-Income Families Goal Benchmark*: At least 300,000 multifamily units per year must be affordable to low-income families.
- *Very Low-Income Families Subgoal Benchmark*: At least 60,000 multifamily units per year must be affordable to very low-income families.
- *Small Affordable Multifamily Properties Subgoal Benchmark*: The subgoal for purchases of mortgages on small multifamily properties affordable to low-income families increased each year: 6,000 units in 2015; 8,000 units in 2016; and 10,000 units in 2017.

There is no market-based alternative measurement for the multifamily goals. For 2017, we believe that we met all three multifamily goals.

If our efforts to meet our goals prove to be insufficient, FHFA determines whether the goals were feasible. If FHFA finds that our goals were feasible, we may become subject to a housing plan that could require us to take additional steps, including describing the actions we would take to meet the goal in the next calendar year. The potential penalties for failure to comply with housing plan requirements include a cease-and-desist order and civil money penalties.

In December 2017, FHFA assessed Fannie Mae's 2016 housing goals performance using HMDA data for primary mortgage market originations and determined that we achieved three of the five single-family housing goals and all of the multifamily goals. Fannie Mae did not meet the single-family Very Low-Income Home Purchase Goal or the single-family Low-Income Refinance Goal for 2016. FHFA determined that it would not require that we submit a formal housing plan, but indicated that FHFA will closely monitor our goals performance in the coming years.

5 12 U.S.C. § 2801 et seq.

The following table sets forth Fannie Mae's housing goals performance against our 2017 single-family and multifamily housing goals benchmarks. Final performance results for 2017, including determining whether we met the Market Share, will be calculated and published by FHFA in the fourth quarter of 2018.[6]

Housing Goals	2017 Benchmark	2017 Result
Single-Family		
Low-Income Families Home Purchase	24%	25.50%
Very Low-Income Families Home Purchase	6%	5.87%
Low-Income Areas Home Purchase	18%	22.93%
Low-Income Areas and High-Minority Home Purchase Subgoal	14%	18.31%
Low-Income Families Refinance	21%	24.80%
Multifamily (in units)		
Low-Income Families	300,000	401,145
Very Low-Income Families Subgoal	60,000	82,674
Small (5-50 units) Affordable Multifamily Properties Subgoal	10,000	12,043

6 Our 2017 results have not been validated by FHFA. After validation they may differ from the results reported above.

Charter Act Requirements

Fannie Mae's Charter Act specifies the information that must be included in the Annual Housing Activities Report (AHAR).[7] Each statutory requirement is set forth below, in bold, followed by Fannie Mae's response for 2017.

Single-Family Activities

Charter Act Requirement: Include statements of the proportion of mortgages on housing consisting of 1 to 4 dwelling units purchased by the corporation that have been made to first-time homebuyers, as soon as providing such data is practicable, and identifying any special programs (or revisions to conventional practices) facilitating homeownership opportunities for first-time homebuyers.

In 2017, 48.9 percent of home purchase mortgages on single-family owner-occupied properties acquired by Fannie Mae financed mortgage loans to first-time homebuyers.[8]

Fannie Mae has developed or accepts a number of special products and programs (or revisions to conventional products) designed to assist first-time homebuyers and low- to moderate-income borrowers. We describe these products and programs below, including examples of borrowers who benefited from them in 2017:

HomeReady, introduced by Fannie Mae in late 2015, is our affordable lending product designed to help our lender partners serve more very low-, low- and moderate-income borrowers, with expanded eligibility for financing properties in low-income communities. Here are some examples of first-time homebuyers who benefited from HomeReady in 2017:

- An electrician in his early twenties with an annual income of about $43,000 set a goal to purchase a home in 2017. With an existing car payment of $400 a month and some credit card debt, he was having a hard time saving up for a down payment. He moved back in with his parents so he could save more and pay off some minor collections that impacted his credit score. After about eight months of saving, he was able to qualify for a HomeReady mortgage. With a three percent down payment, he purchased his first home for $140,000.
- A 49-year-old woman with an annual income of $43,472 wanted to purchase a home in the Midwest. Having worked as a medical technician for more than 10 years, she had $9,800 in savings and a monthly debt payment of $371. After qualifying for HomeReady, she was able to purchase her home for $111,000 with a 97 percent loan to value (LTV) ratio.

7 Charter Act, § 309(n)(2)(A-L).

8 Exclusions from this calculation include: loans exempt from housing goals reporting (e.g., loan restructures, convertible adjustable rate mortgages, and real estate owned properties), long-term standby commitments, refinance mortgages, home equity conversion mortgages, and government loans. Fannie Mae has relied on information provided by its customers to identify units occupied by first-time homebuyers. Fannie Mae's 2017 Single-Family Selling Guide provides that a first-time homebuyer is an individual who (1) is purchasing the security property; (2) will reside in the security property as a principal residence; and (3) had no ownership interest (sole or joint) in a residential property during the three-year period preceding the date of the purchase of the security property. In addition, an individual who is a displaced homemaker or single parent also will be considered a first-time homebuyer if he or she had no ownership interest in a principal residence (other than a joint ownership interest with a spouse) during the preceding three-year time period.

In addition, HomeReady also supported the following low- to moderate-income repeat borrowers in 2017:

- After completing his military assignment, a service member and his family returned to the United States. With an annual income of $114,299 and a moderate amount of debt, the borrower qualified for a HomeReady mortgage. After completing the Framework online course, the borrower purchased a home in a southwest urban area for $389,000, with a 90 percent LTV ratio.
- A senior citizen living alone in the southeastern United States wanted to purchase a single-family home with a fireplace and a front porch. With about $42,000 in annual income (made up of Social Security and a pension from a manufacturing company) and virtually no debt, he qualified for a HomeReady mortgage. Although the borrower was reluctant to take the online homeownership education course, he agreed to participate in one-on-one counseling. At the end of the session, he said, "I've learned so much today and I'm so thankful." He purchased the home for $160,000.

HFA Preferred™ is a Fannie Mae product that enables eligible Housing Finance Agencies (HFAs) to offer loans to borrowers with up to 97 percent LTV ratios. HFA Preferred is ideal for borrowers who have limited funds for down payment and closing costs and for those needing extra flexibilities on credit and income sources. Borrowers who benefited from this product included:

- A social worker for a child protective services organization and a recent college graduate, who had an annual income of $67,000 and more than $25,000 in student loans. She had been working for more than six months to improve her credit by paying down debt, but she was unable to save much for a down payment. A State HFA worked with the borrower to provide $10,950 in down payment assistance and ensured that she received Fannie Mae's $1,500 loan level price adjustment (LLPA) credit to put toward closing costs. As a result she was able to purchase her home for $365,000, with a 97 percent LTV ratio.
- A couple with a new baby who wanted to buy their first home. As recent college graduates, they had an annual income of $105,000, excellent credit, and very little debt, but they had less than three percent saved for a down payment. Working with the Virginia Housing Development Authority (VHDA) they qualified for an HFA Preferred mortgage and received a two percent grant to help with their down payment and closing costs. After taking the VHDA home-buyer education course, they purchased the home for $350,000, with a 97 percent LTV ratio.

HFA Preferred Risk Sharing™ is another product that enables HFAs to offer loans to borrowers with up to 97 percent LTV ratios, but without the cost of mortgage insurance because of the risk sharing that the HFA assumes. Borrowers who benefited from this program included:

- A nurse working in a large Pennsylvania city making $92,976 a year and paying $1,400 a month for rent who was ready to purchase her own home. She found a one-bedroom condo in a safe neighborhood and using the HFA Preferred Risk Sharing product, paired with down payment and closing cost assistance offered by the Pennsylvania Housing Finance Agency (PHFA), she qualified for a mortgage with a monthly payment lower than her rent. After completing PHFA's online homeownership education course, she purchased the home for $205,000, with a 97 percent LTV ratio.

Community Seconds® is a program authorized under Fannie Mae's guidelines that enables a subordinate mortgage financed by an HFA, a nonprofit, or certain other organizations, to be used in connection with a first mortgage delivered to Fannie Mae. The Community Seconds mortgage may be used to fund all or part of the down payment, closing costs, renovations to the property, or a permanent interest rate buy down.[9] Borrowers who benefited from this program included:

- A woman looking to retire moved to the Chicago area to be near her children and grandchildren. She wanted to buy a low-cost home to ensure that she could still afford it in the future if she had to rely solely on Social Security. She qualified for an HFA Preferred mortgage and received closing cost assistance from the Illinois Housing Development Authority (IHDA). She decided to purchase a studio unit, a former Fannie Mae REO property that had been renovated by a local nonprofit and was sold to her for $71,400, a little under market rate.
- A working mother of four who had been renting the same apartment for more than six years in Washington, DC. Living paycheck to paycheck, she had very little savings but also very little debt. She applied for the Home Purchase Assistance Program administered by the District of Columbia HFA (DCHFA) and was approved to receive $84,000 in assistance. She also received $9,150 from the DCHFA Open Doors program. When she qualified for an HFA Preferred mortgage, she was able to use Fannie Mae's $1,500 LLPA credit to help pay for a Mortgage Credit Certificate. She purchased the home for $305,000, with a 71 percent LTV ratio.

The percentage of single-family home purchase mortgages on owner-occupied properties made to first-time homebuyers in 2017 under special products and programs (or revisions to conventional products) included the following:

Products and Initiatives	Percentage of Mortgages Made to First-Time Homebuyers
97 LTV Expansion[10]	100.00%
HomeReady	76.88%
Non-HFA Community Seconds	93.81%
HFA Preferred	90.33%
HFA Preferred Risk Sharing	89.44%

Charter Act Requirement: Assess underwriting standards, business practices, repurchase requirements, pricing, fees, and procedures, that affect the purchase of mortgages for low- and moderate-income families, or that may yield disparate results based on the race of the borrower, including revisions thereto to promote affordable housing or fair lending.

Fannie Mae considers service to very low-, low- and moderate-income families to be an important part of its mission. Fannie Mae designs its underwriting standards, business practices, repurchase requirements, and procedures to balance the company's multiple objectives of serving families of modest means, meeting its liquidity mission, and appropriately addressing credit risk.

9 Community Seconds are not a Fannie Mae product. Rather, they are subordinate mortgages that comply with Fannie Mae's guidelines, thus allowing the first mortgage on the same property (if it otherwise qualifies) to be delivered to Fannie Mae.

10 This standard mortgage product has been expanded to allow LTV ratios greater than 95 percent up to a maximum of 97 percent for purchase transactions if at least one borrower is a first-time homebuyer.

Fannie Mae has a comprehensive fair lending risk management program to support its compliance with fair lending laws. This program promotes fair and responsible lending on an enterprise-wide level and is designed to cover various aspects of Fannie Mae's business, including its underwriting standards, business practices, repurchase requirements, pricing policies, fee structures, and procedures.

In 2017, Fannie Mae continued to implement enhancements to its single-family mortgage underwriting and business practices. Several changes were specifically designed to: (1) achieve our housing goals; (2) increase consistency in, and automation of, the mortgage origination process, which generally promotes fair lending; and (3) increase lenders' certainty and efficiency more generally, which may have the ancillary effect of freeing up lender resources to focus on low- and moderate-income borrowers.

Specifically, Fannie Mae notes a number of accomplishments:

Day 1 Certainty

In late 2016, Fannie Mae introduced Day 1 Certainty – an initiative that offers lenders freedom from representations and warranties on key loan components and drives efficiency in loan originations. Day 1 Certainty leverages industry data standardization and "big data" to support a more streamlined, simpler origination process.

Day 1 Certainty saves time and money in the loan origination process, and significantly reduces lenders' repurchase risk by removing certain representation and warranty obligations. By enabling a more efficient origination process and providing greater certainty to lenders, Fannie Mae supports lenders' efforts to serve a broader borrower base, including more low- and moderate-income borrowers.

In 2017, these components of Day 1 Certainty gave lenders and their borrowers more efficiency and certainty (see the following sections for 2017 outcomes):

- **DU validation service**: Replaces traditional paper-based processes with digital validation of borrower income, assets, and employment.
- **Enhanced Property Inspection Waivers (powered by Collateral Underwriter® (CU™)**: Offers to waive Fannie Mae's appraisal requirement on eligible transactions underwritten through DU.
- **Certainty on appraised value (powered by CU)**: Provides Fannie Mae's upfront acceptance of appraised property value when our automated analysis shows reduced risk on the appraisal and other requirements are met.

These offerings are discussed in more detail in the DU and CU sections below.

Desktop Underwriter

For more than 22 years, DU, the industry's leading automated underwriting system, has provided lenders a comprehensive risk assessment that determines whether a loan meets our eligibility requirements. DU's evaluation is fair and objective, applying the same criteria to every mortgage loan application it considers.

DU updates in 2017 included:

- DU Version 10.1
- Enhancements to the DU validation service

DU Version 10.1

In 2017, Fannie Mae implemented DU Version 10.1, which included simpler, more certain underwriting guidelines to help lenders serve their borrowers with fewer manual processes. With this implementation, the DTI eligibility overlay for loans between 45 and 50 percent will be lifted, allowing more of these loan to receive a DU Approve/Eligible recommendation. The DTI ratio is a mainstay of mortgage loan underwriting. DU considers DTI ratio as one factor, among many, in performing a comprehensive loan-level risk assessment. Fannie Mae regularly monitors and fine-tunes the DU risk model, with careful consideration given to "risk layering," defined as combining multiple risk factors on a particular loan. The maximum DTI ratio DU will accept on a specific loan depends on DU's evaluation of the overall loan file, including risk layering analysis. Fannie Mae can offer these and other flexibilities with DU because it assesses and manages the risk layers on a single loan. Relying on the DU risk assessment has expanded access to credit for creditworthy borrowers in a responsible way.

DU 10.1 also included a simplified approach to disputed tradelines, records of activity of credit extended to a borrower, reported as disputed by the borrower. Lenders are no longer required to investigate or provide documentation on disputed tradelines if DU issues an Approve recommendation using the disputed tradelines. Tradelines reported as medical debt continue to be excluded from the disputed tradeline identification, so lenders are not required to investigate them.

DU validation service

In late 2016, Fannie Mae implemented the DU validation service, a component of Day 1 Certainty (described above). Lenders may opt in to the service, which uses verification reports from vetted third-party data providers to digitally validate borrower income, assets, and/or employment. Use of the DU validation service drives operational efficiency in the loan origination process and can provide a better borrower experience. Instead of gathering paper documents and providing them to their lender, borrowers give the lender permission to access their relevant information electronically.

Digitally validating borrower income, assets, and/or employment reduces time for lenders to originate a loan and allows for more efficient post-closing quality control processes. This time reduction and increased efficiency makes it more cost-effective for lenders to originate loans, including smaller loans that are more common for very low- to moderate-income borrowers.

In the past year, Fannie Mae has added additional data vendors to the service, giving lenders more options and fostering competition that may drive down costs. In 2017, the DU validation service provided:

- A 14 percent average reduction in the time from application to close when assets are validated through DU.
- A 17 percent average reduction in application to close time for loans with employment and/or income validated.

Collateral Underwriter

Collateral Underwriter is an appraisal risk assessment application that Fannie Mae provides free of charge to its lenders to help them proactively manage appraisal quality and originate mortgages with increased certainty and efficiency as well as at lower costs. Increased efficiency makes it more cost-effective for lenders to originate loans, including smaller loans that are more common for low- and moderate-income borrowers. CU powers two components of Day 1 Certainty:

- Property Inspection Waiver (PIW): Powered by CU, PIWs are offers to waive the requirement for an appraisal on eligible transactions underwritten in DU. With more than 28 million appraisals in the CU database, a new appraisal is not always needed by Fannie Mae for certain transactions. CU uses proprietary analytics in combination with a previous appraisal on the subject property to determine whether an offer to waive the appraisal can be issued.

  When a PIW is offered and accepted, the borrower saves the cost of an appraisal, and loan origination time can be shortened because appraisal-related delays are eliminated. The lender receives freedom from representations and warranties on the value, condition, and marketability of the property.

  In 2017, Fannie Mae expanded PIW eligibility to include some purchase transactions in addition to refinances. While limited to certain lower LTV loans, this update responded to market changes, and allows our lenders to offer their borrowers a choice for efficiency and cost savings by foregoing an appraisal. Eligibility is limited to one-unit principal residences and second homes up to a maximum 80 percent LTV ratio. It is estimated that PIW offers will be issued on less than five percent of purchase transactions. Borrowers always have the choice to obtain an appraisal. Fannie Mae continues to require full appraisals on the vast majority of purchase money mortgages to establish market value of homes and provide valuable input to our appraisal database to support CU analytics and future innovations.

- Certainty on appraised value: When a loan is delivered to Fannie Mae with a CU risk score of 2.5 or lower on the appraisal, the loan is eligible for relief from representations and warranties on property value. Lenders remain responsible for data accuracy and property eligibility; however, they gain underwriting efficiencies and potentially reduce revision requests with the appraiser. In 2017, more than 63 percent of appraisals delivered to Fannie Mae received a CU risk score of 2.5 or lower.

Language Resources for Lenders/Servicers

Spanish-speaking borrowers represent one of the largest growing segments of the mortgage market. To support this growing segment, Fannie Mae continues to look for ways to help our sellers and servicers better serve these customers. One way that Fannie Mae helps is by consolidating Spanish language documents and making them available on our website.

- Spanish Language Resources for Servicers include Spanish translations of routine servicing documents as well as borrower notices related to delinquencies, modifications, and workout options.
- Spanish Language Resources for Lenders are Spanish translations of documents used in the loan origination process.

In recognition of the significant Vietnamese population in the Houston area, Fannie Mae published hurricane relief materials in Vietnamese, as well as English and Spanish.

Uniform Residential Loan Application

At the direction of FHFA, in 2016 Fannie Mae and Freddie Mac (Enterprises) published the redesigned Uniform Residential Loan Application (URLA) (also known as Fannie Mae Form 1003/Freddie Mac Form 65) and developed a corresponding dataset, called the Uniform Loan Application Dataset (ULAD). The Enterprises collaborated with industry stakeholders including lenders, government agencies (e.g., FHA, VA, USDA-RD, and the Consumer Finance Protection Bureau (CFPB)), technology solution providers, mortgage insurers, trade associations, housing advocates, and consumer groups. The Enterprises published the redesigned URLA, as well as a Spanish Translation version of the URLA (STURLA), in September 2016.

The Enterprises sought to create an improved loan application that:

- Captures specific information needed by a lender to underwrite the loan.
- Is logically organized, visually unified, and easy for borrowers and lenders to understand and navigate.
- Uses simple terminology to aid in comprehension.
- Meets statutory and legal requirements.

The STURLA, when used in conjunction with the URLA, is a translation tool for Spanish-speaking borrowers to support an improved loan application experience.

In creating the ULRA and STURLA, the Enterprises conducted seven rounds of testing with consumers and lenders over the course of a nine-month period; four of these rounds included Spanish-speaking consumers.

The redesigned URLA was a finalist for the 2017 ClearMark Awards, which are given by the Center for Plain Language to recognize “the best plain language communications written for consumers.”

Also in 2017, the Enterprises:

- Conducted stakeholder outreach and published an implementation timeline: lenders may begin using the redesigned URLA starting July 1, 2019, and the Enterprises will require its use for all new loan applications beginning February 2020.
- Assisted FHFA in conducting consumer testing of a new question about the applicant’s language preference for the redesigned URLA. The question was finalized and new versions of the forms, which included the question, were republished.
- Fannie Mae also obtained "Safe Harbor" from the CFPB for the use of the URLA under the Equal Credit Opportunity Act and Regulation B.

HomeReady

Fannie Mae's HomeReady mortgage product is designed to help lenders serve creditworthy very low- to moderate-income borrowers with expanded eligibility for financing homes in designated low-income communities. With HomeReady, borrowers can obtain affordable conventional home financing with cancellable mortgage insurance and an education requirement to assist in making homeownership sustainable. HomeReady provides simplicity and certainty for lenders, favorable pricing and execution, and product features designed to align with today's homebuyer demographics and support sustainable homeownership.

HomeReady offers pricing advantages with Fannie Mae, waiving the risk-based loan-level price adjustments for HomeReady loans with LTV ratios above 80 percent and a borrower credit score equal to or higher than 680.

For purchase transactions, HomeReady requires homeownership education via Framework (an online homeownership education provider) or one-on-one U.S. Department of Housing and Urban Development (HUD)-approved housing counseling to help homebuyers prepare for homeownership. Certain exceptions are allowed.

HomeReady features include:

- Up to 97 percent LTV ratio; and a combined LTV (CLTV) ratio up to 105 percent with eligible Community Seconds.
- No requirement that the borrower be a first-time homebuyer.
- Boarder income and accessory unit rental income can be used for qualifying.
- Manufactured housing titled as real estate is also an eligible property type.

Also in 2017, Fannie Mae supported the use of HomeReady by:

- Training more than 9,600 loan officers in 126 webinars or in-person sessions.
- Providing on-demand eLearning training with more than 1,650 unique viewers.
- Creating a new eLearning course designed specifically for loan officers; launched in spring 2017, the course received more than 2,730 unique viewers in 2017.
- Refreshing the HomeReady webpage to make it easier to use and continuing to provide extensive lender resources, including a new Quick Start Guide, updated FAQs, simple sample borrower scenarios, an enhanced Income Eligibility Lookup tool, and more.
- Creating additional free HomeReady customizable marketing materials for lenders to use.
- Increasing general awareness of HomeReady through outreach efforts to lenders, real estate professionals and other affordable housing stakeholders at 224 events in 2017.

HFA Preferred

Fannie Mae continues to offer HFA Preferred, an affordable lending product available exclusively to eligible HFAs to serve very low- to moderate-income borrowers. The product offers reduced mortgage insurance coverage with no loan-level price adjustments.

In 2017, Fannie Mae partnered with US Bank to increase HFA Preferred volume in 10 target states for which US Bank is the HFA Preferred master servicer. To accomplish this, Fannie Mae developed and executed a communications plan to engage with HFAs and their lender partners on a regular basis to help drive understanding and education around the value of the HFA Preferred mortgage. Fannie Mae developed custom emails that the HFAs pushed to their lender and realtor networks, redesigned the HFA Preferred landing page, developed new HFA Preferred collateral, and participated in lender training and in-person outreach.

These efforts resulted in an increase in HFA Preferred loan volume among the 10 target states—in October 2016, about 34 percent of the target states' deliveries were HFA Preferred mortgages, but that number increased to 55 percent by October 2017, helping to serve more low- to moderate-income borrowers.

Homebuyer Education and Counseling

Fannie Mae believes that high-quality homeownership education provides borrowers with the information and resources that they need to navigate the home buying process and make informed decisions that support sustainable homeownership.

In 2017, Fannie Mae continued to provide strong support for homeownership education by:

- Continuing incentives for HomeReady loans on which the borrowers receive one-on-one housing counseling.
- Continuing to collaborate with Framework® to connect HomeReady borrowers and others to comprehensive, online homebuyer education (provided in English and Spanish), and post-purchase support. More than 84,000 homebuyers have completed the Framework course.
- Providing extensive outreach and training to lenders and HUD-approved counseling organizations on HomeReady and the incentives for one-on-one housing counseling.
- Promoting the value of homeownership education and housing counseling to lenders, real estate professionals, and consumers through articles and blog posts on leading industry websites including the Fannie Mae Perspectives blog, Housing Wire, Zillow, MSN Money, and Realtor.com. Fannie Mae's Economic and Strategic Research also published a report, Pre-Purchase Homeownership Education Qualitative Research: Lower-Income First-Time Homebuyers.
- In January 2017, Fannie Mae also hosted a Symposium (attended by 57 industry leaders) to increase partnerships between lenders and housing counselors.

Lender Marketing Resources

The Fannie Mae Marketing Center is a free online tool lenders and other housing professionals may use to access and customize a variety of marketing and informational materials to reach and assist borrowers.

In 2017, Fannie Mae added a *Condo Buyer's Guide* to the Marketing Center that addresses common terminology, the best questions to ask before buying, and obligations that must be met throughout the process. The *Condo Buyer's Guide* is available in both English and Spanish.

Credit Policy Enhancements

Fannie Mae made the following *Single-Family Selling Guide* policy updates in 2017 that impact low- and moderate-income families:

Student Loan Debt

The Federal Reserve Bank of New York reports that 44 million Americans have student loan debt; seven in 10 graduates of public and nonprofit colleges in 2015 had student loan debt; and recent graduates averaged $34,000 in student loan debt. With this debt potentially inhibiting homeownership, Fannie Mae made several policy updates in 2017 to provide student loan debt solutions:

- Offer borrowers an option to pay off debt and get a better interest rate.
    - Lenders can offer homeowners who have at least 20 percent equity in their homes a cash-out refinance to pay off one or more student loans.
    - Borrowers have an opportunity to convert higher interest rate student debt to a lower interest rate and potentially reduce monthly debt payments.
    - When at least one student loan is paid off directly to the student loan servicer and delivered to Fannie Mae, we waive the loan-level price adjustment.
- Accept the debt amount on the credit report.
    - Lenders can simply accept the monthly student debt payment amount listed on the credit report.
    - No need to manually calculate one percent of the loan balance in most cases.
    - With a different approach to DTI, lenders may be able to serve more borrowers.

In addition to the flexibilities specific to student loan debt, Fannie Mae updated policies to permit borrowers to exclude debts paid by others, potentially lowering a borrower's DTI ratio.

- Lenders can exclude a borrower's non-mortgage debts (such as credit card, auto, and student loans) that have been paid by another person for the past 12 months from the DTI ratio calculation, with proper documentation.
- Lenders can exclude mortgage-related debt from the borrower's DTI ratio calculation when it can be documented that another party obligated on the mortgage has been making timely mortgage payments for the past 12 months (and the borrower is not using rental income from the property to qualify).

Clarification on Industry-wide Changes to Public Records Information on Credit Reports

In July 2017, the three nationwide consumer credit reporting agencies (CRAs) − Equifax, Experian, and TransUnion – implemented a public record data standard designed to improve the accuracy of credit reports. With the implementation of the CRAs' National Consumer Assistance Plan, most civil judgments and tax liens are no longer included in credit reports. With this industry change, Fannie Mae clarified lender responsibilities.

- If, during Fannie Mae's post-acquisition file review, we identify a loan that has a lien or judgment that was not observable from the lender's origination file, Fannie Mae will cite a finding only and will not consider this to be a significant defect requiring remediation by the lender.
- Lenders are not required to use sources to identify potential civil judgments and tax liens other than the loan application, credit report, and preliminary title report in their loan origination process. Lenders are, however, required to assess any information they are made aware of prior to loan closing.

Change to Treatment of Alimony

The Selling Guide was updated to allow more flexibility toward the treatment of alimony paid by the borrower. Lenders will now have the option of reducing the borrower's monthly qualifying income by the amount of the monthly alimony payment in lieu of including it as a monthly payment in the calculation of the DTI ratio. Lenders may now choose to use either option – reducing income or treating it as a debt – when qualifying borrowers, which can result in a lower DTI ratio.

ARM Enhancements

In order to support access to credit and simplify our guidelines, Fannie Mae aligned the maximum allowable LTV, CLTV and HCLTV ratios for adjustable-rate mortgages (ARMs) with fixed-rate mortgages for all transactions, occupancy, and property types, up to a maximum of 95 percent for DU and manually underwritten loans.

Other Support for Low- and Moderate-Income Borrowers

Fannie Mae continues to support low- and moderate-income borrowers through a number of policies, including:

- Permitting the use of Community Seconds, which are subordinate mortgages that are used in connection with a first mortgage delivered to Fannie Mae. Fannie Mae does not purchase Community Seconds, but allows the use of eligible subordinate Community Second loans when Fannie Mae purchases or securitizes the first mortgage loan. Community Second mortgages permit consumers to leverage public, nonprofit, and employer funds to finance a down payment and/or closing costs, thus helping more families achieve homeownership. For most Fannie Mae purchase loans, no minimum contribution from the borrower's own funds is required on one-unit properties. A Community Second loan may provide the necessary funds for all or part of the down payment, closing costs, and property renovations. With Community Seconds, a higher CLTV ratio is allowed (up to 105 percent) on most Fannie Mae loan transactions.
- Providing automated underwriting through DU for Community Land Trust (CLT) loans. CLTs are independent, nonprofit organizations developed by communities to create and preserve long-term, affordable housing for low- and moderate-income residents. Fannie Mae's CLT loan product is a standard offering in DU that enables lenders to have the certainty and simplicity of automated underwriting. CLTs purchase homes in their communities and create a long-term ground lease under which low- and moderate-income families are able to become homeowners at affordable monthly ground rents. The ground lease includes provisions that require the continued use of the property for low- and moderate-income families in the future. Fannie Mae purchases or securitizes first mortgage loans secured by these ground leases.

- Providing financing for homes with resale restrictions that preserve long-term affordability. To help address the high cost of housing in some markets, many governmental and nonprofit entities support the development of properties subject to resale restrictions. Those strategies help to create and preserve affordable housing stock in communities over the long term. Resale restrictions may limit the use of all or part of the housing to persons or families of low- and moderate-income or on the basis of age (senior communities must comply with applicable laws). Resale restrictions may also restrict the resale price of the property to ensure it is available to future low- and moderate-income borrowers. The restricted resale price provides a subsidy to the homebuyer in an amount equal to the difference between the sales price and the market value of the property without resale restrictions. Fannie Mae provides financing opportunities for homes with resale restrictions.

Home Affordable Refinance Program (HARP)

Fannie Mae continued to support the HARP program in 2017 and provided marketing outreach materials to help lenders reach eligible homeowners. More than 22,000 HARP mortgages were delivered to Fannie Mae in 2017, bringing the total number of HARP mortgages to more than two million.

In 2017, at the direction of FHFA, Fannie Mae continued preparing for the retirement of HARP and implementation of the high LTV refinance option in late 2018.

Charter Act Requirement: Describe trends in the delinquency and default rates of mortgages secured by housing for low- and moderate-income families that have been purchased by the corporation, including a comparison of such trends with delinquency and default information for mortgage products serving households with incomes above the median level that have been purchased by the corporation, and evaluate the impact of such trends on the standards and levels of risk of mortgage products serving low- and moderate-income families.

An analysis of the performance of single-family mortgage loans serving low- and moderate-income borrowers [11] shows that these loans do not perform as well as loans serving borrowers with incomes above the median level. The chart below compares 90-day delinquencies occurring within the first 12 months of acquisition and defaults (defined as a foreclosure sale, deed-in-lieu of foreclosure, pre-foreclosure sale, or third-party sale, at any time during the life of the loan) on loans made to low- and moderate-income borrowers compared to loans made to borrowers with incomes above the median level, by acquisition year. For example, loans made in 2016 to low- and moderate-income families were 93.51 percent more likely to become 90-days delinquent and 395.35 percent more likely to default than loans made to families with income above the median level. This analysis is based on income relative to AMI and does not control for other risk dimensions, such as LTV ratio or credit history. Information regarding serious delinquency and default performance is based on acquisitions through December 2016; performance is observed through December 2017.

11 Since 2010, Fannie Mae no longer tracks single-family unit-level affordability data. To ensure consistency comparing loans from 2000 onward, this analysis is based upon the borrowers' income relative to the AMI. Additionally, this analysis only pertains to owner-occupied principal residences.

There can be significant changes in relative delinquency and default rates between various years. Reflected here are the relative measures between low- and moderate- income borrowers and those borrowers above the median level.

Relative 90-Day Delinquency and Default Rates between Single-Family Loans Serving Low- and Moderate-Income Families and Loans Serving Families with Income above the Median Level, by Year[12]

Acquisition Year	Income Group	Likelihood of 90 Delinquency	Increased Likelihood of 90 Day Delinquency	Likelihood of Default	Increased Likelihood of Default
2004	Above Median Income	0.388%		2.51%	
	Low-Mod Income	1.006%	159.49%	5.35%	113.18%
2005	Above Median Income	0.567%		6.41%	
	Low-Mod Income	1.267%	123.34%	9.19%	43.39%
2006	Above Median Income	1.006%		11.54%	
	Low-Mod Income	2.194%	118.12%	14.49%	25.54%
2007	Above Median Income	2.882%		13.61%	
	Low-Mod Income	4.309%	49.49%	18.19%	33.63%
2008	Above Median Income	1.962%		5.04%	
	Low-Mod Income	2.870%	46.32%	8.28%	64.23%
2009	Above Median Income	0.169%		0.57%	
	Low-Mod Income	0.350%	107.71%	1.39%	145.21%
2010	Above Median Income	0.133%		0.48%	
	Low-Mod Income	0.300%	125.77%	1.20%	151.10%
2011	Above Median Income	0.116%		0.29%	
	Low-Mod Income	0.275%	136.54%	0.75%	158.01%
2012	Above Median Income	0.115%		0.25%	
	Low-Mod Income	0.268%	132.29%	0.65%	158.16%
2013	Above Median Income	0.108%		0.19%	
	Low-Mod Income	0.289%	168.43%	0.57%	195.79%
2014	Above Median Income	0.138%		0.11%	
	Low-Mod Income	0.329%	137.93%	0.35%	212.36%
2015	Above Median Income	0.108%		0.03%	
	Low-Mod Income	0.260%	141.36%	0.10%	223.42%
2016	Above Median Income	0.142%		0.00%	
	Low-Mod Income	0.274%	93.51%	0.02%	395.35%

12 Sample used: unseasoned, conforming, conventional, owner-occupied, first lien, non-reverse mortgages, excluding Growing-Equity Mortgages, Graduated Payment Mortgages, and loans missing affordability data. During the period 2006 through and including 2008, acquisitions of mortgage loans to borrowers of all income categories had a higher risk of delinquency and default. In addition, the likelihood of 90 day delinquency percentages shown are static and only reflect if a loan went delinquent in the first year.

Multifamily Activities

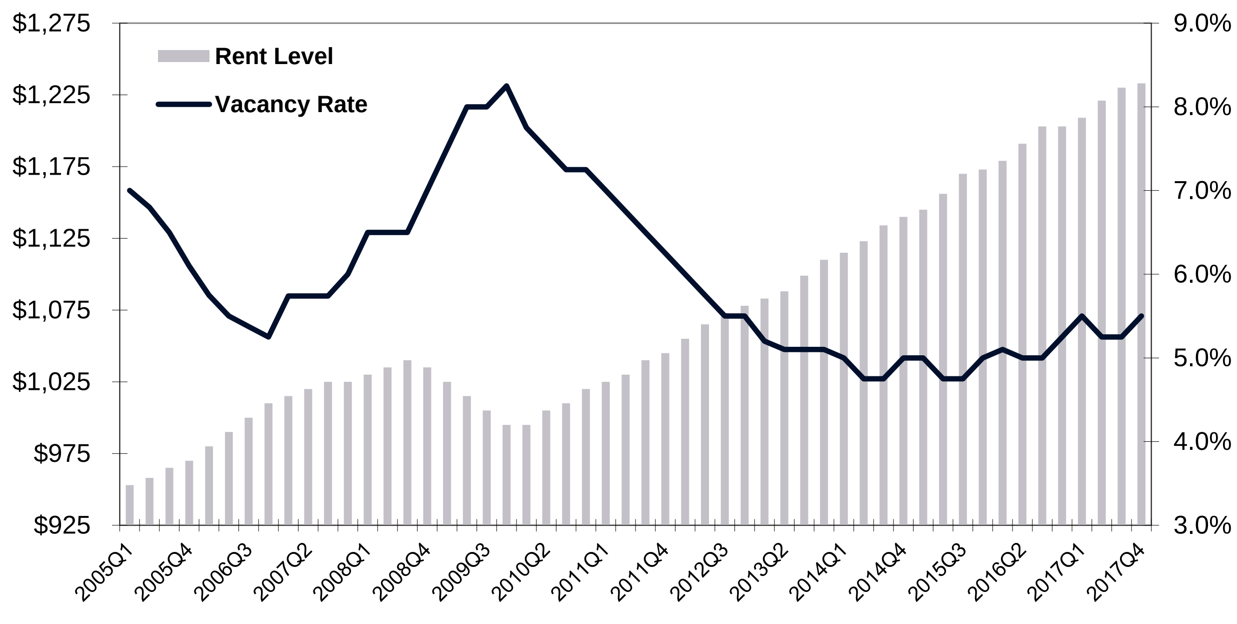
Charter Act Requirement: Describe trends in both the primary and secondary multifamily housing mortgage markets, including a description of the progress made, and any factors impeding progress toward standardization and securitization of mortgage products for multifamily housing.

Primary and Secondary Market Trends

The primary multifamily housing market is influenced by a variety of economic and demographic conditions. These conditions impact the demand for, and absorption of, additional rental housing units. The U.S. multifamily sector has had a solid run since 2010, with increasing rent growth and declining vacancies, as illustrated in the chart below. Key fundamentals that have propelled the multifamily sector include: favorable demographic trends, continued job growth, and increasing renter household formations.

Momentum will likely slow in 2018 due to elevated levels of new supply and moderating job growth. As a result, the national vacancy rate is expected to increase, and rents are expected to grow at a lower and more normalized pace. Overall, the multifamily sector is expected to remain fairly stable in 2018.

Estimated National Rent Level and Vacancy Rate

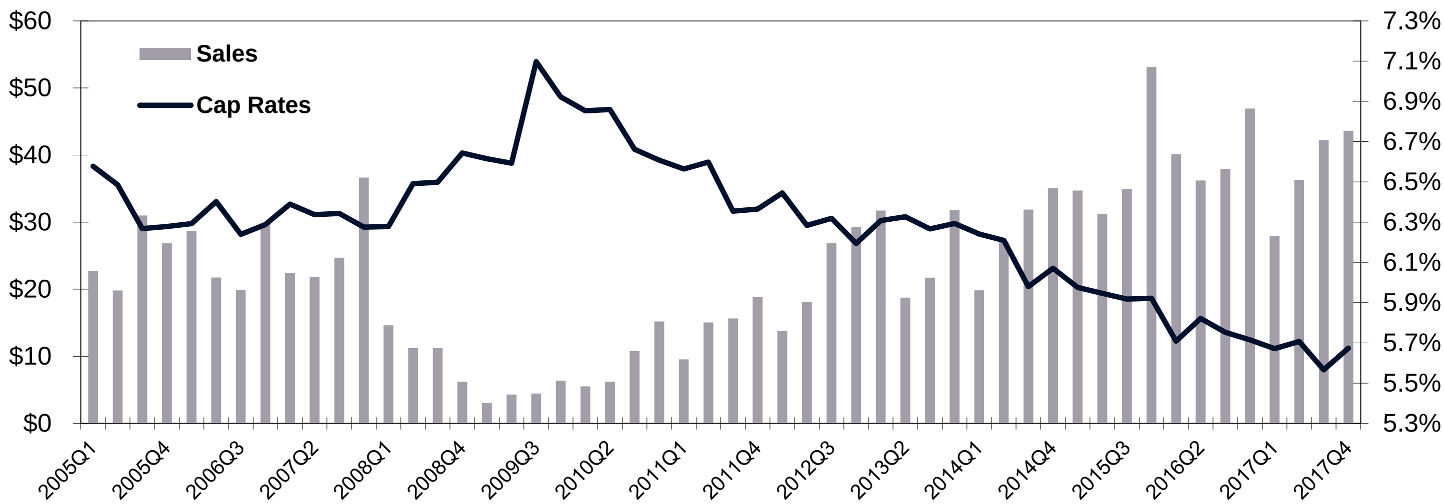


Source: Fannie Mae Economics and Multifamily Market Research

Rent growth continued to exceed the overall inflation rate, with rent growth estimated to have ended the year at about 2.5 percent, with inflation equal to 2.1 percent year-over-year as of the end of December 2017. Rents are expected to increase approximately two percent in 2018.

Continued demand for multifamily rental housing was reflected in the net increase in the number of occupied rental units during 2017 (known in industry terms as positive net absorption). Net absorption likely totaled at least +168,000 units, compared to an estimated +214,000 units absorbed in 2016, according to Reis, Inc. Net absorption is expected to remain positive in 2018, although at a much lower level than last year.

National Apartment Sales Volume and Cap Rates



Source: Real Capital Analytics (www.rcanalytics.com)

Sales of apartment properties valued at $2.5 million or greater totaled an estimated $43.6 billion in the fourth quarter of 2017, bringing the annual estimated total to $150 billion, which is a decrease of -7.0 percent compared to the $161 billion total for 2016, according to recent data from Real Capital Analytics. Although total multifamily sales activity dipped year-over-year in 2017, it was still the third-largest year in terms of dollar volume, coming in just behind the $154 billion total in 2015. Just eight years earlier in 2009, the total volume for multifamily property sales was only $18 billion.

Despite the pullback in multifamily property sales volume, growth in multifamily property prices remained positive during 2017, albeit at a slower pace. According to Moody's/RCA Commercial Property Price Index, multifamily property sales prices increased by an estimated 11 percent in 2017, reflecting an ongoing declining growth trend compared to a 12 percent increase in 2016 and a 13 percent increase in both 2015 and 2014.

Standardization and Securitization

Commercial mortgages, including multifamily mortgage loans, are much less homogenous than single-family residential mortgages. Over the past three decades, there has been a continual move towards standardization and more transparent disclosure in commercial real estate securitizations. Standardization of securitized financings and their associated disclosures promotes liquid trading in the capital markets. Transparent, liquid trading allows for the efficient origination and pricing of multifamily mortgage loans by market participants and the placement of those loans, as mortgage-backed securities (MBS), in the investor market.

Fannie Mae's DUS platform allows lenders to swap each multifamily loan for a standardized, tradeable MBS which shares the characteristics of the underlying loan. Fannie Mae multifamily MBS are predominantly single loan securitizations that allow lenders to auction every MBS rate lock to multiple bidders. This allows for the best execution for borrowers and transfers interest rate risk to private capital at rate lock, with no aggregation risk for Fannie Mae or our lenders.

2017 Standardization & Securitization Highlights:

- Fannie Mae issued $65 billion in multifamily MBS in 2017, which accounted for 99 percent of its multifamily production.
- In an effort to improve the liquidity and increase demand for multifamily MBS, in 2017 Fannie Mae issued $12 billion of multifamily structured securities through 12 Real Estate Mortgage Investment Conduit transactions as part of our GeMS™ program. GeMS structured securities are backed by multifamily MBS previously issued by Fannie Mae and are sold to institutional investors who might not otherwise invest in multifamily MBS. In 2018, Fannie Mae will continue to market its multifamily structured product offerings through the GeMS program.
- Standardized, timely and in-depth disclosures also help to attract investors, improving liquidity and increasing demand. In 2017 the business launched a new DUS Disclose™ platform, expanding the data available for multifamily securities while aligning with industry best practices for disclosure. In 2018, we plan to build upon this new platform and incorporate the disclosure for the multifamily structured product offerings and provide one location for investors to access the data and documents for all multifamily securities.

Affordable Housing Partnerships

Charter Act Requirement: Describe the activities undertaken by the corporation with nonprofit and for-profit organizations and with State and local governments and housing finance agencies, including how the corporation's activities support the objectives of comprehensive housing affordability strategies under section 105 of the Cranston-Gonzalez National Affordable Housing Act.[13]

Activities undertaken by Fannie Mae in 2017 with nonprofit and for-profit organizations, state and local governments, and HFAs included:

- Fannie Mae purchased 59,367 single-family loans from HFAs in 2017, with an unpaid principal balance of $10.2 billion.
- At least three foreclosed multifamily properties, with almost 695 units, were marketed to nonprofits, public entities and/or affordable housing developer organizations for potential purchase to support local comprehensive housing strategies including addressing affordable housing issues and needs.
- Fannie Mae helped provide financing for over 13,000 Low-Income Housing Tax Credit (LIHTC) units of housing by providing $811 million of debt financing on LIHTC projects via our lending partners.
- Through Fannie Mae's SERVE initiative programs, employees make a difference in our communities year-round through volunteer efforts with nonprofit partners. In 2017, 50 percent of our employees volunteered and provided more than 18,445 hours to our nonprofit partners, demonstrating our commitment to serve the communities where we live and work. Employees also supported a wide range of causes and nonprofit organizations through our employee giving programs, including raising $89,000 through employee "fun-raisers" for eight Help the Homeless® community partners.
- Enhanced our partnerships with the Asian Real Estate Association of America, National Association of Hispanic Real Estate Professionals, and National Association of Real Estate Brokers whose members play a critical trusted advisor role in the home-buying and finance process, particularly within the Asian, Hispanic and African-American communities. Through our involvement, we engaged thousands of minority real estate professionals to build solutions to better serve minority communities. For example, in 2017, Fannie Mae participated in each organization's national conferences and select regional chapter events in markets where our HomeReady product helps overcome borrower affordability challenges.
- Established partnerships with three universities serving high-needs rural regions to address housing supply issues and consumer financial barriers to housing stability and homeownership.
- Facilitated the sale of 2,099 single-family real estate owned properties to or through nonprofits and community-based buyers involved in supporting housing strategies that addressed local stabilization and affordable housing needs, including 1,578 properties in the 18 markets of the Neighborhood Stabilization Initiative (NSI). Additionally, in December 2017, the NSI was expanded into 10 additional markets to support the stabilization and affordable housing initiatives in those communities.
- Held 16 training and outreach sessions with nonprofits and community based organizations on affordable lending products that support community stabilization and address affordable housing needs in the NSI communities.

13 Under Section 105, comprehensive housing affordability strategies include, among other things: (1) efforts to address homelessness and meet the needs of homeless persons; (2) the provision of housing for different categories of residents, such as very low-income, low-income, and moderate-income families, the elderly, single persons, large families, residents of non-metropolitan areas, families who are participating in an organized program to achieve economic independence and self-sufficiency, and other categories of persons; (3) combined efforts with private industry, nonprofit organizations and public institutions to deliver safe and adequate housing; (4) encouraging public housing residents to become homeowners; and (5) efforts to provide affordable housing through the production of new units, rehabilitation, or acquisition of existing units.

- Introduced the Sustainable Communities Innovation Challenge, through which Fannie Mae will attract and support promising proposals from public, nonprofit, and private sector organizations that will help to address the nation's affordable housing issues by focusing on the advancement of sustainable communities – those that provide residents with integrated access to affordable housing, healthcare, education, and job opportunities.
- In partnership with the National Urban League, Fannie Mae led the Future Housing Leaders, a recruitment program that focuses on helping employers from across the housing sector build diverse pipelines of entry-level talent. In addition to connecting college students with paid summer internships, Future Housing Leaders aims to increase the diversity in the housing industry to reflect the increasingly diverse next generation of homeowners and renters.
- Announced the Healthy Housing Rewards™ initiative, which provides a financial incentive for borrowers who incorporate healthy design features for newly constructed or rehabilitated affordable multifamily rental properties. This initiative targets properties where at least 60 percent of the units are serving tenants at 60 percent of AMI or less and meet the minimum certification of the Fitwel® Certification System. Fitwel is a joint initiative, led by the U.S. Centers for Disease Control and Prevention and the General Services Administration, and is operated by the Center for Active Design, an independent non-profit organization.

One of the purposes of the Cranston-Gonzalez National Affordable Housing Act is to extend and strengthen partnerships among all levels of government and the private sector in the production and operation of housing that is affordable to low- and moderate-income families. Fannie Mae believes that the activities listed above support the objectives of this statute.

Other Charter Act Requirements

Charter Act Requirement: Include, in aggregate form and by appropriate category, statements of the dollar volume and number of mortgages on owner-occupied and rental properties purchased which relate to each of the annual housing goals.

The dollar volume and number of mortgages on owner-occupied properties that relate to each of the housing goals are set forth on Table 1A of the Annual Mortgage Report (AMR).[14]

The dollar volume and number of mortgages on rental properties that relate to each of the housing goals are set forth on AMR Table 1A (Single-Family Owner-Occupied 2-4 Unit Properties/Mortgages) and AMR Table 1B (Multifamily). In 2017, Fannie Mae mortgage purchases financed 10,873 units affordable to families earning 80 percent or less of AMI living in owner-occupied 2-4 unit properties.[15]

14 The AMR is provided pursuant to § 309(m) of the Charter Act.
15 For 1,900 units that we financed, affordability data was not provided so these units are not included in our calculation.

Charter Act Requirement: Include, in aggregate form and by appropriate category, statements of the number of families served by the corporation, the income class, race, and gender of homebuyers served, the income class of tenants of rental housing (to the extent such information is available), the characteristics of the census tracts, and the geographic distribution of the housing financed.

In 2017, Fannie Mae's purchases of mortgages served 2,913,898 families, as measured by the number of units financed. The income class, race, and gender of homebuyers served, the characteristics of the census tracts, and the geographic distribution of the housing financed, are set forth on AMR Tables 2, 3A, 3B, 4, 5A, 6, 7, 8A, 8B, 9, 10A, 10B and 10C.

Charter Act Requirement: Include a statement of the extent to which the mortgages purchased by the corporation have been used in conjunction with public subsidy programs under Federal law.

In 2017, Fannie Mae purchased 7,050 single-family mortgages and 429 multifamily mortgages with an aggregate unpaid principal balance of approximately $987 million and $5.4 billion, respectively, that were originated in conjunction with public subsidy programs.[16]

Charter Act Requirement: Include, in aggregate form and by appropriate category, the data provided to the [Director] under subsection (m)(1)(B) [*i.e.,* the loan-to-value ratios of purchased mortgages at the time of origination].

AMR Table 11 provides the LTV ratios of single-family mortgages on owner-occupied properties purchased by Fannie Mae.

Charter Act Requirement: Compare the level of securitization versus portfolio activity.

During 2017, Fannie Mae securitized $580.3 billion in mortgage loans. We had total portfolio acquisitions of $293.4 billion, which included $11.8 billion of delinquent loans purchased from our MBS trusts. In 2017, Fannie Mae's portfolio decreased by $41.6 billion.

16 For purposes of this AHAR, Fannie Mae defined programs originated in conjunction with public subsidy programs to include: certain single-family and multifamily HUD-related and Rural Housing Service-related programs and other government insured and/or related programs; Fannie Mae's Multifamily Affordable Housing execution; mortgages purchased from housing finance agencies that benefit from federal tax exemption; bond credit enhancements; and mortgages that benefit from low-income housing tax credits. Because some loans may have been made in conjunction with more than one public subsidy program, there may be a small amount of overlap.

Charter Act Requirement: Describe in the aggregate the seller and servicer network of the corporation, including the volume of mortgages purchased from minority-owned, women-owned, and community-oriented lenders, and any efforts to facilitate relationships with such lenders.

Based upon annual information provided by lenders, Fannie Mae has selling and servicing relationships with approximately 1,883 single-family and 51 multifamily primary market lenders through which the company both purchases loans for its portfolio and issues MBS. The following table sets forth the volume of mortgages purchased in 2017 from single-family lenders identified as minority- or women-owned lenders, women-owned lenders,[17] and single-family and multifamily lenders community-oriented lenders.[18]

Seller/Servicer Type	Volume of Mortgages
Minority- or women-owned	$5.29 billion
Women-owned	$4.32 billion
Community-oriented lenders	$129.01 billion

Efforts to facilitate relationships with single-family lenders include formal business alliances or affinity agreements to provide services and training to incentivize small lender participation with Fannie Mae.[19]

17 Some of these women-owned lenders also identified as a minority group such as African-American, Hispanic, Asian-Pacific, or Indian-Alaskan.
18 For these purposes, a “community-oriented lender” is defined as a financial institution with total assets of less than $1.216 billion as of December 31, 2016. This definition parallels the definition of “small bank” under the implementing regulations of the Community Reinvestment Act (12 C.F.R. § 228.12), as in effect during 2017.
19 These agreements do not preclude members from doing business through other secondary market channels.

The Annual Mortgage Report (AMR)

Table 1A

Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status

Summary Table on Single-Family Housing Goal Performance

For Calendar Year 2017

	Total Mortgages Eligible To Qualify As Low-Income Purchase Money	Qualifying Low-Income Purchase Money Mortgages	Total Mortgages Eligible To Qualify As Very Low-Income Purchase Money	Qualifying Very Low-Income Purchase Money Mortgages	Total Mortgages Eligible To Qualify As Low-Income Area Purchase Money	Qualifying Low-Income Area Purchase Money Goal Mortgages	Qualifying Low-Income Area Purchase Money Subgoal Mortgages	Total Mortgages Eligible To Qualify As Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Single-Family Mortgages										
Owner-Occupied 1-Unit Properties/Mortgages:										
UPB ($ Millions)	$244,199	$39,248	$244,199	$6,636	$244,199	$43,439	$35,879	$195,757	$31,827	$461,528
Number of Mortgages	1,026,150	261,617	1,026,150	60,180	1,026,150	233,588	185,956	890,325	220,383	2,017,538
Owner-Occupied 2-4 Unit Properties/Mortgages:										
UPB ($ Millions)	$1,975	$278	$1,975	$41	$1,975	$905	$894	$3,608	$665	$5,607
Number of Mortgages	6,417	1,679	6,417	381	6,417	3,152	3,088	11,798	3,385	18,292
Total Single-Family Owner-Occupied Mortgages in 1-4 Unit Properties:										
UPB ($ Millions)	$246,174	$39,527	$246,174	$6,677	$246,174	$44,344	$36,773	$199,365	$32,492	$467,136
Number of Mortgages	1,032,567	263,296	1,032,567	60,561	1,032,567	236,740	189,044	902,123	223,768	2,035,830
Goals Performance										
Fannie Mae's Single-Family Goals		24%		6%		18%			21%	
Goals Performance Percentage		25.50%		5.87%		22.93%			24.80%	
Fannie Mae's Single-Family Subgoal							14%			
Subgoal Performance Percentage							18.31%			

Mortgages may count toward more than one goal. On certain tables, sum of entries may not equal totals due to rounding.

[1]Make Home Affordable Modification loans are included in all Single-Family tables where applicable. An Enterprise's modification of a loan in accordance with the Make Home Affordable program announced on March 4, 2009, that is held in the Enterprise's portfolio or that is in a pool backing a security guaranteed by the Enterprise, shall be treated as a purchase of a refinance mortgage for the purposes of the housing goals.

Table 1B
Fannie Mae's Mortgage Purchases by Property Size and Housing Goal Status
Summary Table on Multifamily Housing Goal Performance
For Calendar year 2017

	Qualifying Low-Income Purchases		Qualifying Very Low-Income Purchases		All Mortgage Purchases
Purchases of Multifamily Mortgages					
Multifamily 5-50 Unit Properties:					
UPB ($ Million)		$631		$178	$2,146
Number of Mortgages		460		265	679
Number of Properties		464		268	687
Number of Units		10,081		3,373	20,375
Multifamily > 50 Unit Properties:					
UPB ($ Million)		$24,941		$3,649	$58,541
Number of Mortgages		2,441		1,575	2,949
Number of Properties		2,445		1,575	2,953
Number of Units		370,156		66,387	610,493
Missing Affordability Data Adjustments					
Rental Unit Affordability Estimation					
	Eligible Units	Qualifying Units	Eligible Units	Qualifying Units	
Units in Multifamily Properties:					
Number of Units with Missing Data	32,287		32,287		N/A
Units Where Rent Estimation is Not Possible	0		0		N/A
Units Where Rent Estimation is Possible	32,287		32,287		N/A
Large (>50 unit) properties	29,237	18,946	29,237	11,501	N/A
Small (5-50 unit) properties	3,050	1,962	3,050	1,414	N/A
Not Subject to Cap	32,287	20,908	32,287	12,914	N/A
Subject to Cap	0	0	0	0	N/A
5% Cap	31,543		31,543		N/A
Adjustments to Number of Units for:					
Missing Data		20,908		12,914	N/A
Total Multifamily:					
UPB ($ Million)		$25,572		$3,826	$60,687
Number of Mortgages		2,901		1,840	3,628
Number of Mortgages with both 5-50 and >50 Unit		0		0	0
Number of Properties		2,909		1,843	3,640
Number of Units		380,237		69,760	630,868
Number of Units (Adjusted)		401,145		82,674	630,868
Goals Performance					
Fannie Mae's Multifamily Goals (units)		300,000		60,000	
Goal Performance (units)		401,145		82,674	
Fannie Mae's Small Multifamily Goals (units)		10,000			
Goal Performance (units)		12,043			

Mortgages, properties, and units may count toward more than one goal. On certain tables, sum of entries may not equal totals, due to rounding.

Table 1C
Fannie Mae's Mortgage Purchases by Mortgage Type and Housing Goal Status
Mortgages from At-Risk Loans that were Modified
For Calendar Year 2017

	Total Mortgages Eligible To Qualify as Low-Income Refinance[1]	Qualifying Low-Income Refinance Mortgages[1]	All Mortgage Purchases
Purchase of Loan Modifications of At-Risk Mortgages			
Owner-Occupied 1-Unit Properties/Mortgages:			
UPB ($ Millions)	$134	$70	$176
Number of Mortgages	709	494	927
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$8	$2	$12
Number of Mortgages	28	13	37
Total Loan Modifications of At-Risk Mortgages:			
UPB ($ Millions)	$141	$72	$188
Number of Mortgages	737	507	964

[1]An Enterprise's modification of a loan in accordance with the Make Home Affordable program announced on March 4, 2009, that is held in the Enterprise's portfolio or that is in a pool backing a security guaranteed by the Enterprise, shall be treated as a mortgage purchase for the purposes of the housing goals.

Table 1D
Distribution of Rental Units Financed by Purchases of Mortgages on Single-Family Rental Properties
Summary Table on Single-Family Housing Goal Performance
For Calendar Year 2017

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	All Mortgage Purchases
Purchases of Single-Family Mortgages			
Owner-Occupied 2-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$1,130	$192	$3,002
Number of Mortgages	9,173	1,934	18,187
Number of Units	10,867	2,216	22,041
Investor Owned 1-4 Unit Properties/Mortgages:			
UPB ($ Millions)	$8,818	$1,263	$34,350
Number of Mortgages	68,247	11,219	181,070
Number of Units	95,434	15,793	226,003
Total Single-Family:			
UPB ($ Millions)	$9,948	$1,455	$37,352
Number of Mortgages	77,420	13,153	199,257
Number of Units	106,301	18,009	248,044

Mortgages and units may count toward more than one reporting category. On certain tables, sum of entries may not equal totals, due to rounding.

Table 2
Distribution of Single-Family Owner-Occupied Mortgages
Purchased by Fannie Mae
By Income Class of Mortgagor(s)
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income No More Than 50% of Median Income							
$UPB(Millions)	$6,677	$6,677	$3,503	$7,140	$6,739	$7,201	$13,941
Number of Mortgages	60,561	60,561	32,033	62,328	61,231	62,823	124,054
Portion of Qualifying or Total Mortgages Acquired	23.00%	100.00%	13.53%	27.85%	5.50%	6.81%	6.09%
Income More Than 50% But No More Than 60% of Median Income							
$UPB(Millions)	$8,264	$0	$3,868	$6,415	$8,361	$6,446	$14,807
Number of Mortgages	58,452	0	27,497	45,771	59,314	46,021	105,335
Portion of Qualifying or Total Mortgages Acquired	22.20%	0.00%	11.61%	20.45%	5.33%	4.99%	5.17%
Income More Than 60% But No More Than 80% of Median Income							
$UPB(Millions)	$24,586	$0	$10,359	$18,937	$24,953	$19,023	$43,976
Number of Mortgages	144,283	0	62,101	115,669	147,078	116,293	263,371
Portion of Qualifying or Total Mortgages Acquired	54.80%	0.00%	26.23%	51.69%	13.21%	12.61%	12.94%
Income More Than 80% But No More Than 100% of Median Income							
$UPB(Millions)	$0	$0	$10,802	$0	$29,472	$23,756	$53,229
Number of Mortgages	0	0	54,835	0	145,579	124,826	270,405
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	23.16%	0.00%	13.07%	13.54%	13.28%
Income More Than 100% But No More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$3,934	$0	$29,969	$24,424	$54,393
Number of Mortgages	0	0	17,431	0	130,391	114,585	244,976
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	7.36%	0.00%	11.71%	12.43%	12.03%
Income More Than 120% of Median Income							
$UPB(Millions)	$0	$0	$11,877	$0	$163,947	$122,772	$286,719
Number of Mortgages	0	0	42,843	0	570,062	457,312	1,027,374
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	18.10%	0.00%	51.19%	49.59%	50.46%
Missing							
$UPB(Millions)	$0	$0	$0	$0	$12	$59	$71
Number of Mortgages	0	0	0	0	54	261	315
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%
All Income Levels[1]							
$UPB(Millions)	$39,527	$6,677	$44,344	$32,492	$263,453	$203,682	$467,136
Number of Mortgages	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]Includes "Missing."

Table 3A
Distribution of Rental Units
Financed by Multifamily Mortgages Purchased by Fannie Mae
By Affordability of Rent[1]
For Calendar year 2017

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	Total Units Financed
Affordable At No More Than 30% of Median Income			
$UPB(MILLIONS)	$1,741	$1,741	$1,741
Number of Units	24,620	24,620	24,620
Portion of Qualifying or Total Units Financed	6.47%	35.29%	3.90%
Affordable At More Than 30% But No More than 50% of Median Income			
$UPB(MILLIONS)	$2,085	$2,085	$2,085
Number of Units	45,140	45,140	45,140
Portion of Qualifying or Total Units Financed	11.87%	64.71%	7.16%
Affordable At More Than 50% But No More than 60% of Median Income			
$UPB(MILLIONS)	$5,396		$5,396
Number of Units	98,263		98,263
Portion of Qualifying or Total Units Financed	25.84%		15.58%
Affordable At More Than 60% But No More than 80% of Median Income			
$UPB(MILLIONS)	$16,350		$16,350
Number of Units	212,214		212,214
Portion of Qualifying or Total Units Financed	55.81%		33.64%
Affordable At More Than 80% But No More than 100% of Median Income			
$UPB(MILLIONS)			$11,406
Number of Units			106,698
Portion of Qualifying or Total Units Financed			16.91%
Affordable At More Than 100% But No More than 120% of Median Income			
$UPB(MILLIONS)			$6,990
Number of Units			52,905
Portion of Qualifying or Total Units Financed			8.39%
Affordable At More Than 120% of Median Income			
$UPB(MILLIONS)			$11,695
Number of Units			58,741
Portion of Qualifying or Total Units Financed			9.31%
Tenant Rent Missing			
$UPB(MILLIONS)			$5,024
Number of Units			32,287
Portion of Qualifying or Total Units Financed			5.12%
All Income Levels[2]			
$UPB(MILLIONS)	$25,572	$3,826	$60,687
Number of Units	380,237	69,760	630,868
Portion of Qualifying or Total Units Financed	100.00%	100.00%	100.00%

[1]Based on actual rents before affordability estimation. Units where affordability was estimated, including all units in senior housing facilities and cooperatives, are included in "Tenant Rent Missing."
[2]Includes "Tenant Rent Missing."

Table 3B
Distribution of Rental Units
Financed by Purchases of Mortgages on Single-Family
Rental Properties By Affordability of Rent[1]
For Calendar Year 2017

	Qualifying Low-Income Purchases	Qualifying Very Low-Income Purchases	Total Units Financed
Affordable At No More Than 30% of Median Income			
UPB ($ Millions)	$507	$507	$507
Number of Units	3,747	3,747	3,747
Portion of Qualifying or Total Units Financed	3.52%	20.81%	1.51%
Affordable At More Than 30% But No More than 50% of Median Income			
UPB ($ Millions)	$949	$949	$949
Number of Units	14,262	14,262	14,262
Portion of Qualifying or Total Units Financed	13.42%	79.19%	5.75%
Affordable At More Than 50% But No More than 60% of Median Income			
UPB ($ Millions)	$1,770		$1,770
Number of Units	24,495		24,495
Portion of Qualifying or Total Units Financed	23.04%		9.88%
Affordable At More Than 60% But No More than 80% of Median Income			
UPB ($ Millions)	$6,723		$6,723
Number of Units	63,797		63,797
Portion of Qualifying or Total Units Financed	60.02%		25.72%
Affordable At More Than 80% But No More than 100% of Median Income			
UPB ($ Millions)			$8,702
Number of Units			58,293
Portion of Qualifying or Total Units Financed			23.50%
Affordable At More Than 100% But No More than 120% of Median Income			
UPB ($ Millions)			$6,655
Number of Units			33,956
Portion of Qualifying or Total Units Financed			13.69%
Affordable At More Than 120% of Median Income			
UPB ($ Millions)			$10,362
Number of Units			37,889
Portion of Qualifying or Total Units Financed			15.28%
Tenant Rent Missing			
UPB ($ Millions)			$1,685
Number of Units			11,605
Portion of Qualifying or Total Units Financed			4.68%
All Income Levels[2]			
UPB ($ Millions)	$9,948	$1,455	$37,352
Number of Units	106,301	18,009	248,044
Portion of Qualifying or Total Units Financed	100.00%	100.00%	100.00%

[1]Based on actual rents before affordability estimation. Units where affordability was estimated are included in "Tenant Rent Missing."
[2]Includes "Tenant Rent Missing."

Table 4
Fannie Mae Single-Family Owner-Occupied Mortgage Purchases
Qualifying for the Low-Income Area Purchase Goal
by Method of Qualification
For Calendar Year 2017

	Tract is in a Designated Disaster Area		Tract is not in a Designated Disaster Area			
	Family Income <= 100% of Area Median	**Family Income > 100% of Area Median**	**Family Income <= 100% of Area Median**	**Family Income > 100% of Area Median**	**Qualifying Low-Income Area Purchase Money Mortgages**	**Total Mortgages Eligible To Qualify As Low-Income Area Purchase Money**
Tract Income <= 80% of Area Median						
$UPB(Millions)	$2,060	$2,247	$12,293	$13,565	$30,164	$30,164
Number of Mortgages	15,067	10,283	76,761	49,991	152,102	152,102
Percentage of Eligible	9.91%	6.76%	50.47%	32.87%	100.00%	100.00%
80% < Tract Income < 100% of Area Median and Tract >= 30% Minority						
$UPB(Millions)	$1,162	$0	$5,447	$0	$6,610	$17,243
Number of Mortgages	7,624	0	29,318	0	36,942	74,298
Percentage of Eligible	10.26%	0.00%	39.46%	0.00%	49.72%	100.00%
80% < Tract Income < 100% of Area Median and Tract < 30% Minority						
$UPB(Millions)	$1,370	$0	$0	$0	$1,370	$23,165
Number of Mortgages	9,686	0	0	0	9,686	127,122
Percentage of Eligible	7.62%	0.00%	0.00%	0.00%	7.62%	100.00%
Tract Income >= 100% of Area Median[1]						
$UPB(Millions)	$6,201	$0	$0	$0	$6,201	$175,602
Number of Mortgages	38,010	0	0	0	38,010	679,045
Percentage of Eligible	5.60%	0.00%	0.00%	0.00%	5.60%	100.00%
Total						
$UPB(Millions)	$10,792	$2,247	$17,740	$13,565	$44,344	$246,174
Number of Mortgages	70,387	10,283	106,079	49,991	236,740	1,032,567
Percentage of Eligible	6.82%	1.00%	10.27%	4.84%	22.93%	100.00%

[1]Includes tracts with missing median incomes or missing percent minority.

Table 5A
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Race of Borrower(s) on Loan Application[1]
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
American Indian or Alaskan Native[2]							
$UPB(Millions)	$164	$34	$198	$223	$793	$838	$1,631
Number of Mortgages	1,137	324	1,108	1,587	3,604	4,314	7,918
Portion of Qualifying or Total Mortgages Acquired	0.43%	0.53%	0.47%	0.71%	0.32%	0.47%	0.39%
Asian[2]							
$UPB(Millions)	$3,135	$549	$4,231	$1,564	$22,318	$13,029	$35,348
Number of Mortgages	16,385	4,064	17,347	8,015	74,312	43,468	117,780
Portion of Qualifying or Total Mortgages Acquired	6.22%	6.71%	7.33%	3.58%	6.67%	4.71%	5.79%
Black or African American[2]							
$UPB(Millions)	$1,930	$367	$2,669	$1,900	$8,676	$7,609	$16,285
Number of Mortgages	12,864	3,260	15,382	13,436	39,299	38,705	78,004
Portion of Qualifying or Total Mortgages Acquired	4.89%	5.38%	6.50%	6.00%	3.53%	4.20%	3.83%
Native Hawaiian or Other Pacific Islander[2]							
$UPB(Millions)	$134	$21	$196	$161	$857	$949	$1,806
Number of Mortgages	784	185	877	886	3,163	3,480	6,643
Portion of Qualifying or Total Mortgages Acquired	0.30%	0.31%	0.37%	0.40%	0.28%	0.38%	0.33%
White - Hispanic or Latino[3]							
$UPB(Millions)	$4,292	$825	$6,215	$3,617	$21,986	$18,136	$40,122
Number of Mortgages	28,056	7,144	33,508	23,159	95,543	81,632	177,175
Portion of Qualifying or Total Mortgages Acquired	10.66%	11.80%	14.15%	10.35%	8.58%	8.85%	8.70%
White - Non Hispanic or Latino							
$UPB(Millions)	$26,548	$4,390	$25,997	$19,894	$177,505	$128,065	$305,570
Number of Mortgages	183,423	41,280	145,643	142,300	778,453	598,019	1,376,472
Portion of Qualifying or Total Mortgages Acquired	69.66%	68.16%	61.52%	63.59%	69.90%	64.85%	67.61%
Two or More Minority Races[4]							
$UPB(Millions)	$50	$8	$78	$53	$289	$250	$539
Number of Mortgages	272	63	348	305	1,070	997	2,067
Portion of Qualifying or Total Mortgages Acquired	0.10%	0.10%	0.15%	0.14%	0.10%	0.11%	0.10%
Joint - either Borrower or Co-Borrower are of a Minority Group[5]							
$UPB(Millions)	$288	$25	$781	$258	$5,523	$3,488	$9,011
Number of Mortgages	1,684	214	3,154	1,617	19,270	13,440	32,710
Portion of Qualifying or Total Mortgages Acquired	0.64%	0.35%	1.33%	0.72%	1.73%	1.46%	1.61%
Information not Provided by Borrower or Co-Borrower[6]							
$UPB(Millions)	$2,985	$457	$3,978	$4,810	$25,504	$31,288	$56,792
Number of Mortgages	18,689	4,026	19,373	32,337	98,989	137,855	236,844
Portion of Qualifying or Total Mortgages Acquired	7.10%	6.65%	8.18%	14.45%	8.89%	14.95%	11.63%
Not Applicable							
$UPB(Millions)	$0	$0	$0	$1	$0	$2	$2
Number of Mortgages	0	0	0	7	1	10	11
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Data not Provided by Loan Seller[7]							
$UPB(Millions)	$0	$0	$0	$11	$1	$27	$29
Number of Mortgages	2	1	0	119	5	201	206
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.05%	0.00%	0.02%	0.01%
Total							
$UPB(Millions)	$39,527	$6,677	$44,344	$32,492	$263,453	$203,682	$467,136
Number of Mortgages	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 5A continues on next page.

Table 5A
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Race of Borrower(s) on Loan Application[1]
For Calendar Year 2017

[1]Borrowers are asked to report both Race and Ethnicity. Race associated with the loan is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may be identified with any combination of, and up to, 5 race categories: (1) American Indian or Alaska Native, (2) Asian, (3) Black or African American, (4) Native Hawaiian or Other Pacific Islander, and (5) White. A borrower or co-borrower identified as both White and one minority race is classified as the minority race. If race is known for one borrower but not the other borrower, the loan is classified according to the known race. A loan where one borrower is identified as White and the race of the other borrower is missing, or where both the borrower and co-borrower are identified as White, is categorized in one of the two White categories. Separately, ethnicity associated with a loan also is based on data for the borrower and, if any, co-borrower. Borrower and co-borrower may choose either (1) Hispanic or Latino or (2) Not Hispanic or Latino. In this table, the White race category is further categorized as either "Hispanic or Latino," or "Not Hispanic or Latino." Table 5B shows the ethnicity distribution of all loans acquired.
[2]If the borrower and co-borrower are both identified as the same minority race or different minority races, the loan is classified as the race of the borrower.
[3]If the loan is classified as White (see footnote 1) and if either borrower or co-borrower is identified as Hispanic or Latino, the loan is classified as "White - Hispanic or Latino." The category "White - Non-Hispanic or Latino" includes loans where borrower and co-borrower are both identified as "Not Hispanic or Latino" or when the ethnicity is missing for both borrowers.
[4]The loan is classified as "Two or More Minority Races" where: the borrower is identified as two or more minority races and either there is no co-borrower or the co-borrower is identified as one or more minority races, or one borrower's race is missing and the other borrower is identified as two or more minority races.
[5]If either the borrower or co-borrower is identified as one or more minority race(s) and the other borrower is identified as White, the loan is classified as "Joint."
[6]This category consists of mortgages where borrower and co-borrower race information is not provided in mail, internet, or telephone application, even if ethnicity data are reported.
[7]"Data not Provided by Loan Seller" includes any HMDA new data points submitted by lenders.

Table 5B
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Ethnicity of Borrower(s) on Loan Application[1]
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Borrower and Co-Borrower are Hispanic or Latino:							
$UPB(Millions)	$4,402	$874	$6,056	$4,013	$18,818	$17,125	$35,943
Number of Mortgages	28,841	7,592	33,275	25,786	84,847	79,493	164,340
Portion of Qualifying or Total Mortgages Acquired	10.95%	12.54%	14.06%	11.52%	7.62%	8.62%	8.07%
Borrower and Co-Borrower are not Hispanic or Latino:							
$UPB(Millions)	$31,941	$5,341	$33,687	$23,847	$214,170	$153,453	$367,623
Number of Mortgages	214,525	48,898	181,455	166,730	911,143	697,678	1,608,821
Portion of Qualifying or Total Mortgages Acquired	81.48%	80.74%	76.65%	74.51%	81.81%	75.66%	79.03%
Joint - Either Borrower or Co-Borrower are Hispanic or Latino:[2]							
$UPB(Millions)	$314	$23	$843	$296	$5,896	$4,285	$10,181
Number of Mortgages	1,894	200	3,605	1,821	21,564	16,867	38,431
Portion of Qualifying or Total Mortgages Acquired	0.72%	0.33%	1.52%	0.81%	1.94%	1.83%	1.89%
Information not Provided by Borrower or Co-Borrower:[3]							
$UPB(Millions)	$2,870	$438	$3,758	$4,323	$24,568	$28,788	$53,356
Number of Mortgages	18,034	3,870	18,405	29,305	96,149	127,862	224,011
Portion of Qualifying or Total Mortgages Acquired	6.85%	6.39%	7.77%	13.10%	8.63%	13.87%	11.00%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$1	$0	$3	$3
Number of Mortgages	0	0	0	5	1	14	15
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Data Not Provided by Loan Seller:[4]							
$UPB(Millions)	$0	$0	$0	$12	$1	$28	$29
Number of Mortgages	2	1	0	121	5	207	212
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.05%	0.00%	0.02%	0.01%
Total:							
$UPB(Millions)	$39,527	$6,677	$44,344	$32,492	$263,453	$203,682	$467,136
Number of Mortgages	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]If ethnicity is known for one borrower but not the other, loan is classified according to the known ethnicity.
[2]Joint means one borrower is of Hispanic or Latino ethnicity and the other is not, in any order.
[3]This category consists of mortgages where borrower and co-borrower ethnicity (as Hispanic/Latino or not) information is not provided in mail, internet, or telephone application, even if race data are reported.
[4]"Data Not Provided by Loan Seller" includes any HMDA new data points submitted by lenders.

Table 6
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Gender of Borrower(s)[1]
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
All Male:							
$UPB(Millions)	$15,523	$2,642	$16,011	$10,296	$80,441	$55,744	$136,186
Number of Mortgages	103,313	23,711	87,793	70,552	350,177	254,408	604,585
Portion of Qualifying or Total Mortgages Acquired	39.24%	39.15%	37.08%	31.53%	31.44%	27.59%	29.70%
All Female:							
$UPB(Millions)	$15,134	$3,073	$13,066	$11,720	$52,304	$39,830	$92,133
Number of Mortgages	104,424	28,551	77,117	83,450	255,957	203,345	459,302
Portion of Qualifying or Total Mortgages Acquired	39.66%	47.14%	32.57%	37.29%	22.98%	22.05%	22.56%
Male and Female:							
$UPB(Millions)	$7,187	$704	$13,085	$7,446	$116,106	$88,247	$204,353
Number of Mortgages	44,745	5,953	60,905	48,850	449,504	374,203	823,707
Portion of Qualifying or Total Mortgages Acquired	16.99%	9.83%	25.73%	21.83%	40.36%	40.58%	40.46%
Not Applicable:							
$UPB(Millions)	$0	$0	$0	$0	$0	$0	$0
Number of Mortgages	0	0	0	0	0	0	0
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Not Provided:							
$UPB(Millions)	$1,682	$258	$2,182	$3,031	$14,601	$19,860	$34,461
Number of Mortgages	10,812	2,345	10,925	20,911	58,066	90,151	148,217
Portion of Qualifying or Total Mortgages Acquired	4.11%	3.87%	4.61%	9.34%	5.21%	9.78%	7.28%
Missing:[2]							
$UPB(Millions)	$0	$0	$0	$0	$1	$2	$3
Number of Mortgages	2	1	0	5	5	14	19
Portion of Qualifying or Total Mortgages Acquired	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total:							
$UPB(Millions)	$39,527	$6,677	$44,344	$32,492	$263,453	$203,682	$467,136
Number of Mortgages	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830
Portion of Qualifying or Total Mortgages Acquired	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1]Borrower and co-borrower with a "Not Applicable" or "Not Provided" are placed in the specific gender of the borrower or co-borrower.
[2]"Missing" includes any HMDA new data points submitted by lenders.

Table 7
Distribution of Single-Family Owner-Occupied Mortgage Purchases
By Minority Concentration of Census Tract
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Minority < 10%	59,888	13,983	20,193	49,157	263,411	205,292	468,703
10% <= Minority < 20%	63,427	13,846	33,549	47,224	288,234	212,295	500,529
20% <= Minority < 30%	41,169	9,267	28,917	31,503	181,815	139,109	320,924
30% <= Minority < 50%	49,145	11,014	62,459	39,806	206,755	171,153	377,908
50% <= Minority < 80%	35,119	8,490	59,876	34,103	126,925	125,933	252,858
80% <= Minority <= 100%	14,547	3,961	31,703	21,975	46,435	68,273	114,708
Tract Missing / Unable to Classify	1	0	43	0	134	66	200
Total:	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830

Table 8A
Distribution of Fannie Mae's Multifamily Mortgage Purchases
By Minority Concentration of Census Tract
For Calendar Year 2017

	Qualifying Low-Income Units	**Qualifying Very Low-Income Units**	**Total Units Financed**
Minority < 10%	14,242	2,920	28,779
10% <= Minority < 20%	40,835	6,891	82,673
20% <= Minority < 30%	47,921	7,974	93,658
30% <= Minority < 50%	93,044	12,496	161,982
50% <= Minority < 80%	111,003	17,545	172,977
80% <= Minority <= 100%	73,192	21,934	90,799
Tract Missing / Unable to Classify	0	0	0
Total:	380,237	69,760	630,868

Table 8B
Distribution of Rental Units Financed by Purchases of Mortgages on
Single-Family Rental Properties by Minority Concentration of Census Tract
For Calendar Year 2017

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Minority < 10%	13,899	3,012	25,577
10% <= Minority < 20%	18,981	3,095	43,134
20% <= Minority < 30%	14,508	2,270	35,650
30% <= Minority < 50%	20,219	3,348	51,722
50% <= Minority < 80%	21,088	3,322	50,082
80% <= Minority <= 100%	17,600	2,960	41,814
Tract Missing / Unable to Classify	6	2	65
Total:	106,301	18,009	248,044

Table 9
Distribution of Single-Family Owner-Occupied Mortgage Purchases
Minority Percentage of Census Tract by Income of Borrower
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Income <=50% of Median Income							
Minority < 10%	13,983	13,983	3,097	13,520	14,205	13,658	27,863
10% <= Minority < 30%	23,113	23,113	9,028	21,126	23,331	21,262	44,593
30% <= Minority < 50%	11,014	11,014	8,607	10,899	11,127	10,999	22,126
50% <= Minority < 80%	8,490	8,490	7,480	9,975	8,571	10,028	18,599
80% <= Minority <= 100%	3,961	3,961	3,821	6,808	3,997	6,876	10,873
Tract Missing / Unable to Classify	0	0	0	0	0	0	0
Subtotal	60,561	60,561	32,033	62,328	61,231	62,823	124,054
50% < Income <=60% of MSA Median Income							
Minority < 10%	13,541	0	2,491	9,896	13,847	9,970	23,817
10% <= Minority < 30%	23,065	0	7,688	16,132	23,331	16,203	39,534
30% <= Minority < 50%	10,775	0	7,749	8,254	10,920	8,303	19,223
50% <= Minority < 80%	7,808	0	6,515	7,063	7,913	7,096	15,009
80% <= Minority <= 100%	3,263	0	3,054	4,426	3,303	4,449	7,752
Tract Missing / Unable to Classify	0	0	0	0	0	0	0
Subtotal	58,452	0	27,497	45,771	59,314	46,021	105,335
60% < Income <=80% of MSA Median Income							
Minority < 10%	32,364	0	5,391	25,741	33,305	25,948	59,253
10% <= Minority < 30%	58,418	0	17,579	41,469	59,429	41,662	101,091
30% <= Minority < 50%	27,356	0	17,779	20,653	27,782	20,743	48,525
50% <= Minority < 80%	18,821	0	14,721	17,065	19,150	17,145	36,295
80% <= Minority <= 100%	7,323	0	6,630	10,741	7,411	10,795	18,206
Tract Missing / Unable to Classify	1	0	1	0	1	0	1
Subtotal	144,283	0	62,101	115,669	147,078	116,293	263,371
80% < Income <=100% of MSA Median Income							
Minority < 10%	0	0	4,785	0	32,615	27,500	60,115
10% <= Minority < 30%	0	0	16,175	0	60,176	45,595	105,771
30% <= Minority < 50%	0	0	15,508	0	27,623	22,638	50,261
50% <= Minority < 80%	0	0	12,481	0	18,192	18,022	36,214
80% <= Minority <= 100%	0	0	5,885	0	6,971	11,068	18,039
Tract Missing / Unable to Classify	0	0	1	0	2	3	5
Subtotal	0	0	54,835	0	145,579	124,826	270,405
100% < Income <=120% of MSA Median Income							
Minority < 10%	0	0	1,337	0	30,655	25,267	55,922
10% <= Minority < 30%	0	0	3,733	0	54,781	42,905	97,686
30% <= Minority < 50%	0	0	3,825	0	24,004	21,083	45,087
50% <= Minority < 80%	0	0	5,093	0	15,155	16,124	31,279
80% <= Minority <= 100%	0	0	3,436	0	5,789	9,202	14,991
Tract Missing / Unable to Classify	0	0	7	0	7	4	11
Subtotal	0	0	17,431	0	130,391	114,585	244,976
120% MSA Median Income < Income							
Minority < 10%	0	0	3,092	0	138,784	102,912	241,696
10% <= Minority < 30%	0	0	8,263	0	249,001	183,717	432,718
30% <= Minority < 50%	0	0	8,991	0	105,299	87,352	192,651
50% <= Minority < 80%	0	0	13,586	0	57,944	57,479	115,423
80% <= Minority <= 100%	0	0	8,877	0	18,964	25,827	44,791
Tract Missing / Unable to Classify	0	0	34	0	70	25	95
Subtotal	0	0	42,843	0	570,062	457,312	1,027,374
Borrower Income Missing							
Minority < 10%	0	0	0	0	0	37	37
10% <= Minority < 30%	0	0	0	0	0	60	60
30% <= Minority < 50%	0	0	0	0	0	35	35
50% <= Minority < 80%	0	0	0	0	0	39	39
80% <= Minority <= 100%	0	0	0	0	0	56	56
Tract Missing / Unable to Classify	0	0	0	0	54	34	88
Subtotal	0	0	0	0	54	261	315
Total:	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830

Table 10A
Distribution of Fannie Mae's Single-Family Owner-Occupied Mortgage Purchases
By State and Territory
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	Qualifying Very Low-Income Purchase Money Mortgages	Qualifying Low-Income Area Purchase Money Mortgages	Qualifying Low-Income Refinance Mortgages	Total Purchase Money Mortgages Acquired	Total Refinance Mortgages Acquired	Total Mortgages Acquired
Alabama	2,727	658	2,896	2,283	13,454	9,698	23,152
Alaska	416	81	255	498	1,587	1,545	3,132
Arizona	10,451	2,298	9,084	7,758	44,025	29,101	73,126
Arkansas	1,505	400	1,862	1,204	7,126	5,351	12,477
California	9,882	1,283	21,375	30,220	93,584	171,186	264,770
Colorado	8,578	1,769	7,679	11,779	33,262	35,662	68,924
Connecticut	4,132	1,047	1,881	2,032	11,371	7,095	18,466
Delaware	1,156	300	669	939	4,834	3,112	7,946
District of Columbia	692	122	1,106	673	2,648	2,025	4,673
Florida	16,706	3,203	24,300	11,344	92,066	49,077	141,143
Georgia	7,307	1,603	7,115	5,808	37,137	25,812	62,949
Hawaii	498	68	657	973	2,951	3,981	6,932
Idaho	3,160	743	1,829	1,588	11,711	5,722	17,433
Illinois	13,086	3,513	7,481	8,167	41,543	34,067	75,610
Indiana	6,057	1,597	2,760	3,906	20,756	13,801	34,557
Iowa	5,052	1,571	1,745	2,601	13,456	8,314	21,770
Kansas	2,184	527	838	1,384	7,903	5,262	13,165
Kentucky	3,423	913	3,171	2,004	11,082	7,384	18,466
Louisiana	1,879	399	3,233	1,896	10,395	9,538	19,933
Maine	686	183	346	845	2,969	2,695	5,664
Maryland	6,956	1,877	4,859	6,670	21,192	19,027	40,219
Massachusetts	6,161	1,296	4,096	6,588	21,029	21,680	42,709
Michigan	10,170	2,636	8,707	8,812	36,293	34,046	70,339
Minnesota	12,108	3,669	8,352	6,862	30,970	21,042	52,012
Mississippi	756	152	982	913	4,894	4,846	9,740
Missouri	6,022	1,658	6,532	4,580	21,185	16,782	37,967
Montana	1,038	239	508	848	4,478	3,446	7,924
Nebraska	3,144	818	1,347	1,520	9,405	5,931	15,336
Nevada	3,499	677	2,999	3,168	16,944	12,175	29,119
New Hampshire	1,571	362	858	1,306	5,738	4,481	10,219
New Jersey	5,657	1,064	3,317	4,405	27,415	22,971	50,386
New Mexico	1,381	347	1,309	1,056	6,530	4,145	10,675
New York	7,653	1,259	5,490	5,460	35,641	28,398	64,039
North Carolina	9,827	2,363	10,404	5,795	42,864	22,725	65,589
North Dakota	522	109	160	521	2,031	1,862	3,893
Ohio	9,740	2,487	4,373	5,901	33,230	21,780	55,010
Oklahoma	2,331	580	3,555	1,596	9,870	6,416	16,286
Oregon	3,217	441	3,533	4,061	19,451	18,716	38,167
Pennsylvania	9,810	2,493	4,935	6,873	36,758	24,441	61,199
Rhode Island	782	119	366	704	3,475	2,699	6,174
South Carolina	4,606	1,073	6,834	2,690	22,270	11,404	33,674
South Dakota	1,238	350	445	711	3,805	2,500	6,305
Tennessee	4,628	1,044	3,363	3,903	21,976	15,102	37,078
Texas	14,640	2,457	23,607	13,170	91,489	67,960	159,449
Utah	5,422	1,122	2,838	4,595	17,777	14,599	32,376
Vermont	349	57	147	400	1,564	1,259	2,823
Virginia	9,692	2,354	7,553	7,261	31,567	23,586	55,153
Washington	9,909	2,165	10,537	9,333	36,946	33,467	70,413
West Virginia	581	155	424	506	2,581	2,352	4,933
Wisconsin	9,616	2,682	3,559	4,909	27,262	18,130	45,392
Wyoming	660	177	256	619	2,197	1,960	4,157
Guam	2	0	26	8	39	60	99
Puerto Rico	30	1	144	122	850	1,639	2,489
Virgin Islands	1	0	43	0	80	32	112
Other Territories	0	0	0	0	0	0	0
Unable to Geocode	0	0	0	0	53	34	87
Total	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830

Table 10B
Distribution of Fannie Mae's
Multifamily Mortgage Purchases by State And Territory
For Calendar Year 2017

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	5,754	1,949	8,945
Alaska	464	20	530
Arizona	12,760	1,623	19,280
Arkansas	2,870	649	3,542
California	14,975	5,686	65,872
Colorado	7,713	1,131	14,361
Connecticut	1,673	699	3,966
Delaware	1,198	21	1,308
District of Columbia	990	707	2,322
Florida	19,582	3,421	50,487
Georgia	32,259	5,057	45,446
Hawaii	113	79	531
Idaho	1,075	106	2,157
Illinois	4,960	940	10,895
Indiana	8,506	1,023	11,978
Iowa	2,166	885	2,881
Kansas	5,433	1,527	6,410
Kentucky	4,667	568	5,589
Louisiana	3,818	324	8,156
Maine	447	132	649
Maryland	9,410	2,405	12,595
Massachusetts	2,175	512	5,671
Michigan	7,120	1,157	10,867
Minnesota	3,997	755	4,896
Mississippi	3,616	317	4,048
Missouri	5,545	1,529	7,117
Montana	739	117	1,067
Nebraska	942	469	1,578
Nevada	10,438	1,515	13,407
New Hampshire	742	13	889
New Jersey	2,053	1,362	2,841
New Mexico	3,725	264	4,612
New York	6,942	2,977	16,879
North Carolina	22,482	3,013	29,929
North Dakota	198	1	332
Ohio	15,911	5,781	18,794
Oklahoma	3,873	1,147	4,966
Oregon	3,876	682	8,877
Pennsylvania	6,812	549	11,200
Rhode Island	294	114	812
South Carolina	9,587	1,421	15,665
South Dakota	127	50	128
Tennessee	11,646	2,526	18,189
Texas	80,794	10,222	117,982
Utah	5,128	341	6,222
Vermont	0	0	0
Virginia	16,699	2,483	22,858
Washington	9,693	936	16,910
West Virginia	320	217	666
Wisconsin	3,846	335	5,194
Wyoming	84	3	372
Guam	0	0	0
Puerto Rico	0	0	0
Virgin Islands	0	0	0
Other Territories	0	0	0
Unable to Geocode	0	0	0
Total	380,237	69,760	630,868

Table 10C
Distribution of Rental Units Financed by Purchases of Mortgages on
Single-Family Rental Properties by State And Territory
For Calendar Year 2017

	Qualifying Low-Income Units	Qualifying Very Low-Income Units	Total Units Financed
Alabama	914	184	1,741
Alaska	443	37	668
Arizona	3,509	428	7,857
Arkansas	736	130	1,114
California	10,551	1,174	54,941
Colorado	2,700	286	8,020
Connecticut	1,954	399	2,657
Delaware	351	54	611
District of Columbia	447	128	1,039
Florida	3,351	370	13,429
Georgia	2,696	315	6,143
Hawaii	172	25	1,089
Idaho	1,308	152	2,161
Illinois	5,033	1,109	9,166
Indiana	1,792	316	2,809
Iowa	776	234	974
Kansas	655	158	954
Kentucky	913	177	1,306
Louisiana	902	115	2,193
Maine	468	66	716
Maryland	2,186	340	3,730
Massachusetts	5,229	1,128	7,785
Michigan	2,831	494	4,455
Minnesota	2,456	504	3,432
Mississippi	247	27	538
Missouri	3,008	803	3,901
Montana	465	46	891
Nebraska	579	106	831
Nevada	1,605	183	4,163
New Hampshire	814	146	1,093
New Jersey	3,997	460	7,986
New Mexico	657	138	1,417
New York	5,018	1,008	13,931
North Carolina	2,920	445	5,757
North Dakota	119	38	166
Ohio	4,399	1,212	5,782
Oklahoma	1,071	200	1,672
Oregon	1,769	111	5,836
Pennsylvania	4,326	1,047	6,149
Rhode Island	912	89	1,416
South Carolina	902	150	2,470
South Dakota	222	50	314
Tennessee	1,918	279	4,037
Texas	5,896	701	17,490
Utah	1,992	341	3,822
Vermont	139	18	279
Virginia	2,992	419	5,194
Washington	4,387	612	8,932
West Virginia	134	18	241
Wisconsin	3,097	952	3,759
Wyoming	333	85	455
Guam	0	0	1
Puerto Rico	4	0	467
Virgin Islands	6	2	57
Other Territories	0	0	0
Unable to Geocode	0	0	7
Total	106,301	18,009	248,044

Table 11
Distribution of Single-Family Owner-Occupied Mortgage Purchases[1]
By LTV Category
For Calendar Year 2017

	Qualifying Low-Income Purchase Money Mortgages	**Qualifying Very Low-Income Purchase Money Mortgages**	**Qualifying Low-Income Area Purchase Money Mortgages**	**Qualifying Low-Income Refinance Mortgages**	**Total Purchase Money Mortgages Acquired**	**Total Refinance Mortgages Acquired**	**Total Mortgages Acquired**
0% < LTV <= 60%							
$UPB(Millions)	$3,303	$814	$2,399	$12,393	$20,265	$61,314	$81,579
Number of Mortgages	27,278	8,692	16,746	93,558	102,643	307,898	410,541
Portion of Total	10.36%	14.35%	7.07%	41.81%	9.22%	33.39%	20.17%
60% < LTV <= 80%							
$UPB(Millions)	$13,930	$2,480	$15,173	$17,241	$113,188	$121,216	$234,405
Number of Mortgages	90,599	21,950	78,112	111,552	452,089	522,940	975,029
Portion of Total	34.41%	36.24%	32.99%	49.85%	40.59%	56.71%	47.89%
80% < LTV <= 90%							
$UPB(Millions)	$5,295	$834	$6,756	$1,830	$45,605	$15,356	$60,961
Number of Mortgages	33,854	7,489	32,961	11,814	180,521	64,581	245,102
Portion of Total	12.86%	12.37%	13.92%	5.28%	16.21%	7.00%	12.04%
90% < LTV <= 95%							
$UPB(Millions)	$8,686	$1,215	$11,775	$605	$61,345	$4,528	$65,872
Number of Mortgages	57,395	10,938	61,926	4,108	258,411	19,836	278,247
Portion of Total	21.80%	18.06%	26.16%	1.84%	23.20%	2.15%	13.67%
95% < LTV <= 100%							
$UPB(Millions)	$8,314	$1,334	$8,242	$157	$23,001	$487	$23,488
Number of Mortgages	54,170	11,492	46,995	1,017	119,630	2,580	122,210
Portion of Total	20.57%	18.98%	19.85%	0.45%	10.74%	0.28%	6.00%
100% < LTV							
$UPB(Millions)	$0	$0	$0	$265	$46	$763	$808
Number of Mortgages	0	0	0	1,719	404	4,189	4,593
Portion of Total	0.00%	0.00%	0.00%	0.77%	0.04%	0.45%	0.23%
Missing LTV							
$UPB(Millions)	$0	$0	$0	$0	$3	$19	$22
Number of Mortgages	0	0	0	0	11	97	108
Portion of Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Total							
$UPB(Millions)	$39,527	$6,677	$44,344	$32,492	$263,453	$203,682	$467,136
Number of Mortgages	263,296	60,561	236,740	223,768	1,113,709	922,121	2,035,830
Portion of Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[1] Does not include second mortgages and non-applicable categories.

Table 12A
Distribution of Single-Family Owner-Occupied Purchase Money Mortgages
Acquired by Fannie Mae
By Income Class and First Time/Repeat Borrower Status
For Calendar Year 2017

Borrower Income	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Buyer Status Not Available Mortgages	Total Mortgages
Income <= 50% of Area Median Income (AMI)				
$UPB(Millions)	$4,733	$1,944	$0	$6,677
Number of Mortgages	42,511	18,050	0	60,561
Portion of Total Mortgages Acquired	8.42%	3.42%	.	5.87%
Income >50% But <= 60% of AMI				
$UPB(Millions)	$5,715	$2,549	$0	$8,264
Number of Mortgages	40,153	18,299	0	58,452
Portion of Total Mortgages Acquired	7.95%	3.47%	.	5.66%
Income >60% But <= 80% of AMI				
$UPB(Millions)	$15,877	$8,709	$0	$24,586
Number of Mortgages	92,663	51,620	0	144,283
Portion of Total Mortgages Acquired	18.35%	9.78%	.	13.97%
Income >80% But <= 100% of AMI				
$UPB(Millions)	$16,664	$12,214	$0	$28,878
Number of Mortgages	81,084	60,497	0	141,581
Portion of Total Mortgages Acquired	16.06%	11.47%	.	13.71%
Income >100% But <= 120% of AMI				
$UPB(Millions)	$14,868	$14,324	$0	$29,192
Number of Mortgages	63,284	62,330	0	125,614
Portion of Total Mortgages Acquired	12.53%	11.81%	.	12.17%
Income >120% of AMI				
$UPB(Millions)	$55,346	$93,224	$0	$148,570
Number of Mortgages	185,274	316,763	0	502,037
Portion of Total Mortgages Acquired	36.69%	60.04%	.	48.62%
Missing				
$UPB(Millions)	$3	$5	$0	$8
Number of Mortgages	15	24	0	39
Portion of Total Mortgages Acquired	0.00%	0.00%	.	0.00%
All Income Levels[1]				
$UPB(Millions)	$113,205	$132,968	$0	$246,174
Number of Mortgages	504,984	527,583	0	1,032,567
Portion of Total Mortgages Acquired	100.00%	100.00%	.	100.00%

[1]Includes "Borrower Income Missing."

Table 12B
Single-Family Owner-Occupied Purchase Money Mortgages Acquired by
Fannie Mae by First-Time/Repeat Borrower Status, for Mortgages Qualifying
and Not Qualifying for the Low-Income Area Purchase SUBGOAL
For Calendar Year 2017

Subgoal Qualifying Status	First-Time Buyer Mortgages	Repeat Buyer Mortgages	Status of Buyer Not Available	Total Mortgages
Subgoal-Qualifying Mortgages				
$UPB(Millions)	$23,783	$12,990	$0	$36,773
Number of Mortgages	125,034	64,010	0	189,044
Percentage of Total	24.76%	12.13%	.	18.31%
Non-Qualifying Mortgages				
$UPB(Millions)	$89,422	$119,979	$0	$209,400
Number of Mortgages	379,950	463,573	0	843,523
Percentage of Total	75.24%	87.87%	.	81.69%
Total Mortgages				
$UPB(Millions)	$113,205	$132,968	$0	$246,174
Number of Mortgages	504,984	527,583	0	1,032,567
Percentage of Total	100.00%	100.00%	.	100.00%