



Advancing equity in housing finance

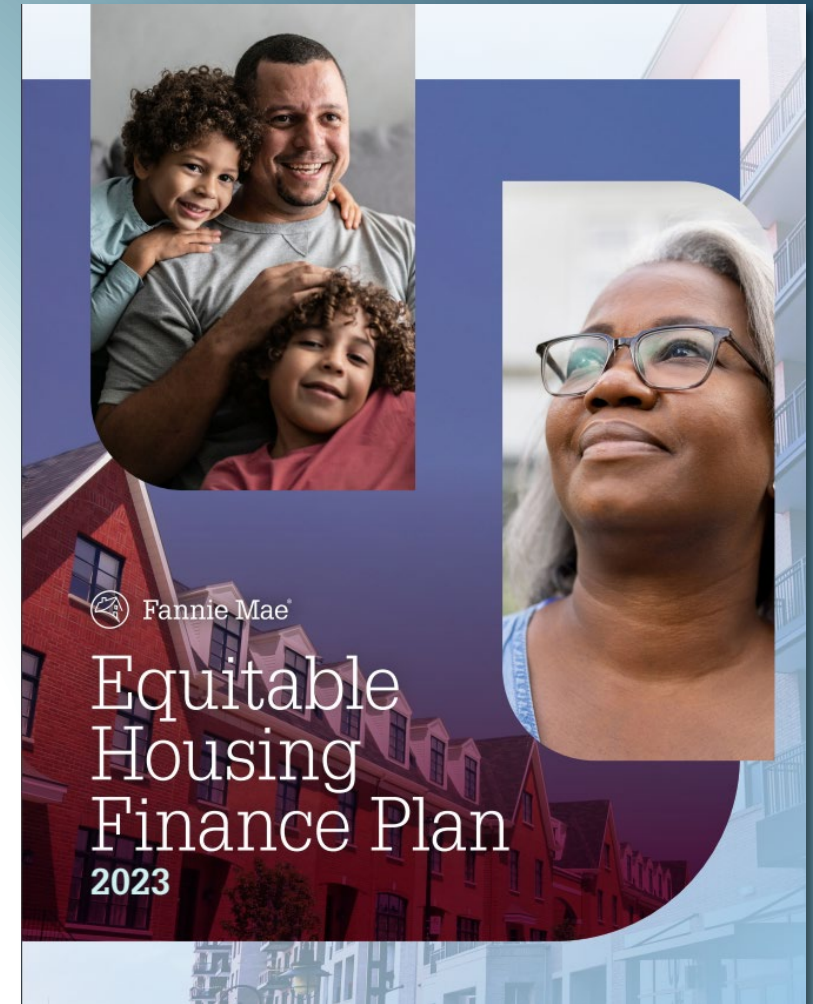
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Eliminate barriers to affordable rental housing and homeownership

Amidst rising interest rates, increased home prices, and limited supply of affordable housing, we are dedicated to helping reduce rental and homeownership costs, eliminate barriers related to credit, and support long-term success for underserved borrowers and renters.

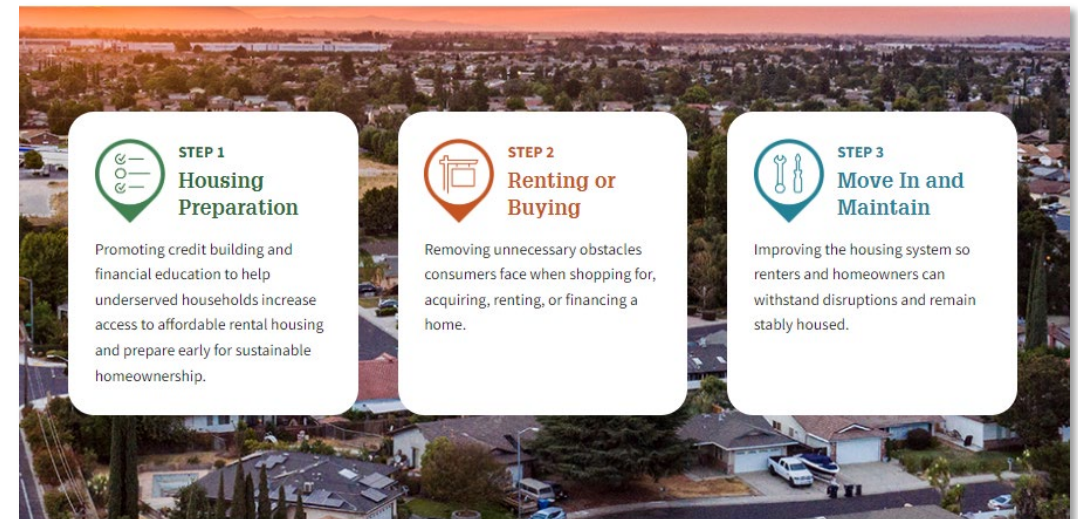


Solutions rooted in the housing experience

Released in 2022, Fannie Mae's three-year Equitable Housing Finance Plan, is an adaptive, long-term undertaking to address the needs of renters and homeowners.

In 2023, we advanced our goals to include additional actions we are pursuing:

- A new **Latino Housing Journey** that informs our actions, building on the insights from the Black Housing Journey
- An **innovation portfolio** to support 5 new projects will support community-based approaches to sustainable housing for Black people in communities of opportunity
- Additional plans to **improve equitable access** to afford rental housing and **empower renters to improve financed**



Positive Rent Payment

In September 2021, we enabled lenders to incorporate a borrower's positive rent payment history in the mortgage credit evaluation process through Desktop Underwriter® (DU®).



Desktop Underwriter uses data from a **12-month asset report** ordered by a lender to observe financial transactions



Recurring transactions, when identified as **rent payments and observed over 12 months**, are incorporated in the borrower's credit assessment



The goal is to **increase the likelihood** of a homebuyers qualifying for a loan

Since September 2021:

Approximately 4,700

mortgage applications have benefited from positive rent payment history by becoming approved-eligible.

51%

of these borrowers identify as minority

42%

identified specifically as Black or Latino/Hispanic

Source: Fannie Mae supplied data from September 2021 – June 2023



Expanding positive rent to multifamily renters

- In September 2022, we introduced the Multifamily positive rent payment reporting pilot.
- This program allows eligible multifamily property owners to more easily share timely rent payment data to the three major credit bureaus for incorporation in a renter's credit profile.

Impact through the first 10 months of the program:

~1,800

Number of properties participating in the pilot

302,000

Total number of units enrolled in the pilot

~14,500

Residents that have established credit scores

~60%

Residents saw an increase in their credit score

40 Points

Average increase for residents with an existing credit score who saw an improvement

Source: Fannie Mae supplied data as June 2023



Helping borrowers with no credit score

In December 2022, Fannie Mae updated DU to further simplify the process for loans where borrowers do not have a credit score.

With a 12-month **Asset Verification Report**, DU assesses a borrower's cash flow by reviewing transaction patterns, balance trends, and other observations over time in their checking and savings accounts and investment accounts



More resources



2022 – 2024 Housing Goals

For everything you need to know about Fannie Mae's Equitable Housing Finance Plan.

[LEARN MORE](#)



Latino Homeowning journey

Get step-by-step instructions in the online course.

[LEARN MORE](#)



DU Enhancements

Learn more on how DU enhancements can help consider more borrowers.

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