



Fannie Mae®

NIFA Lender Workshop

North Platte, NE – April 24, 2018
LaVista, NE – April 25, 2018





An important note about the seminar content

While every effort has been made to ensure the reliability of the session content, Fannie Mae's *Selling* and *Servicing Guides* and their updates, including *Guide* Announcements and Release Notes, are the official statements of Fannie Mae's policies and procedures and control in the event of discrepancies between the information in this seminar and the *Guides*.



We work to earn our
customers' business,
loyalty, and
satisfaction every
day.



1

Focusing
on Our
Customers

Reimagining
America's
Way Home

2

Building
Toward
the Future

3



Recent Announcements

[Announcement SEL-2018-03: Selling Guide Updates new](#) April 3, 2018

- Lenders can provide borrowers with closing cost assistance

[Announcement SEL-2018-02: Selling Guide Updates](#) February 27, 2018

- HomeStyle Renovation mortgages expanded

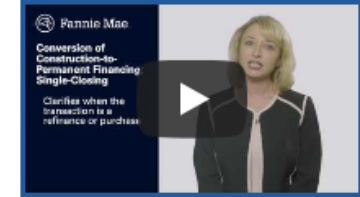
[Announcement SEL-2018-01: Selling Guide Updates](#) January 30, 2018

- IRS debt not required to be paid off if the borrower's tax repayment plan is included in the DTI ratio
- Project reviews waived and construction-to-permanent financing allowed for detached condos
- Minor litigation criteria for condos and co-ops expanded; field reviews on properties valued at \$1M+ no longer required; and more.

[Announcement SEL-2017-10: Selling Guide Updates](#) December 19, 2017

- Underwriting Borrowers with Frozen Credit
- Use of Premium Pricing
- Representation and Warranty Relief for Loans Impacted by a Disaster

Watch Apr Guide Update



See [Previous Policy Videos](#)



HFA Preferred™ Borrower Benefits

Affordable. Flexible. Sustainable.

- **Low down payment** with up to **97% LTV** financing for home purchases
- **Competitive pricing** beats our standard loan pricing
- **Flexible sources of funds**
- **CLTV up to 105%** for loans with an eligible Community Seconds® transaction
- **Ownership of other real estate** allowed
- **Rental and boarder income** may be considered for qualifying
- **Non-Traditional Credit** allowed
- **Expanded DTI ratio** up to 50% DTI permitted
- **Reduced MI coverage** = monthly payment savings
- **Cancellable private mortgage insurance (PMI)** may be removed per *Servicing Guide* policy
- **Homeownership education and advising options** empower borrowers to become successful homeowners



Eligible Property Types

- **1-to 4-units principal residence**
- **Eligible condos**
- **Manufactured housing**
- **Community Land Trusts**



HFA Preferred Enhancement – Manufactured Housing (MH)

- **95% LTV / 105% CLTV**
- One-unit dwelling
- Legally classified as real property
- Dwelling unit built on a permanent chassis and attached to permanent foundation system
- Permissible property type with HFA Preferred
- Use SFC 235 to identify MH properties

105%
CLTV





Additional Underwriting Features

✓ **Non-occupant borrower**

- Borrower is on the loan
- Non-occupant borrower(s) income is included in qualifying income
- Consider income, assets, credit, and liabilities

✓ **Boarder income**

- Boarder income (relatives or non-relatives)
 - Up to 30% of qualifying income
- Shared residency for the most recent 12-month period

✓ **Rental income from an accessory unit**

- Rental income from a 1-unit property with an accessory unit may be used as qualifying income.
- Rent is paid monthly from a separate dwelling unit (as identified by the appraisal) with a kitchen and a bathroom





Student Loan Solutions

To help those with student debt qualify for a home loan and reduce or even eliminate student debt, Fannie Mae has introduced...

- **Debt Paid by Others:** Widens borrower eligibility to qualify for a home loan by excluding from the borrower's debt-to-income ratio non-mortgage debt, such as credit cards, auto loans, and student loans, paid by someone else.
- **Student Debt Payment Calculation:** Makes it more likely for borrowers with student debt to qualify for a loan by allowing lenders to accept student loan payment information on credit reports.
- **Student Loan Cash-Out Refinance:** Offers homeowners the flexibility to pay off high interest rate student debt while potentially refinancing to a lower mortgage interest rate.





Mortgage Insurance Coverage & Premium Plans

LTV	Standard	HomeReady	HFA Preferred
95.01 – 97.00%	35%	25%	18%
90.01 – 95.00%	30%	25%	16%
85.01 – 90.00%	25%	25%	12%
80.01 – 85.00%	12%	12%	6%

Features	Monthly Premiums	Split Premiums	Single Premiums
Low Monthly Payment	●	●	
No Monthly MI Payment			●
Upfront MI Payment		●	●
Cancellable MI	●	●	●
Refundable MI			●
Tax Deductible*	●	●	●
Financeable**		●	●
3 rd Party Paid Option**		●	●

*Borrowers should consult with a professional tax advisor for details about MI tax deductibility.

Subject to the requirements and limitations in the Fannie Mae Selling Guide. See, *Fannie Mae Selling Guide, B3-4.1-03, Types of Interested Party Contributions (IPCs); and B5-6-05, HomeReady Mortgage Loan Pricing, Mortgage Insurance, and Special Feature Codes*



Beyond the Rate (Compare FHA and HFA Preferred)

30-year fixed-rate scenario Purchase price: \$146K	FHA mortgage Note rate: 4.625% LTV: 96.50%	HFA Preferred mortgage Note rate: 4.875% LTV: 97%
Base First Mortgage	\$140,890	\$141,620
Down Payment	\$5,110	\$4,380
Upfront MIP Rate (%)	1.75%	0.00%
MI Premium (Annual %)	0.85%	0.65%
Financed MI	\$2,466	\$0
Total First Mortgage	\$143,356	\$141,620
Monthly MI	\$100	\$77
Total Monthly Payment	\$1,202	\$1,191

HFA
Preferred™

← Lower down payment

← No upfront MI premium

← Lower annual MI premium

← No need to finance MI

← \$1,736 in additional equity

← Lower monthly MI and ability to cancel MI



When payment neutral,
conventional financing
= greater long term cost
savings and equity

Assumptions: Purchase price of \$146,000; 2% Taxes & Insurance; 720 credit score;
MNHFA rates as of April 10, 2018: FHA = 4.625%;
HFA Preferred = 4.875%; 18% MI coverage on Borrower Paid Monthly MI.

- Success Stories -

“A couple, both employed in customer service, had some debt and generally paid their obligations on time. They were able to purchase a home for their family with an HFA Preferred loan.”



Responding to Changing Market Needs





Final Duty to Serve Plan Now Available

Fannie Mae's Duty to Serve Underserved Markets Plan is focused on improving the availability of home financing for very low- to moderate-income families in three underserved markets:

- **Manufactured Housing** – Exploring financing options for one of the largest affordable housing opportunities
- **Affordable Housing Preservation** – Helping keep established affordable properties available as low-cost housing alternatives
- **Rural Housing** – Supporting the financing of housing for targeted high-needs rural regions and populations



RESOURCES

- News Release
- Introducing our Duty to Serve Underserved Markets Plan
- Fannie Mae's Duty to Serve Underserved Markets Plan Introduction
- Manufactured Housing Market Plan
- Affordable Housing Preservation Market Plan
- Rural Housing Market Plan
- FHFA.gov
- Duty to Serve America's Toughest Housing Markets
- Duty to Serve FAQs
- Fannie Mae Duty to Serve email box

For more information visit: <http://www.fanniemae.com/portal/about-fm/duty-to-serve.html>



HomePath® HFA Incentive

- Fannie Mae REO properties available on www.homepath.com
- 3% closing cost incentive to borrowers financing Fannie Mae properties using HFA Preferred

3%

Closing Cost Assistance





HomeStyle Energy

With **HomeStyle Energy** affordable financing, your clients can have the charm of an older home while enjoying the convenience and efficiency of modern energy upgrades. Borrowers can:

- Pay off higher-interest energy improvement debt through a limited cash-out refinance
 - Property Assessed Clean Energy (PACE) or similar financing
 - Consumer debt
 - Home equity debt
- Finance up to \$3,500 in basic weatherization or water-efficient improvements (no energy report required)
- Finance up to 15% of the “as completed” appraised value of a home for new cost-effective energy improvements (energy report required)



Reach More Borrowers – Additional Tools/Resources





HOME by Fannie Mae™ App



A dashboard and checklist to track your homebuying progress



Financial calculators to estimate affordability, payments, and more



HUD-approved housing counseling agency locator



Tips, real estate listings, Spanish resources and more!



For more information visit <https://www.fanniemae.com/singlefamily/homeapp>



Marketing Center










Home » Catalog » By Topic » Home Buying

Home Buying

Our origination materials support the home purchase process by highlighting a variety of mortgage options. Choose from the product options below for materials you can customize and incorporate into your outreach efforts.

View: [icon] Items per page: 16 Displaying 1-7 of 7 Page 1/1

	HomeReady® mortgage Our enhanced affordable lending product for creditworthy low- to moderate-income homebuyers.
	HomeStyle® Renovation This product permits borrowers to include financing of their home improvements into their mortgage – whether they are buying or refinancing.
	HFA Preferred™ Our premiere affordable lending product designed exclusively for eligible Housing Finance Agencies (HFAs) and their participating lenders.
	97% LTV Options Our 3% down payment option for creditworthy homebuyers who may not have the resources for a larger down payment.
	Down Payment Assistance Help potential homebuyers qualify for a mortgage by tapping a variety of available down payment assistance programs.
	Condo Buyer's Guide Guidance for homebuyers who might be interested in purchasing a condo.
	Homebuyer Resources Resources you can use at conferences, housing fairs, open houses and other venues where you meet with potential homebuyers who might have questions about the home-buying process.



- Fact sheets, product comparison, and FAQs
- Free customizable marketing materials

<https://www.fanniemae.com/singlefamily/marketing-center>

- Spanish Language Resource Center

<https://www.fanniemae.com/singlefamily/spanish-resources-for-lenders>



Down Payment Assistance

Link: <http://downpaymentresource.com/>

Fannie Mae provides a courtesy link on our website to the Down Payment Resource external site

The banner features the Down Payment Resource logo on the left. On the right, it says "FIND A PROGRAM" and "HOW IT WORKS" with a dropdown arrow. The main text in the center reads: "YOU MAY BE ELIGIBLE FOR 14 PROGRAMS AND UP TO \$5,000 IN DOWN PAYMENT HELP."

(6 of 14) [Search again](#)
Ohio Housing Finance Agency (OHFA) Your Choice! Down Payment Assistance - Targeted Areas
Program only available in designated target areas.
Maximum Amount
Buyer chooses either 2.5% or 5% of the purchase price as assistance.
Benefits

- Your Choice! Down Payment Assistance allows homebuyers to choose either 2.5% or 5% of the home's purchase price.
- Assistance can be applied toward your down payment, closing costs or other pre-closing expenses.
- 0% interest and no payments, forgiven after 7 years.
- Do not have to be a first time homebuyer when purchasing in a targeted area.

[Learn More](#)

(7 of 14) [Search again](#)
City of Cincinnati American Dream Downpayment Initiative (ADDI)
Maximum Amount
Up to \$5,000 in assistance
Benefits
Deferred, zero-interest forgivable loan
[Learn More](#)

(8 of 14) [Search again](#)
FHLB Cincinnati - Welcome Home Program Out of Funds
Maximum Amount
Up to \$5,000
Benefits

- \$5,000 Assistance Grant for downpayment and closing costs for the acquisition or construction of a home.
- WHP grant funds may be used in conjunction with other local, state and federal funding sources and with the FHLB Cincinnati's Community Investment Cash Advance Programs.
- Do not have to be a first time homebuyer.

[Learn More](#)

Investing in Technology





Continuous Innovation

Our **Mortgage Technology Platform** brings it all together.

- Underwrite, deliver, and service with certainty. And do it faster. Our automated systems keep getting smarter and easier to use

Available technology tools to help you deliver more loans efficiently:

- **Desktop Underwriter® (DU®)** provides lenders a comprehensive credit risk assessment that determines whether a loan meets Fannie Mae's eligibility requirements
- **Day 1 Certainty™** provides freedom from reps and warrants and greater speed and simplicity. With the [**DU Validation Service**](#), you can validate loan application data upfront
- **Ask Poli** is our new policy tool that gives you fast, clear answers to *Selling Guide* questions



SUSTAINABLE COMMUNITIES

innovation
challenge



Fannie Mae Issues \$10 Million 'Challenge' to Help Address America's Affordable Housing Crisis

- Supporting innovative ideas through partnerships and funding for research, planning, idea development and marketing
- The Challenge is a three-phase initiative
- First phase, which launched December 18, 2017 and closed February 23, 2018
- The first contract award phase of The Challenge will focus on the intersection of affordable housing with economic development/employment.





Contact Us – We're here to help!



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Recognize the power of the Tweet!

If you enjoyed our training make sure to tweet about it.
Remember to tag us (@) and use our hashtags (#)
below:

@FannieMae
#HFAPreferred

*Thank you
for your
attendance!*