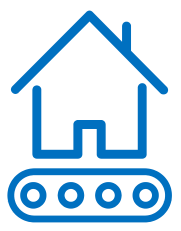


# Duty To Serve Overview

# What is Duty to Serve?

The Housing and Economic Recovery Act of 2008 established for Fannie Mae and Freddie Mac a duty to serve very low-, low- and moderate-income families in three historically underserved markets:



Manufactured Housing



Rural Housing



Affordable Housing Preservation



Each year, the Federal Housing Finance Agency (FHFA) is required to evaluate and rate each Enterprise's performance in each underserved market and report the results to Congress.



# Affordable Housing Preservation

Freddie Mac's Plan to support shared equity Programs

# Affordable Housing Preservation

## Shared Equity Financing

### Resale restricted programs

- Resale price is explicitly limited through deed covenants
- Administered by Community Land Trusts (CLTs), other nonprofits or state or local governments

### Shared appreciation loan programs

- Second mortgage due upon sale and typically structured with zero percent interest.
- Administered by CLTs, other nonprofits, or state or local governments that may partner with for-profits

### Programs must promote sustainable homeownership and:

- Maintain affordability for at least 30 years
- Include a formula limiting proceeds at resale
- Maintain preemptive option to purchase at resale
- Serve very low-, low-, or moderate-income families

# Affordable Housing Preservation

## Shared Equity Financing

### Challenges:

- Limited awareness (borrowers and lenders)
- Nontraditional financing structures
- Lack of program standardization
- Deed restrictions

### Freddie Mac will:

- Develop product flexibilities and guidelines that facilitate new mortgage originations under shared equity programs,
- Purchase loans originated under shared equity programs,
- Support standardization of data collection at the transaction level,
- Promote market awareness of shared equity programs.

# Duty to Serve Resources

[Visit the Duty to Serve Web Page](#)

**Keeping Rents Low Where Costs are High**

[Learn More >>](#)

Supporting affordable housing and access to credit for very low-, low- and moderate-income households is an integral part of Freddie Mac's mission. Duty to Serve is an important extension of our comprehensive efforts to reach more families in underserved markets across the country. Today these efforts include, among other things, our work to meet our affordable housing goals and our contributions to national affordable housing funds.

In the years ahead, we look forward to continued growth and innovation – and our partnerships with a wide variety of industry stakeholders – to meet the needs of underserved markets with expanded access to manufactured housing, rural housing and affordable housing preservation.

We welcome your input as we look to build upon our current activities outlined below.

**Support for Homeownership**

Our [Home Possible](#) low down payment mortgage – designed for qualified first-time homebuyers and low- and moderate-income borrowers – continues to grow in popularity. Our five percent

**Additional Resources**

- [FHFA Overview](#)
- [FHFA Rule](#) [PDF]
- [FHFA Evaluation Guidance](#) [PDF]
- [FHFA News Release](#)
- [FHFA Fact Sheet](#) [PDF]
- [FHFA Overview Webinar for Stakeholders](#)
- [Freddie Mac Support Statement](#)

# Questions?

