



Fannie Mae®

# Duty to Serve

Distressed Assets  
Marketing Catalog





# Directive

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The U.S. government is charging Fannie Mae with a duty to serve additional parts of America's housing market that are currently underserved: manufactured housing, affordable housing preservation, and rural housing.

This marketing catalog provides helpful information and resources for **lenders** and **real estate professionals** to support buyers who are seeking to purchase distressed assets within affordable housing preservation.



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# Objective

Fannie Mae is committed to helping increase the number of owner-occupant purchases of distressed properties. This catalog provides information and helpful resources for **lenders** and **real estate professionals** who are helping buyers access available properties.

# Key messages



Your customers can take advantage of financial resources to purchase affordable properties in your area.



Fannie Mae has products and resources to help buyers find the solutions that best fit their purchasing needs.



Thousands of available properties can be found at [HomePath.com](https://www.homepath.com) by Fannie Mae.



# Resources for lenders

Fannie Mae provides lenders with a variety of loan products that best serve the needs of the distressed market.

## HomeReady®

Meet the diverse needs of today's buyers and grow your business with the HomeReady mortgage option. Designed for creditworthy low- to moderate-income borrowers, HomeReady offers expanded eligibility for financing homes in low-income communities. Put borrowers with good credit in homes for as little as 3% down.

## HomeStyle® Energy

Help borrowers improve the comfort, efficiency, and resiliency of their homes as age-related upgrades and improvements — e.g., energy and water efficiency updates — are needed. Projects that prevent damage from natural disasters — like retrofitting foundations — can also qualify. Borrowers can use HomeStyle Energy financing when purchasing a home or refinancing their current one.

## HomeStyle® Renovation

Give borrowers the option to renovate and rehab a new or existing home by including financing in their conventional purchase or refinanced home loan. Loan-to-value (LTV) is calculated taking the proposed project into account, giving borrowers more purchasing power and more options to make their home their own.

## 97% LTV Options

To expand access to credit and to support sustainable homeownership, 97% LTV/CLTV/HCLTV financing is available to help creditworthy homebuyers who would otherwise qualify for a mortgage but may not have the resources for a larger down payment. A 97% LTV/CLTV/HCLTV refinance option for Fannie Mae loans is also available.



# Resources for real estate professionals

Fannie Mae provides real estate professionals with several resources to help borrowers prepare for and enter homeownership. We believe that high-quality homeownership education provides borrowers with the information and resources they need to navigate the homebuying process and make informed decisions that support sustainable homeownership.

## [HomePath.com](#) by Fannie Mae

Help your buyers search for thousands of foreclosed homes instantly. We've got important resources here to help you, whether you're selling HomePath properties, have a buyer interested in purchasing a HomePath home, or need to order marketing materials through our HomePath Marketing Storefront. Be sure to check back often for updates.

## [HomePath® by Fannie Mae Mobile App](#)

The HomePath Mobile App allows buyers to conveniently search for HomePath properties throughout the United States. Buyers can search for homes within a particular neighborhood or search using Fannie Mae's patent-pending Travel Time Search technology. Available in the Apple App Store and in Google Play.



# HomeReady homeowner education

The homeownership education requirement is designed to help both potential borrowers and our lender partners. Borrowers can gain essential knowledge to prepare for sustainable homeownership and become better informed to navigate the loan process with our lender partners.

## First-time buyer online course

Buying or refinancing a home can be an intimidating process, whether your client is searching for the right house or deciding on financing options with their lender. Fannie Mae partnered with Framework, a leading provider of online homebuyer education, to help borrowers prepare for possibly the largest purchase of their lives. The online course is available in English and Spanish.

Cost: Free to homebuyers.

## KnowYourOptions by Fannie Mae

KnowYourOptions is an online collection of resources that provide informational tools and resources to help buyers in their home-purchasing journey. Tools include financial calculators, videos, credit score information, affordable mortgage options, myths vs. facts in the homebuying process, and a glossary of key terms.

## Down payment programs

For many buyers, having the funds for a down payment is one of the biggest obstacles to purchasing a home, and putting 20% down may not be feasible. Not only are there mortgage options with low down payment requirements (some as low as 3% or 5%), there are also resources and programs that may be able to help your buyers fund a down payment.



## Financial calculators

Help your buyers secure information and estimate how much they can afford, whether they're seeking a mortgage now or planning for one in the future. Note: Calculators provide estimates and are for informational purposes only.



### **Affordability calculator**

Estimate the maximum home price a buyer can afford by inputting values for gross income, car loan information, credit card and other debt, down payment contribution, and potential interest rate.



### **Purchase calculator**

Estimate the monthly mortgage payment amount by inputting values for home purchase price, down payment contribution, mortgage term length, and potential interest rate.



### **Save calculator**

Learn how much money and time is needed to meet a down payment savings goal by tracking current savings and the months-to-goal.



### **Debt-to-income calculator**

Use this tool to determine how much is paid each month for a mortgage compared to the monthly gross income.

## Homebuying myths vs. facts

Research shows that buyers don't always know the facts when it comes to qualifying for a mortgage. Compare common myths with the actual requirements for a down payment, credit score, and maximum debt-to-income ratio. Note: Some requirements may vary by lender.

# Think you can't afford a home? Think again!

## Myth

vs.

## Fact

Lenders require a **12% down payment**



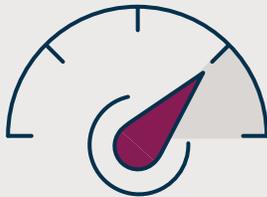
**Survey said:**  
Roughly 40% of consumers surveyed don't know what down payment lenders require.

Your down payment **can be as low as 3%\***



\*Can use any fixed-rate term (10-, 15-, 20-, 30-year)

Lenders require a **credit score of 650 or above**



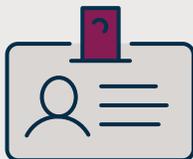
**Survey said:**  
When asked what credit score lenders require, close to 75% of consumers either don't know, overstate, or offer scores outside the range.

You may only need a **credit score of 620\*\***



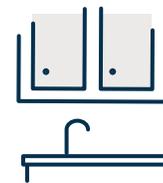
\*\*For a conventional loan

Only employment income **is considered qualified income.**



**Survey said:**  
An accessory unit is a separate dwelling with a kitchen and bathroom.

Qualifying income can include income from **accessory dwelling units and renters.**



Ask your lender about low 3% down payment options like HomeReady® mortgage.



Fannie Mae®





### Credit score information

Credit scores will play a key role in the buyer's ability to obtain credit (auto loan, mortgage loan, credit card, etc.) and in the determination of the interest rate applied to the mortgage. A borrower with a favorable credit score is more likely to be approved and to pay a lower interest rate on new credit.

### Homebuyer closing checklist

Once an offer to purchase a HomePath home is accepted, it's important to know what happens next. There are many important activities and required timeframes that buyers need to be aware of. The listing agent is a great resource for information and will work closely with your real estate agent to support a successful closing. In addition, Fannie Mae provides a tool to keep buyers on track.

### HomePath Marketing Storefront

Real estate professionals may access marketing materials promoting HomePath.com properties in the dedicated HomePath Marketing Storefront.



## HomePath Buyer's Guide

The HomePath Buyer's Guide was developed to assist buyers with the purchase of a Fannie Mae home. More information is also available online at [HomePath.com](https://www.homepath.com).