

Fannie Mae REO and Neighborhood Stabilization: Overview for Homebuyer Assistance Program Administrators



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Meet Your Goals

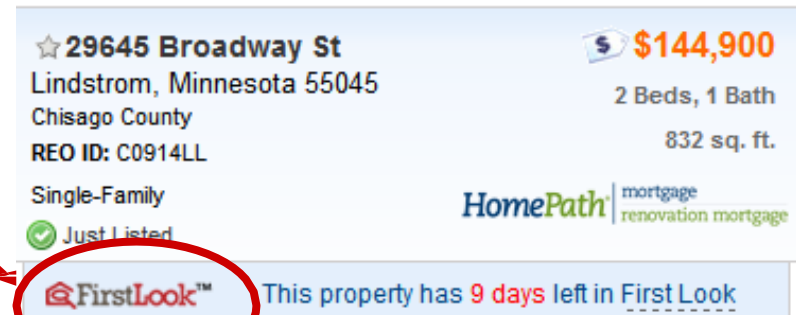
You want...	Fannie Mae provides...
...an equitable opportunity to place responsible occupants in quality homes and keep speculation at bay	• A  at properties for buyers using public funds
...to implement strategic neighborhood revitalization within the constraints of limited capital and capacity	• An initiative designed to work with public funds programs • A dedicated team to help navigate the process • An earnest money waiver for public entities and eligible non-profits and reduced earnest money for individuals (as little as \$500) • Extra time for due diligence and closing



Initiative Overview: FirstLook™

During the initial marketing period of Fannie Mae-owned properties, **only** offers from owner-occupants, public entities, nonprofits and similar organizations are considered

- First Look is tracked based on days listed on HomePath.com, not the MLS.
- Properties in the First Look marketing period can be identified with this logo:
- Each property in the First Look marketing period will have a First Look timer on HomePath.com indicating how many days remain in the First Look marketing period.
- HomePath.com is the definitive source for the First Look status of a property.
- Properties that go under contract before the end of the First Look marketing period and subsequently fall through will be relisted with a new 10-day First Look marketing period.



☆ 29645 Broadway St
Lindstrom, Minnesota 55045
Chisago County
REO ID: C0914LL
Single-Family
✓ Just Listed

\$144,900
2 Beds, 1 Bath
832 sq. ft.

HomePath | mortgage renovation mortgage

 This property has 9 days left in First Look



Additional Benefits

The initiative offers these additional potential benefits:

Reserved Contract Period:

Buyers can submit a revised offer for consideration after obtaining a required appraisal if original offer is not program compliant.

Deposit Waivers:

Fannie Mae will waive the earnest money requirement for public entities* and designated partners using public funds to purchase a Fannie Mae-owned property.

Extra Time:

The public fund buyer receives up to 45 days to close- 15 days more than is usually permitted for purchases of Fannie Mae-owned properties.

*Individual homebuyers using public funds to purchase a Fannie Mae-owned property do not have to meet the full 5% earnest money requirement. Deposits can be as low as \$500.



Possible Funding Sources

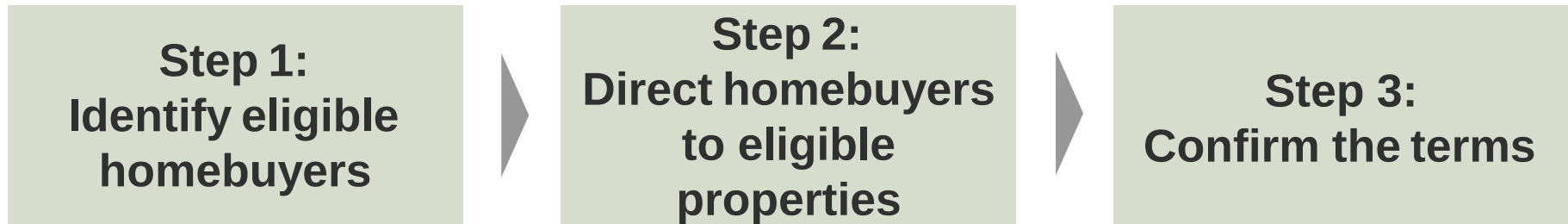
Some types of public funds include, but are NOT limited to:

- Bond, Down Payment Assistance and Grant Programs
- Charitable foundation funds
- Community Development Block Grant (CDBG) funds
- Federal Home Loan Bank (FHLB) funds
- Funds from a specific County, City, State, Housing Authority/Agency
- HOME Investment Partnerships Program funds
- Land Banks
- Mortgage Credit Certificate (MCC) Programs
- Mortgage Revenue Bond Programs
- Neighborhood Assistance Corporation of America (NACA)
- Neighborhood Stabilization Program (NSP) funds
- Leveraged private financial institutions and/or consortium funding



Program Administrator Responsibilities

The Homebuyer Assistance Program Administrator can be a public entity, non-profit or for-profit entity administering the program on a public entity's behalf.



Program Administrator Responsibilities

Step 1: Identify Eligible Homebuyers

Step 1 Includes:

- Contact local homebuyers
- Communicate the specifics of the state or local homebuyer assistance program
- Counsel homebuyers about the home purchase process and any additional resources available (federal first-time homebuyer tax credit, other local programs, etc.)
- Confirm buyers meet the requirements for the homebuyer assistance program

Step 2: Direct Homebuyers to Eligible Properties

Step 3: Confirm the Terms



Program Administrator Responsibilities

Step 1: Identify Eligible Homebuyers



Step 2: Direct Homebuyers to Eligible Properties



Step 3: Confirm the Terms

Step 2 Includes:

- Counsel the homebuyer about how to identify program eligible properties
- Fannie-Mae owned properties in a searchable database can be found at www.homepath.com



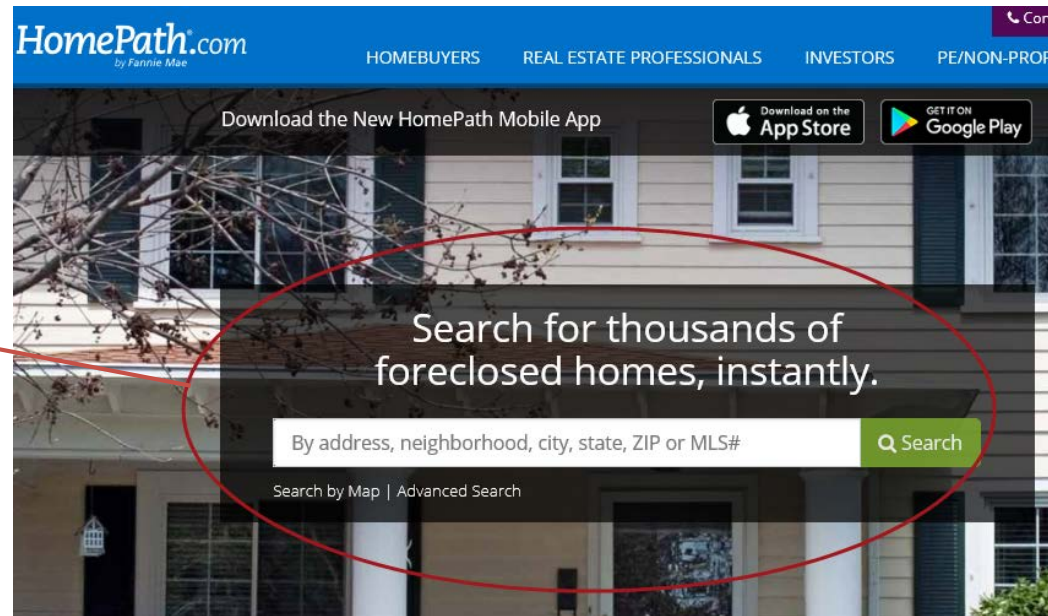
Program Administrator Responsibilities

Step 2: Direct Homebuyers to Eligible Properties

- **Secure** a public funds designation letter from a public entity or non-profit verifying the source of public funds
- **Research and visit** homes that meet funding program requirements, including Fannie Mae-owned homes (www.homepath.com)

www.HomePath.com has several innovative tools to help you identify local Fannie Mae-owned properties, including the ability to:

- Search by property type, ZIP code, and listing status using text or the map
- Research homeownership rates, population, school, and other neighborhood information



Program Administrator Responsibilities

www.HomePath.com has several innovative tools to help you identify local Fannie Mae-owned properties, including the ability to:

- Search by property type, ZIP code, and listing status using text or the map
- Create an account to:
 - Save properties of interest
 - Subscribe to HomePath Property Alert, which e-mails you new listing information in your desired areas
 - Download search information into an Excel spreadsheet

The screenshot shows the HomePath.com website interface. The search bar at the top contains 'dearborn, mi'. Below the search bar, there are filters for Price, Bedrooms, Bathrooms, and Financing. The 'Save this search' button is circled in red. The main content area displays a map of Dearborn, MI, with several property listings. Each listing includes a photo, address, price, and details like bedrooms, bathrooms, and status.

Address	City	Zip	Price	Bed	Bath	Status	Property Type	FirstLook
8422 Winston Ln	Dearborn Heights	MI 48127	\$71,000	3 br	1 ba	Just Listed	Single-Family	ONLINE OFFER
6914 Steadman St	Dearborn	MI 48126	\$116,000	3 br	2 ba	Just Listed	Single-Family	ONLINE OFFER
6015 N Highland St	Dearborn Heights	MI 48127	\$88,200	3 br	2 ba	Just Listed	Single-Family	ONLINE OFFER
5215 Curtis St	Dearborn	MI 48126	\$119,500	3 br	2 ba	Just Listed	Single-Family	ONLINE OFFER
1815 Maybun St	Dearborn	MI 48128	\$143,000	3 br	1 ba	Just Listed	Single-Family	ONLINE OFFER



Program Administrator Responsibilities

- Manage your saved listings and saved search alerts
- Download up to 1000 properties to an Excel file

The screenshot shows the HomePath.com website by Fannie Mae. The search bar contains 'dearborn, mi'. The left sidebar shows filters for Price (\$0 to \$500K+) and Bedrooms (Any (63), 1+ (63), 2+ (63), 3+ (57), 4+ (9), 5+ (0)). The map view shows a map of Dearborn, MI, with several properties marked. The list view shows three properties:

	Address	City	Zip	Price	Bed	Bath	Status	Property Type	FirstLook™
☐	8422 Winston Ln	Dearborn Heights, MI 48127		\$71,000	3 br	1 ba	Just Listed	Single-Family	ONLINE OFFER
☐	6914 Steadman St	Dearborn, MI 48126		\$116,000	3 br	2 ba	Just Listed	Single-Family	ONLINE OFFER
☐	6015 N Highland St	Dearborn Heights, MI 48127		\$88,200	3 br	2 ba	Just Listed	Single-Family	ONLINE OFFER

The 'Download properties' button is highlighted with a red circle. The user's account menu is also highlighted with a red circle, showing options: Account, Saved Listings, and Saved Search Alert.



Program Administrator Responsibilities

Step 1: Identify Eligible Homebuyers



Step 2: Direct Homebuyers to Eligible Properties



Step 3: Confirm the Terms

Step 3 Includes:

- Confirm that the offer, appraisal and purchase price meet the homebuyer assistance program requirements
- Discuss the required program discount from appraisal with the buyer if applicable and make sure it is included in the offer
- Provide funds to the homebuyer for closing costs, downpayment assistance or other applications related to the local program



Homebuyer Responsibilities

**Step 1:
Prepare**



**Step 2:
Make an
Offer**



**Step 3:
Due
Diligence**
(including
URA
appraisal)



**Step 4:
Final
Offer**



**Step 5:
Closing**



Homebuyer Responsibilities

Step 1: Prepare

- **Understand the requirements** of the state or local homebuyer assistance program
- **Complete all requirements** for fund eligibility
- **Secure a “proof of eligibility”** form from program administrator and make sure you know the discount from appraisal required by the program, if applicable
- **Obtain financing** pre-qualification (highly recommended but not required)
- **Research and visit homes** that meet program requirements, including Fannie Mae-owned homes (www.homepath.com)



Homebuyer Responsibilities

Step 2: Make an Offer

- **Verify** that the targeted property meets program requirements
- Communicate to Fannie Mae listing agent that the offer will be using public funds
- Obtain from the Fannie Mae listing agent the **local or state contract and the Fannie Mae purchase addendum** document
- Work with a real estate sales professional and the Fannie Mae listing agent to **submit an initial offer**
- Initial offer may be subject to negotiation if Fannie Mae does not approve initial offer



Homebuyer Responsibilities

Step 2: Make an Offer (continued)

- When submitted, an **initial offer should include:**
 - Proof that the homebuyer is eligible for homebuyer assistance program and be submitted as “individual using public funds”
 - Purchase addendum, which will specify the program- required pricing concessions the buyer is seeking, if applicable
 - Lender financing pre-qualification letter (highly recommended)
 - Earnest money (can be as low as \$500 for individual buyers)
 - Specified closing date (within a maximum 60 days after acceptance of the offer by Fannie Mae)
 - Any other requirements that are important to the homebuyer



Buyer Responsibilities

Step 3: Due Diligence

- If the initial offer is accepted, inspect property and procure a **Uniform Residential Appraisal (URA)** within 10 days of offer acceptance. Copies are sent to the public entity and the lender
- **Submit revised offer** for consideration within five days of receipt of URA appraisal if initial offer is not program-compliant. Otherwise, the initial offer becomes final and buyer proceeds to Step Five
 - Be sure to **communicate URA value** to the Fannie Mae listing agent
 - A maximum of 15 days are allowed from original contract date to resubmit offer
- Obtain from the Fannie Mae listing agent a **contract amendment** stating the final offer



Buyer Responsibilities

Step 4: Final Offer

- If necessary, **sign the contract amendment** and submit it to the Fannie Mae listing agent
- The **signed contract, along with signed amendment (if necessary), represents the final offer**, which will be reviewed by Fannie Mae and any applicable third parties

Step 5: Closing

- If the final offer is accepted, work with your lender to **confirm financing and follow the traditional process for closing** on the home
- **Coordinate with the homebuyer assistance program funds provider** to determine specific requirements for accessing funds and closing on the property



Questions?

- Talk with your Fannie Mae representative (see map on following page). They are available to walk you through the process and be a point of contact for property specific issues from initial offering through closing
- E-mail PublicEntity_REOSales@fanniemae.com



Fannie Mae Community Outreach Team

