

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




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# Meet Your Goals

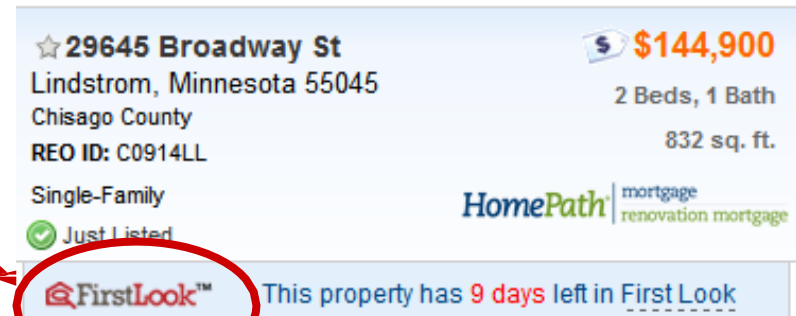
| You want...  | Fannie Mae provides...   |
|--|--|
| ...an equitable opportunity to place responsible occupants in quality homes and keep speculation at bay      | <ul style="list-style-type: none"><li>• A  at properties for buyers using public funds</li></ul>   |
| ...to implement strategic neighborhood revitalization within the constraints of limited capital and capacity | <ul style="list-style-type: none"><li>• An initiative designed to work with public funds programs</li><li>• A dedicated team to help navigate the process</li><li>• An earnest money waiver for public entities and eligible non-profits and reduced earnest money for individuals (as little as \$500)</li><li>• Extra time for due diligence and closing</li></ul> |



# 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 \$144,900  
Lindstrom, Minnesota 55045 2 Beds, 1 Bath  
Chisago County 832 sq. ft.  
REO ID: C0914LL  
Single-Family HomePath | mortgage  
renovation mortgage  
✓ Just Listed  
**FirstLook™** 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.

**Step 1:  
Identify eligible  
homebuyers**



**Step 2:  
Direct homebuyers  
to eligible  
properties**



**Step 3:  
Confirm the terms**



# 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 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](http://www.homepath.com)

**Step 2:  
Direct Homebuyers  
to Eligible Properties**



**Step 3:  
Confirm the Terms**



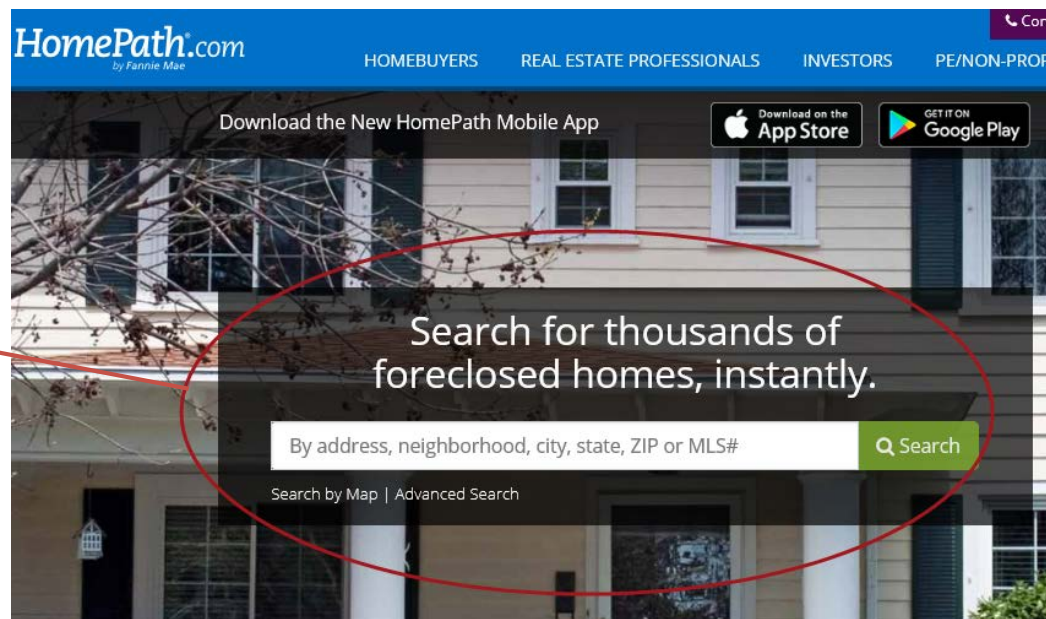
# Program Administrator Responsibilities

## 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](http://www.homepath.com))

[www.HomePath.com](http://www.HomePath.com) has several innovative tools to help you identify local Fannie Mae-owned properties, including the ability to:

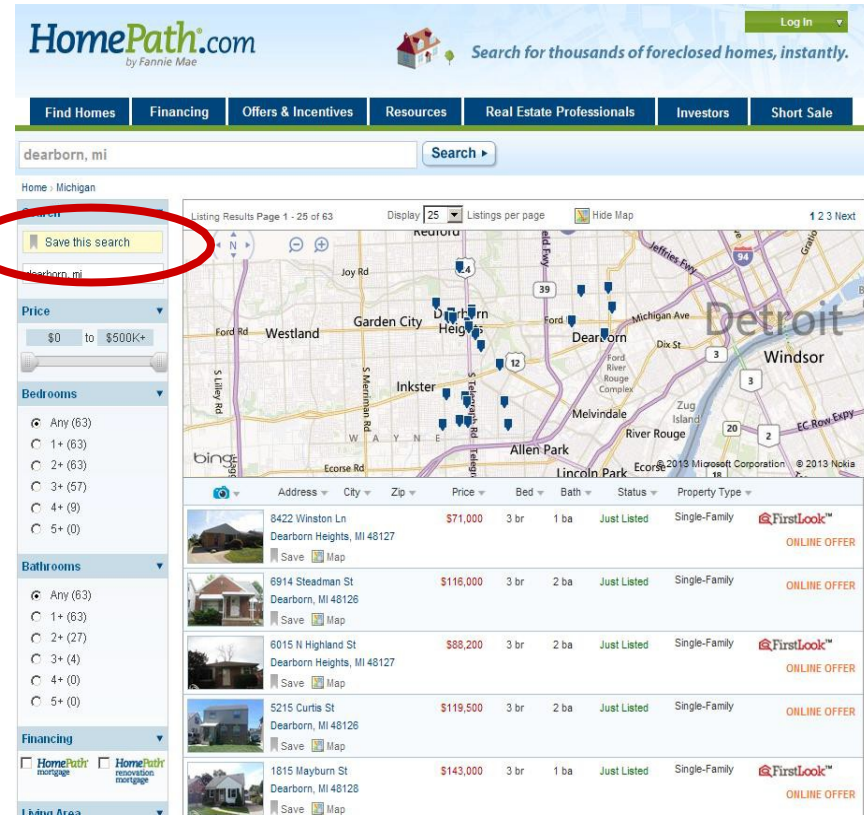
- Search by property type, ZIP code, and listing status using text or the map
- Research homeownership rates, population, school, and other neighborhood information



# Program Administrator Responsibilities

[www.HomePath.com](http://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 displays the HomePath.com interface for searching properties in Dearborn, MI. The search bar contains 'dearborn, mi' and a 'Search' button. The 'Save this search' button is highlighted with a red circle. The results page shows a map of Dearborn and a list of properties with details such as address, price, bedrooms, bathrooms, and status.

| Address            | City             | Zip      | Price     | Bed  | Bath | Status      | Property Type | Offer        |
|--------------------|------------------|----------|-----------|------|------|-------------|---------------|--------------|
| 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 Mayburn 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 interface. At the top, the logo 'HomePath.com by Fannie Mae' is visible, along with a search bar and navigation tabs: 'Find Homes', 'Financing', 'Offers & Incentives', 'Resources', and 'Real Estate Prof'. The search bar contains 'dearborn, mi' and a 'Search' button. Below the search bar, there are filters for 'Price' (ranging from \$0 to \$500K+) and 'Bedrooms' (ranging from 1+ to 5+). A map of Dearborn, MI is displayed, showing several property listings marked with blue pins. A red circle highlights the 'Download properties' button at the bottom of the map area. Another red circle highlights the user profile menu in the top right corner, which includes options for 'Account', 'Saved Listings', and 'Saved Search Alert'. The user's name 'Jane Severn' and email 'jane\_e\_severn@fanniema.com' are also visible.

| Address  | City             | Zip      | Price     | Bed  | Bath | Status      | Property Type | FirstLook™   |
|--|------------------|----------|-----------|------|------|-------------|---------------|--------------|
| 8422 Winston Ln<br>Dearborn Heights, MI 48127    | Dearborn Heights | MI 48127 | \$71,000  | 3 br | 1 ba | Just Listed | Single-Family | ONLINE OFFER |
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# 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](http://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](mailto:PublicEntity_REOSales@fanniemae.com)



# Fannie Mae Community Outreach Team

