



Affordable Friday Series

Date: September 15, 2023

Time: 12:00 pm

**Fannie Mae REO Affordable
Housing Update
– John Thibaudeau**

NYMBA ANNUAL CONVENTION & GOLF TOURNAMENT

OCTOBER 4 – 6, 2023 | VERONA, NEW YORK

Turning Stone®
RESORT | CASINO



BUILDING BRIDGES

Shaping the Future of Mortgage Banking in New York

Welcome to the "Building Bridges: Shaping the Future of Mortgage Banking" convention, a premier event that brings together industry leaders, professionals, and innovators in the mortgage banking sector. This convention serves as a platform to foster collaboration, share knowledge, and explore emerging trends, ultimately shaping the future of the mortgage banking industry in New York and beyond.

SHENENDOAH COURSE



NYMBA 2nd Annual Golf Tournament

Wednesday, October 4, 2023

Player Registration	11:30 AM
Lunch	12:00 PM
Shotgun Start	1:00 PM

EVENT DISCOUNTS

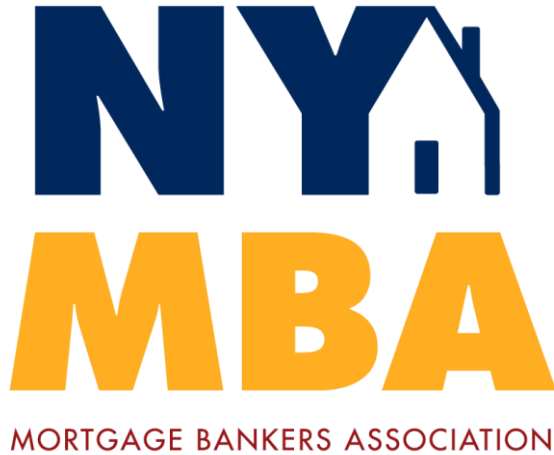
- Registration Fee for NYMBA Members
- NEW! Future Leader Convention Registration
- Special Overnight Room Rates until 9/3
- Sponsorship/Registration Options

**THIS YEAR'S CHARITY GOLF TOURNAMENT WILL BENEFIT
HABITAT FOR HUMANITY & NYMBA PAC**



SCAN WITH YOUR
PHONE CAMERA TO
REGISTER!

STAY CONNECTED WITH NYMBA



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**Better
Together.**





- Friday September 29th and Saturday September 30th
- Visit www.habitatnys.org/NYMBA to sign up to volunteer or sponsor the event

Save the Date

Capitol Build Day:
May 21, 2024

Sponsorship
opportunities
available!



Join the Mortgage Action Alliance (MAA)



MORTGAGE ACTION ALLIANCE

- Free and easy to sign up with MBA
- Get notified of pending legislation
- Learn about the proposals that will impact our industry
- Get links to take action on important bills
- NYMBA is your voice in Albany, MAA is your voice on Capitol Hill in D.C.
- To join: [Mortgage Action Alliance \(MAA\) | MBA](#)



New York MBA

Single-Family Real Estate

John Thibaudeau – Fannie Mae
September 2023



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Together.**





Agenda

Introduction	Slide 9
Overview of Single-Family Real Estate	Slide 11
Mission Focused Outcomes	Slide 15

REO Repair Strategy	Slide 21
Community First by Fannie Mae™	Slide 30
Q&A	Slide 35



Introduction

Biography

**Name:**

John Thibaudeau

Title:

Single-Family Real Estate
Asset Management – Vice
President

Division:

Single-Family Collateral and
Quality Risk Management

Responsibilities:

John Thibaudeau has over 25 years of real estate leadership experience and is responsible for leading Fannie Mae's Single-Family Real Estate (SFRE) organization. John oversees the management and operations of all single-family real estate functions including property preservation and maintenance, occupied property management, repairs, HomePath® marketing, sales, and all title and closing activities, as well as the management of real estate vendors and vendor performance. Additionally, he oversees alternative dispositions and pre-foreclosure liquidations such as the Community First program, mortgage release, auction, and third-party sales.

Experience:

Prior to joining Fannie Mae in 2003, John began his corporate career with Freddie Mac in 1998. John is also a veteran of the United States Air Force where he served as a Crew Chief on military aircraft.

Education:

John holds an MBA in Finance from Southern Methodist University and a BS in Business from the University of Texas at Dallas.

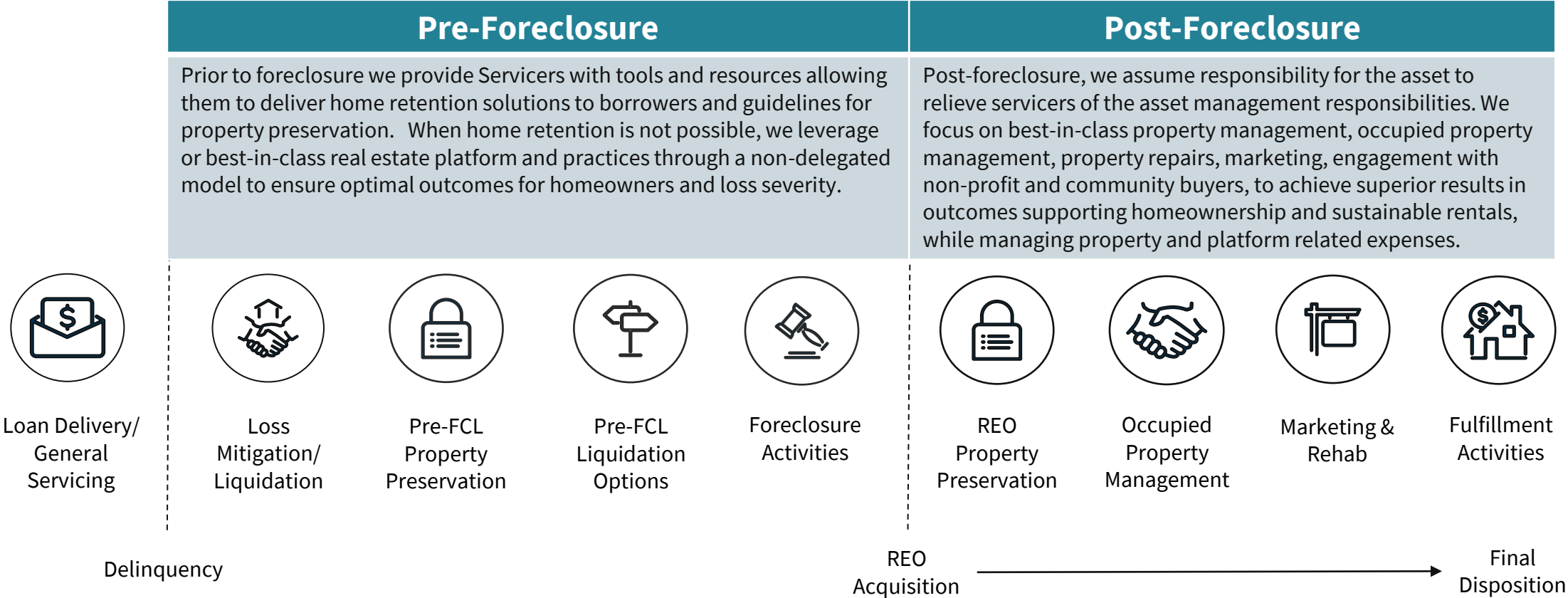




Single-Family Real Estate Overview

Single-Family Real Estate

Servicer Engagement & Liquidation Waterfall



REO Management Capabilities

From the onset of the housing crisis, Fannie Mae has continuously improved its REO disposition capabilities. Seeking to better and more efficiently maintain, value, repair, market, and sell its REO properties, significant resources were invested in people, technology, process enhancements, and vendor management.

Fannie Mae has sold of over **1.8 Million** properties since 2009



Personnel & Programs

Expertise developed through years since 2008 Financial Crisis

- Community First & First Look™ Programs
- Enhanced Repair Strategy
- Property Preservation and REO Disposition with established training and onboarding programs



Technology Applications

FNMA's use of analytics and AI-based tools allow ability to scale capacity.

- Streamlined web applications drive REO Sales through HomePath.com and Community First
- Data driven portfolio management drives risk reduction and industry leading property management capabilities



Partner & Vendor Network

Expansive network of Listing Agents, Title Companies, Contractors and Community Buyers

- Currently engaged with 287 Non-Profit & Community Partners drive community stabilization and reinvestment
- Property Valuation with over 1,000 Vendors
- Seasoned local and national Repair Contractor Network



Fannie Mae's Mission at Work in REO

Fannie Mae's mission is to facilitate equitable and sustainable access to homeownership and quality, affordable rental housing across America. We continue to address the inequities of the past and are working to reduce the housing gaps that exist for members of underserved communities. Fannie Mae also provides reliable information to educate and empower renters and homeowners in their housing decisions.

- Fannie Mae's REO repair strategy supports affordable supply by making our REO properties available for purchase by owner occupant buyers.
- Repaired properties are more sustainable and affordable for homeowners than properties with deferred maintenance.
- The *Community First by Fannie Mae™* platform promotes and facilitates the purchase of REO properties by nonprofits or public entities who administer programs that preserve affordability for subsequent owner-occupant buyers.
- Fannie Mae's REO asset platform prioritizes owner occupant and community focused outcomes.





REO Mission Focused Outcomes



Fannie Mae®

Fannie Mae's Mission Focused Outcomes

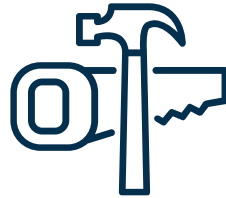
Fannie Mae is focused on improving outcomes for homebuyers and communities throughout America as part of its mission to facilitate equitable and sustainable access to homeownership.



Owner Occupied Housing

700k

Properties sold to Owner Occupants, Public Entities, and Nonprofits since 2010



Move-In-Ready Homes

\$3.3B

Investment on property repairs since 2010 supporting neighborhood stabilization



Neighborhood Stabilization

28.7k Homes

Properties** Sold for Community Stabilization Efforts



Affordable Homeownership

68%

REO Properties* Sold to Low-Medium AMI Borrowers Since 2010

*Cases sold in REO in which mortgage purchased by Fannie Mae since 2010

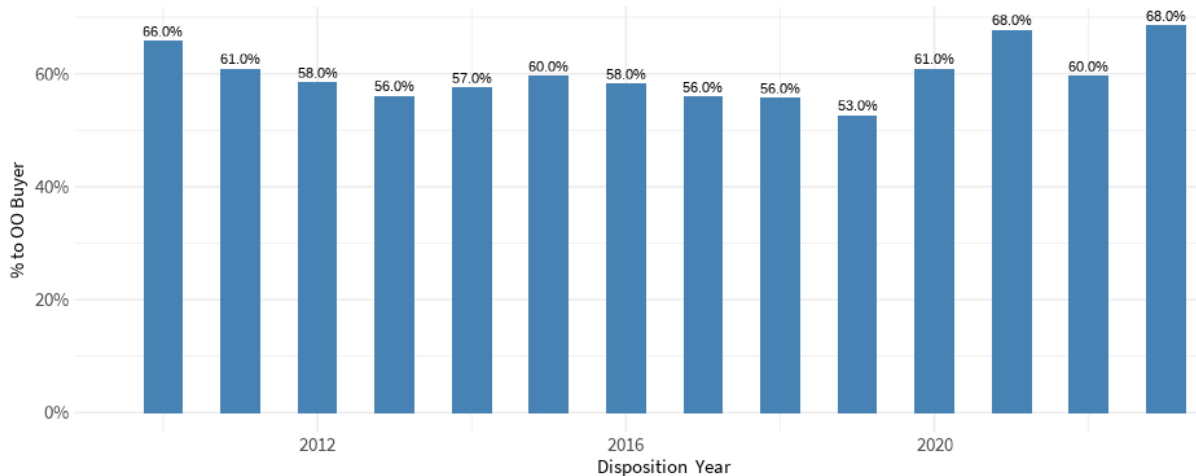
** Includes Community First, NSI, Public Funds, and Down Payment Assistance Program transactions



Owner Occupied Housing

Fannie Mae best-in-class asset disposition capabilities create affordable housing opportunities and strengthens American communities while benefiting the entire mortgage ecosystem.

% to OO Buyers



Historically, **9** out of **10** repaired properties are sold to Owner Occupant Purchasers.*

700K

Properties Sold to Owner Occupants, Public Entities & Nonprofits**

60%

Properties Sold to Owner Occupants, Public Entities & Nonprofits**

*Full Portfolio since 2020

**Full portfolio since 2010



REO Repair Outcomes (New York)

Since January 2021 through Q2 2023

Repair Strategies

Homes Repaired	Repaired Rate
260	72.2%

Repair Investment

Average Spend Per Property
\$55,000

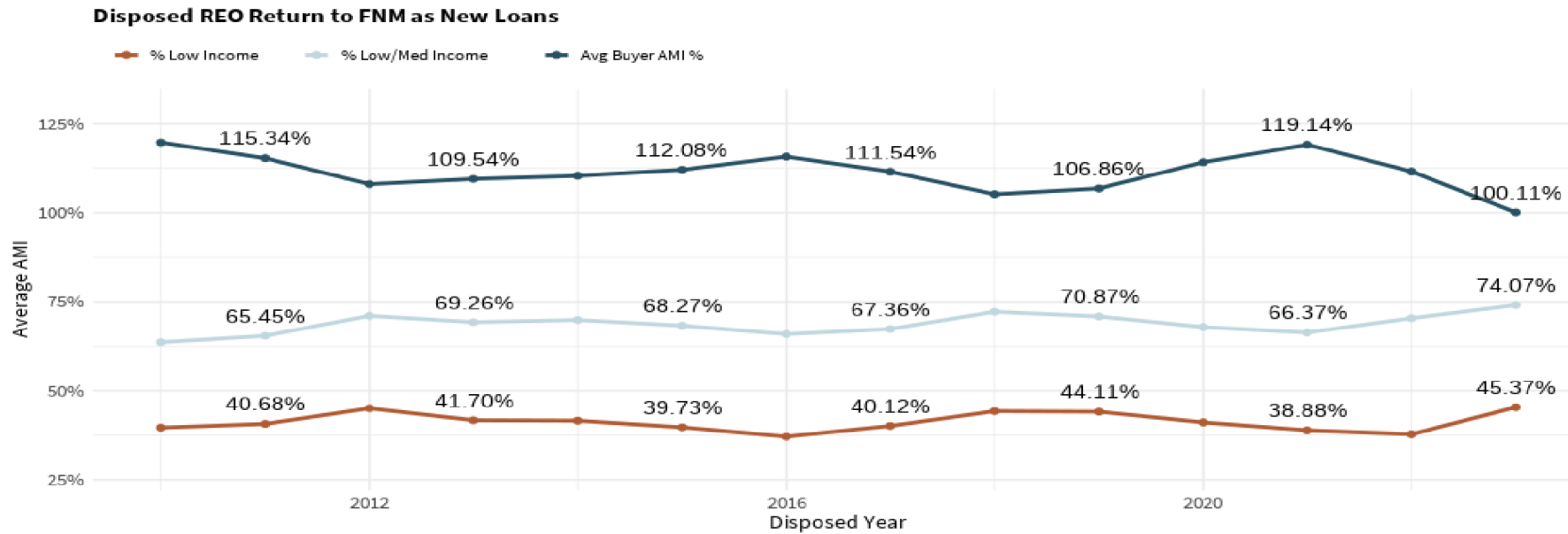
Owner Occupancy

Overall	Repaired
73.9%	88.8%



Affordable Homeownership

The majority of Fannie Mae's REO dispositions, resulting in Fannie Mae's acquisition of the new loan, were sold to Low to Medium Area Median Income (AMI) borrowers, giving borrowers of modest means critical opportunities to become homeowners.



68% of REO dispositions were reacquired as a new loan and were sold to Low-Medium AMI Borrowers since 2010*.

*Cases sold in REO in which mortgage purchased by Fannie Mae since 2010



Homebuyer Closing Cost Relief

Programs centered on supporting mission-focused buyers.

Area Median Income Concession

3% Closing Cost Concession

3% closing cost credit for owner-occupant buyers of HomePath properties if household income is at or below the area median income (AMI.)

HomePath ReadyBuyer ProgramTM

Up to 3% Closing Cost Concession

First-time homebuyers who complete Fannie Mae's HomeViewTM course may receive up to 3% closing cost credit.

Appraisal Credit LLPA

\$500 Credit

HomePath properties may be eligible for a \$500 lender credit to cover the cost of the borrower's appraisal.

*Credits may be combined subject to lender restrictions





REO Repair Strategy

Repair Strategy

Evolution within our REO repair strategy has increased repair rates and investment over time, resulting in increased access for owner occupants to purchase move-in-ready homes.

By the
NUMBERS
since 2010

Data Through June 2023



1.196M
REO Properties
Disposed



278K
Properties
Repaired



\$3.3B
Total Repairs
Investment



700K
Properties Sold to Owner
Occupants, Public Entities,
and Nonprofits

- Seasoned local and regional Repair Contractor Network.
- Proprietary modeling tool (RHINO) provides net present value monitoring.
- Mobile scoping capabilities offering standardized product selection & quality assurance of repairs.
- Negotiated material/labor pricing for roofing, plumbing, carpentry, electrical, flooring, etc.
- Design board to provide consistent materials throughout the nation regardless of value or property type.
- Repair standard to meet or exceed the property condition standards to be considered C3 per the Uniform Appraisal Dataset definitions.
- Energy-efficient and water-saving products.

Fannie Mae's repair strategy has had a significant impact on loss severity management and community stabilization, evolving over time to fit the unique needs of the company's mission and affordable housing objectives.

Before



After



Before



After







Virtual Staging



Repair Technology - WorldAPP

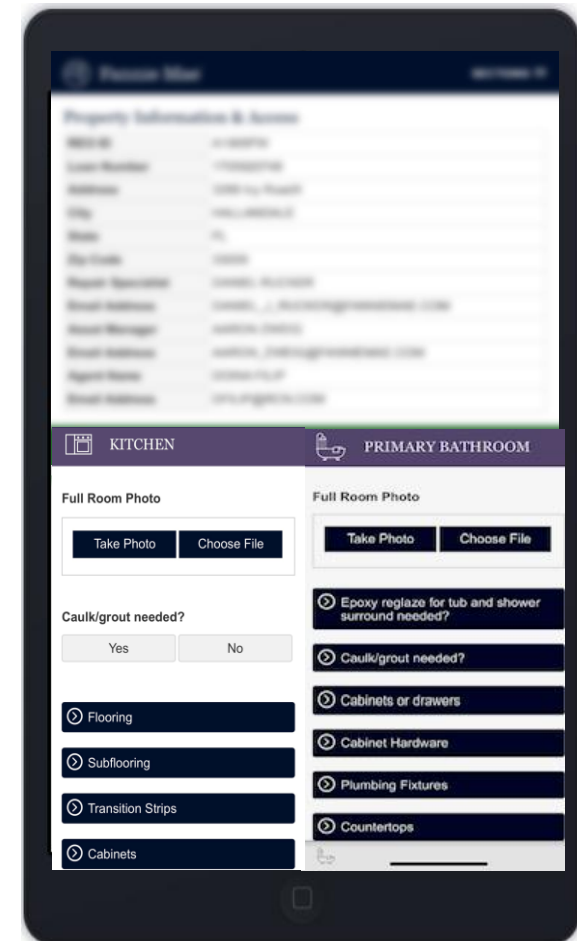
Fannie Mae utilizes a mobile scoping application and desktop tasking portal to create a room-by-room scoping and bid repair process with full transparency for all internal and external users.

Full Transparency

Living Room						\$ 2868.5
• Flooring		   	Repair	584 SQ	Accept	\$2033.5
Description						
Refinish hardwood						
Author: Gina White		Create date: 10/12/2021		Author role: SAM Employee		
Sand, stain, and poly wood flooring to include Edge, drum and screening sanders; various sanding disks/belts/screens, wood filler, wood stain, and 2 coats polyurethane. 581@ \$3.50= \$2044						
Author: PAUL KENDALL		Create date: 11/02/2021		Author role: Bid Reviewer		
Living room - Wood Floor refinish - Please adjust per bid description to the correct total 581@ \$3.50 = \$2033.50						
Author: Gina White		Create date: 11/02/2021		Author role: SAM Employee		
Sand, stain, and poly wood flooring to include Edge, drum and screening sanders; various sanding disks/belts/screens, wood filler, wood stain, and 2 coats polyurethane. 581@ \$3.50= \$2033.50.						



Mobile Capable



Integrated Design Board

Shaker Style - White



Slab Style - White



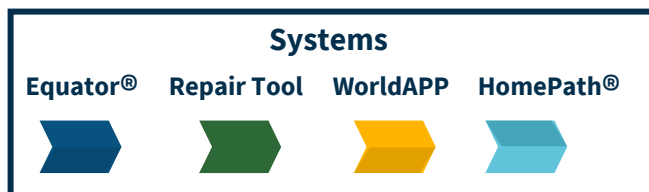
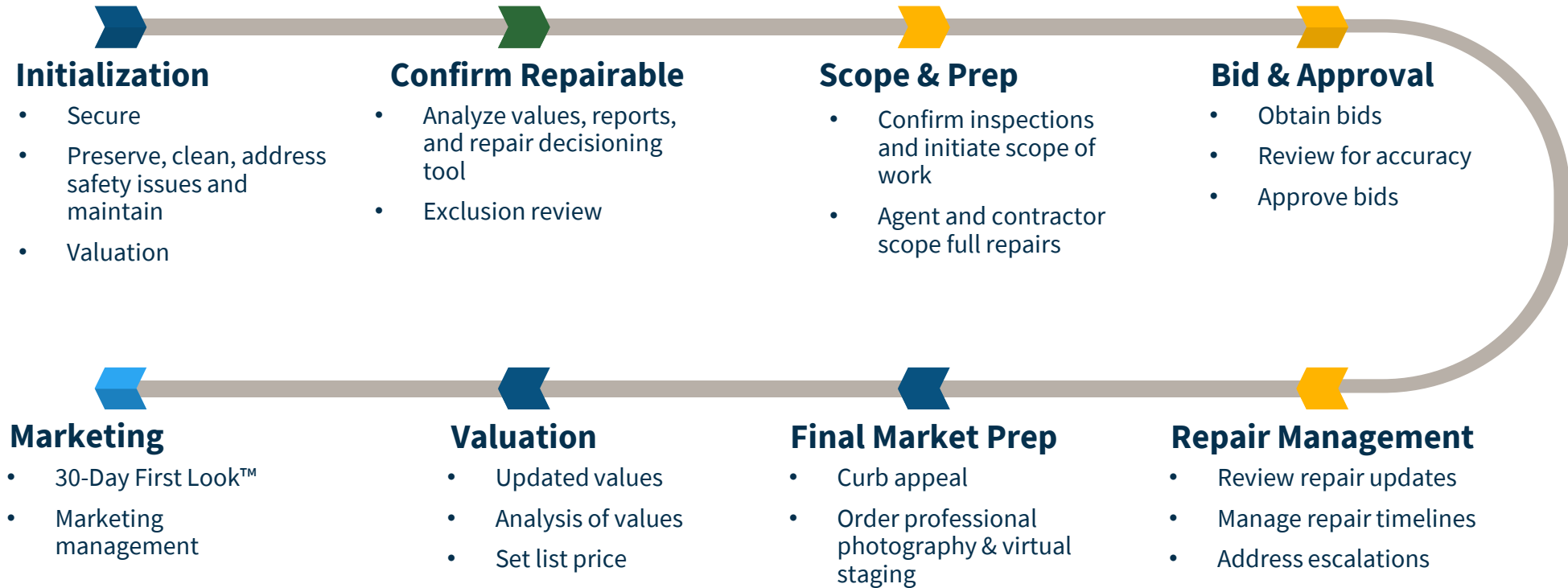
Shaker Style - Natural



Slab Style - Natural



Repair Process Flow



The better path to finding a home

HomePath makes it easy to search for homes and make offers on available Fannie Mae houses for sale.



Search by Address, City, ZIP code or MLS Number



HomePath[®]

Fannie Mae's real estate marketing website provides homebuyers and real estate agents direct access to search for Fannie Mae owned properties available for sale and information on programs supporting opportunity for homeownership.



30-Day First Look[™]

Exclusive access to owner-occupant and community-minded purchasers for newly listed properties.



Offer Management

Platform provides online offer experience to buyers and agents from offer submission through offer negotiations.



Transaction Status

Increased visibility for buyers through online dashboards and email notifications.



Enhanced Marketing

Professional photographs on all repaired properties, along with virtual staging & aerial view capabilities.



DocuSign[®] Integration

Electronic contract signature & execution process providing simple, fast, and secure process.



AMI Concession

3% closing cost credit for owner-occupant buyers of HomePath properties if household income is at or below the area median income (AMI.)



Ready Buyer[™] Program

First-time homebuyers who complete Fannie Mae's HomeView[™] course may receive up to 3% closing cost credit.



Appraisal Credit

HomePath properties may be eligible for a \$500 lender credit to cover the cost of the borrower's appraisal.

Repair Transformation

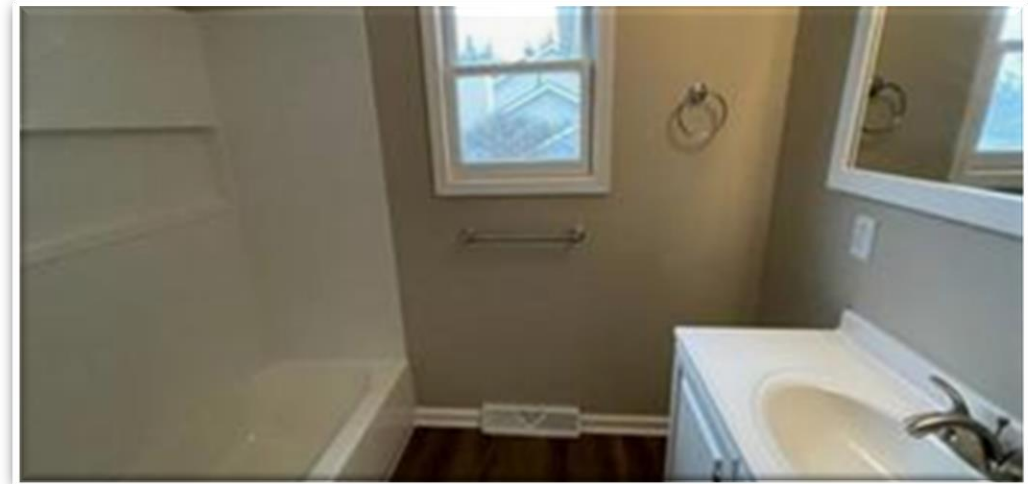


Sold to Owner Occupant



Lancaster, NY

- Fresh Paint
- Updated Flooring
- Updated Bathroom
- Updated Kitchen
- Repaired Furnace
- Repaired Garage Door



Repair Transformation

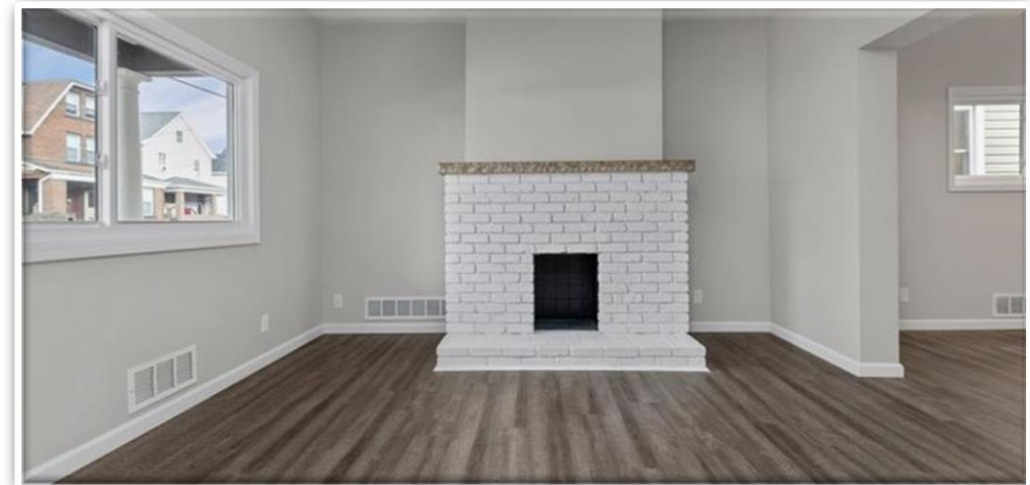


Sold to Owner Occupant



Glassport, PA

- Fresh Paint
- Updated Flooring
- Remodeled Kitchen
- Remodeled Bath
- New Fence
- Carpentry Repairs



Repair Transformation

Bridgeton, NJ



Sold to
Owner
Occupant



Hermitage, PA



Repair Transformation

Paradise, CA



Sold to Owner Occupant

Jefferson, LA





Community First by Fannie Mae™



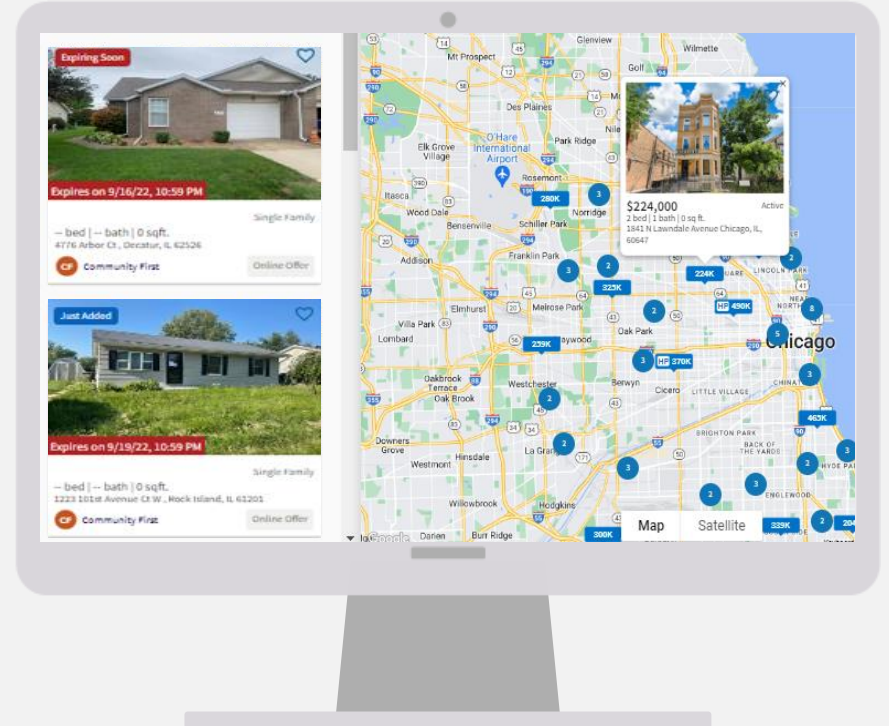
Fannie Mae®



Community First
by Fannie Mae™

Fannie Mae's proprietary technology platform for approved mission-based organizations to help support neighborhood stabilization and affordable housing across the country.

Community First provides exclusive access to REO properties through a customized user experience and transparent transaction process.



Neighborhood Stabilization

Fannie Mae is committed to providing affordable housing for homeownership opportunities directly or with partnerships that reinforce our commitment to local affordable housing solutions and community stabilization.



2,331 buyers*



28.7k Homes Sold**



**478 MSAs Across
the Nation**

Since 2009, Fannie Mae has had a dedicated community focused Sales team that partners with mission driven buyers to support their work in communities across the country. These efforts continued under the Neighborhood Stabilization Initiative and were further expanded in 2019 with the launch of *Community First* by Fannie Mae™.



Fannie Mae's web portal is where Community-Minded buyers, like qualified non-profits and public entities, can search, present offers, and manage the closing and post closing reporting processes for REO properties they purchase in Community First. This exclusive platform provides access to REO properties before the homes are repaired or listed on the market for sale.

Working with Community-Minded buyers to provide affordable housing opportunities enhances homeownership in communities, including providing opportunities for lower and middle-income segments of the market.

*Unique Community First, Public Entities, and Nonprofits since 2009

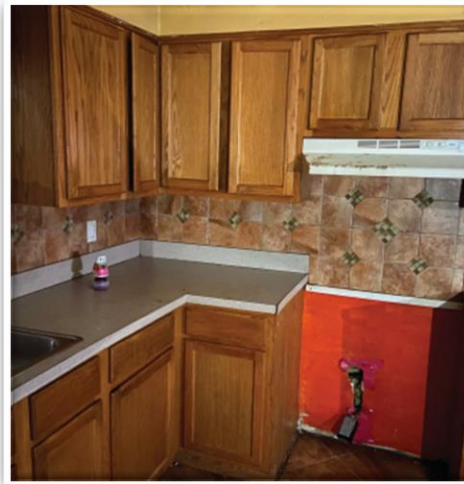
**Includes Community First, NSI, Public Funds, and Down Payment Assistance Program transactions



Community First Outcome



CF Partner Repaired & Sold to Owner Occupant



Central Islip, NY

- Fresh Paint
- Updated Flooring
- Remodeled Kitchen
- Remodeled Bathrooms
- New Light Fixtures
- Carpentry Repairs



Community First Outcome



CF Partner Repaired & Sold to Owner Occupant



Bay Shore, NY

- Fresh Paint
- Updated Flooring
- Remodeled Kitchen
- Remodeled Bathrooms
- New Roof
- Carpentry Repairs





Q & A



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Q&A

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* *Newly established 2022-2023*