

ACB/Fannie Mae Affinity Partnership Helps Banks Tackle Underserved Housing Needs



By Ann Marie Wheelock

Thanks to the partnership between ACB and Fannie Mae, your bank now has dedicated, in-depth support as you tackle barriers to homeownership that exist for some of your customers.

These resources include unique mortgage products targeted to underserved minorities and consumers with low- to moderate-incomes; fast, accurate underwriting technology that supports the mortgage decision process; and special on-site teamwork to fine-tune your strategy to reach these potential home buyers.

Increasing mortgage volume in these markets not only benefits your bottom line; this business helps reinforce neighborhood stability in your community by turning renters into proud homeowners. With these customers projected to account for nearly two-thirds of growth in the number of American households over the next decade, now is the time to closely focus on new ways to tap into these markets.

Consumer research has identified two leading barriers to homeownership: lack of adequate funds for a down payment and closing costs and less-than-perfect credit histories—either can derail the home purchase plans of many potential homeowners.

Here are just a few options from a full lineup of Fannie Mae products identified by ACB members as attractive to such borrowers. For example:

- If a customer has a good credit history,

but lacks funds for a down payment and closing costs, Fannie Mae's Flexible 97[®] and Flexible 100SM are possible solutions because they require low or no down payments.

- For your customer who has had some minor credit problems, the Expanded Approval with Timely Payment RewardSM product provides competitive interest rates and a potential automatic rate reduction of up to one percent, following 24 consecutive months of on-time payments.

- Your low- to moderate- income customer can benefit from the MyCommunity MortgageSM with its lower credit thresholds and more aggressive 100 percent LTV option.

- Also, for rural stock, Fannie Mae has significantly changed appraisal and underwriting policies that recognize the unique aspects of these loans.

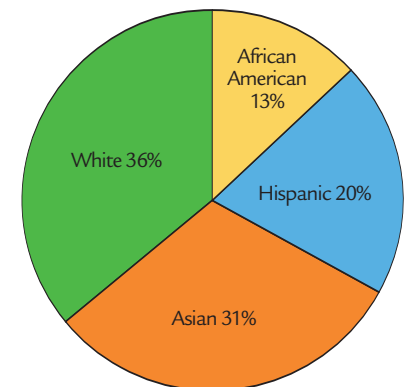
A look at Fannie Mae's 2000 Habits and Practices Study gives insight into factors in underserved markets that steer potential homebuyers away from traditional lenders. For instance, when seeking mortgage funding, Hispanics and African-Americans are 50 percent less likely than whites to turn to their bank for a home loan. Another important finding tends to point underserved customers toward non-traditional loans: fear of rejection drives their search for a mortgage loan; they are almost solely focused on getting a "yes."

Fannie Mae's industry-recognized underwriting technology can also help you expand mortgage business activity in underserved markets. Besides reducing cost and staff time, Desktop Underwriter[®] has the added value of accurately assessing eligibility. Plus, Desktop Underwriter allows you to automate auxiliary front-end processes, such as property appraisal, further assuring a fast and seamless mortgage application

experience for all your customers.

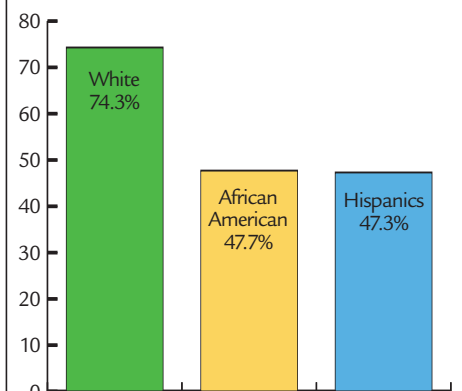
The partnership also opens the door to fully understanding key considerations for lending in this market. Fannie Mae specialists are available to present a lending work

Nearly two-thirds of American household growth in the next decade will be from underserved markets.



Source: Joint Center Tabulations of the Current Population, 2001

Current Rates of Homeownership in Market Segments



Source: U.S. Census Bureau, Housing Vacancy Survey, 2001

For more information about the ACB/Fannie Mae Affinity Partnership, stop by the Fannie Mae booth #209 at ACB's Annual Convention and Market Expo, San Francisco, CA, November 3-6, 2002.

session in your bank, to help you and your lending team craft a dynamic strategy. You learn about this market's promising potential over the next ten years, review successful marketing tactics, and go over products and tools to help you more effectively serve these potential homebuyers.

The momentum of mortgage activity in this market is already trending upward at a healthy rate. Targeted Fannie Mae products have helped increase loans by lender partners to African-American families from \$2 billion to \$8 billion, a 205 percent increase

since 1993. Lending to minority families overall has jumped by 207 percent, from \$12 billion to \$38 billion in the same time period.

To pave the way to capturing increased market share, you need a focused game plan for your bank's underserved markets strategy. The partnership between ACB and Fannie Mae can help you create the winning plan.

Take a broad suite of flexible products that address credit and cash constraints faced by many consumers, add fast underwriting technology that accurately assesses credit

worthiness, mix in ACB/Fannie Mae teamwork and you will craft a strategy that's right for your market. Call ACB's Ron Haynie at (202) 857-5580 to learn more. **B**

Ann Marie Wheelock, senior vice president, heads up the Fannie Mae underserved markets initiative and oversees single-family mortgage account teams for Fannie Mae's Western region and Guam. She is located in Pasadena, Calif., and may be reached at (626) 396-5168 or at ann_m_wheelock@fanniemae.com.

Get Bottom Line Business Solutions at ACB's Annual Convention & Market Expo

Make time to find out more about these special business solutions sessions taking place at ACB's 2002 Annual Convention in San Francisco. ACB Partners provide best-in-class business solutions to increase your bottom line and enhance your competitive edge.

Attend a special session and visit the "Partners Promenade" in the "Market Expo" to learn more about the member-advantage solutions offered by ACB Partners.

Mortgage Solutions

Mortgage Solutions Power Lunch

November 4, Noon - 1:30 p.m.

Sponsored by ACB Partners Inc.

Learn from a panel of key executives from Fannie Mae, Freddie Mac, Countrywide, and Principal Residential how you can enhance your business by reaching new markets, better serving your customers and community.

Mortgage Solutions Presentations

November 4 p.m. - 3:15 p.m.

Fannie Mae

Expand your business by learning about new technology solutions, portfolio management strategies to meet your financial goals and initiatives to help you reach underserved markets.

Principal Residential Mortgage, Inc.

Find out about Principal's exclusive special pricing, high-touch personal service, streamlined application process, a wide range of products, and competitive delivery.

Financial Freedom Senior Funding Corp.

Learn how to help seniors stay in the home they love, and provide them with income, liquidity, and security with this increasingly popular program.

Mortgage Solutions Presentations

November 4, 4 p.m. - 5:15 p.m.

Freddie Mac

Learn how the new ACB/Freddie Mac strategic alliance helps you sell loans more easily and quickly with a broad choice of commitment options, whether you are selling current production or loans from your portfolio.

Countrywide Home Loans, Inc.

Learn about key provisions of Countrywide's exclusive ACB member program including more aggressive loan pricing, unrestricted access to its menu of products, and full access to its Web-based technology platform.

MortgageRamp

Hear how ACB's Alliance with MortgageRamp helps your bank get started in commercial lending or handle those loan requests that fall outside your lending limits.

Technology & Payments Solutions

November 5, 4 p.m. - 5:15 p.m.

Emerging Payments Trends—Is Your Bank Prepared?

A panel of experts provides a comprehensive, strategic perspective of the main payments mechanisms and technologies and overall market dynamics and key success factors community banks should consider in sustaining their competitive edge.

Your Bank's Internet Security Was Breached Last Night—Did You Know?

Panelists discuss problem areas identified by regulators, findings of an ACB Internet Security Management Study, techniques for developing effective operational security programs, and practical insight on best practices and policies.

Financial, Strategic & Capital Markets Solutions

November 5, 7 a.m. - 7:50 a.m.

Enhance Wealth Management

Hear how Money Concepts' financial planning and fee-based asset management

services can broaden customer relationships, deepen loyalty, and increase bank and customer wealth.

November 5, 2 p.m. - 3:15 p.m.

Increase Fee Income & Enhance Customer Satisfaction

Strunk & Associates discusses how fee income can lead to increased profitability and introduces an innovative fee revenue source that also offers a valued benefit to your customers.

Don't miss these ACB Partners in the "Partners Promenade"...

BanqIntelligence.com	Booth 318
Certegy, Inc.	Booth 315
Countrywide Home Loans, Inc.	Booth 306
Fannie Mae	Booth 209
Financial Freedom Senior Funding Corp.	Booth 307
Freddie Mac	Booth 300
InfCorp.	Booth 309
Money Concepts International, Inc.	Booth 310
MortgageRamp	Booth 314
PCIServices, Inc.	Booth 216
Pentegra	Booth 317
Principal Residential Mortgage	Booth 312
SecurePipe, Inc.	Booth 715
Shay Financial Services, Inc.	Booth 311
Strunk & Associates	Booth 303
The St. Paul	Booth 304