

Fannie Mae Offers CRA-Targeted MBS Investments

Fannie Mae has a CRA-Targeted Mortgage Backed Security (MBS) tailored specifically for depositories and other investors in community development.

Highlights of the CRA-Targeted MBS include:

- CRA-Targeted MBS are fully customized to a bank's specifications. Fannie Mae does not issue the MBS until the bank places an order to trade, specifying the assessment areas, the size of the investment and negotiated pricing.
- Up to 100 percent of the loans backing each MBS pool can be made to borrowers with incomes below 80 percent of the area median income.
- A geographic distribution of the loans can be defined to meet the bank's specific CRA assessment area needs.
- CRA-Targeted MBS carry the guarantee of timely payment of principal and interest, like all Fannie Mae MBS, and are not subject to resale restrictions. The CRA-Targeted MBS will be issued under Fannie Mae's standard security prefixes.

Banks around the country have found the CRA-Targeted MBS product especially useful in meeting their CRA investments needs in assessment areas in which there are few other investment opportunities.

For more information, contact Mary Beth Preuss at 1-800-752-0257.