

SUSTAINABLE COMMUNITIES

innovation challenge



Call for Ideas

Phase Three: Affordable Housing, Education,
and Economic Mobility



Fannie Mae

The Challenge: Phase Three

Fannie Mae wants to join forces with you to address the shortage of affordable homes across the U.S. Safe and affordable housing is at the heart of any thriving neighborhood. In sustainable communities, housing, employment, health, and educational opportunities are integrated and attainable for all residents, regardless of income.

When families live in stable and affordable homes in a sustainable community, they have greater opportunities to prosper in other aspects of life, including education and economic advancement. For the third phase of the Sustainable Communities Innovation Challenge (The Challenge), we are seeking comprehensive solutions, including mature ideas and proven models that are ready to scale, that expand access to quality affordable housing for underserved and low-income people, while catalyzing opportunities in education and forging pathways to economic mobility.

In Phase Three of The Challenge, Fannie Mae seeks ideas that respond to one or more of the following statements:

1. How might we prepare a workforce that is ready to participate in job opportunities that drive technological innovation in the housing industry?
2. How might large employers or anchor institutions partner with the housing industry to ensure every resident in a community has a path to safe, quality, affordable housing?
3. How might we use housing to increase the availability of and access to high-quality early childhood care and education that meets the needs of families in underserved areas?
4. How might housing and education entities from the public, private, or nonprofit sectors partner to provide stable home and school experiences for very low-income students?

For the purposes of The Challenge, we are defining “education” as learning throughout one’s life, including early childhood, K-12, higher education, and adult learning. We are defining “economic mobility” as any pathway for individuals and families to improve their economic status, typically measured by income.

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The Sustainable Communities Innovation Challenge

For over 80 years, Fannie Mae has been at the forefront of developing and implementing programs and products to help underrepresented communities find affordable, sustainable places to call home. Fannie Mae is furthering this body of work with The Sustainable Communities Innovation Challenge, a \$10 million commitment to spur innovation, incubate new ideas, forge new partnerships, and generate solutions that will help address the nation's affordable housing issues.

*Fannie Mae defines **sustainable communities** as safe, stable, thriving, vibrant communities that are resilient to shocks and stresses, and that offer residents integrated access to quality affordable housing and quality economic, health, and educational opportunities.*

Fannie Mae understands that the affordable housing crisis is inextricably linked to other adjacent sectors, and that is why it is critically important to seek ideas from outside of Fannie Mae and our traditional housing industry partners. We operate under the firm belief that we do not have all the answers, and that the best way to foster sustainable communities is to find and support promising innovations while forging collaborative partnerships that cross traditional boundaries of sector, field, and approach.

The Challenge comprises three contract award phases, each with a specific theme:

- Phase One, launched in 2017, awarded three deliverables-based contracts to support projects at the intersection of affordable housing and workforce/economic development.
- Phase Two, launched in 2018, will award deliverables-based contracts in May 2019 that support projects at the intersection of affordable housing, health, and wellness.
- Phase Three, launching on April 24, 2019, focuses on the intersection of affordable housing, education, and economic mobility.

This initiative supports Fannie Mae's strategic priority to responsibly increase access to credit, encourage more housing supply, and reduce the overall cost of buying, owning, or renting a home in underserved communities. By illuminating affordable housing problems and by attracting creative solutions, we can generate new business and opportunities that support our goals. These goals include increasing access to sustainable, affordable housing by conducting research to assess new opportunities and developing pilots and initiatives that address the changing needs of homebuyers, homeowners, and renters. For more information on The Challenge and to learn about selected awardees, visit www.fanniemae.com/thechallenge.

Call for Ideas: Phase Three

When families live in stable and affordable homes in a sustainable community, they have greater opportunities to prosper in other aspects of life, including education and economic advancement. For the third phase of the Sustainable Communities Innovation Challenge (The Challenge), we are seeking comprehensive solutions, including mature ideas and proven models that are ready to scale, which expand access to quality affordable housing for underserved and low-income people, while catalyzing opportunities in education and forging pathways to economic mobility.

In Phase Three of The Challenge, Fannie Mae seeks ideas that respond to one or more of the following statements:

1. How might we prepare a workforce that is ready to participate in job opportunities that drive technological innovation in the housing industry?
2. How might large employers or anchor institutions partner with the housing industry to ensure every resident in a community has a path to safe, quality, affordable housing?
3. How might we use housing to increase the availability of and access to high-quality early childhood care and education that meets the needs of families in underserved areas?
4. How might housing and education entities from the public, private, or nonprofit sectors partner to provide stable home and school experiences for very low-income students?

Fannie Mae seeks to work with other industry partners to support implementation, testing, and piloting. Applicants from outside the traditional affordable housing sector are particularly encouraged to apply.

The Call for Ideas on Phase Three opens on April 24, 2019. We are seeking idea submissions through **May 30, 2019 at 5:00 p.m.**

Pacific Time.

*The Challenge embraces a broad definition of **innovation**. Innovative ideas submitted to The Challenge should accelerate current practices to better serve communities. To do this, ideas should identify unexpected resources, question existing assumptions, or challenge the status quo.*

For more information about The Challenge: Phase Three and to apply, please visit

www.fanniemae.com/thechallenge. Interested applicants must complete all required sections of the online application to apply.



Eligibility

Eligible Applicants

We invite public, private, and nonprofit sector organizations, as well as individuals and cross-sector teams from across the country, to submit ideas for contract awards. Note that applicants applying as individuals or teams of individuals will need to demonstrate that they are an established business entity or will need to partner with an established entity if selected as a contract awardee. Submissions from cross-sector teams that combine and integrate experience from multiple sectors are particularly encouraged to apply. Note that Fannie Mae customers and suppliers *are* eligible to apply. Fannie Mae is accepting one idea submission per applicant. Only domestic (U.S.) projects are eligible for contract awards. **Selected projects will execute contracts with Fannie Mae to support their idea; The Challenge does not offer grants or other forms of investment.**

To be eligible, all applicants must:

- Complete the idea submission form via The Challenge's online application portal (see Appendix I)
- Consent to The Challenge's Submission Terms and Conditions (see Appendix III)
- If selected to advance, execute a mutual non-disclosure agreement (NDA), participate in a virtual interview, submit a full proposal, and participate in Pitch Day
- If selected as a finalist, participate in Fannie Mae's risk review and contracting process
- Indicate their diversity status (options are listed within the idea submission application)

The following entities are not eligible to submit ideas:

- Current Fannie Mae employees and individual contractors and consultants (on-boarded as such). Note that Fannie Mae customers and suppliers *are* eligible to apply
- Members of The Challenge Expert Advisory Panel and organizations for which they are on staff or serve on boards
- Offices of federal, state, or local elected officials

Eligible Projects

The Challenge seeks submissions for innovative technologies, policies, practices, and/or programs at the intersection of affordable housing, education, and economic mobility for the following types of projects:

1. Research and Design

Eligible scopes of work: Development of early-stage ideas, including applied research, planning and/or feasibility studies; the design of prototypes, processes, model policies or pilot programs. These awards are for pre-pilot stage ideas and support projects to assess whether an interesting idea shows promise and value.

Maximum Contract Award Amount: \$250,000

Implementation Timeline: Up to 12 months

2. Idea Development

Eligible scopes of work: Refinement of later-stage concepts, technologies, policies, practices, and/or programs that are ready for testing, initial implementation, and/or refinement. These awards will support further development of ideas that have: 1) completed research and design work that indicates the idea has promise and value; or 2) shown some early promise but have yet to fully pilot. Applicants submitting ideas for Idea Development awards will be asked to provide initial proof of concept, such as completed research and design work or other documentation that supports the value or promise of the idea. Compared to Research and Design projects, Idea Development projects have refined ideas, have potential or confirmed partners, and/or have conducted beta testing on their idea.

Maximum Contract Award Amount: \$500,000

Implementation Timeline: Up to 24 months

3. Scaling

Eligible scopes of work: Expanding technologies, policies, practices, and/or programs that have shown promise in initial testing and piloting, and are ready for growth, diffusion, and/or replication to reach additional beneficiaries. These awards are for mature ideas and projects that have a validated proof of concept in at least one context or site/location, and that have shown strong promise for scale and sustainability. Applicants submitting ideas for Scaling awards will be asked to provide evidence of proof of concept, such as pilot data that demonstrates significant impact, initial revenue and/or engaged customer segments, or other documentation that supports the value or promise of the idea. Compared to Idea Development projects, Scaling projects are based on completed pilot testing or initial implementation and expand on the success of those efforts to scale the idea.

Scaling projects that are selected for contract awards will also be eligible to receive non-financial post-award support to assist in the implementation of their innovation. The specific nature and parameters of such support will be determined in conjunction with final contract awardees.

Maximum Contract Award Amount: \$1,500,000

Implementation Timeline: Up to 36 months

Eligible Use of Funds

The Challenge will select projects that identify, test, pilot, and/or scale innovative strategies to improve access to and build sustainable communities. Each project must include one or more deliverables to Fannie Mae, such as a summary of the results of research, design, or testing.

Funds awarded by contract may be used solely for:

- Applied research
- Execution of planning, design, or feasibility studies
- Design of prototypes, processes, pilots
- Testing of new or improved technologies, policies, practices, and/or programs
- Pilot implementation of new or improved technologies, policies, practices, and/or programs
- Plans for scaling or replicating technologies, policies, practices, and/or programs with new populations, at new sites, or in new contexts
- The percentage of resources and time, including staff salaries, dedicated to the research and design of associated deliverables
- Direct expenses associated with deliverables

Challenge funds cannot be:

- Used to subsidize ongoing operational costs (e.g., costs incurred to run the day-to-day operations of a business or program, such as rent/leases, utilities, phone, internet, salaries, benefits, maintenance, or travel, other than the portion directly associated with the development of ideas and deliverables for The Challenge)
- Associated with electoral or legislative lobbying (Note: activities related to public education are eligible.)
- Used for the purchase of real estate, assets, or capital improvements
- Used for equity or debt investments

Applicants and contract awardees will retain all intellectual property created before and during The Challenge and will provide Fannie Mae with a limited license to that intellectual property for purposes of research, learning, and implementation.

[Click here](#) for answers to commonly asked questions.

What to Expect: Selection Process & Criteria

Selection Process

All final contract award decisions for The Challenge will be made by Fannie Mae. To support this selection process, Fannie Mae has engaged several external partners:

- An **Expert Advisory Panel** will support The Challenge in identifying the most innovative and promising ideas and approaches. The Expert Advisory Panel assembled by Fannie Mae for The Challenge: Phase Three: Affordable Housing, Education, and Economic Mobility is comprised of experts in affordable housing, education, economic mobility, and innovation, and who represent the public, private, and nonprofit sectors. Their role is to provide impartial reviews of submissions and guidance to the Fannie Mae Review Committee. For biographies of the Phase Three Expert Advisory Panel, see www.fanniemae.com/thechallenge.
- In addition, Fannie Mae has retained **Arabella Advisors**, a social impact consulting firm, as its design and implementation partner for The Challenge. Arabella will support Fannie Mae in managing The Challenge.

The selection process for the Challenge consists of the following five steps:

	1. Idea Screening	2. Virtual Interviews	3. Proposal & Pitch Day	4. Selection	5. Contract
Dates	June-July 2019	August 2019	Sept.-Oct. 2019	November 2019	December 2019
Critical Selection Criteria	<ul style="list-style-type: none"> Idea Alignment and Innovation 	<ul style="list-style-type: none"> Idea Alignment and Innovation 	<ul style="list-style-type: none"> Idea Alignment and Innovation Implementation Plan and Project Budget Measurement and Learning Applicant Experience and Capacity 	<ul style="list-style-type: none"> Idea Alignment & Innovation Implementation Plan and Project Budget Measurement and Learning Applicant Experience and Capacity 	<ul style="list-style-type: none"> Idea Alignment & Innovation Implementation Plan and Project Budget Measurement and Learning Applicant Experience and Capacity
Materials to Submit	<ul style="list-style-type: none"> Idea submission (see Appendix I) 	<ul style="list-style-type: none"> Virtual Interviews 	Full proposal, which includes: <ul style="list-style-type: none"> Implementation plan Project budget and timeline Evidence of capacity to implement the project Measurement and learning plan Applicants will present idea and implementation or business plan in-person	<ul style="list-style-type: none"> Responses to any questions from selection committee 	<ul style="list-style-type: none"> Materials necessary to execute a contract with Fannie Mae

- Idea Screening:** The Challenge Review Committee will screen all submitted ideas for eligibility. Only complete ideas submitted through The Challenge’s online portal will be reviewed for eligibility (see Appendix I). Ideas identified as eligible for The Challenge will then be reviewed for competitiveness

against the relevant selection criteria (see Selection Criteria below). The Challenge Review Committee will then select applicants to advance to Step 2: virtual interviews.

2. **Virtual Interviews:** Applicants who advance past idea screening will be invited to participate in a video interview with The Challenge Review Committee. During these 30-45-minute interviews, applicants will answer questions about and discuss their proposals in more detail, including their ideas and their implementation or business plans. The Challenge Review Committee will then select applicants to advance to Step 3: proposal submission.
3. **Proposals & Pitch Day:** Applicants that advance past the virtual interviews will be invited to submit a complete proposal for The Challenge and to participate in an **in-person pitch day in Washington, D.C., in October 2019**. Complete proposals will include greater detail on applicants' proposed approach to implement their idea, including a full business plan, budget, and timeline. Applicants will be able to elaborate on their proposals when they present at pitch day. The Challenge Review Committee and Expert Advisory Panel will review and assess proposals and applicant pitches against the relevant selection criteria (see Selection Criteria below). Applicants that advance to this step will receive more detail in September 2019 on the content and submission guidelines for their proposals, and guidance for pitch day.
4. **Fannie Mae Selection:** Based on a complete assessment of each applicant and incorporating feedback and recommendations from the Expert Advisory Panel, The Challenge Review Committee will select contract awardees. Contract awardees will be notified in November 2019.
5. **Contract:** Upon notification of their selection, contract awardees will work with Arabella Advisors and Fannie Mae to refine their scope of work in order to execute their award contracts. Fannie Mae will announce contract awardees publicly in December 2019.

Selection Criteria

Applicants for The Challenge: Phase Three will be assessed according to the following criteria (Note that not all criteria are applicable to each stage of the selection process):

1. Idea Alignment and Innovation

- Clear articulation of the specific problem, barrier, or opportunity that the proposed idea addresses

- Clear description of how the proposed idea addresses both the problem and the overarching goals of The Challenge
- Clear description of how the proposed idea is innovative (See definition of “innovation” on page 5)
- Clear description of how the proposed idea focuses on underserved populations and/or communities
- Clear description of how the proposed idea specifically addresses one of the four problem statements listed on page 5
- Clear description of how the proposed idea improves and/or increases access to sustainable credit or the supply of affordable housing in the U.S.

2. Implementation Plan and Project Budget

- Clear and feasible project plan (including activities, implementation timeline, deliverables to Fannie Mae, and milestones)
- Reasonable and realistic budget that aligns with the activities, skills, and resources required to effectively implement the idea

3. Results

- Clear description of how the proposed idea will provide value to the field
- Clear and specific description of expected short- and long-term outcomes
- Clear and specific plan to track and assess progress on the proposed idea, and to make course corrections if necessary

4. Applicant Experience and Capacity

- Demonstrated familiarity with the issue area and community or communities that the idea would impact
- Appropriate expertise and capacity to successfully implement the proposed idea
- Integration of experience and expertise from multiple sectors

5. Proof of Concept – *for Idea Development and Scaling projects only*

- Evidence that the proposed idea has demonstrated value and impact in initial testing and piloting
- The financial sustainability of the idea including revenue and cost structures and expected future income streams

Idea Submission

Application

Please see Appendix I for information and content for the idea submission. **Idea submissions are due by May 30, 2019 at 5:00 p.m. Pacific Time.**

Ideas submitted by the May 30 deadline will be screened by The Challenge Review Committee for eligibility and competitiveness based on the relevant selection criteria (see Selection Criteria above). Applicants who advance past idea screening will be invited to participate in virtual interviews (see Selection Process above).

Idea Submission Process

Applicants will submit their ideas through The Challenge's online application portal accessible on Fannie Mae's website: www.fanniemae.com/thechallenge. Ideas submitted in any other way will not be accepted. The online application portal is optimized for Chrome, Safari, and Firefox. Applicants should use one of these browsers, if possible. Applicants using Internet Explorer will be prompted via a pop-up advising them to adjust their settings to improve usability.

To complete the online submission, each applicant or applicant team must create an account by registering with an email address and password. Fannie Mae is accepting one idea submission per applicant. Teams submitting ideas must designate one individual as project lead. The project lead is responsible for submitting the final idea and will be the primary contact.

The Challenge's online application portal includes prompts for submission of all necessary information, and the idea submission application is detailed in Appendix I. The online application portal will also ask applicants to make certifications acknowledging that participation in The Challenge is public, to confirm that statements in the submissions are true and accurate, and to agree to The Challenge's Submission Terms and Conditions (see Appendix III).

Timeline

Date	Event
April 24, 2019	Fannie Mae launches The Challenge: Phase Three and opens The Challenge's online application portal to receive idea submissions
May 2, 2019	Applicant Informational Webinar 1 (11:00 a.m. Pacific Time)
May 14, 2019	Applicant Informational Webinar 2 (11:00 a.m. Pacific Time)
May 30, 2019	Deadline for idea submission (5:00 p.m. Pacific Time)
August 2019	Applicants advancing to the virtual interview step are notified
August 2019	Invited applicants participate in 30-45-minute virtual interviews
September 2019	Applicants advancing to the proposal & pitch day step are notified and are invited to submit proposals
October 2019	Selected applicants participate in Pitch Day in Washington, D.C.
November 2019	Fannie Mae informs selected contract awardees
December 2019	Fannie Mae announces the contract awards to the public

Applicant support

Arabella Advisors, Fannie Mae's design and implementation partner for The Challenge, will provide informational and logistical support to applicants during the application period. This support will include hosting informational webinars for potential applicants and responding to emailed questions.

Webinars

Fannie Mae and Arabella Advisors will hold two applicant webinars during the idea submission period. The purpose of these webinars is to support successful submission of eligible applications, not to advise applicants on the content or merits of ideas or proposals. The webinars will be recorded and posted publicly on www.fanniemae.com/thechallenge.

Both webinars will include a question and answer period. Applicants can submit questions for each of the webinars in advance by emailing fanniemaeinnovation@arabellaadvisors.com. Registration information for these webinars will be available on the Fannie Mae website: www.fanniemae.com/thechallenge.

Questions

Applicants may submit questions during the application period by emailing fanniemaeinnovation@arabellaadvisors.com. The deadline for submitting questions and receiving responses is May 23, 2019 at 5:00 p.m. Pacific Time. Questions submitted via this email address or during the applicant webinars may be added to a list of Frequently Asked Questions (FAQs), which will be posted on The Challenge online application portal. See Appendix II for the current list of FAQs. Only inquiries received

through the webinars or by email will receive responses; questions received by phone or other means will not receive responses.

Appendix I: Application for Phase Three

Applicants will prepare and submit their ideas on The Challenge's online application portal, accessible through www.fanniemae.com/thechallenge. A complete idea submission will include responses to one or more of the items below:

1. Which of the following problem statements does your innovation address? (Select one)

- How might we prepare a workforce that is ready to participate in job opportunities that drive technological innovation in the housing industry?
- How might large employers or anchor institutions partner with the housing industry to ensure every resident in a community has a path to safe, quality, affordable housing?
- How might we use housing to increase the availability of and access to high-quality early childhood care and education that meets the needs of families in underserved areas?
- How might housing and education entities from the public, private, or nonprofit sectors partner to provide stable home and school experiences for very low-income students?

2. Problem Statement Alignment

- In no more than 1,000 characters, please describe how your proposed idea addresses the selected problem statement. In addition, if your proposed idea also addresses aspects of other problem statements, please note that here.

3. Applicant Information

- Name of the primary applicant organization or project lead (if applicant is an individual)
- Name of primary contact person
- Title of primary contact person
- Contact information for the project lead
 - i. Headquarters street
 - ii. Headquarters city
 - iii. Headquarters state
 - iv. Headquarters ZIP
 - v. Email address
 - vi. Phone number

- Indicate if you are applying as a team (i.e., as two or more organizations or individuals). If yes, please submit the organization titles, names, and titles of other team members (subcontractors)
- Entity types represented on your team (select all that apply): public, private for-profit, nonprofit/philanthropic, individual, academic/research
- Areas of focus represented on your team (select all that apply): housing, education, economic mobility, other (please describe)
- Indicate your diversity status (select all that apply)
- Indicate if any team members or their organizations have current or preexisting personal or professional relationships with Fannie Mae and/or the Phase Three Expert Advisory Panel. If so, please explain (Note: having a previous relationship with Fannie Mae is neither required nor disqualifying, but it must be disclosed)

4. Idea Overview

- Select your project type:
 - Research & Design
 - Idea Development
 - Scaling
- Executive Summary: In no more than 3,000 characters, describe your innovation. Your response must include answers to all of the following questions:
 - What is your idea?
 - What problem does your idea solve, and how does it do so?
- How is your idea innovative?
 - Are you aware of any other efforts that are similar to your proposed project? If so, how would your proposed project advance or go beyond existing efforts?
- How does your target focus on underserved populations/communities?

5. Relevance

- In no more than 1,000 characters, explain how your idea addresses your selected problem statement.
- In no more than 1,000 characters, explain what makes this idea relevant to Fannie Mae's mission to support affordable housing and access to credit.

6. Implementation

- What are your deliverables to Fannie Mae?

- Where will you implement your idea?
- What is the estimated budget for your idea?
 - Total estimated project budget
 - Estimated amount requested from The Challenge
 - Confirmed investment/funding and/or investors/funders to date
- If applicable, please share any partnerships (other than subcontractors and investors/funders listed above) that will help advance your project idea.
- *For Idea Development and Scaling submissions only.* In no more than 3,000 characters, describe the efforts you or others have undertaken to demonstrate proof of concept. Efforts can include feasibility studies, development of a beta product, applied research, other research and design work, and/or results of previous pilots. Include a description of results from these initial efforts.

Certifications

Required. Please certify the following by inserting your initials next to each statement:

- I acknowledge that, if selected as a contract awardee, my or my organization's participation and the Executive Summary of my idea will be made public.
- I certify that I have reviewed the contract award amounts and eligible use of funds, and my project will fall within those guidelines. If it does not, I understand that Fannie Mae's contribution to the project is capped at those amounts/terms and/or limited by the use of funds requirements, and I must have already secured the remaining funding prior to submission of this idea.
- I certify that I have disclosed all pre-existing personal or professional relationships that I/my organization have with Fannie Mae and the Phase Three Expert Advisory Panel.
- I agree to the terms and conditions in Appendix III.
- I certify that all information listed above and submitted here is true and accurate to the best of my knowledge.

Optional. Please designate your preference by responding yes or no:

- I would like Fannie Mae to share my idea submission publicly.

Appendix II: Frequently Asked Questions (FAQs)

Q1. What is The Sustainable Communities Innovation Challenge (The Challenge)?

Fannie Mae launched The Challenge to generate innovative ideas that will help us address the affordable housing crisis in America and further support our broad mission to create housing opportunities that are safe, sustainable, and affordable, while managing risk to protect lenders, homeowners, and taxpayers.

Specifically, The Challenge is a \$10 million commitment by Fannie Mae to generate affordable housing solutions that will help Fannie Mae advance sustainable communities—those providing residents opportunities for economic mobility and employment, health and wellness, and education. For more information, please visit www.fanniemae.com/thechallenge.

Q2. How does Fannie Mae define sustainable communities?

Sustainable communities are safe, stable, thriving, vibrant communities that are resilient to shocks and stresses, and that offer residents integrated access to quality affordable housing and quality economic, health, and educational opportunities. Fannie Mae also uses the terms “high-opportunity communities” or “high-opportunity markets” to describe sustainable communities.

Q3. When is The Challenge?

The idea submission window for The Challenge: Phase Three opens on April 24, 2019, and we are seeking submissions through May 30, 2019.

Q4. Who was selected for contract awards for Phases One and Two?

Fannie Mae selected three contract awardees for Phase One, focused on the intersection of affordable housing and economic and job opportunity: [Florida Housing Coalition](#), [Nationwide Children's Hospital](#), and [West Denver Renaissance Collaborative](#).

Fannie Mae will select contract awards for Phase Two, focused on the intersection of affordable housing and health in May 2019.

Visit www.fanniemae.com/thechallenge to learn more about the awardees, including videos highlighting their projects.

Q5. Is Fannie Mae making grants or debt or equity investments through The Challenge?

No. Fannie Mae is not making grants or debt or equity investments through The Challenge. All Challenge awards will be deliverable-based contracts.

Q6. Why has Fannie Mae launched The Challenge?

Approximately a third of U.S. households are cost-burdened, meaning they spend more than 30 percent of their income on housing. Challenges, including rising rents and stagnant wages, price people out of certain markets and can force them to live farther away from their jobs.

Fannie Mae launched The Challenge to seek new ideas to help us increase access to affordable housing by focusing on the advancement of sustainable communities – those that provide residents with access to quality healthcare, education, and job opportunities.

Q7. Who can submit proposals for The Challenge?

Please refer to the Eligibility section above.

Q8. How will projects be selected?

For each phase, The Challenge Review Committee will first screen all proposals for eligibility and then review eligible proposals for competitiveness based on pre-established selection criteria. For ideas that advance, the review committee, with input from the Expert Advisory Panel, will conduct video interviews with applicants. Applicants that advance past the virtual

interviews stage will be asked to submit a complete proposal for The Challenge and will be invited to an in-person pitch day in October 2019 in Washington, DC. Fannie Mae will make the final decision to select contract awardees after pitch day.

For more information about the selection criteria, please see Selection Process & Criteria above.

Q9. Who is on the Expert Advisory Panel that will review ideas?

The Challenge: Phase Three panel comprises experts in affordable housing, education, economic mobility, and innovation, who represent the public, private, and nonprofit sectors. Their role is to provide impartial reviews of submitted ideas and proposals and guidance to The Challenge Review Committee. All final contract award decisions will be made by Fannie Mae.

Biographies of the panelists are available on The Challenge website:

www.fanniemae.com/thechallenge.

Complete details including eligibility requirements, projects, and eligible use of funds, are available in the Call for Ideas at sustainablecommunities.skild.com.

Q10: What will be the post-award support for scaling projects?

Projects selected to receive scaling contract awards will be eligible for post-award support to assist in the implementation of their innovation. This support will be non-financial in nature, and the specific parameters and expectations will be developed in conjunction with scaling contract awardees, once selected.

Q11. Where can I get more information and submit an idea?

For more information about The Challenge and Phase Three, and to find out about upcoming informational webinars, please visit: www.fanniemae.com/thechallenge.

If you're ready to register and submit your idea for The Challenge, please visit:

www.fanniemae.com/thechallenge.

Q12. Who is Fannie Mae?

Fannie Mae helps make the 30-year fixed-rate mortgage and affordable rental housing possible for

millions of Americans. We partner with lenders to create housing opportunities for families across the country. We are driving positive changes in housing finance to make the home-buying process easier, while reducing costs and risk.

To learn more, visit fanniemae.com and follow us on twitter.com/fanniemae.

Appendix III: Submission Terms and Conditions

Terms of Use

By submitting your application to the Sustainable Communities Innovation Challenge (“The Challenge”) you agree, on behalf of your organization and/or team (“You” or “Your” as the context dictates) to the following terms and conditions (“Terms and Conditions”).

1. Fannie Mae and the entities retained by Fannie Mae to administer The Challenge, including members of the Expert Advisory Panel retained to evaluate applications, (collectively “Fannie Mae” for purposes of these Terms and Conditions) may evaluate, reject, or select Your application in their sole discretion. In furtherance of such evaluation, Fannie Mae may also share Your application with select third parties for additional feedback. You will provide timely assistance and responses to Fannie Mae should clarifications on your application be required.
2. You bear all costs and expenses associated with the development and submission of Your application. You have no recourse against Fannie Mae in case of rejection.
3. Submission of Your application to The Challenge hereunder shall not create any legal relationship of any sort with You and You will make no public or private statement implying or stating that any partnership or other legal relationship exists between You and Fannie Mae. You may advertise that You submitted Your innovation as part of The Challenge provided, however, that You shall under no circumstances advertise any association with Fannie Mae nor imply any endorsement of Your products and Services by Fannie Mae. Further external communications about Your participation in The Challenge, should You be selected for the contract award, shall be addressed in a separate Research and Development Agreement (contract executed between Fannie Mae and selected awardees) between You and Fannie Mae governing the development and implementation of Your innovation, as applicable.
4. You represent and warrant that You have all necessary rights in the contents of Your application, any innovation therein, and any elements necessary to its implementation, including but not limited to third party data, either as proprietary rights or licensed, for Fannie Mae to consider Your innovation and application as part of the Challenge and future implementation thereafter, as the case may be. You represent and warrant that Your innovation does not infringe the intellectual property rights of any third party. You shall retain any and all intellectual property rights You may have in Your innovation and the contents of your application and hereby grant Fannie Mae a limited license to reproduce and share the

same internally and with select third parties for purposes of evaluation. You will disclose to Fannie Mae whether any innovation incorporated in Your application is protected by patent or whether You intend to file a patent application for it. Fannie Mae shall implement commercially reasonable efforts to keep your application in confidence unless selected for a contract award. Notwithstanding the foregoing, You understand that Fannie Mae or third parties may have performed independent development matching innovative elements of Your application; You agree that Your participation in The Challenge and the receipt of Your application by Fannie Mae shall not limit Fannie Mae's independent development and marketing of products or systems involving technology or ideas similar to those disclosed nor prevent Fannie Mae from undertaking similar efforts or discussions with third parties, including competitors of Yours.

5. Submission of Your application is managed through a reputable third-party platform; Fannie Mae shall, however, have no responsibility and no liability and makes no representations with respect to such platform.
6. If selected by Fannie Mae for a contract award, you may not assign, or otherwise transfer, your rights to such contract award and contract to a third party without Fannie Mae's prior written permission. Even after selection for a contract award and contract, Fannie Mae may withdraw the contract award and contract selection in its sole discretion until a Research and Development Agreement is fully executed by all parties.
7. Conflict of Interest. The Challenge requires that all applicants disclose any prior or existing personal or professional relationships with Fannie Mae and its employees. Such relationships are not necessarily disqualifying, however they do require disclosure. Fannie Mae customers are eligible to apply. Organizations are ineligible to apply if a current staff or board member is serving on the Sustainable Communities Innovation Challenge Expert Advisory Panel.
8. Any breach by You of the representations, warranties, or obligations set forth in these Terms and Conditions shall be cause for removal of Your application from consideration or for voiding any contract award, as applicable.
9. These Terms and Conditions are governed by the laws of the District of Columbia, exclusive of its conflict of laws principles.
10. Fannie Mae reserves the right to amend these Terms and Conditions, including the Research and Development Agreement, in its sole discretion; the amended Terms and Conditions shall be effective upon posting by Fannie Mae on The Challenge platform used by Fannie Mae in connection with The Challenge.