



FHFA NPRM 2022-2023 MF Housing Goals Summary

FHFA issued a [Notice of Proposed Rule Making](#) for the 2023-2024 Multifamily Enterprise Housing Goals. Comments are due 60 days from publication in the Federal Register.

Change in Methodology

Relying, in part, on the data and forecasts of MBA, FHFA took into consideration various economic factors when determining the proposed housing goals.

- The rule proposes a new methodology for measuring the Enterprise multifamily housing goals and is applicable to years 2023 and 2024.
- Rather than establishing the multifamily housing goals based on a fixed number of units, the proposed rule would use the percentage of each Enterprise’s annual multifamily loan acquisitions (in units) that are affordable to each income category.
- The proposed benchmark levels for 2023-2024 are 61% of annual loan acquisitions (in units) for the low-income goal (80 AMI), 12% for the very low-income subgoal (50 AMI) and 2% for the small multifamily low-income subgoal (80 AMI).
- FHFA notes in the proposed rule that in the pre-pandemic years of 2017-2019, the average percentage of units affordable at 80 AMI or lower was 65.1% and in each of years 2020 and 2021, that percentage was 69%.
- FHFA is not proposing a change to the criteria that determines which units qualify for housing goal credit.

The proposal compared to previous years is as follows:

Multifamily Goal	Proposed Benchmark Level 2023-2024	2022 Housing Goals (units)	2021 Housing Goals to Actual % (units)	2020 Housing Goals to Actual % (units)
Low-income goal (80 AMI)	61%	415,000 Goal Actual (% TBD)	315,000 Goal Actual (~69%)	315,000 Goal Actual (~69%)
Very low-income subgoal (50 AMI)	12%	88,000 Goal Actual (% TBD)	60,000 Goal Actual (~15%)	60,000 Goal Actual (~15%)
Small multifamily (5-50 units) low-income subgoal (80 AMI)	2%	Fannie Mae – 17,000 Goal Actual (% TBD) Freddie Mac – 23,000 Goal Actual (% TBD)	10,000 Goal Actual (Fannie ~2.6%; Freddie ~5.9%)	10,000 Goal Actual (Fannie ~3.4%; Freddie ~4.2%)



Missing Affordability Data:

- Under the current regulation, an Enterprise is permitted to estimate the affordability of such units, up to a maximum of 5 percent of the total number of rental units in properties securing multifamily mortgages purchased by the Enterprise in the current year.
- The proposed rule would clarify that under the new methodology, any units with missing affordability information in excess of the 5 percent nationwide maximum would be excluded from the numerator of the multifamily goals but would be included in the denominator.
- This treatment would be consistent with the objective of the current regulation to encourage the Enterprises to obtain affordability information whenever possible.
- The proposed rule would exclude rental units with missing affordability information from both the numerator and the denominator if it is not possible to estimate the affordability of such units. This treatment would reflect the fact that the availability of information needed to estimate affordability is outside the control of the Enterprise.

Further Adjustments by FHFA:

- FHFA will adjust the goal(s) as needed based on market conditions to ensure the safety and soundness of the Enterprises.
- FHFA may also take other actions consistent with the Safety and Soundness Act and the Enterprise housing goals regulation based on new information or developments that occur after publication of the final rule.

FHFA Seeks Comment on the Following:

- The proposed new methodology for measuring Enterprise performance on the multifamily housing goals, as well as the proposed benchmark levels for 2023 and 2024 under this new methodology.
- Whether any other changes to the existing rules for counting multifamily mortgages should be made to address any unintended interactions that the proposed change to the methodology for measuring the multifamily housing goals might have on the market or affordable market segments (for example, currently, the goal counting rules exclude certain types of mortgages from eligibility for housing goals credit, such as multifamily mortgages with federal guarantees and subordinate lien multifamily mortgages).
- Any other changes that might be appropriate if a change to percentage-based multifamily housing goals is adopted in the final rule.

MBA[®]

MORTGAGE BANKERS ASSOCIATION

•