



Fannie Mae®

Multifamily Selling and Servicing Guide

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101.02 Expanded Housing Choice

→ Guidance

A Mortgage Loan is eligible for a pricing incentive if the Borrower and Property comply with this Section.

☑ Requirements

For Expanded Housing Choice pricing incentive eligibility, all of the following must be met:

- The Borrower agrees to:
 - accept Housing Choice Vouchers throughout the Mortgage Loan term;
 - not discriminate against applicants, tenants, their family members, and occupants for using Housing Choice Vouchers to pay rent and other lawful fees, including
 - applying stricter screening standards,
 - charging larger security deposits, rent, or fees, or
 - subjecting them to additional community rules;
 - advertise the Property and/or available units
 - with participating Public Housing Agencies, and
 - on <https://www.affordablehousing.com> (or successor site); and
 - execute a
 - Modification to Multifamily Loan and Security Agreement (Expanded Housing Choice) ([Form 6273](#)), and
 - Payment Guaranty (Pricing Incentive Recapture) ([Form 6020.PIR](#)).
- The Property:
 - is located in
 - Texas, or
 - North Carolina;
 - is not already required to accept Housing Choice Vouchers as a financing condition, such as per



- an Affordable Regulatory Agreement,
 - Sponsor-Initiated Affordability Agreement, or
 - LIHTC agreement; and
- on the Mortgage Loan Origination Date, has at least 20% of its units within the applicable HUD Fair Market Rent or Small Area Fair Market Rent, as adjusted per the applicable Public Housing Agency payment standard, with the qualifying unit mix being in proportion to the Property's overall unit mix.

Operating Procedures

Use the [Housing Choice Vouchers: Expanded Housing Choice \(EHC\) Job Aid](#) to commit and Deliver a Mortgage Loan qualifying for an Expanded Housing Choice pricing incentive.

Guidance

For an acceptable unit mix within the applicable HUD Fair Market Rent or Small Area Fair Market Rent, the qualifying units must be proportional to the Property's overall unit mix. An acceptable unit mix at a sample 100-unit building would be:

Sample 100-Unit Building		
Apartment Type	Number of Units	Minimum 20% Unit Mix
Studio	10	2
1 Bedroom	50	10
2 Bedroom	30	6
3 Bedroom	10	2
Total	100	20



Glossary

A

Affordable Regulatory Agreement

Regulatory, land use, extended use, or similar agreement or recorded restriction limiting rents, imposing maximum income restrictions on tenants, or placing other affordability restrictions on the use or occupancy of the Property (whether imposed by a government entity or self-imposed by a Borrower per the Sponsor-Initiated Affordability Agreement ([Form 6490](#))).

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

H

HUD

U.S. Department of Housing and Urban Development

Synonyms

- HUD's

M

Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans
- Mortgage Loan's



Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

P

Payment Guaranty

Guaranty executed by a Key Principal on Form 4502 series or [Form 6020 series](#), or approved by Fannie Mae.

Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's

S

Security

MBS, PFP MBS, or REMIC.

Synonyms

- Securities

Sponsor-Initiated Affordability

Voluntary rent and income restrictions recorded against the Property by the Borrower to preserve or create multifamily affordable housing.