Fannie Mae®

Multifamily Selling and Servicing Guide

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Requirements

An SDW Housing Property is a Property where:

- either
  - all rent restrictions are newly imposed by the Borrower, or
  - new rent restrictions are being added to existing rent restrictions; and
- the aggregate rent restrictions:
  - meet or exceed 20% @ 80%: at least 20% of all units have rent restrictions in place making them affordable to households earning up to the following as adjusted for family size:
    - 80% of AMI; or
    - 100% of AMI in an FHFA-designated "cost-burdened" market; or
    - 120% of AMI in an FHFA-designated "very cost-burdened" market;
  - are in place at the Property by the Mortgage Loan Origination Date; and
  - remain in place during the entire Mortgage Loan term.

An SDW Housing Property is ineligible if:

- 3 or more years of LIHTC restrictions remain; and
- the Borrower intends to enter into the Qualified Contract Process (per Internal Revenue Code Section 42) within 3 years after the Mortgage Loan Origination Date.

Guidance

- FHFA annually designates the "cost-burdened" and "very cost-burdened" markets.
- As designated by FHFA, the income threshold for affordability is:
  - 100% of AMI or below for "cost-burdened" markets; and
  - 120% of AMI or below for "very cost-burdened" markets.
- This market designation is available in the:

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- Very Cost-Burdened and Cost-Burdened Renter Multifamily Markets; and
- "Sponsor-Dedicated Workforce (SDW) Housing" section of the Affordable Housing & Tax Relief Data Guidance.

Glossary

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

F

FHFA	Federal Housing Finance Agency.

G

Guide	Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise. **Synonyms** • DUS Guide

L

Lender Contract	Program Documents per the Multifamily Selling and Servicing Agreement. **Synonyms** • Lender’s Contract • Lender Contracts • Contract • Multifamily Selling and Servicing Agreement • MSSA

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Low-Income Housing Tax Credit	Federal program offering tax credits to owners of eligible properties that contain low-income occupants and rent restrictions. **Synonyms** • Low-Income Housing Tax Credits • Low Income Housing Tax Credits • LIHTC • LIHTCs

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

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

Sponsor	Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal). **Synonyms** • Sponsors • Sponsor's