



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Chapter 23 Expanded Housing Choice

### Requirements

To be eligible for an Expanded Housing Choice pricing incentive, all of the following must be met:

- The Borrower must agree 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, by:
    - applying stricter screening standards;
    - calculating any HCV renter income requirements based on the full rent payment rather than on the HCV renter portion of the rent;
    - charging larger
      - security deposits,
      - rent, or
      - fees; or
    - subjecting HCV renters to additional or alternative 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).
- The Property:
  - jurisdiction is eligible per the following table:

Does the Property jurisdiction have Source of Income Protections for Housing Choice Voucher renters?	Expanded Housing Choice Eligibility
Currently in effect	No



Does the Property jurisdiction have Source of Income Protections for Housing Choice Voucher renters?	Expanded Housing Choice Eligibility
Currently in effect, but enacted legislation will rescind them within 24 months after the Mortgage Loan Origination Date	Yes
Not currently in effect	Yes
Not currently in effect, but enacted legislation will establish them within 24 months after the Mortgage Loan OriginationDate	No

- 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 40% 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.

### Operating Procedures

You must 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](#); and
- [Expanded Housing Choice Frequently Asked Questions](#) to calculate the HCV renter's portion of rent.



## 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

Housing Choice Voucher

Any rental assistance payment or voucher to an eligible tenant under Section 8 of the United States Housing Act of 1938, 42 U.S.C. § 1437f, as amended.

#### **Synonyms**

- Housing Choice Vouchers
- HCV

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**

**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

**Source of Income Protections** Laws prohibiting multifamily housing providers from

- offering adverse terms and conditions, or
- refusing to lease to individuals or families based on their lawful source of income, including Housing Choice Vouchers.



Sponsor-Initiated  
Affordability

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