Fannie Mae

Affordable Housing & Tax Relief Data Guidance

This Job Aid and accompanying Excel spreadsheets for the **Acquisitions systems** provide a ~~quick~~ reference guide for Lenders on how to ~~use when~~ enter~~ing~~ data in the Acquisition systems for Multifamily Affordable Housing (MAH), Tax Relief Programs, and deals that involve rent and/or income restrictions but do not qualify as MAH~~data in the applicable Fannie Mae Acquisition systems~~. ~~–~~The following information is addressed below:

A. Multifamily Affordable Housing (MAH) Definitions.

~~B. Multifamily Affordable Housing Preservation commitments.~~

~~C.~~B. Relevant LIHTC Periods and Acquisition System Fields.

~~D.~~C. General Delivery ~~i~~Instructions for the Acquisitions system~~s~~ and the Underwriting Data Form (Form 4662).

~~E.~~D. Tax Relief Programs.

Please refer to the Fannie Mae Multifamily Selling and Servicing Guide ("Guide") for additional information. You must meet all Guide requirements in order to qualify for MAH.

A. ~~Fannie Mae~~ Multifamily Affordable Housing (MAH) D~~d~~efinitions:

~~The following Properties qualify as an MAH Property under the Guide~~Part III, Chapter 7: Multifamily Affordable Housing Properties lists 6 MAH Affordability Types. Instructions for how to enter data for each Affordability Type are outlined below, provided that you meet all Guide requirements.

1. LIHTC ~~Affordable Regulatory Agreement.~~: By the Mortgage Loan Origination Date, LIHTC restricted units:

   are occupied by income eligible tenants per the LIHTC program requirements; and ~~The Property is encumbered by a third-party regulatory agreement, land use restriction agreement, extended use agreement, or similar restriction or recorded restriction (an "Affordable Regulatory Agreement") that limits rents, imposes maximum income restrictions on tenants, or places other affordability restrictions on the use or occupancy of the MAH Property that meet or exceed one of the following requirements:~~

   -
   - meet at least 1 of the following:
     - **20% @ 50%:** at least 20% of all units are restricted to occupancy by households earning no more than 50% of AMI as adjusted for family size with rents not exceeding 30% of the income limit, as adjusted for family size; ~~"20% @ 50%": Aat least 20% of all units have rent and/or income restrictions in place making them affordable to households earning no more than 50% of Area Median Income ("AMI") as adjusted for family size;~~

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- ~~"~~**40% @ 60%**~~"~~**:** at least 40% of all units are restricted to occupancy by households earning no more than 60% of AMI as adjusted for family size with rents not exceeding 30% of the income limit, as adjusted for family size; or~~At least 40% of all units have rent and/or income restrictions in place making them affordable to households earning no more than 60% of AMI as adjusted for family size (except for New York City, where at least 25% of all units have rent or income restrictions in place making them affordable to households earning no more than 60% of AMI as adjusted for family size); or~~
- **25% @ 60% in New York City:** at least 25% of all units are restricted to occupancy by households earning no more than 60% of AMI as adjusted for family size with rents not exceeding 30% of the income limit, as adjusted for family size.

Note: A Mortgage Loan that is underwritten as LIHTC with new tax credits that will be effective upon completion of the rehab work (post Mortgage Loan Origination Date) should be "MAH Type" (Commitment Page): Enter "LIHTC" and "Affordable Housing Type" (Collateral Page): Enter "LIHTC". Additional Disclosure must be entered: *Loan is underwritten as LIHTC as new tax credits will be effective upon completion of the rehab work and satisfaction of other requirements.*
Otherwise, data should be entered based on restrictions in place as of Mortgage Loan Origination Date.

2. HAP Contract: By the Mortgage Loan Origination Date, ~~Y~~you must ensure at least 20% of all units are:
   - subject to a HAP Contract; and
   - restricted by the HAP Contract to households earning no more than 80% of AMI.

   Note: The field name in the Acquisition system is PROJECT-BASED HAP (INCL. SEC 8).

~~A Property receiving HUD Section 8 rental subsidy in the form of a Project-Based~~ Rental ~~Housing Assistance Payment contract (HAP~~PBRA ~~contract) or a Project-Based Voucher contract (PBV contract) at least 20% of all units restricted at or below 80% AMI~~. ~~are subject to a project-based HAP contract.~~

~~1. Properties with Either Rent Restrictions or Income Restrictions: The Property must have either:~~

- ~~**20% @ 50%:** at least 20% of all units are restricted to occupancy by households earning no more than 50% of AMI, as adjusted for family size, and/or at least 20% of all units have rents not exceeding 30% of 50% of AMI, as adjusted for family size; or~~
- ~~**40% @ 60%:** at least 40% of all units are restricted to occupancy by households earning no more than 60% of AMI, as adjusted for family size, and/or at least 40% of all units have rents not exceeding 30% of 60% of AMI, as adjusted for family size.~~

~~An MAH Mortgage Loan secured by a Property with Either Rent Restrictions or Income Restrictions must have the following data: "MAH Type" (Commitment Page): Enter "Other" and "Affordable Housing Type" (Collateral Page): Enter "Other".~~

3. Properties with Both Rent Restrictions and Income Restrictions: By the Mortgage Loan Origination Date, restricted units are occupied by households that qualify for 1 of the following rent and income restrictions:

- **20% @ 50%:** at least 20% of all units are restricted to occupancy by households earning no more than 50% of AMI, as adjusted for family size, and with rents not exceeding 30% of ~~the income limit~~50% of AMI, as adjusted for family size; or
- **40% @ 60%:** at least 40% of all units are restricted to occupancy by households earning no more than 60% of AMI, as adjusted for family size, and with rents not exceeding 30% of ~~the income limit~~60% of AMI, as adjusted for family size.

An MAH Mortgage Loan secured by a Property with Both Rent Restrictions and Income Restrictions must have the following data: "MAH Type" (Commitment Page): Enter "Other" and "Affordable Housing Type" (Collateral Page): Enter "Other".

Note: This is not yet a field in the Acquisition system. Data should continue to be entered in the existing field: **Units with Income or Rent Restrictions (%) by Area Median Income.**

4. Properties with Either Rent Restrictions or Income Restrictions: By the Mortgage Loan Origination Date, ~~T~~the Property must have either:

- **20% @ 50%:** at least 20% of all units are restricted to occupancy by households earning no more than 50% of AMI, as adjusted for family size, ~~and/~~or at least 20% of all units have rents not exceeding 30% of 50% of AMI, as adjusted for family size; or
- **40% @ 60%:** at least 40% of all units are restricted to occupancy by households earning no more than 60% of AMI, as adjusted for family size, ~~and/~~or at least 40% of all units have rents not exceeding 30% of 60% of AMI, as adjusted for family size.

An MAH Mortgage Loan secured by a Property with Either Rent Restrictions or Income Restrictions must have the following data: "MAH

Type” (Commitment Page): Enter “Other” and “Affordable Housing Type” (Collateral Page): Enter “Other”.

~~2.~~5. Special Public Purpose Property (SPP):~~.~~ ~~A Special Public Purpose Property:~~By the Mortgage Loan Origination Date, you must verify the restricted units are occupied by households that qualify for the **20% @ 80%** income limit where at least 20% of all units are restricted to occupancy by households earning no more than 80% of AMI, as adjusted for family size, and/or at least 20% of all units have rents not exceeding 30% of 80% of AMI, as adjusted for family size.

- ~~Is subject to encumbered by a recorded Affordable Regulatory Agreement imposed by a Public Entity government entity, containing otherrequiring rent and/or income restrictions;~~
- ~~has rent or income restrictions that meet or exceed 20% @ or below 80% AMI: the recorded Affordable Regulatory Agreement requires at least 20% of all units withhave rent and/ or income restrictions in place per the Affordable Regulatory Agreement, making them affordable to households earning no more than 80% of AMI as adjusted for family size; and~~

  ~~meets a noteworthy special public purpose.~~

An MAH Mortgage Loan secured by a Special Public Purpose Property must have the following data:~~:~~

- “MAH Type” (Commitment Page): Enter “Other – Special Public Purpose” and “Affordable Housing Type” (Collateral Page): Enter “Other - Special Public Purpose”;
  ~~must be delivered with the “MAH Type” (Commitment Page in C&D)and “Affordable Housing Type” (Collateral Page in C&D); as~~
- ~~“Other – Special Public Purpose”;~~
- requires Additional Disclosure; and
- must include the following Additional Disclosure comments:
  - Whether the restrictions apply to BOTH ~~Are there~~ Rent and Income ~~restrictions;~~ or to EITHER Rent or Income ~~Restrictions?. Please specify; and~~
  - Whether ~~Provide details on when~~ the Property is ~~will be~~ in compliance with the Affordable Regulatory Agreement as of the Mortgage Loan Origination Date or if the Property ~~, including, if~~ compliance must ~~is~~be phased in after the Mortgage Loan Origination Date~~over time~~; if the latter, provide the specific ~~information on the~~ timing for Property compliance ~~:~~
  - within 12 months but no later than ~~or~~ 36 months after the Mortgage Loan Origination Date~~;~~.
    - ~~no deadline but is subject tothe “Next Available Unit” rule; or~~
    - ~~no deadline;it states that the Property must “reserve” its units for qualified residents. It does not require the units to be “rented” to qualified residents.~~

Use this link ~~to access~~for more information on Special Public Purpose Properties.

~~3.~~6. Sponsor-Initiated Affordability (SIA): ~~-~~The Property is subject to voluntar~~il~~y rent and income restrictions, self-imposed by the Borrower, to preserve or create multifamily affordable housing. These restrictions must:

- require the Property to have:
  - rent and income restrictions that meet or exceed **20% @ 80%:** at least 20% of all units have rent and income restrictions in place making them affordable to households earning no more than 80% of AMI as adjusted for family size~~,~~ ; and
  - rent not exceeding 30% of the adjusted AMI for unit size;
- be placed on record against the Property by executing the Sponsor-Initiated Affordability Agreement (Form 6490);
- be in place at the Property by the Mortgage Loan Origination Date;
- require that Property to comply with the Sponsor-Initiated Affordability Agreement (Form 6490) within 12 months after the Mortgage Loan Origination Date;
- remain in place during the Mortgage Loan term; and
- be certified annually by the Borrower and monitored by an Administering Agent for compliance with the Sponsor-Initiated Affordability Agreement (Form 6490).

These Properties should deliver with “MAH Type” and “Affordable Housing Type” as “Other – Sponsor-Initiated Affordability.” Use

~~**B.**~~ **this link to access more information on Sponsor-Initiated Affordability.**

~~**C. Multifamily Affordable Housing Preservation Commitments - When to select the Multifamily Housing Preservation box under “Other Attributes” on the “Commitment” page of C&D:**~~

~~Use the following guidance for “Multifamily Affordable Preservation” in the Guide (**Part III, Chapter 7, Section 701.01**) to decide whether to designate a transaction as “Multifamily Housing Preservation”:~~

- ~~An Affordable Preservation Transaction is any transaction involving an MAH Property that:~~
  - ~~currently has rent or income restrictions meeting the eligibility criteria of an MAH Property, but the Property is potentially at risk of being lost from the affordable housing inventory through conversion to market-rate housing;~~

- ~~is not receiving new LIHTC; and~~
- ~~is being acquired or refinanced but excludes a Mortgage Loan paying off the initial construction loan.~~

- ~~As noted in the "Other Attributes" section of the C&D "Commitment" page, a transaction may have multiple Other Attributes. For example, both "Multifamily Housing Preservation" and "MAH" may be selected as "Other Attributes" on the same deal.~~

B. Relevant LIHTC Periods and Acquisition System Fields:

- Tax Credit Period: The time period over which an i~~I~~nvestor Limited Partner is scheduled to claim ~~the~~ low-income housing tax credits on its f~~F~~ederal income tax return. The T~~t~~ax C~~c~~redit P~~p~~eriod is ~~normally~~ 10 years ~~or~~ (120 months) and begins the year the building is P~~p~~laced in S~~s~~ervice (PIS), unless the ~~owner opts to begin~~investor Limited Partner elects to claim tax credits the year after PIS. The first year of the C~~c~~ompliance P~~p~~eriod is also the first year of the ~~t~~Tax C~~c~~redit P~~p~~eriod.

  Placed in Service (PIS) is defined as the date the Property is ready for occupancy, meaning the date buildings have received final certificates of occupancy. This is not the date on which the Property has:

  - reached substantial construction completion; or
  - achieved minimum qualified occupancy.

  The PIS date is the starting point for calculating both the Initial Compliance Period and the Tax Credit Period.

  "**Remaining Credit Period for Tax Credits (months)**": Enter the number of months remaining in the Tax Credit Period (less than or equal to 120 months).

C&D field “Remaining Credit Period for Tax Credits (months)”: Enter the number of months remaining in the Tax Credit Period (less than or equal to <=120 months). is the value that should be entered in the field “*Remaining Credit Period for Tax Credits (months)*”.

- Initial Compliance Period: The ~~compliance~~ 15-year regulatory compliance period ~~is the~~ prescribed by the IRS. ~~;~~ During the Initial Compliance Period, ~~timeframe an~~the owner must comply with regulatory restrictions under the ~~all~~ LIHTC program ~~requirements~~ to ~~achieve~~ be able to claim the allocated tax credits. Failure to comply with regulatory restrictions during the Initial Compliance Period could result in tax credit recapture. The Initial ~~c~~Compliance ~~p~~Period ~~is 15 years and~~ begins with the first year of ~~its~~ the ~~t~~Tax ~~c~~Credit ~~p~~Period. During the~~is~~ 15-year period, an owner ~~is required to observe~~must comply with ~~all~~ the program requirements mandated by the IRS ~~and~~ that ~~benefits~~benefit the applicable ~~state~~ Housing Finance Agency (HFA) or local Housing Authority (HA). Although a LIHTC Affordable Regulatory Agreement may provide restrictions for 30 years, 40 years or 55 years, the Initial Compliance Period is only the initial 15 years.

  LIHTC Properties ~~that is~~ in the Initial Compliance Period are~~is~~ split in~~to~~ two categories ~~for determining the Affordable Housing Type selection~~:

  - LIHTC Properties ~~that has~~with at least 8 years remaining in the ~~original~~ 15-year ~~IRS~~ Initial Compliance Period are~~is~~ defined as “New” LIHTC and “MAH Type” (Commitment Page) and “Affordable Housing Type” (Collateral Page) should be “LIHTC”;
    and
  - LIHTC Properties ~~that has~~with less than 8 years remaining in the ~~original~~ 15-year ~~IRS~~ Initial ~~c~~Compliance ~~p~~Period are defined as “Other” and “MAH Type” (Commitment Page) and “Affordable Housing Type” (Collateral Page) should be “Other”.

  ~~C&D field The~~ “**LIHTC Initial Compliance Period End Date**”: ~~field should contain~~Enter the date the Initial Compliance Period expires.

- Extended Use Period: The extended use period (EUP) extends the Initial ~~c~~Compliance ~~p~~Period for at least ~~usually for an additional~~ ~~fifteen (~~15~~)~~ additional ~~extra~~ years, with some States requiring ~~or a~~ longer extended use periods ~~of time~~. During the ~~is~~ extended use period, the~~an~~ owner is required to comply with the Affordable Regulatory Agreement ~~observe all program requirements mandated by the applicable state~~ that benefits the applicable Housing Finance Agency (HFA) or Housing Authority.

  ~~C&D field: The~~ “**LIHTC Extended Use Period End Date**”: Enter ~~field should contain the date~~ the date the Extended Use Period (EUP) expires.

~~J.~~C. General Delivery ~~i~~Instructions for the Acquisitions system and the Underwriting Data Form (Form 4662):

- Land Use Restriction Agreement (LURA): ~~-~~This category can include, but is not limited to, restrictions ~~that are~~ recorded against a Property under a T~~t~~ax R~~r~~elief P~~p~~rogram and/or Ground Lease.
- Not MAH: "MAH Type" and "Affordable Housing Type" should be entered as "Not MAH" in the following instances:
  - Property has income and/or rent restrictions that do not meet the Fannie Mae MAH definitions above;
  - Property that is collateral for a non-MAH Mortgage Loan has income and/or rent restrictions required for approval of a T~~t~~ax R~~r~~elief P~~p~~rogram; or
  - Property has:
    - 5 or more years of LIHTC restrictions remaining, but the Borrower intends to enter into the Qualified Contract Process (per Section 42 of the Internal Revenue Code) within 5 years after the Mortgage Loan Origination Date; and~~.~~
    - /or
    - less than ~~3~~ 5 years of rent or income restrictions remaining on the Affordable Regulatory Agreement and is expected to transition to unrestricted market rent and income ~~s~~ during the ~~term of the~~ Mortgage Loan term.~~; or~~
    - ~~has 3 or more years of LIHTC restrictions remaining, but the Borrower intends to enter into the Qualified Contract Process (per Section 42 of the Internal Revenue Code) within 3 years after the Mortgage Loan Origination Date.~~
- Project-Based Section 8 Housing Assistance Program Contract "HAP Contract" and Section 8 Project-Based Voucher Contract "PBV Contract" (exclud~~ing~~es tenant-based vouchers also known as Housing Choice Vouchers or HCV):~~:~~

  The following C&D fields should be populated when "MAH Type" and "Affordable Housing Type" is "Proj Based HAP (incl. Sec. 8)":

  - Section 8 Occupancy (%): ~~-~~The percentage of units that are ~~subject to~~subsidized under ~~a~~the HAP ~~c~~Contract or under the PBV Contract.~~.~~
  - HAP Remaining Term (months):~~-~~ The number of months remaining in the HAP ~~c~~Contract term or the PBV Contract term.~~.~~
  - HUD Property Identifier: ~~-~~A unique number assigned by ~~HUD (~~the U.S. Department of Housing and Urban Development~~)~~ ("HUD") to each ~~project-based Section 8~~ property subsidized with a HAP Contract for ongoing reporting and monitoring. This is a nine-digit number and is available on HUD's website at **https://www.hud.gov/program_offices/housing/mfh/exp/mfhdiscl**.

    A HUD Property Identifier may not be available for properties subsidized with a PBV Contract. In these cases, you may enter a default value of "999999999" to bypass the "Fatal – Waivable" edit.
  - HUD Contract Number: ~~-~~A unique number assigned by HUD to the Section 8 contracts for HAP (Housing Assistant

Payments), PAC (Project Assistance Contract), or PRAC (Project Rental Assistance Contract). These are the rental subsidy agreements associated with project-based assistance, **NOT** tenant-based vouchers. This is an eleven-character alpha-numeric number; the datum is available in the HUD website at: **https://www.hud.gov/program_offices/housing/mfh/exp/mfhdiscl**.

A HUD Contract Number is also required for PBV Contracts; however, the number is typically assigned by the local housing authority entering into the PBV ~~c~~Contract with the Borrower. Lender must enter this information in the system. If the PBV Contract number does not meet the alpha-numeric format required, the system will generate a "Fatal – Waivable" edit.

- Sponsor-Dedicated Workforce (SDW) Housing: ~~–~~When a Borrower agrees to restrict rents on a certain percentage of units at the Property for renters. "MAH Type" and "Affordable Housing Type" should be entered as "Other-Sponsor-Dedicated Workforce" as follows:
  - Minimum Threshold: 20% of units ~~held~~ restricted at 80% AMI (up to 120% AMI in ~~high~~very -cost-burdened markets); and
  - Restrictions: ~~–~~Rent-only restrictions in place for the ~~entire term of the~~ Mortgage Loan term~~; and~~.
  - ~~Additional Disclosure is required for "Other – Sponsor-Dedicated Workforce with Cost-Burdened and Very Cost-Burdened." FHFA's "cost-burdened" (100% AMI) and "very cost-burdened" (120% AMI) markets should be used to identify applicable geographies for eligible Properties:~~
    - ~~C&D field "Additional Disclosure" field on the "Commitment" Page: Enter should be "Yes"; and~~
    - ~~C&D field "Additional Disclosure Comments": should contain enter "Other – Sponsor-Dedicated Workforce with Cost-Burdened and Very Cost-Burdened."~~

- ~~Determination of "cost-burdened" and "very cost-burdened" markets:~~
    - ~~FHFA will annually designate the United States counties that are "cost-burdened" or "very cost burdened:~~
        - ~~In a "cost-burdened" market, the income threshold for affordability is at or below 100% of area median income (AMI).~~
        - ~~In a "very cost-burdened" market, the income threshold for affordability is at or below 120% of AMI.~~

    ~~Current information related to Cost-Burdened and Very Cost-Burdened markets is available upon request from our Multifamily Product Management Team by emailing us at: mf_product_management@fanniemae.com.~~

- ~~Restrictions not directly associated with affordability requirements (e.g., Land Use restrictions, Earthquake restrictions) must also be disclosed as Additional Disclosure because Borrower failure to comply results of the existence ofin an additional Event of Default.~~
- ~~C&D field~~ "Total percentage of all restricted units": ~~This field cannot~~Must not exceed 100.0%, and the combination of AMI restrictions cannot exceed 100.0%.

D. Tax Relief Programs:

- Entering data in the Tax Relief Fields located on the "Collateral" Tab in C&D:

1. **Tax Relief?** Y/N

✓ If "Yes", then select the appropriate allowable value from the list:

- Tax Exemption/Tax Abatement Full Amount;
- Tax Exemption/Tax Abatement Partial Amount;
- Payment in Lieu of Taxes (PILOT) Full Amount;
- Payment in Lieu of Taxes (PILOT) Partial Amount;
- Tax Increment Financing (TIF) Full Amount; or
- Tax Increment Financing (TIF) Partial Amount.

✓ Otherwise, "No" is selected.

2. **Is the Tax Relief Program in effect for the duration of loan?** Y/N

Definition: An indicator identifying whether the T~~t~~ax R~~r~~elief P~~p~~rogram related to the Property is in effect from the Mortgage Loan ~~Closing~~ Note~~Origination~~ Date through the Maturity Date of the Mortgage L~~l~~oan.

- ✓ "No" must be selected if the ~~t~~Tax R~~r~~elief P~~p~~rogram commences after the Mortgage Loan Note ~~Origination~~ Date OR terminates prior to the Maturity Date. Additional Disclosure is required to describe the commencement and termination of the tax relief outside of the loan term.
- ✓ "Yes" must be selected only if the ~~t~~Tax R~~r~~elief P~~p~~rogram is in effect for the entire loan term (i.e., commences on or before the Mortgage Loan Note ~~Origination~~ Date and terminates on or after the Maturity Date).

3. **Is there conventional loan affordability associated with Tax Relief Program?** Y/N

Definition: ~~-~~An indicator identifying if there are income or rent restrictions associated with the T~~t~~ax R~~r~~elief P~~p~~rogram for a P~~p~~roperty that is collateral for ~~in~~ a ***~~conventional~~ non-MAH Mortgage L~~l~~oan***.

- ✓ "Yes" is selected for a Property securing a ~~conventional~~ non-MAH Mortgage Loan that qualifies for a T~~t~~ax R~~r~~elief P~~p~~rogram in effect as of the Mortgage Loan Closing~~Origination~~ Date (Additional Disclosure is not required~~.~~).
- ✓ Otherwise, "No" is selected.

When approval for a T~~t~~ax R~~r~~elief P~~p~~rogram is contingent upon the requirement of certain income and/or rent restrictions on the Property, then the following fields must be populated:

- "MAH Type" and "Affordable Housing Type" = "Not MAH";
- "Units with Income or Rent Restrictions (%)"; and
- "Units with Income or Rent Restrictions (%) by AMI".

Note: In certain instances, Sponsor-Initiated Affordability (SIA) may be used for a non-MAH Mortgage Loan where SIA restriction requirements are met (see above), and the Borrower plans to apply for a Tax R~~r~~elief Program after the Mortgage Loan Origination Date. For these Mortgage Loans, there will be no Tax Relief Program data entered at MBS issuance, and Additional Disclosure will be required.

~~Otherwise, "No" is selected.~~

The following existing field in C&D should continue to be completed when a Tax Relief Program exists:

- "Is this Property subject to a Qualifying State or Local Government Affordable Housing Program?" should be "Yes", Tax Exemption/Tax Abatement selected, and applicable "Program Name(s) and Type(s)" should be entered.

Tax Relief Program Helpful Hints:

- Tax Relief Programs affect Property [real estate] taxes and do not include special assessments (i.e., school district, utilities, etc.).
- Even if ~~though~~ a PILOT (i.e., shelter rent or similar programs) has an associated Tax Exemption or Tax Abatement ~~associated with it it's~~, it is still a PILOT.
- For a PILOT, even if Property taxes are reduced in full, if the Borrower is required to pay an amount under the T~~t~~ax R~~r~~elief P~~p~~rogram, then the data should be entered as PILOT Partial Amount.
- When should Tax Relief Program data fields be populated?
  - When a Tax Relief Program is in place at the Mortgage Loan Note Date.
- When should Tax Relief Program data fields be blank?
  - When the Borrower has applied for a Tax Relief Program but has not yet received written confirmation from the taxing authority office that approval has been granted by loan closing. Note: If any changes happen prior to the issuance date, MBS Execution Management needs to be notified so we can address it in Additional Disclosure.
  - When the Borrower intends to apply for a Tax Relief P~~p~~rogram post issuance of the security.
- When is Additional Disclosure required for Tax Relief Programs?
  - When a ~~t~~Tax R~~r~~elief P~~p~~rogram is **not** in place at the Mortgage Loan Note Date or expires prior to loan maturity date.
  - When the Borrower has applied for a Tax Relief Program but has **not** yet received written confirmation from the taxing authority office that approval has been granted by loan closing. Note: if any changes happen prior to the issuance date MBS Execution Management needs to be notified so we can address it in Additional Disclosure.
  - When two or more Tax Relief Programs exist and one expires prior to the other.
  - When the Borrower intends to apply for a Tax Relief P~~p~~rogram post issuance of the security.*

*A Borrower considering adding a Tax Relief Program after the Mortgage Loan Origination Date and during the

Mortgage Loan term must request consent by submitting a request with supporting documentation to Asset Management through the Multifamily Asset Management Portal (MAMP) for review.

- ~~**Additional Disclosure is required** when:~~
  - ~~two or more tax relief programs exist; or~~
  - ~~a tax relief program with or without Property affordability restrictions (included in underwriting or not) will become effective after the Mortgage Loan Origination Date*post MBS issuance*. Tax relief data fields should be blank since the tax relief program does not exist as of the Mortgage Loan Origination Dateatloan MBS issuance.~~
- "Is Tax Relief Program in effect for duration of the Mortgage Loan?" is "No" when:
  - ~~Approval evidence for the tax relief program is not yet available as of MBS publication (2 days before the Book Entry Date (BED)). Additional Disclosure language will be added to provide details about the duration. For disclosure purposes, the tax relief program data disclosed must be accurate as of the MBS issuance date of the security; OR~~
  - When a Tax Relief Program is **not** in place at the Mortgage Loan Note Date or expires prior to loan maturity date.
  - The Loan Agreement states a d~~ate~~eadline by which the T~~t~~ax R~~r~~elief P~~p~~rogram must become ~~in~~ effect~~ive~~ive, or an escrow is required.
- If a ~~Conventional~~ non-MAH Mortgage Loan: The ~~If underwritten:~~ Tax Exemption Rider~~s~~ is~~are~~ required whether or not ~~when you include a~~ real estate taxes are included in underwriting pursuant to the Tax Relief Program in your underwriting ~~relief program~~.
- If an MAH Mortgage Loan~~affordable~~: The Tax Exemption Rider is required whether or not ~~you underwrite to the~~ real estate taxes are included in underwriting pursuant to the ~~t~~Tax R~~r~~elief P~~p~~rogram ~~or not~~ (Guide: Part III, Section ~~704~~703.01).
- ~~A Borrower considering adding a tax relief program after the Mortgage Loan Origination Date and during the Mortgage Loan term must request consent by submitting a request withand supporting documentation to Asset Management through the Multifamily Asset Management Portal (MAM) for review and approval.~~

~~Tax Relief Program Definitions~~

~~Tax Exemption/Tax Abatement Full Amount or Tax Exemption/Tax Abatement Partial Amount: A tax arrangement type where the Property owner benefits from a Tax Abatement or Tax Exemption, which may reduce real estate taxes fully or partially. . Full Amount = Full elimination of property taxes. Partial Amount = Reduction of property taxes.~~

~~Payment in Lieu of Taxes (PILOT) Full Amount or Tax Exemption/Tax Abatement Partial Amount: A tax arrangement type where the Property's taxes are reduced or eliminated, but the Borrower is typically required to make a payment or payments to the local municipality/government.~~

- ~~PILOT Full Amount = The Borrower makes no tax payment orand no payment in lieu of taxes under the PILOT program.~~
- ~~PILOT Partial Amount = The Borrower makes no tax payment but makes a payment in lieu of taxes under the PILOT program.~~

~~Tax Increment Financing (TIF) (Full Amount) or Tax Increment Financing (TIF) (Partial Amount): A tax arrangement type generally used to promote economic development in a specified geographic area where the state government or the local municipality/government agrees to refund all or a portion of the Property taxes on the Property derivedgenerated from (or expected to be generatedderived from) such economic development.~~

- ~~TIF Full Amount = Refund from the government can beis equal to the full amount of the property taxes.~~
- ~~TIF Partial Amount = Refund from the government can be for an amount that reduces the property taxes.~~

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