Freddie Mac MULTIFAMILY

Updated Exclusions to our 2016 Multifamily Lending Scorecard Caps

Excluded or Uncapped Loans

For 2016, FHFA has determined that the category of loans excluded from the cap will be revised to include loans or portions of loans in the following categories:

Targeted Affordable Housing	Targeted Affordable Housing (TAH) properties are those encumbered by a regulatory agreement or recorded use restriction—or developed under state or local programs—requiring units to be affordable. TAH properties often receive government subsidies. Exclude 50 percent of the loan amount if the percentage of restricted units is less than 50 percent of the total units in a project, and exclude 100 percent of the loan amount if the percentage of restricted units is equal to or more than 50 percent.
Small multifamily properties with 5 – 50 units	Small multifamily properties are properties having 5 to 50 units. Exclude the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below in standard and high cost markets, and 100 percent of AMI or below in very high cost markets.
Manufactured housing communities blanket loans	Exclude the full loan amount.
Seniors housing units	Exclude the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below. Very high cost market adjustments are not available.
Unsubsidized/market rate affordable units at 60 percent of AMI or below	Exclude the pro rata portion of the loan amount based on the percentage of units affordable at 60 percent of AMI or below.
Unsubsidized/market rate affordable units in high-cost or very-high-cost markets	Exclude the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below in high-cost markets and the percentage of units affordable at 100 percent of AMI or below in very-high-cost markets.
Properties located in rural areas	Rural areas are those areas that are designated in the proposed Duty to Serve rule. Exclude the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below. Very high cost market adjustments are not available.
Loans to finance energy or water efficiency improvements	Qualified loans under either the Green Up or Green Up Plus executions will be excluded. In addition, depending on the number of affordable units, loans on properties that possess one of the eight recognized Green Certifications will have between 50 percent and 100 percent of the loan amount excluded.

For additional information, click here.