

Expanded Housing Choice

Support a more equitable housing market through our Expanded Housing Choice (EHC) initiative.

The U.S. Department of Housing and Urban Development (HUD) helps provide access to private market housing for underserved populations through the Housing Choice Voucher (HCV) program. Our EHC initiative incentivizes borrowers to accept HCVs as a valid source of income for properties located in areas without source of income protections - expanding the number of housing options available to voucher holders.

Benefits for HCV renters when HCVs are accepted at more properties

- Greater access to available units, which could increase the number of voucher holders who are able to secure housing.
- Children who move to lower poverty areas benefit from better health, higher incomes, and increased rates of college attendance.
- More individuals and families with a stable, affordable place to call home.

Benefits for Borrowers & Property Managers

- Lower pricing, flexible loan terms, certainty of execution.
- Speed in processing and underwriting.
- An expanded renter base.
- Lower turnover and vacancy – HCV renters stay 7-8 years on average (Source: HUD).
- A steady stream of rent payments backed by HUD.
- Making a difference in reducing poverty and supporting mixed income communities.
- Supports socially responsible investing.

Contact a Fannie Mae representative to learn more about how our financing solutions can help you compete for the business you want.

Working to help more people across the U.S. access quality affordable rental housing is a critical part of our mission. Together, we can support a more equitable housing market by removing barriers that prevent people from finding a stable, sustainable place to call home.

Fannie Mae Expanded Housing Choice

EHC Eligibility	<ul style="list-style-type: none"> Property is in a jurisdiction without source of income protections for HCV renters or is in a jurisdiction with source of income protections that has enacted legislation to rescind protections within 24 months after the Mortgage Loan Origination Date. Mortgage Loan or underlying deed restrictions do not already require acceptance of HCVs as a condition of financing (e.g., LIHTC). Minimum of 40% of units within the applicable HUD Fair Market Rent (FMR) or Small Area FMR at origination, as adjusted per the applicable Public Housing Agency payment standard. Borrower must execute a Modification to Multifamily Loan and Security Agreement (Expanded Housing Choice) (Form 6273).
Term	5-30 years.
Amortization	Up to 30 years.
Interest Rate	Fixed and variable rate options available.
Maximum LTV	80%
Minimum DSCR	1.25x
Loan Document Requirements	Borrower must execute a Modification to Multifamily Loan and Security Agreement (Expanded Housing Choice) (Form 6273).
Fair Housing Testing	Properties are subject to periodic Fair Housing Testing performed by the Urban Institute.
Execution Options	MBS.
Supplemental Financing	Supplemental Mortgage Loans are available.
Prepayment Availability	Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate Mortgage Loans or declining prepayment premium for variable-rate Mortgage Loans.
Rate Lock	30- to 180-day Rate Lock periods are available.
Accrual	30/360 and Actual/360.
Escrows	Replacement reserve, tax, and insurance escrows are typically required.
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
Assumption	Mortgage Loans are typically assumable, subject to review and approval of the proposed new borrower's financial capacity and experience.
Asset Management	<ul style="list-style-type: none"> Provide annual rent rolls via the Streamlined Rent Roll (Form 4241) Provide Form 6620. Supplemental Expanded Housing Choice if requested Advertise the property and/or available units with participating Public Housing Agencies (PHAs) and on Affordablehousing.com Remediate any findings from the Fair Housing Testing
Inclusive Renter Screening Practices	Any renter income requirements (i.e., prospective tenant must make 2.5x the monthly rent) must be based only on the HCV renter's portion of the rent and not the full rent amount.