



## Expanded Housing Choice

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

Fannie Mae Multifamily offers EHC, a product initiative that provides better pricing to incentivize borrowers to accept U.S. Department of Housing and Urban Development (HUD) Housing Choice Vouchers (HCVs).



<b>Term</b>	5 - 30 years.
<b>Amortization</b>	Up to 30 years.
<b>Interest Rate</b>	Fixed- and variable-rate options available.
<b>Maximum LTV</b>	80%.
<b>Minimum DSCR</b>	1.25x.
<b>Loan Document Requirements</b>	Borrower must execute a Modification to Multifamily Loan and Security Agreement (Expanded Housing Choice) (Form 6273).
<b>Fair Housing Testing</b>	Properties are subject to periodic Fair Housing Testing performed by the Urban Institute.
<b>Execution Options</b>	MBS.

### Benefits

- Flexible loan terms.
- Competitive pricing.
- Certainty of execution.
- Speed in processing and underwriting.
- An expanded renter base.
- Lower turnover and vacancy, as HCV renters stay 7-8 years on average (source: HUD).
- A steady stream of rent payments backed by HUD.

### Eligibility

- Existing, stabilized conventional Properties.
- 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).

### For More Information

Contact a Fannie Mae representative or visit the Multifamily Business Portal for details.

[multifamily.fanniemae.com](https://multifamily.fanniemae.com)



<b>Supplemental Financing</b>	Supplemental Mortgage Loans are available.
<b>Prepayment Availability</b>	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.
<b>Rate Lock</b>	30- to 180-day Rate Lock periods are available.
<b>Accrual</b>	30/360 and Actual/360.
<b>Escrows</b>	Replacement reserve, tax, and insurance escrows are typically required.
<b>Third-Party Reports</b>	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
<b>Assumption</b>	Mortgage Loans are typically assumable, subject to review and approval of the proposed new borrower's financial capacity and experience.
<b>Asset Management</b>	<ul style="list-style-type: none"><li>• Provide annual rent rolls via the Streamlined Rent Roll (Form 4241)</li><li>• Provide Form 6620.Supplemental Expanded Housing Choice if requested</li><li>• Advertise the property and/or available units with participating Public Housing Agencies (PHAs) and on Affordablehousing.com</li><li>• Remediate any findings from the Fair Housing Testing</li></ul>
<b>Inclusive Renter Screening Practices</b>	Any renter income requirements (i.e. prospective tenant must make 2.5x the monthly rent) must be based only on the HCV renter portion of the rent and not the full rent amount.