



Frequently Asked Questions (FAQs)

Multifamily Affordable Housing Property Definition – Special Public Purpose

General Information

Q1. What is Multifamily Affordable Housing (MAH) Special Public Purpose and when should the designation be requested?

Chapter 7 of the Guide defines MAH properties. Included in this definition is a Property which, although it does not comply with the rent, income, or occupancy restrictions typically required for a MAH Property (e.g., 20% @ 50%, 40% @ 60%) does (i) have other rent and/or income restrictions, and (ii) meets a noteworthy Special Public Purpose.

For Fannie Mae to approve a Special Public Purpose Property, (i) a minimum of 20% of the units must be affordable at 80% AMI, and (ii) the Property would not otherwise meet the definition of a MAH Property described in Chapter 7 of the Guide.

Q2. What are the benefits of the MAH Special Public Purpose?

Upon approval, the deal will automatically be eligible for 10 bps off conventional pricing.

Q3. If the deal meets the minimum affordability criteria, is the Lender required to register the deal as Special Public Purpose?

No. At this time, this request is optional, but the Mortgage Loan will not be eligible for 10 bps off conventional pricing unless requested.

The Lender is encouraged to submit the Mortgage Loan as a MAH Property utilizing Special Public Purpose. This allows Fannie Mae to track and monitor the various affordable programs and incentives across the country and better assess any future opportunities for expanded underwriting and pricing benefits.

Q4. Are Mortgage Loans referred to as “80-20 deals” included within this Special Public Purpose definition?

No. “80-20 deals” refer to tax-exempt bond deals for properties where 80% of the units are at market rates and 20% of the units are restricted to 50% AMI. This level of affordability meets the current MAH definition. A Property must have a minimum of 20% of the units affordable at 80% AMI to be eligible for Special Public Purpose.

Q5. Are self-imposed recorded affordability restrictions permitted?

The Special Public Purpose pricing benefit is only eligible for third-party public entity imposed and monitored restrictions recorded against the Property.

Q6. Do the restrictions have to be recorded or are naturally occurring affordable units eligible?

Naturally occurring affordable units are not eligible for Special Public Purpose. The rent, income, or occupancy restrictions must be recorded and monitored by a third-party public entity.



Q7. Is a Lender able to request a pricing waiver in addition to the reduced pricing in the Indicative Pricing screen for a Property granted the Special Public Purpose pricing benefit?

Pricing waivers will be considered on a case by case basis considering the merits of the Mortgage Loan, including: Borrower financial condition/experience, asset quality, market strength and affordability level.

Q8. What underwriting requirements of the Guide and the Multifamily Underwriting Standards (Form 4660) apply when the MAH Special Public Purpose pricing benefit is granted?

These Mortgage Loans are underwritten to Part II of the Guide and utilize conventional standards, including but not limited to: DSCR, LTV and Interest-Only requirements as outlined in the Form 4660.

Q9. What if there are special characteristics of the Mortgage Loan that justify using the MAH standards outlined in the Guide and the Multifamily Underwriting Standards?

Fannie Mae will consider approval of credit and underwriting standards on a case by case basis based on the merits of the deal. Submit the Mortgage Loan through DUS Gateway™ with the waivers and Pre-Review conditions identified, along with the supporting information to justify the request. The MAH Deal Team will review.

Q10. What if there are additional Pre-Review conditions or other waiver requests?

The MAH Deal Team will process all waivers and/or Pre-Review conditions associated with a Mortgage Loan seeking the MAH Special Public Purpose benefit.

Q11. Is MBS Additional Disclosure required for Special Public Purpose deals?

Special Public Purpose does not require Additional Disclosure by itself. However, Lenders are advised to review Fannie Mae Form 4098 (Multifamily Additional Disclosure Guidance). MAH Mortgage Loans may have other characteristics (Changes in Property valuation, tax abatements for Affordable Housing, etc.) that do require Additional Disclosure.

Registration/Committing/Delivery

Q12. Are there additional requirements to register and submit a deal in DUS Gateway™ in order to request the MAH Special Public Purpose pricing benefit?

Yes. The Lender must do the following to submit a Special Public Purpose deal:

Deal Overview Screen

The deal may fall under several categories of Submission Type. If your deal requires Pre-Review as well as other categories, select Pre-Review (4660).

Property Screen

MAH = Yes

Special Public Purpose (SPP) = Yes. This option will be available once “MAH = Yes” is selected.

Q13. Are there any specific instructions the Lender must follow in the C&D application?



Yes. To ensure the MBS is disclosed as a Multifamily Affordable Housing property, the Lender must designate the Property as a MAH Property based on the guidance found in the “Affordable Housing Data Guidance Job Aid”, which is available on the Multifamily website Learning Center under “Application Training” and “C&D.”

<https://multifamily.fanniemae.com/media/document/pdf/affordable-housing-data-guidance>