1. Market share target and review of market size

The 2021 Scorecard establishes a $70 billion cap on the multifamily purchase volume of each Enterprise, for a total of $140 billion and applicable for the period of Q1 2021 through Q4 2021. Within this cap, certain loans in affordable and underserved market segments are considered mission-driven (“mission-driven”). The 2021 Scorecard requires that a minimum of 50 percent of Enterprise multifamily loan purchases be mission-driven in accordance with the definitions herein. Furthermore, the 2021 Scorecard requires that a minimum of 20 percent of Enterprise multifamily loan purchases be affordable to residents at 60 percent of AMI (area median income) or below. Loan purchases that meet the minimum 20 percent requirement may also count as loan purchases that meet the minimum 50 percent requirement. FHFA anticipates the current cap levels to be appropriate given current market forecasts, however, FHFA will continue to review its estimates of market size and mission-driven minimum requirements throughout the year.

The following sections explain how FHFA will treat mission-driven loans for purposes of the 2021 Scorecard.

2. Loans on targeted affordable housing properties

Targeted affordable housing loans are loans to properties encumbered by a regulatory agreement or a recorded use restriction under which all or a portion of the units are restricted for occupancy by tenants with incomes at 80 percent of AMI or below, and which restrict the rents that can be charged for those units. FHFA will classify as mission-driven a proportionate amount of the loan for properties in the targeted affordable category, depending on the percentage of units that are restricted by a regulatory agreement or recorded use restriction. FHFA will classify as mission-driven 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 100 percent of the loan amount if the percentage of restricted units is equal to or more than 50 percent.

The following are examples of loans on targeted affordable housing properties that FHFA will classify as mission-driven:

- Loans on properties subsidized by the Low Income Housing Tax Credit (LIHTC) program, which limits tenant incomes at 60 percent of area median income (AMI) or below;
- Loans on properties developed under state or local inclusionary zoning, real estate tax abatement, loan or similar programs, where the property owner has agreed to: a) restrict a portion of the units for occupancy by tenants with incomes at 80 percent of AMI or below and restrict the rents that can be charged for those units affordable to those tenants; and b) enforce these restrictions through a regulatory agreement or recorded use restriction;
- Loans on properties covered by a Section 8 Housing Assistance Payment contract where the contract limits tenant incomes to 80 percent of AMI or below. FHFA will not consider a unit that is occupied by a Section 8 certificate or voucher holder as a targeted affordable housing unit unless there is also a contract, a regulatory agreement, or a recorded use restriction; and
- Loans on properties where a Public Housing Authority (PHA), or a non-profit development affiliate of a PHA, is the borrower, and where the regulatory agreement or recorded use restriction restricts all or a portion of the units for
occupancy by tenants with incomes at 80% of AMI or below and/or restricts the rents that can be charged for those units.

3. Loans on other affordable units

FHFA will classify as mission-driven units whose rents are affordable to tenants at or below 80 percent of AMI but that are not subject to a regulatory agreement or recorded use restriction. FHFA will count as mission-driven, the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below.

4. Loans on properties located in rural areas

Rural areas are those areas designated as such in the Duty to Serve regulation. FHFA will classify as mission-driven, the pro rata portion of the loan amount based on the percentage of units affordable at 100 percent of AMI or below.

5. Loans on small multifamily properties

Small multifamily properties are properties that have 5 to 50 units. FHFA will classify as mission-driven, the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below.

6. Manufactured housing rental community blanket loans

Loans to manufactured housing rental communities are blanket loans secured by the land and the rental pads. FHFA will classify as mission-driven the share of the loan amount of a manufactured housing rental community blanket loan that reflects the share of units that receives credit under the Duty to Serve regulation.

FHFA strongly encourages the adoption of tenant pad lease protections that meet or exceed those listed in the Duty to Serve regulation in all manufactured housing rental communities. FHFA expects to apply the manufactured housing rental community blanket loan requirements for tenant pad lease protections more broadly to Enterprise purchases starting in 2022.

7. Loans on seniors housing assisted living properties

For loans on seniors housing assisted living properties, FHFA will classify as mission-driven, the pro rata portion of the loan amount based on the percentage of units affordable at 80 percent of AMI or below.
8. Other Scorecard requirements

For purposes of reporting on loan and commitment activity under the 2021 caps, the Enterprises must: a) use the definitions for determining unit affordability of seniors housing assisted living units, coop units, and shared living arrangements, including student housing, that are included in the housing goals regulation at 12 CFR 1282.1; b) use affordability data as of the loan acquisition date; c) report monthly to FHFA on their acquisition and commitment volumes using a reporting format defined by FHFA; and d) report quarterly on their acquisition volumes under the caps including detail on mission-driven loan purchases using a reporting format to be determined by FHFA.