Federal Housing Finance Agency
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Mr. John Henley
Senior Analyst, Models, Mission & Research Division
Freddie Mac
1551 Park Run Drive
McLean, VA 22012

Dear Mr. Henley:

The Federal Housing Finance Agency (FHFA) is providing this guidance on the appropriate treatment of certain types of seniors housing units and rental units for residents receiving memory care under the housing goals for Fannie Mae and Freddie Mac (the Enterprises).

In the recently published final rule establishing the Enterprise housing goals for 2015 through 2017, FHFA revised the definition of "dwelling unit" to require that each dwelling unit include plumbing and kitchen facilities. *See* 12 CFR 1282.1(b). However, FHFA indicated in the preamble to the final rule that it would consider providing further guidance on certain types of seniors housing. 80 FR 53392, 53422.

Both Enterprises have indicated that they purchase mortgages on properties that include seniors units where health or safety concerns require the absence of a kitchen and/or plumbing (such as units for residents receiving memory care). Such units may be referred to as seniors assisted living units. These units would otherwise meet the criteria to be considered a separate dwelling unit.

FHFA has determined that these types of rental units should be treated as separate dwelling units despite the absence of kitchen and/or plumbing facilities. This determination applies to seniors units where health or safety concerns require the absence of a kitchen and/or plumbing and to other rental units for residents receiving memory care where health or safety concerns require the absence of a kitchen and/or plumbing. Such units may be counted as dwelling units for purposes of the Enterprise housing goals to the extent that they otherwise meet the criteria for counting (e.g., a single bed in a communal living arrangement would not be considered a separate dwelling unit). Any seniors units or rental units for residents receiving memory care counted under this guidance remain subject to the requirements of all other applicable provisions of the housing goals regulation.

To allow FHFA to monitor the impact of this guidance going forward, FHFA expects Fannie Mae and Freddie Mac to identify in the loan level data reported to FHFA any seniors units or rental units for residents receiving memory care that lack plumbing or kitchen facilities but would be counted as dwelling units under this guidance.

If you have any questions, please contact Ted Wartell, Manager, Office of Housing and Community Investment, Division of Housing Mission & Goals, at Ted.Wartell@fhfa.gov or 202-649-3157.

Sincerely,

Sandra Thompson
Deputy Director
Division of Housing Mission and Goals