



FACT SHEET: 2023 MULTIFAMILY CAPS FOR FANNIE MAE AND FREDDIE MAC

Highlights of 2023 Multifamily Caps

The 2023 volume caps applicable to the multifamily loan purchases of Fannie Mae and Freddie Mac (the Enterprises) will be \$75 billion for each Enterprise, for a total of \$150 billion during the calendar year 2023.

FHFA anticipates the 2023 cap levels to be appropriate given current market forecasts; however, FHFA has been and will continue to monitor the multifamily mortgage market and will update the multifamily cap and mission-driven minimum requirements if the data shows changes in the market that warrant adjustments. However, if FHFA determines that the actual size of the 2023 market is smaller than initially projected, FHFA will not reduce the caps.

Consistent with the 2022 cap structure, the 2023 caps apply to all multifamily business – no exclusions.

Mission-Driven, Affordable Housing Requirements

To ensure a strong focus on affordable housing and traditionally underserved markets, FHFA requires that at least 50 percent of the Enterprises' multifamily business be mission-driven, affordable housing in accordance with the definitions in [Appendix A](#).

FHFA is revising the multifamily requirements for mission-driven, affordable housing in Appendix A. For 2023, FHFA is making the following changes:

- Removing the requirement that 25 percent of the Enterprises' multifamily business be affordable at 60 percent of AMI or below to reduce inconsistencies with FHFA's Housing Goals regulation.
- Creating a new category focused on preserving affordability in workforce housing to encourage financing of loans on properties with rent or income restrictions affordable at levels that meet market needs. This is intended to support residents living closer to places of employment, hospitals, and schools.
- Loans on seniors housing and small 5-50 unit multifamily properties will now be included in the Other Affordable mission-driven category. This change will streamline the mission-driven definitions but maintains the same affordability focus as in 2022.
- Loans to finance energy and water efficiency improvements with units affordable at or below 80 percent of AMI, up from 60 percent of AMI in 2022, will be classified as mission-driven.

BACKGROUND

- The purpose of the cap is to ensure the Enterprises support liquidity in the multifamily market, especially in affordable housing and traditionally underserved segments, without crowding out private capital.
- In 2014, FHFA set a cap on the Enterprises' conventional (market-rate) multifamily business.
- To encourage Enterprise financing in affordable housing and underserved market segments, in 2014, FHFA also excluded several categories of business from the cap.
- On September 13, 2019, FHFA announced a revised cap structure that applied to all multifamily business (no exclusions).
- In 2022, FHFA set a \$78 billion volume cap for each Enterprise and a 50 percent mission-driven minimum percentage with 25 percent at 60 percent of AMI.
- In 2023, FHFA will set a \$75 billion volume cap for each Enterprise and a 50 percent mission-driven minimum percentage, in response to estimated market conditions.
- In addition, for 2023, FHFA created a new category to support preservation of affordable rents at workforce housing properties.