

<https://www.globest.com/2021/10/14/fhfa-raises-gses-multifamily-loan-cap-to-156b/?slreturn=20210915161825>

# FHFA Raises GSEs' Multifamily Loan Cap to \$156B

At least half of the GSEs' multifamily business must be for affordable housing.

By **Ted Knutson** | October 14, 2021 at 06:59 AM



The Federal Housing Finance Agency announced that the 2022 multifamily loan purchase caps for Fannie Mae and Freddie Mac will be \$78 billion for each GSE, for a combined total of \$156 billion to support the multifamily market. The 2022 caps increased from \$70 billion for each GSE from 2021 and are based on FHFA's projections of the overall growth of the multifamily originations market.

FHFA will require that at least 50% of their multifamily business be mission-driven affordable housing and at least 25% of the GSEs' multifamily business be affordable to residents at or below 60% of area median income (AMI), up from 20% in 2021.

"The increases of the multifamily loan purchase caps and higher mission-driven business requirements assure that (Fannie and Freddie's) multifamily businesses have a strong and growing commitment to affordable housing finance, particularly for residents and communities that are the most difficult to serve," said FHFA Acting Director Sandra Thompson.

For 2022, FHFA will allow loans on affordable units in cost-burdened renter markets and loans to finance energy or water efficiency improvements with units affordable at or below 60% of AMI to be classified as mission-driven.



## **GlobeSt. APARTMENTS Fall 2021** EVENT

Join 1000+ of the industry's top owners, investors, developers, brokers & financiers at THE MULTIFAMILY EVENT OF THE YEAR!

[Get More Information](#)

In announcing the 2022 caps, FHFA said it will continue to monitor impacts of COVID-19 on the multifamily mortgage market and will update the multifamily caps and mission-driven requirements if adjustments are warranted.

However, the agency has pledged not to reduce the caps to prevent market disruption, if it determines that the actual size of the 2022 market is smaller than was initially projected.

The announcements of the caps follow a proposal from the FHFA in August, [establishing two new single-family home loan purchase subgoals](#) for the GSEs for 2022 to 2024.

These subgoals, one to target minority communities and one to target low-income neighborhoods, would replace the existing low-income areas requirements. FHA says the new minority census tract subgoal is designed to improve access to fair and sustainable mortgage financing in communities of color.