



**News Release**

# **FHFA ANNOUNCES 2018 MULTIFAMILY LENDING CAPS**

**FOR IMMEDIATE RELEASE**

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**Washington, D.C.** – The Federal Housing Finance Agency (FHFA) today announced that the 2018 multifamily lending caps for Fannie Mae and Freddie Mac (the Enterprises) will be \$35 billion for each Enterprise, down from \$36.5 billion in 2017. The caps are based on projections of the overall size of the 2018 multifamily originations market, which FHFA expects to be slightly smaller than that market in 2017. While FHFA's forthcoming 2018 Scorecard will provide additional information on the role that FHFA expects the Enterprises to play in the multifamily market, FHFA announced the caps today to maintain continuity in the multifamily market and to provide all stakeholders adequate time to plan for their 2018 business.

As in prior years, FHFA will review its estimates of the multifamily loan origination market size on a quarterly basis and will adjust the caps, if necessary. To prevent disruption in the market, however, if FHFA determines that the actual size of the 2018 market is smaller than was initially projected it will not reduce the caps.

The multifamily lending caps are intended to further FHFA's strategic goal that the Enterprises provide liquidity for the multifamily market without impeding the participation of private capital. Because market support for affordable housing has been historically weak, FHFA will continue to exclude from the 2018 caps certain loans in the affordable and underserved market segments. For 2018, FHFA is making the following changes to these excluded categories:

- **Loans to finance energy or water efficiency improvements:** To qualify for exclusion from the cap FHFA will require multifamily loans that finance energy or water efficiency improvements through Fannie Mae's Green Rewards and Freddie Mac's Green Up/Green Up Plus to provide a 25 percent energy or water savings. FHFA is making this adjustment to establish a clear policy priority that improvements must substantively increase energy and water savings for borrowers and/or tenants.
- **Loans on affordable units in extremely high cost markets:** To address the critical shortages of middle-income housing, FHFA will add an extremely high cost market category. Units at rents affordable to those at or below 120 percent of the area median income in extremely high cost markets will be eligible for exclusion from the cap on a pro-rata basis.

Further details will be provided in FHFA's 2018 Scorecard.

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