Guide Update 26-19: Multifamily Affordable Housing Properties

Effective: 08/03/26
Retired: 08/14/26

Summary of Changes

Primary Audience: MAH Lenders and Underwriting

HIGHLIGHTS
Effective for Mortgage Loans registered in DUS Gateway as of August 3, 2026: • updated: - Part III, Chapter 7: Multifamily Affordable Housing Properties for MAH eligibility and underwriting requirements; and - the Affordable Housing & Tax Relief Data Guidance Job Aid; • created Requirements for Certain Tax Abatements Not in Place (MAH) (Form 4164); and • added and revised various Glossary terms for alignment.

Primary Changes

Updated Part III, Chapter 7: Multifamily Affordable Housing Properties in:

- Section 701: Generally to revise Multifamily Affordable Housing Property (MAH)
  - qualification criteria, and
  - underwriting requirements to Deliver an MAH Mortgage Loan;
- Section 702: MAH Property Eligibility to revise requirements for affordability types, and re-classify them as
  - LIHTC,
  - HAP Contract,
  - Properties with Both Rent Restrictions and Income Restrictions,

- Properties with Either Rent Restrictions or Income Restrictions,
- Special Public Purpose, or
- Sponsor-Initiated Affordability;

- Section 703: Property Income and Underwriting to:
  - update Underwritten NCF requirements
    - increasing delegation in underwriting Housing Choice Voucher and HAP overhang, and
    - clarifying underwriting for certain expenses, including
      - management fees,
      - Tax Abatements, and
      - certain mandatory operating/compliance expense fees;
  - clarify
    - Appraisal Restricted Value, and
    - market study requirements; and
  - revise 35-year amortization, increasing delegation to include Properties with new HAP Contracts under
    - RAD, or
    - HUD's Section 8 Capital Repairs Program;
- Section 704: Third-Party Financing clarifying requirements for:
  - loan terms;
  - collateral and credit support;
  - Soft Financing;
  - Third-Party Lenders;
  - subordination agreements; and
  - Grant Funding;
- Section 705: Affordable Restriction Checklist and Subordination and Standstill Agreements requiring you to:
  - submit a compliant Affordability Restriction Checklist (Form 6419); and
  - use the appropriate Subordination and Standstill Agreement depending on provision of Third-Party Financing;
- Section 706: ROAR Loan to:

- increase delegation to a 24-month rehabilitation period; and
- update requirements for any cash escrow used in place of a Letter of Credit;

- Section 707: HAP Contract Properties to:
  - clarify Restabilization Reserve requirements including
    - when the decision is delegated to you, and
    - that the requirement for weighted average rents of LIHTC units only applies if the MAH Property also has a LIHTC Affordable Regulatory Agreement in place;
- Section 710: Transactions with Fannie Mae Debt and Equity Interests, to clarify requirements for when Fannie Mae has an indirect equity interest in the Borrower; and
- Section 711: FHA Risk Sharing to clarify requirements.

Updated the Glossary to:

- add defined terms for
  - Grant Funding,
  - Private Affordability Agreement,
  - Public Entity, and
  - Tax Abatement;
- revise terms including
  - Affordable Regulatory Agreement,
  - HAP Contract (Housing Assistant Payment),
  - Multifamily Affordable Housing Property,
  - Restricted Value,
  - Sponsor-Initiated Affordability Agreement, and
  - Unrestricted Value; and
- delete the terms
  - Housing Choice Voucher, and
  - Preservation.

Updated the Affordable Housing & Tax Relief Data Guidance Job Aid to:

- align with changes to Section 702: MAH Property Eligibility; and
- revise Tax Relief Program Helpful Hints.

Created Requirements for Certain Tax Abatements Not in Place (MAH) (Form 4164) for underwriting certain reduced real estate tax payments.

Questions

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