

# Guide for Estimating Affordability and Mission-Driven Business for Deliveries (v2023.1)

This is a reference guide for how the percentage Mission-Driven business for an individual deal is calculated. The Multifamily Affordability Estimator (MAE), Seniors Multifamily Affordability Estimator (Sr. MAE), and Manufactured Housing Community Affordability Estimator (MHC MAE) can estimate this percentage for prospective loan deliveries. Please contact your Fannie Mae Deal Team with any questions or [Multifamily\\_Affordability\\_Estimator@fanniemae.com](mailto:Multifamily_Affordability_Estimator@fanniemae.com).

## Special Business Segments with Defined Mission-Driven Criteria

Affordable Business Segment	Percentage of Loan Amount Mission-Driven	MAE Required as Part of Deal Submission?
Targeted Affordable / Workforce Housing – At least 50% of units have rent restrictions	100% of loan amount	Required
Targeted Affordable / Workforce Housing – Fewer than 50% of units have rent restrictions	50% of loan amount	Required
<p><b>Definition of FHFA Targeted Affordable</b></p> <ul style="list-style-type: none"> <li>• Targeted affordable housing loans are loans to properties encumbered by a regulatory agreement or a recorded use restriction under which all or a portion of the units are restricted for occupancy by tenants with limited incomes and which restrict the rents that can be charged for those units.</li> <li>• The following are <b>examples</b> of loans on targeted affordable housing properties that FHFA will classify as mission-driven: <ul style="list-style-type: none"> <li>○ Loans on properties subsidized by the Low Income Housing Tax Credit program, which limits tenant incomes at 60 percent of area median income (AMI) or below;</li> <li>○ Loans on properties developed under state or local inclusionary zoning, real estate tax abatement, loan or similar programs, where the property owner has agreed to: a) restrict a portion of the units for occupancy by tenants with limited incomes in accordance with the requirements of the state or local program and restrict the rents that can be charged for those units at rents affordable to those tenants; and b) enforce these restrictions through a regulatory agreement or recorded use restriction;</li> <li>○ Loans on properties covered by a Section 8 Housing Assistance Payment contract where the contract limits tenant incomes to 80 percent of AMI or below. FHFA will not consider a unit that is occupied by a Section 8 certificate or voucher holder as a targeted affordable housing unit unless there is also a contract, a regulatory agreement, or a recorded use restriction; and</li> <li>○ Loans on properties where a Public Housing Authority (PHA), or a non-profit development affiliate of a PHA, is the borrower, and where the regulatory agreement or recorded use restriction restricts all or a portion of the units for occupancy by tenants with limited incomes and/or restricts the rents that can be charged for those units.</li> </ul> </li> </ul> <p><b>Definition of FHFA Workforce Housing Properties</b></p> <ul style="list-style-type: none"> <li>• Loans to preserve affordability at workforce housing properties have units that are subject to either rent or income restrictions codified in loan agreements. FHFA will classify as mission-driven units where the loan agreements require a sponsor to preserve affordability at the “other affordable” market levels that adhere to the standard of a state or local housing affordability initiative, for at least 10 years or the term of the loan.</li> </ul>		



Rural Business Segment	Percentage of Loan Amount Mission-Driven	MAE Required as Part of Deal Submission?
Loans on Properties in FHFA defined Rural areas* Rural includes High Needs Rural	Pro Rata % (Based on % units at ≤ 100% AMI)	○ Required
<p><b>Definition of Rural Areas</b></p> <p>The Duty to Serve rule defines “Rural” areas as:</p> <ul style="list-style-type: none"> <li>• A census tract outside of an MSA as designated by the Office of Management and Budget (OMB); or</li> <li>• A census tract that is in an MSA as designated by OMB but outside of the MSA’s Urbanized Areas as designated by the U.S. Department of Agriculture’s (USDA) Rural-Urban Commuting Area (RUCA) Code #1, and outside of tracts with a housing density of over 64 housing units per square mile for USDA’s RUCA Code #2.</li> </ul> <p>Users of the MAE will not be required to provide any additional information in order to determine a property’s “Rural” designation because the census tract entered is used to make the “Rural” determination.</p> <p><small>*<a href="#">U.S. Department of Agriculture Rural-Urban Commuting Area (RUCA) codes</a> classify U.S. census tracts using measures of population density, urbanization, and daily commuting patterns.</small></p>		

Business Segment	Percentage of Loan Amount Mission-Driven	MAE Required as Part of Deal Submission?
Green Rewards and Green Building Certificates	<ul style="list-style-type: none"> <li>• 100% of loan amount excluded if ≥ 50% of units are ≤ 80% AMI</li> <li>• 50% of loan amount excluded if ≥ 20% and &lt;50% of units are ≤ 80% AMI</li> </ul>	Required
Manufactured Housing Communities - FHFA will classify as mission-driven the share of the loan amount of a manufactured housing rental community blanket loan that reflects the share of units that receives credit under the Duty to Serve regulation.	Pro Rata % based on MHC units that receive DTS credit.	MHC MAE Required
Small Multifamily Properties (5 – 50 Units)	Pro Rata % based on: <ul style="list-style-type: none"> <li>• % units at ≤ 80% AMI in Standard markets</li> <li>• % units at ≤ 100% AMI in Cost-Burdened Renter markets</li> <li>• % units at ≤ 120% AMI in Very Cost-Burdened Renter markets</li> </ul>	Required
Seniors Housing	Pro Rata % based on: <ul style="list-style-type: none"> <li>• % units at ≤ 80% AMI in Standard markets</li> <li>• % units at ≤ 100% AMI in Cost-Burdened Renter markets</li> <li>• % units at ≤ 120% AMI in Very Cost-Burdened Renter markets</li> </ul>	Seniors MAE Required
Standard Conventional Properties in Standard Cost Markets*	Pro rata % (Based on % units at or below 80% AMI)	Required



<b>Business Segment</b>	<b>Percentage of Loan Amount Mission-Driven</b>	<b>MAE Required as Part of Deal Submission?</b>
Standard Conventional Properties in Cost-Burdened Renter Markets*	Pro rata % (Based on % units at or below 100% AMI)	Required
Standard Conventional Properties in Very Cost-Burdened Renter Markets*	Pro rata % (Based on % units at or below 120% AMI)	Required

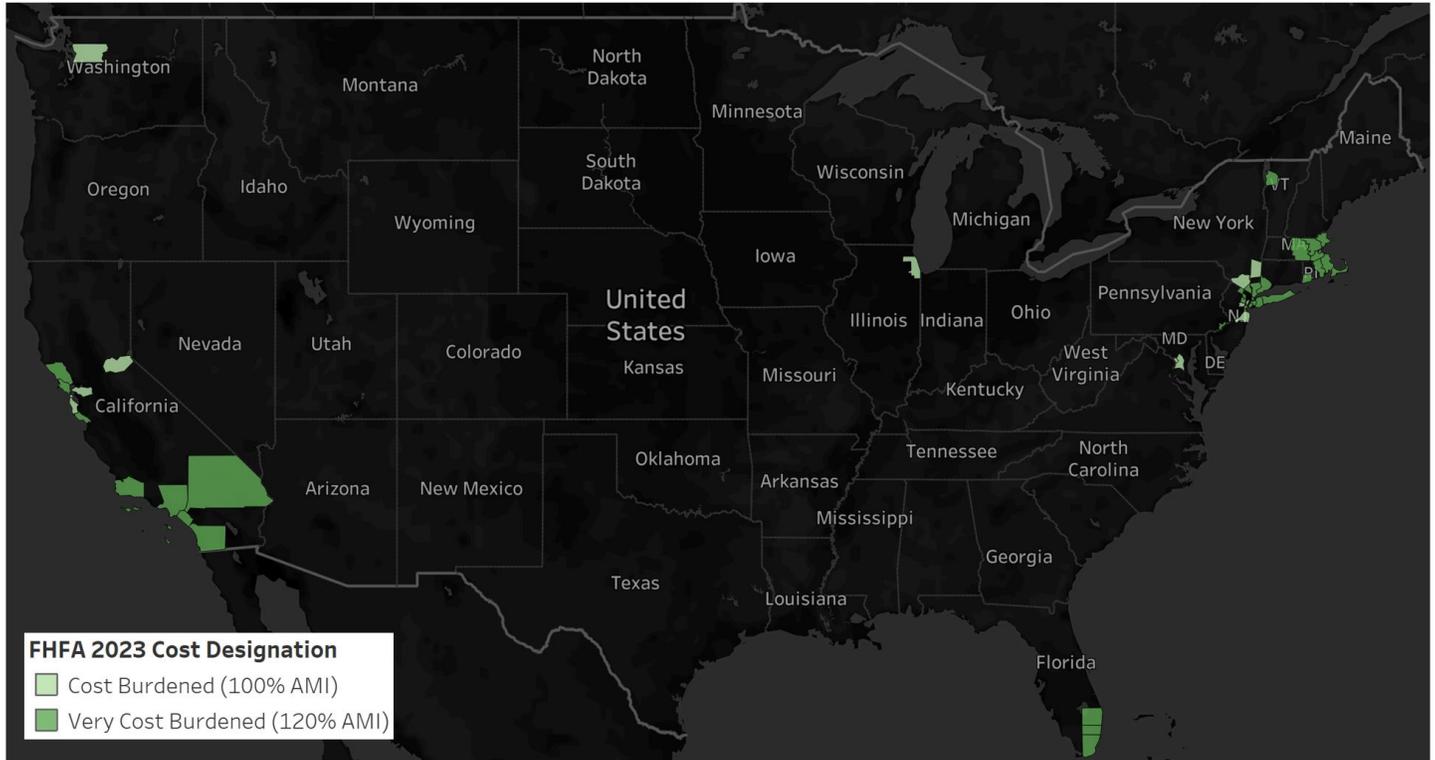
\*Market Cost-Burdened as designated by FHFA. See table below.

**NOTE:**

- Dedicated Student Housing transactions should be evaluated using the Conventional business segment criteria. Affordability is determined on a unit basis and not a per bed basis.
- Please contact the Structured Transactions team or [Multifamily Affordability Estimator@fanniemae.com](mailto:Multifamily_Affordability_Estimator@fanniemae.com) regarding estimating affordability and Mission-Driven business for Credit Facilities.
- Cooperatives should be evaluated using the Standard Conventional business segment criteria based on the rents from nearby comparable apartment properties. Lenders should use the Targeted Affordable Housing guidance above on Limited Equity cooperatives.



## FHFA 2023 Very Cost-Burdened and Cost-Burdened Renter Multifamily Markets Map



## FHFA 2023 Very Cost-Burdened and Cost-Burdened Renter Multifamily Markets List

Certain U.S. counties have been designated as Cost-Burdened or Very Cost-Burdened. The tables below provide a listing of all counties falling into these categories and their associated parent MSAs.

FHFA 2023 County Cost Designation	County Name	County Code	Parent MSA Name (2020)	Parent MSA Code
Very Cost Burdened	BARNSTABLE COUNTY, MA	25001	BARNSTABLE TOWN, MA	12700
Very Cost Burdened	BRISTOL COUNTY, MA	25005	PROVIDENCE-WARWICK, RI-MA	39300
Very Cost Burdened	BRONX COUNTY, NY	36005	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	BROWARD COUNTY, FL	12011	MIAMI-FORT LAUDERDALE-POMPANO BEACH, FL	33100
Very Cost Burdened	CHITTENDEN COUNTY, VT	50007	BURLINGTON-SOUTH BURLINGTON, VT	15540
Very Cost Burdened	ESSEX COUNTY, MA	25009	BOSTON-CAMBRIDGE-NEWTON, MA-NH	14460
Very Cost Burdened	ESSEX COUNTY, NJ	34013	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	FAIRFIELD COUNTY, CT	09001	BRIDGEPORT-STAMFORD-NORWALK, CT	14860
Very Cost Burdened	KINGS COUNTY, NY	36047	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	LOS ANGELES COUNTY, CA	06037	LOS ANGELES-LONG BEACH-ANAHEIM, CA	31080
Very Cost Burdened	MARIN COUNTY, CA	06041	SAN FRANCISCO-OAKLAND-BERKELEY, CA	41860
Very Cost Burdened	MIAMI-DADE COUNTY, FL	12086	MIAMI-FORT LAUDERDALE-POMPANO BEACH, FL	33100
Very Cost Burdened	MIDDLESEX COUNTY, MA	25017	BOSTON-CAMBRIDGE-NEWTON, MA-NH	14460
Very Cost Burdened	NASSAU COUNTY, NY	36059	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620



Very Cost Burdened	NEW YORK COUNTY, NY	36061	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	NORFOLK COUNTY, MA	25021	BOSTON-CAMBRIDGE-NEWTON, MA-NH	14460
Very Cost Burdened	ORANGE COUNTY, CA	06059	LOS ANGELES-LONG BEACH-ANAHEIM, CA	31080
Very Cost Burdened	PALM BEACH COUNTY, FL	12099	MIAMI-FORT LAUDERDALE-POMPANO BEACH, FL	33100
Very Cost Burdened	PASSAIC COUNTY, NJ	34031	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	PHILADELPHIA COUNTY, PA	42101	PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD	37980
Very Cost Burdened	PLYMOUTH COUNTY, MA	25023	BOSTON-CAMBRIDGE-NEWTON, MA-NH	14460
Very Cost Burdened	QUEENS COUNTY, NY	36081	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	RICHMOND COUNTY, NY	36085	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	ROCKLAND COUNTY, NY	36087	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	SAN BERNARDINO COUNTY, CA	06071	RIVERSIDE-SAN BERNARDINO-ONTARIO, CA	40140
Very Cost Burdened	SAN DIEGO COUNTY, CA	06073	SAN DIEGO-CHULA VISTA-CARLSBAD, CA	41740
Very Cost Burdened	SANTA BARBARA COUNTY, CA	06083	SANTA MARIA-SANTA BARBARA, CA	42200
Very Cost Burdened	SANTA CRUZ COUNTY, CA	06087	SANTA CRUZ-WATSONVILLE, CA	42100
Very Cost Burdened	SONOMA COUNTY, CA	06097	SANTA ROSA-PETALUMA, CA	42220
Very Cost Burdened	SUFFOLK COUNTY, MA	25025	BOSTON-CAMBRIDGE-NEWTON, MA-NH	14460
Very Cost Burdened	SUFFOLK COUNTY, NY	36103	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	WASHINGTON COUNTY, RI	44009	PROVIDENCE-WARWICK, RI-MA	39300
Very Cost Burdened	WESTCHESTER COUNTY, NY	36119	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Very Cost Burdened	WORCESTER COUNTY, MA	25027	WORCESTER, MA-CT	49340
Cost Burdened	CONTRA COSTA COUNTY, CA	06013	SAN FRANCISCO-OAKLAND-BERKELEY, CA	41860
Cost Burdened	COOK COUNTY, IL	17031	CHICAGO-NAPERVILLE-ELGIN, IL-IN-WI	16980
Cost Burdened	DISTRICT OF COLUMBIA, DC	11001	WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV	47900
Cost Burdened	DUTCHESS COUNTY, NY	36027	POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY	39100
Cost Burdened	EL DORADO COUNTY, CA	06017	SACRAMENTO-ROSEVILLE-FOLSOM, CA	40900
Cost Burdened	HUDSON COUNTY, NJ	34017	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Cost Burdened	MONMOUTH COUNTY, NJ	34025	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620
Cost Burdened	ORANGE COUNTY, NY	36071	POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY	39100
Cost Burdened	PRINCE GEORGE'S COUNTY, MD	24033	WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV	47900
Cost Burdened	SAN FRANCISCO COUNTY, CA	06075	SAN FRANCISCO-OAKLAND-BERKELEY, CA	41860
Cost Burdened	SAN MATEO COUNTY, CA	06081	SAN FRANCISCO-OAKLAND-BERKELEY, CA	41860
Cost Burdened	SNOHOMISH COUNTY, WA	53061	SEATTLE-TACOMA-BELLEVUE, WA	42660
Cost Burdened	UNION COUNTY, NJ	34039	NEW YORK-NEWARK-JERSEY CITY, NY-NJ-PA	35620