

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
FHFA and GSEs	<ul style="list-style-type: none">• Multifamily Caps. The 2026 multifamily caps are \$88 billion each, with a requirement that 50% be “mission-driven,” and recognition of cost-burden areas and some green lending. Also, loans classified as supporting workforce housing properties with self-imposed restrictions by the borrower are exempt from the caps.
	<ul style="list-style-type: none">• Affordable Housing Goals. In October, FHFA proposed the affordable housing goals for 2026-2028. The benchmark levels did not change from the 2025 goals, which recommended for each of the three years are 61% of annual loan acquisitions (in units) for the low-income goal (80 AMI), 14% for the very low-income subgoal (50 AMI), and 2% for the small multifamily low-income subgoal (80 AMI).
	<ul style="list-style-type: none">• Radon Rules. In late March 2025, FHFA rescinded their radon testing directive. This removes the enhanced requirements that the GSEs had to adopt and implement on their radon testing requirements. MBA previously recommended several steps FHFA should take before implementing the requirements, citing the need for a full analysis of testing protocols to determine the most cost effective and least disruptive policies to protect resident health. Freddie and Fannie have since published less burdensome requirements.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
FHFA and Federal Home Loan Banks	Expanding Access to Liquidity for FHLB. In January 2025, FHFA published a final rule to improve access to liquidity for the Federal Home Loan Bank (FHLBank) System by adjusting the treatment of certain short-term FHLBank investments. Currently, overnight federal funds are excluded from the more restrictive “general limit” on unsecured credit to a single counterparty and are limited by the higher “overall limit.” To provide additional liquidity, this final rule adds interest-bearing deposit accounts (IBDAs) and other authorized overnight investments to that exclusion, which may provide greater flexibility and improved cost to yield than overnight federal funds. This rule became effective in April 2025. MBA continues advocate for the responsible expansion of FHLB membership eligibility to better reflect today’s diverse providers of single-family and multifamily housing finance and community investment activities throughout the country.
Property Insurance	Availability and Cost of Insurance. The availability and cost of property insurance are becoming increasingly difficult across many states. While both FHFA and FHA help symposium about insurance costs, only small policy changes were made. MBA will hold its annual Insurance Conclave in October 2025 to discuss solutions like blanket policies, liability insurance, and state incentive programs. MBA will continue to work with interested parties on solutions to insurance affordability and availability and will advocate for changes from FHFA and HUD related to insurance requirements.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
Tax Policy	<p>Tax policy. In July, Congress passed the reconciliation bill, including significant tax provisions related to the expiration of the Tax Cuts and Jobs Act from 2017. MBA convened a task force to focus MBA's priorities and had significant wins in the new law. Some of these include:</p> <ul style="list-style-type: none">- Maintain and make permanent the 20% deduction in current law for Qualified Business Income under Section 199A – and expands the deduction limit's "phase-in" range;- Allow 100% bonus depreciation for certain qualifying properties and restore/make permanent full expensing of new capital investments;- Make durable enhancements to the Low-Income Housing Tax Credit (LIHTC) program, e.g., providing a permanent 12 percent increase in 9% credit authority, while permanently lowering the bond financing test from 50 to 25 percent;- Make a renewing set of rounds of the Opportunity Zones (OZ) program permanent – with needed reporting/programmatic tweaks;- Permanently reinstate EBITDA for the calculation of business interest deductibility); and,- DOES NOT alter Section 1031 Like Kind Exchange rules, carried interest provision, or capital gains rate.

Commercial/Multifamily Policy Dashboard – December 2025

Summary

FHA/HUD

- **Mortgage Insurance Premium.** In late September HUD published the much-anticipated final rule implementing a 25 basis point premium for all multifamily programs. For several years, MBA has been [urging HUD](#) to lower the mortgage insurance premiums (MIP) for multifamily loans. The programs takes in significant revenue for the Treasury and has a strong performance record. MIP rate changes may be applied to applications submitted or amended on or after October 1st, so long as the loan has not been initially endorsed.
- **Underwriting Criteria.** Following vigorous advocacy by MBA, in January 2025, HUD published two mortgagee letters to roll back the DSCR and LTV requirements for some FHA multifamily loans. HUD's first proposal would lower the DSCR and the Loan to Value (LTV) and Loan to Cost (LTC) ratios for 221(d)(4)s and 223(f)s. The second proposal would reduce underwriting standards for middle-income housing. It provides new underwriting for 221(d)(4) properties where at least 50% of units are rent restricted at up to 120% of AMI and a have a use restriction monitored by a state or local governmental entity. The use period must be up to 10 years, but waivers can be sought for restrictions from 5-10 years. These loans will have the DSCR reduced from 1.176x to 1.11x and the loan-to-cost ratio is increased from 85% to 90%.
- **Floodplains/Flood Insurance.** Beginning January 1, 2025, HUD's final rule to significantly increase the Minimum Property Standards for Flood Hazard Exposure; and the Building to the Federal Flood Risk Management Standard went into effect. MBA has strongly urged HUD and the Administration to withdraw the proposal, which significantly increases elevation requirements in expanded floodplain areas. On January 20, President Trump rescinded an Executive Order that created the FFRMS. In February, the rule was withdrawn for single-family homes, but the multifamily requirement is still in place. MBA will continue to fight this proposal, which has a significantly negative impact on new construction and rehabilitation of existing properties.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
FHA/HUD	<ul style="list-style-type: none">• Subdivisions for Rent. In May 2025, HUD rescinded its Administrative Memo on Subdivisions for Rent from 2021. While HUD works on a new notice, eligibility of subdivisions for rent type projects will be determined on a case-by-case basis pursuant to departmental requirements. The demand for rental homes continues to grow. Successful developments containing single-family homes, as well as townhomes and duplexes, are under development nationwide. However, HUD has been unwilling to finance them. MBA and its members have been urging HUD to expand eligibility for these projects and is hopeful this is the first step in that direction.
	<ul style="list-style-type: none">• FHA Statutory Limits. In May, Senators David McCormick (R-PA) and Ruben Gallego (D-AZ) introduced S.1527, the Housing Affordability Act, a bill designed to increase Federal Housing Administration (FHA) multifamily statutory loan limits. These limits have not been changed since 2003. The bill amends the National Housing Act to raise the multifamily statutory loan limits and updates the inflationary adjustment index from the Consumer Price Index (CPI) to the Price Deflator Index of Multifamily Residential Units Under Construction (published by the Census Bureau). Language allowing the HUD Secretary to adjust the limits was included in the ROAD to Housing bill and included in the National Defense Reauthorization Act in the Senate. In November, Representatives Monica De La Cruz (R-TX) and Ritchie Torres (D-NY) introduced H.R. 6132, the Housing Affordability Act, a bipartisan House companion to the Senate legislation.
	<ul style="list-style-type: none">• Energy Efficient Building Codes. In early July, HUD and USDA proposed a reconsideration of the Determination showing that the energy building codes would have no material impact on the affordability and supply of housing. MBA had strongly argued that they would have a significantly detrimental impact. The original rule requires that all buildings be built to IECC 2021 and ASHRAE 90.1-2019 standards. The 2021 IECC has only been adopted in a handful of states and is a significant increase over the building codes required in most jurisdictions. MBA submitted comments urging the final rule be rescinded. In November, HUD extended the effective date of the rule through May 28, 2026.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
FHA/HUD	<ul style="list-style-type: none">• 232 Healthcare Loans. In April 2025, HUD restored the ability to include critical repairs, non-critical repairs and capital expenditures when refinancing a healthcare property with a 232 loan. Non-critical repairs are not unnecessary repairs, and skilled nursing facilities (SNFs) provide valuable care for our nation’s seniors and those with disabilities. MBA had worked with other industry partners to urge HUD to restore provision, which helps ensure long-term viability for these properties.
	<ul style="list-style-type: none">• 232 Healthcare Loans. In June, HUD announced a new “express lane” for 232 properties. Properties that qualify can move to the front of the queue and receive expedited processing. Qualifications include a maximum of 70% loan to value, an experienced operator, a mortgage amount of \$50 million or less (high cost exceptions allowed around NYC), and a Firm Commitment decision must be able to be made immediately upon submittal.
	<ul style="list-style-type: none">• Davis Bacon. In May, MBA and a coalition of real estate associations submitted a letter to Secretary Turner of the Department of Housing and Urban Development (HUD) and Secretary Chavez-DeRemer of the Department of Labor (DOL) urging them to repeal and revise the August 23, 2023, final rule, “Updating the Davis-Bacon and Related Acts Regulations” (“Davis-Bacon rule”). The letter calls for immediate suspension of the Biden-era rule, citing its negative impact on affordable housing production and financing. Changes being sought include split wage decisions, timing of the determination of wages, and updating the definition of residential structures. The current Davis-Bacon rule increases development costs for affordable housing by 10-20%, complicates project execution, and deters contractor participation.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
State and Local Advocacy Efforts	<ul style="list-style-type: none">• Texas Affordable Tax Abatement. MBA submitted comments on proposed rules to implement Texas House Bill 21, enacted on May 28, 2025. In its letter, MBA reiterated its strong concerns with the law, which significantly tightens the rules for property tax exemptions used by Housing Finance Corporations (HFCs) on multifamily properties and creates substantial uncertainty for both existing and future tax-exempt deals.• New York S.1163/A.174. Following MBA’s request, New York Governor Kathy Hochul vetoed legislation (S.1163/A.174) that would prohibit mortgagees from penalizing or defaulting mortgagors for not charging a high enough rent. While well intentioned, the bill is overly broad and would introduce significant legal uncertainty, undermine the enforceability of commercial loan contracts, and threaten the availability of credit for income-producing real estate across New York State.
Banking Agencies & Securities Regulators	<ul style="list-style-type: none">• Community Reinvestment Act. On Monday, August 18th, the MBA submitted a comment letter on behalf of our members. The comment letter can be viewed in its entirety here.• Basel III. Federal Reserve Vice Chair for Supervision Michelle Bowman noted recently that the Federal Banking Agencies are working on a Basel III re-proposal and expects it to be unveiled in late 2025 or early 2026. MBA is actively engaged with the Agencies and looks forward to hearing from our membership on this important issue.• Economic Growth and Regulatory Paperwork Reduction Act. On October 23rd, MBA submitted a comment letter on behalf of our members to the Federal Banking Agencies pursuant to the NPR on Regulatory Publication and Review Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996. The letter can be viewed here.• SEC Rule 17g-5. On November 13th, MBA signed onto a joint-trades petition for rulemaking to amend SEC Rule 17g-5. The petition for rulemaking can be viewed here.

Commercial/Multifamily Policy Dashboard – December 2025

Category	Summary
CFPB	<ul style="list-style-type: none">• Small business reporting. In November 2025, CFPB released a proposed rule to change the 1071 reporting requirement. The proposal would raise the origination threshold from 100 to 1,000 covered credit transactions for each of two consecutive years and proposes to change the gross annual revenue threshold in the rule's definition of small business from \$5 million or less to \$1 million or less. MBA will support these proposals and continue to advocate for clarification that all investment properties should be excluded from §1071 reporting.• HMDA. In October 2022, a US District Court ruled that the HMDA reporting threshold should be decreased from 100 to 25 closed-end loans. In December 2022, the CFPB provided guidance, updating the threshold to 25 closed-end loans. MBA continues to argue that business to business loans should not be part of the Home Mortgage Disclosure Act.