Bond Case Briefs

Municipal Finance Law Since 1971

Fitch Ratings Updates Affordable Housing Rating Criteria.

Fitch Ratings-New York/Chicago/San Francisco-28 January 2026: Fitch Ratings has updated its "Affordable Housing Rating Criteria." The update consolidates the existing "U.S. Affordable Housing Rating Criteria" (published March 2022) and "U.S. Military Housing Rating Criteria" (published June 2022) into a combined, sector-specific criteria report. It covers affordable, mixed-income, military, workforce, senior, student and other types of affordable housing. Fitch does not expect any outstanding ratings to be affected by the criteria changes.

Fitch published an exposure draft of the criteria report on Oct. 15, 2025. We received one external written feedback response and one informal verbal comment in response to Fitch's proposed criteria revisions. The key changes to the consolidated criteria include:

–Expansion of the scope of the criteria to encompass additional property segments (e.g., mixed-income housing), subsectors (e.g., federally enhanced multifamily mortgage loans) and additional forms of underlying collateral (e.g., residual cash flows and discrete income streams), and to add new analytical guidance related to the expanded scope;

–Enhancement of the current guidance for assessing various risks and attributes that are common across sectors (e.g., refinance risk) by incorporating existing analytical frameworks or by referencing other relevant Fitch criteria that can be used to analyze these features;

–Consolidation of the key rating driver (KRD) tables for affordable housing and military housing projects, providing 'aa' through 'b' attribute guidance for all KRDs across housing types.

In response to the feedback and further internal review and validation, Fitch made revisions and clarifying edits to the criteria. A feedback report published with the updated criteria summarizes these changes. Both reports are available at www.fitchratings.com.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com