



Fannie Mae®

Multifamily Selling and Servicing Guide

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702.03 Conversion Criteria

☒ Requirements

You must comply with the following table.

Criteria	You must...
DUS Gateway	Enter delegated and non-delegated conversions in DUS Gateway.
Effective Date	Ensure the conversion is effective on a payment date (i.e., the 1st day of the month).
Conversion Timeline	<ul style="list-style-type: none">• For an ARM Loan, exercise the conversion<ul style="list-style-type: none">- after the 1st Loan Year, and- up to, and including, the last day of the 5th Loan Year.• For a SARM Loan, exercise the conversion<ul style="list-style-type: none">- after the 1st Loan Year, and- up to, and including, the 1st day of the 3rd month before the Maturity Date.
Loan Term	<p>Convert to a fixed rate Mortgage Loan with a loan term</p> <ul style="list-style-type: none">• greater than or equal to 7 years, and• less than or equal to 10 years.
Underwriting	<p>Underwrite the conversion as follows:</p> <ul style="list-style-type: none">• Base actual DSCR on the trailing 12-month period from the most recent supportable actual operations per the Borrowers Property financial statements.• Ensure actual DSCR meets the minimum required DSCR for a fixed rate Mortgage Loan at the same Pricing and Underwriting Tier as the original ARM Loan or SARM Loan.• Comply with the Loan Documentation Requirements (Form 6000).



Glossary

D

DUS Gateway	Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.
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L

Loan Documentation Requirements	Loan Documents listed in Form 6000 applicable to the particular Mortgage Loan execution and/or product and features.
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Loan Year	Period beginning on the date of the Note and ending on the last day of the month that is 12 full months after the date of the Note, and each successive 12-month period thereafter.
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Synonyms
• Loan Years

M

Maturity Date	Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.
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Synonyms
• Maturity Dates

Mortgage Loan	Mortgage debt obligation evidenced, or when made will be evidenced, by <ul style="list-style-type: none">• the Loan Documents, or• a mortgage debt obligation with a Fannie Mae credit enhancement.
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Synonyms
• Mortgage Loans
• Mortgage Loan's



P

Pricing and
Underwriting Tier

Tier 1, Tier 2, Tier 3, or Tier 4 per the Multifamily
Underwriting Standards (Form 4660).

Synonyms

- Tier

Property

Multifamily residential real estate securing the Mortgage
Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's