



Multifamily Selling and Servicing Guide

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Section 103

Transaction Approval Memo

Requirements

Your Transaction Approval Memo must:

- document your analysis of all reasonably identifiable strengths and weaknesses of the proposed Mortgage Loan transaction; and
- address and mitigate the following:
 - Property's financial performance, trends, and value;
 - Property's current physical condition and expected condition over the term of the Mortgage Loan;
 - environmental conditions and seismic risk impacting the Property;
 - ability of the Property to be refinanced at the Maturity Date;
 - Borrower's, Key Principals', and Guarantors' financial capacity and experience;
 - Property market's performance and trends;
 - any other factors that could impact the transaction during the Mortgage Loan term or at the Maturity Date; and
 - analysis and support for your decisions on any matters covered by requirements or guidance in Parts I, II, and III.

Guidance

Fannie Mae will consider the quality and thoroughness of your analysis, and the appropriateness and quantity of adjustments made

- in the underwriting,
- during the monitoring process, and
- when exercising the remedies or corrective actions provided in the Lender Contract.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

L

Lender Contract Program Documents per the Mortgage Selling and Servicing Agreement.

Synonyms

- Lender's Contract
- Lender Contracts
- Contract
- MSSA

M

Maturity Date Date all amounts due and owing under the Mortgage Loan become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates

Mortgage Loan Mortgage debt obligation evidenced, or when made will be evidenced, by the Loan Documents or a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans

P



Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's