



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part IV Section 701 Conversion Process 3

GLOSSARY 4



Section 701 Conversion Process

Requirements

For a Mortgage Loan originated using Fannie Mae form Loan Documents that automatically converts to a variable rate or a fixed rate per the Loan Documents, you must comply with the Loan Documents.

For a Mortgage Loan originated using non-Fannie Mae form Loan Documents with a conversion option or other interest rate change (automatic or otherwise), you must

- comply with the Loan Documents, and
- contact Multifamily Acquisitions.

You must use the following table to determine the conversion process.

For conversion of...	You must...
An ARM Loan or a SARM Loan to fixed rate	Comply with this Chapter.
A variable rate Mortgage Loan in a Structured Transaction to fixed rate	Comply with Part IV, Chapter 2: Rate Lock and Committing .
A Hybrid ARM Loan to the adjustable rate term	Comply with Part III, Chapter 12: Hybrid Adjustable Rate Mortgage (Hybrid ARM) Loans .
A variable rate Credit Enhancement Mortgage Loan to fixed rate	Comply with Part III, Chapter 18: Bond Transactions and Credit Enhancement Mortgage Loans .

Guidance

For information about the ARM Loan and SARM Loan conversion process, refer to [Frequently Asked Questions \(FAQs\) Exercising the Fixed Rate Conversion Option for an Adjustable Rate Mortgage Loan \(ARM Loan\) or a Structured ARM Loan \(SARM Loan\)](#).



Glossary

A

Adjustable Rate
Mortgage Loan

Mortgage Loan with an interest rate that periodically adjusts based on an Index per the Note or Loan Documents.

Synonyms

- ARM Loan
- Adjustable Rate Mortgage Loans
- ARM Loans

C

Credit Enhancement
Mortgage Loan

Mortgage Loan financed by a Bond issuance where Fannie Mae provides credit enhancement by

- a Credit Enhancement Instrument, or
- an MBS for Bonds.

Synonyms

- Credit Enhancement Mortgage Loans

H

Hybrid ARM Loan

Mortgage Loan with a total term of 30 years, comprised of an initial term when interest accrues at a fixed rate, and which automatically converts to a term where interest accrues at an adjustable rate.

Synonyms

- Hybrid ARM Loans

L



Loan Documents

All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

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
- Mortgage Loan's

Multifamily Acquisitions

Team that can be contacted at mf_acquisitions@fanniemae.com.

R

Rate Lock

Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks