



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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702.02 Minimum Conversion Debt Service Ratio

☒ Requirements

To convert...	You must...
A Mortgage Loan to a fixed rate	Confirm the Minimum Conversion Debt Service Ratio (per the Interest Rate Conversion Agreement) is met.
A Supplemental Mortgage Loan to a fixed rate	<p>Confirm the Minimum Conversion Debt Service Ratio is met using the sum of</p> <ul style="list-style-type: none">• the current annual combined debt service of all Pre-Existing Mortgage Loans (using the maximum interest rate for any variable rate Pre-Existing Mortgage Loan), plus• the annual debt service of the converted fixed rate Supplemental Mortgage Loan.



Glossary

I

Interest Rate Conversion Agreement	Document describing the terms and conditions when a Mortgage Loan interest rate may convert from an adjustable rate to a fixed rate.
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M

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

Pre-Existing Mortgage Loan	Multifamily residential real estate loan secured by Liens against the Property having higher priority than the Lien securing the Subordinate Loan purchased by Fannie Mae.
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Synonyms

- Pre-Existing Mortgage Loans

S

Supplemental Mortgage Loan	Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Date after, the Senior Mortgage Loan that is also owned by Fannie Mae.
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Synonyms

- Supplemental Mortgage Loans