



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 704.11 LIHTC Equity Bridge Loans

### ☒ Requirements

| LIHTC Equity Bridge Loan           | Requirements   |
|------------------------------------|--|
| Lender Eligibility                 | The LIHTC equity bridge lender must not be on ACheck.  |
| Repayment                          | Must be completely repaid on or before the final LIHTC equity payment associated with the Property's placed-in-service date. |
| Amount                             | Maximum of 80% of aggregate LIHTC equity contribution.   |
| Funding Conditions                 | No performance hurdles or Property performance benchmarks tied to bridge loan payments.                                      |
| Note                               | <ul style="list-style-type: none"><li>• Non-recourse to Borrower.</li><li>• Fixed or variable rate.</li></ul>                |
| Guaranty (Repayment or Completion) | Must be subordinated to any Guaranty in favor of Fannie Mae.   |

| Bridge Loan Collateral Types (multiple types allowed)                   | Bridge Lender Affiliated with You or LIHTC Investor | Bridge Lender Unaffiliated with You, LIHTC Investor, or Sponsor | Bridge Lender Affiliated with Sponsor |
|---|---|---|---------------------------------------|
| Assignment of Rights to Capital Contribution from LIHTC Equity Investor | Acceptable  | Acceptable  | Unacceptable                          |
| Assignment of Development Fee   | Acceptable  | Acceptable  | Acceptable                            |
| Subordinate Security Instrument   | Unacceptable  | Unacceptable  | Unacceptable                          |



| Bridge Loan Collateral Types (multiple types allowed)  | Bridge Lender Affiliated with You or LIHTC Investor | Bridge Lender Unaffiliated with You, LIHTC Investor, or Sponsor | Bridge Lender Affiliated with Sponsor   |
|--|---|---|---|
| Assignment of General or Limited Partnership Interests | Acceptable if Bridge Lender has LIHTC experience    | Acceptable if Bridge Lender has LIHTC experience                | <ul style="list-style-type: none"><li>• Acceptable for general partnership Interests</li><li>• Unacceptable for limited partnership Interests</li></ul> |
| Subordination Agreement                                | Conventional Form                                   | Conventional Form   | Affordable Form   |



# Glossary

## A

**ACheck** Lender due diligence performed for the Borrower, Key Principal, and Principal using the ACheck™ application.

**Synonyms**

- Applicant Experience Check

## B

**Borrower** Person who is the obligor per the Note.

**Synonyms**

- Borrowers
- Borrower's

## C

**Collateral** Property, Personal Property, or other property securing a Mortgage Loan.

## G

**Guaranty** Payment Guaranty, Non-Recourse Guaranty, or other guaranty by a Guarantor for the Mortgage Loan.

## I

**Investor** MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan.

**Synonyms**

- Investors
- Investor's

## L



**Lender** Person Fannie Mae approved to sell or service Mortgage Loans.

**Synonyms**

- Lenders
- Lender's

## N

**Note** Instrument evidencing a Mortgage Loan obligation, including

- [Form 6010 series](#),
- any other Fannie Mae-approved note, and
- all applicable
  - addenda,
  - schedules, and
  - exhibits.

**Synonyms**

- Notes

## P

**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

## S

**Security Instrument** Instrument creating a lien or encumbrance on 1 or more Properties and securing the Loan Document obligations.

**Synonyms**

- Security Instruments
- Security Instrument's



## Sponsor

Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).

### **Synonyms**

- Sponsors
- Sponsor's