Fannie Mae®

# Multifamily Selling and Servicing Guide

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## Section 1811 Moderate Rehabilitation Mortgage Loan with Side-by-Side Bond Financing

### Guidance

Fannie Mae may purchase a Moderate Rehabilitation Mortgage Loan for an MAH Property when the Borrower separately obtains side-by-side Bond financing. Since Fannie Mae does not credit enhance the Bonds, you may use your own outside counsel.

### Requirements

For a Moderate Rehabilitation Mortgage Loan with side-by-side Bond financing, you must ensure the Bonds

- have a shorter term than the Mortgage Loan,
- are fixed rate,
- are tax-exempt,
- are 100% secured by cash collateral, and
- are not secured by the MAH Property.

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# Glossary

## B

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|---|---|
| Bonds | Tax-exempt or taxable multifamily revenue bonds, or other tax-exempt or taxable bonds, issued to finance 1 or more Credit Enhancement Mortgage Loan Properties.<br><br>**Synonyms**<br>• Bond |
| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• Borrower's |

## C

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

## G

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|---|---|
| Guide | Multifamily Selling and Servicing Guide controlling all Lender and Servicer requirements unless a Lender Contract specifies otherwise.<br><br>**Synonyms**<br>• DUS Guide |

## M

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|---|---|
| Moderate Rehabilitation Property | Property that will undergo at least $8,000 per unit of Rehabilitation Work.<br><br>**Synonyms**<br>• Moderate Rehabilitation |

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|---|---|
| Mortgage Loan | Mortgage debt obligation evidenced, or when made will be evidenced, by<br>• the Loan Documents, or<br>• a mortgage debt obligation with a Fannie Mae credit enhancement.<br><br>**Synonyms**<br>• Mortgage Loans<br>• Mortgage Loan's |
| Multifamily Affordable Housing Property | Property that:<br>• complies with Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 702: MAH Property Eligibility; and<br>• is underwritten per Part III, Chapter 7: Multifamily Affordable Housing Properties.<br><br>**Synonyms**<br>• MAH<br>• Multifamily Affordable Housing<br>• MAH Property |

# P

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|---|---|
| Property | Multifamily residential real estate securing the Mortgage Loan, including the<br>• fee simple or Leasehold interest,<br>• Improvements, and<br>• personal property (per the Uniform Commercial Code).<br><br>**Synonyms**<br>• Properties<br>• Property's |