



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## **TABLE OF CONTENTS**

---

Part III Section 1911 Moderate Rehabilitation Mortgage Loan with Side-by-Side Bond Financing .....	3
GLOSSARY .....	4



## Section 1911

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

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#### 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.



# Glossary

## B

**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.

### **Synonyms**

- Bond

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

### **Synonyms**

- Borrowers
- Borrower's

## 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

## 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