



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 1903.07C Final Permanent Mortgage Loan Amount

### Requirements

You must ensure the permanent Mortgage Loan amount is less than or equal to the Forward Commitment.

### Operating Procedures

Steps	Actions
1	You must determine the permanent Mortgage Loan amount using the Forward Loan Conversion Analysis ( <a href="#">Form 4212</a> ).
2	If the Property's actual stabilized NCF before permanent Mortgage Loan Delivery is less than the original Forward Commitment underwriting, reduce the permanent Mortgage Loan amount to comply with the Forward Commitment DSCR and LTV.
3	If the permanent Mortgage Loan amount in Step 2 is less than the Forward Commitment Confirmation Mortgage Loan amount, verify the Borrower has secured a source of funds, whether debt or equity, to cover the difference.
4	Ensure any additional debt the Borrower incurs to cover the difference in Step 3, is only secured by a Lien on the Property if <ul style="list-style-type: none"><li>• it is an MAH Property, and</li><li>• the subordinate debt complies with <a href="#">Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 704: Subordinate Financing</a>.</li></ul>
5	If the permanent Mortgage Loan amount in Step 2 results in a loan curtailment, <ul style="list-style-type: none"><li>• the Borrower must close the permanent Mortgage Loan at the reduced amount, and</li><li>• you must Deliver the permanent Mortgage Loan at the reduced amount.</li></ul>



Steps	Actions
6	<p data-bbox="671 327 1453 443">If the Property qualifies for additional financing beyond the Forward Commitment Confirmation Mortgage Loan amount, submit via DUS Gateway:</p> <ul data-bbox="671 499 1406 696" style="list-style-type: none"><li data-bbox="671 499 1134 533">• a request for additional financing;</li><li data-bbox="671 539 1177 573">• your conversion documentation; and</li><li data-bbox="671 580 1406 696">• a comparative analysis showing the stabilized NCF is greater than the original Forward Commitment underwriting.</li></ul> <p data-bbox="671 748 1437 902">A new pre-conversion Appraisal is not required if the pre-construction Appraised Value and permanent Mortgage Loan amount comply with the Forward Commitment maximum LTV.</p>
7	<p data-bbox="671 938 1406 1014">Any increase in the permanent Mortgage Loan amount approved by Fannie Mae will:</p> <ul data-bbox="671 1066 1453 1305" style="list-style-type: none"><li data-bbox="671 1066 1358 1140">• be limited to the Maximum Loan Amount Increase percentage per the Forward Commitment;</li><li data-bbox="671 1146 1453 1220">• be made on the currently available terms and conditions; and</li><li data-bbox="671 1227 1453 1305">• not be approved simply because construction costs, cost overruns, or change orders were higher than expected.</li></ul>



# Glossary

## A

### Appraisal

Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value

- as of a specific date, and
- supported by the presentation and analysis of relevant market information.

#### **Synonyms**

- Appraisals
- Appraisal's

### Appraised Value

Appraiser's opinion of the Property's market value documented in the Appraisal, on an "as is" basis, unless use of an "as completed" basis is specifically permitted per the Guide.

#### **Synonyms**

- Appraised Values

## B

### Borrower

Person who is the obligor per the Note.

#### **Synonyms**

- Borrowers
- Borrower's

## D



## Delivery

Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Mae's satisfaction.

### **Synonyms**

- Deliver
- Delivered
- Deliveries

## DUS Gateway

Multifamily pre-acquisition system, or any successor systems, recording deal registration, Pre-Review and/or waiver tracking, Mortgage Loan Commitments, and decision records.

## **F**

### Forward Commitment

Commitment to purchase a permanent Mortgage Loan for a to-be constructed or rehabilitated Property.

### **Synonyms**

- Forward Commitment's
- Forward Commitments

## **L**

### Lien

Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

### **Synonyms**

- Liens

## **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