Fannie Mae®

# Multifamily Selling and Servicing Guide

## Effective as of November 16, 2026

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## 704.01 Eligibility

### Operating Procedures

To renew an ARM 5/5 Loan for a second 5-year adjustable rate term:

| Timing before the initial Maturity Date | You must... |
|---|---|
| At least 180 days | • Notify Multifamily Asset Management that the ARM 5/5 Loan will be renewed for the second 5-year adjustable rate term.<br>• Confirm the ARM 5/5 Loan complies with Part III, Chapter 10: Adjustable Rate Mortgage (ARM) Loans, Section 1004: ARM 5/5 Loan Optional 5-Year Adjustable Rate Term Renewal Eligibility.<br>• Include preliminary DSCR and LTV calculations.<br>• Estimate the starting interest rate for the second 5-year adjustable rate term, including the new Investor spread. |
| At least 30 days | Provide Multifamily Asset Management with:<br><br>• an updated ARM 5/5 Loan eligibility confirmation;<br>• current DSCR and LTV calculations; and<br>• an estimate of the starting interest rate for the second 5-year adjustable rate term, including the new Investor spread. |

# Glossary

## D

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|---|---|
| Debt Service Coverage Ratio | On an annual basis or any specified period, the ratio of Net Cash Flow to the total of: principal, interest, and required Mezzanine Financing or Hard Pay Preferred Equity payments.<br><br>**Synonyms**<br>• DSCR |

## 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 |

## I

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|---|---|
| Investor | MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan.<br><br>**Synonyms**<br>• Investors<br>• Investor's |
| Investor Spread | Required spread above the Index (excluding the Guaranty Fee and Servicing Fee) charged by the Investor purchasing the:<br>• Mortgage Loan; or<br>• MBS Mortgage Loan. |

## L

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|---|---|
| Loan-to-Value Ratio | Ratio of the actual aggregate UPB of the Mortgage Loan, plus any Pre-Existing Mortgage Loans, plus any Hard Pay Preferred Equity, plus any Mezzanine Financing, to the value of the Property, expressed as a percentage.<br><br>**Synonyms**<br>• LTV<br>• LTV Ratio |

## M

| | |
|---|---|
| Maturity Date | Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.<br><br>**Synonyms**<br>• Maturity Dates |
| Multifamily Asset Management | Team that can be contacted at drawer_am@fanniemae.com. |