



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Chapter 8 In Place Loans

### Section 801 Eligibility

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#### Requirements

A Portfolio Mortgage Loan is eligible to be refinanced with an In Place Loan if the Property:

- operations were stable or trended positively during the 12 months before refinancing; and
- complies with the Guide other than meeting the Tier 2 underwriting requirements.

#### Guidance

To refinance a Portfolio Mortgage Loan with an In Place Loan:

Topic	Should...
Portfolio Mortgage Loan	Have a timely payment history during the 12 months before refinance.
Borrower	<ul style="list-style-type: none"><li>• Have a satisfactory relationship with Fannie Mae.</li><li>• Not be able to refinance the Portfolio Mortgage Loan on commercially viable terms outside Fannie Mae.</li><li>• Not have had any unauthorized transfers or changes of ownership interest.</li></ul>
Property	<ul style="list-style-type: none"><li>• Have a<ul style="list-style-type: none"><li>- most recent Property condition rating of 1, 2, or 3 per <a href="#">Part II, Chapter 4: Inspections and Reserves, Section 401: Site Inspection</a>, or</li><li>- special exception from Fannie Mae.</li></ul></li><li>• Only require repairs that can reasonably be made with refinancing proceeds.</li><li>• Have no unauthorized Liens.</li></ul>



Topic	Should...
You	<ul style="list-style-type: none"><li>• Have loss sharing on the Portfolio Mortgage Loan.</li><li>• Document in the Transaction Approval Memo that refinancing will<ul style="list-style-type: none"><li>- reduce the Portfolio Mortgage Loan's credit risk, and</li><li>- not merely delay a foreclosure that may increase losses.</li></ul></li></ul>

Fannie Mae may also require:

- Property improvements to increase cash flow;
- Property management changes;
- increased Replacement Reserves; or
- other risk-mitigating terms.

## Section 802

### Representations

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#### Requirements

Unless modified by this Chapter, you must provide the same selling and servicing representations and warranties required for a newly originated Mortgage Loan.



# Glossary

## B

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

### **Synonyms**

- Borrowers
- Borrower's

## G

**Guide** Multifamily Selling and Servicing Guide that:

- controls all Lender and Servicer requirements unless a Lender Contract specifies otherwise; and
- includes any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented.

### **Synonyms**

- DUS Guide

## I

**In Place Loan** Mortgage Loan refinancing a Portfolio Mortgage Loan that does not meet Tier 2 underwriting requirements.

### **Synonyms**

- In Place Loans

## 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



Portfolio Mortgage  
Loan

Mortgage Loan purchased by Fannie Mae and held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

**Synonyms**

- Portfolio Mortgage Loans
- Portfolio Mortgage Loan's

Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

**Synonyms**

- Properties
- Property's