



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 801

### Eligibility

#### 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.



# 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

## 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