



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of July 24, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part V Section 416.08 Capitalization Rate Derivation 3

GLOSSARY 4



416.08 Capitalization Rate Derivation

For any required Capitalization Rate Derivation, the Servicer must:

- comply with [Part II, Chapter 2: Valuation and Income, Section 202.02A: Appraiser Selection](#); and
- ensure the Capitalization Rate Derivation:
 - includes:
 - a capitalization rate derivation;
 - market analysis;
 - sales comparables; and
 - an analysis of property-specific characteristics;
 - describes capitalization rate pressures;
 - evaluates factors applying upward or downward pressure on capitalization rates, including:
 - market volatility;
 - investor demand;
 - property supply; and
 - rental growth projections;
 - is signed by the Appraiser;
 - includes the Appraiser's qualifications; and
 - is certified by the Appraiser to conform with current USPAP requirements.



Glossary

A

Appraiser Person engaged to estimate a Property's market value per USPAP.

Synonyms

- Appraiser's
- Appraisers

C

Capitalization Rate Derivation Independent determination of the appropriate capitalization rate for a specific Property.

Synonyms

- Cap Rate Study

S

Servicer Primary Person servicing the Mortgage Loan, including

- the originator,
- seller, or
- a third party.

Synonyms

- Servicers
- Servicer's

U

USPAP Uniform Standards of Professional Appraisal Practice