



Multifamily Selling and Servicing Guide

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Section 301

Description

Requirements

A Moderate Rehabilitation Mortgage Loan is secured by a Property that will undergo at least \$8,000 per unit of Rehabilitation Work. This Chapter does not apply to Properties with a lesser amount of rehabilitation work.

Product Description	
Minimum Per Unit Cost for Rehabilitation Work	<p>\$8,000 per unit:</p> <ul style="list-style-type: none">• based on the total number of residential units at the Property, not the number of units being rehabilitated; and• includes the estimated cost of all Completion/Repairs identified in the PCA (or MBA Master Inspection Form, if applicable).
Rehabilitation Timing	<p>The Rehabilitation Work must be completed as follows:</p> <ul style="list-style-type: none">• items identified as Completion/Repairs in the PCA, per Part II, Chapter 4: Inspections and Reserves, Section 403: Completion/Repairs;• Efficiency Measures qualifying for a Green Rewards Mortgage Loan, per Part III, Chapter 4: Green Mortgage Loans;• if the Moderate Rehabilitation Mortgage Loan meets the requirements for using the Appraised Value on an as completed basis (per Part II, Chapter 2: Valuation and Income, Section 201: Market and Valuation), then the Rehabilitation Work may be completed after the 12-month period, but not later than 36 months after the Mortgage Loan Origination Date; and• all other Rehabilitation Work, in a timely manner, but not later than 36 months after the Mortgage Loan Origination Date.



Product Description	
Completion/Repair Escrows	For Completion/Repairs identified in aPCA, if you require full or partial funding of a Completion/Repair Escrow, any higher funding amount you require above the estimated cost of Completion/Repairs must be funded.
Mezzanine Financing	If the Rehabilitation Work is funded through Mezzanine Financing, you must also comply with Part III, Chapter 16: Mezzanine Financing and Preferred Equity .



Glossary

A

Appraised Value Appraiser’s opinion of the market value of the Property documented in the Appraisal, on an “as is” basis, unless use of an “as completed” basis is specifically permitted by the Guide.

Synonyms

- Appraised Values

C

Completion/Repair Escrow Custodial Account established by the Lender and initially funded by an escrow deposit from the Borrower on the Mortgage Loan Origination Date to complete Completion/Repairs or other capital improvements at the Property.

Completion/Repairs Immediate Repairs identified by the Property Condition Assessment and required by the Lender to be included in the Completion/Repair Agreement (or a Certificate of Borrower, if applicable).

Synonyms

- Completion/Repair

E

Efficiency Measures Energy- and water-efficiency measures that the Borrower agrees to implement, and which project a reduction in the Property’s annual energy or water consumption.

Synonyms

- Efficiency Measure

M

MBA Mortgage Bankers Association



Mezzanine Financing Subordinate debt financing provided to a direct or indirect owner of a Borrower that is secured by a pledge of the direct or indirect equity interest in the Borrower held by the owner, and not by a Lien on the Property.

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 Origination Date Date the Lender funds a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

P

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

R

Rehabilitation Work Aggregate repairs, replacements, or improvements (including all Completion/Repairs) required to be performed and completed within a specified time period after the Mortgage Loan Origination Date for a Moderate Rehabilitation Property.