



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## Section 304

## Supplemental Mortgage Loans

### Requirements

Moderate Rehabilitation Supplemental Mortgage Loans must comply with [Part III, Chapter 14: Supplemental Mortgage Loans](#), except as modified by this Section.

Supplemental Mortgage Loans	
Origination Date	<ul style="list-style-type: none"><li>• Must be originated within 36 months of the Moderate Rehabilitation Mortgage Loan's Origination Date.</li><li>• Require no minimum period to elapse provided the minimum Rehabilitation Work is completed at the Property after origination of the Moderate Rehabilitation Mortgage Loan.</li></ul>
Loan Term	Must be coterminous with the Moderate Rehabilitation Mortgage Loan.
Completed Rehabilitation Work	<ul style="list-style-type: none"><li>• Completed Rehabilitation Work or other repairs, replacements, or improvements must comply with this Chapter.</li><li>• You must document evidence of the<ul style="list-style-type: none"><li>- qualifying scope of work completed at the Property, and</li><li>- cost of work and improvements to the Property verified by you.</li></ul></li></ul>
Site inspection	You must perform a site inspection if the qualifying work was not completed pursuant to a Completion/Repair Schedule or a Rehabilitation Reserve Agreement. This requirement may be satisfied if the most recent asset management site inspection was conducted after the required work was completed at the Property.
Rate Lock	Are not eligible for the Streamlined Rate Lock option.



# Glossary

## C

Completion/Repair Schedule

The Required Repair Schedule to the Multifamily Loan Agreement ([Form 6001 series](#)) and the applicable parts of the Multifamily Loan Agreement, or other Fannie Mae-approved agreement, evidencing:

- the Borrower's agreement to
  - fund the Completion/Repair Escrow, and
  - perform Completion/Repairs; and
- Completion/Repair Escrow disbursement terms.

### Synonyms

- Completion/Repair Schedules

## 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

Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

### Synonyms

- Properties
- Property's

## R



## Rate Lock

Agreement between you and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

### **Synonyms**

- Rate Locks

## Rehabilitation Reserve Agreement

Borrower's agreement to undertake identified Rehabilitation Work, the terms for funding the Rehabilitation Work, and the disbursement of funds from the Rehabilitation Reserve Account (e.g., [Form 6222](#) or [Form 4523](#)).

## 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.