Fannie Mae®

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 13: Supplemental Mortgage Loans, except as modified by this Section.

Supplemental Mortgage Loans	
Origination Date	• Must be originated within 36 months of the Moderate Rehabilitation Mortgage Loan's Origination Date. • Requireno minimum period to elapse provided the minimum Rehabilitation Work is completed at the Property after origination of the Moderate Rehabilitation Mortgage Loan.
Loan Term	Must be coterminous with the Moderate Rehabilitation Mortgage Loan.
Completed Rehabilitation Work	• Completed Rehabilitation Work or other repairs, replacements, or improvements must comply with this Chapter. • You must document evidence of the - qualifying scope of work completed at the Property, and - cost of work and improvements to the Property verified by you.
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 Borrowers agreement to - fund the Completion/Repair Escrow, and - perform Completion/Repairs; and • Completion/Repair Escrow disbursement terms. **Synonyms** • Completion/Repair Schedules
Completion/Repairs	Repairs or capital item replacements and deferred maintenance: • identified per the Property Condition Assessment; and • required per the - Completion/Repair Schedule, or - Completion/Repair Agreement. **Synonyms** • Completion/Repair

I

Improvements	Buildings, structures, improvements, and alterations, including the multifamily housing dwellings, now or hereafter constructed or placed on the Property, including all fixtures (as defined in the UCC). **Synonyms** • Improvements'

M

Moderate Rehabilitation Property	Property that will undergo at least $8,000 per unit of Rehabilitation Work. **Synonyms** • Moderate Rehabilitation
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
Mortgage Loan Origination Date	Date you fund a Mortgage Loan to the Borrower. **Synonyms** • Mortgage Loan's Origination Date • Origination Date

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	Borrowers 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.
Replacements	Capital item replacements and major maintenance needs identified by the Property Condition Assessment or otherwise required. **Synonyms** • Replacement

S

Supplemental Mortgage Loan	Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Date after, the Senior Mortgage Loan that is also owned by Fannie Mae. **Synonyms** • Supplemental Mortgage Loans