



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## TABLE OF CONTENTS

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Part III Section 905.02 Underwritten DSCR .....	3
GLOSSARY .....	4



## 905.02 Underwritten DSCR

### Requirements

You must calculate Underwritten DSCR per the following table.

UNDERWRITTEN DSCR <sup>1,2</sup>		
Item	Function	Description
1		Underwritten NCF as calculated in <a href="#">Part III, Chapter 9: Small Mortgage Loans, Section 905.01: Small Mortgage Loan Underwritten NCF (Underwritten NCF)</a> .
2	DIVIDED BY	Annual debt service for the Mortgage Loan amount.  You must base debt service on a level debt service payment, including amortization, and the greater of <ul style="list-style-type: none"><li>• the actual note rate, or</li><li>• the required Underwriting Interest Rate Floor.<sup>3</sup></li></ul>

1 For a Small Mortgage Loan secured by an MAH Property underwritten per this Chapter, you must comply with the minimum DSCR requirement for an MAH Property per Form 4660 .

2 For shorter amortization terms, you must

- calculate the Underwritten DSCR based on the shorter period, and
- comply with the minimum DSCR requirement per Form 4660 .

The mandatory NRI adjustments in [Part II, Chapter 2: Valuation and Income](#), for Properties with declining NRI do not apply.

3 For a Small Mortgage Loan secured by an MAH Property underwritten per this Chapter, you must comply with the required Underwriting Interest Rate Floor for an MAH Property per Form 4660 .



# Glossary

## F

Form 4660

Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the underwriting requirements (e.g., debt service coverage ratio, loan to value ratio, interest only, underwriting floors, etc.) for all Mortgage Loans.

### Synonyms

- Multifamily Underwriting Standards

## 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

## S



## Small Mortgage Loan

Mortgage Loan with an original loan amount less than or equal to \$9 million.

### **Synonyms**

- Small Mortgage Loans