



Multifamily Selling and Servicing Guide

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Section 911 Credit Reports

911.01 Credit Report

Requirements

Within 90 days before the Commitment Date, you must obtain credit reports for all individual

- Borrowers,
- Key Principals,
- Guarantors, and
- Principals

from at least 2 of the following credit information services:

- Equifax;
- Experian; or
- TransUnion.

911.02 FICO Scoring

Requirements

You must ensure that all individual Borrowers, Key Principals, Guarantors, and Principals meet the Minimum FICO Requirement in Form 4660.

Guidance

To determine that the Minimum FICO Requirement is met, follow these guidelines:

| If... | Then... |
|--|--------------------------------|
| You obtain credit reports from 2 of the 3 credit information services for a Borrower, Key Principal, Guarantor, or Principal | Use the lower of the 2 scores. |
| You obtain credit reports from all 3 credit information services, for a Borrower, Key Principal, Guarantor, or Principal | Use the middle score. |



| If... | Then... |
|--|--|
| A Borrower, Key Principal, or Principal is married to another Borrower, Key Principal, Guarantor, or Principal | Use the lower FICO score of the 2 married individuals. |
| A Small Mortgage Loan has multiple individual Borrowers, Key Principals, Guarantors, or Principals | Use the average of their respective FICO scores. |

911.03 Reviewing the Credit Report

Requirements

You must analyze the credit report for each individual Borrower, Key Principal, Guarantor, and Principal.

If the answer to any of the following Guidance questions is “yes”, then the Borrower, Key Principal, Guarantor, or Principal must give you satisfactory explanations, even if they meet the Minimum FICO Requirement.

Guidance

As you analyze the credit report, consider the following questions:

- Have any mortgage late payments occurred in the previous 36 months?
- Have any revolving or installment late payments occurred within the previous 12 months?
- Do you consider any of the credit card or other unsecured debt balances excessive?
- Have any tax liens been filed or reported within the previous 5 years?
- Have any discharged bankruptcies or mortgage foreclosures occurred within the previous 10 years?
- Are there any outstanding judgments or collections higher than \$5,000?



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

C

Commitment Date Date a Commitment is confirmed by Fannie Mae as described in [Part IV A, Chapter 3: Committing](#).

F

Form 4660 Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the minimum 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

G

Guarantor Key Principal or other Person who executes a Payment Guaranty, a Non-Recourse Guaranty, or any other guaranty in connection with the Mortgage Loan.

Synonyms

- Guarantors

K



Key Principal

Person(s) who control and/or manage the Borrower or the Property, are critical to the successful operation and management of the Borrower and the Property, and who may be required to provide a Guaranty.

Synonyms

- Key Principals

P

Principal

Person who owns or controls specified interests in the Borrower per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors.

Synonyms

- Principals

S

Small Mortgage Loan

Mortgage Loan with an original loan amount less than or equal to \$6 million and underwritten per Part III, Chapter 9: Small Mortgage Loans.

Synonyms

- Small Mortgage Loans