Fannie Mae®

# Multifamily Selling and Servicing Guide

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## 404.01 When to Perform a PCA

### ☑ Requirements

Before the Commitment Date, you must:

- complete a PCA for each Property unless it is a Supplemental Mortgage Loan that complies with Part III, Chapter 13: Supplemental Mortgage Loans, Section 1302.05: Streamlined Underwriting; and
- ensure all:
  - Potential Red Flags for Mortgage Fraud and Other Suspicious Activity were considered; and
  - unresolved red flags were reported per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 310: Compliance.

# Glossary

## B

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| Borrower | Person who is the obligor per the Note.<br><br>**Synonyms**<br>• Borrowers<br>• Borrower's |

## C

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|---|---|
| Commitment | Contractual agreement between you and Fannie Mae where Fannie Mae agrees to buy a Mortgage Loan at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and you agree to Deliver that Mortgage Loan.<br><br>**Synonyms**<br>• Committed<br>• Commitments |
| Commitment Date | Date a Commitment is confirmed by Fannie Mae per Part IV, Chapter 2: Rate Lock and Committing, Section 204: Commitments. |

## G

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|---|---|
| Guarantor | Key Principal or other Person executing a<br>• Payment Guaranty,<br>• Non-Recourse Guaranty, or<br>• any other Mortgage Loan guaranty.<br><br>**Synonyms**<br>• Guarantors |

## K

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|---|---|
| Key Principal | Person who<br>• controls and/or manages the Borrower or the Property,<br>• is critical to the successful operation and management of the Borrower and the Property, and/or<br>• may be required to provide a Guaranty.<br><br>**Synonyms**<br>• Key Principals<br>• Key Principal's |

# M

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|---|---|
| Mortgage Loan | Mortgage debt obligation evidenced, or when made will be evidenced, by<br>• the Loan Documents, or<br>• a mortgage debt obligation with a Fannie Mae credit enhancement.<br><br>**Synonyms**<br>• Mortgage Loans<br>• Mortgage Loan's |

# P

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|---|---|
| Principal | Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), specified interests in the Borrower per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors.<br><br>**Synonyms**<br>• Principals |

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|---|---|
| Property | Multifamily residential real estate securing the Mortgage Loan, including the<br>• fee simple or Leasehold interest,<br>• Improvements, and<br>• personal property (per the Uniform Commercial Code).<br><br>**Synonyms**<br>• Properties<br>• Property's |
| Property Condition Assessment | Assessment of the Property's physical condition and historical operation.<br><br>**Synonyms**<br>• PCA<br>• PNA<br>• Physical Needs Assessment<br>• PCAs |

# 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.<br><br>**Synonyms**<br>• Supplemental Mortgage Loans |