



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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702.02 Ineligible Characteristics and Underwriting

Requirements

You must not underwrite or price the Property as an MAH Property if it has:

- less than 3 years of rent or income restrictions remaining on the Affordable Regulatory Agreement and is expected to transition to market rents during the term of the Mortgage Loan; or
- 3 or more years of LIHTC restrictions remaining, but the Borrower intends to enter into the Qualified Contract Process (per Section 42 of the Internal Revenue Code) within 3 years after the Mortgage Loan Origination Date.

Operating Procedures

If a Property will have existing rent, income, and/or occupancy restrictions when you Deliver the Mortgage Loan, you must indicate the “MAH type” in C&D under “Other Attributes”, even if you cannot underwrite the Property as an MAH Property or Affordable Preservation Transaction per this Section 702.02: Ineligible Characteristics and Underwriting.



Glossary

A

Affordable Regulatory Agreement

Regulatory, land use, extended use, or similar agreement or recorded restriction limiting rents, imposing maximum income restrictions on tenants, or placing other affordability restrictions on the use or occupancy of the Property (whether imposed by a government entity or self-imposed by a Borrower per the Sponsor-Initiated Affordability Agreement ([Form 6490](#))).

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

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

Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

P



Preservation	Renewal or continuation of rent, income and/or occupancy restrictions on multifamily rental housing eligible as an MAH Property, but <ul style="list-style-type: none">• is potentially at risk of being lost from the affordable housing inventory through conversion to market-rate housing, and• is not receiving new LIHTCs.
Property	Multifamily residential real estate securing the Mortgage Loan, including the <ul style="list-style-type: none">• fee simple or Leasehold interest,• Improvements, and• personal property (per the Uniform Commercial Code).
Synonyms <ul style="list-style-type: none">• Properties• Property's	