



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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704.05 Subordinate Lender

☒ Requirements

If the Lender type is...	Then...
Public / Quasi-Public / Not-for-Profit Lender	<p>A subordinate loan provided by a public, quasi-public, or not-for-profit Lender may</p> <ul style="list-style-type: none">• be Soft Financing, or• require mandatory payments of P&I, or interest-only.
Private Lender	<p>You must ensure that any subordinate financing originated by a private, for-profit Lender is Soft Financing per Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 704.04: Soft Financing.</p>



Glossary

L

Lender Person Fannie Mae approved to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

P

P&I Principal and interest