Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of October 26, 2026

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704.09 Form of Loan Documents for Third-Party Financings

☑ Requirements

You must confirm the loan documents for the Third-Party Financing:

- comply with this Chapter; and
- do not require the Borrower to maximize rents at the Property, even if the Property is subject to
  - an Affordable Regulatory Agreement, or
  - any Private Affordability Agreement.

Glossary

A

Affordable Regulatory Agreement	Recorded or unrecorded regulatory, land use, extended use, restrictive covenant, or similar agreement or restriction that is imposed by a Public Entity, placing rent, income, or other affordability restrictions on the use or occupancy of the Property, but which does not include a HAP Contract. **Synonyms** • Affordable Regulatory Agreements

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

L

Loan Documents	All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan. **Synonyms** • Loan Document • Mortgage Loan Document • Mortgage Loan Documents

P

Private Affordability Agreement	Recorded or unrecorded regulatory, land use, extended use, restrictive covenant, agreement, or restriction that is imposed by any non-Public Entity, placing rent, income, or other affordability restrictions on the use or occupancy of the Property. **Synonyms** • Private Affordability Agreements
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

T

Third-Party Financing	Any loan to, or indebtedness of, a Borrower that: • is not a Supplemental Mortgage Loan or Pre-Existing Mortgage Loan; and • either: - requires repayment by the Borrower; or - is forgiven (over time or at maturity) subject to Borrower compliance with certain covenants or conditions.