



# Multifamily Selling and Servicing Guide

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## 706.01 Generally

### Requirements

You must ensure that any ROAR Loan:

- is a Mortgage Loan or Credit Enhancement Mortgage Loan using a Credit Enhancement Instrument;
- has a fixed rate;
- has a minimum Mortgage Loan amount of \$5 million;
- currently has Stabilized Residential Occupancy, but will likely experience tenant displacement significant enough to lower the Underwritten DSCR, calculated using the Gross Note Rate, below the required DSCR set forth in Form 4660; and
- is secured by an MAH Property
  - that will undergo repairs, replacements, or improvements costing \$10,000 per unit or more (based on the total number of residential units at the Property), or qualifies as a Moderate Rehabilitation Property, and
  - the repairs and improvements will be completed within 18 months after the Mortgage Loan Origination Date.



# Glossary

## C

Credit Enhancement Instrument

Agreement between Fannie Mae and a Bond Trustee where Fannie Mae provides credit enhancement of a Credit Enhancement Mortgage Loan, Bonds issued to finance a Credit Enhancement Mortgage Loan, or an Interest Rate Hedge Agreement; and if applicable, a Bond liquidity facility.

**Synonyms**

- Credit Enhancement Instruments

Credit Enhancement Mortgage Loan

Mortgage Loan underwritten and serviced by the Lender and financed by the issuance of Bonds where Fannie Mae is providing a Credit Enhancement Instrument.

**Synonyms**

- Credit Enhancement Mortgage Loans

## 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

Gross Note Rate

Interest rate stated in the Loan Documents.

## M



Moderate Rehabilitation Property

Property that will undergo at least \$8,000 per unit of Rehabilitation Work.

**Synonyms**

- Moderate Rehabilitation

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 Origination Date

Date the Lender funds a Mortgage Loan to the Borrower.

**Synonyms**

- Mortgage Loan's Origination Date
- Origination Date

## P

Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

**Synonyms**

- Properties
- Property's

## R

ROAR Loan

Reduced Occupancy Affordable Rehabilitation Loan

## S



Stabilized Residential  
Occupancy

Percentage of Property units physically occupied by Qualified Occupants, per [Part II, Chapter 1: Attributes and Characteristics, Section 104.02: Qualified Occupants](#) as adjusted for the applicable Part III products and features.