Fannie Mae®

# Multifamily Selling and Servicing Guide

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## 706.03 General Underwriting

### Guidance

In addition to complying with Part III, Chapter 3: Moderate Rehabilitation Mortgage Loans, you should also review and evaluate the:

- Sponsors experience developing or rehabilitating properties similar to the ROAR Property;
- tenant relocation plan, including budget and schedule;
- ROAR Work budget, including monthly sources and uses during the rehabilitation period;
- likelihood of any construction risks;
- LIHTC investors
  - financial strength,
  - experience, and
  - reputation; and
- projected rent levels relative to market rents.

# Glossary

## I

| | |
|---|---|
| Investor | MBS Investor for an MBS Mortgage Loan, or Fannie Mae for a Cash Mortgage Loan.<br><br>**Synonyms**<br>• Investors<br>• Investor's |

## L

| | |
|---|---|
| Low-Income Housing Tax Credit | Federal program offering tax credits to owners of eligible properties that contain low-income occupants and rent restrictions.<br><br>**Synonyms**<br>• Low-Income Housing Tax Credits<br>• Low Income Housing Tax Credits<br>• LIHTC<br>• LIHTCs |

## M

| | |
|---|---|
| Moderate Rehabilitation Property | Property that will undergo at least $8,000 per unit of Rehabilitation Work.<br><br>**Synonyms**<br>• Moderate Rehabilitation |
| 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 |

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# P

| | |
|---|---|
| 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 |

# R

| | |
|---|---|
| Reduced Occupancy Affordable Rehabilitation Work | Aggregate repairs, replacements, or improvements being performed at the ROAR Property.<br><br>**Synonyms**<br>• ROAR Work |

# S

| | |
|---|---|
| Sponsor | Principal equity owner and/or primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).<br><br>**Synonyms**<br>• Sponsors<br>• Sponsor's |

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