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:

- Sponsor's 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. **Synonyms** • Investors • 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. **Synonyms** • Low-Income Housing Tax Credits • Low Income Housing Tax Credits • LIHTC • LIHTCs

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's

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P

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

R

Reduced Occupancy Affordable Rehabilitation Work	Aggregate repairs, replacements, or improvements being performed at the ROAR Property. **Synonyms** • 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). **Synonyms** • Sponsors • Sponsor's

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