

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

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TABLE OF CONTENTS

Part III Section 706.04 Additional Underwriting and Loan Documents	. 3
GLOSSARY	. 5

Effective: 12/01/2025



706.04 Additional Underwriting and Loan Documents

✓ Requirements

You must underwrite the ROAR Loan per the following table.

Topic	Description
Underwritten NCF	GPR must comply with Part III, Chapter 7: Multifamily Affordable Housing Properties, Section 703.01: Underwritten NCF; Underwritten NCF can be based on the Restabilized Residential Occupancy and normalized operating expenses achievable within 18 months after the Mortgage Loan Origination Date.
Appraisal	The Appraisal must include an opinion of the Property's market valueon both an "as is" and an "as completed" basis that incorporates the ROAR Work to be completed after the Mortgage Loan Origination Date.
Occupancy During ROAR Work	Physical Occupancy: minimum of 50%; and Economic Occupancy: minimum of 50%.
Minimum DSCR During ROAR Work	Using the ROAR Stressed NCF, actual fixed interest rate, and maximum loan amount based on the "as completed" value • 0.75 on an amortizing basis, or • 1.00 on an interest-only basis, if applicable.
Rehabilitation Reserve Agreement	Required.
Key Principal Guaranties	The Key Principal must execute a • Completion Guaranty (Form 6018), and • an operating deficit guaranty.

Effective: 12/01/2025



Topic	Description
Letter of Credit	Any Letter of Credit must:
	 comply with Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit; and equal at least 125% of the difference between the maximum Mortgage Loan amount based on the "as completed" value, and the "as is" value.
Additional Credit Support	May be required.
Underwriting Fee	You must:
	 charge the Borrower an underwriting fee equal3 basis points of the Mortgage Loan amount; and pay that amount to Fannie Mae.

Effective: 12/01/2025



Glossary

A

Appraisal

Written statement independently and impartially prepared by a qualified Appraiser stating an opinion of the Property's market value

- · as of a specific date, and
- supported by the presentation and analysis of relevant market information.

Synonyms

- Appraisals
- Appraisal's

B

Borrower

Person who is the obligor per the Note.

Synonyms

- Borrowers
- · Borrower's

G

Guaranty

Payment Guaranty, Non-Recourse Guaranty, or other guaranty by a Guarantor for the Mortgage Loan.

K

Key Principal

Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or

Effective: 12/01/2025

• may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

L



Letter of Credit

Letter of Credit approved by Fannie Mae per Part I, Chapter 2: Mortgage Loan, Section 204: Letters of Credit.

Synonyms

- Letters of Credit
- · Letter of Credit's
- LOC
- LOCs

M

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

Mortgage Loan Origination Date

Date you fund a Mortgage Loan to the Borrower.

Synonyms

- Mortgage Loan's Origination Date
- Origination Date

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).

Effective: 12/01/2025

Synonyms

- Properties
- Property's

R



Rehabilitation Reserve

Agreement

Borrower's agreement to undertake identified Rehabilitation Work, the terms for funding the

Rehabilitation Work, and the disbursement of funds from the Rehabilitation Reserve Account (e.g., Form 6222 or

Form 4523).

Restabilized

Residential Occupancy

Achievement of Underwritten NCF for 3 consecutive

months after completion of the ROAR Work.

ROAR Loan

Reduced Occupancy Affordable Rehabilitation Loan

ROAR Stressed NCF

Minimum Underwritten NCF projected to occur during

Effective: 12/01/2025

the ROAR Work period at a ROAR Property.