



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of December 1, 2025

No portion of this Multifamily Selling and Servicing Guide may be reproduced in any form or by any means without Fannie Mae's prior written permission, except as may be provided herein or unless otherwise permitted by law. Limited permission to reproduce this Multifamily Selling and Servicing Guide in print, in whole or in part, and limited permission to distribute electronically parts of this Multifamily Selling and Servicing Guide, are granted to Fannie Mae-approved Lenders strictly for their own use in originating and selling multifamily Mortgage Loans to, and servicing multifamily Mortgage Loans for, Fannie Mae. Fannie Mae may revoke this limited permission by sending 60 days advance written notice to any or all Fannie Mae-approved Lenders.



TABLE OF CONTENTS

Part III Section 803.03 Subordinate Debt 3

GLOSSARY 4



803.03 Subordinate Debt

Requirements

You must ensure that any existing debt secured by a Lien on a Cooperative Property complies with [Part III, Chapter 13: Supplemental Mortgage Loans, Section 1302: Supplemental Mortgage Loans](#). You must also calculate the

- Underwritten DSCR per [Part III, Chapter 8: Cooperative Properties, Section 804.02: Cooperative Market Rental Basis DSCR \(Underwritten DSCR\)](#), and
- Actual Cooperative DSCR per [Part III, Chapter 8: Cooperative Properties, Section 804.04: Actual Cooperative Property DSCR](#).



Glossary

C

Cooperative Market Rental Basis Financial analysis or valuation of a Cooperative Property conducted as if it were operated as a conventional multifamily property subject to applicable rental restrictions.

Cooperative Property Multifamily residential property owned by a Cooperative Organization.

Synonyms

- Co-op
- Cooperative

L

Lien Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind.

Synonyms

- Liens