



Fannie Mae®

Multifamily Selling and Servicing Guide

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1602.01C Eligible Mortgage Loans

Requirements

Mortgage Loans with Preferred Equity structures must:

- be newly originated;
- be fixed rate; and
- for Hard Preferred Equity,
 - have an original principal balance of at least \$10 million, and
 - be flagged for MBS additional disclosure per [Form 4098](#).



Glossary

M

MBS Mortgage-Backed Security

P

Preferred Equity A direct or indirect equity investment in an entity providing that investor with preferred rights to receive dividends, distributions, payments, or returns relative to other equity owners.