



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of March 31, 2025

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1602.02 Underwriting

Requirements

For any Mortgage Loan with Preferred Equity, you must comply with the following table.

Topic	Requirements
Guaranty	<p>If the holder of the Preferred Equity benefits from a guaranty or similar indemnity that contains recourse events or similar obligations not otherwise contained in the Loan Documents, you must</p> <ul style="list-style-type: none">• submit the modifications to Fannie Mae for review and approval, and• if approved by Fannie Mae, add the events or obligations to the appropriate Loan Document.
Refinance Analysis	<p>Prepare a refinance analysis that:</p> <ul style="list-style-type: none">• incorporates the terms of both the Mortgage Loan and the Preferred Equity;• demonstrates that the Borrower will<ul style="list-style-type: none">- maintain a positive equity position in the Property throughout the term of the Mortgage Loan, or- have some other incentive (e.g., continuing cash flow) to remain committed to the Property and its successful operation; and• concludes that there will be sufficient cash flow, NCF growth, and residual value to pay off the Mortgage Loan and the Preferred Equity (if applicable) at maturity.



Topic	Requirements
Replacement Guarantor	<p>Identify an acceptable replacement guarantor that complies with the Guide for Key Principals for any Mortgage Loan with</p> <ul style="list-style-type: none">• Hard Preferred Equity, and• Soft Preferred Equity if modifications to the transfer provisions of the Loan Documents are requested for the benefit of the Soft Preferred Equity holder.
Loan Documents	<p>Use the Loan Documents for Preferred Equity per the Loan Documentation Requirements (Form 6000) for any Mortgage Loan with</p> <ul style="list-style-type: none">• Hard Preferred Equity, and• Soft Preferred Equity if modifications to the transfer provisions of the Loan Documents are requested for the benefit of the Soft Preferred Equity holder.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

G

Guarantor Key Principal or other Person executing a

- Payment Guaranty,
- Non-Recourse Guaranty, or
- any other Mortgage Loan guaranty.

Synonyms

- Guarantors

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

L

Loan Documentation Requirements Loan Documents listed in [Form 6000](#) applicable to the particular Mortgage Loan execution and/or product and features.

Loan Documents All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

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

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