



Multifamily Selling and Servicing Guide

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1602.03 Hard Preferred Equity

1602.03A Submission

Operating Procedures

You must submit the following in DUS Gateway:

- a sources and uses of funds reflecting the investment of the Hard Preferred Equity holder;
- Exhibit B to the Multifamily Underwriting Certificate (Borrower) ([Form 6460.Borrower](#));
- a complete organizational chart of the Borrower, including upper tier entities or other owners, that shows the respective ownership percentages of Persons holding any
 - direct or indirect control of the management and operations of the Borrower,
 - ownership of a direct or indirect interest of 25% or more in the Borrower, and
 - ownership of any other direct or indirect interest in the Borrower that constitutes Hard Preferred Equity; and
- copies of the organizational and other documents that govern the
 - Hard Preferred Equity, and
 - Hard Preferred Equity holder, including any
 - term sheets,
 - private placement memoranda,
 - operating agreements,
 - pledge agreements,
 - guaranties, or
 - similar arrangements.

1602.03B Outside Counsel and Due Diligence Fees

Operating Procedures

The Borrower must pay the legal fees if Fannie Mae engages outside counsel.



These fees are non-refundable, and you must pay the counsel retainer when you submit the underwriting.

 **Guidance**

You may charge the Borrower your own legal and due diligence fees.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

D

DUS Gateway Multifamily pre-acquisition system including deal registration, Pre-Review and/or waiver tracking, decision records, or any successor systems.

M

Multifamily Underwriting Certificate Multifamily Underwriting Certificate ([Form 6460](#)), and/or other agreement approved by Fannie Mae that provides underwriting information for a Mortgage Loan.