



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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 1801 Eligibility	3
GLOSSARY	5



Section 1801 Eligibility

Requirements

A Choice Refinance Loan is a Portfolio Mortgage Loan that is eligible for a streamlined underwriting process which reduces origination costs.

To use the Choice Refinance Loan streamlined underwriting, you must ensure:

Topic	Requirements
Prerequisites	<ul style="list-style-type: none">• You have been the Servicer of the Portfolio Mortgage Loan for the last 12 months.• The Choice Refinance Loan complies with Form 4660.• The Portfolio Mortgage Loan is not in default.• The Borrower has demonstrated a commitment to its obligations under the Portfolio Mortgage Loan by<ul style="list-style-type: none">- maintaining the Property in good physical condition,- providing competent Property management services, and- complying with the requirements under the Loan Documents.• The Property<ul style="list-style-type: none">- is operating on a stabilized basis,- has a most recent overall inspection rating of 1 or 2, and- does not show any adverse change in Property condition, except normal wear and tear, or any life safety issues during the underwriting inspection.



Topic	Requirements
Loan History	<ul style="list-style-type: none">• The Portfolio Mortgage Loan:<ul style="list-style-type: none">- has a good payment history, with no delinquencies of 60 days or more during the 3 years immediately preceding the proposed refinance;- is not on the current Fannie Mae Watchlist;- had no declared non-monetary defaults that remained uncured for more than 120 days;- was underwritten and delivered per then-applicable Guide provisions; and- is serviced per the Guide.• There were no unauthorized assumptions or changes in ownership, and no unauthorized Liens filed against the Property.
Additional Collateral	The Portfolio Mortgage Loan does not have a Letter of Credit or additional cash collateral.
Pricing	The pricing that was approved for the Portfolio Mortgage Loan does not apply to the Choice Refinance Loan.
Underwriting	The Choice Refinance Loan, regardless of the Underwritten DSCR, must be of sufficient credit quality to repay the refinanced Mortgage Loan without individually negotiated debt relief.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

C

Choice Refinance Loan Mortgage Loan refinancing a Portfolio Mortgage Loan using the streamlined underwriting requirement per [Part III, Chapter 18: Choice Refinance Loans](#).

Synonyms

- Choice Refinance Loans

Collateral Property, Personal Property, or other property securing a Mortgage Loan.

G

Guide Multifamily Selling and Servicing Guide and Delegated Underwriting and Servicing Guide, including any exhibits, appendices, or other referenced forms, as updated, amended, restated, modified, or supplemented by any lender memo; provided, however, if a topic is covered in the Multifamily Selling and Servicing Guide, that Guide shall control unless a Lender Contract specifically requires use of another Guide.

Synonyms

- DUS Guide

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
- LOC
- LOCs

Loan Documents

All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

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

P

Portfolio Mortgage Loan

Mortgage Loan that was purchased by Fannie Mae and is held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

Synonyms

- Portfolio Mortgage Loans



Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms

- Properties
- Property's

S

Servicer

Primary Person responsible for servicing the Mortgage Loan (e.g., the originator, the selling Lender, or a third-party servicer).

Synonyms

- Servicers

W

Watchlist

Mortgage Loan or Property exhibiting heightened credit risk as identified by the Lender or Fannie Mae.