Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of October 26, 2026

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416.07 Credit Facility Revaluations

Credit Facility revaluations may occur per the Master Credit Facility Agreement.

The Lender must retain an Appraiser to obtain a Capitalization Rate Derivation per Section 106 of the Instructions for Appraisers (Form 4827) if:

- the Properties are being revalued with the intent to fund a new Mortgage Loan; or
- no new Mortgage Loan is being funded, but:
  - the previous valuation is more than 3 years old;
  - the Lender's recommended capitalization rate is more than 50 bps less than the previously approved cap rate; or
  - required by Fannie Mae.

After Fannie Mae notifies the Servicer of the final capitalization rate determination and valuation, the Servicer must:

- promptly notify the Borrower of the:
  - revised capitalization rates;
  - Property values;
  - Allocable Facility Amounts;
  - LTV; and
  - any failure to meet compliance tests, if applicable; and
- retain a copy of the Borrower notification in the Servicing File.

Glossary

A

Allocable Facility Amount	For a Credit Facility, the amount of debt allocated to a given Property, used in calculating tests for collateral activity such as releases, substitutions, and additions. **Synonyms** • Allocable Facility Amounts
Appraiser	Person engaged to estimate a Propertys market value per USPAP. **Synonyms** • Appraiser's • Appraisers

B

Borrower	Person who is the obligor per the Note. **Synonyms** • Borrowers • Borrower's

C

Capitalization Rate Derivation	Independent determination of the appropriate capitalization rate for a specific Property. **Synonyms** • Cap Rate Study

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Credit Facility	Structured Transaction governed by a Master Credit Facility Agreement requiring Mortgage Loans and Properties to be • cross-defaulted, and • cross-collateralized. **Synonyms** • Credit Facilities • Credit Facility's

L

Lender	Person Fannie Mae approved to sell or service Mortgage Loans. **Synonyms** • Lenders • Lender's
Loan-to-Value Ratio	Ratio of the actual aggregate UPB of the Mortgage Loan, plus any Pre-Existing Mortgage Loans, plus any Hard Pay Preferred Equity, plus any Mezzanine Financing, to the value of the Property, expressed as a percentage. **Synonyms** • LTV • LTV Ratio

M

Master Credit Facility Agreement	Agreement evidencing the terms and conditions of a Credit Facility.

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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

S

Servicer	Primary Person servicing the Mortgage Loan, including • the originator, • seller, or • a third party. **Synonyms** • Servicers • Servicer's
Servicing File	Your file for each Mortgage Loan serviced. **Synonyms** • Servicing Files

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