Fannie Mae®

# Multifamily Selling and Servicing Guide

## Effective as of October 26, 2026

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## 417.04A Permitted Purpose

To allow for the construction of additional units on existing land, or the renovation and/or repositioning of existing units:

- a Seniors Housing Major Renovation is any physical improvement costing in excess of (i) $20,000/unit, or (ii) $3 million in total project costs; and
- a Seniors Housing Minor Renovation is any physical improvement that is not a Seniors Housing Major Renovation, but which increases the number of units, or converts one type of unit into another, unless expressly permitted by the Loan Documents.

# Glossary

## L

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| Loan Documents | All Fannie Mae-approved documents evidencing, securing, or guaranteeing the Mortgage Loan.<br><br>**Synonyms**<br>• Loan Document<br>• Mortgage Loan Document<br>• Mortgage Loan Documents |

## P

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| Project | Multifamily buildings<br>• on multiple Properties,<br>• owned by the same Borrower, and<br>• that comply with Part II, Chapter 1: Attributes and Characteristics, Section 103.01: Single Borrower Ownership.<br><br>**Synonyms**<br>• Projects |

## S

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| Seniors Housing Major Renovation | Physical improvement at a Seniors Housing Property costing more than $20,000/unit, or $3 million in total project costs.<br><br>**Synonyms**<br>• Seniors Housing Major Renovations |

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| Seniors Housing Minor Renovation | Physical improvement at a Seniors Housing Property that is not a Seniors Housing Major Renovation, but which increases the number of units, or converts one type of unit (e.g., Independent Living, Assisted Living, or Alzheimers/Dementia Care) into another, unless expressly permitted by the Loan Documents.<br><br>**Synonyms**<br>• Seniors Housing Minor Renovations |
| Seniors Housing Property | Multifamily residential rental property with any combination of Independent Living, Assisted Living, Alzheimers/Dementia Care, or Skilled Nursing units.<br><br>**Synonyms**<br>• Seniors Housing<br>• Seniors Housing Properties |