



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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201.03 Underwriting Value

Requirements

Your Underwriting Value must not exceed the Appraised Value, as reduced by any adjustments you deem necessary to account for property deficiencies that cannot be cured within 6 months after the Appraisal Date.

If less than 12 months have passed between the Borrower's acquisition of the Property and the Commitment Date, your Underwriting Value must not exceed the lower of

- the Appraised Value, or
- the sum of:
 - the Property acquisition price;
 - the cost of capital improvements or repairs which increase the value of the Property, if
 - they are completed and fully paid, or
 - sufficient funds to complete them are deposited in an escrow or reserve account; and
 - actual acquisition costs, not to exceed 3% of the acquisition price, such as:
 - loan origination fees;
 - appraisal fees;
 - title search fees;
 - title insurance fees;
 - survey fees;
 - taxes;
 - deed-recording fees; and
 - credit report charges.



Glossary

A

Appraisal Date	Effective date of value in the Appraisal.
Appraised Value	Appraiser's opinion of the market value of the Property documented in the Appraisal, on an "as is" basis, unless use of an "as completed" basis is specifically permitted by the Guide. Synonyms <ul style="list-style-type: none">• Appraised Values

B

Borrower	Person who is the obligor under the Note. Synonyms <ul style="list-style-type: none">• Borrowers• Borrower's
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C

Commitment Date	Date a Commitment is confirmed by Fannie Mae as described in Part IV A, Chapter 3: Committing .
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P

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 <ul style="list-style-type: none">• Properties• Property's
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U



Underwriting Value

Value of the Property determined by the Lender to size the Mortgage Loan per Part II, Chapter 2: Valuation and Income, Section 201: Market and Valuation.