



Fannie Mae®

Multifamily Selling and Servicing Guide

Effective as of February 2, 2026

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 II Section 204.01 Base Assumptions 3

GLOSSARY 6



204.01 Base Assumptions

☒ Requirements

For Loan Year 1, use the Underwritten NCF. For all subsequent Loan Years, you must derive proforma NCF as follows:

Factor	For...	Use...
Income Growth Rate	<ul style="list-style-type: none">• Structured Transactions, and• Mortgage Loans secured by multiple Properties	2%.
	All other Mortgage Loans	the growth rates published in DUS Gateway for the Property.
Economic Vacancy	All Mortgage Loans	the underwritten economic vacancy rate.
Real Estate Taxes	California Properties	<ul style="list-style-type: none">• for Acquisitions, 2%; or• for refinances, no trending is required until the year when the actual tax bill would surpass the underwritten taxes, then trend by 2%.
	Non-California Properties	<ul style="list-style-type: none">• 3% for<ul style="list-style-type: none">- Structured Transactions, and- Mortgage Loans secured by multiple Properties; and• for all other Mortgage Loans, the growth rates published in DUS Gateway for the Property.



Factor	For...	Use...
Real Estate Tax Abatements, Exemptions, Deferrals, or PILOTs	All Mortgage Loans	<ul style="list-style-type: none"> • if an abatement, exemption, deferral, or PILOT begins phase out or expires within 5 years after the Maturity Date, fully assessed real estate taxes; and • if an abatement expires or taxes are expected to rise during the Mortgage Loan term, increase taxes to the expected level, then trend by: <ul style="list-style-type: none"> - 3% for <ul style="list-style-type: none"> ▪ Structured Transactions, and ▪ Mortgage Loans secured by multiple Properties; or - the growth rate published in DUS Gateway in the year prior to the adjustment for all other Mortgage Loans.
Management Fee	All Mortgage Loans	the underwritten rate.
Replacement Reserves	All Mortgage Loans	the underwritten value.
Insurance and Other Expenses	<ul style="list-style-type: none"> • Structured Transactions, and • Mortgage Loans secured by multiple Properties 	3%.
	All other Mortgage Loans	the growth rates published in DUS Gateway for the Property.



You must estimate the Mortgage Loan UPB at the Maturity Date as follows:

For...	Use...
Amortization	<ul style="list-style-type: none">• 30 years, or• the amortization for the applicable product or features.
DSCR	The minimum Tier 2 DSCR for the applicable product or features, per Form 4660 .
LTV	The maximum Tier 2 LTV for the applicable product or features, per Form 4660 .

Guidance

In most cases, the combined effect of principal amortization and NCF growth should result in a refinancing at the minimum DSCR and maximum LTV for Tier 2, using a reasonable interest rate.

You should consider the following refinance parameters:

- A target reversion capitalization rate at least 2.0% greater than the initial capitalization rate used for determining Underwriting Value.
- A Refinance Interest Rate at least 2.00% greater than the Gross Note Rate.



Glossary

D

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

F

Form 4660 Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the underwriting requirements (e.g., debt service coverage ratio, loan to value ratio, interest only, underwriting floors, etc.) for all Mortgage Loans.

Synonyms

- Multifamily Underwriting Standards

G

Gross Note Rate Interest rate stated in the Loan Documents.

L

Loan Year Period beginning on the date of the Note and ending on the last day of the month that is 12 full months after the date of the Note, and each successive 12-month period thereafter.

Synonyms

- Loan Years

M

Maturity Date Date all Mortgage Loan amounts become fully due and payable per the Loan Documents.

Synonyms

- Maturity Dates



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

PILOT

Payment In Lieu Of Taxes.

Synonyms

- PILOTs

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

R

Refinance Interest Rate

Maximum interest rate that could be supported based on the UPB, required DSCR, and projected Net Cash Flow for the first year following the Maturity Date.

Synonyms

- Exit Interest Rate
- Exit Rate

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 202: Appraisal and Valuation](#).

UPB

Unpaid Principal Balance

Synonyms

- UPBs