



Multifamily Selling and Servicing Guide

Effective as of August 1, 2019

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802.01 Loan Sizing

Portfolio Mortgage Loans are divided into 3 categories:

- Level 1: Portfolio Mortgage Loans that comply with the Guide and meet the minimum Tier 2 requirements of the Form 4660, which are eligible for refinance by the Lender and purchase by Fannie Mae;
- Level 2: In Place Loans that refinance Portfolio Mortgage Loans but do not meet Tier 2 requirements, as described in [Part V, Chapter 8: In Place Loans, Section 802.02: Level 2 In Place Loans](#); and
- Level 3: In Place Loans that refinance Portfolio Mortgage Loans but do not meet Tier 2 requirements, as described in [Part V, Chapter 8: In Place Loans, Section 802.03: Level 3 In Place Loans](#).

To calculate the preliminary loan amount of a Level 2 In Place Loan or a Level 3 In Place Loan, the Lender must use an underwriting interest rate equal to the greater of:

- the rate established using current rates and a Tier 2 Plus/Plus Pricing Structure; or
- the applicable underwriting floor.

The preliminary pricing and loan amount should not be shared with the Borrower until approved in writing by Fannie Mae, as Fannie Mae reserves the right to adjust the final approved pricing, loan structure and loan amount based upon the individual characteristics of the In Place Loan and the Property.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

F

Form 4660 Multifamily Underwriting Standards identifying Pre-Review Mortgage Loans and containing the minimum 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

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

I



In Place Loan

Mortgage Loan refinancing a Portfolio Mortgage Loan that does not meet Tier 2 underwriting requirements.

Synonyms

- In Place Loans

L

Lender

Person approved by Fannie Mae to sell or service Mortgage Loans.

Synonyms

- Lenders
- Lender's

Level 2 In Place Loans

Generally, Portfolio Mortgage Loans with an Underwritten DSCR not less than 5 basis points below Tier 2 standards and an LTV not greater than 5% above Tier 2 standards per Part V, Chapter 8: In Place Loans, Section 802: In Place Loan Categories.

Synonyms

- Level 2 In Place Loan

Level 3 In Place Loans

Generally, Portfolio Mortgage Loans with an Underwritten DSCR greater than 5 basis points below Tier 2 standards or an LTV greater than 5% above Tier 2 Standards per Part V, Chapter 8: In Place Loans, Section 802: In Place Loan Categories.

Synonyms

- Level 3 In Place Loan

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

- Properties
- Property's