



Multifamily Selling and Servicing Guide

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Section 803 Eligibility Requirements

A Portfolio Mortgage Loan is eligible to be refinanced by the Lender and the In Place Loan purchased by Fannie Mae if:

- during the 12 months preceding the refinance, the Portfolio Mortgage Loan had a timely payment history;
- no unauthorized transfers or changes of the ownership interest in the Borrower occurred;
- no unauthorized Liens were placed or filed against the Property;
- during the 12 months preceding the refinance, the Property operations were stable or indicated a positive trend;
- the Property meets the underwriting and delivery requirements of the Guide in all respects (physical condition, unit mix, occupancy requirements, capital reserve, etc.), except as specifically modified by this Chapter; and
- the Lender is able to demonstrate in the Transaction Approval Memo that the credit risk of the Portfolio Mortgage Loan is reduced by the refinancing and that the refinancing is not merely a delay of an inevitable foreclosure of the Property that may increase any losses from the Portfolio Mortgage Loan in the process.



Glossary

B

Borrower Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

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

P



Portfolio Mortgage Loan

Mortgage Loan that was purchased by Fannie Mae and is held as of a certain date regardless of whether it is a Cash Mortgage Loan or an MBS Mortgage Loan.

Synonyms

- Portfolio Mortgage Loans

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