



# Multifamily Selling and Servicing Guide

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## **804.02** Specific Underwriting Requirements

### **804.02A** Borrower Structure and Experience

No modifications are permitted to the underwriting requirements for the Borrower's structure and experience set forth in [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals](#). A new Underwriting Certificate is required from the Borrower, any Guarantor of the In Place Loan, and any Key Principal. In addition, the Lender must:

- confirm the original underwriting of the organizational structure, experience and creditworthiness of the Borrower, Guarantor, Key Principal, and Principal;
- identify the Guarantor, Key Principals and Principals of the Borrower and report the results of the ACheck for each Borrower, Guarantor, Key Principal, and Principal;
- obtain updated copies of the organizational documents of the Borrower and the Key Principal and confirm that the Borrower's organization complies with [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals](#);
- confirm that no unauthorized change has been made to the organizational structure and organization documents of the Borrower; and
- obtain a new good standing certificate from the jurisdiction where the Borrower is organized.

### **804.02B** Property Management

The Borrower is required to provide a management plan and a list of major repairs completed during the preceding 3 years, and the Lender must confirm that the Property is capably managed.

### **804.02C** Occupancy

The Lender is not required to obtain a copy of the Certificates of Occupancy for the Property. However, the Lender should review the original loan files to identify any issues related to the legal status of the Property's occupancy, and all issues must be clearly outlined in the Lender's Transaction Approval Memo.

### **804.02D** Property Zoning, Location, and Condition

The Lender must confirm that there has been no change in the zoning affecting the Property. If the Property zoning has not changed since



the time the Portfolio Mortgage Loan was initially underwritten, and the Property is a non-conforming use, then a new zoning and non-conforming use analysis is not required for the Property. However, if the Property has been rezoned causing it to become a non-conforming use, or rezoned to further restrict the ability of an existing nonconforming use to rebuild, then the Lender must deliver a non-conforming use analysis. The Lender is not required to obtain an aerial photograph of the Property.



# Glossary

## B

**Borrower** Person who is the obligor under the Note.

**Synonyms**

- Borrowers
- Borrower's

## G

**Guarantor** Key Principal or other Person who executes a Payment Guaranty, a Non-Recourse Guaranty, or any other guaranty in connection with the Mortgage Loan.

**Synonyms**

- Guarantors

## I

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

**Synonyms**

- In Place Loans

## K

**Key Principal** Person(s) who control and/or manage the Borrower or the Property, are critical to the successful operation and management of the Borrower and the Property, and who may be required to provide a Guaranty.

**Synonyms**

- Key Principals

## 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

**Principal** Person who owns or controls specified interests in the Borrower per [Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors](#).

**Synonyms**

- Principals

**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