



Multifamily Selling and Servicing Guide

Effective as of November 25, 2019

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 III Chapter 10 Healthy Housing Rewards	3
Section 1001 Healthy Housing Rewards	3
Section 1002 Healthy Design	3
Section 1003 Enhanced Resident Services	4
GLOSSARY	8



Chapter 10 Healthy Housing Rewards

Section 1001 Healthy Housing Rewards

Requirements

Healthy Housing Rewards™ provides incentives for Borrowers who incorporate healthy design features or provide enhanced resident services that improve the health and stability of residents of the Property.

You must not combine the Healthy Design product with the Enhanced Resident Services product.

Section 1002 Healthy Design

Requirements

Product Description	
Eligibility	You must ensure: <ul style="list-style-type: none">• The Property is an MAH Property with rent or income restrictions where at least 60% of the units are serving tenants with incomes of 60% of AMI or less.• The Property receives a Fitwel certification before Rate Lock.• The Borrower or an Affiliate did not previously receive this benefit for the same Property.
Certification Cost	Borrowers responsibility.

Guidance

You may choose to pay the Borrower's certification cost. Fannie Mae will reimburse you for the certification cost upon Delivery.

Operating Procedures

Fitwel® Certification Process

To obtain a Fitwel® certification, the Borrower must:

1. review the free Fitwel® for Multifamily Residential Scorecard available at www.fitwel.org/resources;



2. decide if the certification is appropriate;
3. begin the process by registering online at www.fitwel.org; and
4. submit all application materials.

The review and certification process takes approximately 6 weeks.

DUS Gateway Process

To register a Healthy Design Property in DUS Gateway:

1. select the Pricing/Fees category;
2. select the Healthy Design Certification subcategory; and
3. obtain a pricing quote that may include a pricing incentive.

Before Rate Lock, you must upload the following documents to DUS Gateway as Third-Party Reports, with the Document type set to Healthy Design Certification:

- Fitwel® Star Rating Certificate; and
- Borrower's invoice or payment receipt from Fitwel®.

If you choose to pay the Borrower's certification cost and request reimbursement from Fannie Mae, you must upload the following additional documents as Third-Party Reports, with the Document type set to Healthy Design Certification:

- your invoice to Fannie Mae for reimbursement of the certification cost; and
- completed Servicing Advances Payment Reimbursement Request ([Form 4829](#)).

To receive reimbursement, you must request the reimbursement from the Deal Team via chatter in DUS Gateway and Deliver the Mortgage Loan as Healthy Housing Rewards.

Section 1003

Enhanced Resident Services

Requirements

Product Description	
Description	For Borrowers who provide resident services that improve the health and well-being of tenants at the Property. Services must correspond to the needs of the tenant population.



Product Description	
Eligibility	<p>You must ensure:</p> <ul style="list-style-type: none"> • The Property is an MAH Property with rent or income restrictions where at least 60% of the units are serving tenants with incomes of 60% of AMI or less. • The Property receives an Enhanced Resident Services (ERS) certification before Rate Lock. • The Sponsor receives a Certified Organization for Resident Engagement & Services (CORES) certification before Rate Lock. • The Borrower or an Affiliate did not previously receive this benefit for the same Property.
Certification Cost	Borrowers responsibility for the cost of all initial and ongoing Property and Sponsor certifications.
Underwriting	<p>You must ensure:</p> <ul style="list-style-type: none"> • The Sponsor demonstrates a commitment to providing meaningful, coordinated resident services as part of its long-term business strategy. • The Property's operating budget includes the costs of providing the services. • The underwritten expenses are equal to or greater than the annual dollar amount of the Healthy Housing Rewards ERS pricing reduction. • The underwritten expenses include the pricing reduction and costs of providing the services. • A Guarantor provides a Non-Recourse Guaranty for losses resulting from failure to comply with the Healthy Housing Rewards terms of the Loan Documents. This Guaranty must be incorporated into the Multifamily Guaranty of Non-Recourse Obligations (Form 6015 series) or covered in a separate guaranty from the Sponsor.

Guidance

You may choose to pay the Property's initial ERS certification cost on behalf of the Borrower. Fannie Mae will reimburse you for the Property's initial ERS certification cost upon Delivery.



Stewards of Affordable Housing for the Future (SAHF) refers to the Sponsor-level certification as a CORES certification and the property-level certification as an Enhanced Resident Services Property certification.

Services that improve the health and well-being of tenants may support, among other things:

- health and wellness programs;
- food access;
- youth and education programming;
- community engagement;
- job training;
- financial literacy; and
- housing stability.

To meet project timelines, you may permit the Borrower to obtain the

- Sponsor-level certification before identifying the property, and
- Property-level certification in conjunction with underwriting the Mortgage Loan.

Both existing and proposed new services may be included to meet certification requirements. If the Property offers sufficient existing services to receive the required certifications, the Borrower does not need to provide additional services.

Operating Procedures

You calculate the Healthy Housing Rewards Enhanced Resident Services price reduction by multiplying the Mortgage Loan amount by the ERS price incentive granted by Fannie Mae.

DUS Gateway Process

You must register the deal in DUS Gateway and obtain the pricing quote by selecting both of the following options on the Pre-Review and/or Waiver Edits Screen.

Category	Pre-Review (4660)	Pricing/Fees
Sub-category	Property Operations & Underwriting Terms	Enhanced Resident Services Certification
Descriptor	Healthy Housing Rewards Enhanced Resident Services	N/A



Prior to Rate Lock, you must upload the following documents to DUS Gateway as Third-Party Reports, with the Document type set to “Enhanced Resident Services Certification”:

- the Sponsor-level certification;
- the Property-level certification; and
- Borrower’s invoice or payment receipt from SAHF for the Property-level certification.

If you choose to pay for the Borrower’s initial Property-level certification and request reimbursement from Fannie Mae, you must upload the following additional documents as Third-Party Reports, with the Document type set to Enhanced Resident Services Certification:

- your invoice to Fannie Mae for reimbursement of the Property-level certification cost; and
- completed [Form 4829](#).

To receive reimbursement, you must request the reimbursement from the Deal Team via chatter in DUS Gateway and Deliver the Mortgage Loan as Healthy Housing Rewards.



Glossary

A

Affiliate

When referring to an affiliate of a Lender, any other Person or entity that Controls, is Controlled by, or is under common Control with, the Lender.

When referring to an affiliate of a Borrower or Key Principal:

- any Person that owns any direct ownership interest in Borrower or Key Principal;
- any Person that indirectly owns, with the power to vote, 20% or more of the ownership interests in Borrower or Key Principal;
- any Person Controlled by, under common Control with, or which Controls, Borrower or Key Principal;
- any entity in which Borrower or Key Principal directly or indirectly owns, with the power to vote, 20% or more of the ownership interests in such entity; or
- any other individual that is related (to the third degree of consanguinity) by blood or marriage to Borrower or Key Principal.

Synonyms

- Affiliates

B

Borrower

Person who is the obligor under the Note.

Synonyms

- Borrowers
- Borrower's

D



Delivery

Meeting all of the data delivery requirements in [Part IV A, Chapter 4: Delivery Procedures – Data](#), and submitting an acceptable Mortgage Loan Delivery Package per [Part IV A, Chapter 5: Delivery Procedures – Documents](#). A Mortgage Loan is “Delivered,” when all documents, data, and information are correct, accurate, and able to be certified by Fannie Mae, with all required documents properly completed, executed, and recorded (if applicable), and any deficiencies are resolved to Fannie Mae’s satisfaction.

Synonyms

- Deliver
- Delivered
- Deliveries

DUS Gateway

Multifamily pre-acquisition system including deal registration, Pre-Review and/or waiver tracking, decision records, or any successor systems.

E

ERS

Enhanced Resident Services

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

Guaranty

Payment Guaranty, Non-Recourse Guaranty, or other guaranty by a Guarantor for the Mortgage Loan.

L



Loan Documents

All documents evidencing, securing, or guaranteeing the debt obligation executed for a Mortgage Loan and approved by Fannie Mae.

Synonyms

- Loan Document
- Mortgage Loan Document
- Mortgage Loan Documents

M

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

N

Non-Recourse Guaranty

Guaranty executed by a Key Principal on Form 4501 series or [Form 6015 series](#), or approved by Fannie Mae.

Synonyms

- Guaranty of Non-Recourse Obligations

P

Pre-Review

Requirement that the Lender obtain Fannie Mae's approval before Rate Lock of a Mortgage Loan.

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

R



Rate Lock

Agreement between the Lender and the Investor containing the terms of the Lender-Arranged Sale or Multifamily Trading Desk trade of the Mortgage Loan and the MBS terms and conditions relating to the underlying MBS, if applicable, which may be documented via a recorded telephone conversation.

Synonyms

- Rate Locks

S

Sponsor

Principal equity owner and/or the primary decision maker of the Borrower (often the Key Principal or the Person Controlling the Key Principal).