Fannie Mae®

Multifamily Selling and Servicing Guide

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1302.03 Loan Amount

1302.03A Maximum Loan Amount

☑ Requirements

The maximum Supplemental Mortgage Loan amount equals the lowest Mortgage Loan amount calculated per:

- Part III, Chapter 13: Supplemental Mortgage Loans, Section 1302.03B: Calculating the Debt Service;
- Part III, Chapter 13: Supplemental Mortgage Loans, Section 1302.03C: Calculating the DSCR and LTV; and
- Part III, Chapter 13: Supplemental Mortgage Loans, Section 1302.03D: New Loan Test.

1302.03B Calculating the Debt Service

☑ Requirements

You must calculate the Supplemental Mortgage Loan amount based on the combined debt service amounts of all Pre-Existing Mortgage Loans plus the Supplemental Mortgage Loan, as outlined in the following tables.

Pre-Existing Mortgage Loans	
If the Interest Rate Type is	Use an amortizing Debt Service Amount based on the
Fixed Rate	Gross Note Rate.
Adjustable Rate	• Delivered Mortgage Loan amount; • amortization term; and • Maximum Note Rate per the applicable Part III Chapters.

Supplemental Mortgage Loan	
If the Interest Rate Type is	Use an amortizing Debt Service Amount based on the greater of the Gross Note Rate or the
Fixed Rate	applicable Underwriting Interest Rate Floor per Form 4660 .

Supplemental Mortgage Loan	
If the Interest Rate Type is	Use an amortizing Debt Service Amount based on the greater of the Gross Note Rate or the
Adjustable Rate	Maximum Note Rate per the applicable Part III Chapters.

1302.03C Calculating the DSCR and LTV

☑ Requirements

To determine the Supplemental Mortgage Loan amount, you must apply the Form 4660 DSCR and LTV requirements as follows:

Supplemental Mortgage Loan	
DSCR	The combined debt service of • all Pre-Existing Mortgage Loans, plus • the Supplemental Mortgage Loan.
LTV	The combined • aggregateUPB of all Pre-Existing Mortgage Loans, plus • the principal amount of the Supplemental Mortgage Loan.

1302.03D New Loan Test

☑ Requirements

For a Tier 2 Supplemental Mortgage Loan, if the Senior Mortgage Loan Maturity Date is 5 years or less after the Supplemental Mortgage Loan Origination Date, you must perform a New Loan Test to confirm the combined UPB of all Pre-Existing Mortgage Loans plus the Supplemental Mortgage Loan does not exceed the maximum loan amount for a new fixed rate, first Lien, cash-out Mortgage Loan.

Term	New Loan Test Requirement
Underwriting Tier	Tier 2
Minimum DSCR	Per Form 4660
Maximum LTV	Per Form 4660

Term	New Loan Test Requirement
Maturity	10 years
Market Classification	Based on Property's Location
Interest Rate	Higher of: • an interest rate using the highest Total Credit Fees Range in the current "Indicative Pricing" table in DUS Gateway minus any applicable "Optional Reduction"; or • the Underwriting Interest Rate Floor per Form 4660 , if applicable.

Glossary

D

Debt Service Coverage Ratio	On an annual basis or any specified period, the ratio of Net Cash Flow to the total of: principal, interest, and required Mezzanine Financing or Hard Pay Preferred Equity payments. **Synonyms** • DSCR
Delivered Mortgage Loan Amount	UPB of a Mortgage Loan when it is purchased by Fannie Mae.
Delivery	Submission of all correct, accurate, and certifiable documents, data, and information with all applicable documents properly completed, executed, and recorded as needed, and any deficiencies resolved to Fannie Maes satisfaction. **Synonyms** • Deliver • Delivered • Deliveries
DUS	Delegated Underwriting and Servicing
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	Mortgage Loan interest rate stated in the Loan Documents.

L

Lien	Lien, mortgage, bond interest, pledge, security interest, charge, or encumbrance of any kind. **Synonyms** • Liens
Loan-to-Value Ratio	Ratio of the actual aggregate UPB of the Mortgage Loan, plus any Pre-Existing Mortgage Loans, plus any Hard Pay Preferred Equity, plus any Mezzanine Financing, to the value of the Property, expressed as a percentage. **Synonyms** • LTV • LTV Ratio

M

Maturity Date	Date all Mortgage Loan amounts become fully due and payable per the Loan Documents. **Synonyms** • Maturity Dates

Maximum Note Rate	Equals the sum of the: • minimum Cap Strike Rate as set by Fannie Mae; and • Mortgage Loan margin equal to the sum of the - Investor spread, - Guaranty Fee, and - Servicing Fee.
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
Mortgage Loan Origination Date	Date you fund a Mortgage Loan to the Borrower. **Synonyms** • Mortgage Loan's Origination Date • Origination Date

N

Note	Instrument evidencing a Mortgage Loan obligation, including • Form 6010 series, • any other Fannie Mae-approved note, and • all applicable - addenda, - schedules, and - exhibits. **Synonyms** • Notes

P

Pre-Existing Mortgage Loan	Multifamily residential real estate loan secured by Liens against the Property having higher priority than the Lien securing the Subordinate Loan purchased by Fannie Mae. **Synonyms** • Pre-Existing Mortgage Loans
Pricing and Underwriting Tier	Tier 1, Tier 2, Tier 3, or Tier 4 per the Multifamily Underwriting Standards (Form 4660). **Synonyms** • Tier
Principal	Person who owns or controls, in the aggregate, directly or indirectly (together with that Person's Immediate Family Members, if an individual), 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 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

S

Senior Mortgage Loan	Senior loan purchased by Fannie Mae. **Synonyms** • Senior Mortgage Loans

Supplemental Mortgage Loan	Mortgage Loan purchased by Fannie Mae that is subordinated to, and has a Mortgage Loan Origination Date after, the Senior Mortgage Loan that is also owned by Fannie Mae. **Synonyms** • Supplemental Mortgage Loans

T

Total Credit Fees	For any Mortgage Loan or Credit Enhancement Mortgage Loan, the sum of the Guaranty Fee and the Servicing Fee, specified in the: • Indicative Pricing Table in DUS Gateway; or • Quote Letter.

U

UPB	Unpaid Principal Balance **Synonyms** • UPBs

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