



Fannie Mae®

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# Multifamily Selling and Servicing Guide

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## 1402.03B 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              | <ul style="list-style-type: none"><li>• Delivered Mortgage Loan amount;</li><li>• amortization term; and</li><li>• Maximum Note Rate per the applicable Part III Chapters.</li></ul> |

  

| 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 .                              |
| Adjustable Rate              | Maximum Note Rate per the applicable Part III Chapters.                                  |



# Glossary

## 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

Interest rate stated in the Loan Documents.

## M

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

## S



## 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