



# Multifamily Selling and Servicing Guide

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## 1402.04A Designating

### Requirements

If you designated a Senior Mortgage Loan as eligible for a Tier Dropping Supplemental Mortgage Loan, then you must also designate all Supplemental Mortgage Loans secured by that Property as eligible for Tier Dropping Supplemental Mortgage Loans.

### Operating Procedures

- For an MBS Mortgage Loan originated before September 1, 2007, you must have designated it as eligible for a Tier Dropping Supplemental Mortgage Loan at the time of Commitment of each Pre-Existing Mortgage Loan.
- For Pools issued on or after August 1, 2001, the designation for Tier Dropping Supplemental Mortgage Loans eligibility must be disclosed on Annex A to the Prospectus.



## Glossary

### C

**Commitment** Contractual agreement between Fannie Mae and the Lender where Fannie Mae agrees to buy a Mortgage Loan from the Lender at a future date in exchange for an MBS, or at a specific price for a Cash Mortgage Loan, and the Lender agrees to Deliver that Mortgage Loan to Fannie Mae.

**Synonyms**

- Committed
- Commitments

### M

**MBS Mortgage Loan** Mortgage Loan purchased by Fannie Mae in exchange for an issued MBS backed by the Mortgage Loan.

**Synonyms**

- MBS Mortgage Loans

### 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

**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



## S

Senior Mortgage Loan

Senior loan purchased by Fannie Mae.

### **Synonyms**

- Senior Mortgage Loans

## T

Tier Dropping  
Supplemental Mortgage  
Loan

A Supplemental Mortgage Loan where

- the combined Underwritten DSCR of the Supplemental Mortgage Loan and all Pre-Existing Mortgage Loans is below the minimum Underwritten DSCR of the original underwriting Tier of the Senior Mortgage Loan, or
- the combined LTV of the Supplemental Mortgage Loan and all Pre-Existing Mortgage Loans is above the maximum LTV of the original underwriting Tier of the Senior Mortgage Loan.

### **Synonyms**

- Tier Dropping Supplemental Mortgage Loans