

Multifamily Selling and Servicing Guide

Effective as of June 30, 2025

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1402.04B Eligibility

✓ Requirements

| Tier Dropping Eligibility | | |
|--------------------------------------|--|--|
| If the Pre-Existing Mortgage Loan is | It is eligible for a Tier Dropping Supplemental Mortgage Loan if | |
| Cash | the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan meet the Form 4660 • minimum applicable DSCR for Tier 2 Mortgage Loans, and • maximum applicable LTV for Tier 2 Mortgage Loans. | |
| MBS | it was designated as eligible for a Tier Dropping Supplemental Mortgage Loan; and the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan meet the Form 4660 minimum applicable DSCR for Tier 2 Mortgage Loans, and maximum applicable LTV for Tier 2 Mortgage Loans. | |

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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

M

MBS

Mortgage-Backed Security

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

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.

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Synonyms

• Supplemental 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

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