Guide Update 21-03: Legal Non-Conforming Use

Effective: 03/29/21
Retired: 04/15/22

Summary of Changes

HIGHLIGHTS
Effective for Mortgage Loans Committed on or after March 29, 2021, the legal non-conforming use requirements were clarified.

Primary Change

If the Property's use and characteristics are a legal non-conforming use under applicable zoning and land use laws and regulations:

- Analyze the impact on the Mortgage Loan if the Borrower is not allowed to rebuild the Property as is under current law.
- The Improvements must be able to be reconstructed per current zoning requirements to a level that would support a minimum 1.00 amortizing DSCR in case of
  - partial condemnation, or
  - full or partial casualty.

Questions

Please contact Zachary Gordon at (202) 752-1498, or zachary_s_gordon@fanniemae.com, with any questions.

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