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Guide Update 22-06: Zoning and Legally Non-Conforming Status

Effective: 04/15/22
Retired: 03/20/23

Summary of Changes

HIGHLIGHTS
Effective for Mortgage Loans Committed on or after April 15, 2022, zoning and legally non-conforming status requirements were updated.

Primary Changes

- You must confirm the zoning and land use laws and regulations permit the applicable
  - multifamily housing, or
  - manufactured housing community.
- If affected Improvements cannot, in case of full or partial casualty or condemnation, be rebuilt to the pre-casualty condition, you must:
  - Confirm the Improvements can be reconstructed to support a minimum 1.00 amortizing DSCR if non-conformance would result in a loss of 20% or more of the Property's units.
  - Require the Borrower to execute Modifications to Multifamily Loan and Security Agreement (Legal Non-Conforming Status) (Form 6275).

Questions

Please contact Daniel Maisel at (202) 752-3155, or daniel_e_maisel@fanniemae.com, with any questions.

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