



Guide Update 24-01: Brokered Transactions

Effective: 03/04/24

Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans Committed as of March 4, 2024, updated Guide requirements, forms, and underwriting certificates for Brokered Transactions.

Primary Changes

- Updated Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals adding new requirements:
 - for all Mortgage Loans, updated representations by the Borrower, Guarantor, and KP regarding:
 - all financial statements' and schedules'
 - dating,
 - preparation by the certifying party or its independent accounting firm, and
 - accuracy; and
 - Property condition information provided to you or the PCA consultant; and
 - for any Brokered Transactions, requiring:
 - direct delivery to you of
 - financial statements and schedules, and
 - Property condition information; and
 - your certification that you
 - obtained and reviewed all underwriting information,
 - underwrote the Mortgage Loan,
 - engaged third-party reports/consultants, and



- entered accurate data.

- Updated Part II, Chapter 4: Inspections and Reserves, adding new requirements to ensure:
 - for all Mortgage Loans, your qualified employee
 - performs a physical Property inspection, and
 - completes the MBA Standard Inspection Form;
 - for any Brokered Transaction, you order
 - all third-party underwriting reports, and
 - a Brokered Transaction Inspection per Form 4229;
 - you review and reconcile the Brokered Transaction Inspection report against the
 - PCA, and
 - MBA Standard Inspection Form;
 - no Delivery of a Mortgage Loan if the Brokered Transaction Inspection's overall rating is 4 or 5; and
 - you upload required documents into DocWay at Delivery.

- Updated Part III, Chapter 9: Small Mortgage Loans, Section 907.01, adding new requirements for site inspections by a Lender or other third-party.

- Created:
 - new Glossary terms for
 - Brokered Transaction, and
 - Mortgage Loan Broker; and
 - a new Form 4229 for ordering a required Brokered Transaction Inspection.

- Revised Form 4636.TA:
 - for a Transfer/Assumption involving a Brokered Transaction, you must:
 - order a Brokered Transaction Inspection for a Property with an overall rating other than 1 on your most recent inspection;
 - upload any Brokered Transaction Inspection report to MAMP; and
 - submit for Fannie Mae's approval any Transfer/Assumption involving a Brokered Transaction with a required Brokered Deal Inspection overall rating of 4 or 5; and



- submit for Fannie Mae's approval any Transfer/Assumption of a Mortgage Loan including Hard Preferred Equity in the ownership structure of the Borrower at Delivery.
- Updated the following underwriting documents to add the Borrower, Guarantor, and Key Principal/Principal certifications:
 - Multifamily Underwriting Certificate (Borrower) (Form 6460.Borrower);
 - Multifamily Underwriting Certificate (Guarantor) (Form 6460.Guarantor);
 - Multifamily Underwriting Certificate (Key Principal) (Form 6460.Key Principal); and
 - Multifamily Mortgage Loan Delivery Package Table of Contents-Folder II (Form 6502.Folder II).

Questions

Please contact the Fannie Mae Deal Team with any questions.