



# Guide Update 24-06: Small Mortgage Loan PCAs

Effective: 06/07/24

## Summary of Changes

### HIGHLIGHTS

**Effective for Small Mortgage Loans registered in DUS Gateway as of June 7, 2024,** updated the requirements for Property Condition Assessments and Borrower due diligence in the

- Guide, and
- Instructions for Performing a Multifamily Property Condition Assessment (Form 4099).

### Primary Changes

Updated:

- Part III, Chapter 9: Small Mortgage Loans to:
  - modify the Replacement Reserve expense when calculating Underwritten Net Cash Flow;
  - eliminate Streamlined PCAs and require a full PCA per Form 4099; and
  - require you to verify the Borrower's
    - assets, and
    - liquidity;
- Part III, Chapter 18: Choice Refinance Loans to eliminate Streamlined PCAs and require a full PCA per Form 4099;
- Part IV, Chapter 7: Variable Rate Conversions and Renewals to require a new full PCA per Form 4099 for any non-MAH Property if the conversion from variable rate to fixed rate extends the term of the
  - ARM Loan, or
  - SARM Loan; and
- Form 4099 guidance to remove the:



- option to perform a Streamlined PCA; and
- PCA Consultant's ability to complete the MBA Inspection Form for you.

## Questions

Please contact Colleen Gurkin at (626) 396-4617, or [colleen\\_gurkin@fanniemae.com](mailto:colleen_gurkin@fanniemae.com), with any questions.