Fannie Mae®

Guide Update 24-06: Small Mortgage Loan PCAs

Effective: 06/07/24
Retired: 06/07/25

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:

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- 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, with any questions.