



Guide Update 26-14: Property Value Allocation

Effective: 06/30/26

Summary of Changes

Primary Audience: Credit Underwriting

HIGHLIGHTS

Effective for all Mortgage Loans under application on or after June 30, 2026, updated Part II, Chapter 2: Valuation and Income, and Part III, Chapter 5: Seniors Housing Properties, requiring you to:

- review the Property ownership history for any Acquisition; and
- apply allocation limits for:
 - non-Seniors Housing Property Acquisitions with allocations for
 - Personal Property, or
 - Intangible Property; and
 - Seniors Housing Property Acquisitions based on amounts attributed to
 - land, and
 - Improvements.

Primary Changes

- Updated Part II, Chapter 2: Valuation and Income:
 - requiring you to review the Property's ownership history for any Acquisition;
 - modifying Underwriting Value requirements for:
 - cost of capital improvements or repairs that increase the Property's value; and
 - actual Acquisition cost exclusions;
 - for non-Seniors Housing Property Acquisitions requiring you to:
 - determine if any portion of the Property's Acquisition price is allocated to
 - Personal Property, and/or



- Intangible Property; and
- limit the Mortgage Loan amount to no more than 90.00% of the Property's Acquisition price allocated to
 - real estate, and
 - Improvements.
- Updated Part III, Chapter 5: Seniors Housing Properties to:
 - address Seniors Housing Property Acquisitions; and
 - limit the original Seniors Housing Mortgage Loan UPB to no more than 100% of the lesser of the
 - applicable Appraised Value, or
 - Property's Acquisition price amount attributed to
 - land, and
 - Improvements.
- Added Glossary terms for
 - Intangible Property, and
 - Purchase/Sales Agreement.

Questions

Please contact your Fannie Mae Deal Team with any questions.