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Guide Update 26-11: Equity Checklist

Effective: 06/02/26

Summary of Changes

Primary Audience: Underwriting

HIGHLIGHTS

Effective for Mortgage Loans Committed as of June 2, 2026:

• updated requirements in
- Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors;
- Part III, Chapter 15: Mezzanine Financing; Preferred Equity, and Structured Common Equity, Section 1502: Preferred Equity and Structured Common Equity;
- Equity Checklist (Form 6441);
- Equity Operating Procedures Job Aid; and
- Multifamily Asset Management Delegated Transaction: Transfer/Assumption (Form 4636.TA); and

• added and revised various Glossary terms for alignment.

Primary Changes

Renamed and updated the Equity Checklist (Form 6441) to:

- define commonly used equity terms;
- clarify requirements in Part I, Chapter 3, Section 303.01: Generally;
- include examples of Equity structures not subject to Form 6441;
- consolidate underwriting and Pre-Review requirements;
- reduce required Exhibit submissions;
- clarify modifications to the Limitations on Equity Terms;
- expand Permitted Equity Default Triggers, adding



    - Anti-Corruption and Know-Your-Customer Policies, and
    - Federal Taxation Treatment (opportunity zone, historic tax credits, etc.);
- increase delegation to approve similar Permitted Equity Default Triggers;
- permit Equity Investor rights for a Forced Sale beyond a Permitted Equity Default Trigger for Structured Common Equity transactions; and
- for Structured Common Equity and Preferred Equity, identify the Equity Investor as a Principal with additional due diligence requirements if certain features and Control Takeover rights exist.

Updated Preferred Equity requirements to align with the Equity Checklist (Form 6441) in:

- Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 303: Key Principals, Principals, and Guarantors;
- Part III, Chapter 15: Mezzanine Financing; Preferred Equity and Structured Common Equity, Section 1502: Preferred Equity and Structured Common Equity;
- Multifamily Asset Management Delegated Transaction: Transfer/Assumption (Form 4636.TA); and
- Equity Operating Procedures Job Aid.

Updated the Glossary to:

- include newly defined terms for
    - Control Takeover,
    - Excess Net Cash Flow,
    - Forced Sale,
    - Hard Pay Preferred Equity,
    - Mandatory Pay Preferred Equity,
    - Publicly-Held Entity,
    - Soft Pay Preferred Equity,
    - Structured Common Equity, and
    - Third-Party Financing;
- delete the term Underwritten Net Cash Flow; and
- revise terms for alignment, including

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- Effective Gross Income,
- Multifamily Committing and Delivery System,
- Net Cash Flow,
- Net Operating Income,
- Net Rental Income, and
- Preferred Equity.

Questions

Please contact Kathleen Iscra at (312) 368-6073, or at kathleen_iscra@fanniemae.com, with any questions.

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