



Fannie Mae®

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# Multifamily Selling and Servicing Guide

Effective as of March 11, 2026

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# Summary of Changes

**Primary Audience: Letter of Credit Managers**

## HIGHLIGHTS

**Effective for all Mortgage Loans as of March 11, 2026**, updated the eligibility rating criteria for a financial institution to issue or confirm a Letter of Credit.

## Primary Changes

Updated the rating criteria in Part I, Chapter 2: Mortgage Loan, Section 204.02: Issuers and Ratings to clarify that to be eligible to issue or confirm a Letter of Credit, the financial institution must:

- if rated by only 1 of the following rating agencies, have either a:
  - Standard and Poor’s long-term issuer rating of "A" or better; or
  - Moody’s long-term issuer rating of “A2” or better; or
- if rated by both of the following rating agencies, have both a:
  - Standard and Poor’s long-term issuer rating of "A" or better; and
  - Moody’s long-term issuer rating of “A2” or better.

## Questions

Please contact Lender Risk Management at [mf\\_irm\\_communications@fanniemae.com](mailto:mf_irm_communications@fanniemae.com) with any questions.



## Chapter 2

## Mortgage Loan

### Section 201

### Registration and Multifamily Affordability Estimator

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#### Requirements

You must:

- register each [Mortgage Loan](#) in [DUS Gateway](#); and
- submit the Multifamily Affordability Estimator (MAE), and all other required affordability data, in [DUS Gateway](#) at the earlier of when you:
  - request a pricing quote, if it will incorporate the [Property's](#) affordability; and
  - place the transaction under application.

#### Operating Procedures

You must submit:

- the MAE;
- all required data fields, including the following based on the completed MAE:
  - “% Mission Driven” in the “Deal Overview” section;
  - percent of AMI in the “Property Detail” section:
    - “% of Units <= 80% of AMI”;
    - “% of Units <= 60% of AMI”; and
    - “% of Units <= 50% of AMI”; and
  - loan options based on the proposed transaction structure.

### Section 202

### Delegated Mortgage Loans

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#### Requirements

If your [Lender Contract](#) provides you with the delegated authority, you may underwrite, commit, and [Deliver](#) any fully-delegated [Mortgage Loan](#) (see [Part I, Chapter 1: Overview, Section 102: Delegation and Underwriting](#)).



## Section 203

## Pre-Review Mortgage Loans

### Requirements

You must obtain Fannie Mae's Pre-Review approval before obtaining a [Rate Lock](#) for any

- [Pre-Review Mortgage Loan](#), and
- [Mortgage Loan](#) not fully delegated to you.

You must ensure that your Chief Underwriter, or a delegated employee directly supervised by your Chief Underwriter, reviews and approves all material supporting the [Pre-Review](#) approval request before submitting it.

### Operating Procedures

The [Pre-Review](#) approval process must follow these steps:

**Step 1:** You submit a [Pre-Review](#) request via [DUS Gateway](#), including at a minimum:

- a preliminary loan-sizing spreadsheet with
  - the preliminary [Underwritten NCF](#), and
  - a refinance risk analysis;
- a narrative describing the overall transaction, including risks and mitigating factors for each [Pre-Review](#) reason;
- any additional information requested by Fannie Mae; and
- the following items.

Pre-Review Category	Required Submission
Credit Facility	Include an aggregate <ul style="list-style-type: none"><li>• summary of the overall transaction, and</li><li>• loan-sizing spreadsheet roll-up of all <a href="#">Properties</a>.</li></ul>



Pre-Review Category	Required Submission
Crowdfunding Equity	<ul style="list-style-type: none"> <li>• Borrower's organizational documents.</li> <li>• Your review per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 302: Borrower Organizational Structure.</li> </ul>
Delaware Statutory Trust (DST)	<ul style="list-style-type: none"> <li>• Borrower's organizational documents.</li> <li>• Your review per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals, Section 302: Borrower Organizational Structure.</li> </ul>
Forward Commitment	Your preliminary analysis of the construction and/or rehabilitation and feasibility review per Part III, Chapter 19: Forward Commitments.
Near Stabilized Property	<p>Your analysis of the Property's monthly historical and projected lease-up schedule, including:</p> <ul style="list-style-type: none"> <li>• unit move-ins and move-outs since leasing inception;</li> <li>• projected move-ins and move-outs through the stabilized period and beyond;</li> <li>• physical occupancy;</li> <li>• bad debt; and</li> <li>• concessions, incentives, discounts, and allowances for all               <ul style="list-style-type: none"> <li>- new move-ins, and</li> <li>- lease renewals.</li> </ul> </li> </ul>
Preferred Equity	<ul style="list-style-type: none"> <li>• Preferred Equity Checklist (Form 6441).</li> <li>• Borrower's organizational documents.</li> <li>• Your review per Part I, Chapter 3: Borrower, Guarantor, Key Principals, and Principals.</li> </ul>

**Step 2:** Fannie Mae's Pre-Review response will indicate:

- Pre-Review Approval. You have Pre-Review approval to underwrite the Mortgage Loan and request a Commitment on



the proposed terms without further Fannie Mae approval before purchase.

- **Pre-Review Resubmission Required.** You are authorized to underwrite the [Mortgage Loan](#) on the proposed terms and pricing, but at least 10 [Business Days](#) before [Rate Lock](#), you must resubmit the [Mortgage Loan](#) for final Fannie Mae Pre-Review approval, along with:
  - the applicable required resubmission documentation per the Multifamily Underwriting Standards ([Form 4660](#)); and
  - any additional requested documentation.
  
- **Enhanced Pre-Review Resubmission Required.** You are authorized to underwrite the [Mortgage Loan](#) on the proposed terms and pricing, but at least 15 [Business Days](#) before [Rate Lock](#), you must resubmit the [Mortgage Loan](#) for final Fannie Mae Pre-Review approval, along with:
  - the applicable required Enhanced Pre-Review resubmission documentation per the Multifamily Underwriting Standards ([Form 4660](#)); and
  - any additional requested documentation.
  
- **Decline Approval.** You do not have Fannie Mae Pre-Review approval and may not request a [Commitment](#) on the proposed terms. Fannie Mae will issue a notice of denial containing its rationale.

If you...	Within 30 days of Fannie Mae's notice of denial, you must...
Either: <ul style="list-style-type: none"> <li>• deny the Borrower credit; or</li> <li>• offer the Borrower another quote, commitment, or credit option (from a source other than Fannie Mae) that the Borrower does not expressly accept</li> </ul>	<ul style="list-style-type: none"> <li>• issue the <a href="#">Borrower</a> an adverse action letter including Fannie Mae's denial reasons; and</li> <li>• upload into the Deal Documents section of <a href="#">DUS Gateway</a> your:               <ul style="list-style-type: none"> <li>- copy of final adverse action letter; and</li> <li>- issuance evidence (e.g., email, certified mail receipt, courier receipt, etc.).</li> </ul> </li> </ul>



If you...	Within 30 days of Fannie Mae's notice of denial, you must...
Offer the Borrower another quote, commitment, or credit option (from a source other than Fannie Mae) that the Borrower expressly accepts	upload into the Deal Documents section of <a href="#">DUS Gateway</a> a statement confirming: <ul style="list-style-type: none"><li>• the <a href="#">Borrower</a> expressly accepted the credit; and</li><li>• you sent no adverse action letter.</li></ul>

## Section 204 Letters of Credit

### 204.01 Generally

#### Requirements

You must comply with this Section for all [Letters of Credit](#) posted as [Collateral](#) for a [Mortgage Loan](#).

You must obtain Fannie Mae's approval for any new or renewal [Letter of Credit](#), regardless of whether the [Letter of Credit](#) is required by you or Fannie Mae.

All [Letters of Credit](#) must:

- Name Fannie Mae as the sole beneficiary.
- Have a minimum term of 1 year.
- Be issued or confirmed by a financial institution that meets the eligibility criteria in [Part I, Chapter 2: Mortgage Loan, Section 204.02: Issuers and Ratings](#).

All [Letters of Credit](#) must meet the requirements in the Irrevocable [Letter of Credit Instructions \(Form 4663\)](#), including the form of sight draft on the [Issuer](#).

#### Operating Procedures

##### How do you request approval to use a [Letter of Credit](#)?

Step 1: Complete the [Letter of Credit Authorization and Certification Form \(Form 4664.B\)](#) that states



- whether the Letter of Credit is new or will renew or confirm an existing Letter of Credit, and
- that the Letter of Credit is posted as Collateral for a Mortgage Loan.

Step 2: Indicate whether the Letter of Credit is required by the Guide or is required by you as additional collateral. If you require the Letter of Credit, include the Loan Document imposing the requirement.

Step 3: Send the completed Form 4664.B to Lender Risk Management.

### **What do you do after Fannie Mae has approved a Letter of Credit?**

Step 1: Send the original Letter of Credit:

- to be delivered the following business day; and
- addressed to Multifamily Certification and Custody, Attention: Manager, Multifamily Operations - Recourse and Collateral.

Step 2: Include Form 4664.B in the Mortgage Loan Delivery Package

Step 3: Retain a copy of Form 4664.B in your Servicing File.

## **204.02 Issuers and Ratings**

### Operating Procedures

#### **Who is eligible to issue a Letter of Credit?**

A financial institution that satisfies the ratings criteria may issue or confirm a Letter of Credit.

You, one of your Affiliates, or an Affiliate of the Borrower, may issue a Letter of Credit, but only if it is confirmed by a financial institution that is not an Affiliate of you or the Borrower.

Fannie Mae, in its sole discretion, may prohibit you from obtaining a Letter of Credit (or confirming a Letter of Credit) from a specific financial institution.

#### **What ratings do Issuers need to satisfy?**

A financial institution is eligible to issue or confirm a Letter of Credit if it satisfies the following ratingsrating criteria:

- a Standard and Poor's long-term issuer rating of "A" or better; or
- a Moody's long-term issuer rating of "A2" or better.



Letter of Credit Rating Criteria	
<u>If rated by only 1 of the following rating agencies, the financial institution must have...</u>	<u>If rated by both of the following rating agencies, the financial institution must have...</u>
<u>Either a:</u> <ul style="list-style-type: none"><li>• <u>Standard and Poor's long-term issuer rating of "A" or better; or</u></li><li>• <u>Moody's long-term issuer rating of "A2" or better.</u></li></ul>	<u>Both a:</u> <ul style="list-style-type: none"><li>• <u>Standard and Poor's long-term issuer rating of "A" or better; and</u></li><li>• <u>Moody's long-term issuer rating of "A2" or better.</u></li></ul>

### 204.03 Verifying Issuer Ratings

#### Requirements

You must monitor and verify the rating of any financial institution issuing or confirming a [Letter of Credit](#)

- throughout the term of the [Letter of Credit](#),
- on each anniversary of the date of issuance, and
- on the date of any renewal, replacement, or amendment.

If the ratings of the financial institution issuing or confirming the [Letter of Credit](#) fall below the ratings criteria you must

- contact [Multifamily Business Operations](#) promptly, and
- use a financial institution that satisfies the ratings criteria to replace or confirm the [Letter of Credit](#).

A change from “stable” or “positive outlook” to “negative outlook” or “on watch for downgrade” would represent a fall below the ratings criteria.

### 204.04 Restrictions on Issuer Collateral

#### Requirements

You must ensure that the [Issuer](#) does not collateralize the [Letter of Credit](#) with a lien on

- the [Property](#), or
- any personal property that secures the [Mortgage Loan](#).



## 204.05 Drawing on Letter of Credit

### Operating Procedures

You may, with Fannie Mae's written approval, instruct the issuing bank to honor a draw on the **Letter of Credit** by depositing the proceeds into an account designated by Fannie Mae.